

**The Role of Iran
and the United States of America
in Geopolitics of Central Asia**

Dr. Guli Yuldasheva

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This monograph by Guli Yuldasheva offers a fresh, detailed overview of geopolitical and geoeconomic (energy and transport-transit corridors) processes in modern Central Asia through the prism of the regional policies and mutual interaction of the Islamic Republic of Iran and the United States.

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Preface by the Editors

The global importance of Central Asia is often unjustly overlooked. This dynamic, growing region, located at the crossroads of strategic Eurasian routes, holds immense economic and political potential. Peaceful and harmonious development of Central Asia holds the key to the development of key transit axis, improving global energy security and political stability.

Contrary to what is often perceived, the current challenges of Central Asia's integration into global political and economic cooperation are not purely, or even primarily, domestic. The region is entrapped in a complex web of conflicting external geopolitical influences. The first step to promoting sustainable regional growth and stability is, therefore, to map these interrelations and look into their preconditions.

This task is accomplished by Guli Yuldasheva in this monograph. It offers a clear, detailed and insightful analysis of the influence wielded by the United States and the Islamic Republic of Iran in Central Asia, turning also to the other regional players such as Russia, China, Turkey, Iran, India, Pakistan and Saudi Arabia. While Dr. Yuldasheva is critical of simple solutions and argues that "There will not be any dominating geopolitical models of development in Central Asia in the future", she also offers recommendations for a more harmonious development of the region. Her book encourages us to take a deeper and more comprehensive view on Central Asian development, looking beyond the stereotypical and realizing our own opportunities and mistakes in dealing with this region.

The Latvian Institute of International Affairs is pleased to collaborate with Dr. Guli Yuldasheva in making this timely and important book available in English and wishes you pleasant and stimulating reading.

Reviews

“Several writers have touched on the separate policies of Iran and of the United States in these five states: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. But until the appearance of Dr. Yuldasheva’s book, no one had considered the two together and in relation to one another. To Yuldasheva’s great credit she has moved beyond the slogans and clichés with which the strategies and policies of both countries are often described. Instead, she presents them in practical terms. In doing so she enables the reader to discern possibilities regarding their future trajectories that might not otherwise be apparent. Moreover, Yuldasheva has viewed the actions of both countries from the perspective of Central Asia. Unlike many earlier analysts, she assumes that Central Asia is a region in its own right, with its own distinctive interests and values.”—*S. Frederick Starr, Founding Chairman, Central Asia-Caucasus Institute and Silk Road Studies Program*

“The monograph clearly shows why we need to minimize the challenges and threats stemming from the prolonged confrontation between Iran and the USA if we want to successfully integrate our countries in the global economic space.”—*Gulnara Mendikulova, Professor, Al-Farabi Kazakh National University*

“Contemporary Central Asia is a region attracting much attention today due to its inner fragility and intensification of geopolitical rivalry around it. .. The monograph of Dr. G. Yuldasheva is a solid, timely and well-grounded scientific investigation.”—*Azizkhan Khankhodjaev, Independent consultant/ Development practitioner*

“Professor Guli Yuldasheva’s book is based on rich and very interesting research materials and good analysis. I’m sure it will be an im-

portant contribution to the issues of the Iranian-Central Asian relations' history, as well as a significant contribution to the comparative studies of the regional affairs in Central Asia.”—*Mirzokhid Rakhimov, Professor, Head of the Modern and Contemporary History Department, Institute of History of the Academy of Sciences of the Republic of Uzbekistan*

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I am very much grateful to my friends, relatives and colleagues, first of all to the team of the Latvian Institute of International Affairs and personally to its Director, Mr. Andris Spruds, for their valuable advices and comments, and giving me an opportunity to publish this book in Latvia. I am especially grateful to my friend Diana Potjomkina for her reliability and kind patience, editing and consulting job in the process of preparing the book for publication. The support of our Latvian friends in such a turbulent period is really unforgettable. I am also grateful to the Embassies of the Islamic Republic of Iran and the United States of America in Uzbekistan for their kind attention, support and valuable comments to the book. — *Guli Yuldasheva*

Introduction

The end of the 20th—first decades of the 21st centuries is the period of prolonged transformation of the system of international relations (IR).

The region of Central Asia¹ (CA) occupies a specific place in this transformation by virtue of its strategic location at the crossroads of all ancient and presently projected Silk Road routes, which connect the East and the West, the North and the South. The region is known as the richest in oil and gas, as well as natural and human resources. However, it is quite vulnerable to the development problems of the neighboring states of South Asia and the Middle East. Not accidentally, therefore, the region is often referred to as the “Eurasian Balkans”² of the so-called “Heartland”³ which plays an important role in the ongoing crucial geopolitical and geoeconomic competition in the world.

One of the complex problems in the development of the CA region is the fact that many contradictory geopolitical aspirations and interests come into collision here. The CA states are not only integrating into the world community but also experiencing the influence of different IR subjects that push forward their own model of development.

In this sense, one should take into account the determining role of the United States in the IR system by virtue of its available resources, power and influence. Being a global power, the US strongly influences all international relations tendencies, including in the CA region. With the collapse of the Soviet Union, the main external political processes around CA are heavily concentrated around the rela-

¹ By “Central Asia” we understand here the former Soviet Central Asian republics’ territory.

² CA is the most turbulent zone of Heartland, according to the work of Zbigniew Brzezinski, *Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, New York: Basic Books, (1997).

³ Heartland is the term from the work of Sir Halford John Mackinder “The Geographical Pivot of History”, in *The Geographical Journal*, Vol. 170, No. 4, December 2004, pp. 298–321.

tions between the Islamic Republic of Iran (IRI) and the United States. It becomes obvious that these relations have already affected and will influence geopolitical processes both in the region of Central Asia and globally. Thus, I believe the geopolitical processes in Central Asia should be examined through the prism of these actors' interaction.

It is especially important that all countries in CA are historically, ethno-culturally and religiously related with Iran. With the end of the bipolar world, Iran got a chance to restore its former geopolitical status and influence in Central Asia. However, Iranian interests collided with American regional strategy in this part of the world. As a result, the bilateral conflict involves not only the two powers but also many other participants of the geopolitical process in Eurasia, including Central Asian states. It is centered around the geopolitical and geoeconomic struggle of political stakeholders for the regional energy resources and transport routes in Central Asia. At that, IRI traditionally protects the energy route from CA through its territory as the cheapest and most economically feasible. Together with the growing Western demand for the Iranian energy, this policy is not always in harmony with the US stand towards Iran.

The topicality of the theme of this book is also determined by the geostrategic importance of Iran in the US Middle Eastern plans, which in the future could lead to uniting this country and the CA states into a single socioeconomic space. However, at the moment this is unachievable due to the remaining tensions between the US and Iran and instability in the Moslem world. The precariousness of the present-day stage of development is increased by active involvement of the Moslem states into geopolitical struggle for world transformation that is witnessed, particularly, by the recent growth of Shia-Sunni contradictions along the Iran-Saudi Arabia line. It is clear that the US role as a superpower and traditional Saudi partner, on the one side, and an active participant in the "5+1" international group on Iran, on the other side, matters much in defining the outcome of the Middle Eastern tensions.

Other important power centers in Central Asia are represented by Russia and China. It is these states alongside with the US that, in fact, determine the emerging world order by their strategies. By virtue of their boundary location with Central Asia, historical and cultural links, as well as regional and global political-economic status, they naturally have direct and immediate interests in the region. Thus, I also turn to Russia, China and some other important regional players in this book. As a whole, we can distinguish two groups of important geopolitical actors in Central Asia: a) at the global level—the US and the EU (when it comes to the European common interests with the US the word “Euroatlantic community” is used); b) at the regional and intraregional levels—Iran, as well as Russia, China, Turkey, Pakistan, Saudi Arabia and lately—India.

The levels of their influence differ, of course, but the effectiveness of their strategies is generally dependent on the status of the Iranian-American relations. In fact, Iranian-American relations play the key role in many regional processes, defining that or another arrangement of regional and global forces, tempos and directions of geo-economic processes. In spite of their power and potential, Russia and China are also vulnerable to the US-Iranian interplay. In this regard, the launch, in January 2016, of the process of lifting sanctions from the Islamic Republic of Iran opens a new stage of development for Central Asia and for the international system. All efforts before the process of lifting sanctions actually started were aimed at recognition of Iran as a normal subject of IR. Today the primary objective is rapid construction of efficient models of development, including Iran into its structure. The perspectives of this development, bearing in mind many variables, are not quite clear. It is clear, however, that Iran will play a significant role in all presently advocated models of Silk Road development.

In general, the situation around Central Asia is characterized by such contradictory tendencies in the region as:

- 1) Geographical, religious and historical closeness of the Moslem states and the risks and challenges of fundamentalism and terrorism, often associated with their territories;
- 2) Geographical, historical and cultural closeness of Russia and China and the risk of being absorbed by one of them;
- 3) Military, technical and financial resources of the US and the EU and their global interests, sometimes incompatible with those of close regional partners of Central Asian states.

Nevertheless, regional preferences and geopolitical choices of the CA region itself influence consolidation of geopolitical status of that or another regional power and, hence, the new balance of power and international order.

This monograph analyzes the main approaches of the CA states to providing economic and political security in such a complex global environment with numerous conflict zones, threats and challenges. The Iranian-American relations have often been investigated in the West and Iran itself. However, for the first time, the topic has been elaborated upon within such a long temporal perspective—25 years: since the early 1990s until the end of the Obama administration in January 2017. This is also the first time the impact of Iranian-US relations on CA has been researched providing such a geopolitical and economic background on involvement of the key regional players. Besides, local assessments and approaches to the examined processes and tendencies in Central Asia have been given.

This book relies on fundamental works, articles, analytical reports and policy papers on geopolitical and geoeconomic issues, present-day official and non-governmental political and legislative documents and statistical data, including survey data, data from international organizations, expert and scholarly analysis, personal contacts with experts and diplomats, materials of conferences and mass media, and other sources.

The goal of this book is to find the appropriate model of international development for the Central Asian states in the context of the strengthening geopolitical and geoeconomic competition in the re-

gion, where a significant role is played by the Islamic Republic of Iran and the US. This includes identifying those proposed present-day models of development that are more adequate for stability and peace in Central Asia. For this purpose, I review geopolitical tendencies in the external political development of the CA region under circumstances of the strained Iranian-American relations, as well as external political processes centered around the struggle for geopolitical and geoeconomic domination in Central Asia.

I consider multidiscipline approach to be most expedient, combining geopolitical analysis of the political situation with an accent on system-analytical and strategic methods, historical, economic and sociological research. Ultimately, I conduct a systemic, strategic analysis of these multifaceted international phenomena.

The methodological and theoretical basis of the work is stipulated by the following considerations:

First of all, national and broader Central Asian security interests. It is no accident that analysis of the CA states' official documents and national security concepts shows commonality of global challenges and threats to the CA region that allows us to speak about the closeness of fundamental principles, external political goals and tasks of the CA states⁴.

Primarily, this is a struggle with such transnational threats and challenges as religious extremism, international terrorism and separatism, drug trafficking, human trade and information attacks, spread of weapons of mass destruction (WMD) and illegal migration, etc. The secular CA states see the way out of this current internal and external instability in building legal and democratic statehood, promotion of political and economic reforms, integration into the world community, securing adequate balance of power and interests in the international arena.

⁴ "Vneshnyaya politika Respubliki Uzbekistan v dokumentah" (Ташкент: 1992); Constitutsia Respubliki Tajikistan (v redaktsii ot June 22.06.2003 g.) (Dushanbe: 06.11.1994), <http://www.tajikistan.ru>; and many others.

Correspondingly, influence of liberal and neorealist principles of organizing external policy and strategy is clearly traced in all official legal and political documents of the CA states. For all that, principles of political realism have been chosen as prevalent in the Central Asian foreign policy. Thus, the conceptual documents of the Republic of Uzbekistan stress the role and significance of the state sovereignty, the state's role as a subject of international relations enjoying full rights, the fundamental role of national interests, and maintenance of geopolitical balance in the region⁵.

The orientation of modern realists towards refusal of using military force, their ideas on a necessity of managing relations among the leading powers, providing security and balance of forces in the newly arising world order, as well as constructive US partnership with other powers, correspond to the interests of the CA states. Simultaneously, neoliberal ideas on building a capable collective security system and securing comprehensive disarmament, democratization of social life and improvement of international law, observance of international norms and universal principles of foreign policy, strengthening the UN status in international affairs and consolidation of international institutes, also correspond to the interests of the CA states.

As to methodology of conducting international studies, in Central Asia, they proceed from the declared preferences on the organization of international cooperation and, hence, also rest primarily on neorealist and neoliberal ideas. However, in comparison to the West, international studies are not strictly tied to specific methodological research frames, owing both to weakness of regional political science itself, and to a relatively strong influence of Marxist methods and ideas in investigating social processes. As a whole, the CA countries aspire to combine the best, time proven achievements of the political

⁵ Ministry of Foreign Affairs of the Republic of Uzbekistan,
<http://www.mfa.uz/ru/cooperation/policy/>

science with local instruments and ways of analysis of international relations, specifics of political reality.

More specifically, geopolitical investigations in Uzbekistan are characterized by analysis of a concrete region as a complete political space, that corresponds to present-day developments in geopolitics. At that, the use of systemic/structural, approach in IR studies, based on neorealist traditions, is considered to be most justified.

Other popular concepts, coming specifically from sociology and economics, as well as critical geopolitics, can play only secondary role here. In my opinion, they can reveal only separate, specific sides of states' interaction at different levels of its development: important, but not determining overall political orientation.

The main driver of international processes is still strategic interest. This term refers us to political realism, focusing on defense of national interests that determine security, survival and sovereignty of a state as an entity. Strategic interests form the basis, main directions and vectors of a state's foreign policy. It is vitally important national interests that ultimately determine states' policies. To realize them, the state will look for necessary resources and improve its tactics. They are directly connected to the economic and political security of states. Realization of vitally important national interests will open possibilities for solving

- 1) at the global and regional level—priority security problems, including, first, inviolability of borders and internal stability, economic gains, stimulating national economic development;
- 2) at the regional and local level—real progress on specific key projects;
- 3) at the state level—tasks of internal reformation and stabilization of societies (improvement of the old and creation of new management institutes in the fields of economy, security, and others).

Thus, the determining factor for development of modern CA states is the issue of regional security that propels the method of strategic analysis to the forefront, as being the most adequate to the study.

The method of strategic analysis⁶ investigates vitally important national interests of the key international actors, their mutual counteraction or clashes, and harmony or discord with the interests and strategies of the given state (region). The totality of methods and techniques that are used in the process of strategic analysis is called strategic methods. Through them, I make assessments, predict security threats and carry out critical analysis of the recently formed international relations in CA on the global and regional levels. This method is widely used in Central Asian and other CIS countries to study foreign policy.

These are the general theoretical and methodological theses forming the methodological basis for this monograph.

Relying on my analysis of the international realities, I suggest the following thesis in this monograph:

There won't be any dominating geopolitical models of development in the future due to existing contradictions between regional actors and regional opposition to the domination of some of these models. Instead, most possible is the future merger of these models into a complex system of interacting state unions.

For the time being, the growth of geoeconomic and geopolitical threats to Central Asia leads to the prevalence of the Chinese version of The Belt and Road Initiative (previously known also as Silk Road Initiative) as the main model of regional development. The Russian-sponsored Eurasian Economic Union is at the moment in an amorphous state, inclined to partly merge with the Chinese project, whereas in the future it has capacity to become a separate, potentially reformed and extended organization. Realization of the US-sponsored New Silk Road⁷ has virtually been restricted only to regional military and political cooperation.

⁶ Definitions on strategic method are given based on the teaching materials of the late Head of the Geopolitical Department of the Institute of Strategic Studies under the President of Uzbekistan Prof. Yakov S. Umansky.

⁷ Further in the text: “*New Silk Road*” or NSR, “*The Belt and Road Initiative*” or “BRI”, *Eurasian Economic Union* or *Eurasian Union*.

The factors for the potential merger of these models in the future include: 1. regional opposition to domination of some of these models; 2. absence of any single leader and 3. principles of regionalism that can provide certain political balance of forces and interests.

The volume of the investigated issues and necessity of their detailed review do not allow to presentation of the work in a shorter form. Moreover, objective approach demands investigation of processes in a longer historical perspective. With this in view, geopolitical tendencies are shown in the book in their dynamics over the last 25 years, with special attention paid to the period since 2006. The period from the 1990s to 2006, showing the general background and regional tendencies, terminated by beginning of the new stage of the “cold war thinking” after the Andijan events in Uzbekistan; and the period from 2007 to January 2017 covers last years of the US Bush and the Obama administrations’ policies and finishes by the advent of the Donald Trump administration in the US.

The first chapter reveals the historical and political context based on which international tendencies have been developing: evolution of the Central Asia policy of the global superpower and Iranian approaches towards contemporary regional geopolitical projects. The second chapter analyzes Central Asia policies of regional actors through the prism of Iranian-American relations. The third chapter examines geoeconomic aspects of the geopolitical processes in Central Asia—politics of energy and transport corridors —and looks at preliminary outcomes of geopolitical tendencies for the CA states. In the conclusion, some recommendations are given.

I hope that the monograph will be useful for a wide range of readers, including not only practitioners and theoreticians in the field of international relations, professors and experts of research institutions, but also for anyone else with interest in Central Asia and regional politics.

1. US and Iranian policy in Central Asia: historical and political preconditions

This chapter provides introduction by describing the evolution of the US' strategic and conceptual approaches towards Central Asia and Iranian approaches towards contemporary geopolitical development projects. The US strategy is analyzed till 2011 to show the general guidelines and first steps of the Obama administration policy with regard to CA. The next paragraph shows general Iranian attitude towards main models of regional development. This gives insights into the historical and political background and key factors of the contemporary international tendencies in CA.

1.1. US political strategy in Central Asia

Notwithstanding all failures of the past years, the United States traditionally occupies the leading place in the contemporary IR system. Without taking into account its global policy it is impossible to understand development of foreign policies in Central Asia.

The importance of the Central Asian region itself in contemporary geopolitical processes is defined by:

- geostrategic location at the juncture of all acting, potential and planned transport and pipeline routes;
- richest natural and human resources;
- territorial/geographic, historical/cultural and demographic closeness to the unstable Islamic world;
- concentration, in the region, of the majority of global challenges and threats to the world (territorial, ethno-national, religious and ecological, and others).

In this context, securing stable democratic development of the CA region, obtaining international access to its natural resources and integration of the whole Central Asia into the global economic space correspond to the interests of stability and development of the entire IR system and formation of favourable balance of political power for all regional actors. Success in fulfillment of these tasks also greatly contributes to extending and strengthening the US global leadership in the new world order that, in totality, defines the role and significance of the CA region for the United States.

Those imperatives in the US policy towards Central Asia have not been changed during the whole post-Cold War development of Central Asia. However, absence of a distinct strategic concept, ways and methods used by the leading power for fulfilling its plans in the CA region have been reflected in excessive protraction of stabilization processes in the CA region and intermittent and reactive changes of the US strategy.

Therefore, this section will briefly review evolution of the main trends and mechanisms for realization of the US strategy in Central Asia since 1991 up to 2011⁸ to define the most important factors that influence the US policy in Central Asia. The examination of this period covers the US first conceptual approaches towards the region, ups and downs in the US regional policy and restoration of the “cold war” thinking stereotypes around the region during the Obama administration.

Formation of the basis of the US strategy towards Central Asia, beginning of geoeconomic and geopolitical discrepancies

1991—1993. The collapse of the Soviet Union and formation of newly independent states meant, for the US, the beginning of the new era, symbolizing victory of the Western ideals and values of democracy⁹. It was supposed that in the new world order the United States would emerge as a global hegemon and model of Western values of market

⁸ Tendencies in Central Asian geopolitics and the US approaches to the CA region in the period of 1991–2006 have been summarized in this chapter on the basis of the monograph: Guli I. Yuldasheva, *Irano-amerikanskie otnosheniya na sovremennom etape i ih vozdeistvie na geopoliticheskuyu situatsiyu v Tsentralnoi Azii* (Tashkent: Fan, 2006).

⁹ Francis Fukuyama, *The End of History and the Last Man* (Free Press, 1992).

economy. Another conceptual basis of the US policy towards Central Asia was the theory of democratic peace, proceeding from the assumption that democratic states were usually not at war against each other¹⁰.

In the meantime, it was important for the US to acquire “strategically compatible partners”, who under the US guidance and leadership “could help to form cooperative trans-Eurasian security system”¹¹. By virtue of its geostrategic location, post-Soviet Central Asia could become such a “strategically compatible partner”.

At the same time, in fact, few in the West, excluding a handful of specialists-Sovietologists, imagined what kind of region it was. US policies during the first years of independence, therefore, were directed at waiting, tracking the events, examining the CA region more thoroughly and determining conceptual foundation for the regional policy. Among important events of this period, one can only single out the beginning of the nuclear disarmament process in Kazakhstan that already symbolized a step towards regional stabilization.

1994–1997. By this time, Washington already had a more or less adequate understanding of the peculiarities of the region and its geopolitical surrounding. The basis for the long-term US strategy in Central Asia was forming: with minor changes, this strategy has preserved its importance until the present day.

Discovering, by the middle of the 1990s, the richest energy reserves in the territories of post-Soviet Central Asia and the Caucasus¹² played a significant role in the formation of the American CA strategy. This brought the economy factor to the fore. Under the circumstances of Iranian-American confrontation and instability in the Middle East, the Caspian energy resources were used to reduce US dependence on Middle Eastern oil. Future unification of two oil and gas regions—Central Asia and the Middle East would serve both geopolitical (in the sense of providing leadership of the US in the rising world order) and geoeconomic interests of the US.

¹⁰ Ray James Lee, *Democracy and International Conflict*, (University of South Carolina Press, 1995).

¹¹ Zbigniew Brzezinski, *The Grand Chessboard. American Primacy and its Geostrategic Imperatives*, (New York: Basic Books, 1997), 194–195.

¹² Since that time called “Caspian zone” or “Caspian region”.

One of the most important components of this strategy was non-acceptance of the CA states' involvement into the sphere of influence of such fundamentalist regimes as the Islamic Republic of Iran. It is all the more important that the majority of possible future Eurasian transport and pipeline routes from the region of Central Asia could potentially pass through the territory of IRI. Domination in Central Asia in this context meant for the US, inter alia, getting an access to control over resources and transport corridors of the Middle East, the Caucasus and Central Asia simultaneously.

Owing to it, the West is considering a plan of constructing transportation and pipeline routes, with participation by the CA states, that in the future would allow integrating these states into the wider Euro-Atlantic community. This task, in the opinion of the American establishment, largely depended on the success of political and economic modernization of the CA states, and would stimulate similar processes in the countries located on the Great Silk Road. The main ideas of American strategy in Central Asia were set forth by senator Sam Brownback in his "Silk Road Strategy" in October 1997.

However, Russian and Iranian pipeline routes could operate as barriers in the way of the US Central Asian strategy. Therefore, Washington advocated the Turkish way—the pipeline Baku-Tbilisi-Ceyhan (BTC). In the US view, Turkey could and should serve as "gate" for the exit of Caspian oil into the Western markets and become a model of the secular way of development for the new CA states. Yet, all possible promotion of the strategically important for the US BTC project led in the 1990s to real geoeconomic war in Central Asia for access to Caspian resources. Less importantly, at this period, the trans-Afghan route was not realized due to internal instability in the country.

As a result, the Bill Clinton administration's initial course favouring partnership with Russia was gradually changed into aspiration to restrict the sphere of traditional Russian influence in CA countries. American-Chinese relations were also undergoing serious changes. China, gradually strengthening its economic presence in Central

Asia, was increasingly regarded by America as the US primary geopolitical opponent.

On the other side, the results of the war in Yugoslavia sharpened US discrepancies with their traditional Western European allies that were complicated by clash of the US-EU economic interests in the oil and gas sphere and growth of correspondent differences in regional geopolitical approaches. European partners came forward with support for the Iranian reformers and “constructive dialogue” with Iran¹³.

A peculiarity of US–CA relations in this period was the special emphasis of Washington on the richest CA energy producing country—Kazakhstan. In foreign policy, the US received particular support from Uzbekistan as a country most exposed to the Islamic fundamentalist threat.

As a whole, the CA republics demonstrated interest in development of full-scaled relations with the global power, taking into account its economic, military and political potential and support in issues of ensuring regional security. Perspective of getting access to the world markets on the basis of realizing various transportation and transit projects was of special importance for the geographically isolated countries of the region. Therefore, the period from the middle of the 1990s until Andijan events of 2005 was marked by widening of the CA states’ contacts with the United States in military, political and diplomatic, educational, scientific and cultural spheres, as well as in the field of energy projects.

Strengthening of discrepancies

1998–2000. Geopolitical and geoeconomic discrepancies between the USA and their European partners deepened with the advent to power of moderate reformer Mohammad Khatami in Iran and his advancement in 2001 of the idea of “dialogue between civilizations”. An increasing number of countries, including Russia, China and the CA

¹³ Charles Lane, “Changing Iran. Germany’s New Ostpolitik”, *Foreign Affairs*, vol. 74, no. 6, November/December (1995): 77–89.

states, came forward in favor of the European approach of “constructive dialogue” with Iran.

Discontent was also growing among the CA states, dissatisfied with the US policy of counteracting projects with participation of Iran. Concurrently, changes were gradually taking place in Tashkent’s perception of Iran. The two countries were connected both through careful and flexible tactics of Tehran with regards to Central Asia and through appearance of hopes for strengthening the pro-Western course of Khatami and normalization of Iranian-American relations. In Uzbekistani view, insufficient attention of the US towards regional security problems played a significant role at that time. In particular, the problem of ever-increasing instability emanating from the territory of Afghanistan did not get due attention from the Western side, and attention to Tajikistan was restricted in January 1994 by its official inclusion into the list of countries forming the Iranian zone of domination and possible spread of Islamic fundamentalism and terrorism.

2001–2005. In the period after September 2001, the US considerably accelerated its involvement into regional processes in Central Asia. Stability of the region was closely linked now with its internal democratic, social and economic development issues, as well as with security of the United States itself. Therefore, political reconstruction of Afghanistan, completion of the CA states’ process of modernization and entering into the world community also was linked in the United States with formation of the new American-centered world order¹⁴. In 2002, reconsideration of the US foreign policy doctrine in the CA region resulted in two strategy documents:

1) “Act in Support of Freedom in Afghanistan”, foreseeing establishment of democracy and civil society not only in Afghanistan but in entire Central Asia;

¹⁴ This was reflected in the corresponding geopolitical doctrines such as “Greater Middle East”, and later in its logical continuation—“Big Central Asia” project, where the regions of Central Asia and Middle East were united into one single experimental geoeconomic zone. This did not find support in CA countries with different political preferences, interests and level of development.

2) New national security strategy, confirming both geopolitical interests of the US in the Caspian and Central Asian regions, and readiness of Washington to protect these interests.

Active US involvement into the CA region was promoted by the following arsenal of strategic actions of the Bush administration:

- reliance on the new doctrines of preventive “unilateral actions” and emphasis on the “ad hoc coalition of good will” while solving global security problems;
- sanctions against the geoeconomically important regional Central Asian neighbor—Iran, included since 2001 into the list of the “axis of evil” states;
- political and economic pressure on the CA states on issues of humanitarian rights and democracy;
- reliance on Kazakhstan as a key Caspian state and simultaneously influential oil and gas player in the international energy sphere, whose connection to the BTC project was of decisive importance for continuation of the American plans in Central Asia.

Unilateral actions and economic sanctions, inefficient in conditions of globalization, significantly complicated the US relations with many regional actors in Central Asia, including traditional allies such as the EU and Turkey. The situation was aggravated by the US military and technical involvement into the Caspian zone, which had already been militarized due to fierce territorial disputes.

Under the circumstances of continuing Iranian-American confrontation, anti-Iranian sanctions and absence of sufficient economic assistance, the realization of energy transportation projects that were vitally important for Central Asia was, in fact, suspended. In this context, continuation of the Western economic pressure on Central Asia and anti-Iranian US strategy, excluding Tehran’s participation in energy transportation and other projects, in practice laid the foundations for prolongation of socioeconomic and political instability of the CA region.

Insufficiency of financial support and investments into Central Asian economies combined with exerting pressure on the CA states on is-

sues of humanitarian development and processes of democratization, as well as strengthening geopolitical discrepancies in relations with traditional allies, resulted in the Central Asians distancing from the US and their reorientation towards China, Russia and Iran.

Closing of the American base in Khanabad (Uzbekistan) and consolidation of the Eurasian partner countries within the limits of the SCO (Shanghai Cooperation Organization) and the Eurasian Economic Community¹⁵ that was aimed at uniting former Soviet republics under the aegis of Russia, logically completed these tendencies.

Washington's reconsideration of Central Asian realities raised doubts about priority importance of Central Asia for the United States' interests¹⁶.

Yet, finally, Washington decided not to retreat and acknowledged three basic US strategic interests in Central Asia—energy resources, security and expansion of freedom through reforms¹⁷. To bring positive changes into the existing situation, the West under the US leadership aspired to strengthen its supporting point and in 2009 supported the Kazakh application for the post of the OSCE chair.

2006–2008. In this period, failures of the American strategy in Central Asia were aggravated by the inefficiency of the G. Bush Middle Eastern and Afghan policy. So, according to the sociological polls¹⁸, 79 % (in comparison to 72 % in 2005) of American respondents considered Islamic fundamentalism an “extremely important” threat to the national security. They referred Islamic fundamentalism as to

¹⁵ The Eurasian Economic Community, including several republics of the former Soviet Union, and functioning in the period of 2001–2014. Since January 2015, it was renamed into the Eurasian Economic Union—an economic union, created within the framework of Eurasian integration on the basis of the Customs Union of Russia, Belarus and Kazakhstan. Now the members of the Eurasian Economic Union include Russian Federation, Republic of Belarus, Republic of Armenia, Kyrgyz Republic. Here I use the term Eurasian Economic Community for the period until 2015.

¹⁶ Merri Wane E., “V Tsentralnoi Azii idet ne takaya uj bolshaya igra”, *Analytic*, Analyticheskoe obozrenie, no. 3 (Astana, 2001): 31, 33.

¹⁷ “Chestnie vibori mogut sdelat Kazahstan “liderom” v Tsentralnoi Azii”, November 21, 2005, www.usinfo.state.gov/russian

¹⁸ “Polls: Americans, Europeans Share Increased Fears of Terrorism, Islamic Fundamentalism”, Washington, D.C., & Brussels: Transatlantic Trends, September 06, 2006, www.transatlantictrends.org

other, not less dangerous threats, emanating from states like Iran—58 % (45 % in 2005).

Amid crisis around the Iranian nuclear issue, Washington worked out possibility of an anti-Iranian coalition, consisting of its traditional partners and allies. Accordingly, Washington made every effort to regulate existing discrepancies with the EU and raise its relations with Ankara to a new, higher level of strategic partnership.

The Bush administration made ambiguous rapprochement steps towards Moscow. It was admitted that building constructive partnership with Russia could suppress formation of any multilateral coalition and become counterweight to the growing power of China. Washington tried to enlist Russian support for its Middle Eastern strategy, in the process of peaceful reconstruction of Afghanistan and in liquidating other potential hotbeds of instability in the CA region. Yet, simultaneously, official declarations were continued, stressing the importance of oil and gas export from Kazakhstan, bypassing Russia and Iran. The effort to reorient the region towards South Asia was under way through construction of a new energy network linking Central and South Asia. This idea found its expression in reorganization of the US State Department including the establishment of a Bureau on the South and Central Asian Affairs.

Concurrently, American diplomacy in Central Asia was reinvigorated. The US promised to Astana additional investments into its energy sector, including into “diversification” of oil and gas export routes. In July 2006, the US efforts resulted in signing an agreement between Azerbaijan and Kazakhstan on transportation of hydrocarbons from Kazakhstan via the Caspian Sea and later by the BTC pipeline.

At the same, time Washington was increasingly realizing the inefficiency and even impossibility of conducting the antiterrorist war without active participation of Uzbekistan in it. Fragility and instability of the region jeopardized and destabilized the US strategic partnership with CA states, as well as hampered the very US military political presence in the region. The totality of the above-mentioned tenden-

cies kept conflict potential and instability in the CA region at the previous level and strengthened the Eurasian vector in development of Central Asia.

2009–2011. With Barack Obama's advent to power in 2009, American approaches to Central Asia underwent serious changes in choosing instruments and levers of influence on the region. They remained, however, unwavering in issues of pushing ahead the US regional aims and goals. In particular, the new President abandoned the Bush tactics of unilateral actions and focused on restoration and consolidation of the allied relations, extension of strategic partnership and dialogue with the Islamic world, including Iran. In the interest of achieving overall strategic goals in Central Asia, Obama administration preferred more cautious and reserved approach when assessing problems in the sphere of human rights and democracy in the region.

In accordance with these purposes, as well as looking for a counterweight to the increased power of China, Washington declared the "strategic restart" of relations with Russia. In 2009 the Obama administration launched a special mechanism on extending cooperation with the CA states. During consultations, issues of trade, human rights and democratic reforms, defense cooperation and regional security, including the Afghan situation, were discussed.

At the same time, rather strong conservative opposition to the new administration policy inside the US and ambiguous situation in the region hindered expected results. Washington's statements bore more declarative and vague character, not transforming into a distinct, efficient strategy towards Central Asia.

Amid the resurgent instability in Afghanistan and Pakistan, Iranian nuclear program, and the destabilization of Kyrgyzstan and Tajikistan, Uzbekistan put forward an initiative on creation of the contact group "6+3" that would include Russia, China and Iran. However, due to discrepancies among the US, Russia and China, this initiative remained practically unrealized.

Instead, Washington suggested transformation of the Northern transit route (or Northern Distribution Network, NDN) for supply

of the military cargo to Afghanistan into a variety of the modern Silk Road. Reinforcing this idea, in 2011 the US put forward the New Silk Road project¹⁹, which was, in fact, a logical continuation of the American-sponsored “Big Central Asia” concept.

Success of the strategy, according to intentions of the authors, fully depended on realization of the transportation and transit routes in Central Asia, joining the region together with South and South-Western Asia and further with Europe. Ideally, realization of such a project would promote stabilization and economic revival of the entire Central Asia, turning it, in the future, into the central crossroads of trade routes in Asia.

Correspondingly, the US declared the “vitally important role” of Central Asia in fulfilling Washington’s long-term plans on reconstruction of the Great Silk Road. The instruments for realization of these plans were set to be the Turkmenistan-Afghanistan-Pakistan-India gas pipeline (TAPI) (see Annex 1), actively supported by Ashgabat, and Northern Distribution Network of military supplies to Afghanistan with active involvement of Russia and Uzbekistan. Obama’s new “National Military Strategy” foresaw formation of new military bases in Afghanistan and in adjacent territories. Foreseeing conflict potential of the region, the US was planning to perform the role of a regional security guarantor and widen their military and political presence in Central Asia.

Therefore, importance in the American policy of Uzbekistan as a key country was growing, owing to its abilities to contribute to regional security, military infrastructure and its geostrategic location at the juncture of all possible and energy arteries in Central Asia. Simultaneously, Washington continued to support the oil and gas producing Kazakhstan and Turkmenistan, encouraged parliamentary democracy in Kyrgyzstan²⁰ and involved Tajikistan into realization of regional plans.

¹⁹ U.S. Department of State, Travel Diary: “India and the United States — A Vision for the 21st Century”, DipNote, July 20, 2011. In: “Congressional Research Service”; “Strategia novogo Shelkovogo puti: problemi i perspektivi, interview s prof. S. Frederick Starrom”, November 21, 2011, <http://www.12.uz>, <http://www.centrasia.ru/newsA.php?st=1321863540>

²⁰ “Briefing pomoshnika gossekretarya dlya jurnalistov v Kyrgyzstane”, Kabar, March 2011,

In this regard, Washington²¹ counted, first of all, on those resources (scientific, technical, economic, military, and others), that could be provided to the countries of Central Asia only by the United States. As before, the list of close partners excluded Russia and China. The main US advantages were their military, political, economic, scientific and educational resources that, being rationally used in international politics, could promote strengthening of stability and development in Central Asia.

The US priorities towards Central Asia in this period were highlighted by the Deputy State Secretary on South and Central Asian Asia Robert Blake²² and consisted of the following points:

- support of international endeavors in Afghanistan;
- building strategic partnership with India;
- establishment of more solid and stable relations with the CA states.

The intensified US activity in the Central Asian direction led to the growth of international tension and restoration of stereotypes of “cold war” thinking that were attested to by the complex US-Russian and US-Chinese relations.

Indeed, on the one side, obvious signs of rapprochement among the US, the EU and Russia were present. The North Atlantic Alliance’s new strategic concept of 2010 stressed²³ that NATO was no more a threat to Russia. In experts’ views, the new NATO strategy should serve as a framework for organizing a global anti-Chinese coalition. Without Russia, the US admitted, it was practically impossible to solve the Afghan problem, fight against drug business and stabilize

<http://www.kabar.kg/rus/analytics/full/19023>.

²¹ Evan Feigenbaum, “Seven Critical Guidelines For U.S. Foreign Policy in Central Asia”, *Council on Foreign Relations*, February 23, 2011, <http://www.businessinsider.com/seven-guidelines-for-us-central-asia-policy>.

²² Rick Rozoff, “Washington Intensifies Push into Central Asia”, *Global Research*, January 30, 2011, <http://www.globalresearch.ca/war-without-borders-washington-intensifies-push-into-central-asia/23012>

²³ Shamil Sultanov, “Voina protiv Evrazii. Razmishlenia o novoi strategicheskoi kontseptsii Severoatlanticheskogo aliansa”, *Россия-Исламский мир*, no. 49, December 08, 2010, *Завтра*, <http://www.centrasia.ru/newsA.php?st=1292015400>

the situation in Kyrgyzstan. It was no accident that the US Vice-President Joe Biden²⁴ called for superseding the frameworks of the so-called “Big game” and “spheres of influence”.

On the other side, however, some experts²⁵ were anxious that consolidation of the US influence in the Caspian basin was fraught with coupling of the “sanitary cordon”—the Baltics-Ukraine-Caucasus—with Central Asia. That meant isolation of Russia along its whole southern perimeter. Subsequently, they considered that the US and NATO were seeking to gradually replace the SCO with the NDN as the driving force of economic, military and political integration of the Central Asian states.

Washington, however, insisted²⁶ that “Since 2014 the issues of security in the country will be solved by the Afghan troops”. At the same time, the US Special Representative on the issues of Eurasian energy Richard Morningstar²⁷ stated that it was important to achieve energy self-sufficiency. Thereupon, Washington supported not only Nabucco but the whole Southern energy corridor—the full set of gas pipelines, which should transport Caucasian and Central Asian gas through Turkey to Europe. In this sense, interaction with Russia and Iran after regulating its nuclear program was not excluded.

Thus, in spite of all failures and temporary fluctuations, the main guidelines of the long-term American strategy in Central Asia essentially have not been changed. However, by the end of the first decade of the 21st century, the instruments of its realization have undergone a visible transformation.

²⁴ “Vistuplenie vitse-prezidenta Baidena v MGU 15 marta 2011 goda”, White House, Office of the Vice-President, March 10, 2011, 2011, <http://www.america.gov/st/eur-russian/2011/March/20110315105450x0.7276226.html>

²⁵ Viktor Yakubyan, “Kak dolgo Moskva budet terpet antirossiiskuyu aktivnost Berdimuhamedova i Alieva”, *LA REGNUM*, January 19, 2011, <http://www.centrasia.ru/newsA.php?st=1295472840>

²⁶ “Amerikanskaya storona podderjivayet reshenie Turkmenii postavlyat svoi gaz NABUKKO”, *ILA REGNUM*, February 18, 2011, <http://www.centrasia.ru/newsA.php?st=1298009400>

²⁷ “Mi podderjivayem ne tolko Nabukko”, *Kommersant.ru*, December 09, 2010.

1.2. The Iranian Factor in Modern Geopolitics of Central Asia

In addition to the US, a key role in all geopolitical processes surrounding Central Asia has also been played by the Islamic Republic of Iran. Formation of an efficient system of regional economic relations that could solve the priority task in Central Asian development—access of national products to the world market and the region's integration into the world economic community—largely depends on resolution of Iranian-American discrepancies in that or another format.

Iran can also play a serious role in providing stability and security in the CA countries, including more broadly, also CIS countries and Russia with its sizeable Moslem population. A similar role of Tehran is preconditioned, first of all, by absence in the history of Iranian relations with the region of any large-scale Shia-Sunni contradictions. The majority of these peoples coexisted quite peacefully at different stages of history within the frameworks of various state formations. Their belonging to the common cultural and civilizational heritage of the Islamic world has been more important both in the past and today. At present, the Islamic Republic is attractive by the fact that for the post-Soviet Moslems it represents a model of relatively educated Islamic democracy, successfully combining achievements of the West and East. This is confirmed both by the level of political culture of the Iranian population and rather strong influence of pro-Western elite and youth in the country. Of importance is also the leading influence of Iran in the Islamic world (for instance, in Organization for Islamic Conference, OIC). From the economic point of view, Iran represents a possibility to participate in mutually advantageous energy and transportation/transit projects, successfully reintegrating the region along the routes of the Silk Road. From the military and political point of view, Iran can provide considerable assistance in suppressing different terrorist attacks and radical move-

ments, as in the case of, for instance, Tehran's assistance to Iraq and Afghanistan.

In turn, Central Asia enters the IRI's vitally important sphere of economic interests²⁸. In Iranian opinion, the Middle East and Central Asia represent a traditional and very profitable comprehensive market for Iran.

Active cooperation with Central Asian countries serves to strengthen Iran's regional status, prestige, and role in the Moslem world which is very important in the light of the ongoing Iranian-Saudi conflict; it eases the region's international isolation, and attempts to reintegrate it on the basis of a shared Middle East-Central Asian historical past. However, Iran also needs to ensure that there is stability, mutually beneficial cooperation, and peace in the neighboring Central Asia that is inseparably linked with Afghanistan by force of geographic, historical, cultural and ethnic closeness. Hence, the vital concern of Iran in its participation in any geopolitical project embracing the region of Central Asia.

Subsequently, the Iranian stand on the recently proposed geopolitical projects on the transformation of Central Asia is of special interest.

Iran and the New Silk Road strategy

First of all, due to the discussions stirred up around the future of the Central Asian region, the Iranian stand on the New Silk Road (NSR) concept is of interest. It can be supposed that, on condition of observing vital Iranian interests, this initiative in principle could be supported by Tehran.

However, doubts concerning the realization of the American NSR plans in majority of the CIS states and even in the West itself, geopolitical tension in the region, and the US anti-Iranian sanctions jointly with the international isolation and pressure on Tehran, have hampered up to the present period active Iranian involvement into the region. In these circumstances, Iran has to look for alternative

²⁸ Khatami Mohammad, *Islam, Dialog I Grajdanskoye Obshestvo* (Moscow: ROSSPAN, 2001), 46.

variants of regional cooperation that would be potentially able to block the NSR strategy.

So, not restricting itself to bilateral, rather close relations with Russia and China, Tehran aspires to enter the SCO ranks. In parallel, Tehran closely cooperates with Delhi, including within the limits of TRACECA project (Transport Corridor Europe-Caucasus-Asia) that is profitable for Central Asia and Europe, and realization of the Chabahar project (see p. 3.2) in Afghanistan. Concurrently Tehran undertakes measures on normalizing relations with countries of the Persian Gulf and Central Asia. For instance, it is speeding up the projected transport corridor Uzbekistan-Turkmenistan-Iran-Oman, seeking to arrange economic partnership with Qatar²⁹, and has been preserving the second after China trade partnership with the United Arab Emirates³⁰.

The NSR strategy is also impeded by absence of any significant changes in the Afghan-Pakistani conflict and by American-European discrepancies on Iran. Some stakeholders in the EU have expressed protest against the US Congress' tactics of supporting anti-Iranian sanctioning, that "demonstrates indifference to the interests of the European and Asiatic allies", economically suffering from the introduction of sanctions³¹.

Asian project of regional cooperation

American ideas of regional cooperation (NSR) has inspired another international program titled Heart of Asia (Kabul, June 2012), uniting all Asian states interested in the Afghan transformation, includ-

²⁹ "Katar gotov sotrudnicat s Iranom v razrabotke mestorojdenia "Yujniy Pars"", *Iran.ru*, December 25, 2013, www.iran.ru/news/economics/91951/Katar_gotov_sotrudnicat_s_Iranom_v_razrabotke_mestorojdeniya_Yuzhnyy_Pars

³⁰ "Iran's Non-Oil Foreign Trade Turnover Tops \$70", January 23, 2017, <https://financialtribune.com/articles/domestic-economy/57992/irans-non-oil-foreign-trade-turnover-tops-70b>

³¹ Jenkins Peter, "Nuclear-Related Sanctions on Iran are no Longer Justified", *Payvand.com*, December 03, 2013, <http://www.payvand.com/news/>, <https://lobelog.com/nuclear-related-sanctions-on-iran-are-no-longer-justified/>

ing Russia, China and India. Being, in fact, a logical continuation and development of the American Silk Road idea, this strategy stresses a multilateral, purely regional approach independent from the US. Cooperation with the United States, according to opinions of the project initiators, has its own definite limits, stated quite clearly in the materials of the Istanbul summit in 2011.

Interests of common security, as well as cultural, civilizational and religious closeness with majority of the project participants, stimulate rather active participation of Iran in all events of the Heart of Asia forum. At the same time, according to the participants' view of the Heart of Asia, the required efficient mechanism of interaction among the participating states has not been yet elaborated, and the process is developing with certain difficulties that lead to some misunderstandings in interstate relations.

Besides, it is worth mentioning that most members of regional associations (Heart of Asia, Non-Aligned Movement, etc.) are developing states facing numerous domestic problems that predetermine dependence, in one way or another, on the United States. At that, the most influential actor of the Non-Aligned Movement—India—is a strategic partner of the US. Hence, as proven by experience, similar regional unions are not likely to provide real opposition to Washington. At present, these unions are not lacking in interstate discrepancies (Iran-Saudi Arabia, India-Pakistan, Pakistan-Afghanistan, etc.) that extremely complicate achieving compromise among the members.

Apparently, participation in such a regional forum provides Iran and other states with a discussion floor to exchange opinions, work out common stands on some issues of regional development and consolidate ties, as well as to extend the range of state partners.

Chinese model of the Silk Road

China's territorial proximity, historical and cultural links to Iran and the rest of Asia, rapidly developing economy and ever growing geo-

political weight in the world determine active role and special status of Beijing in geostrategy of Iran.

Iranian leadership regards China not only as a great power, but also as an independent, non-aligned and developing Asian country, whose support in military, political and economic spheres is of special significance in the period of present instability in the Middle East, Central and South Asia as well as complexity of the Iranian-American relations.

These considerations justify Iranian support of the Chinese version of the Silk Road—The Belt and Road Initiative (see p.2.4). This, however, does not mean negation of Iran's own economic and political interests, which in the future may not always coincide with Beijing's interests.

However, common opposition of Iran and China to the unipolar system and long-term US presence in the CA region orient these countries towards Russia. Beijing and Tehran give due attention to Russian economic and military potential, its interests in Central Asia and ability to become a counterweight to the American presence in the region. Iran, Russia and China are striving for speedy stabilization and peaceful reconstruction of Afghanistan, displaying anxiety about the US long-term military presence at their borders. They also call against unilateralism in the world politics and so-called “double standards” of the US, and support leading role of the UN in the new world order. This does not exclude their own geopolitical goals in Central Asia (see p. 2.3 and 2.4). But, in comparison with United States' inefficient Middle Eastern and Afghani policy, Chinese and Russian interests do not cause immediate economic or security threats and challenges to the region and are more fruitful from the economic point of view.

Similar economic considerations explain participation of Iran, Russia and China in bilateral and multilateral military, political and economic agreements on Central Asia, including construction of the North-South transport corridor and restoration of the Silk Road.

Eurasian model

Geographical proximity and complexity of the situation in CA and the Middle East induce Iran to also preserve the Eurasian vector of partnership, which, together with its known Central Asian orientation, means wider integration with Russia and China.

It is no accident that the Iranian Ambassador to Russia, Mehdi Sanai, stressed³² Tehran's interest in forming a free economic zone with the Eurasian Economic Union. Membership in this organization would allow IRI to establish closer economic ties with its member states. In this sense, relations with Russia have paramount significance for Iran.

Iran and Russia are vitally interested in political, economic and social stability and in counteracting radical extremism in the CA region.

In particular, both sides understand the necessity of consolidating joint efforts in the Caspian to attract the CA states, as "such cooperation will neutralize interference of outer-regional forces in this region"³³. They are also drawn together by commonality of positions on Afghanistan, Syria, and non-interference of IRI into Russian affairs (Islamic factor). On the whole, as Tehran believes³⁴, Russian "relations with Iran play the key role in the basin of the "Greater Middle East", that is, of the Persian Gulf and Indian ocean. Iran can play a serious role in guaranteeing stability and security in the CIS countries—Southern neighbors of Iran", and in the Russian regions with Moslem population.

Thus, it is obvious that Russia has an utmost need to preserve control over this geostrategically important country, located in the center of the forming Eurasian network of transport and pipeline routes from Central Asia. Under the present geopolitical distribution of power, the influence lost in Iran would mean, for Russia, significant restriction of

³² "Iran Interested in Free Trade Zone with Eurasian Economic Union", *IRNA*, January 15, 2015, <http://www.irna.ir/en/News/81921505/>

³³ "Sotrudnichestvo Rossii i Irana "neitralizuet vmeshatelstvo nadregionalnih sil v regione", July 22, 2003, <http://www.centrasia.ru/newsA.php?st=1058887800>

³⁴ Sagafi Ameri Naser, "Polika bezopasnosti Rossii", *Amu-Darya*, no. 6 (Tehran: Autumn 2000), 17–18.

its presence in Central Asian and Middle Eastern regions and the inability to control vitally important spheres of its interest. For Russia, it is especially important, taking into account, other worrying geo-economic trends.

At the same time, Iranian cooperation with the Eurasian Economic Union seems to be problematic.

Firstly, it is dictated by the weakness and defragmented state of the organization, whose perspectives of development are rather vague for the nearest future. Predominance of politics over economics in the Eurasian policy of Russia and the pressure that it exerted on other Eurasian Union member states is the fact acknowledged even by some Russian experts³⁵. This leads Kazakhstan, the biggest CA actor, to develop external political and economic preferences that not always coincide with the interests of Moscow. Two other influential states in Central Asia—Uzbekistan and Turkmenistan—have not joined the organization. Without participation of all CA states in the Eurasian Union, its importance has been significantly reduced, and that will create certain difficulties in realizing Iranian economic strategy in the CA region.

Secondly, due to potential Russian-Chinese rivalry and present defragmented state of the Eurasian Union, it is too early at present to speak about efficiency, mutual complementarity and overlap between the Eurasian Union and SCO projects or the Eurasian Union and Chinese Silk Road projects. Even the joint economic potential of the Eurasian Union members is not comparable with the economic power of China, thus inducing these states into financial and technological dependence on Beijing. Such a situation cannot but reduce Iranian interest towards this organization.

Thirdly, it is doubtful that Tehran will support Russian aspirations³⁶ to become one of the decisive power centers in Eurasia and control access to energy resources and transportation and transit corridors

³⁵ Igor Pankratenko, "Euraziyskii Ekonomicheskii Soyuz: krah proekta?", March 09, 2016, <http://eurasiadiary.ru/news/specialist-view/10929>

³⁶ Evgenii Primakov, "Mir bez sverhderjav. Mnogopolyarnii mir i shansi SSHA", *Izvestia*, August 22, 2003.

from Central Asia. It is quite understandable that Iran has its own long-term geopolitical plans in the Middle East that are not always compatible with Moscow. This can be judged by diversification of external political and economic preferences of Tehran (EU, Turkey, and others.).

Fourthly, Tehran's relations with Russia, in spite of their friendliness, are ambiguous³⁷. Iranian partnership with Russia was clouded in the not so distant past by Moscow's anti-Iranian sanctions and problems in the military and technical sphere. That is why much in the Iran-Eurasian Union partnership will depend today on the level of bilateral relations between Russia and Iran.

At the same time, there are also a number of reasons in favor of forming, in the long-term, a common Iranian economic space with potentially extended and reformed Eurasian Union, including, possibly, Uzbekistan.

Firstly, the unrelenting crisis in the Middle East and ambiguity of the Iranian-American relations have forced Iranian leadership to be more flexible in the regional policy and preserve the Iranian-Russian union in the interests of its security, as a possible counterweight to the US. This role could be potentially played by the Eurasian Union in case of active Iranian involvement into it. Subsequently, Tehran declares seriousness of its intentions to develop ties with Russia³⁸.

Secondly, extreme strengthening of China in Central Asia does not correspond either to the interests of Iran nor the CA states themselves. This issue is especially topical since, in the Chinese program document of October 2012, there is an appeal to the Chinese leaders towards "march to the West", that is, towards Central Asia. Chinese trade with the CA states has increased 100 times since the collapse

³⁷ Hossein Kebriaeezadeh, "Future Outlook of Military Cooperation between Iran and Russia", *Iran Review*, March 05, 2016, <http://www.iranreview.org/content/Documents/Future-Outlook-of-Military-Cooperation-between-Iran-and-Russia.htm>

³⁸ "Iran imeet serieznie namerenia na razvitie otnoshenii s Rossiei. Posol Irana v RF Mehdi Sanai", *Iran.ru*, December 03, 2013, www.iran.ru/news/politics/91602/Iran_imeet_sereznyie_namereniya_na_razvitie_otnosheniy_s_Rossiei_posol_Irana_v_RF_Mehdi_Sanai

of the Soviet Union, achieving \$ 46 billion.³⁹ In this sense, Iranian partnership with Russia is bringing some balance in their trilateral relationship. In the perspective, Iran, most likely, intends to widen and strengthen its sphere of interest in the Middle East, and, possibly, on the territory of the Eurasian Union, where economic interests of Beijing and Tehran cannot always correspond to each other. Thus, Iran aspires to secure freedom of action in the zones of its interest, based on policy of checks and balances, and active cooperation with partners within all regional formations (SCO, Eurasian Economic Union, Heart of Asia, and others.). Hence, there is some inconsistency of Iranian actions.

We cannot exclude the possibility that Iran, in the future, will enter SCO and contribute to a mutually advantageous Western partnership with the broader Eurasian region. At the same time, keeping in mind firm positions of the Iranian conservatives, one can assert that the country could hardly defect from its fundamental Islamic course of development.

Conclusions to Chapter I

Based on this discussion, it is possible to draw the following conclusions:

- 1) The main purposes of the American policy in Central Asia have remained virtually unchanged and, on the whole, are directed at providing the US with energy and political security, as well as building an American-centered world order, based on the balance of power and interests of the leading powers. However, the US lacks previous political influence in the region and is dependent on itself on the regional powers and the allies' actions.

³⁹ Emili Feng, "Marsh na zapad: regionalnaya integratsia v 'Tsentralnoi Azii'", *Huffington Post*, January 13, 2014, www.huffingtonpost.com/china-hands/marching-west-regional-integration_b_4581020.html, Inozpress.kg, 16 января 2014, www.centrasia.ru/newsA.php?st=1389873120

2) The role of the CA region is substantially increasing with the region's shift into the epicenter of geopolitical struggle between the leading powers—US, China and Russia. Each of the powers suggests their own models of geopolitical development— American New Silk Road, Chinese The Belt and Road Initiative and the Russian Eurasian Economic Union.

3) Inconsistent US approaches forged with participation of a great number of lobbying groups in Washington, complicate multi-lateral regional partnership. Hence, the discrepancy between declared goals and real US policy.

4) The region of CA is regarded in Tehran through the prism of its economic and political security interests in the regions of Central and South Asia and the Middle East. Iran wants to guarantee its role as a “gate” to Central Asia and transit route for oil, gas and transportation.

5) None of the presently advocated projects can be realized without the participation of Iran, and so the world powers seek to attract Iran on their side. Iran is able to assist or block execution of these projects, taking into account its special status in Central Asia and presence of a big Shia diaspora in Afghanistan. This predetermines Tehran's careful and ambiguous policy: on the one side, engagement with different regional structures; on the other, a fight for the final lifting of sanctions and normalization of relations with the West.

The next chapters will examine to what extent the above-mentioned geopolitical and geoeconomic ideas and goals of the United States and Iran are viable when confronted with the interests of other powers, and what the outcome is for the region of Central Asia and its political orientation.

2. Geopolitical processes in Central Asia through the prism of Iranian-American relations

This chapter examines the role of geopolitical and geoeconomic tendencies, expressed in actions of the concrete regional actors, especially their transportation and energy policy. It also assesses the impact of these processes on defining Central Asian political preferences and models of development.

Political processes in each paragraph are examined through the prism of the Iranian-American relations, divided in two periods: before 2006 and, more deeply, from 2007 to January 2017.

By the beginning of the second decade of the 21st century, the fight for the new world order and distribution of interests and forces among the leading powers (first of all, the US and Russia), has entered a new stage. It has been preconditioned by a series of international events: the Middle Eastern and Ukrainian crises, talks on the Iranian nuclear program, withdrawal of international troops from Afghanistan and the rise of China. A peculiarity of this fierce geopolitical struggle lies in using such policy instruments as territorial seizures, and extending the geography of anti-Iranian sanctions. The fight for Iranian resources deepened the international rift and propelled final reorientation of the CA states towards Chinese Silk Road projects.

The main regional power centers—Russia and China—have direct and immediate interests in Central Asia, keeping in mind their bordering location with CA, historical and cultural ties, regional and global political and economic status. These actors' relations with Iran have been partially studied in p. 1.2. Below we will concentrate on their relations with the US in the period under study.

2.1. US policy in Central Asia: present-day Euro-Atlantic approaches to Iran (2007 to January 2017)

During the last decade, the US mainly continued to base its Central Asian policy on the provisions of its “Act in Support of Freedom in Afghanistan” (2002). This was quite evident from the Afghanistan Accountability Act of 2015, which stressed the need “to support the Afghan efforts to build strong regional economic connectivity with the country’s neighbors”⁴⁰.

Along with known provisions of the American CA strategy, experts openly stress that “market reforms in Central Asia ... serve national interests of the United States, allowing to open new markets for the American goods and services, and being a source of energy and minerals”⁴¹. In this connection, the US Congress Act from January 17, 2014 additionally sanctioned (P.L. 113-76, Sec. 7044) allotment of \$ 150 million for development programs in South and Central Asia (SCA) linked with the processes of transformation in Afghanistan⁴².

Yet, since September 2015, as a more purposeful strategy and having in view the differences between the secular, more developed CA states and Islamic war-torn Afghanistan, the United States has been advancing “C5+1” mechanism (CA states and the US).

Central Asian partnership with the United States is carried out mainly at the military and political level and is linked to the issue of guaranteeing security of Afghanistan and the CA region. With this goal in mind, the regional office of NATO was functioning in Tashkent since 2013 until autumn 2016. Additionally, in August 2015, the Pentagon completed free supply of 328 modern armored cars to the Uzbek Ministry of Defense that became the biggest in history act of military assistance to the Central Asian countries. In February 2016, the Pentagon published a program on partnership in the struggle

⁴⁰ Afghanistan Accountability Act of 2015, passed Senate amended April 28, 2016, <https://www.congress.gov/bill/114th-congress/senate-bill/1875>

⁴¹ Jim Nichol, “Central Asia: Regional Developments and Implications for U.S. Interests”, *Congressional Research Service*, March 21, 2014, <http://www.crs.gov>

⁴² Ibid.

against terrorism, foreseeing allotment of \$ 50 million to the CA states in 2016–2017.⁴³ In total, the CA republics received about \$ 8,8 billion of assistance for regional development during the period of independence. Simultaneously, Washington is planning to extend cooperation with the CA states to the spheres of economy, energy and ecology, education and culture⁴⁴.

At the same time, the US continued to counteract the dominance of Iran and Russia in the region. Functioning of the Northern Distribution Network has not been, in practice, transformed into the projected system of transportation and transit routes and only sharpened the existing contradictions among the regional players. We should particularly mention the rift between the US and Russia on occasion of the increasing influence of Washington in Central Asia and preservation of a part of the American contingent in Afghanistan for an indefinite period of time.

On the other side, Iranian role has been growing in issues of integrating Central and Southern Asian regions, in perspective—the Middle East. Moreover, the Iranian card has been more actively used by regional actors while solving their geopolitical goals (Russia, China, etc.). This process, however, was aggravated by the long-lasting Syrian crisis, launched in 2011 and involving nearly all Central Asian actors, and accompanied by Iranian-Saudi (Shia-Sunni) confrontation.

In totality, these destabilizing factors have been forming a favourable environment for the growth of challenges and threats in the CA region (drug trafficking, Islamic State, extremism, illegal migration, etc.). For this reason, the tempos of regional economic integration and hence, of the process of realization of the Euro-Atlantic strategy in Central Asia (New Silk Road), have been restrained.

By that time, two main approaches towards the CA region dominated in the United States: advocating final curtailment of American

⁴³ Shustov Alexandr V., “SSHA rasshiryayut voennuyu pomosh Srednei Azii”, April 12, 2016, <http://nationalsafety.ru/n153275>

⁴⁴ “New U.S. Assistance Programs in Central Asia”, Fact Sheet. Office of the Spokesperson, Washington, DC November 01, 2015, <http://www.state.gov/r/pa/prs/ps/2015/11/249051.htm>.

presence in the region or, to the contrary, more active involvement. Critics of the current American strategy in Central Asia assert that the NSR concept is nothing more than a romantic illusion and has nothing to do with the real state of affairs. The Northern route already proved its failure as evidenced by the problems of its commercialization.

Therefore, significance of Central Asia as the gates to Afghanistan was expected to be reduced in the strategic approach of the United States. Here, American experts⁴⁵ proceed from the internal character of the CA region. The region will be left out of the sphere of the American transformative diplomacy, as it has its own internal and regional dynamics of development, specific geopolitical surroundings.

In my point of view, by the beginning of 2016, the American New Silk Road strategy had completely lost its previous significance for the US regional policy. In the context of the Middle Eastern events and instability of the Central and South Asia (first of all concerning territories of Afghanistan and Pakistan), accompanied by geopolitical tension around the region and growth of radicalism in CA, the CA states felt doubts with regard to efficiency of any US-sponsored projects.

Still, absence of an efficient US concept on Central Asia has not reduced the interest of great powers in the region—its development can have far-reaching negative consequences for the United States. Hence, other experts recommend taking proper account of the interests and problems of the CA states⁴⁶.

Even pessimists⁴⁷ are inclined to think that in the long term, internal changes in the CA states can create possibilities for advancement of American initiatives like the New Silk Road. Meanwhile, they under-

⁴⁵ Eugene Rumer, Richard Sokolsky and Paul Stronski, “U.S. Policy Toward Central Asia 3.0”, *Carnegie Endowment*, January 25, 2016, <http://carnegieendowment.org/>

⁴⁶ Stephen Blank, “AWOL: U.S. Policy in Central Asia”, October 30, 2013, <http://www.cacianalyst.org/publications/analytical-articles/item/12848-awol-us-policy-in-central-asia.html>

⁴⁷ Eugene Rumer, Richard Sokolsky and Paul Stronski, “U.S. Policy Toward Central Asia 3.0”.

line the US interest in

- preventing the spread of weapons of mass destruction;
- ensuring that Central Asia does not become a sanctuary for radical Islamic militants;
- constructing a regional energy market in Central Asia that is linked to Afghanistan, South Asia, Europe, and East Asia;
- greater regional integration among Central Asian states.

The most important of these tasks is the issue of normalizing relations with neighboring Iran, which alone could greatly promote peace and security in the wider region of SCA. To remove obstacles in their regional strategies, the US and EU have organized international talks on the Iranian nuclear program—the main stumbling block in development of Western dialogue with Tehran. Despite some disagreements, the US and European approaches were unified, owing greatly to their general opposition to Moscow's Ukraine policy and later, to the Syrian events and intensification of the terroristic acts all over the world.

In this connection, the following main factors, from my point of view, have been analyzed here: Iranian, Afghan, Saudi-Pakistani and Russian factors.

Iran

By the beginning of the second decade of this century, the US-Iran relations became largely dependent on resolution of the issue on Iranian nuclear program. Developing the program is, undoubtedly, one of the basic themes for Iranian Islamic regime's survival. All groups and political parties support the country's external position on this issue. The perceived strategic importance that the nuclear program's success in international negotiations bears for the future of the country, predetermined the victory of Hassan Rouhani in the presidential elections of 2013.

As it was noted in the May 22, 2013, IAEA report on the Iranian

nuclear program⁴⁸, Iran continued

- 1) establishing centrifuges of the second generation (IR-2m) at its nuclear object in Natans (the number of such equipment had been increased from 180, mentioned in the previous report, to 689 in the current report);
- 2) converting uranium to 20 % level;
- 3) activity of the nuclear equipment in Iraq;
- 4) widening possibilities for storing up the uranium enriched until 5 %.

The majority of experts, pointing at the fact that the technical possibilities of Iran were not sufficient to create an atomic bomb, warned of the lack of prospects for military actions against Iran. War would only stimulate further development of nuclear weapons in Iran and can be finished not in favor of the West. In this respect, the West was seriously studying the possibilities of beginning a constructive dialogue with Tehran. Analysts from the International Crisis Group⁴⁹ stressed that only negotiations, based on mutual compromises and concessions, could become a way out of the present-day situation.

For Iran, participation in the nuclear program negotiations is necessary to solve the ripe issues of regional (drugs, refugees, terrorism, etc.) and domestic security. The state of Iranian economy was conducive to that: the level of inflation reached 42 % since the beginning of 2013, and country's economic growth slowed down in the same period until 5,4 %⁵⁰.

Taking into account these realities, on November 23, 2013 in Geneva, representatives of Iran and the "six" international mediators signed an intermediate agreement—the "Joint Plan of Actions" (JPA), which determined both the primary and final steps of the sides on regulation of the Iranian nuclear issue. On January 20, 2014, the JPA entered into force. In accordance with it, Iran should restrict a part of

⁴⁸ Hassan Beheshtipour, "Analysis of Yukiya Amano's New Report on Iran's Nuclear Activities", *Iran Review*, May 27, 2013, www.iranreview.org

⁴⁹ "In Heavy Waters: Iran's Nuclear Program, the Risk of War and Lessons from Turkey", *International Crisis Group*. Middle East and Europe Report, no.116, February 23, 2012, www.crisisgroup.org

⁵⁰ "Iran v uhdoyashem 1392 gody. Voprosi natsionalnoi bezopasnosti", *Iran.ru*, March 17, 2014.

its nuclear program, and the West should unfreeze a part of Iranian assets in its banks and lift a certain amount of economic sanctions from Tehran.

Simultaneously with these developments, the US and its Western allies have been accusing Iran of:

- supporting terrorism;
- violations of human rights;
- involvement in the regional affairs (Syria, Lebanon, Gaza, Iraq, Afghanistan, Yemen, Bahrain).

To calm down the opposition, the US administration paid attention to the fact that the key anti-Iranian sanctions remained in place.⁵¹ JPA was only the first step towards a comprehensive solution to the problem.

The process of negotiations with Iran was started by the international community and sped up after Crimea was annexed by Russia in March 2014. As a result, in April 2015, considerable progress was achieved during negotiations of the “six” with Iran. The joint Comprehensive Plan of Actions (JCPOA) on the Iranian nuclear program was approved. On July 15, 2015, Iran and the countries of the “six” (US, France, Britain, Germany, China and Russia) reached an agreement on the nuclear issue in exchange for cancellation of the anti-Iranian sanctions.

On July 20, 2015, to support the agreement on the Iranian nuclear program, the UNSC unanimously adopted Resolution 2231, which foresees the order of lifting international sanctions on Tehran over a period of 10 years on condition that it will observe the treaties brokered by the “six”. By adopting the Resolution, the UNSC also launched a mechanism for renewal of all previous limiting actions in case of violation of the treaty by the Islamic Republic.

At about the same time, an IAEA report indicated no signs of undeclared nuclear material and nuclear activity in Iran. Subsequently,

⁵¹ Sherman Wendy, “Iran Policy and Negotiations Update”, Testimony. Written Statement Before the Senate Committee on Foreign Relations. Washington, DC, February 04, 2014, www.state.gov

since January 2016, the process of staged lifting of the sanctions on the Islamic Republic of Iran began.

Among foreign policy reasons preceding this step, the following factors can be singled out:

- At the brink of completing his last presidential term, Barack Obama was highly interested in fulfilling his pre-election promises with regard to Iran and improving the US image on the international arena by means of forming the basis of a new US Middle Eastern policy.

- Alongside extension of Iranian cooperation with China and Russia, European states were active in renewing their presence on the territory of Iran (Germany, France, Italy, Britain, etc.).

- Geopolitically, Washington was not inclined to cede the energy-rich Iran to anyone and aspired to found an IR system based on checks and balances and acceptable for all.

- Cooperation with Iran was necessary in the view of the ever-increasing struggle of the world community with the Islamic State⁵² and stabilizing Afghanistan. Not accidental, therefore, was linkage of the issue to the UN Security Council headed international negotiations, held on December 18, 2015 in New York. The Security Council secured peaceful resolution of the Syrian conflict, agreed in Vienna on November 13, 2015, which is not possible without Iranian involvement into the process.

Overall, however, opposition and anti-Iranian stereotypes are quite strong in the United States, so therefore it is too early to speak of Iranian-American rapprochement.

Both Rouhani and the Obama administrations were very cautious in their approaches to the extended dialogue⁵³. However, they did not exclude gradual extension of communication into non-nuclear

⁵² Islamic State, appeared approximately in 2013—further “IS” or “ISIL” (Islamic State of Iraq and Levant). Arab name is “Daesh”.

⁵³ “House Rejects Iran Nuclear Deal”, *Nytimes.com*, September 12, 2015, http://www.nytimes.com/2015/09/14/world/middleeast/us-and-iran-both-conflict-and-converge.html?_r=1; “Ayatollah Khamenei’s Letter to President Hassan Rouhani about the JCPOA”, *Iran Review*, October 22, 2015,

spheres, balancing the interests of Washington in Afghanistan, Yemen and Iraq. Obama administration was adhering to the opinion that during the ongoing discussions on the Iranian nuclear issue, it is better to speak of how to assure all sides' execution of their obligations and not to allow destabilization of the Middle East in connection with the forthcoming consolidation of IRI's status⁵⁴.

In its last months in office, the Obama administration was planning to adopt measures to "strengthen" a multilateral nuclear deal with Iran so that the incoming American President and his team could not undermine the international agreement. The planned measures included "steps to provide licenses for more American businesses to enter the Iranian market and the lifting of additional U.S. sanctions"⁵⁵ against Iran.

However, Iran is still considered an intrinsically bad actor whose supposed destabilizing influence across the region should be countered at every turn, in partnership with such traditional allies as Saudi Arabia, the United Arab Emirates, Israel and Egypt. Besides, the pessimists point out that "A tally of Iran sanctions relief includes more than \$ 10 billion in cash, gold" and even in "a best case scenario under the deal, Iran will have nuclear weapons in little over a decade"⁵⁶. As a result, in the last days of 2016, the senators overwhelmingly approved the 10-year extension of tough economic sanctions against Iran.

Another major point of disagreement left today between the US and Iran is Syria, where interests of both countries diverge: the Obama administration was interested in ousting Syria's President Bashar al-Assad from power and Iran, on the contrary, protected this regime (see further in p. 2.3). At the same time, the previous US administra-

<http://www.iranreview.org/content/Documents/Ayatollah-Khamenei-s-Letter-to-President-Hassan-Rouhani-about-the-JCPOA.htm>

⁵⁴ "Kongress SSHA zavershaet debate po povody soglashenia s Iranom", *TASS*, September 14, 2015, <http://tass.ru/mezhdunarodnaya-panorama/2258788>

⁵⁵ "US President Obama Seeks to Fortify Iran Deal before Leaving Office: Officials Source", *Payvand News*, November 21, 2016, <http://www.payvand.com/news/16/nov/1117.html>

⁵⁶ Johnson Scott, "Whole Lotta Lyin' Goin' on", December 31, 2016, <http://www.powerlineblog.com/archives/2016/12/whole-lotta-lyin-goin-on.php>

tion was obviously not content with the growth of Iranian-Russian partnership over Syria, although officially it encouraged any peaceful resolution of the Syrian crisis.

Thus, Obama's policy on Iran was inconsistent and ambiguous and did not, in fact, achieve its proclaimed goals. The incoming President Donald Trump negatively assesses the JCPOA agreement with Iran, and this development endangers the whole negotiation process with Iran and leaves the US-Iranian relations in uncertainty. So, all Central Asian challenges remain in place.

Afghanistan

Up to the present, the dragged-out Iranian-American contradictions, aggravated by sanctions and absence of concord among regional actors, have been impeding solution of most Afghan issues and have in some sense influenced the complex character of Iranian-Afghan relations.

This was partly influenced also by objective reasons, proceeding from their territorial proximity and security issues, arising from this factor. In 2015, for instance, 2.5–3.0 (1 million registered, 1.5–2.0 million undocumented) Afghans lived on the territory of the Islamic Republic⁵⁷, that contribute to inner instability of the country. Moreover, Iran lies on the main trafficking route for poppy, the source of opium and heroin, from Afghanistan to Western Europe. Thus, Iran is very vulnerable to the situation inside Afghanistan.

The Iranian position, therefore, is stable and unchanging in the sense of advancing the idea of a single Afghanistan, formation of a stable, predictable and friendly country not creating internal and external problems and, as far as possible, promoting realization of its geoeconomic plans.

This largely corresponds to the interests of Kabul, proven by the fact that even in the unstable context Iran accounted for 5 % of Afghan exports and 9.1 % of imports⁵⁸. Moreover, during the last years,

⁵⁷ World Factbook, Iran Country Profile, January 12, 2017,

<https://www.cia.gov/library/publications/resources/the-world-factbook/geos/ir.html>

⁵⁸ "Afghanistan Economy 2013", *Theodora.com*, June 24, 2013, <http://www.theodora.com>

Tehran annually spent more than \$ 50 million dollars, assisting Afghanistan with its struggle against drug trafficking⁵⁹. Besides, both countries together with CA states are highly interested in building a network of transport corridors and pipelines, connecting themselves with Central Asia.

However, in conditions of the remaining Iranian-American discrepancies, a more efficient and wider Iranian-Afghan partnership has been impeded by 1) anti-Iranian sanctions, limiting realization of projects with participation of Iran; 2) challenges and threats arising from geopolitical contradictions among various powers; 3) Washington's support of the regional Pakistan-Saudi alliance (see below).

Anti-Iranian sanctions have touched the most important spheres for Afghanistan—energy, finance and transportation.

Kabul receives most of its energy from the neighboring Iran, who supplies 15 % of oil delivered to the country⁶⁰. However, realization of any energy agreements with Iran has been under threat owing to the anti-Iranian sanctions. The Iran-Pakistani gas pipeline remains problematic in these conditions, its progress also being dependent on stabilization of the internal situation in Pakistan and normalization of Afghan-Pakistani and Afghan-Iranian relations.

On the other side, as a result of the US-EU sanctions, problems have been arising in the Afghan financial and market system⁶¹. In the transportation sphere, Washington's pressure, demanding to put an end to Iranian-sponsored projects, caused tension in Afghan business circles⁶². All this considerably destabilized the Afghan market.

Meanwhile, geopolitical discrepancies among the involved regional actors have created a fertile ground for various regional challenges

⁵⁹ "Iran-Afghanistan Bilateral Ties Unaffected by Western Sanctions—Official", *Trend news agency*, February 14, 2013, <http://en.trend.az/iran/2119355.html>

⁶⁰ "Sanktsii protiv Irana skazalis na ekonomike Afghanistana", *Regnum.ru*, May 14, 2013, www.regnum.ru

⁶¹ Omar Samad, "Iran's Influence in Afghanistan after U.S. Pullout", United States Institute of Peace, *The Iran Primer*, January 17, 2013, <http://www.iranprimer.usip.org>

⁶² SAJAD, "US Urge Afghanistan to End Trade Ties with Iran", September 02, 2012, <http://www.khaama.com/us-urge-afghanistan-to-end-trade-ties-with-iran-184/>

and threats, additionally complicating relationships between Iran and Afghanistan.

Drug trafficking. In particular, uninterrupted flow of drug trade from the territory of Afghanistan and Pakistan to Central Asian, European and Persian Gulf countries represents a danger both for Iran and the whole Central Asia. According to the Health ministry officials estimates, there are 2.2 million drug addicts in Iran, about 2.75% of the population⁶³. Correspondingly, Tehran annually spends about \$ 1 billion for the struggle against drugs⁶⁴.

Refugees. There are about 3 million Afghan refugees in Iran, according to the official data. The flow of refugees was only increasing as withdrawal of the peacekeeping troops from Afghanistan approached, that forced Tehran to repatriate the Afghan refugees. According to UN assessments, in the first half of 2012, Iran deported 711 Afghan refugees a day⁶⁵, provoking Kabul's resentment.

Water supply. Solution to the problem of joint water supply from Helmand river, originating in the central Afghan mountains, was aggravated in the period of sanctions and US opposition to Tehran and Kabul's rapprochement.

Cultural and religious discrepancies. In the context of isolation imposed by the world community, Iran had to support its Shia tribesmen by means of financing their cultural and religious activities and mass media, and this brought additional tension into relations with Kabul. The recent outburst of the Shia-Sunni conflict in the Middle East has contributed to deepening of Shia-Sunni divisions on the territory of Afghanistan. In particular, Afghanistan currently faces the tactic of "madrassah expansion" which spilled over from the neighboring Pakistan⁶⁶.

⁶³ Ramin Mostaghim, Shashank Bengali, "Iran's Growing Drug Problem: 'No Walk of Society is Immune'", *Los Angeles Times*, December 19, 2016, <http://www.latimes.com/world/la-fg-iran-drug-addiction-2016-story.html>

⁶⁴ "The Significance of the Tajik-Afghan Border", *Stratfor.com*, May 22, 2013.

⁶⁵ Omar Samad, "Iran's Influence in Afghanistan After U.S. Pullout".

⁶⁶ Shpunt Aleksandr, "Iran i Saudovskaya Araviya v shvatke za Afganistan", October 19, 2016, <https://regnum.ru>,

Terrorism. At the same time, threats coming from various terroristic groups (Al-Qaeda, Jundulla, TTP and others,) operating near Iranian borders have persisted. It is obvious that their operation has only been reinforced by absence of unity among regional actors. This is confirmed by the recent appearance of the Islamic State representatives on the Afghan territory that has aggravated the internal political situation and is creating immediate threats to CA states (e.g., on the borders with Turkmenistan and Uzbekistan).

At the end of 2015, according to official data, the number of warriors in Afghanistan equaled 50 thousand. Their core was formed by the Islamic movement of Taliban, numbering about 40 thousand fighters, and the IS fighters contributed 2-3 thousand people⁶⁷. According to unofficial data, there were 40 thousand fighters in the country, out of them 3500—ISIL supporters.

The complexity lies in the fact that not only is the country influenced from the outside, but also there is no unity on some security issues inside Afghanistan—for instance, on possible involvement of the Taliban into country's transformation.

Previously, the Afghan government was generally against any involvement of the Taliban into governmental structures, pointing out that nearly all the country's troubles resulted from their military operations and subversive actions, supported largely by neighboring Pakistan. However, seeing no way out of the situation due to the Taliban's numbers, it now seems that they are trying to talk to representatives of the Taliban under the US auspices. For example, representatives of the Taliban and the Afghan government met with an unnamed US diplomat for secret talks in Qatar in September and October 2016. Experts stress⁶⁸ the absence of any Pakistani officials during the meeting. No positive results have been declared.

http://www.iran.ru/news/analytics/102944/Iran_i_Saudovskaya_Araviya_v_shvatke_za_Afganistan

⁶⁷ “Rossiiskii Genshtab obnarodoval dannie o chislennosti boevikov v Afganistane”, *TASS*, October 08, 2015, <http://tass.ru/politika/2327999>

⁶⁸ “Afghanistan: Taliban, Afghan Officials Held Secret Talks In Qatar”, *Stratfor*, October 18, 2016, <https://www.stratfor.com/situation-report/afghanistan-taliban-afghan-officials-held-secret-talks-qatar>

In contrast to representatives of the Afghan establishment and in spite of the ideological discrepancies with the Taliban, Tehran considers it necessary to continue the dialogue and maintain points of contact with the Taliban. Moreover, it does not exclude future partnership with the US on Afghanistan.

The topicality of the Taliban issue has turned it into another point of contention for the external actors. In particular, it has become a subject of rivalry in the US-Russian fight for regional domination (see below). That can once again contribute to the protraction of the regional peace process.

Saudi-Pakistani factor

Owing to the unresolved relations with Iran, Washington in its Islamic policy has traditionally tried to rely on the Pakistani-Saudi tandem. This became topical in the light of impending peacekeepers' withdrawal from Afghanistan and as Washington became aware of Islamabad's decisive role in stabilization of Afghanistan. However, Washington's intention to use the Saudi-Pakistan alliance was complicated by the beginning of the negotiation process with Iran. In these circumstances, the US actions more often bore reactive and ambiguous character.

On the one side, Washington declared the principles of regionalism, based in the NSR concept, and stressed the important role of the regional states in supporting Afghan progress, peace and stability in the entire region. It did not impede dialogue between Iran and Pakistan.

On the other side, however, reconciliation of Iran and Pakistan went out of the US control and was developing extremely slowly, with periodic splashes of violence from the side of Pakistan and Saudi Arabia. The reason is that in the case of successful completion of the "5+1" international group's nuclear negotiations with Iran, Saudi Arabia would be doomed to reduction of its geopolitical and economic influence and weight in the Middle East and Central Asia, as well as within OPEC. Correspondingly, Islamabad's potential leading

role in the region and influence of the Pakistani Taliban in the AfPak zone could be reduced. To counteract such a tendency, Riyadh and Islamabad carried out a series of actions directed against Tehran's interests in their most important zones—Afghanistan and Syria.

Despite that, factors that allowed to regulate the situation in a positive way predominantly remained in place.

Firstly, the Saudi kingdom is generally recognized to be suffering a domestic political crisis. There is no unity in the spiritual and ideological realm, and therefore the future of the country is not quite clear, even taking into account Saudi financial and other resources. On the contrary, the Iranian society is more mobilized and develops dynamically even under sanctions. It is more liberal and educated and has sufficient experience of cooperation with the West.

Secondly, the last decades have confirmed strategic importance and irreplaceable role of Iran in solving the regional problems in Central and South Asia, Middle and Near East. Moreover, military and political potential of Iran can, in case of further aggravation of events, be reinforced by the forces of the OSCE and SCO countries— a serious barrier in the way of the Saudi-Pakistani ambitions.

Thirdly, it is clear that even if Pakistan has financial support from Saudi Arabia, it cannot solve the majority of its regional problems connected with Afghanistan without resolving relations with Iran. All the more that Islamabad and Riyadh themselves are fighting with manifestations of terrorism on their own territory.

Finally, without constructive participation of Iran, one cannot speak of stability in the vast area of Central and South Asia and the Middle East, let alone fulfill any geopolitical project.

Hence—search for compromise resolution of the regional security issues. In any case, however, the place of the long-standing US ally, Saudi Arabia, is obviously irreversible as a counterweight to Iran in regional geopolitics and energy security issues.

Russia

It is in the US geopolitical interests to “prevent any process in Eura-

sia, able to lead to formation of a single dominating power”⁶⁹. One of the main components of this process is, doubtless, Russia, whose recent years’ rapprochement with Iran do not correspond to the interests of the Euro-Atlantic community.

Still, keeping in mind political failures of the last years, as well as geographic, cultural and spiritual closeness of the CA republics both to Iran and to Russia, the West has periodically made positive gestures towards Moscow. As representatives of the US State Department said, the NSR strategy foresaw participation of all regional states, including Iran and “vital partners”—CA countries, and was aimed at “long-term, meaningful results”⁷⁰.

However, in spite of the definite progress in relationships between the US and Russia, geopolitical rivalry between them has been only growing in expectation of concluding negotiations of the “six” on Iran. Thus, to achieve decisive advantage in the struggle with the West, Russia was negotiating with Iran on purchase of oil in big volumes (500 thousand barrels a day); protecting its interests in negotiations on the Iranian nuclear program and on the Syrian issue; accelerating the process of establishment of the Eurasian Economic Union; supporting Chinese initiative on the BRI, in contrast to the American NSR model. Additionally, at the end of September 2015, Russia started military operations in Syria.

Success of these endeavors would mean victory of the Russian energy policy and building a Russian-Iranian energy security mechanism in Eurasia. This would immediately influence the European energy system that is fully dependent on Russian gas supplies. Moreover, this contradicts already stated (p. 1.1) American geoeconomic and geopolitical plans.

By way of response, the EU and the US discussed joint plans regarding diversification of energy suppliers to NATO member countries, bypassing Russia. Both sides called for introduction of sanctions

⁶⁹ “The Geopolitics of the United States, Part 1: The Inevitable Empire”, *Stratfor.com*, July 04, 2015, <https://www.stratfor.com/analysis/geopolitics-united-states-part-1-inevitable-empire>

⁷⁰ “Assistant Secretary Blake on U.S. Policy in Central Asia”, Forum of the Central Asia-Caucasus Institute, SAIS, Washington, DC, January 25, 2012, <http://translations.state.gov>

against Moscow and restricting partner relations with Russia within international structures.

Simultaneously, the US was accomplishing reduction of prices on energy resources and support of radical opposition movements in Syria with the assistance of the Saudi-Pakistani alliance, controlling the Afghan process and supporting an active dialogue with the CA states.

Independence of the CA states acquired in these circumstances special significance for the Euro-Atlantic community. Within this framework, for instance, in the period of 2012–2016 US Congress delegations visited Uzbekistan 11 times and US Military Force delegations—21 times. Besides, in March-April 2014, Assistant State Secretary to South and Central Asia Nishi Biswall visited Uzbekistan, Kazakhstan and Kyrgyzstan. In October-November 2015, during his first visit to Central Asia, the US State Secretary John Kerry met with leaders of ministries of foreign affairs in Central Asia in the format of the dialogue between the US and CA republics, known as “C5+1”.

On the other side, Washington was trying to attract Iran to the process of search for political ways of regulating the Syrian crisis. As a result of these endeavors, in September 2015 Tehran took part in the 70th session of the UN General Assembly and in autumn—in the Vienna international negotiations on Syria. But, as a whole, relations remained tense.

The Obama administration's relations with Moscow became even tougher towards the end of his term. In particular, the US have been opposing the growing Russian cooperation with the Taliban. Russia has recently suggested forming a new, non-bloc security system in Afghanistan within the Russian-Chinese format of cooperation with participation of other external actors, like Iran, India, the US, Pakistan and Turkey. To start with, Russia, China and Pakistan have recently participated in the Moscow negotiations with the Taliban that did not involve representatives of the Afghan government. Russia calls for flexibility with regard to Taliban, considering the movement

to be a local force and a necessary bulwark in the war against the global force—the Islamic State. In contrast, General John Nicholson⁷¹, the military commander of the US forces in Afghanistan, considers that the official legitimacy, attached by Russia to Taliban, is not based on real facts, and is used only to significantly undermine the efforts of the Afghan government and support the warriors. In fact, this, in his opinion, indicates Russian rivalry with NATO.

Of course, one cannot ignore the elements of geopolitical competition here. Moscow-initiated talks, in fact, tried to replace the supposedly inefficient process that was already being started within the Quadrilateral Coordination Group (QCG) comprised by representatives of Afghanistan, Pakistan, China and the US. All the more that Afghan experts themselves recommend⁷² proceeding with direct talks between the government and the Taliban to pacify the region. It seems reasonable that such direct talks between the domestic actors should precede and influence decisions of any international actors on the Afghan situation.

Still, having in mind the present-day realities, Russia's tactics on Afghanistan can be justified.

First, the growing number of the Islamic State fighters and other challenges from Afghanistan call for rapid and resolute actions. In accordance with the latest estimates⁷³, approximately 57.2 % of the country's 407 districts are under Afghan government control or influence as of November 15, 2016, a nearly 15% decrease since November 2015.

In circumstances of the additionally lasting instability in Syria, Iraq, Yemen, etc., and fragile situation in the CA states, one cannot wait until another outburst of violence in the region and should take some firm preventive measures. In this sense, Moscow, most obvi-

⁷¹ Thomas Joscelyn, "Rossiiskoe pravitel'stvo otkrito vistupayet na storone "Talibana"", *The Daily Beast*, January 04, 2017, <http://www.centrasia.ru/newsA.php?st=1483541580>

⁷² "Four Decades of Efforts for Peace and Reconciliation in Afghanistan: Analysis of the Impediments and Barriers to Sustainable Peace", Afghan Institute for Strategic Studies, January 12, 2017, www.aiss.af

⁷³ Special Inspector General for Afghanistan Reconstruction, SIGAR, January 30, 2017, <https://www.sigar.mil/pdf/quarterlyreports/2017-01-30qr.pdf>

ously, took into account the current US engagement with domestic post-election internal problems as well as complicated relations between the Afghan government and Pakistan and initiated the first round of exchange of opinions with two important partners—China and Pakistan. In the future, this framework will naturally be supplemented with other regional actors, including the Afghan government itself.

Secondly, it seems quite realistic that the Taliban today wants to support, and moreover, to protect international projects in Afghanistan (CASA-1000, TAPI, etc.). The Taliban is interested in financial profits, which are not possible in conditions of war, isolation and absence of foreign investment. The majority of them, although opposed to the Afghan government and fighting for their rights, is tired of wars and bloodshed. Besides, as German and Afghan experts rightly state⁷⁴, there is growth of IS activity in Afghanistan—a dangerous competitor in the illegal field. In my point of view, this factor is even more important now both for Afghans and other regional actors, as it endangers the entire South and Central Asia region and can turn it into another battlefield like Syria. Thus, the Taliban can become a natural ally in this situation.

Thirdly, Iran, although not participating in the tripartite negotiations, has been standing for peaceful negotiations with Taliban. Hence, there will not be any barriers from its side on this issue.

Negotiations with the Taliban will not, of course, guarantee immediate peace and security in the country, having in view persistence of many above-mentioned challenges and threats. However, constructive cooperation with the Taliban can be regarded as the first step towards pacification of the region, finding some balance of state interests and restriction of radical activities in the region by eliminating ground for the alien extremist forces (IS).

In this context, the advent of Donald Trump's administration to power can hardly bring along major changes in the US strategy in the

⁷⁴ Volkov Vitaliy, "Zachem talibi menyayut svouyu strategiyu v Afganistane?", "DW", December 07, 2016, <http://www.centrasia.ru/newsA.php?st=1481122020>

interlinked Central Asian and Iranian directions—especially if we take into account his aspiration to cooperate with any nation fighting against the Islamic State and all kinds of terrorism. A more likely scenario is renewed procrastination and more rigid bargaining for mutual geopolitical and economic benefits.

2.2. Iranian factor in the European strategy towards Central Asia

General background and tendencies before 2006

Until the second half of the first decade of the 21st century, the European Union, the next global actor in Central Asia, did not have any strictly defined strategy in Central Asia. According to the majority of European experts, European interests in Central Asia coincided with the US interests on such issues as stability, access to energy resources, development of democracy, human rights and market economy⁷⁵.

However, European economic interests went far out of the limits foreseen by the US with regard to IRI. These interests did not exclude future development of EU-CA relations within the framework of CA-Iran cooperation. Iran and Central Asian countries represent an indivisible economic space for EU in the sense of developing their oil and gas resources and carrying out joint energy projects. At the same time, this is a huge potential market for the sale of European technology, industrial goods and “know how”, as well as a sphere of realizing transportation and communication projects that would be geopolitically profitable for Europe.

In that respect, the common Central Asian and Iranian aspiration, in cooperation with the European Union, is their entry into international structures, satisfaction of the regional need for large-scale investments and access to the world markets. Tehran counts on for-

⁷⁵ On German approach to Central Asia see: Bachmann Thietmar, “The Silk Road’s Safety Support: The German Approach to Central Asia”, Central Azia v XXI veke: sotrudnichestvo, partnerstvo i dialog”, International scientific conference materials, May 13–15, 2003 (Tashkent: Shark, 2004), 96.

eign energy companies to counteract reduction of its oil stocks and to broaden the use of its own gas resources, which have not been practically exploited yet. The general sum of agreements concluded by Iran with foreign companies in 2004 was equal to \$ 10 billion.⁷⁶

Iran-EU cooperation also implies Tehran's foreign policy interest in stimulating US-EU discrepancies on Iran and the Middle East. This cooperation, together with the Iranian-Russian partnership and active participation of Russia, China and CA states in the North-South transport project, serves to balance the US policy in Central Asia. In the future, therefore, Tehran will not exclude extended cooperation with EU in the CA region, including on issues of regional security supported by Central Asian states.

However, development of bilateral EU-Iran relations still was under direct influence of the US strategy. Since the end of the 1990s, clash of the EU's economic interests in IRI with the US anti-Iranian sanctions, first of all, in the oil and gas sphere, led to growth of serious discrepancies between the European and American stands on Iran.

Europe opposed the "axis of evil" concept and favoured "constructive dialogue" with Iran, that jointly with injection of Western investment and high technology into Iranian economy, would stimulate strengthening of moderate forces in the country and could become a lever for development of the Iranian society⁷⁷. According to experts, European "critical dialogue" with Iran, rigidly connected to debates on the latter's political and humanitarian issues, would force the Iranian regime to make some concessions.

However, in the second half of 2003, the US pressure on the Iranian issue as well as outbursts of international terrorism that sped up in various corners of the world once again shifted the EU's preferences towards the United States. The European Union supported Washington's point of view that Iranian reformers could not accomplish

⁷⁶ "Khatami: Tehran's Opposition to War does not Mean Support for Baghdad", *IRNA*, February 15, 2004, <http://www.irna.ir/ru/>; "Iran Bids to Build Itself World's Major Gas Producer", *IRNA*, February 16, 2004, <http://www.irna.ir/ru/>

⁷⁷ Charles Lane, "Changing Iran. Germany's New Ostpolitik"; "UK Pressed to Clarify Differences with US Policy towards Iran", *IRNA*, April 26, 2002, <http://www.irna.ir/ru/>

necessary transformations and did not represent an influential force in the country⁷⁸.

Nevertheless, Germany's position with regard to the Iranian issue remained unchanged: "There is no alternative to dialogue with IRI and we should continue our negotiations with Tehran"⁷⁹. The EU hoped that IRI in the nearest future would be able to play a constructive role in the Middle Eastern affairs, thereupon, the European coalition supported admission of Iran into WTO⁸⁰. During the Luxembourg summit of European foreign office representatives, a decision was adopted on beginning the talks with Iran about intensification of trade and political ties.

Thus, in spite of the periodical fluctuations, considerable foreign policy changes were ripening in Europe. Indeed, under a beneficial arrangement of forces and establishing control over Iranian oil and gas stocks, Europe could get a unique possibility of achieving a central, independent from the US position in Eurasia; the possibility to avoid European economic development dependent on the US. Such European moods were demonstrated, for instance, by the sociological data⁸¹: the percentage of those desiring US leadership in the world arena declined in the first years of the 21st century from 64 to 37 %. At that, the majority of Europeans (55 %) supported a more independent approach to security and diplomacy issues in US-EU relations.

Still, the European Union will not aggravate relations with its key ally—the United States. It is impossible to even speak about advancement of the European strategy in this part of the world without lifting the anti-Iranian sanctions and a stable situation in the Middle Eastern and Central Asian regions. Hence, efforts of the "European triad" (Britain, France and Germany) were directed at

⁷⁸ RFE/RL *reports*, vol. 7, no. 3, January 19, 2004, <http://www.rferl.org>.

⁷⁹ Ioshka Fisher, "Pozitsia Germanii po yadernoi programme Irana ne sovpadaet s pozitsiei SSHA", *IRN4*, August 26, 2004.

⁸⁰ *RLA "Novosti"*, January 15, 2004; "Patten Calls for Long-Term Constructive EU-Iran Ties", *Payvand.com*, February 13, 2004.

⁸¹ "Polls: Americans, Europeans Share Increased Fears of Terrorism, Islamic Fundamentalism".

bridging European and American approaches to the Iranian nuclear issue, non-admission of a military conflict between the US and Iran and reconciliation of the sides. Simultaneously, negotiations with Iran were taking place.

From its own side, Tehran stated that the package of EU proposals on the “nuclear dossier” was unacceptable— it “does not guarantee the IRI’s interests, contradicts the Agreement on Non-proliferation of the Nuclear Weapons and Paris agreements between Tehran and ‘European triad’”⁸².

Thus, discrepancies in approaches to Iran and intensification of Iranian-American contradictions in the second half of the 1990s until approximately 2005 served as one of the important sources of discord between the EU and US. This tendency directly influenced realization of transportation, communication and energy projects in Central Asia. The EU states couldn’t realize mutually profitable projects with Iran and CA without a backward glance at the US. In practice, this kept Europe dependent on Russian energy policy and, hence, partly contributed to the economic weakening of the Eurozone. In this sense, Europe-American tension goes far from discrepancies on Central Asian policy.

2007 to January 2017

During these years, the EU, weakened by the global economic crisis and sanctions against Iran, has been greatly interested in normalization of relations with Iran in comparison to the US. Hence, the future of the Iranian sanctions and the problem of developing economic ties with this country rests, first of all, on resolution of the Iranian-American discrepancies. In this sense, Washington needs to take into account the following:

- Last failures of the American strategy in Afghanistan, Middle and Near East, where Iran’s role in issues of providing security could be more productive. It is also a question of preserving non-nuclear sta-

⁸² Nikolai Terehov, “Iran nazval “nepriemlemim” paket predlozenii Evrosoyuza”, *RLA “Novosti”*, August 06, 2005.

tus of the Middle East and gradual stabilization of the Afghan-Pakistani zone.

■ The Iranian role in Central Asia, where completion of integrating the regions of Central and South Asia in the future is impossible without involving Tehran in the majority of the Central Asian projects—especially because Tehran, in fact, has already been cooperating without mediators in the Afghan projects⁸³.

Besides, the Eurasian ‘arc of crisis’ that spins the Middle East, South and Central Asia has brought along unprecedented growth of activity and power of the ISIL groups and formation of the huge flow of refugees to Europe that resulted since the second half of 2015 in a series of international crises. The unstable situation in Afghanistan is already fueling the second-largest inflow of refugees into Europe (after Syria).

In these circumstances, accompanied by overall geopolitical pressure of all involved actors on the Middle East and strengthening of Russian and Chinese power in the world, European countries came forward with a more operative and efficient, compared to previous years, strategy of economic and security cooperation in Central Asia. The EU main goals remain untouched in the issues of advancing Western values and integration of the Central Asian states, solution to the regional security and economy problems. Their approaches here, in fact, largely coincide with that of the US strategy in the region. Yet, there are still doubts in the European Union about capabilities of the Central Asian states to overcome their present fragmentation and common transitional difficulties (weak government institutions, civil societies, democracy problems, etc.). These are mostly problems that, according to the West, impeded successful Western-Central Asian partnership in the past, and now can also challenge their involvement into the region.

⁸³ Frederick Starr, “Afghanistan Beyond the Fog of the Nation Building: Giving Economic Strategy a Chance”, Central Asia-Caucasus Institute and Silk Road Studies Program, www.silkroadstudies.org (January, 2011), <http://www.silkroadstudies.org/new/docs/silkroadpapers/1101Afghanistan-Starr.pdf>

However, the EU leaders admit positive changes in the CA region, that occurred during the past 25 years of their independence. Particularly, they point at some “wind of change” in the Central Asian economies; stability inside the CA countries; changes in the mentality of the population; some progress in the issues of democracy; and regional activity of the CA states, including Turkmenistan. Moreover, the EU is optimistic with regard to the transformations and new regional policy of Uzbekistan.

Hence, the European Union is ready for “strategic patience” and renewal of the long and staged involvement into the region. Europe is ready to allot one billion euro to strengthen security and development of democratic institutions in the CA states. Aspiring to diversify energy supply, the European Union has also got down to more active realization of the “Southern Gas Corridor”, including the previously abandoned Transcaspian project.

Thus, the European strategy in Central Asia becomes more flexible, realistic and pragmatic, aimed at consistency, stability and duration, taking into account regional presence of Russia, China and Iran. The new strategy is planned to be concentrated more on the issues of amending regional governmental institutions, accelerating economic and social transformations in Central Asia, which is a prerequisite for construction of regional energy-transport-networks, including Iranian transport routes. Much attention will be given to issues of struggling against extremism and terrorism, strengthening the level of connectivity between regional actors and containing regional ambitions of China. It is all the more that Europe is interested in promoting the “Middle East-EU-CA” model of development in the region, that means, besides everything, restoring historical ties of the region with Iran.

In this sense, successful signing of the agreement on Iran in July 2015 became a triumph of European foreign political strategy on this issue and a confirmation of efficiency of the effective multilateral approach and diplomacy towards resolution of the international cri-

sis around the Iranian nuclear program issue⁸⁴. Europe feels its responsibility for implementation of the main provisions of the agreement. In fact, it is considered in Europe that the ambiguous US approach towards Iran has provided the EU states with more levers of influence in the sphere of trade, economic relations and humanitarian rights. In contrast to the previous approach of advancing strict demands to Iran, the European Union now is calling for creation of favourable conditions for Tehran to implement provisions of the agreement. Subsequently, the EU plans:

- to form special commission to coordinate European policy on IRI;
- to develop bilateral relations with IRI;
- to involve Tehran into resolution of the international crisis in the Middle East, first of all, on the territory of Syria, Lebanon, Yemen and Afghanistan;
- to consolidate the global regime for non-proliferation of WMD;
- to constructively involve Iran into resolution of the issues of humanitarian rights;
- to strengthen the EU's institutional and political presence in Iran.

At the same time, the European Commission intends to turn Iran into the main gas supplier to Europe in the next decade. By 2030, the European Union, according to Western experts, can annually import from Iran up to 35 billion cub. m., that supposedly should reduce its dependence on Russian gas⁸⁵.

Meanwhile, in the period shortly after the signing of the JCPOA obligations by Iran, European companies and governmental institutions tried to rapidly fill in the temporarily vacant niche in the Iranian energy and transportation sector. In particular, the Iranian oil sector

⁸⁴ Eldar Mamedov, "The EU's Emerging Post-Deal Iran Strategy", *LobeLog*, September 15, 2015, <http://www.payvand.com/news/15/sep/1085.html>

⁸⁵ "EU sees Iran as major gas supplier", *Payvand.com*, September 15, 2015, <http://www.payvand.com/news/15/sep/1089.html>

and German “Deutsche Bank” have restored their cooperation⁸⁶, and six Memorandums on cooperation in transport issues have been signed between Germany and Iran⁸⁷. In turn, the French oil and gas giant “Total” is going to finalize, until March 20, 2017, an investment deal with Iran in the amount of \$ 2 billion. According to the signed bilateral Memorandum, “Total” is going after implementation of the JCPOA to invest into the Iranian oil and chemical industry⁸⁸. Thus, while following the main guidelines of the American policy on Iran, the European Union still preserves its own major geoeconomic interests with regard to Iran and Central Asia that its global ally, the United States, should take into account. The Iranian issue has sharpened the old EU-US regional discrepancies that deepened their economic competition in the region.

2.3. Russia in Central Asian geopolitical processes around Central Asia

General background and tendencies before 2006

Russia is a leading regional power in present-day Central Asian geopolitics, considering its closeness to the CA states, common Soviet legacy, shared current challenges and security threats. Moreover, Central Asia is, for Russia, one of the main arenas of confrontation with the United States. Before 2012, the international situation in the CA region was primarily defined by results of interaction among the three main regional actors’—US, Russia and IRI.

⁸⁶ “Vozobnovleno sotrudnichestvo mezhdu Iranom i germanskim Deutsche Bank”, October 22, 2016,
http://www.iran.ru/news/economics/102999/Vozobnovleno_sotrudnichestvo_mezhdu_Iranom_i_germanskim_Deutsche_Bank

⁸⁷ “Iran i Germaniya podpisali 6 memorandumov o sotrudnichestve v sfere transporta”, October 24, 2016,
http://www.iran.ru/news/economics/103017/Iran_i_Germaniya_podpisali_6_memorandumov_o_sotrudnichestve_v_sfere_transporta

⁸⁸ “Kompaniya Total zavershit investicionnyu sdelku na summu 2 mlrd s Iranom k koncu goda”, October 22, 2016,
http://www.iran.ru/news/economics/103000/Kompaniya_Total_zavershit_investicionnyu_sdelku_na_summu_2_mlrd_s_Iranom_k_koncu_goda

Aspiration of Moscow to control the Central Asian energy providers clashes with the growing US energy interests in the region. The anti-terrorist campaign and the US international isolation of Iran demanded from the US a flexible and balanced approach to relations with Russia. Washington tried to secure Russian support for its Middle Eastern and Afghan strategies. In this sense, consolidation of the strategic partnership with Russia in 2001 allowed the Bush administration not only to neutralize the growing Iranian-Russian defense partnership but also caused corresponding changes in Russian Caspian policy (search for possible participation of Russian companies in the BTC project)⁸⁹.

In turn, Moscow supported the viewpoint⁹⁰ that US presence in the region corresponded to Russian interests as it blocked penetration of extremist Islam into the region, served as a potential counterweight to the growing Chinese power and promoted Russian role as an independent energy supplier to Europe⁹¹.

The main precondition for the US-Russian partnership, however, was the cessation of Russian-Iranian military and technical cooperation, including supplies of nuclear equipment. It was considered in Moscow that abandoning military and technical assistance to Iran would only strengthen the IRI's thirst for the nuclear weapon, and continued cooperation would, on the opposite, strengthen the pragmatists' stand in the internal life of Iran and neutralize radical Islamist approaches⁹².

This new level of Russian-American relations did not mean complete rejection of confrontational thinking from both sides. This was mainly preconditioned by US military presence in Turkey, Georgia, Central Asia, Persian Gulf states and Afghanistan, and by ongoing

⁸⁹ "Rossia Mojet Prisoedinitiysya k Realizatsii Proekta Stroitelstva Nefteprovoda "Baku-Ceyhan", inf.-anal. Center *Mineral*, January 29, 2002, <http://www.mineral.ru/News/1122.html>

⁹⁰ Artem Ulunyan, "«Moskva-Pekin» v Tsentralnoi Azii: Novaya Stadia Regionalnogo Sopernitchestva", *Rossiiskie Vesti*, no. 23, June 23-29, 2004, <http://www.CentrAsia.Ru/newsA>

⁹¹ Sergei Lopatnikov, SSHA Ochen Neobhodima Kaspiiskaya Neft, *Argumenti I Fakty*, August 18, 2004.

⁹² Evgenii Primakov, "Iran: Chto Dalshe? Situatsionnii Analiz", *Rossia v Globalnoi Politike, Iran.ru*, June 16, 2003, <http://www.iran.ru>

competition for control over the energy resources and transport corridors in the Caucasus and Central Asia.

Using the US concentration on the Iraq crisis, Russia strived to extend activities of the Eurasian Economic Community and reinforced its economic and political positions in Central Asia. At the same time, Moscow came forward as an active mediator in negotiations between Iran and the West⁹³.

The essence of the Russian stand on Iran is not to let the international crisis escalate into a military conflict and to preserve its long-term partnership with Iran in the interests of its geostrategy.

2007 to January 2017

During this period, events such as the signing of the Vienna agreement on the Iranian nuclear program and hence, the increased risk for Moscow to lose its positions in the Middle East and partially in Central Asia, or not the least important danger of spill-over of the Middle Eastern crisis to Russian southern borders, toughened Moscow's policy. Further strengthening of the Iranian-Russian partnership in mutually beneficial directions, including Central Asia, has become one of the external political priorities for Moscow.

Main factors determining success of the Russian foreign policy at this stage are the following: the US Middle Eastern policy; progress in bilateral relations with Iran; developments in the Russian-European partnership on the resolution of the Ukrainian conflict.

The US Middle Eastern policy

Each of the sides aspires to regulate the Syrian crisis in a direction where it would be able to secure a beneficial international balance of forces. Iran, by virtue of its historical, cultural and geographic links with Syria, can become an important partner in stabilizing the region. Therefore, the US and Russia are looking now for a resolution of

⁹³ "Lavrov: Peregovori s Iranom ne sorvani", fragmenti stenogrammi vistuplenia i otvetov na voprosi SMI ministra inostrannih del Rossii Sergeia V.Lavrova po itogam peregovorov s ministrom inostrannih del Palestinskoy natsionalnoi administratsii N.Kudvoi (Moscow, August 25, 2005), <http://iranatom.ru/news>

their discrepancies in a way that can damage their regional interests in the least degree.

The basic, officially declared contradiction concerns the issue of preserving Bashar Asad's administration in power and Washington's support of radical groups like Jabhat Al-Nusra.

American experts consider any agreement between Moscow and the Syrian national coalition inappropriate if it is not supported by insurgency groups. The Syrian national coalition does not reflect interests of all warring groups, the majority of whom get only limited tactical success in the struggle against Damask and IS⁹⁴.

Moscow undertook efforts to organize its own anti-terrorist international coalition under the aegis of the UN to fight the IS and regulate the situation in the Arabian Peninsula. In Russia, the main reason for the current Middle Eastern crisis is often found in the US short-sided secret policy, sponsoring the process with assistance from radical Sunni states like Saudi Arabia to reshape the Middle East in accordance with their geopolitical plans.

However, any secret theories in conditions of the globalizing world raise doubts. It appears unlikely that the US is interested in deepening the Iranian-Saudi, and, hence, Shia-Sunni contradictions and in appearance of new hotbeds of instability in the Middle East.

Firstly, Iran, from the geostrategic point of view, is an important state, located at the juncture of the Persian Gulf, Central and South Asia, Middle and Near East: zones important for US plans. Continued instability in these areas endangers not only the US regional strategy but also potentially threatens the security of the United States itself with their dynamically increasing structure of the Moslem population—from 2.6 million in 2010 to the forecasted 6.2 million in 2030⁹⁵.

⁹⁴ "Iraq-Syria Battlespace: August 2015" *Stratfor.com*, August 31, 2015, <http://www.stratfor.com/analysis/will-russia-intervene-syria>

⁹⁵ Vladislav Maltsev, "Soedinennye shiati Ameriki. Okrujenie Obami podozrevayut v svyazyah s arabskimi radikalami", *Lenta.ru*, July 1, 2014, <http://antiterrortoday.com/ru/glavnoe-segodnya/vybor-moderatora/4632-soedinennye-shiati-ameriki-okruzhenie-obamy-podozrevayut-v-svyazyakh-s-arabskimi-radikalami>

Secondly, one should not underestimate the state's geoeconomic potential. Not accidentally, the first US oil companies began to penetrate to Iran already in 1921. This interest has by no means been exhausted with time.

Thirdly, Iran, as it was mentioned, is a potentially important US partner in issues of providing security in Central and South Asia, and the Middle and Near East.

Fourthly, the US, judging from its foreign policy actions, understands quite well present-day internal political problems of the Saudi Kingdom, as well as advantages of the more dynamically developing Iran. Hence, search for a compromise solution of the regional security issues, that in the future can bring some compromise in Iranian-Saudi relations. The foundation for that is Riyadh's strategic agreements and economic dependency on the US.

At the same time, however, Obama administration's well-known errors in Middle Eastern politics (Syria, Iraq, etc.) have generated conditions for spillover of radical elements from one territory to another and serve as a favourable ground for their transforming, since 2013, into the Islamic State. As a result, the Middle Eastern situation started to present a danger for Russia, Iran and other states, including CA states.

Meanwhile, in conditions where the issues of global security are becoming more intense, the American-Russian partnership could bear if not friendly, then at least, more productive character. It is quite obvious that the United States, European Union and Russia are interested in

- successful resolution of the conflicts in the AfPak and Syria zones to prevent spread of instability, extremism, illegal drugs turnover outside the borders of these regions;
- containment of the ever-growing influence of China in Central Asia and adjacent territories;
- counteracting the growing instability of the Central Asian region after 2014;

■ restoring peace and order in Ukraine. In particular, the European Union counts on Russia participating in the process of revival of the Ukrainian economy⁹⁶.

The heated situation around Syria has been forcing Washington to begin the process of drawing together the Syrian approaches with Russia. On February 27, 2016, the UN Security Council Resolution on cessation of all military actions in Syria, including Russian and the US-lead coalition's military strikes, came into force. These steps were followed by Secretary of State John Kerry's visit to Moscow in July 2016 to discuss further the coordinated tactics in Syria. The United States and Russia announced a tentative deal to coordinate airstrikes against the Islamic State and the Nusra Front, Al Qaeda's affiliate in Syria.

However, the efforts to establish a constructive US-Russian partnership on Syria have not yielded any results. The approaches of the sides still diverge on issues of differentiating radical groups from the so-called moderate opposition. Failure to achieve any success in co-operation on Syria resulted in almost complete US withdrawal from Syria in autumn 2016. The consequent deepening of the Iranian-Russian joint military cooperation in Syria, strengthened at the end of the year by Turkey joining the alliance, has further contributed to preserving tension in bilateral relations.

In particular, Putin ordered a reduction in his forces in Syria on 29 December, coinciding with the start of a ceasefire brokered by Turkey and Russia. Turkey and Russia have separately accused the United States of backing what they call "terrorist groups"—the Islamic State and Kurdish groups. Maria Zakharova, a Russian Foreign Ministry spokeswoman, said that the policy change—set out in the annual defense policy bill and signed into law by US President Barack Obama on December 23—would lead to weapons ending up "in the hands of jihadists with whom the sham 'moderate' opposition have

⁹⁶ "Diplomat: Evropa nadeetsya, chto Rossiya podderjit ukrainskuyu ekonomiku", *RIA Novosti*, April 11, 2014, <http://www.ria.ru>.

long acted jointly.”⁹⁷ Simultaneously, Russia and Turkey put forward a Resolution to the Security Council in favor of the Russian-Turkish-Iranian agreements on Syria. The UN welcomed their efforts and on 31st December 2016 adopted the Security Resolution 2336, which approved efforts by Russia and Turkey to end violence in Syria and jumpstart a political process. The United States is, for the moment, sidelined, and it is clear that Washington is not satisfied by the course of events, judging them as a new Middle Eastern failure and virtual defeat of the US in the region.

Thus, the US-Russian Middle Eastern discrepancies in the last days of the Obama administration only intensified and reached the level when they could easily be militarized. Still, in fighting against common enemy—the IS leaves the door open for cooperation.

Iranian-Russian relations

In response to challenges from the US side, Moscow and Tehran were aspiring to form closer economic, first of all, energy, as well as military and political partnership. Therefore, a free trade zone of the Eurasian Union with Iran and extension of the Iranian-Russian military partnership in the Caspian is not excluded.

In this sense, an important issue of the bilateral relations is military and technical cooperation in the Caspian to counteract the supposed US⁹⁸ plans to play the littoral states’ discrepancies against each other and create bases of its influence in Central Asia.

Moreover, during high-level negotiations held on August 17, 2015, at the Russian Ministry of Foreign Affairs, both sides confirmed their intentions concerning the implementation of the Vienna agreements, joint plan of settling the Syrian crisis, the sphere of peaceful usage of nuclear energy and a series of bilateral economic projects⁹⁹. Addi-

⁹⁷ “Russia, Turkey: US supporting Syria 'terrorist' groups”, December 28, 2016, <http://www.aljazeera.com/news/2016/12/russia-turkey-syria-161228050019245.html>.

⁹⁸ Vladimir Skosirev, “Barieri na puti sotrudnichestva Rossii s Iranom snyati, *ng.ru*, September 18, 2015, <http://www.centrasia.ru/newsA.php?st=1439934660>.

⁹⁹ Sergei Lavrov, “Peregovori s Djavadom Zarifom bili vesma soderzhatelnimi”, *Iran.ru*, August 18, 2015,

tionally, Russia is trying to monopolize gas cooperation with Iran. With this aim, Moscow was planning to grant a \$ 7–8 billion loan to Iran to finance the joint projects¹⁰⁰.

A significant role in the bilateral relations is attached to Syria.

For Moscow, Syria is of priority role in the issues of protecting national security and preserving Russian geopolitical status in the Middle East. It also plays an important role in guaranteeing Russian energy strategy. The instability of Syria with potential of extending operational ground of radical groups to the Russian Moslem Caucasus and CA region is of real threat to territorial integrity and Russian stability.

Iranian interests in Syria are also linked with the interests of geopolitics and national security. Syria refers to the region, representing for external policy of Tehran part of the higher-priority Moslem area, including historical-cultural bonds of Shia layers of the population with Iran. From the security point of view, Iran regards Syrian issue as closely related to the Palestinian-Israeli and Iraqi problems. In this connection, Tehran is interested in the survival of its traditional regional Shia ally—Assad regime. Syria also plays an important role in building Iranian long-term relations with Turkey in the sphere of economy and security.

Proceeding from these considerations, in autumn 2015 Russia and Iran started joint military operations on the territory of Syria. Despite the common interests, the existing obstacles and discrepancies between Iran and Russia on issues of foreign policy and regional approaches became more distinct in the process of the joint operations:

- 1) Historically, Iran experienced long colonial dependence on the British Empire and partnership with the United States under the Iranian Shah. Today, this experience is complemented by contacts of

http://www.iran.ru/news/analytics/98211/Sergey_Lavrov_Peregovory_s_Dzhavadom_Zarifom_byli_vesma_soderzhatelnymi

¹⁰⁰ “Iran provedet peregovory po obmeny gazom s Rossiej, Turkmeniej i Azerbajjanom”, *Review.uz*, November 18, 2015, <http://review.uz/index.php/novosti-main/item/5581-iran-provedet-peregovory-po-obmenu-gazom-s-rossiej-t-urkmeniej-i-azerbajdzhanom>

the numerous US-Iranian diaspora with its motherland and ceaseless, even under sanctions, ties in the educational sphere between the US and Iran (annually about 5,000 Iranian students study in the US). Consent of the Ayatollah Khamenei himself to the negotiations and restoration of cooperation with the West testify to the fact that even the clergy has to count with the demands of this dynamically growing part of the population. Today, this rather strong pro-Western mood in the Iranian society not always comes in favor of Russia.

2) It is obvious that the weakness of the Russian economy and bank system and shortage of investments and technology will also hamper progress in the Iranian-Russian relations. One should also take into account the internal economic situation in the IRI: the inflation rate was reported at 12.60 percent, whereas the unemployment rate stood at 12.70 percent and youth unemployment rate was reported 30.20 percent in 2016.¹⁰¹ In the case of absence of any economic progress that is linked with the flow of big investments and high technology to the region, such a situation can go out of governmental control, especially if we take into account the unstable neighborhood (Iraq, Syria, etc.). In this sense, the role and place of Russia in the Iranian foreign policy in the long term will, obviously, yield to scientific, technological, infrastructural, logistical and financial possibilities of other powers.

3) At the same time, perspectives for solving energy supply problems (such as ensuring supply to profitable markets and resolution of the Caspian dispute), considering Russian economic difficulties, are very doubtful, whereas possibility of diversification of Central Asian energy supply routes, bypassing Russia, is quite real. In theory and practice, all this fully corresponds to provisions of political realism, demonstrating developing states' aspiration to the establishment of political equilibrium, beneficial balance of power and interests in the region. For the CA states, such a tactic is justified by the interests of domestic political and socioeconomic stability, which demands urgent decisions to satisfy population's needs (resolution

¹⁰¹ *Ieconomics*, <https://ieconomics.com/iran-inflation-rate>

of the issues with unemployment, migration and drugs trafficking, etc.). Moreover, Iran and Russia remain competitors in the sphere of energy routes from the Central Asian and Caucasian regions. Tehran can use the situation in its own interests, which has been confirmed by recent activation of the Iranian-Turkish gas cooperation.

4) As for Syria, it has been quite obvious that in the long term, war without a clearly defined final goal would bring both states to depend on other powers, and finally create a rift between Moscow and Tehran. It is obvious that the main problem is their different vision of the future of the Middle East, which influences the choice of allies and instruments of policy. While Russia is not so categorical¹⁰² about Syria's President Bashar al-Assad remaining in power, Iran opposed removal of Assad from power. In the Iranian view, any decision on Syria should not go outside the demands of the Syrian people, and the UN should be coordinated with the government of Syria and correspond to the international laws¹⁰³.

5) The importance of Russia for Iran will, most likely, be determined by how well Moscow plays the role of a regional security guarantor, taking into account the Euro-Atlantic, Saudi-Arabian and energy factors. Meanwhile, however, Iran is dissatisfied both by Moscow's cooperation with its Sunni enemies, like Turkey and Saudi Arabia, and by its intention to maintain dialogue with the US and the EU.

6) Since the very beginning, Iranian conservatives do not accept the idea of the US involvement in the process of resolving the Syrian crisis. They stressed, on multiple occasions, that they would have no relations with the US, excluding the nuclear program issue. On the contrary, Russia, despite its tense relations with the West, is active in the Western-lead dialogue on Syria.

7) In fact, Iran is between a rock and a hard place. On the one side, there is the necessity to balance the American presence by fur-

¹⁰² "Russia Calls for a New Syrian Constitution", November 11, 2015, <http://www.worldaffairsjournal.org/content/russia-calls-new-syrian-constitution>

¹⁰³ Amir Abdollahian, "Venskie peregovori po Sirii bili konstruktivnimi", *IRNA*, December 8, 2015, <http://www3.irna.ir/ru/News/2988740/>

ther developing Iranian-Russian relations. Moreover, the discrepancies with the United States bear a stable and long-term character. On the other side, there is a serious intention for concluding the final agreement with the “six” on the nuclear dossier in the “win-win” spirit, to make it beneficial both for Iran and all other countries participating in the negotiation process. It is no accident that IRI’s President Rouhani states¹⁰⁴ that his government will improve Iran’s relations with all countries of the world on the basis of mutual respect and defense of mutual interests. Moreover, Tehran stresses “the West could find a suitable partner in Tehran if it ‘corrected’ its policy in the Middle East”¹⁰⁵.

Despite serious obstacles, two weighty factors—geographic closeness and aspiration of the Iranian conservatives to maintain strategic counterweight to the US policy—will obviously determine future Russian-Iranian bilateral relations. Moreover, fundamental contradictions of spiritual and ideological nature still exist between the Western and Eastern political systems, the current Islamic regime in Tehran and approaches of the so-called hawks.

In such an ambiguous environment, Iran, on the one side, does not reject “assistance of the big powers”, namely Russia and China; on the other, it aspires to “achievement of the stable security model, possibly, under active participation of the regional powers exclusively”¹⁰⁶. By which, first of all, the CA states are apparently supposed, but the roles of Russia, China and SCO are still crucial.

¹⁰⁴ “Rouhani: Iran budet razvivat svyazi so vsemi stranami mira”, *Iran.ru*, March 25, 2014, http://www.iran.ru/news/politics/93024/Rouhani_Iran_budet_razvivat_svyazi_so_vsemi_stranami_mira

¹⁰⁵ “How Paris Attacks have strengthened Iran's position over Syria”, November 19, 2015, <http://www.theguardian.com/world/iran-blog/2015/nov/19/paris-attacks-iran-strengthened-rouhani-isis-assad>

¹⁰⁶ Mehdi Sanai, “Vistuplenie ego prevoshoditelstva gospodina Laridjani, predsedatelya parlamenta Islamskoi Respubliki Iran”, na zasedanii diskussionnogo kluba “Valdai” v gorode Sochi”, Facebook post, https://www.facebook.com/SanaiMehdi/posts/179321119077170?notif_t=notify_me

The Ukraine factor

Indeed, present irreconcilable positions on Ukraine have, in fact, frozen Russian-European relations for an indefinite time, and with that—the rigid sanctions introduced by the EU and the US against Russia.

However, objective Russian-European economic interdependence can, in the future, lead the sides to a more balanced constructive co-operation with the involvement of IRI.

Russia was the third largest EU trade partner, accounting, in 2013, for 9.5 % of the European Union's foreign trade, about 7 % of all EU's exports of goods and 12 % of the whole Eurozone import¹⁰⁷. Russia satisfied the EU's demand for oil and natural gas for a third, and in coal and oil products—for a quarter¹⁰⁸.

Not surprisingly, therefore, adoption of the strict sanctions against Russia is a rather complex and ambiguously interpreted process for Europe. For Russia, most important in this situation is “to preserve the existing economic and political relations with Europe intact and do not alienate no one else in the world”¹⁰⁹. Possible loss from the contacts' breakup will largely exceed the current problems in the Russian-European relations.

One should take into account the differences between the US and the EU approaches to Iran and formation of the network of transportation and transit routes from Central Asia, the majority of which are oriented at reaching the EU markets and do not exclude Russian participation.

On another side, the European Union's losses in 2014–2015 from introducing anti-Russian sanctions were estimated at € 90 billion¹¹⁰.

¹⁰⁷ “Sammit ES-Rossiya: statistika po trgovle tovarami mejdu ES28 i Rossiey”, January 24, 2014, http://ec.europa.eu/delegations/russia/press_corner/all_news/news/2014/20140124_ru.htm

¹⁰⁸ Vladimir A. Chijov, *Rossia i Evropejskiy soyuz – 20 let spustya*, *Mejdunarodnaya žizn*, June 2014, <http://www.russianmission.eu/en/node/1378>

¹⁰⁹ “Rossia, Evropa i SSHA—kto razrubit Ukrainskii uzal?” *antiterrortoday.com*, July 01, 2014, <http://antiterrortoday.com/ru/analitika-doklady/analitika/4643-rossiya-evropa-ssha-kto-razrubit-ukrainskij-uzal>

¹¹⁰ “Lavrov: vajno, chtobi v ES zdavii smisl vzjal verh nad “yastrebinimi” nastroeniami”, *TASS*, September 17, 2014, <http://itar-tass.com/politika/1447390>

This is not a large amount overall, but it was disproportionate for Eastern European states and other EU members more involved in relations with Russia. In any case, some voices in the EU have called for studying modalities of cooperation with the Eurasian Union¹¹¹. However, the EU would prefer to maintain relations with the Eurasian Economic Union as a proxy for relations with Russia, trusting that within this organization there will be stricter legal norms than if dealing with Russia bilaterally.

It is worth reminding that in the future Iran is intending to share a common economic space with the Eurasian Union. Meanwhile, Iranian-Russian and Iranian-Central Asian relations will obviously be influenced by the outcomes of Russian-European relations. Much in these circumstances will be dependent on how skillfully managed and mutually beneficial Russian and US policies are, and on compromise and coordination of their actions with other external actors, first of all, with Iran, in the sphere of security and economy.

Any sharp changes in the Western course towards Moscow are not expected in the short-term, but not excluded in the mid-term. All disputable issues in the Western relations with Russia, namely military and technical cooperation with Iran, approaches on Ukraine and Syria, etc., remain in force. Meanwhile, a unifying factor is the struggle against terrorism, for the sake of which the search for the best regional compromise is continued.

2.4. China in Central Asian geopolitical processes

General background and tendencies before 2006

Another influential actor in Central Asia is China, with its role gradually and steadily increasing. Beijing has been forced to correlate its interests with the state of the Iranian-American relations that in a certain way influenced realization of Chinese long-term regional plans.

¹¹¹ “Chijov: rezolutsia Evroparlamenta kritichna po otnosheniyu k Rossii”, *TASS*, September 18, 2014, <http://itar-tass.com/politika/1452099>

Besides the already mentioned economic interests, Beijing has aimed at prevention of cooperation of terrorist groups from the Islamic countries with separatist groups in the Chinese Xinjiang Uyghur Autonomous Region (XUAR). The struggle against religious extremism did not exclude development of relations with Iran, demonstrating pragmatism and flexibility of the Chinese policy. At present, Iran is regarded by Beijing rather as an economic than political competitor in Central Asia, based on understanding of the present-day strategic possibilities of Tehran and awareness of the incompatibility of regimes in Iran and in CA states.

For the CA states, China and Iran have great significance as possible counterweights to claims from other geopolitical forces; their potential in the fight against other regional security threats; accessibility and closeness of their markets; the roles of these countries as important transit routes for delivery of Central Asian goods to the world markets.

The US Iranian strategy and China

The main obstacle for successful development of an Iranian-Chinese partnership in Central Asia has been the US-Iranian strategy. It impeded significant investments and active Chinese participation in large-scale projects involving Iran. In particular, the United States sharply reacted to Iranian-Chinese agreements in the nuclear sphere. Bilateral nuclear cooperation was suspended under US pressure in 1999. However, once some Chinese companies were not subject to sanctions¹¹². Beijing regards comprehensive sanctions as counter-productive in international politics and seems to allow peaceful usage of the Iranian nuclear program as it sees no danger from the existing political regime in Iran. On the opposite, that does not correspond to the US interests, inclined to change, if possible, the current Iranian regime.

¹¹² "Chinese Firms Punished over Iran", *BBC news*, January 18, 2005, <http://www.bbc.com>; Bilefsky Dan, Sanger E. David. Europeans Criticize U.S. Sanctions as Potential Risk to Iran Talks, *The New York Times*, December 29, 2005.

On the other side, China did participate in the US-led effort to prevent Iran from acquiring a nuclear weapon. It obviously did so not to be isolated on the international arena, to preserve main economic partners—the US and EU, and under pressure from such regional stakeholders as Saudi Arabia.

At the same time, China managed to bypass the sanctions in projects of vital economic interest to itself. For instance, by preserving the right to lay a pipeline through the Iranian territory to the Persian Gulf, Beijing made it understood that it was not anxious about the American sanctions as a whole, but only about the economic aspect of the business.

As a whole, up-to-date the anti-Iranian sanctions have provided Beijing with a possibility of strengthening its positions in Central Asia without any obstacles.

However, China could not realize its strategically important projects in circumstances of the extremely prolonged US-Iranian confrontation and sanctions against Tehran. Beijing proceeds from the fact that in the foreseeable future, current Iranian economic difficulties cannot make Tehran a strong rival for Beijing. Instead it can be a useful partner on the issues of balancing China's CA strategy with the US regional policy.

Thus, in the interests of economy and security, since 2010 China boycotted¹¹³ any prolongation of the economic sanctions against Iran at the level of its Ministry of Foreign Affairs and bilaterally with Russia. It is also clear that Beijing is against any additional military involvement into the Middle East, as it sharply restricts energy flow from the region, promotes religious extremism and violence near its borders and on its own territory (XUAR).

At the same time, the Moscow-initiated idea of the Eurasian Economic Community was regarded in Beijing as an effort counteracting Chinese interests in Central Asia. Chinese experts support a com-

¹¹³ Kitay ne hochet podderjivat sanktsii protiv Irana", February 10, 2010, <http://www.inozpress.kg/news/view/id/15059>; "Ocherednadya press-konferentsia 2 fevralya 2010 y ofitsialnogo predstavatelya MID KNR Ma Chjaosyuya", February 2, 2010, <http://www.fmprc.gov.cn/rus/xwfw/fyrth/lxjzhzhdh/t656077.htm>

promise formula for resolving regional security issues in Central Asia. They believe that various approaches are not mutually exclusive and can be joined into one complete strategy, relying on positive sides of the partnership, mutual understanding and trust, excluding confrontation and “games” of the leading powers. In this context, American-Chinese partnership can be useful. Beijing has been striving to balance this partnership by promoting closer cooperation between the OSCE and the SCO.

Iranian-Chinese partnership

The accession to power of Seyyed Mohammad Khatami and his concept of Dialogue between Civilizations contributed much to the growth of mutual understanding both between CA states and Iran, and Iran and China. The next impetus for activation of Iranian-Chinese regional cooperation was provided by the international anti-terrorist campaign started after the September 2001 events.

The bilateral relations between China and Iran were gradually freeing themselves from any political considerations on the Iranian nuclear issue or economic sanctions against Tehran. Very soon China turned into the third largest Iranian trade partner in Asia and the fourth in the world. The main topic of the bilateral dialogue was their cooperation in the oil sphere. Crude oil comprised 98 % of Iranian export to China, owing to which Iran provided 18 % of Chinese needs in import of this raw material¹¹⁴.

Simultaneously, the efforts of both states were oriented at searching for a mutually acceptable balance of relations with Russia (for China—also with the US) and formation of prerequisites for further development of relations with CA states. These measures foresaw Iranian and Chinese active participation in CA energy projects and in the vitally important transport corridors connecting all sides with European and Asian markets.

¹¹⁴ M. Tuliev, “Sostoyanie i perspektivi razvitiia irano-kitaiiskih otnoshenii, November 20, 2003, <http://www.iimes.ru/rus/stat/2003/20-11-03.htm>

Iran played a significant role in realization of Chinese energy projects in Central Asia and the development of transportation routes with participation of the regional states. The network of transport corridors going through China and Iran was directed at reducing Beijing's dependence on the American market, providing, at the same time, an alternative exit to the world markets for the CA states. Specifically, in December 2005, a 1000 km oil pipeline was opened, connecting Kazakhstan with China. It became the first Central Asian export route bypassing Russian territory. The Iranian Silk Road project presupposed energy transit through the territory of Kazakhstan to China, and Iranian shipping lines in the Caspian Sea connected Enzeli and Naw Shahr ports in Iran with Ekrau in Kazkhstan. To protect itself from a potential blockade of energy supplies from the Middle East¹¹⁵, China attached great importance to the "second Eurasian shipping bridge" through Kazakhstan, Uzbekistan, Turkmenistan and Iran to Europe. Another project, foreseeing construction of the railroad Kashgar-Osh-Andijan, was regarded in China as part of this "bridge".¹¹⁶ Meanwhile, Iran coordinated the construction of the railroad corridor China-Middle East-Europe.

On the other side, Beijing activated its policy of uniting CA states within the limits of the SCO and strengthened its trade and economic relations with CA states. In particular, to show tendencies in this time period, the Chinese-Uzbek trade turnover in 2003 comprised \$ 347 million—that was two times more than in 2002. Besides, Beijing allocated its SCO Central Asian partners a \$ 900 million credit to realize economic projects¹¹⁷.

It is worth also mentioning here the Chinese efforts to form the Energy Club for Asia, an idea declared at the SCO summit in Dushanbe in September 15, 2006. These tendencies could not but attract Tehran's interest, which decided to join the SCO ranks in the future.

¹¹⁵ *In Kazakhstan Oilfields*, January 21, 2004, <http://www.eurasianet.org>

¹¹⁶ Khodjayevev Ahat Kh. *Kitayskii faktor v Tsentralnoy Azii* (Tashkent: Fan, 2004), 78.

¹¹⁷ Viktor Abaturon, "Tashkentskii sammit v razvitiu sotrudnichestva", *Ekonomicheskoe Obozrenie*, No.6 (58), 2004, 24-25.

Thus, Chinese efforts were directed at securing territorial and border integrity, search for mutually acceptable balance in the US-Russia relations, as well as at creation of premises for further development of relations with the CA region. The last aim presupposed active participation in CA energy projects that are vitally important for the growing energy demands of China, as well as construction of transport corridors linking China with European and Asian markets. It was obvious at the same time, that much in the investigated geopolitical tendencies depended on the level of US-Iran relations. So, before the evident activation of Chinese policy in Central Asia in 2004, the US-Russian partnership was based on jointly counteracting the threat of international terrorism. However, continuation of Iranian-American confrontation served as a favourable ground for formation of such alliances as Russia-China and IRI-Russia, and tri-lateral unions like Russia-IRI-China, directed against the US regional strategy.

2007 to January 2017

During these years, China has continued to try to keep an acceptable balance of interests and power between the US and Russia, which is necessary to push forward its recently elaborated strategy of the BRI.

In this sense, Beijing's main foreign policy vectors are the CA states and Iran. At that, Beijing has to take into account corresponding strategies of the US and Russia.

Central Asia

Economic stagnation of Russia and Europe and preoccupation of the US by its own internal and external problems have given a chance for Beijing to gradually strengthen its positions in Central Asia. China aspires, in fact, to lead important regional processes both within the limits of the SCO and on the bilateral level.

Thus, in the beginning of 2015, Chinese Minister of Foreign Affairs Van I officially declared that the Chinese center of foreign policy would be the "One Belt—One Road" concept (later called "Belt and

Road Initiative”). According to it, China intends to create an economic route to Europe through the entire Eurasia. To fulfill the project, Beijing initiated the Silk Road Fund with capital of \$ 40 billion, and the Asian Infrastructure Investment Bank, which was allotted \$ 50 billion. These means are planned for building railroads, ports and necessary infrastructure, as well as for developing economic and cultural relations between the Silk Road countries and China¹¹⁸.

On February 15, 2016, the first transit train from China through Kazakhstan and Turkmenistan came to Tehran.

Within the framework of the new Chinese foreign policy, the role of Uzbekistan has been dynamically increasing as a source and transit country in the process of implementing Chinese transportation, transit and energy projects in Central Asia. They include construction of a China-Kyrgyzstan-Uzbekistan railroad and laying the “Central-Asia-China” gas pipeline. The total volume of Chinese investments into the Uzbek economy constituted more than 6,5 billion dollars, whereas bilateral trade in 2015 comprised \$ 4,1 billion¹¹⁹.

In local opinion, Uzbekistan, not connected with Russia by integrational obligations, and has unique potential to play the role of a key regional partner in regulating domestic Afghan problems.

However, the CA states are cautious in relations with China. For instance, Tashkent refrained from more intensive contacts within the limits of SCO and opposed Chinese initiative of a free trade zone within the SCO.

Despite all its positive purposes aimed to solve socioeconomic and regional security problems, it is most likely that the BRI is, in fact, part of the efforts to restructure the immediate Beijing’s neighborhood in its own interests. As a leading Chinese scholar, Yuan Peng says, “China should seize the opportunity to modify unreasonable international

¹¹⁸ “Novii Shelkovii put: kak KNR izmenit ekonomicheskuyu karty mira”, March 2, 2016, <http://rusnext.ru/economy/1456861013>

¹¹⁹ “Kitay videlit Uzbekistany \$ 2,7 milliardov”, June 30, 2016, <https://www.gazeta.uz/ru/2016/06/30/china/>

mechanisms . . . including international or regional organizations, regimes, and laws”¹²⁰.

There are also such significant barriers: difficulties for Beijing to simultaneously improve relations with the CA states, Russia and the US; cultural and mental differences between China and CA countries; competition between the BRI and the Eurasian Economic Union; absence of a concrete substance of the BRI¹²¹.

Most these problems are, in principle, solvable or at stage of their resolution. The most important obstacle is, nevertheless, cultural differences. Historically, despite close contacts, the Turkish and Confucian-Buddhist civilizations never merged into a single whole. The same can be said about the present stage, specifically about the diversification of foreign preferences of the CA states. The Chinese role in the arising IR system will thus be reduced to the role of a balancing state.

Iran

It is in the economic and political interests of Iran, before and after lifting the sanctions, to develop economic cooperation with China. Iranian and Chinese efforts to closely coordinate their policy in the issues of building BRI of the 21st century have a significant role. The supply route for Chinese products through the territory of Iran benefits all three sides—China, CA states and Iran, as it will increase the volumes of their external trade and make Iran a link in the routes connecting Central Asia with the outside world. Potential Chinese assistance in resolution of regional security issues is of special value for all sides.

In this connection, both states are attaching much attention to development of trade and economic links. In particular, since the lift-

¹²⁰ Pei Minxin, “How China and America See Each Other and why they are on a Collision Course”, *Foreign Affairs*, March/April 2014 issue, <http://www.foreignaffairs.com/articles/140755/minxin-pei/how-china-and-america-see-each-other>

¹²¹ Konstantin L. Siroejkin “Kontseptsia EPSHP i ee vliyanie na otnoshenia s gosudarstvami Tsen-tralnoi Azii.” Paper presented at the international seminar “Challenges and Possibilities for Economic Energy Integration of the North-South Asia: Perspectives for Korea” in Almaty, May 22, 2015.

ing of sanctions in January 2016, China, alongside with India, has remained the leading importer of Iranian crude oil. In 2017, Chinese firms are expected to lift between 3 million to 4 million barrels more in Iranian oil each quarter of the year than last year¹²². The volume of bilateral trade is constantly increasing; this indicator has grown from \$ 500 million in the first years after the Islamic revolution in Iran to \$ 27 billion in recent years¹²³. In the 10-month period of 2016, China imported \$6.54 billion and exported \$ 8.4 billion worth of non-oil goods to Iran¹²⁴. At the same time, Iran intends to build a strategically important center for export of oil and chemistry products in the region of its Chabahor port. Proximity of the Chabahor port to the Chinese and Indian markets makes it attractive for the geographically isolated Central Asian states.

To consolidate the achieved success, the Chinese leader discussed the plan of bilateral strategic cooperation for the following 25 years and signed 17 bilateral agreements in various spheres during his visit to Iran in January 22-23, 2016. During the next decade, the trade turnover between the countries is planned to reach \$ 600 billion. However, experts pay attention to the fact that before arriving to Iran, the Chinese Chairman visited Saudi Arabia, where Chinese and Saudi sides agreed to establish an all-round strategic partnership¹²⁵. It is clear enough that Beijing strives, in the interests of security and economic benefit, to promote constructive cooperation between Tehran and Riyadh, thus reducing the level of their confrontation.

¹²² Chen Aizhu, "China's Iran Oil Imports to Hit Record on New Production: Sources", January 5, 2017, <http://www.reuters.com/article/us-china-iran-oil-idUSKBN14P15W>

¹²³ "Iran i Kitai obladayut dostatochnim potentsialom dlya dalneishego rasshireniya dvustoronnego sotrudnichestva", *Iran.ru*, July 31, 2014, http://www.iran.ru/news/economics/94234/Iran_i_Kitay_obladayut_dostatochnym_potencialom_dlya_dalneyshego_rasshireniya_dvustoronnego_sotrudnichestva

¹²⁴ "Iran's Non-Oil Foreign Trade Turnover Tops \$ 70", January 23, 2017, <https://financialtribune.com/articles/domestic-economy/57992/irans-non-oil-foreign-trade-turnover-tops-70b>

¹²⁵ Seyed Mohammad Amin-Abadi, "Kto strategicheskii soyuznik Kitaya na Blizhnem Vostoke: Iran ili Saudovskaya Araviya?" (متحد راهبردی چین در غرب آسیا؛ ایران یا عربستان؟), *Iran.ru*, March 3, 2016, http://www.iran.ru/news/analytics/100289/Kto_strategicheskii_soyuznik_Kitaya_na_Blizhnem_Vostoke_Iran_ili_Saudovskaya_Araviya

Both countries are important from the energy point of view. And BRI is possible only in conditions of peace and stability.

The scope of the Iranian-Chinese partnership greatly depends on regional Russian and US policies.

Russia

Russia continues to be the main Chinese Eurasian partner. In particular, in 2014, trade turnover between the two countries neared \$ 100 billion, but the trend since has been downward. According to the Chinese, in the first three quarters of 2016, trade turnover amounted to just over \$ 50 billion¹²⁶.

At the same time, with the launching of some Chinese projects in Central Asia, particularly, the China-Turkmenistan-Kazakhstan railroad route, anxiety is growing in Moscow that the BRI can pass through the whole Eurasia, bypassing Russian territory. Thus, Russia can be cut off the Silk Road routes. Beijing, in response, is assuring that “China is the market, which will swallow everything that Russia can suggest”¹²⁷. Chinese activity in Central Asia is explained by the fact that it aspires to provide itself with guaranteed energy supplies, and Russia is not covering its oil and gas needs to a sufficient degree.

From the other side, a tendency of the last years is a certain rapprochement of India with the Russia-Iran-China union. The trilateral cooperation Russia-Iran-China generated an idea of the strategic union between Iran, China, Russia and India, coordination and cooperation between the SCO and BRICS¹²⁸. Still, it is obvious that the Russian-Ukrainian crisis has significantly reduced possibilities of Russia playing the leading role in this union, at least, in the foreseeable future. Possible consolidation of these organizations can only strengthen the Chinese role in Central Asia, supported by dynamically developing Iran.

¹²⁶ Catherine Putz, “China and Russia Aim to Increase Trade Turnover to \$ 200 Billion by 2020”, November 8, 2016, <http://thediplomat.com/2016/11/china-and-russia-aim-to-increase-trade-turnover-to-200-billion-by-2020/>

¹²⁷ Vladimir Skosirev, “Xi Jinping prokladivaet noviy Shelkoviy put’”, *Ng.ru*, January 22, 2016, http://www.ng.ru/world/2016-01-22/1_china.html

¹²⁸ BRICS—group consisting of five countries—Brazil, Russia, India, China, South Africa.

In particular, during the fourth summit on Interaction and Confidence Building Measures in Asia, held in Shanghai in May 2014, Chinese President Xi Jinping stressed the necessity to form new regional security architecture¹²⁹. It is supposed that the alliance in the security sphere between Iran, China and Russia, strengthened in the future by partnership with other Asian countries, would allow for protecting their interests while interacting with the United States and the EU.

In this connection, Russian experts¹³⁰ are laying basis for new forms of rapprochement with Tehran by granting it full membership in the SCO and in the BRICS. However, there are series of factors testifying for a small possibility for development of such tendency.

First, there is no special optimism in Moscow today on the future of the Russian-Iranian cooperation¹³¹.

Secondly, a sufficient potential for competition between Moscow and Beijing has been preserved.

Thirdly, there is not enough unity between BRICS members to consolidate the organization, which is exacerbated by the pre-dominant financial position of China in this union. Out of \$ 100 billion of the primary joint fund, China contributed \$ 41 billion, whereas Brazil, Russia and India contributed each only \$ 18 billion¹³², which already lays the basis for future asymmetrical development of this organization.

Recognition of these realities, nevertheless, does not reduce the importance of a closer regional partnership in the interests of security and economic development.

¹²⁹ "Iran-Russia-China Alliance US Nightmare: Academic", <http://www.presstv.com/detail/2014/05/22/363702/us-fears-iranrussiachina-alliance/>, May 22, 2014.

¹³⁰ Vladimir Alekseev, "O vstuplenii Irana v ShOS i BRIKS", *Iran.ru*, July 21, 2014, http://www.iran.ru/news/analytics/94170/O_vstuplenii_Irana_v_ShOS_i_v_BRIKS

¹³¹ Vladimir Efimov, "Mogut li Rossiya i Iran stat strategicheskimi partnerami?", *Iran.ru*, July 14, 2014,

http://www.iran.ru/news/analytics/94124/Mogut_li_Rossiya_i_Iran_stat_strategicheskimi_partnerami

¹³² Ekaterina A. Sharova, "Osnovnie itogi VI sammita BRIKS. Ekonomicheskie aspekty", *Iran.ru*, July 21, 2014, <http://www.riss.ru/analitika/3411-osnovnye-itogi-vi-sammita-briks#.U9hsZvnUvPR>

Thereupon, during the Ufa SCO summit, Russian President Vladimir Putin proposed to join two projects—the Eurasian Union and Chinese version of the Silk Road—and thus to carry out logistical and transport unification aimed at modernization of Central Asian infrastructure financed by Chinese investments. In case of progress, Russian-Chinese cooperation can lead not only to a fundamental transformation of Central Asia, but can potentially change the whole Asian-Pacific region, which raises anxiety in the West¹³³.

With this goal in mind, Russia was preparing an agreement on a future continental partnership between the Eurasian Union and SCO. However, at present, as discussed, this is rather problematic. It is unlikely that China is interested in the strengthening of its potential rival. Russia will have to face most violent geoeconomic competition. Still, in the interests of security, it does not exclude formation of the prerequisites for future multilateral partnership.

Besides, in my opinion, there are two main factors: historic, cultural and demographic closeness and international terrorism, that will finally stimulate gradual overcoming the present-day barriers between Russia and CA states and in the long run promote consolidation of the Eurasian Union and its continental partnership with the SCO. In circumstances of chronic instability in the Middle East and Central Asia, ever increasing threats from the side of IS and other radical formations, it is of vital priority for CA states and Russia to settle urgent internal social and economic problems, which create a favourable environment for feeding and extending the influence of terrorists. In this regard, consolidation of regional partnership under the aegis of the powers and having all necessary financial, economic, military and political resources to withstand these threats is vitally important for Central Asian security. As to certain challenges for realization of big interstate projects, including the BRI, they are objective and quite expected. Historically, in the process of tackling com-

¹³³ Mitesh Mistri, “Kitayskii drakon i russkii medved horosho ujivayutsya vmeste v Tsentralnoi Azii”, August 18, 2015, <http://www.centrasia.ru/newsA.php?st=1439893440>

mon challenges and threats, instruments were always found to overcome or restrict them in one or another manner.

The US

During the last few years Iranian-Chinese cooperation in economic, military, political, nuclear and other spheres has been, in fact, served as a specific Chinese leverage on the US regional policy. The advent to power of President Hassan Rouhani and the beginning of talks on the Iranian nuclear program legitimized latently developing Iranian-Chinese relations. In its turn, Washington exerted significant pressure on Beijing's policy towards Iran. These two contradictory tendencies in some periods slowed down, and in other times accelerated development of the Iranian-Chinese partnership.

Thus, the possibility of forming a group of states (China, Russia, Iran and CA states), joined in a single self-sufficient energy block, obviously raises anxiety in the West. To counteract it, the US persisted in exerting pressure on the Iranian issue. In particular, in early 2012, Washington imposed sanctions against three Chinese firms accused of supply of substances and materials which could be used in production of weapons of mass destruction.

Concurrently, the US came across Chinese opposition into sanctions towards Iran the UN Security Council. Beijing stood against the situation when "sanctions, adopted at the bilateral level, damaged normal trade cooperation of other countries with Iran"¹³⁴.

At the same time, Beijing used deepening military and technical partnership with Iran as an instrument of pressure against Washington. In 2014, Beijing intended to increase its military expenditures by more than 12 % and bring them to \$ 132 billion level, which raised strong anxiety in the United States¹³⁵. In summer 2013, Iran and China signed an agreement on security issues, aimed at developing joint measures to counteract international extremism and terrorism.

¹³⁴ "V otnosheniah s Iranom Kitai strogo vipolnyaet tolko sanktsii OON", May 23, 2012, <http://www.vestikavkaza.ru/news/58534.html>

¹³⁵ "Iran, Kitai i oboronnaya spetsifika Shelkovogo puti v tretiem tisyacheletii", *IRN.A*, May 12, 2014, http://inosmi.ru/irna_ir/20140512/220199836.html

In May 2014, Vice-Secretary of the Iranian National Security Council, Ali Bagiri, visited China.

However, Beijing takes into account the role and significance of the US, strategic cooperation with which strengthens China's national security, promotes significant economic growth and territorial integrity of the state. Therefore, even tough conservatives in China do not object to the SCO-NATO dialogue, as Beijing is not interested in a prolonged confrontation with Washington.

For the United States, China's strategic importance lies in its active interest in the resolution of regional security problems (terrorism, drugs, etc.) and in the leading role in the SCO. Washington has to take into account the presence of this dynamically developing power in Central Asia and reconcile this fact with the US regional policy. Moreover, the US has no principal objections against Beijing's participation in Caspian projects. They keep in mind the growing rivalry between Beijing and Moscow in the CA region and a mass of internal problems in China. At the same time, to ensure further economic growth, China needs access to the important foreign markets, mainly in the US.

On the other side, Iranian-American relations are not stable enough to eliminate the key sanctions against Iran, and that is why some Chinese experts consider it necessary to promote reconciliation between the US and Iran. As a partner of both, China has to carefully regulate trilateral relations, and it considers itself more a victim than a beneficiary. In the case of any military conflict, Chinese interests in the maintenance of stable energy supplies and a stable goods market will be seriously undermined¹³⁶.

Proceeding from these realities, Washington and Beijing made considerable efforts to settle their discrepancies at various conferences and seminars, consultations and summits. In conditions of the Ukrainian and Iraqi crises, US and Chinese interests could probably

¹³⁶ Jin Liangxiang, "The Prospect of the Iran Nuclear Issue and China-Iran Economic Relation", January 8, 2014, <http://www.chinausfocus.com/foreign-policy/the-prospect-of-the-iran-nuclear-issue-and-china-iran-economic-relations/>

be most balanced on the question of division of spheres of interest and formation of the new world order.

Thus, in the process of the sixth round of American-Chinese Strategic and Economical Dialogue (July 9-10, 2014, Beijing) and of the fifth round of high-level consultations, the US and China came to some positive conclusions¹³⁷.

I should add here that some Iranian experts do not exclude the possibility of forming, in the future, a system of regional security under the aegis of the SCO and the US, where the SCO could play the role of a mediator in the partnership of regional states with Western ones.

Indeed, Beijing has been actively supporting the US-led peacekeeping process in Afghanistan, including participation in the Afghan negotiations with Islamabad. In parallel to that, China is increasing direct investments into the United States. According to some data, in the first half of 2015, direct investments of Chinese companies into the US achieved the record amount of \$ 6,4 billion; during this time, 88 transactions were concluded¹³⁸.

It is worth paying attention that the agreement on close Chinese-American cooperation, including in military and political sphere, was planned soon after the conclusion of the agreement on Iranian and Chinese defense partnership in May 2014.

However, until the end of 2016, Beijing's growing power encountered the accelerated US plans to form the Trans-Atlantic Trade and Investment Partnership (TTIP), intensifying their old global rivalry. To withstand the still powerful US and its potential ambitions in Asia, China has activated the formation of the All-Round Regional Economic Partnership (first suggested in 2012), which includes nine states—Australia, India, China and South-Western Asian states, but leaves the US “out in the cold”. Besides, presumably, to support the yuan, China refused to be the main creditor of the US Department

¹³⁷ Xue Junying, “Strategic Reaffirmation on China-US Relations”, July 14, 2014, <http://www.chinausfocus.com/foreign-policy/strategic-reaffirmation-on-the-china-us-relations/>

¹³⁸ “Kitaytsi vse bolshe investiruyut v SSHA”, September 23, 2015, *Kommersant.ru*, <http://www.centrasia.ru/newsA.php?st=1442977740>

of the Treasury, reducing its shares of obligations to \$ 1,12 trillion. And most important, on January 2, Beijing launched the first in history, 12 thousand km long railroad from Chinese province Chzetzyan to London. The train passes through Kazakhstan, Russia, Belarus, Poland, Germany, Belgium and France. In total, experts say, the Chinese-British partnership covers on its route 60 countries of the world, inhabited by about 60 % of the world population and holding 75 % of the global energy resources. In 10 years, the volume of trade along the forming trans-Eurasian network could achieve \$ 2.2 trillion¹³⁹.

At the same time, Germany, a key supplier of technology brands, is already the main European destination for Chinese FDI, with a total amount of \$10.8 billion in the first half of 2016¹⁴⁰. American experts are extremely anxious about Chinese financial expansion into the Old World, urging Washington and Brussels to respond resolutely to the Chinese initiatives. The new US President, Donald Trump, promises to move “very quickly” to secure a beneficial bilateral trade deal with Britain after the Brexit. A favourable indicator for positive changes in this direction is the results of a poll, conducted in Britain, which found that 49 % of Britons supported a close relationship with the new US President¹⁴¹.

Needless to say, a trans-Eurasian transport network can be very beneficial for the CA states striving to reach world markets by alternative, safe and comfortable routes. Here, new opportunities are opening to significantly reduce geopolitical tension, at least between Russia and European countries. Beneficial trade will positively influence involved states’ economies.

¹³⁹ Tsaturyan Sarkis, “SSHA kak jertva “finansovoi ekspansii”: Kitai perevodit dengi v Evrosouyuz”, *Regnum*, January 9, 2017, <http://www.centrasia.ru/newsA.php?st=1483981500>

¹⁴⁰ Philippe Le Corre, Jonathan Pollack, “Global Rise: Can the EU and U.S. Pursue a Coordinated Strategy?”, *Goeconomics and Global Issues Paper 1*, October 2016, <https://www.brookings.edu/research/chinas-global-rise-can-the-eu-and-u-s-pursue-a-coordinated-strategy/>

¹⁴¹ Ashley Cowburn, “Brexit will be a ‘Great Thing’ for UK, Says Donald Trump”, January 15, 2017, <http://www.independent.co.uk/news/uk/politics/donald-trump-brexit-the-times-interview-michael-gove-great-thing-a7528871.html>

With such public support in Britain, the pragmatic and business-like Trump administration can certainly achieve some progress in relations with this traditional US ally. Still, all trade issues dealing with Europe must overcome certain resistance from the Congress. It is clear, therefore, that improvement of American-Chinese relations will take time. In any case, it seems, bilateral trade agreements with the EU and other states will prevail during the new US administration, and this can, in a certain degree, contain Chinese ambitions. Particularly, attraction of the Central Asians to more profitable alternative Western projects can partly restrict the sphere of Chinese activity.

Most obviously, a complex process of coordinating positions and conditions of running businesses in the South and Central Asia (SCA) is expected. It is clear enough that Donald Trump, having his own experience of running big business and being forced now to defend US economic and geopolitical interests, will not agree to simply follow the BRI ideas. The new President will, undoubtedly, advance his own conditions for carrying out trade and guarding the routes, and will contain China in trade, financial and, if necessary, in military spheres. In other words, he will aspire to preserve and consolidate the US leadership in the process.

Chinese and European engagement with Iran opens wide possibilities for this country to join the trans-Eurasian projects, bypassing American sanctions. The progress still depends on the US-Iranian strategy.

From its own side, the European Union, a point of destination for the majority of the CA routes, is ready to admit the market status of the Chinese economy. However, the 2017 elections in the leading Euro-

pean countries, like Germany, France and Italy, and internal EU crisis could slow down the process of the Western rapprochement with China, and, consequently, of realizing joint projects. The tempos of transformations depend on the internal situation in each EU country and their ability to solve their development problems efficiently.

2.5. Turkish policy in Central Asia

General background and tendencies before 2006

Turkey is one of the most active regional players in Central Asia, representing the Islamic world. In comparison to Iran, Turkey is a secular Sunni Moslem state (99.8 %)¹⁴².

The country is distinguished by its favourable geographic location, has historic, cultural, religious and linguistic ties with the CA region. Therefore, Turkey considers itself an ideal model for the Central Asian states.

Ankara's geopolitical plans are aimed at political and economic integration of Central Asia and the Caucasus under its auspices, which potentially could promote resolution of the internal political problems, strengthening its status and influence on the international arena. In the economic sense, the Turkish strategy foresees guaranteeing the Turkish business and access to the Central Asian energy resources and control over the Caspian routes of energy transportation.

In the 1990s, the main instrument for the realization of those tasks was the US-sponsored export oil pipeline—the BTC project. However, there were a number of problems on the way of fulfilling the Turkish geostrategy in Central Asia.

Firstly, considerable discrepancies between positions of CA states and Turkey became visible¹⁴³. Initial contacts in the region, based on the concept of pan-Turkism, did not bring the expected results owing to domination in these countries of purely pragmatic approach in relations towards its ethnocultural “brother” and unwillingness to have a new tutor in its face. The CA states made a choice in favor of developing bilateral relations, restricting them predominantly to the spheres of culture and education, construc-

¹⁴² “*World Factbook*”, Turkey Country Profile, May 8, 2017,

<https://www.cia.gov/library/publications/resources/the-world-factbook/geos/tu.html>

¹⁴³ Zakir Chotoyev, “Vliyanie Turtsii na razvitie gosudarstv Tsentralnoi Azii”, *Tsentralnaya Aziya i Kavkaz* no.2(26) (2003), 88.

tion and economy. Cooperation with CA states in the military and security sphere did not go out of the limits of Centrazbat exercises. Moreover, negative influence on relations between Turkey and Uzbekistan was exerted, particularly, by actions of such illegal religious organizations as “Nurchi”, headed by Fethullah Gülen.

Secondly, the inability of Turkey to provide financial, economic and political assistance to the CA region and preoccupation with its internal political problems and relationships with Europe also affected considerably the Turkish status in the region.

Thirdly, efforts to strengthen Ankara’s stand in the CA region through a key factor in the regional security issues, Afghanistan, turned out at that period to be ineffective. I think the Westernized model of Turkey does not fully correspond to the mentality of the Afghan conservative Moslem population. Although later, in the 2000s, young Afghans, having more contacts with the abroad, were becoming increasingly liberal, they still were not the majority in the more traditional Afghan population.

Fourthly, some obstacles on the way of achieving mutual understanding with CA states appeared as a result of some elements of competition between Russia and Turkey on issues of selecting energy routes and influence in Central Asia, as well as determination of the CA republics to intensify ties with the Western countries without any mediators, be it Russian or Turkish assistance.

And, at last, Turkey has been feeling geopolitical pressure related to the EU decision to postpone its membership. The growth of anti-American spirits in the period of the anti-terrorist campaign and strengthening of the Islamic factor inside the country substantially influenced the degree of mutual trust between Ankara and Washington and weakened US influence on Turkish foreign policy.

Interlacing of the given factors with the internal political issues of the country, aspiration to preserve a mutually acceptable balance in relations with the Islamic world in conditions of the global anti-terrorist struggle and vulnerability of Turkey to the threat of religious extremism, brought the Turkish establishment to reconsideration of

the previous priorities in its policy in favor of the oil-producing countries of the Middle East.

Of special importance among the Middle Eastern countries was the Islamic Republic of Iran—a large oil producer and an influential OIC member. Turkey adhered to the tactic chosen in the 1980s by Turgut Özal: maintain patience and develop normal relations with the IRI on the condition that export of the Islamic fundamentalism is excluded from the Iranian side.

In spite of some clear discrepancies, specifically, the anxiety of Iran about development of military and political relations between Israel and Turkey, Ankara and Tehran had common stands on a series of regional security problems, including resistance to Iraq's breakup and the creation of the Kurdish government on its territory. Pragmatism of Turkish and Iranian foreign offices was expressed in the fact that on the official level they were not rivals, but rather mutually compatible allies in the Caucasus and Central Asia.

Gradually the “struggle of models”¹⁴⁴ gave way to sober political and economic estimates. Besides, with the advent to power in Turkey of the pro-Islamic government of Abdullah Gül, Iran and Turkey surfaced new possibilities.

At that, it was becoming more evident that Ankara and Tehran could use their shift towards a moderate, “soft” form of Islam as an instrument able to facilitate their cooperation with both the EU states and the secular states of Central Asia. New tendencies in Iranian-Turkish relations could also be traced in the harmonization of their bilateral approaches not only towards the CA region but also on issues taking place far from their borders, including the establishment of the “just” peace in the Near and Middle East.

In November 2001, this tendency led to the restoration of supplies of the Iranian natural gas to Turkey. In 2003, the volume of the railway cargo transportation between Turkey and Iran increased by 100

¹⁴⁴ Nurmuhhammad Navruzii, “Stolknovenie Irana i Turtsii v Tsentralnoi Azii”, *Central Asia and Caucasus Review* No. 29 (2000): 113–142; Hossein Kasemi, “Turtsia i Kavkaz: opasenia za regionalnyiu bezopasnost”, *Amu-Darya* no.15 (Tehran, 2004), 116–131.

% in comparison with 2002¹⁴⁵. At the same time, both states strove to interact on the multilateral basis, that, in particular, was confirmed by the projected Iranian-Chinese railroad route through the Central Asian region with participation of Ankara.

It is quite clear that reorientation of the Turkish policy in the Middle East was stimulated largely by activation of Iranian-European contacts and intensification of American-European discrepancies on Iran. During the anti-Iran sanctions period, the Turkish government got a chance to strengthen its positions in the CA region. However, the growing reorientation of European capitals to Iran, bypassing the sanctions, increasingly restricted Turkish business activity and reduced the chances for self-repayment of the BTC project, which is vital for the Turkish interests. In conditions when the sanctions against Iran were gradually diminishing, Turkey could finally lose the Central Asian market—CA states were increasingly orienting towards Eurasian powers and the EU to realize their energy projects. In this situation, cooperation with the West remained a priority in Turkish foreign policy. This was also stimulated by pressure from the Bush administration¹⁴⁶, anxious about the Iranian-Turkish rapprochement.

Nevertheless, a set of complex political, economic, as well as Islamic factors, defined the growth of pro-Iranian attitudes in Turkey, which was proved by sociological polls¹⁴⁷: the barometer of Turkish-American relations reduced from 28 in 2004 to 20 in 2006, with the European Union—from 52 to 45, while with Iran it rose from 34 to 43.

At the same time, the allied relations of Ankara and Washington restricted the potential of Turkish relations with Tehran. Construction

¹⁴⁵ “Jeleznodorojniki Irana i Turtsii razvivayut dvustoronnee sotrudnichestvo”, *IRNA, Iran.ru*, July 12, 2004,

http://www.iran.ru/news/politics/22043/Zheleznodorozhniki_Irana_i_Turcii_razvivayut_dvustoronnee_sotrudnichestvo; “Iran vibral turetskii marshrut postavok gaza v Evropu”, *Neftegazovaya vertikal*, July 30, 2004, <http://www.ngv.ru/lenta>

¹⁴⁶ “U.S. Threatens to Boycott Turkish Companies Cooperating with Iran”, *Tehran Times*, February 8, 2004.

¹⁴⁷ “Polls: Americans, Europeans Share Increased Fears of Terrorism”.

of the BTC project was significantly restricted by American-European discrepancies on Iran and, hence, by insufficient funding of the project from the EU side. Simultaneously, Ankara tried not to complicate its relations with the Caspian player and its economic partner—Russia. Moreover, Turkish military and political circles increasingly counted on cooperation with Eurasian states, including Russia, to prevent potential instability in Central Asia. This was stimulated by the Plan of Actions on Development of Cooperation between Russia and Turkey in Eurasia signed on November 16, 2001.

Thus, the contours of the new Turkish strategy in Central Asia took more distinct character after the beginning of the anti-terrorist campaign in 2001. On the one side, it was obviously oriented at further consolidation of the partnership with the Euro-Atlantic community and development of multipronged cooperation with Russia, on the other—at strengthening Turkish status in the Islamic world, including relations with IRI. At that, instead of the frankly pan-Turkist, ethno-national and religious propaganda, a more moderate model of the “soft Islam” was propagated in Turkey as the most acceptable way for the development of the CA states.

2007 to January 2017

Turkey’s long-term strategy continues to be oriented towards becoming a major player that ensures energy security of the European countries through diversifying sources of hydrocarbons. In this respect, the country is attributing particular significance to uniting the entire Caucasus and Central Asia into a single energy transportation system, providing access to Europe through Turkish territory. In the context of economic globalization, its unique geographic location could make Turkey a major terminal and energy bridge between the East and West.

US-EU

The issue of efficient interaction of the Euro-Atlantic and Eurasian trends in its foreign policy remain the key problem for Turkey.

Lately, the US has essentially stopped putting pressure on Ankara's Iranian initiatives. This is explained by compatibility between the Iranian-Turkish partnership and Washington's new regional strategy. At the same time, it has become clear that the EU is leaning toward revising its policy in favor of Iran and Russia.

Up to the present, the American expert community¹⁴⁸ believed that cautious management of the Turkey-EU-Russia-Iran axis might help the US to achieve its goals in the Middle East and Eurasia.

In spite of everything, Washington is sure now that it is Turkey, with its strategic location at the juncture of the Black, Mediterranean and Marmara Seas, that possesses the role of the regional hegemon. Historically, its economy has been the biggest in the Middle East. In the future, according to Western assessments, demographic changes, expected in the world in the next 25 years, will promote the growth of the Turkish influence in the CA region. The Turkish population, according to forecasts, will be increased by more than 20 %, reaching 96 million, potentially aiding the successful use of the Turkish "soft power" strategy in Central Asia¹⁴⁹. Looking for ways to reconcile the sides, experts stress the commonality of Turkish and Iranian energy and strategic interests—for example, both states are against an independent Kurdish state¹⁵⁰.

Ankara, in its turn, thinks it necessary to increase partnership along the EU-Turkey-Russia axis. As early as 2013, goods turnover among the EU countries, Turkey, and Russia amounted to more than \$ 470 billion¹⁵¹. In all likelihood, the US will also be included in this axis in

¹⁴⁸ Stephen J. Flanagan, "Turkey-Russia-Iran Nexus: Eurasian Power Dynamics", Center for Strategic and International Studies, *The Washington Quarterly*, Vol. 36, issue 1, (2013): 163–178, <http://dx.doi.org/10.1080/0163660X.2013.751656>

¹⁴⁹ Eugene Chausovsky, "Central Asia: A Different Kind of Threat", Stratfor.com, January 1, 2016, <https://www.stratfor.com/analysis/central-asia-different-kind-threat>.

¹⁵⁰ "Why Middle Eastern Conflicts Will Escalate", *Stratfor.com*, August 28, 2015, <https://www.stratfor.com/analysis/why-middle-eastern-conflicts-will-escalate>

¹⁵¹ Hasan S. Ozertem, "Visions for Greater Cooperative Europe amid the Crisis in Ukraine: Eco-

the future.

It is no accident that Turkey has been asking during the current discussions: “Is it right to exert efforts on the Eurasian Union with its very vague future when Trans-Atlantic Trade and Investment Partnership (TTIP) is eclipsing the future foreign trade policy of so many states?” On the other hand, “the Eurasian Union is developing as an alternative to the TTIP and Trans-Pacific Partnership. It is precisely such forms of partnership among states that will now determine the balance of power in the world”¹⁵².

This model places the emphasis on Turkey’s fundamental role in an extensive European partnership with Russia’s participation. In so doing, experts are clearly ignoring the Iranian factor, which, in my opinion, makes the formation of the above-mentioned axis impossible. Moreover, they do not take into account the deep Russian-Western and Turkish-European discrepancies. A constructive partnership can be realized, at least, after the final settlement of the Iranian and Ukrainian problems, which is not foreseeable in the short term. Even in the long term, it will be obviously difficult to reconcile a partnership with Turkey competing TTIP and the Eurasian Union, especially since TTIP perspectives are still not clear and the Eurasian Union is too weak. It will take a long time before both models of cooperation can strengthen.

Turkish significance in the US is linked also to the growth of Islamic extremism in the Near East (Iraq and Syria), where Washington’s cooperation with Turkey has not yet been successful. The United States wants to use the struggle against extremism, particularly, the Syrian conflict, to push forward Ankara’s regional role and influence. Acknowledging the commonality of the US, Turkish and Saudi interests in using force in Syria, American experts, at the same time, point at the difference in approaches of the three states towards

conomic Cooperation and Energy Politics”, *Turkishweekly.net*, August 10, 2014, <http://www.turkishweekly.net/article/413/visions-for-greater-cooperative-europe-amid-the-crisis-in-ukraine-economic-cooperation-and-energy-politics.html>

¹⁵² Tailan Byukshahin, “ES ili Evraziiskii soyuz?” August 9, 2014, <http://www.centrasia.ru/newsA.php?st=1407557340>

Damask. The US strives only for the removal of Syrian President Bashar al-Assad. Neither Washington nor Ankara wants a full overthrow of the regime itself, lest jihadists come to power. But Saudi Arabia is pursuing a more aggressive policy. Using jihadists, Riyadh is striving to remove the Allawi's regime that would allow it to fight against Tehran's influence.¹⁵³ Meanwhile, joint Turkish-US operations against IS did not bring the desired result. The main obstacle, in the experts' view, has been the failure to coordinate a joint Washington-Ankara approach. Both sides were disappointed with each other¹⁵⁴.

Besides, the failed July 16, 2016, military coup in Turkey has further complicated Turkish-Western relations. Ankara is in no condition now to curb inflows of migrants to Europe. Europeans, in their turn, are not ready to deal with a renewed immigration crisis, as they are absorbed with growing nationalistic and anti-globalistic tendencies in the European countries.

The results of recent sociological polls demonstrate the state of the Turkish relations with the West eloquently: 64 % of participants do not even aspire for the EU membership, and 78 % do not consider the US and NATO to be Turkey's strategic allies¹⁵⁵.

Nevertheless, Turkey's foreign minister has recently stressed that "Nobody can ignore the role of the United States. And this is a principled position of Turkey."¹⁵⁶ Washington was invited to the new Syria peace talks being organized by Moscow and Ankara in Astana. In its turn, the White House noted that "Turkey is an important ally of NATO. We've got benefits from the union with Turkey, and we,

¹⁵³ "What Saudi Arabia and Turkey Want in the Syria Conflict", *Stratfor.com*, September 6, 2013, <https://www.stratfor.com/geopolitical-diary/what-saudi-arabia-and-turkey-want-syria-conflict>

¹⁵⁴ Noah Bonsey "Turkey and the U.S. in Syria: Time for Some Hard Choices", *Crisisgroup*, August 10, 2015, <http://blog.crisisgroup.org/europe-central-asia/2015/08/10/turkey-and-the-u-s-in-syria-time-for-some-hard-choices/>

¹⁵⁵ "Recent Survey Reveals 65 pct Support for New Constitution and Presidential System", *DAILY SABAH*, November 21, 2016, <http://www.dailysabah.com/elections/2016/11/21/recent-survey-reveals-65-pct-support-for-new-constitution-and-presidential-system>

¹⁵⁶ Ali Choukeir, "Russia Agrees US Attend Syria Talks Turkey", AFP, January 14, 2017, <https://www.yahoo.com/news/russia-agrees-us-attend-syria-talks-turkey-233411642.html>

quite obviously, value this partnership and obligations, which they've taken on the struggle against IS"¹⁵⁷.

Thus, Turkish relations with the US and EU are not unambiguous. The situation in Syria and the latest internal political events, in fact, drove Turkey into a political corner. In these conditions, Ankara is increasingly relying on Russian support. However, to balance its policy and achieve its proclaimed geopolitical goals and energy interests, it needs to preserve the union with the Euro-Atlantic community as well. Hence, Turkish positive gestures towards the US. In its turn, the new US administration has to take into account the Turkish strategic role in maintaining American positions and fight against terrorism in this important part of the world. All the more important because of American relations with other influential Moslem powers—Iran and Saudi Arabia—are not clear-cut, and the US needs a trustworthy ally in the Islamic world.

Russia

Turkish-Iranian partnership in no way contradicts Moscow's interests; the latter is interested, among other things, in strengthening the secular form of Islam on its southern frontiers. Ankara, in turn, is trying not to complicate relations with this key Caspian player and its economic partner. Russia occupied the second place after the EU among Turkey's economic partners. However, the volume of bilateral trade began declining to \$ 32 billion in 2013 and reached, in the first six months of 2016, only \$ 8.5 billion¹⁵⁸. This, in experts' view, was explained by the economic crisis in Russia and the November 2015 crisis between the two countries. At the moment, Turkish companies still have about \$ 10 billion of investments in Russia and officials are sure to reach the \$ 100 billion goal in 2019 or 2020.

¹⁵⁷ "V Belom dome predosteregli Turtsiyu ot planov ogranichit dostup SSHA k baze Injirlik", ITAR TASS, January 06, 2017, <http://tass.ru/mezhdunarodnaya-panorama/3923886>

¹⁵⁸ Mehmet Cetingulec, "Can Turkey-Russia Trade Reach \$100 Billion Target?", August 22, 2016, <http://www.al-monitor.com/pulse/originals/2016/08/turkey-russia-trade-reach-100-billion-target.html#ixzz4bMnLFaQv>

On the whole, relations between Russia and Turkey are developing quite propitiously in trade, investments, tourism, security (primarily in the Black Sea region), and so on. It is not surprising, in that respect, that Turkish security interests and energy dependence on Moscow and Tehran even after introducing Russian sanctions against Turkey (concerning knocked-off CU-24 jet) led to restoration of the Turkish-Russian relations and did not radically influence Turkish interaction with them.

Within this tendency, a visit of the Russian Minister of Foreign Affairs Sergey Lavrov to Baku took place. It happened just a few days after the reconciliation of the Turkish and Russian Presidents Recep Tayyip Erdogan and Vladimir Putin, on July 11-12. Russia is most probably attempting to revive indirectly the idea of the Eurasian Economic Union in a new format through conflict resolution in the region (long-lasting Karabakh issue), stimulating Turkish and Iranian activities in the regions of the Caucasus and Central Asia, as well as joining their efforts in the topical security spheres. However, this will certainly not be an easy process owing to the following factors:

- Russia and Turkey are the main contenders for influence in CA within the Eurasianism-pan-Turkism line. Turkey's growing influence in CA means there are still challenges relating to the differences in the positions of the regional countries regarding their Turkic unity.
- Contradictions in Syria. Moscow accused Ankara of supporting such terrorist organizations as IS and "Jabhat-al-Nusra". In its turn, Turkey criticized Russia for providing Syria with military support.¹⁵⁹
- Bilateral competition continuation in raw hydrocarbon transportation. Ankara is striving to reduce dependence of the Turkish economy on Russian gas (around 60 % of gas deliveries to Turkey

¹⁵⁹ Akkan Faruk, Rossiisko-turetskie otnoshenia stanoviyatsya jertvoi Asada", *Turkishnews.com*, *Inosmi.ru*, September 21, 2015, <http://www.turkishnews.com/ru/content/>, <http://inosmi.ru/asia/20150918/230352306.html>

come from Russia)¹⁶⁰. In this respect, Turkey is examining energy cooperation with Iran as the optimal alternative corresponding to its Middle Eastern plans. In their turn, Iranian experts¹⁶¹ are favoring transportation of Central Asia's natural gas by Southern route to Europe through Iran and Turkey. And the European Union and, consequently, the United States wants to make Iran the main gas supplier.

- Russia and Turkey do not see eye to eye on Ukraine. For example, Turkey is in favor of Ukraine's integrity and independence and has no intention of recognizing the results of the Crimean referendum held on March 16, 2014¹⁶².

- Russian efforts are developing simultaneously with the Euro-Atlantic efforts to solve the long-lasting Karabakh issue, but it is still not clear who can suggest the best option to settle the problem. The situation is exacerbated by the fact that Azerbaijan and Armenia cooperate both with Russia and the Euro-Atlantic community, and they need to balance their relations.

On the other side, there are also factors in favor of Russian policy:

- In Central Asia and the Caucasus, there is an interest in regulating Russian-Turkish relations due to their negative influence on economic and security situation in the region. This is demonstrated, for instance, in Baku's assistance in normalizing Moscow-Ankara relations¹⁶³. Realization of big scale Silk Road projects allows Azerbaijan to become a transit center and a regional hub. In this regard, Turkish leaders proposed such formats as Azerbaijan-Turkey-Kaza-

¹⁶⁰ Hasan S. Ozertem, "Is Turkey Back in the Game?: New Deal with Iran and Nabucco?", *Turkishweekly.net*, July 16, 2007, <http://www.turkishweekly.net/energy>

¹⁶¹ Hamidreza Azizi, "Post-Sanctions Iran» and Prospect of Energy Cooperation in the Caspian Region", April 5, 2016, <http://www.iranreview.org/content/Documents/-Post-Sanctions-Iran-and-Prospect-of-Energy-Cooperation-in-the-Caspian-Region.htm>

¹⁶² Ozdem Sanberk, "The Ukrainian Crisis and Contradiction Management", *Turkishweekly.net*, April 9, 2014, <http://www.turkishweekly.net/columnist/3868/the-ukrainian-crisis-and-contradiction-management.html>

¹⁶³ "Turkey Grateful to the President of Azerbaijan for his Support in Rebuilding Relations with Russia", July 17, 2016, <http://caspienergy.net/en/ekonomika-2/35091-2016-07-15-12-16-50>

khstan and Azerbaijan-Turkey-Russia¹⁶⁴.

- The tendency of improving Turkish-Iranian relations, starting in early 2000s, has been solidifying now. As an Iranian expert¹⁶⁵ stresses, Erdogan is “a better option than the rest”.

- Russia finds a “window of opportunities” in energy politics. The matter is that tension in Russian-Turkish relations has not touched the energy issue. Turkey is still the second gas market for the “Gazprom” after Germany¹⁶⁶. Now Moscow and Ankara have renewed once suspended negotiations on the natural gas pipeline project Turkish Stream.

- Two members of the Minsk group, France and the US, have been absorbed with their own problems—terrorists and presidential elections. Political uncertainty and internal problems, therefore, can, most probably, protract the process of conflict resolution even during the Trump administration.

- Iranian-US relations are not stable enough and depend on the will of the American lawmakers, which brings the process of final lifting of Iranian sanctions under question.

That leaves Russia some space to act in its own interests and to consolidate security and economic links with Caucasian and Central Asian states, as well as with Iran and Turkey. In the case of success, Russian endeavors could signify stability and economic progress on the territories of Russia, the Caucasus, Middle East and Central Asia. This could contribute as well to activation of regional trade along the “North-South” and other mutually beneficial routes.

However, to settle bigger international issues and deal with Islamic terrorism and another splash of interstate tension, the Obama administration tried to avoid any military conflicts in the region and

¹⁶⁴ Mevlut Chavushoglu, “Ankara vistupayet za sozdanie formata sotrudnichestva Azerbaijan-Turkey-Russia”, July 15, 2016, <http://www.salamnews.org/ru/news/read/227675>

¹⁶⁵ Amir Hossein Yazdanpanah, “Coup D’état in Turkey and Deciphering Iran’s Positions,” July 17, 2016, <http://www.iranreview.org/content/Documents/Coup-d-%C3%A9tat-in-Turkey-and-Deciphering-Iran-s-Positions.htm>

¹⁶⁶ “Sem mesyatsev v ssore: skolko Rossiya i Turstia poteryali na konflikte”, June 28, 2016, <http://www.rbc.ru/economics/28/06/2016/577157b89a7947239346aba3>

positively assessed Russian-Turkish reconciliation. Russian-Turkish cooperation in Syria, in case it is supplemented by coordinated American-Russian actions, could be productive and speed up the resolution of the Syrian crisis. In particular, because Turkey is obviously not inclined, despite the present-day tension, to distance itself from the Euro-Atlantic community - its NATO allies. Neither the US nor the EU wants this, keeping in mind their abovementioned geoeconomic and geopolitical interests and assessments of the Turkish regional role.

The current Turkish foreign policy with regard to the CIS states reflects its ambitions to preserve both Eurasian and Trans-Atlantic vectors in its strategy. To guarantee its energy security, the cabinet of Erdogan tries to diversify its energy supplies and is negotiating on this issue not only with Azerbaijan and Iran but also with Iraqi Kurdistan, Algeria, Qatar and Israel.

Meanwhile, the key issues in Turkish-Russian relations are the resolutions of their discrepancies in Syria and agreeing on Turkish stream (see p. 3.1).

China

An interesting role in these processes has been played by China. Chinese priorities are, first of all, its security and economic development. In this regard, it does not bind itself by purely regional obligations and proceeds by cooperating, despite the political frictions, with the United States and its allies—Turkey and Saudi Arabia (see below).

So, rapprochement between China and Turkey has lately been observed. The closeness of their stands on settling of a series of international problems, for instance, realizing the Silk Road projects and on issues of regional security, became the point of contact for the two countries.

China is Turkey's 3rd trade partner after Germany and Russia worldwide and first trade partner in the Far East. Goods turnover between Turkey and China was equal to more than \$ 27 billion in

2015.¹⁶⁷ Western experts think that the recent visits by Erdogan to Beijing and Xi Jinping to Turkey show the blossoming of relations between the two countries. Beijing and Ankara are holding talks on cooperation in different spheres (nuclear energy, trade, infrastructure projects, and the military) that prescribe, among other things, Turkey's assistance in the development of Xinjiang.

It is obvious, no matter how we explain the ongoing cooperation among Turkey, the US and China, that a methodical progress on possible combination of the American and Chinese Silk Road projects is present. Thereupon, these countries will naturally be aspiring to demilitarization and stabilization in the areas of their interests, opening a way for dialogue and trade-off with Russia and Iran, and corresponding to the CA states' interests.

Turkish approaches towards Central Asia

Meanwhile, the Turkish society has lately been actively discussing the country's development paths. These discussions have been generated by the inefficiency of the country's Middle East strategy, on the one hand, and by the ongoing tension between Russia and Ukraine, on the other.

The main disputes have revolved around which development path Turkish society will choose—religious, ethnoreligious, nonconformist,¹⁶⁸ or secular, and how this will influence the country's foreign policy preferences. Influential experts are favouring secular development and believe that the country's priorities should be multidimensional and pragmatic. They should also keep in mind the need to integrate the country into the global governance processes in the 21st century¹⁶⁹.

¹⁶⁷ Republic of Turkey Ministry of Foreign Affairs, "Turkey-China Bilateral Economic and Commercial Relations", TÜİK (billion USD), http://www.mfa.gov.tr/turkey_s-commercial-and-economic-relations-with-china.en.mfa

¹⁶⁸ That is closely tied to the certain Islamic school and refusing tolerance.

¹⁶⁹ Ozdem Sanberk, "The Need to Redefine Strategic Priorities", *The Journal of Turkish Weekly*, August 06, 2014, <http://www.turkishweekly.net/columnist/3900/the-need-to-redefine-strategic-priorities.html>

From this viewpoint, Ankara has been refocusing its attention on the CA region, which it sees as a means for achieving its long-term geopolitical goals. It has chosen an institutional approach, with emphasis on the Turkish Agency on Cooperation and Development under the prime minister of Turkey (TICA), as an instrument of its foreign policy. TICA's main goal is advancement, to balance Iranian and Russian influence, of Turkish experience with market economy and democratization through the so-called "Turkish model" of development sponsored by the West¹⁷⁰.

Therefore, in autumn 2007, then prime minister Erdogan initiated a political union of Turkic-speaking states to coordinate their efforts in key vectors of foreign policy. In June 2014, at the 4th summit of the Turkish Council, a Declaration "Turkish Council—Modern Silk Road" was signed. Besides economic partnership, Turkey continues to develop military and technical cooperation with the CA states (including within NATO) and interaction on issues of security and peaceful reconstruction of Afghanistan.

Still, Turkish influence in the region has been uneven. In the energy field, Ankara has been giving preference, first of all, to energy-producing countries—Kazakhstan and Turkmenistan.

Kazakhstan is one of the most important Turkic states in the Turkish regional strategy. Its importance is determined by Turkey's potential integration with the Eurasian region. Bilateral trade volume between Turkey and Kazakhstan reached 2 billion dollars in total in 2015 and is expected to rise to \$ 10 billion. Turkey is the 17th largest investor in Kazakhstan, in terms of capitalization and the 4th largest country in terms of investments excluding energy¹⁷¹. On February 6, 2016, the Turkish prime minister Ahmed Davutoglu visited Kazakhstan.

Concurrently, Turkish companies are participating in building infra-

¹⁷⁰ Farkhad Alimukhamedov, "Turkey's Central Asia Policy in the Changing World: Priorities, Policies and Actions", *South-East European Journal of Political Science* Vol. III, No. 2 (2015).

¹⁷¹ "Kazakhstan", Republic of Turkey Ministry of Foreign Affairs, <http://www.mfa.gov.tr/relations-between-turkey-and-kazakhstan.en.mfa>

structure at the port of Turkmenbashi (\$ 2 billion)¹⁷². Goods turnover between these countries reached, in 2013, \$ 3.6 billion¹⁷³. But in 2015, exports and imports from Turkey to Turkmenistan amounted, respectively, to \$ 1.85 billion and \$ 557 million¹⁷⁴.

At the same time, Ankara's entire regional strategy, in fact, largely depends on spontaneous and fortuitous cooperation with Uzbekistan, which is the largest post-Soviet CA state in terms of population. Turkish relations with this country, as it was noted, have not been developing properly.

During the last years, the situation has gradually begun to improve. In particular, Turkey is one of Uzbekistan's five largest foreign trade partners. In 2015, the volume of mutual trade turnover amounted to \$ 1.2 billion and the volume of Turkish investments to Uzbek economy exceeded \$ 1 billion¹⁷⁵. On July 10–12, 2014, then the Turkish minister of foreign affairs Ahmet Davutoglu paid an official visit to Uzbekistan.

However, the most favourable conditions for Ankara's rapprochement with this geostrategically important regional country have been formed by the period after advent to power of the new Uzbek President Shavkat Mirziyoev.

First, President Erdogan's cabinet has lately taken a very negative stance against the illegal religious organizations like "Nurchi" headed by Gulen. This has removed from the agenda a significant barrier that previously hampered relations with Uzbekistan.

Secondly, as it was noted, Turkish Pan-Turkist rhetoric has been moderated, taking into account the Iranian factor and presence of Farsi-speaking people in the CA states (Tajikistan and Uzbekistan).

¹⁷² Nicola Contessi, "Is Turkmenistan the Next Central Asian Tiger?" July 15, 2014, <http://thediplomat.com/2014/07/is-turkmenistan-the-next-central-asian-tiger/>

¹⁷³ Velihan Mirzhanov, "Vospriatie politiki Turtsii v Tsentralnoi Azii i perspektivi rossiisko-turetskogo sotrudnichestva v regione", May 08, 2014, <http://histrf.ru/ru/uchenim/blogi/post-310>

¹⁷⁴ "Turkmenistan", Republic of Turkey Ministry of Foreign Affairs,

<http://www.mfa.gov.tr/reasons-between-turkey-and-turkmenistan.en.mfa>

¹⁷⁵ "Uzbekistan-Turkey: New Opportunities for Cooperation", November 21, 2016,

<http://uza.uz/en/politics/uzbekistan-turkey-new-opportunities-for-cooperation-21-11-2016>

Thirdly, under the growing Turkish-Western tension and ambiguous relations with Saudi Arabia and other states, Middle Eastern problems (Syria, Iraq, etc.) required a search for allies and economic partners. Therefore, Erdogan has finally reviewed his policy in favor of Eurasia, where Uzbekistan should become the main link in Turkish relations with Central Asia.

Within this context, Erdogan's visit to Uzbekistan took place in November 2016. The two sides think this signified the beginning of a new era in bilateral relations.

However, there is a series of challenges left that they have to deal with.

In particular, Turkish pluralism and excessive democracy in religious matters is not applicable for the CA countries at the stage of their transformation, low level of theological knowledge and socio-economic instability in the context of the growing global challenges and threats. Owing to this, the majority of CA states are not accepting various forms of Turkish Islamism, instead being inclined to refer Islamism, separatism and Pan-Turkism to different radical international groups, including IS. This is raising anxiety in CA, especially if we take into account the number of all kinds of refugees on the territory of Turkey: 103,000 from Iraq (2014) and 2,992,567 from Syria (2017)¹⁷⁶. Open CA citizens' access to Turkey has already created possibilities for their recruiting and delivery to the Syrian borders¹⁷⁷. On the other side, Turkey was previously involved into the Shia-Sunni counteraction on the side of Saudi Arabia. It formally supported some radical groups in Syria. Today, although its stand on Syria has partially softened, it continues to diverge from the Iranian and Russian stands, which is reflected also in the level of mutual understanding with CA states—Russian strategic partners in the issues of struggle against radical movements.

¹⁷⁶ "World Factbook", Turkey.

¹⁷⁷ "Turkey Struggles as "Lone Gatekeeper" against Islamic State Recruitment", *YaleGlobal Online*, 27 August 2014. General OneFile, <http://go.galegroup.com/ps/i.do?id=GALE%7CA380121463&v=2.1&u=ussd&it=r&p=GPS&w=w&asid=2ac1ab4e81760e1019c99f14d91d6ef6>

And lastly, Turkey does not have sufficient economic and military potential to render significant aid to CA countries in order to implement and protect a transportation and transit system. In this sense, it should, perhaps, find some compromise with other Central Asian actors—Russia, the US and the EU.

At the same time, an attractive aspect, both for the West and the Caucasus and Central Asian states, is the domination of a secular moderate form of Islam in Turkey. In this regard, CA states and Turkey have, besides everything else, common tasks of struggling against terrorism and extremism, achievement of stability and well-being of the regional states.

The rapprochement with Iran is latently, but steadily growing during the Syrian crisis. It is worth mentioning Iranian President Rouhani's visit to Turkey on June 9-10, 2014.

Still, some experts are pointing to the incompatibility of Pan-Turkic ideology and Iranian-Turkish partnership in CA. They also admit potential and mutually advantageous cooperation between the two countries within the framework of the projected Silk Road routes. Experts think that both countries need to build a model of relations under which cooperation would be superior to the competition while taking into account national interests¹⁷⁸.

Attempts to build such a model were reflected in the increase in goods turnover between Iran and Turkey; in 2013 it topped \$ 8 billion in the energy sphere alone¹⁷⁹. However, ambiguity of the Iranian-Turkish relations still demonstrated itself in the ups and downs of their economic relations. The volume of trade, for instance, fell from \$ 13.71 billion in 2014 to \$ 2.94 billion in 2016¹⁸⁰.

By spring 2016, discontent with the Syrian strategy of the leading powers promoted next round of rapprochement between Ankara

¹⁷⁸ Eyüp Ersoy, "Turkey-Iran Relations: What Should Turkey Do?" *Turkishweekly.net*, July 24, 2014, <http://www.turkishweekly.net/columnist/3897/turkey-iran-relations-what-should-turkey-do.html>

¹⁷⁹ Orhan Gafarli, "Pervie presidentskie vibori v istorii Turtsii i uslovia pobedi Erdogana", *Foreign-policy.ru*, August 6, 2014, <http://www.foreignpolicy.ru/analyses/pervye-prezidentskie-vybory-v-istorii-turtsii-i-usloviya-pobedy-erdogana/>

¹⁸⁰ Economic and Commercial Relations with Iran, Republic of Turkey Ministry of Foreign Affairs, <http://www.mfa.gov.tr/economic-and-commercial-relations-with-iran.en.mfa>

and Tehran. On March 5, Turkish prime minister Davutoglu arrived in Iran, which supposedly opened a new chapter in the bilateral relations. Iranian experts think that:

- in the period after adoption of the JCPOA on July 14, 2015, Iran should take advantage of the new geopolitical realities and balance its relations with the leading world powers¹⁸¹, removing strategic discrepancies, especially with the United States. This will allow for concentration on the issues of development and economic progress. Turkey, in its turn, is anxious about geopolitical consequences of this period—the growth of Iran and its participation in the resolution of the Syrian crisis which cannot correspond to the Turkish interests.

- Imbalance in the Middle East, specifically in favor of Saudi Arabia, will negatively influence Turkey. Leadership and hegemony of the Saudi Kingdom in the Arab world contradicts Turkish neo-Ottoman policy. Rapprochement with Iran, despite their Syrian discrepancies, is playing a positive role, that allows opposition to the growth of Iranian influence and unilateralism in the regional policy¹⁸², concentration on the struggle against terrorism and constructive steps on uniting the Moslem world.

- Problems of bilateral relations are of tactical character and not necessarily strategic, as there are no ideological contradictions in them. The sides have growing common economic and energy needs. Turkey is the gate for Iran to Europe, whereas Iran is a gate for Turkey to Asia. There is a possibility to coordinate investment flows and bank sphere, creating a serious mechanism to practically implement bilateral partnership. Moreover, Tehran can become a mediator in regulating relations between Ankara and Moscow¹⁸³.

¹⁸¹ Kayhan Barzegar, “The Geopolitics of JCPOA”, *Iran Review*, March 13, 2016, <http://www.iranreview.org/content/Documents/The-Geopolitics-of-JCPOA.htm>

¹⁸² “Major Goals of Davutoglu’s Iran Visit”, *IRNA*, March 6, 2016, <http://www.irna.ir/en/News/81991443/>; “Iran, Turkey Common Interests Strengthen Regional Peace, Stability”, *Iran Review*, March 06, 2016, <http://www.iranreview.org/content/Documents/Iran-Turkey-Common-Interests-Strengthen-Regional-Peace-Stability.htm>

¹⁸³ Reza Solat, “Assessment of Turkish Prime Minister’s Recent Iran Visit”, *Iran Review*, March 10,

It appears that similar considerations, in any case, will prevail in the process of regulating the Syrian crisis and during any outburst of the Iranian-Turkish tension. Historical, cultural and demographic closeness of both states to CA states plays not a small part in this process. Turkey and Iran have to take into account mutual interests in the region, especially keeping in mind Turkish energy dependence on possible future supplies of energy resources from Central Asia and Iran, the fight against terrorism and building common regional transportation and transit network. In turn, active Iranian and Turkish presence in Central Asia can fulfill the role of balancers in the CA region, taking into account the forecasted growth of the Chinese influence. Here, potential activation of partnership within the Eurasian Union is still topical.

2.6. Pakistani-Saudi factor in Central Asia

General background and tendencies before 2006

Another Iranian rival for political and economic influence in Central Asia is the Islamic Republic of Pakistan—one of the key US allies in Central Asia. This is preconditioned, among other things, by the presence of Shia diaspora in Pakistan (10–15 %) and in Afghanistan (10–15 %) ¹⁸⁴.

Islamabad also sees itself as a regional power and a “gate” to the Indian Ocean and the world markets for Central Asian countries. In addition, Pakistan has been securing its long-term geopolitical aims in Central Asia—integration with the region’s countries and drawing them into its geopolitical orbit.

Afghanistan has always been regarded as the best geo-economic point of access to Central Asia. It comes as no surprise, therefore,

2016, <http://www.iranreview.org/content/Documents/Assessment-of-Turkish-Prime-Minister-s-Recent-Iran-Visit.htm>

¹⁸⁴ “*World Factbook*”, Pakistan Country Profile, March 23, 2016, <http://www.cia.gov/library/publications/the-world-factbook/geos/pk.html>; “*World Factbook*”, Afghanistan Country Profile, March 22, 2016, <https://www.cia.gov/library/publications/the-world-factbook/geos/af.html>

that Islamabad tried to strengthen its influence on Kabul. It was working hard to regain its lost position in Afghanistan by becoming actively involved in its economic and political rehabilitation; it also worked on possible inclusion of the pro-Pakistani forces into the new Afghan government. It was expected that the Turkmenistan-Afghanistan-Pakistan gas pipeline and the related transportation projects designed to give the land-locked partners access to the Pakistani ports of Karachi and Gwadar would play a great role in the process. As to Iran, extreme weakening and marginalization of Pakistan due to the loss of its former positions in Afghanistan and politico-economic crisis in the country can potentially destabilize the whole region, including IRI. Hence, the flexible Tehran's strategy, doing its best to maintain flexible economic and security cooperation with Pakistan. Simultaneously, it tried to preserve its domination in Central Asia¹⁸⁵.

In December 2002, the first visit in ten years of then Iranian President Mohammad Khatami to Pakistan took place. It became a turning point in the bilateral relations. The same year, both sides signed an agreement on delivery of the Iranian gas to Pakistan. Islamabad promised to provide necessary guarantees of security for the gas pipeline from Iran to India through the Pakistani territory.

However, the US policy, directed at international isolation of Iran, was the most serious obstacle in the way of this project. In doing this, Washington relied on:

- the Pakistan-Saudi tandem—immediately after September 2001 events, the US decided that it would be more effective¹⁸⁶ to combine its aid to Pakistan with contacts with other Moslem countries in the expectation that this combination would help to address and resolve a wide range of problems (primarily stabilization in Afghanistan). When applied, however, this aggravated the Shia-Sunni

¹⁸⁵ *IRIB NEWS, Habarnoma* (Toshkent Eron Islom Respublikasi elchihonasi) No. 185, August 15, 2004, 4.

¹⁸⁶ "Razmishlenia o terrorizme: vliyanie na Yujnyu Aziyu i Blijnii Vostok," materials of the international seminar held on April 03, 2002 in Washington, Center on Strategic and International Studies.

disagreements and invigorated regional rivalry between Iran and Saudi Arabia.

- economic instruments used to force Islamabad to select business partners suggested by Washington. Pakistan, as the main recipient of American financial aid, was living under constant pressure from Washington, which torpedoed all economic projects with Tehran. It did not like the plans to build an Iranian-Pakistani gas pipeline under the agreement signed in 2002: Washington suspected that Tehran would spend the money thus earned on international terrorists and proliferation of WMD.

The factor of tension in American-Pakistani relations, also producing anxiety of CA states, is domination of religious radical movements like the Taliban, incorporation of the representatives of these groups into governmental and military structures, and their quite possible link with radical elements in the Middle Eastern countries¹⁸⁷. The Taliban has been supposedly linked with Saudi radical Wahhabis. It is commonly believed that they first appeared in religious seminaries—mostly paid for by money from Saudi Arabia—which preached a hard line form of Sunni Islam.

Indeed, internal instability in Pakistan, closely connected with the Afghan crisis, does not favor international partnership. To illustrate trends in this period, trade between Pakistan and Iran in 2003–2004 constituted only about \$ 376.3 million¹⁸⁸.

There are also continuing political contradictions between India and Pakistan. Delhi, taking into account internal situation in Iran and being under strong Washington's pressure, expressed lack of confidence in financial justifiability of the Iranian-Pakistani energy project¹⁸⁹.

The visit to Islamabad by the head of the Iranian Ministry of Foreign Affairs Manouchehr Mottaki on December 14–16, 2005, put new accents in the complex Iranian-Pakistani relations. Tehran, in

¹⁸⁷ Jessica Stern, "Pakistan's Jihad Culture", *Foreign Affairs* Vol. 79, No. 6 (2000), 119, 123.

¹⁸⁸ Ziba Farzinnia, "Iran and Pakistan: Continuity and Change", *Iranian Journal of International Relations* Vol. XVII, No. 2-3 (2004), 327.

¹⁸⁹ RFE/RL Reports, vol. 8. no. 30 (August 02, 2005), <http://www.rferl.org>.

the opinion of Russian experts¹⁹⁰, distinctly signaled to Islamabad that Pakistan in the future could become the main Iranian ally in the South Asian region. As an Islamic state working on its own nuclear program, it expected real assistance from Pakistan, including in the framework of the International Atomic Energy Agency (IAEA). In its turn, Islamabad called on Washington to find a diplomatic solution to the Iranian issue¹⁹¹.

For CA states, development of economic cooperation between Pakistan and Iran bears positive character, as it can contribute to the stabilization of the region and offer possibilities of using Iranian-Pakistani potential in the joint regional projects with participation of CA states. This circumstance, to a certain extent, neutralizes their competition in the sphere of energy transportation. However, confrontation between various religious and political currents, ethnical and tribal contradictions and the unsolved territorial dispute between Pakistan and India are constant sources of instability in Central Asia, able to trigger local military conflicts. At that, both the pro-American policy of Pakistan in conditions of Iranian-American confrontation and anti-American solidarity of the radical Islamic organizations in IRP and IRI bring in an element of instability and distrust in the CA region.

2007 to January 2017

The security of Central and South Asia, the Middle East, and the CIS continues to depend on the level of relations between the Islamic Republic of Pakistan and the Islamic Republic of Iran, as well as on the strategy the latter pursues in the so-called AfPak zone.

Interests, challenges and threats

In the context of the intensifying instability and geopolitical struggle around CA, heated immediately before and after the NATO with-

¹⁹⁰ Avak M. Vartanyan, "Iran I Pakistan: novoye navedenie mostov?", *Institut Bljnego Vostoka, Iran.ru*, December 21, 2005, <http://www.iran.ru>

¹⁹¹ "Regional Press Split over US Iran Threat", *BBC news*, January 25, 2005, <http://news.bbc.co.uk/>

drawal from Afghanistan, Iranian and Pakistani security interests demand support of the regional balance of powers. They need mutual cooperation in a settlement of the Afghan crisis, struggle against drug trafficking and resolution of the refugee issues, preventing organized crime, etc. Moreover, both sides are extremely interested in the advancement of a comprehensive regional partnership, whether it is the US-sponsored NSR project or Chinese BRI.

Success in this issue totally depends on the realization of the transportation and transit routes connecting CA with South and South-Western Asia and Europe. This could help Iran and Pakistan to overcome the current economic crisis and stimulate growth of the Iranian and Pakistani economies.

Anxious about the possible spread of instability to the territory of Iran, Tehran is trying to implement a flexible strategy, aimed at bilateral cooperation with Pakistan in the security and economy areas, while aspiring to preserve the dominating stand in CA. Iran has recently activated diplomatic work aimed at the extension of cargo transit from the CA states through its own territory. With this in mind, ten rounds of talks with representatives of the railroad offices of CA states were held.

Islamabad figures prominently in Tehran's plans relating to the regional transportation routes and hydrocarbon pipelines from Central Asia to Europe and Asia. With this in mind, Iran has recently launched modernization of Pakistani railways in the border areas.

On the other hand, closer economic cooperation between Iran and Pakistan may decrease the conflict potential in Central Asia and around it, and accelerate regional economic growth. So far, full-scale economic cooperation between Tehran and Islamabad cannot be realized due to the following factors: Iranian-American; American-Russian; Saudi; Chinese; Afghan; Indo-Pakistani.

US-Iran

A staunch negative Iranian principle towards any foreign interference in the region revealed itself in strong Iranian disagreement with

the American military presence in Afghanistan after 2014. Pakistan, on the other hand, is a strategic partner of the United States, and which has always depended on Washington for its security and economic status, and status as one of the main “foes” of the Iranian conservative establishment.

The United States’ efforts to keep Iran isolated and prevent its closer relations with Pakistan in practice led to:

- strengthening of the Shia-Sunni divergences and exacerbation of the Iranian-Saudi regional rivalry, which found its expression at the beginning of the military conflict in Yemen;
- incompleteness, due to the sanctions, of the strategically important gas pipeline between Iran and Pakistan. Today Iran has completed its part of the gas pipeline project with a total investment of above \$2 billion of investment, Pakistan has fallen behind the target to take delivery of gas, initially scheduled for 2014¹⁹²;
- possible interference of the secret services of the United States and the Gulf countries in terrorist groups’ activities in the zones of the planned Iranian-Pakistani pipelines. Some believe that these groups might have been involved in terrorist actions in the provinces of Sistan and Baluchistan;
- further exacerbation of Indian-Pakistani relations (see below).

The conclusion of the Vienna Agreement on July 14, 2015, provides Iran and Pakistan with the possibility to renew and speed up the suspended energy cooperation. Both countries are interested in continuing a series of economic projects, including import of electricity, export of wheat and construction of railroads¹⁹³, and TAPI. The tendency is reinforced by Tehran’s approval of the Pakistani stand with regard to Iran and the Moslem world, including its posi-

¹⁹² “Iran-Pakistan Gas Pipeline to Complete by 2018”, June 12, 2016,

<http://www.presstv.com/Detail/2016/06/12/470044/Iran-Pakistan-gas-project>

¹⁹³ “Zardari for Early Convening of Pak-Iran-Afghanistan Summit”, March 22, 2013,

<http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/22-Mar-2013/zardari-for-early-convening-of-pak-iran-afghanistan-summit>; “Pakistan and Iran are Brothers Forever”, *Pakistantoday*, August 13, 2015,

<http://www.pakistantoday.com.pk/2015/08/13/national/pakistan-and-iran-are-brothers-forever/>

tion on Yemen. On the whole, Iran wants to use the nuclear agreement as an instrument to promote regional stability and balance geopolitical interests. Therefore, Tehran is ready to overcome disagreements with Saudi Arabia and Persian Gulf states, welcomes the Afghan government's rapprochement with Pakistan and involvement of Islamabad into negotiations with the Afghan Taliban¹⁹⁴.

On August 14, 2015, the Iranian Ministry of Foreign Affairs declared simplification of customs procedures in relations with Pakistan. Moreover, transit from CA states to Pakistan by Iranian railroads has received 40 % discount¹⁹⁵. Bilateral trade volume was around \$ 1.6 billion annually before international sanctions on Iran, which was, however, recently reduced to \$ 300 million¹⁹⁶. Now Iran and Pakistan are negotiating an increase of trade within the frameworks of a Free Trade Agreement (FTA) and energy partnership. It is anticipated that the Iranian-Pakistani trade will soon increase to \$ 5 billion.

However, the gas import is still under the sanctions' influence. Despite the reached agreements on widening bilateral trade, Pakistani gas export was reduced to \$ 128 million by March 2016¹⁹⁷.

The cornerstones of a mutually advantageous partnership

In spite of the strong Trump administration's opposition to the Obama strategy, anti-Iranian sanctions will, most likely, be removed in full. Washington understands that "voting no deprives ... a future President of bargaining power over the Iranians. It isolates us in the world. And it allows Iran to move further toward a nuclear weap-

¹⁹⁴ "Iran, Pakistan Stress Peaceful Resolution of Yemen Crisis", April 5, 2015, www.irna.ir/en/News/81560168/; "Pakistan and Iran are Brothers Forever."

¹⁹⁵ "Iran predostavlyayet skidki pri transportirovke tranzitnih gruzov iz stran Tsentralnoi Azii", August 17, 2015, http://www.iran.ru/news/economics/98201/Iran_predostavlyayet_skidki_pri_transportirovke_tranzitnyh_gruzov_iz_stran_Centralnoy_Azii

¹⁹⁶ "Pakistan—Iran Bilateral Trade to be Enhanced to \$ 5 Billions", September 6, 2016, <https://timesofislamabad.com/pakistan-iran-bilateral-trade-enhanced-5-billions/2016/09/06/>

¹⁹⁷ "PM Nawaz's Efforts to Initiate Trade Between Pakistan, Iran Termed Satisfactory", *Pakistan Today*, March 24, 2016, <http://www.pakistantoday.com.pk/2016/03/24/business/pm-nawazs-efforts-to-initiate-trade-between-pakistan-iran-termed-satisfactory/>

on”¹⁹⁸. It is clear that no one is interested in such a scenario. Objectively, contradictions and barriers do not remove commonality of interests in CA from the agenda. In this regard, the following tendencies can be stressed.

1) Since liquidating the Taliban’s regime in Afghanistan in 2001, Iran and Pakistan have achieved certain progress in unfreezing bilateral relations. Two main reasons explain this: gas dependence of Pakistan and instability at the border between the two countries.

2) The prevailing anti-American mood in the Pakistani society (according to the assessments of the Pew Research Center in 2014, only 14 % of the population feel sympathy towards the US¹⁹⁹), together with a certain degree of Islamic solidarity, that supposedly, can facilitate dialogue with Tehran.

3) Pakistan, Iran and Afghanistan are interested in mutually beneficial reintegration with the regions of SCA and the Persian Gulf area, advocate the extension of transit and trade, encourage investments into the private sector, and support the development of infrastructure, transportation and communications²⁰⁰.

Therefore, Pakistan actively participates in the execution of the Heart of Asia regional process and successfully conducted a regular conference of this forum in Autumn 2015. In February 2016, the sixth annual session of the Pakistani-American Strategic Dialogue at the ministerial level was held. The officially declared goal of the US-Pakistani Dialogue is the achievement of regional and international security and stability. Their key interests are reflected in the work of their six working groups, including energy, security, strategic stability and non-proliferation; defense issues; securing law and order and

¹⁹⁸ Samuel Berger, “No’ to Iran Means No Forever”, August 9, 2015, <http://www.politico.com/magazine/story/2015/08/rejecting-iran-deal-would-isolate-us-121189.html#ixzz3iw9vg68d>

¹⁹⁹ “A Less Gloomy Mood in Pakistan Sharif Gets High Marks, while Khan’s Ratings Drop”, *Pew Research Centre*, August 27, 2014, <http://www.pewglobal.org/2014/08/27/a-less-gloomy-mood-in-pakistan/>

²⁰⁰ Tahir Khan, “Pakistan, Iran, Afghanistan to Step Up Business Ties”, *The Express Tribune*, January 10, 2013, <http://tribune.com.pk/story/491834/pakistan-iran-afghanistan-to-step-up-business-ties/>

fight against terrorism, and others. Both sides are interested²⁰¹ in establishing strategic stability in South Asia, in more efficient actions against various types of extremists, first of all, against IS/Daesh, and in advancing bilateral cooperation between Pakistan and Afghanistan.

The majority of the regional security issues, discussed today by the US and Pakistan, correspond to Tehran's interests as well. This is contributing nowadays to the reduction of conflict potential and IRI's constructive cooperation with the CA states.

The US-Russia

American-Russian discrepancies, as it was noted, largely define the geopolitics in SCA, and the Near and Middle East. In the context of these interstate discrepancies, Washington and Moscow are periodically looking for Pakistan's support in their AfPak area policy. Here, in this region, where Islamabad's policy plays an important role, the destiny of the NSR is being solved now.

It is no accident that two factors— the establishment of strategic partnership between India and Washington and the increase of the Pakistani Taliban's significance in stabilization processes of Afghanistan — have switched Russian attention to Pakistan²⁰². This was taking place in the context of cooling US-Pakistani relations (after attacks of the American pilotless vehicles, troops transportation, etc.). Correspondingly, Iranian-Pakistani relations were becoming less strained— obvious in the absence of any significant bilateral conflict. On the verge of withdrawal from Afghanistan, the US became more aware of the Pakistani key role in the issues of regional stabilization. Next change of accents in the regional geopolitics was connected to the Ukrainian events. After the referendum in Crimea on March 16,

²⁰¹ "U.S.-Pakistan Strategic Dialogue. Joint Statement, Media Note. Office of the Spokesperson. Washington, DC, March 1, 2016, <https://pk.usembassy.gov/u-s-pakistan-strategic-dialogue-joint-statement/>

²⁰² Andrei Davidenko, "V.I.Matvienko: otnoshenia Rossii i Pakistana na pod'eme", *Mejdunarodnaya jizn*, February 28, 2013, <http://interaffairs.ru/read.php?item=9205>; "Otnoshenia Rossii i Pakistana nachalo 2013", *Svargaman*, May 31, 2013, <http://voprosik.net/otnosheniya-rossii-i-pakistana-nachalo-2013>

2014, and its annexation to Russia, the West, led by the US, introduced tough sanctions against Russia. The hardly built American-Russian partnership on Afghanistan was under threat. This influenced realization of Iranian-Pakistani projects and activity of the Russian-Pakistani group on fighting terrorism. The Iranian stand, officially supporting Moscow's course, contradicted silent neutrality of the US ally—Pakistan.

On this point, American experts²⁰³ advised regarding Pakistan not only in the context of the US Afghan policy but mainly through the prism of forming the new US relationships with Asia. The seriousness of the US intentions was confirmed by the talks on regional security and bilateral relations between Sartaj Aziz, national security advisor and the key advisor on foreign policy to Prime Minister Nawaz Sharif, and US Secretary of State John Kerry, which took place in Washington on January 27, 2014. Later the Asian Development Bank, which is mostly influenced by the US, provided \$ 30 million assistance for Islamabad to complete its first terminal²⁰⁴.

Thus, Washington does everything to impede the Russian regional strategy and to enlist support of the key regional actors in its SCA policy.

China

In search of an alternative financial sponsor and partner on security issues, Pakistan is turning towards China. On July 30, 2015, the sixth round of the Chinese-Pakistani strategic dialogue, aimed to promote construction of the Chinese-Pakistani economic corridor and deepen comprehensive business cooperation between the sides, was held.

Pakistani-Chinese military and political partnership, which includes delivery of weapons, assistance in the modernization of the Pakistani military forces and deployment of the Beijing's military naval base in Gwadar, is strongly irritating Iran. Additionally, one can add here the

²⁰³ Daniel S. Markey, "Reorienting U.S. Pakistan Strategy: From Af-Pak to Asia", *Council on Foreign Relations Press*, January 2014, <http://www.cfr.org/pakistan/reorienting-us-pakistan-strategy/p32198>

²⁰⁴ "Menya energeticheskuyu platformy Evrazii. Iran, Kitai i Truboprovodistan", August 10, 2015, <http://www.riata.ru/publikatsiyaya/item/8410-menyaya-energeticheskuyu-platformu-evrazii.html>

possibility of use of military forces against Shia diaspora in Pakistan. A factor of anxiety for Tehran is also Chinese participation in the construction of the competing transport projects, linking the country with CA.

Such barriers restrain, to some degree, the fulfillment of the Iranian-Pakistani projects, at least until the complete lifting of the sanctions. To remove these discrepancies, China and Pakistan are striving to add Iran to their combined cooperation efforts. For instance, it is possible that Iran's participation in the Gwadar Pakistani-Chinese project can become an event of regional scope²⁰⁵.

Indeed, I think, both traditional Chinese-Pakistani and Iranian-Chinese cooperation correspond to Chinese Silk Road initiatives, hence, first of all, Chinese interests. Pakistan supports Chinese-led Asian Infrastructure Investment Bank (where Iran is one of the founders!) and the Silk Road Fund. In the long run, Pakistan can become the main beneficiary of the Gwadar project due to the use of its transit possibilities and subsequent stimulation of the country's service, infrastructure and industry sectors (see p. 3.2).

Afghanistan

The country's role is very important in new transit projects through the territory of Afghanistan to the world markets (see more on Trans-Afghan projects in p. 3.1 and 3.2). At the moment, the most disturbing point hampering their realization is the Afghan-Pakistani dispute, which we will discuss below. Without its resolution, one cannot speak of any transit projects in Afghanistan. Simultaneously, the country is still a target of rivalry between Pakistan and Iran.

In addition to what has been mentioned earlier (see p. 2.1., Afghanistan) we can illustrate the scope of the Afghan problem affecting both countries by such figures as the 2.4 million of Afghan refugees

²⁰⁵ "China-Funded LNG Project to Turn into Iran-Pakistan Gas Pipeline: Abbasi", *Pakistantoday*, July 17, 2015, <http://www.pakistantoday.com.pk/2015/07/17/business/china-funded-lng-project-to-turn-into-iran-pakistan-gas-pipeline-abbasi/>

camping in Iran and 2.6 million – in Pakistan²⁰⁶, according to 2014 data.

The US State Department set up an Afghanistan and Pakistan Strategic Partnership Office. The US and Pakistan, however, have very different ideas about the future development of Afghanistan. Tehran would particularly like to see the Shia community of Afghanistan being afforded wider rights. Islamabad, in turn, with its own political ambitions, believes that the interests of the Taliban should be taken into account to stabilize relations between Pakistan and Afghanistan. The very different ideological approaches and preferences of Iran and Pakistan explain their very different approaches to what the Taliban is doing. Iran cannot accept the philosophy of the Taliban, whose representatives live predominantly in Pakistan and partly in Afghanistan. The Afghan insurgents could not have thrived without sanctuary in Pakistan, whose main intelligence service, the Inter-Services Intelligence (ISI) directorate, cultivated them in the 1990s and maintained ties to them after 2001²⁰⁷. The situation in Pakistan is complicated by rivalry of two parties—the Pakistan Moslem League (PML Nawaz Group) and the Pakistan Tehreek-e-Insaf party founded by Imran Khan—which might strengthen the Taliban on the lookout for an opportunity to seize power.

The recent split among the ranks of Taliban after the death of the Taliban's leader Mullah Omar is endangering the whole process of the currently ongoing peaceful negotiations with Taliban. In experts' opinions, the new Taliban leader has close contacts with Pakistan, and there are some fears that it is, in practice, a weapon of the Pakistani policy in Afghanistan²⁰⁸.

²⁰⁶ "World Factbook", Iran Country Profile, March 18, 2014,

<https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html>

²⁰⁷ "The Taliban", Council of Foreign Relations. July 2015, [http://www.cfr.org/terrorist-organizations-and-](http://www.cfr.org/terrorist-organizations-and-networks/taliban/p35985?gclid=CM_BhYPrzdICFQZcGQodlhcl8A#/#cid=ppc-Google-grant-taliban_infoguide-072915)

[networks/taliban/p35985?gclid=CM_BhYPrzdICFQZcGQodlhcl8A#/#cid=ppc-Google-grant-taliban_infoguide-072915](http://www.cfr.org/terrorist-organizations-and-networks/taliban/p35985?gclid=CM_BhYPrzdICFQZcGQodlhcl8A#/#cid=ppc-Google-grant-taliban_infoguide-072915)

²⁰⁸ Hamid-Reza Bayati, "Afghanistan posle mulli Omara: perspective i ugrozi" ("Iras"), *Inosmi.ru*, August 18, 2015, <http://www.inosmi.ru>

Islamabad strives to create a balance between pro-Taliban and anti-Taliban forces. But, the expert community states²⁰⁹ that the Taliban wants to overthrow the government and create a real Islamic state in Pakistan.

On the other hand, successful talks with Iran, the withdrawal of American troops, and a strategic agreement with Iran will open new perspectives for Washington, namely, practical cooperation with Iran. The United States sees Iran as a potential strategic partner in the peaceful transformation of Afghanistan—something which Islamabad is not interested in.

Likewise, Pakistan does not need a partnership between India and Iran, on the one side, and Afghanistan, on the other; Afghanistan does not want to see the Taliban or any other extremist group at the helm; it is seeking closer relations with the Central Asian countries within the Heart of Asia project, which will trim the role Pakistan is playing in the region.

The disagreements and conflicts do nothing to alleviate the continued threats presented by all sorts of terrorist groups (al-Qa'eda, Jundallah, and others) operating in close proximity to Iran and in Pakistan. For instance, it is well-known that representatives of the banned Hizb-ut-Tahrir movement continue operating on the territories of Afghanistan and Pakistan, from where they are striving to spread their influence on CA and recruit their followers. The chaotic and unpredictable situation with absence of efficient power structures in the AfPak area creates a favourable ground for their activity and preparation of Central Asian warriors in the training camps on the Pakistani territory.

At the same time, it is clear that none of the projected Silk Road projects will be successfully realized without stabilization of Afghanistan. Kabul is extremely interested in constructing transportation and transit routes through its territory since that would accelerate resolution of the socioeconomic problems and stabilize the country.

²⁰⁹ "Afghanistan and Pakistan after the 2014 NATO Drawdown", *Stratfor.com*, April 15, 2013, <http://www.stratfor.com/analysis/afghanistan-and-pakistan-after-2014-nato-drawdown>

Towards this end, the governments of Pakistan and Afghanistan have recently undertaken a series of peaceful negotiations with the Afghan Taliban, although without any success.

In his turn, on February 29, 2016, the US State Secretary Kerry welcomed the efforts of the Pakistani government on advancing talks with the Taliban, and its constructive role in organizing the work of the Quadrilateral Coordination Group comprised of representatives of Afghanistan, Pakistan, China and the US. QCG members consider that achievement of a wider regional consensus in support of the peacebuilding process in Afghanistan under the aegis of the Afghans themselves is the best option for regional stabilization²¹⁰.

However, the expert community is talking about the inefficiency of the ongoing talks with the Taliban, accusing Pakistan of nearly all security threats to Afghanistan. The worsening relations between Afghanistan and Pakistan have in fact stalled many projects. In this context, the current Russian initiative on the Taliban (see p. 2.1.), involving Pakistan, contributes to the process, adding a new significant dimension—Russian support to the talks with Taliban.

With this in view, Iranian experts point at difficulties impeding achievement of consensus with the Taliban. In particular, the Taliban's demands for direct talks with the US and control over the Helmand province are not realizable at the moment. Each of the sides follows their own conflicting goals. Simultaneously, Daesh is still endangering the country and, in addition to partnership with the Pakistani Tehrik-i-Taliban, able to attract a significant part of the Taliban discontent with the politics of the Afghan government and involved powers²¹¹.

The matter is that the power in Pakistan is concentrated in the hands of the army, which is trying to fight against radicals and establish order in the country. The complexity of the situation lies in contradictions between military and non-military forms of governing and cur-

²¹⁰ U.S.-Pakistan Strategic Dialogue. Joint Statement.

²¹¹ Pir-Mohammad Mollazehi, "Afghanistan Peace Talks and Conflicting Goals," *Iran Review*, January 31, 2016, <http://www.iranreview.org/content/Documents/Afghanistan-Peace-Talks-and-Conflicting-Goals.htm>

rent disputes on the expediency of preserving militarized form of government²¹². Such an unpredictable, chaotic situation with supposed Pakistani military involvement in the Afghani internal crisis negatively impacts all regional projects.

Settlement of the Afghani issues, thus, depends on a great number of variables, first of all, consensus and coordination among the regional actors.

India

Pakistani relations with India are of no small importance to Pakistan. American-Indian strategic partnership and the advancement of the NSR is intended to normalize Indo-Pakistani relations in the future. However, they have still been developing according to the formula “one step forward, two steps back” (see the next chapter).

On the whole, the Pakistani vector in the geopolitics around CA remains to be one of the most problematic and unstable in view of internal and external Pakistani development, which makes realization of the New Silk Road improbable.

Saudi Arabia

The collapse of the Soviet Union created unique geostrategic possibilities in Central Asia for Saudi Arabia too. Using its “peculiar” stand in the Islamic world, Saudi Arabia aspired to consolidate its geopolitical positions by involving the predominantly Moslem Central Asian states into its sphere of influence. The fundamental argument of the Saudi foreign policy doctrine is “responsibility for the destinies of the Moslem states and peoples”²¹³.

However, according to assessments of 2005, Saudi Arabia came across long-term difficulties inside the country—high levels of un-

²¹² Samina Yasmeen, “Pakistan, Militance and Identity: Parallel Struggles”, *Australian Journal of International Affairs* Vol. 67, No. 2 (2013), 157–175, <http://dx.doi.org/10.1080/10357718.2012.750640>; Rana Banerji, “What is Happening in Pakistan Today?” *Delhi Policy Group*, July 2015, <http://www.delhipolicygroup.com/programs/peace-and-conflict-indian-peacemaking-kashmir-afghanistan-pakistan/pakistan-peaceandconflict.html>

²¹³ Ilya Kudryashov, “Saudovskaya Aravia: otnoshenia s musulmanskimi gosudarstvami SNG I sub'ektami Rossiyskoi Fedratsii”, *Tsentralnaya Aziya i Kavkaz* No.2 (26) (2003), 109.

employment (14 % and more) and the growth of population (2.4 % annually) that demanded adequate governmental expenditures. Therefore, in 1999, King Fahd underlined the importance of economic, political and military regional union of the Persian Gulf states²¹⁴. In 2016, the unemployment rate still constituted 11.2 % and the inflation rate—4.4 %²¹⁵.

One can assume that in the future Saudi Arabia intends to include Central Asian states in this union.

Meanwhile, Saudi Arabian interaction with CA states has been carried out at three levels:

- 1) Official: Saudi Arabian foreign political and economic offices (Ministry of Foreign Affairs, Ministry of Islamic Affairs, Ministry of Haj and Umra, Development Fund, etc.);
- 2) Saudi Arabia financing international Islamic structures (World Islamic League, OIC, Islamic Bank for Development (IBD), etc.).
- 3) unofficial sponsorship of illegal religious movements, groups and parties in Central Asia by different funds, companies and non-governmental institutes.

In practice, such interaction includes, in particular, the following measures:

- humanitarian assistance and acts of charity (donations for building mosques and madrasas);
- cultural and educational assistance, directed mainly at teaching students from CA countries in religious institutions;
- distribution of Islamic literature in these countries;
- assistance in organization of the Haj;
- propaganda of the Saudi version of Islam by various types of missionaries and businessmen;
- cooperation with IBD.

Direct material and technical assistance to the Moslem population of

²¹⁴ “Saudi Arabia Country Analysis Brief”, US Energy Information Administration, January 2005, <http://www.eia.doe.gov>

²¹⁵ “World Factbook”, Saudi Arabia Country Profile, January 12, 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/sa.html>

Central Asian countries, in combination with the religious agitation and propagandist actions, stimulated spread of Islamic fundamentalism, radical extremism and alien ideas of Wahhabism in the region. This factor, together with the activity of the Taliban movement, determined flexible and cautious policy conducted by the Central Asian governments with regard to Saudi Arabia. The policy, however, was moderated by contacts in the sphere of small and medium enterprises and arranging Haj for the citizens.

Riyadh's policy is aimed at reducing the role of its rivals in Central Asia: Iran and Turkey. At the same time, economic and religious resources of the Saudi Kingdom secure its dominating position and the role of the primary donor in this competition. It is obvious that informal rivalry between the Saudi Kingdom and Turkey is softened by both countries' belonging to the Sunni version of Islam, turning them more into partners than rivals in some strategic moments.

From Tehran's point of view, however, Saudi Arabia represents the model of so-called "American Islam". Moreover, the assumed connection between the US and Saudi Arabia to the appearance of the Taliban issue also provoked tension in the Iranian-Saudi relations.

Nevertheless, during the investigated period, political (Islamic solidarity in the course of the US anti-terrorist campaign and on the Arab-Palestinian conflict) and economic considerations promoted some rapprochement between Iran and Saudi Arabia²¹⁶. Continuation of the Iranian-American confrontation in the context of the ambiguous relations between Riyadh and Washington, activation of radical Islam in the Saudi Kingdom and strengthening of the conservatives' stand in IRI created favourable conditions for intensification of ties between Saudi and Iranian conservatives.

Thus, in 2005, expecting US military operations in Iran, Saudi Arabia even applied to the OIC, initiating a summit of all Moslem leaders to overcome fragmentation and discord in their ranks²¹⁷.

²¹⁶ Sieff Martin, "Saudi Arabia, Iran & Oil", April 26, 2002, <http://www.nationalreview.com>

²¹⁷ "Saudi Arabia Offers to Host OIC Summit" *AFP. MINA*, January 23, 2005, <http://www.dawn.com>

As a whole, the Iranian-American conflict did not significantly influence the Saudi interests. The role of this country as a “cradle of the Islamic civilization” guarantees preservation of its political weight and influence in the Islamic world. However, general governmental debt comprised, according to the estimates of December 31, 2016, \$ 200.9 billion²¹⁸. In this situation, the Saudi Kingdom was interested in preserving economic cooperation with the United States—a key importer of the Saudi energy resources.

At the same time, Western diplomatic measures on the Iranian “nuclear dossier”, accompanied by further strengthening of Tehran’s prestige and role in the Islamic world and possible growth of its nuclear potential, were irritating for Saudi Arabia. Development of such contradictory tendencies formed an explosive situation in geographic proximity to the Central Asian region.

Pakistan is one of the closest partners and potential allies of the Saudi Kingdom in opposing strengthening Iran’s regional status. With this goal, the Saudis are ready to “use its channels to negotiate a deal with Tehriki-Taliban (TTP)”²¹⁹. In American experts’ views, “Pakistan will assist the kingdom in providing small arms and training for the Syrian rebels, at least to the extent that this does not upset Islamabad’s relations with Washington”²²⁰, and Tehran. It is unwise to entrust the balance of interstate forces to radically-minded and heavily-armed people; their haphazard and uncontrolled moves might lead to far-reaching repercussions in the Middle East and in Central and South Asia. Ukraine is the best example.

On the other hand, experts do not exclude that Riyadh might try to upturn the joint Iranian-Pakistani energy projects²²¹. The beginning of civil war in Yemen also contributed to straining of the Pakistani-Saudi relations. Still, Islamabad refused to provide Riyadh with milita-

²¹⁸ “World Factbook”, Saudi Arabia.

²¹⁹ “Saudi-Pak Deal: Pakistan Promises to Keep Its Borders Open for Afghans”, January 7, 2014, <http://www.dispatchnewsdesk.com/saudi-pak-deal-pakistan-promises-keep-borders-open-afghans>

²²⁰ “Saudi Arabia Overhauls its Strategy for Syria”, *Stratfor.com*, February 26, 2014, <http://www.stratfor.com/analysis/saudi-arabia-overhauls-its-strategy-syria>

²²¹ “Iran: Loan for Pakistani Pipeline Canceled, Minister Says”, *Stratfor.com*, December 14, 2013, <http://www.stratfor.com/situation-report/iran-loan-pakistani-pipeline-canceled-minister-says>

ry support in the Yemen conflict. In Pakistani view, ideology originated in Saudi Arabia, has already damaged and continues damaging the country greatly.²²² The Yemen crisis, as a matter of fact, is uncovering the existing difference between the Saudi and Pakistani Sunni versions of Islam and the difference between political cultures of the more democratic Pakistan and the authoritarian Saudi Kingdom.

The last events have, thus, shown that Riyadh and Islamabad are pursuing a two-faced policy: on the one hand, both capitals are talking to the Taliban, aiming to adjust the Afghan political field to their own interests. On the other, their unofficial forces supported the riots in Syria and were fomenting the Sunni-Shia strife and religious extremism in Central Asia that was probably guided and funded by radical groups in both countries.

Lately, however, the official power in Islamabad, concentrated in the hands of the militaries, is resolute in its aspiration to achieve country's stability and to fight against terrorism. Islamabad is extremely anxious by the intensification of tension in Iranian-Saudi relations. This, besides the known regional and global problems, is threatening with spillover of the ethno-national conflict to the territory of Pakistan. On January 18 and 19, 2016, several days after introduction of the JCPOA on the Iranian nuclear program, Pakistani Prime-Minister Navaz Sharif visited Saudi Arabia and Iran. He called on the sides to regulate the conflict as soon as possible by peaceful means and proposed Saudis to create a channel for dialogue with Iran. Pakistan and Iran agreed²²³ to appoint their special ambassadors on the issues of mediation in regulating Iranian-Saudi relations. But experts are pessimistic about the results of the Navaz Sharif's shuttle diplomacy, pointing at the ongoing rather close partnership

²²² Kamran Bokhari, "Why Sunni Unity is a Myth", *Stratfor.com*, May 5, 2015, <https://www.stratfor.com/analysis/why-sunni-unity-myth>

²²³ "Iran soglasilsya na posrednichestvo Pakistana v uregulirovanii otnoshenii Tegerana i Er-Riada", *Armenpress*, January 20, 2016, <http://armenpress.am/rus/news/832701/iran-soglasilsya-na-posrednichestvo-pakistana-v-uregulirovanii.html>

of Islamabad and Riyadh and internal instability of Pakistan, largely connected with Sunni-Shia contradictions²²⁴.

Particularly, terroristic group Jamaat ud-Dava, denounced in 2002, is receiving support from the Saudi coalition of Islamic states and influencing Islamabad's decision-making²²⁵.

Thus, despite the positive dynamics of the Iranian-Pakistani relations, Pakistani-Saudi partnership is still a factor of instability and unpredictability in the SCA region. But common historic and cultural legacy with Central Asia, their leadership's stand against terrorism, for peace and economic development of the wider region of Middle East, South and Central Asia, their dependence on future regional energy and transportation networks allow to hope for building future constructive and beneficial relationships with these states, despite present difficulties. Acceleration of the big regional projects can only positively contribute to this process.

2.7. Indian policy in Central Asia

During the last several years, another regional actor—India, has been important on issues of providing security in Afghanistan, in the development of the NSR and the BRI processes and is starting to more visibly demonstrate itself in geopolitical processes around Central Asia. Until recently, Delhi was not quite proactive in the region, missing the convenient moment but now is actively trying to repair the omission and occupy its geoeconomic and geopolitical niche in the emerging system of regional connections. At that, success of the Indian policy in the SCA is inseparably linked with its relationships with the Islamic Republic of Iran.

²²⁴ Ankit Panda, "Why is Pakistan Interested in Brokering Peace Between Iran and Saudi Arabia?" January 22, 2016, <http://thediplomat.com/2016/01/why-is-pakistan-interested-in-brokering-peace-between-iran-and-saudi-arabia/>

²²⁵ Sarah Sajid, "Pakistan: Establishing Balance Between Iran and Saudi Arabia", *Iran Review*, March 05, 2016, <http://www.iranreview.org/content/Documents/Pakistan-Establishing-Balance-between-Iran-and-Saudi-Arabia.htm>

Commonality of interests

India and CA states are connected through geographic, historic, cultural and economic proximity and interests. It suffices to remind of inclusion of these regions into the Achaemenid empire in the 6th century B.C., or close contacts since the original Silk Road period and the dynasty of Baburids in the 16th century.

In this sense, Delhi, for security and economic reasons, is extremely interested restoring the lost contacts with CA sovereign republics.

Firstly, there is the factor of the AfPak zone neighboring with CA, together with common regional challenges and threats—terrorism and extremism, drug trafficking, organized crime, etc. India fears that potential political Islamization of Central Asia could disrupt the fragile equilibrium in the region and that manifestations of radical extremism and the destabilization of Central Asia could influence the Kashmiri situation. Therefore, Delhi hopes to cooperate closely with the secular CA states in the fight against these threats and challenges, including those emanating from the territory of its regional rival—Pakistan.

Secondly, by means of economic partnership with the CA region, India also strives to solve socioeconomic problems and satisfy the annually growing energy needs of the more than billion large population of the country. In this regard, Central Asia is one the most convenient and traditionally compatible markets for Indian goods, know-how and high technology. A possible way out of the Indian energy deficit is building new oil and gas pipelines from the CA region, which would stimulate the flow of capital into the Indian economy and reverse movement of capital and technologies into the CA states.

Afghanistan, due to its strategic location, can, in the Indian opinion, become a key in disclosing Central Asian trade potential as well as a geoeconomic corridor linking Central Asia with the subcontinent.

Thirdly, Central Asia, in the Indian view, contributes to a new balance of Indian relations with the Moslem world. The staunch anti-fundamentalist position of CA states guarantees geopolitical balance

not only in the region but in the whole world. In this regard, it is important for Delhi to prevent the decrease of the traditional Indian influence in Afghanistan in favor of Islamabad and its allies.

Fourthly, and not the least, there is the problem of deterring ever increasing Chinese influence in Central Asia. In the case of Chinese predomination in CA, India could finally lose its chance for economic reintegration with the CA region and become isolated from the main transportation and transit flows and routes in its area of interest.

As for the landlocked CA countries, the geostrategic location of India—its central position in the Indian Ocean, facing the Aden Gulf and the Arabian Sea and allowing for an exit to the Atlantic and Pacific oceans, is of special value. This geostrategic advantage gives India a particular role in securing peace and stability in the region, closely connected with and directly neighboring Central Asia.

Central Asians also take into account potential of the dynamically developing India. According to the World Bank assessments, India by 2020 will be able to enter the ranks of world leaders as one of five most promising developing countries. It is in the interests of CA states to develop cooperation with India in energy, transport, communication and high technology, science, trade, small and medium business.

For Iran, the role of South Asia is also preconditioned by issues of security, economic reintegration and restoration of this region with predominant Moslem population through completion of transportation and transit networks that would connect it with the Persian Gulf. This would consolidate the regional status of IRI. The region enters the sphere of Shia interests of Iran—10–15 % of the Indian population is Shia. Iran gives proper weight to the dynamically growing Indian economy, its active presence in Central Asia and Afghanistan, as well as to the role of the country as a balancer in relations with other regional powers. Instability in Pakistan and Afghanistan makes India indispensable for Iran due to its proximity, fruitful ex-

perience of interstate cooperation and available intellectual resources.

Iran and India have, therefore, long-term friendly relations, excluding some periods, and similar views on the issues of regional security. Iran is the main energy and oil supplier to Delhi – its supplies in October 2016 rose to 759,700 barrels per day²²⁶, as well as an important partner in possible confrontation with Pakistan and China and in other security issues related to Afghanistan.

Besides interest in any regional project, be it NSR or BRI, both India and Iran support construction of the North-South transport corridor, beneficial for all regional states and able to connect Russia, Central and South Asia. Both sides are uninterested in the return of the Taliban or other radical groups to power, or in the strengthening of the Sunni block uniting Afghanistan, Pakistan and Saudi Arabia²²⁷ that presents challenges of ideological and political nature.

It is no accident that in August 2015, the Iranian Minister of Foreign Affairs, Mohammad Javad Zarif, visited India. India was ready to pay off a \$ 1.4 billion debt for oil delivery²²⁸ and was planning to increase import from Iran.

But in practice, despite all official statements, the partnership was not progressing. In particular, strategic dialogue between India and the CA states on issues of regional security, initiated in the early 2000s, did not bring visible results.

New strategy in CA

Withdrawal of the peacekeeping forces from Afghanistan, extension of the Chinese presence in CA and negotiations of the “six” on Iran,

²²⁶ Dhvani Pandya, “Iran Pulls Ahead in Race to Supply India With Oil”, *Bloomberg*, November 28, 2016, <https://www.bloomberg.com/politics/articles/2017-05-23/trump-seeks-3-6-trillion-in-spending-cuts-to-reshape-government>

²²⁷ Bhatnagar Aryaman, “Indo-Iranian Cooperation in Afghanistan Faces Challenges”, *The Institute of Peace and Conflict Studies*, August 22, 2012, <http://atlanticsentinel.com/2013/05/indo-iranian-cooperation-in-afghanistan-faces-challenges>

²²⁸ “India Prepared to Pay \$ 1.4 bn Iranian Oil Dues”, *Pakistantoday*, August 14, 2015, <http://www.pakistantoday.com.pk/2015/08/14/foreign/india-prepared-to-pay-1-4bn-iranian-oil-dues/>

as well as destabilization of the Middle East, forced Delhi to rethink its Central Asian strategy. The possibility of final loss of a geopolitical future in this region and ever increasing regional security problems induced India to take measures to protect its interests here.

The main priorities for Delhi remain energy and regional security issues. Owing to the poorly accessible location of Central Asia, energy supplies remain a key issue for India. Thus, Delhi continues to push forward with the joint Indian-Iranian project Chabahar, TAPI gas pipeline and North-South international transport corridor, allowing CA states to get to the international markets bypassing Pakistan. All of this fully corresponds to Central Asian transportation and transit priorities. In view of positions already held by China in Central Asia, India sees itself as an alternative market for the CA states. This corresponds to the Central Asian multivector policy and tactics of diversification of their energy exports to the world markets.

Furthermore, according to the UNCTAD world output growth estimates, the growth of Indian economy in 2015 and 2016 was equal to 7.2 and 7.6 %, correspondingly²²⁹. During the last decade, the country turned into one of the biggest world oil importers (nearly 4 million barrels of oil a day), giving way only to China and the US. As a whole, India becomes the main engine of demand in Asia at the time, when, most likely, China fills its strategic reserves and begins shifting towards a more low-carbon economy²³⁰.

To balance its foreign policy, Delhi reminds about its adherence to the principles of Non-Alignment Movement and, hence, independence of its foreign policy from strategies of any powers, including the US. This context provides the country with more political space in the simultaneous arrangement of its relations both with the Eurasian powers (Russia, China, and others), and the Euro-Atlantic community.

²²⁹ Trade and Development Report 2016, UNCTAD, United Nations, 2016, unctad.org/en/PublicationsLibrary/tdr2016_en.pdf

²³⁰ "India nabirayet ves na aziatskih neftyanih rinkah", *Nefttrans.ru*, July 1, 2015, <http://www.nefttrans.ru/analytics/indiya-nabirayet-ves-na-aziatskikh-neftyanykh-rynkakh.html>

So, being a strategic US partner and ally, Delhi supports Moscow's stand on issues concerning its interests. For instance, to deepen regional integration, India supports the idea of Eurasian economic space and does not exclude entering the Eurasian Union in the future. Concurrently, India activated its participation in BRICS and after a long period of observing and waiting started the process of achieving membership in the SCO (the first step was taken on July 7, 2015, in Ufa).

These steps allowed India to intensify its policy in Central Asia. In July 2015, Indian prime minister Narendra Modi visited all five CA republics for the first time since their independence—Tajikistan, Turkmenistan, Kazakhstan, Kyrgyzstan and Uzbekistan. In the Indian view, this visit could create a new strategic direction in the “Central Asia Connect Policy”, proclaimed in 2012. The expediency of developing Indian-Central Asian relations in the security sphere is proved, for example, by Tajikistan's being located merely 20 km from Big Kashmir. An Indian military object is located not far from the anti-Indian terroristic groups' bases, in proximity to the territory where China and Pakistan carry out their military and economic cooperation²³¹.

Simultaneously, Indian policy in Central Asia is influenced by a series of geopolitical factors. The main factors are US-Iran and US-Russia relations, Pakistan and China.

US-Iran relations

US-Iranian discrepancies influenced India indirectly, leading to ambiguous relations with Iran and hampering effective Indian partnership with Afghanistan and Central Asia.

Deepening since 2006, American-Indian economic and defense cooperation has been bringing tension into relations between Delhi and Tehran. Delhi supported anti-Iranian sanctions and cooperated

²³¹ Gulshan Sachdeva, “PM's Visit to Central Asia Could Provide New Strategic Direction”, *Inosmi.ru*, July 3, 2015, http://inosmi.ru/middle_asia/20150706/228952920.html

with NATO on Afghanistan²³². Long-term Iranian-American discrepancies stimulated the formation of various interstate associations, some of which contribute to the activity of the radical movements in the Afghan territory. In particular, Iranian experts point to the link between terrorist groups in Afghanistan and the US partnership with Saudi Arabia.

The United States does not reject partnership with Saudi Arabia. However, lately, they did not hamper regulation of Indian relations with IRI, where joint interests converged around Afghanistan. Iran has been active in cooperating with Delhi within the limits of the Heart of Asia international program, as well as on other Indian initiatives on stabilization of Afghanistan. Washington, not directly participating in the Indian regional initiatives, still supports them marginally. It is worth noting that the Silk Road concept, itself, was confirmed by the US in 2011 in Chennai (India). Bilateral Indo-Afghan programs are carried out within the limits of the strategic agreement on partnership between India and Afghanistan, concluded in the same 2011.

Taking into account the intensified regional Sunni-Shia crisis and the US marginal involvement into it, Delhi restrains from public support of Sunni or Shia states, as India has a great number of both Sunni and Shia among its population. It seems Delhi is counting on positive changes in Tehran's policy with regard to Saudi Arabia, taking into account both states' weight and influence in the Moslem world. On the other side, it is necessary to somehow counteract the pressure from the Chinese and Pakistani side. Therefore, Delhi signed political and defense agreements with Saudi Arabia.

Thus, the US and its allies remain Indian important strategic partners.

US-Russia relations

Not less deep and long, American-Russian contradictions also influ-

²³² Sepahpour-Ulrich Soraya, "Shiite Revival or Majority Resistance?" *Payvand.com*, June 6, 2006, <http://www.payvand.com>

ence Indian foreign policy fluctuations within the limits of the Euro-Atlantic and Eurasian approaches.

India's dynamic growth requires an extension of its economic activity and a search for new markets for Indian goods, investment and technology. On the other side, problems of regional and global security orient it towards the United States. Washington, with all ambiguity of its policy, possesses real economic, military and political resources to partly satisfy increasing needs of the Asian giant.

Yet, rapprochement between Delhi and Washington caused alertness and distrust from the side of Moscow. By mid-2000s, relations between India and Russia became rather cool. It is absolutely obvious that Russian discontent with the widening of the military and political ties between India and the US was spread also to the subsequent growth of Delhi's military and political activity on the territory of Central Asia. This included the establishment of a strategic partnership with Uzbekistan in 2011, and with Tajikistan—in 2012.

Moreover, the new political project “Central Asia Connect Policy”, aimed at strengthening of Indian positions in Central Asia, was directed at using the potential of the SCO, Eurasian Union and Customs Union. But in practice, the actions of the regional project participants were concentrated only around the SCA issues. Russia, therefore, considered itself isolated from the newly provided possibilities and temporarily restricted its participation in the Afghan processes.

On their part, India and the US have been trying to attract Moscow to actively participate in the issues of resolving Afghani problems. In particular, along with the India-US-China union, a trilateral union India-China-Russia on issues of peace and stability of Afghanistan has been operating since 2002. This assumes more active SCO participation in settlement of the issues of regional security.

However, the success of many similar processes greatly depends on the final regulation of the Western relations with Russia and Iran.

Pakistan

Washington's accent on the special regional role of Delhi adds additional tension in the complex India-Pakistan relations. The turn of the American policy to the Asian-Pacific region, where "South Asia is represented as a key axis with India as a basis for bilateral relations with China"²³³, as well as the "key" role of Delhi in providing security in Afghanistan and developing New Silk Road (virtually in all processes in the heart of Asia)²³⁴ contradicts the regional interests of Pakistan. And obviously, does not help them reach a compromise.

Another problem in Indo-Pakistani relations is destabilization of Afghanistan by the Pakistani Taliban. In experts' assessment²³⁵, 10,373 accidents were registered in 2014, the figure exceeding the previously highest indicator of 10,193 in 2010. According to the UN data, in the same 2014, there were in total 19,469 incidents on security issues—growth by 10.3 % compared to 2013—registered in Afghanistan. The majority of incidents, 69 %, occurred along the borders with Pakistan. For that reason, the United States is not going to leave Afghanistan fully. Washington is planning to provide additional pressure on Islamabad to terminate its support to the destabilizing forces in the region. At the very least, the United States is going to reduce the volume of its economic support to Pakistan.

However, negotiations between the Pakistani government and the Taliban are not fruitful. Owing to the increased regional rivalry between India and China, tension between Islamabad and Delhi has also been preserved.

According to Indian assessments, 700 violations of the interstate agreements took place and more than 70,000 of people were re-

²³³ "SSHA derjat indo-pakistanskije otnoshenija pod kontrolem", January 19, 2014, <http://oko-planet.su/politik/politikmir/227307-ssha-derzhat-indo-pakistanskije-otnoshenija-pod-kontrolem.html>

²³⁴ "Comments on India's Relations with Iran, Afghanistan, and the U.S.," Remarks, Wendy Sherman Under Secretary for Political Affairs, New Delhi, India, <http://www.state.gov/p/us/rm/2013/202682.htm>

²³⁵ Ajit Kumar Singh, "Afghanistan: Recycling History", Institute for Conflict Management, *South Asia Intelligence Review* (SAIR), Weekly Assessments & Briefings, Vol. 13, No. 27, January 5, 2015, http://satp.org/satporgtp/sair/Archives/sair13/13_27.htm#assessment1

placed only in the Jammu province since May 2014. At the same time, Delhi and Islamabad agreed to regulate their relations under the aegis of the UN. Indian experts rightfully consider that the longer the conflict lasts, the more involved actors there are, who interested in prolonging this conflict²³⁶.

It is doubtful, therefore, I think, that India and Pakistan's entry to SCO can solve their longstanding discrepancies. It cannot remove Indo-Chinese discrepancies in one hour, either. Yet, the participation of Delhi and Islamabad in the international organization headed by China can restrict sharp clashes within the limits of the Indo-Pakistani-Chinese triangle due to their involvement in mutually beneficial projects. Besides, during the last years, the sides became more aware of the fact that without reducing conflict potential in Indo-Pakistani relations, it was impossible even to discuss the realization of big economic projects in SCA.

Now only bilateral measures, it is considered in India, are able to normalize the situation in Indo-Pakistani relations²³⁷. Probably with this goal, in December 2015, the first in ten years visit of the Indian prime minister Narendra Modi to Pakistan took place.

Indian experts suggest adopting Chinese experience, which reinvigorates military diplomacy as a more efficient instrument of the international practice²³⁸. This approach, however, is aimed at a very long term period.

Meanwhile, Indian opposition to the extremist forces in Afghanistan is approximating Delhi's stand with Tehran's, and to some degree puts it in conflict with Islamabad (Shia factor). However, in economic and regional security issues, Iran follows its national interests that allow it to cooperate with Pakistan in the energy sphere.

²³⁶ Radha Kumar, "India and Pakistan: At Tilt with Destiny", *Delhi Policy Group*, Issue brief, August 2015.

²³⁷ "India Should not have Unrealistic Expectations from Pakistan: Former Diplomat", July 16, 2015, <http://www.ibnlive.com/news/india/india-should-not-have-unrealistic-expectations-from-pakistan-former-diplomat-1021062.html>

²³⁸ Aditya Singh, "Synergising Defence and Diplomacy", *Delhi Policy Group*, September 2015.

China

Simultaneously, India was anxious about deepening Pakistani-Chinese cooperation and accelerated advancement of their joint projects, for instance, on Gwadar (see below).

It seems, however, that China thinks rationally enough and is not interested in spoiling relations with its Asian rival, relying, besides all, on US support. To push forward its Central Asian policy, Beijing is also uninterested in the creation of additional instability in areas of its economic interests, including the AfPak territory. Indian infrastructural projects are, as a whole, correlated with the Chinese BRI and Beijing's new Asian strategy.

Not accidentally, China invited India to become part of its initiative on the restoration of trade between Asian peoples within the limits of the revived Silk Road.²³⁹ On its own side, Delhi shows interest in the idea of uniting the whole Asia with the aid of the BRI strategy. Indian experts stress the similarity between Indian and Chinese self-perceptions. India can have a constructive partnership with those elements of the BRI strategy where there is a convergence of interests and mutual benefit. It is necessary for Delhi and Beijing to work out security architecture in Asia to govern common territories, including the maritime zones. The BRI and the future of the Asian security architecture are unthinkable without Sino-Indian unification, concludes Delhi²⁴⁰.

It is obvious that Indian-Chinese cooperation can receive sufficient support from Iran, who is also actively involved in the realization of the BRI. Moreover, Iran is able to become a mediator between Delhi and Beijing to advance its mutually beneficial projects.

Thus, Indian policy in SCA is greatly dependent on its relationships with the Islamic Republic of Iran, both in joining and coordination of its plans on Afghanistan and CA, and counteraction to extreme growth of the Chinese regional influence, switching to the transport

²³⁹ *Foreign Policy Journal*, South Asia Daily, February 20, 2014.

²⁴⁰ Jayant Prasad, "One Belt and Many Roads: China's Initiative and India's Response", *Delhi Policy Group*, September 2015, www.delhipolicygroup.com/uploads/publication_file/1093_BRI_Prasad.pdf

arteries from CA and balancing Indian relations with the Moslem world (Pakistan) and other actors (the US, Russia) in the region. In its turn, Russia and the CA states can balance Chinese presence by partnership with India and other powers in Central Asia.

Conclusions to Chapter II

Period of 1991-2006

As a result of geopolitical and geoeconomic tendencies, in 1991–2006 Central Asia encountered a series of challenges and threats to its development, resulting from the geopolitical tension created around the region.

Absence of trust among the key actors (Russia-US, US-Iran, China, etc.) led to a low level of cooperation/coordination, thus creating a favourable ground for the development of other negative factors. Thus, together with another driver—the transitional state of Central Asia—geopolitical tension gave birth to such outcomes in and around Central Asia, including Afghanistan, such as growth of terrorism, religious extremism, ethnic conflict, failed states, proliferation of weapons of mass destruction and drug-trafficking. In the political sphere, this situation also diverted international attention from a resolution of the regional security issues. In the economic sphere, these drivers led to sanctions (Iran) and reducing investments into the realization of vitally important big economic projects in Central Asia.

- Geopolitical tension is linked, first of all, to contradictions between Russia and the Euro-Atlantic community. The main contradiction lies in the choice between the Eurasian and the Euro-Atlantic models of development.

Russia. The Eurasian trend of geopolitics presupposes Russian influence in Central Asia combined with partnership with the Islamic Republic of Iran. Moscow required time to accomplish, before 2006, a geopolitically advantageous transport-pipeline strategy in Central Asia and to strengthen its regional position. From this point of view,

ongoing inert Iranian-American confrontation corresponded more to the interests of Russia, than military confrontation between the two powers. With this in view, elements of competition in the CA region and confrontational thinking at military and political level, as well as Russian interest in Iran, remained unchanged.

In the interests of regional stability, CA states supported any initiatives directed at cease of military actions against IRI. Russian initiatives in the sphere of energy and transport corridors corresponded to the economic interests of the CA states, but on the condition of simultaneous development of alternative projects with participation of Iran.

The specifics of the Euro-Atlantic strategy at that time were in the growing discrepancies on Iran in the US-EU relations. The role of the Iranian-American factor in the European strategy on Central Asia bore ambiguous character. In conditions of the Iranian-American conflict, the EU-US cooperation itself bore a lackluster and inconsistent character.

Instability and ambiguity of the European policy, and priority of solving the arising internal political problems, forced Central Asia to join the Eurasian Economic Community—an organization closer to them in its goals and interests. Simultaneously, the CA interests were directed at achieving the EU-US compromise with Iran and formation of stable international space to realize regional economic integration.

- Another geopolitical problem concerned the US allies in the Moslem world: Turkey, Saudi Arabia and Pakistan.

Turkey represented, at this time, the US-sponsored main export oil pipeline—the BTC project, and the model of a secular Moslem state for the newly established CA states. Yet, relations between this country and CA states were not even due to both failure of the overall US energy strategy in Central Asia and own errors in the region, connected mostly with the Islamic factor (Uzbekistan).

Correspondingly, the CA states passed, to a various degree, the way from declaring the Turkish model of development, disappointment

and some distancing from Turkey to normalization of bilateral relations with it. Relationships of two sides were restricted to the spheres of small and medium business and scientific and cultural contacts.

Yet, with growing global disappointment with the US antiterrorist strategy and intensification of its internal crisis, Turkey undertook very tangible efforts to develop a more balanced foreign policy, not excluding friendly partnership with Iran and Russia, and advancement of the moderate form of Islam in CA. This found support among CA countries interested in removing any geopolitical and economic tension in the CA region.

Saudi Arabia has been less dependent on the Iranian-American relations in its Central Asian policy. But its unofficial sponsorship of illegal religious movements, groups and parties in Central Asia stimulated spread of Islamic fundamentalism, radical extremism and alien ideas of Wahhabism. This predetermined a flexible and cautious policy conducted by the Central Asian governments with regard to Saudi Arabia.

Internal political instability of **Pakistan** and its bordering regions, as well as its lack of political and economic resources, did not allow it to be an active player in Central Asia. But consolidation of the Iranian-Pakistani relations in the examined period on the basis of anti-Americanism and growth of Islamic radicalism served as a destabilizing factor for security in Central Asia.

As a whole, the allied obligations of Turkey, Pakistan and Saudi Arabia with the United States, and their economic dependence on Western capital, restricted the potential of their relations with Iran. These countries' partnership with the US played the role of counterweight to possible Iranian ambitions in the Moslem world.

The most applicable strategy for the Central Asian interests in this situation was maintaining cautious, in some sense restricted, diplomatic, trade, economic and cultural relations with these states.

Under these geopolitical and economic circumstances, the CA states

were looking for the safest and most beneficial way for transportation of their products to the world markets.

The politically safest, not so strictly tied to Iran, but comparatively longer and more expensive way was considered to be through **China**. The majority of the CA states, therefore, were carefully studying this alternative route. The Chinese market could become one of the perspective directions in development of the Central Asian economy. It was also expected that Chinese presence could serve as a balance in relations of CA states with other regional actors.

China was also, to a certain degree, interested in continuation of the Iranian-American contradictions to complete its own pipeline strategy in Central Asia. On issues of opposition to the US military action against Iran, the Chinese stand coincided with the Russian one and was against any extremism, radicalism and separatism, that could logically result from military actions in the neighboring regions.

In sum, the international situation, formed as a result of these geopolitical processes, proved destabilizing influence of the Iranian-American confrontation on the general geopolitical background in Central Asia, that distracted attention and political resources from disputable and interlinked security issues and laid foundation for the future pro-Chinese reorientation of CA states.

2007 to January 2017

Central Asian security and development is under the influence of the following key issues: 1) the growth of instability in the vast area of SCA and the Middle East (ISIL, Syria, etc.); 2) the start of the US-Iran dialogue; and 3) the rise of China.

The Afghan, Ukrainian, Yemen and Syrian crises, being virtually a reflection and outcome of the current geopolitical struggle, put the situation in Central Asia at the edge of a global catastrophe. In circumstances of extremely prolonged Iranian-American tension and geopolitical discrepancies, the CA republics are found literally in a ring of politically and economically unstable states, including IRI and Russia under sanctions. Bordering the AfPak territory, the CA states

are the first potential victims of various flows of terrorism, extremism, drugs, WMD, etc. At the same time, the CA economies are under twofold pressure: by both anti-Iranian and anti-Russian sanctions, which extremely exacerbates the socioeconomic situation in CA. A logical result of these processes is the activation of religious opposition in the CA states and Afghanistan, replenishment of the ranks of IS and other radical groups.

In this connection, the CA states are extremely interested in the quickest regulation of the problems and discrepancies among the regional actors, in realization of the Vienna agreements and subsequent full lifting of the sanctions from Iran and Russia. Reduction of geopolitical tension, and with this of the level of instability in the CA region, will allow CA states to concentrate on the key issues of internal political development. Besides, wide possibilities will be opened for the CA states' collaboration on multilateral projects with participation of Iran. First of all, these will be projects in the transportation, transit and energy spheres, which will help to accelerate regional integration and adjust cooperation in the security sphere.

In the meantime, under these circumstances, the period of Chinese "wait-and-see" and careful examination of geopolitical possibilities has also finished.

The struggle between the Eurasian and Euro-Atlantic ideas of development, embodied earlier in the Eurasian Union and NSR strategies, since 2013 has been supplemented by the third, Chinese Belt and Road Initiative strategy. In conditions of the Middle Eastern and South Asian instability and ever increasing Chinese economic power and influence in Central Asia, the American NSR strategy has, in fact, been abandoned. And since the Ukrainian crisis, the amorphous state of the Eurasian Union has been even more shaken.

The main reasons for the present inefficiency of the Eurasian Union include the following:

- the organization is purely asymmetric with the predominant role played by Russia, which will influence decision-making and decrease economic, and hence, political sovereignty of its members;

■ the Eurasian Union has, in fact, no own agenda, concept or long-term program of development²⁴¹.

The failure of the US New Silk Road strategy is manifested in the following:

1) The West did not get full access to the energy resources of the SCA region. The main projects of the NSR strategy—TAPI, CASA-1000²⁴² and Black Sea corridor to Europe from Afghanistan and China—have not been completely realized.

2) Washington's rhetoric about principles of regionalism, based in the NSR concept, and official declarations on the necessity of opening a single anti-terrorist coalition contradicted the US real policy, which continued to restrict Russian and Iranian participation in regional affairs. The beginning of the US-Russian constructive interaction in this context has not yet brought the desired effects. Geopolitical competition between the US and the EU, on the one side, and Russia, on another, means their struggle to include into their own areas of influence: a) Central Asia; b) Iran; c) China; d) the resolution of the Ukrainian and Syrian crises in the appropriate format.

3) The beginning of the US-Iranian dialogue has been complex and uneven. Basic contradictions between Iran and the West were not fully removed by signing, on July 15, 2015, the international agreement on Iranian nuclear issue. The uncertainty in the Iranian-Western relations has only consolidated Tehran-Moscow strategic cooperation.

4) Geopolitical tension creates favourable ground for various regional challenges and threats in Afghanistan, linked mainly to informal activity of the Saudi coalition.

5) Iranian-Russian relations in the foreseeable future have a tendency for a certain stable growth, based on common security interests and on an aspiration to create a system of checks and balances in relations with other leading powers.

²⁴¹ "Vistuplenie Prezidenta Respubliki Uzbekistan Islama Karimova na Zasedanii Soveta Glav Gosudarstv SNG," October 13, 2014, <http://www.mfa.uz/ru/press/news/2014/10/2593/>

²⁴² CASA-1000 (Central Asia–South Asia)—project foreseeing energy transfer from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan.

6) Concurrently, the Iran-China-Russia union will, apparently, be preserved as a potential instrument of pressure on the US on the disputable issues of international development, possibly also within the framework of the SCO which can include Iran.

7) Pakistani instability is preserved. Two factors define Pakistani regional strategy: the outcome of the ongoing negotiations with Afghanistan and construction of the Chinese-Pakistani-Iran economic corridor. Both are difficult to fulfill in the foreseeable future. Besides, the issue is aggravated by the Sunni-Shia conflict, where Iranian and Pakistani interests often diverge.

8) The greatest challenge for the NSR is the Indo-Pakistani rivalry in Afghanistan and in CA states. Besides, India, being a US strategic partner, is aspiring to balance its foreign policy preferences within the limits of Euro-Atlantic and Eurasian approaches.

In comparison, the more successful Belt and Road Initiative has in fact proved its ability to unite nearly all regional actors in its projects, excluding the US. But its realization has its own specifics:

- Chinese policy in CA bears an ambiguous character. On the one side, Chinese capital is playing an important role in the creation and improvement of the existing infrastructure and logistical connections in CA, and, as a whole, in the modernization of national economies. In this regard, the challenges for realization of big interstate projects are objective, quite expected and removable by collective efforts. On the other side, it is clear that Beijing's policy is directed, first of all, at the fulfillment of its own tasks, where CA states, in case they do not elaborate an adequate strategy, can in the future turn into a "raw material appendage" of the Chinese economy. Central Asia can become an interim step on the way of the Chinese global strategy, where the United States still plays the main role due to economic interdependence, military and strategic compatibility and global competition.

- Concurrently, in their relations with Beijing, CA states will inevitably clash with such challenges as cultural and mental differences between China and the CA states, competition between the

BRI and the Eurasian Union, need for concretization and correlation of the Chinese model with economic needs and interests of the CA states and Iran, etc.

- It is all the more important since the expected rapid Iranian economic progress and regional influence after full lifting of sanctions can represent a certain challenge for the Chinese economic plans in Central Asia.

- It is more likely that the US, the EU and Russia can also oppose the ever-increasing Chinese influence in CA and adjacent regions.

Still, there are also factors that can reconcile the competing sides in the future.

- It is doubtful that the US was interested in aggravating Iranian-Saudi discrepancies and in the appearance of new hotbeds of instability in the Middle East. Iran is a potentially important partner on the issues of providing security in SCA, Middle and Near East. Iran's natural resources and dynamically developing economy, its military, political and demographic potential have undisputable advantages compared to Saudi Arabia.

- US-European-Russian potential points of contact, besides the Chinese factor, can include such issues as a) regulating the AfPak and Syrian situation; b) preventing destabilization of the CA region; and c) restoration of peace and order in Ukraine.

- European fluctuations on Iran have gradually stabilized with the EU reuniting with the US on security and economy issues. With Washington's support, the EU states strive to make Iran the main gas supplier in the future and pursue their own policy on CA and Iran. This corresponds to the US interests in energy security and political stability of the SCA.

- Ankara continues to propagate "soft power" strategy and the moderate form of Islam in the kindred Central Asia. However, its role for the CA states is also ambiguous. On the one side, this is cultural, historical, ethnic and economic closeness, on the other, there are challenges and threats of radicalism from the territory of modern

Turkey and inability of the Turkish economy to generate investment. Joining Eurasian (with CA) and Euro-Atlantic trends in these circumstances is a very intricate issue, which depends on the final regulation of the Syrian crisis and Russian-Turkish relations.

- Historical and cultural proximity, vital interests in CA and predominance of pragmatic approaches in Turkish and Iranian foreign policies, will determine their partnership in any regional scenarios. At that, a certain degree of their conflict-free rivalry will be preserved in CA. Success in the development of the Iranian-Turkish cooperation will be defined by the degree of their observance of the CA states' economic interests and foreign political preferences, by the development of the internal situation in Turkey and by efficiency of their strategies as a whole. Already in the mid-term future, Iran and Turkey can become mutually complementary factors in Central Asian development. Moreover, these countries will be able to speed up the process of modernization and integration of the CA region by unification of the Caucasus and CA into a single energy and transport system with an exit to Europe.

- Pakistan and Iran are interested in developing the Silk Road regional initiatives, in energy partnership and, as a whole, in economic integration with SCA; the interests of stability and sustainable development lead them to cooperate on issues of regional security and demand maintaining regional balance of power. Besides, Iranian-Pakistani cooperation with China does not exclude, in the long term, practical realization and coordination of the BRI strategy with the Eurasian Union.

- Iran is a key component and a basis for Indian policy in SCA. Their bilateral relations are aimed at opposition to the Pakistani and Chinese potential ambitions and partnership on Afghanistan. The level of Iranian-Indian cooperation will influence the efficiency of the Indian policy in CA and the balance of its interests with the majority of regional actors, including China and Pakistan.

- At this stage, a regional priority for all actors is the achieve-

ment of progress in the struggle against radical forces and success in negotiating process with the Taliban.

3. Economic aspects of geopolitical processes in Central Asia

In this chapter, we will discuss Central Asian development in the fields of energy and transport—the spheres most distinctly revealing geoeconomic interests, threats and challenges which ultimately impact political orientation of the region.

The processes of building energy and transportation and transit systems are facing geopolitical risks and challenges, examined in the previous chapters. Hence, the main drivers are geopolitical tension and well-known transitional difficulties of CA states.

The way out of the regional and global security situation is largely connected to building a system of energy pipelines and transport corridors. Supposedly, this will significantly stabilize the region, creating favourable conditions for its economic well-being. Therefore, these tasks are both the aim and the instrument for achieving economic integration and security of the region. Their implementation can provide a real breakthrough in the development of a vast region of SCA.

The three leading powers, the US, China and Russia, are competing for the leadership in constructing energy and transport routes. Yet, while there is no concrete American strategy in principle, but only the aspiration to realize the idea of the Silk Road assisted by regional powers themselves, China is investing in projects significantly advancing its BRI strategy.

Key factors influencing the geoeconomic process, remain for the time being, Iran and the United States.

3.1. Politics of energy corridors in Central Asia

3.1.1. 1991–2006

General prerequisites

The oil and gas sphere is always referred to as the most important priority in the development of energy-rich countries. It is not surprising, as energy can play the role of a strategic instrument in achieving both geopolitical and economic goals for any developing or developed country. This issue demands special attention in the 21st century with its rapidly growing world energy needs. All the more that current sharp geopolitical and geoeconomical processes create multiple barriers in the way of supply and distribution of energy resources.

The most intricate situations when you come across a vast region with immense stocks of energy resources and states under the indirect or direct influence of international sanctions like the Central Asian states and the Islamic Republic of Iran.

The main energy producing countries in Central Asia are Kazakhstan, Turkmenistan and Uzbekistan.

The oil and gas sphere is intended to ensure successful Central Asian integration into the world trade system that foresees construction of new pipelines, increasing export of oil and gas. In conditions of the geopolitical competition and political instability in the region, CA states stand for diversification of energy export transportation routes that, at the same time, can protect their national markets from the unfavourable influence of the world state of affairs and external competition.

At least all CA states, as it was mentioned, are interested, for the sake of geoeconomic and geopolitical stability, in cooperation with the United States.

At the same time, the territory of the closest CA neighbor, Iran, is considered in the region to be the cheapest and closest way to the Asian and European markets. Furthermore, transit of hydrocarbons

via Iran offers “direct access to sea ports and, particularly, access to consumers of Kazakhstan’s oil ... without any intermediaries.”²⁴³

On the whole, energy partnership with Iran allows achieving both political and economic goals. It restricts the potential monopoly of some states in the energy sphere (e.g., China, Russia) and provides a safe route for the CA energy due to a certain distancing from the unstable zones of conflict (Afghanistan, etc.). Besides, owing to its own rich energy resources, Tehran can play not only a transit role but be an importer and exporter of resources to Central Asia.

In turn, the region of Central Asia is a priority in the development of IRI, as it is interested in the restoration of the national economy and reintegration of the region.

Iran supports the idea of developing a network of alternative pipeline routes from CA which would promote regional energy security, economic development and expansion of export markets. It will also ensure that Iran plays the role of a “gatekeeper” in Central Asia and as a transit route for oil and gas pipelines and transport networks. With that in mind, in the interests of its own comprehensive security, Tehran does not strive to dominate in the energy sphere of the region and supports the region’s right to diversify export and transit routes of energy resources.

However, a number of objective and subjective factors have served as barriers to the effective development of bilateral relations between Iran and Central Asian countries. They include the following:

- the socioeconomic consequences of the collapse of the USSR and differences between the political system of the Islamic regime in Iran and the secular states of Central Asia;
- weakness of the Iranian economy, which could not supply high-end technologies to and make sizable investments in Central Asian countries, at least in the sanctions period;
- ethnic and religious differences between Sunnis and Shia, Persians and Turks—this factor can be exploited by certain groups

²⁴³ Aibat Jarikbaev, “Transit nefti: iranskii marshrut”, *Caravan.kz*, February 09, 2004, <https://www.caravan.kz/articles/tranzit-nefti-iranskij-marshrut-367986/>

to achieve their objectives in the region;

- absence of legal solution of the Caspian Sea issue, which does not allow development of full-scaled cooperation in the energy sphere.

The tasks of securing the role of a “gate” to Central Asia and transit route for the oil and gas pipelines and transport for Iran have been complicated, however, by the US anti-Iranian sanctions and American-Russian geopolitical rivalry in the CA region.

Kazakhstan

Kazakhstan’s main tool in its foreign policy is the oil and gas industry, to which the country’s economy is tied. According to the last estimates, oil accounts for about a quarter of Kazakhstan’s gross domestic product and about 60 % of its total exports²⁴⁴.

The US

The importance of Kazakhstan for the United States is preconditioned, first of all, by the fact that it is the key Caspian and, simultaneously, an internationally influential oil and gas player. Hence, the US cannot but coordinate its energy strategy with this country.

The main struggle in the 1990s developed around the BTC project, which was strategically important for the American interests (see Annex 1). Its realization would involve CA states into the Euro-Atlantic space. Correspondingly, the project was boycotted by Moscow.

During a long period, the issues of the assumed BTC capacity and its financing by the World Bank and other international organizations remained unsolved. Political and economic reasons caused periodical fluctuations of the Kazakh foreign political preferences and level of its support for the BTC project.

²⁴⁴ Asian Development Bank. Country Partnership Strategy: Kazakhstan 2012–2016. Sector Assessment (Summary): Energy 1, <https://www.adb.org/sites/default/files/linked-documents/cps-kaz-2012-2016-ssa-02.pdf>

Yet, the interest of American companies in the Kazakh oil was not decreasing. The American company “Chevron” was declared the republic’s primary strategic partner, and American shares in the “Tengiz-Chevroil” joint enterprise constituted 72 %²⁴⁵. However, Russian specialists considered the whole Tengiz oil complex to be the Russian companies’ sphere of influence because the bulk of the oil export went through the functioning Mangishlak-Samara pipeline and Tengiz-Novorossiysk arterial pipeline.

US political pressure on Kazakhstan in the choice of an energy transportation route was only strengthened in the period of the anti-terrorist campaign in the Middle East and Central Asia. However, during the first months of the Afghan operation of 2001, the favourable political climate for normalizing Iranian-American relations induced Astana to persuade Washington to realize projects through the territory of Iran. With this goal, a series of Kazakh-American summits and discussions were held²⁴⁶.

But the doubts of Kazakhstan on the BTC project were still preserved. On the one side, Astana doubted the financial, technical and ecological expediency of providing its energy resources to the BTC project. The unstable political situation in Afghanistan was obviously not conducive to building an oil pipeline from Central Asia. On the other side, Kazakhstan experienced simultaneous pressure from the Russian and US sides.

To balance its relations with two influential forces (Russia and the US), the Kazakh leadership courted American companies. It was considered that the available pipelines were enough for Astana to export its oil until 2008–2009. Firstly, this was the Atyrau-Samara oil pipeline (which transferred 15 million tons of Kazakh oil annually), the Caspian Pipeline Consortium (capacity—67 million tons annually), and in the future—the Baku-Tbilisi-Ceyhan pipeline²⁴⁷.

²⁴⁵ Julia Nanay, “Iran’s Role in Central Asia. A Dialogue with AIPAC”, Washington D.C.: The Petroleum Finance Company, Sponsored by the Middle East Institute and SAIS Central Asia Institute, September 24, 1998, 10.

²⁴⁶ *Kazakhstanskaya Pravda*, April 10, 2002.

²⁴⁷ Anatolii I. Gusher, “Geostrategicheskoe izmerenie problem Kaspiyskogo morya”, *Journal teorii i*

The Bush administration was emphatic, explaining to Astana in expediency of the Iranian energy routes²⁴⁸. Simultaneously, Washington forced Kazakhstan to accept firm commitments connected with the Trans-Caspian pipeline.

Failures of the US peacekeeping actions in Iraq and the growth of the anti-Iranian sentiment in Washington's military were accompanied by the tough Western pressure on CA countries in issues of speeding up democratic reforms, human rights and advancement to a free market economy. The OSCE, the EU and the US, as well as the European Bank for Reconstruction and Development called for radical measures with regard to CA states. They threatened to reduce investments in transport projects as TRACECA, the realization of which could promote the economic well-being of the whole Central Asian region. In conditions of the ongoing anti-Iranian sanctions, such Euro-Atlantic strategy threatened to disrupt all alternative energy transport projects planned by Astana.

In response, Kazakhstan turned to China, notably activating relations with this country. In December 2005, the 1000 kilometer pipeline, connecting Kazakhstan and China, was opened. It became the first Central Asian export route, bypassing the territory of Russia.

The topicality of Kazakhstan in the US geostrategy only increased in the period of the Andijan events and the official opening of the BTC pipeline in 2005. It was a question of Washington's support of Kazakhstan's chairmanship in the OSCE in 2009 and additional investments into Kazakh energy fields. As a result, in July 2006, an agreement between Azerbaijan and Kazakhstan was signed on transportation of hydrocarbons from Kazakhstan through the Caspian Sea and BTC pipeline.

Russia

Strengthening of the American-European discrepancies on Iran and

praktiki Evrazijstva No. 22 (2003), January 10, 2003, <http://www.eurasianet.org>

²⁴⁸ "Press-conferentsia pomoshnika Gosudarstvennogo sekretarya SSHA po delam Evrope i Evrazii E. Elizabeth Jones", January 24, 2003, Tashkent: Slujba informatsii TSEEP pri Minekonomiki RUz.

Iraq intensified cooperation between Kazakhstan, Russia and European states.

Thus, an agreement on the division of the three gas deposits in the northern part of the Caspian Sea: Kurmangazi, Tsentralnoe and Hvalinskoye, and an agreement on transit of the Kazakh oil through the territory of Russia to Europe were signed. In October 2001, the Caspian Pipeline Consortium began to transfer oil, extracted by the American companies Chevron and ExxonMobil at the Tengiz deposit in the northern Kazakhstan, into Novorossiysk. The launch of the Tengiz-Novorossiysk pipeline (1,580 km) was a true blow for the BTC construction plans. The tendency of rapprochement with Russia was concluded by Kazakhstan's entry into the community Russia-Belarus-Ukraine and formation of the Eurasian Economic Community.

However, in response, Washington's diplomatic efforts led to the conclusion of an agreement on the extension of Kazakh cooperation with NATO in October 2004 in Almaty. It was obvious that Russia would take it with "evident displeasure"²⁴⁹.

For Moscow, in circumstances of the growing US military presence in Central Asia, cooperation of CA states with Tehran was the most favourable scenario that left space for Russian activity in Eurasia, including the strategically important Middle Eastern region.

Iran

Besides the above-mentioned factors, the role of Kazakhstan for Iran is preconditioned by its belonging to the Caspian zone. The economic and political significance of Kazakhstan in the Iranian strategy demands, therefore, active advancement of Tehran's Caspian and other interests, if necessary, by making concessions to Astana.

Astana, in its turn, is interested in the Iranian transit possibilities. The long-term viability of the Kazakh oil transit through Iran is pre-

²⁴⁹ Dmitrii Maslov, "Neprostaye druzhba. Kazahstano-rossiyskie otnosheniya segodnya", *Kontinent* No. 01 (113), January 21–February 3, 2004, <http://www.continent.kz>

conditioned²⁵⁰ by the attractiveness of the widening Asian markets—the total demand for crude oil in countries of South-Asia and China is growing in a stable manner, by approximately 5 % annually. Not the least important factor for the choice of the Iranian route to the banks of the Persian Gulf is its ability to balance the interests of the involved powers.

However, the tough US stance on Iran influenced the decrease in the rate of swap operations between Kazakhstan and IRI. Kazakhstan's intention to sell out oil to Iran was first brought up in the course of drafting a protocol on development of cooperation in the transport sphere (November 1992).²⁵¹ In 1996 an agreement on supplies of Kazakh oil to Iran on a swap basis was signed. The contract, however, was not finalized until December 2001, and only in February 2002 the first tanker with oil set out from the Kazakh port Aktau to the Iranian port Neka. Swaps were scheduled for 10 years. Already at the end of 2004 about 35,000 billion barrels per day of the Turkmen and Kazakh oil were delivered to the Iranian port Neka. As western experts admitted, Iran was planning, by modernizing its equipment, to increase oil exchange, partially, with the aim to compete with the BTC pipeline²⁵². This also would mean a real break-through to finish American blockade. In May 2004, Kazakh President Nursultan Nazarbayev even openly declared his government's desire to build a pipeline through the territory of Kazakhstan and Iran.

But in the context of the international tension around projects engaging Iran, it was difficult for Astana and Tehran to find necessary external support for resolving arising infrastructural and financial problems to advance their economic project. As a result, Astana had to reduce its cooperation with Iran in the oil sphere. According to the Energy International Agency (EIA), the amount of the volume

²⁵⁰ Bulat Husainov and Kulyash Turkeeva, "Energeticheskii potentsial Kazakhstana: sostoyanie i perspektivi", *Tsentralnaya Azīya i Kavkaz* No. 4 (28) (2003), 119–120.

²⁵¹ Bolat Auelbaev, "Kazakhstan's Politico-Economic Relations with Iran", *Central Asia and the Caucasus*, No.4 (28), 2004, 82–88.

²⁵² Iran Country Analysis Brief, March 2005, <http://www.eia.doe.gov>

of the swap operations constituted only 25,000 barrels per day in 2012.²⁵³

From the other side, in circumstances of the Iranian-American confrontation and ensuing non-competitiveness of the Iranian economy, oil routes through the Iranian territory could not play the decisive role in Kazakhstan's foreign economic strategy. According to the official Kazakh point of view²⁵⁴, this was due to the country's adherence to polyvariant ways of oil delivery to the world markets. The competition between Iran and Kazakhstan for efficient supply and distribution of its product also played its role. As a result, Astana concentrated on other projects, supposedly more profitable from the geoeconomic point of view.

Another barrier for the choice of the Iranian energy route was the problem of the legal status of the Caspian Sea. Failure to settle it brought, in 2001, the militarization of the Caspian and indirect US involvement into the Caspian zone. To prevent regional destabilization and to strengthen its control over the Caspian energy resources, Washington provided military and technical assistance to the Caspian countries, including Kazakhstan. In particular, since January 1, 2004, the US opened a program for the modernization of the Kazakh Caspian coast. The same year, Washington financed the construction of military objects, spending \$ 2.9 million, and increased expenditures on training Kazakh military to \$ 113 thousand.²⁵⁵

However, as a whole, the possibility of laying a pipeline on the territory of Iran was not removed from the agenda. For instance, the Franco-Belgian company "Total-Fina Elf" prepared technoeconomic ground for the construction of an oil pipeline from Kazakhstan through Turkmenistan to Iran with access to the Persian Gulf and a branch to Western Pakistan. In the future, it was planned to pump Russian, Uzbek and Turkmen oil using this artery. Besides,

²⁵³ "Kazakhstan, Analysis", *US Energy Information Administration*, October 28, 2013, <http://www.eia.gov/countries/cab.cfm?fips=kz>

²⁵⁴ Sanat K. Kushkumbayev, "Vliyanie globalizatsii na Tsentralnyu Aziyu: regionalnaya integratsiya i bezopasnost", *Analyticheskoye obozrenie* No. 2 (2001), 9–11.

²⁵⁵ Vladimir Mukhin, "Voennye vizovi Kaspiiskogo regiona", *Nezavisimaya gazeta*, January 16, 2004.

Tehran “offered privileged price for oil transit, that also increased the chance for the Iranian variant”²⁵⁶.

Meanwhile, discussions over a possible beginning of the Washington-Tehran dialogue were renewed. In October 2004, a summit between Iranian trade minister and Kazakh prime minister was held. Special attention was given to the issues of the Kazakh oil transit through the territory of Iran. In its turn, Iran was active in stepping up oil barter and increasing the capacities of its Caspian ports to “double” the volume of the oil operations with Kazakhstan²⁵⁷.

Together with this, the day before opening the BTC pipeline on May 25, 2005, President Nazarbayev reconfirmed his adherence to the export of the Kazakh oil through the BTC pipeline. To change the geopolitical situation in their favor, the US and the EU made side by side with providing financial support, a series of positive gestures towards Astana. For instance, they declared that Kazakhstan was able to become a “real leader” in Central Asia²⁵⁸.

From its own side, Kazakhstan increasingly became aware of the ambiguity and unpredictability of the current situation, able to lead to interstate conflicts and general instability in the CA region. Therefore, Astana considered the appearance of a more complex geopolitical climate in Central Asia as “the chief security challenges in the region”²⁵⁹.

Turkmenistan

Development of another Central Asian energy producing country—Turkmenistan, is also closely interlinked with the oil and gas sector of the economy. The Turkmen oil and gas potential, particularly, oil reserves, comprised, in Western assessments, 600 million of barrels

²⁵⁶ Aleksey Chichkin, “Kazakhstan diversifitsiruyet energotranzit”, *GazetaSNG.ru*, June 20, 2002, <http://www.gazetasng.ru>

²⁵⁷ Ilan Berman and Kelley Christopher, “Iran aktivizirovalsya na “postsovetском prostranstve”, *The Wall Street Journal, InoSMI*, July 19, 2004, <http://www.inosmi.ru>

²⁵⁸ Bayurjan Shayahmet, “Visit Kondolizi Rais v Kazakhstan opravdal prognozi ekspertov”, «Paravoz» (2/2004-9/2008), October 16, 2005, <https://rus.azattyq.org/a/1180539.html>

²⁵⁹ “Stabilnost v Tsentralnoy Aziyi v postkonfliktanii period”, materialy mejdunarodnoy nauchnoj konferentsii, June 14–15, 2002, 88.

as of 1 January 2016, and natural gas reserves— 7.504 trillion cubic meters for the same period²⁶⁰.

Bilateral interstate relations remain a priority in the foreign policy of neutral Turkmenistan.

Iran

The neighboring Iran is of special importance for geostrategy of Turkmenistan. In the opinion of Turkmen experts, Iran occupied a stable fourth place in Turkmenistan's external trade turnover, and it was doubtful whether Ashgabat preferred friendship with the US to the detriment of cooperation with Tehran²⁶¹.

The territory of the neighboring Iran was regarded by Turkmen as one of the most comfortable land routes for the export of energy to the world markets. Therefore, Turkmenistan considers itself a “key country”, providing Central Asian states with an exit to the sea. Turkmenistan is vitally interested in cooperating with Iran in the development of the national gas industry and using wide opportunities Iran provides for the transit of the Turkmen gas. For Ashgabat, the Iranian corridor also means possible liquidation of the Russian monopoly in transit of the Turkmen gas²⁶².

In the geoeconomic sense, Turkmenistan is the source of energy and a real partner for Iran in developing energy projects and laying out the pipelines. Owing to its geographic location and raw resources, Turkmenistan is able to become one of the basic oil and gas pipeline corridors in Central Asia and play an irreplaceable role as a transit country for exporting Kazakh oil and gas to the Persian Gulf and Turkey. For Iran, Turkmenistan's role as a strategic partner in the elaboration of the Caspian Sea legal status is also important.

But the development of Iranian-Turkmen relations was not without

²⁶⁰ “World Factbook”, Turkmenistan Country Profile, April 13, 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/tx.html>

²⁶¹ Ata Haiytov, “Poterya globalnogo videnia: vzglyad iz Turkmenistana”, *Tsentralnaya Aziya i Kavkaz* no. 2 (26) (2003), 199.

²⁶² Maxad Komekov, “A Review of the Role of Economic Cooperation and Conflict”, *Amu-Darya*, Vol. 8, No. 18 (2004 & 2005), 266.

some discrepancies. Specifically, Iranian experts highlighted the co-operation of Turkmenistan with the US, Israel and the EU, including Turkmen-Israeli cooperation in the oil and gas sphere, as an obstacle to the Iranian strategy²⁶³.

Since proclaiming, at the end of the 1990s, the “dialogue of civilizations” course of the former Iranian President Khatami and softening of the Iranian-European discrepancies, Iran hoped to cooperate with Europe regarding the oil gas sector of Turkmenistan in the future. This stimulated the appearance of more reserved Iranian approaches to the Ashgabat’s policy.

As in other cases, the US counteraction to projects, including Iran projects, was a real barrier on the way of Iranian-Turkmen economic relations. In particular, the US postponed licensing the company “Mobile” for participation in swap operations with Iran for an indefinite period of time, thus complicating oil export from Turkmenistan²⁶⁴.

In fact, the American sanctions froze a major gas pipeline via Iran, where an international consortium, headed by the English-Dutch group Royal Dutch Shell, had its share. Turkmenistan considered this project the most cost-effective from the commercial point of view²⁶⁵. It was expected that the pipeline would go through Turkmenistan, Iran and Turkey. The first section of the pipeline was ready (Korpedje-Kurt-Kui) with a capacity of 8 billion cubic meters. The pipeline carried only 1.5 billion cubic meters of gas in 1999, 2 billion cubic meters (4 billion cubic meters were planned) in 2000 and 2.2 billion cubic meters in the first 6 months of 2001. Implementation of the rest of the project was suspended due to financial reasons²⁶⁶.

²⁶³ Vladimir Mesamed, “Vneshnepoliticheskie prioritety Turkmenistana”, *Tsentralnaya Aziya i Kavkaz*, Sweden, September 27, 1998, www.ca-c.org/journal

²⁶⁴ Michael Lelyveld, “Turkmenistan: President Refuses to Sign Oil Pipeline Agreement”, *RFE/RL reports*, November 5, 1998, <http://www.rferl.org/>

²⁶⁵ Yuriy Yudanov, *Tsentralnaya Aziya—noviy favorit inostrannih investorov*, *Mirovaya Ekonomika i Mejdunarodnie otnoshenia* No 4 (2000), 103.

²⁶⁶ Sergei Kamenev, “Energeticheskaya politika in energeticheskie proekty Turkmenistana”, *Tsentralnaya Aziya i Kavkaz* Vol. 28, Iss. 4 (2003), 136-137.

The US

In spite of the complexity of the established regional situation, Turkmenistan occupies an important place in the United States' strategy in the sense of providing an access to the Central Asian energy resources. In the future, it is not excluded that important energy zones of Central Asia and the Persian Gulf can be united into a single geoeconomic space. Washington takes into account the convenient geographic location of Turkmenistan, which is able to provide oil and gas supplies through the territory of Afghanistan and Pakistan towards the South, to the seas of the Indian Ocean.

At the same time, depending on the situation, Ashgabat's policy was directed at certain distancing or rapprochement with Russia and Iran. The absence of strict political preferences in Turkmen foreign policy brought tension in relations between Turkmenistan and the United States. In particular, Ashgabat provoked the US' wrath by firm decision to lay up the oil pipeline to Iran.

Moreover, Ashgabat started negotiations on building a Caspian gas pipeline with the participation of Ukraine, Russia and Kazakhstan, as well as Turkmenistan. It was planned to be completed by 2007²⁶⁷. The importance of these negotiations was assessed by Moscow in the context of the idea of a new economic integration of the former Soviet republics with the assistance of the energy industry and gas and oil pipeline network. From this point of view, signing of the agreement with Turkmenistan on April 10, 2003, on delivery of the Turkmen gas by Central Asia–Center main gas line (through Uzbekistan and Kazakhstan) to Russia, Ukraine and Europe became indeed “revolutionary”—it was expected that it would bring Russia \$ 300 billion²⁶⁸.

As a whole, Russia and Iran played not a small role in the failure of the Transcaspian gas pipeline (see Annex 1) — per se a failure of the American policy of involvement in Central Asia. This was also aided

²⁶⁷ F. Asim, “Turkmenistan okonchatelno otvernulsya ot Zapada. No kuda on povernulsya?”, *Zerkalo*, August 01, 2003, <http://www.zerkalo.az>

²⁶⁸ Igor Tomberg, “Energeticheskaya politika stran Tsentralnoi Azii i Kavkaza”, *Tsentralnaya Aziya i Kavkaz* No. 4 (28) (2003), 84.

by each side's boycotting the issue on the status of the Caspian Sea, and by the cardinal change of the Russian policy with regard to the export of the Turkmen gas through a united system of gas pipelines. The goal of such a policy was reducing Turkmenistan's interest in the Transcaspian pipeline.

However, the United States was not going to yield to Russia in the strategically important zone of Central Asia. This was evidenced by the entry of the US wide-scale financial assistance to Turkmenistan. Moreover, the US administration again supported the BTC project to export Caspian oil and gas to the Western markets independently from Russia and Iran. This coincided with Ashgabat's aspiration to reorient the main energy pipelines to bypass Russia.

Iran and Russia were equally anxious about the Turkmen activity in promoting the trans-Afghan energy route to the Indian Ocean. To avoid this, Moscow and Tehran stirred up their economic and diplomatic activity in Central Asia. However, political and economic instability of Afghanistan and neighboring Pakistan hampered the trans-Afghan route, postponing the beginning of its construction for an indefinite period of time.

In these circumstances, the Turkmen leadership switched its attention to China. The Chinese and Turkmen governments were planning to build a pipeline, which would allow Ashgabat to provide Beijing with 30 billion cubic meters of gas annually.²⁶⁹

Thus, preservation of the Iranian-American confrontation and the following consequences forced Ashgabat to look for exits for the country's oil and gas potential, although these were often unreal, due to complex regional political and economic situations. Iranian-American discrepancies were not only reflected in the flow of capital into the Turkmen oil and gas sphere, but also stimulated political maneuvering of the Turkmen leadership within the frameworks of the Iran-US-Russia triangle, promoting militarization of the Caspian Sea and geopolitical destabilization of Central Asia. This, in totality,

²⁶⁹ Igor Torbakov, "Rossia vnimatelno nabludayet za rasshireniem turkmeno-kitayskogo ekonomicheskogo sotrudnichestva", *Eurasianet.org*, August 30, 2006, <http://www.eurasianet.org>

not only impeded the development of the regional economy and process of regional integration but put obstacles in the way of realizing American regional plans as well.

Uzbekistan

Unlike Kazakhstan, Uzbekistan has comparatively small volumes of oil in its disposal, but is the third biggest producer of natural gas among CIS countries and ranks among the first ten states in the world by its extraction²⁷⁰.

Iran

Potential participation of Uzbekistan in Central Asian energy projects going through the territory of Iran to the Persian Gulf is of great importance. At that, one should take into account the presence of Uzbek energy resources and the role of Iran as the most convenient transit route for an exit of the Uzbek export to the world markets.

At the same time, Uzbekistan does not border the Caspian Sea and, occupying the middle location in the region, is in a certain way dependent on joining the energy projects that are being realized in Central Asia. The most important aspect of the Iranian-Uzbek relations is, therefore, cooperation in the transportation and communication sphere, which is also indirectly linked to the development of regional energy ties. Post-9/11 events demonstrated the necessity of an urgent solution for transportation and transit problems in Central Asia. Their effective resolution can stimulate Central Asian integration and restrict the base for international terrorism.

The economic expediency of the Iranian orientation in the Uzbek economy was attested, for instance, by the reorientation of Uzbek exports—nearly 60 % of cotton is going to the Iranian port Bender-Abbas²⁷¹.

²⁷⁰ "Caspian Sea Region Country Analysis Brief", US Energy Information Administration, December 2004, <http://www.eia.doe.gov>

²⁷¹ Tulkin Tashimov, "Povorot na vostok", *Ekonomicheskoye obozrenie* no.10 (73) (2005), 45, 47, 49.

Yet, an international project—the construction of the Trans-Afghan railroad corridor Termez–Mazari-Sharif and Iranian Bender-Abbas and Chabahor ports, carried out within the framework of the “TRACECA” program—was dependent on how quickly the bridges and highways would be restored. On the whole, realization of the projected wide scale-plans, securing Uzbekistan’s exit to the sea simultaneously in several directions, including to the Black Sea and ports of the Pacific Ocean, came across huge financial difficulties. As it was noted in Uzbekistan, “due to the shortage of financing ... annually out of 9.4 thousand km public roads, needed to be repaired, only about 40 % have been repaired in accordance with the norms of the repair timeframes”²⁷².

Continuation of the Western economic pressure on Central Asia in these conditions, as well as the US anti-Iranian strategy, excluding Tehran in energy, transport and other projects, in fact, provided the basis for the continuation of the socioeconomic and political instability of Central Asia.

The US

For Washington, Uzbekistan is a key Central Asian state, both in the sphere of regional security and in the realization of the Silk Road strategy.

At the same time, it is obvious that American instruments of economic pressure on Iran in conditions of globalization influence the general capital flow into the economies of Central Asia. Specifically, “indicators for per capita direct foreign investments flow into Uzbekistan are, as before, the lowest among the countries with transitional economies”²⁷³.

In circumstances of the regional and global international tension, Uzbekistan was gradually strengthening its economic ties with the CIS countries and IRI. Thus, to illustrate tendencies in this period,

²⁷² Sergei Li, “Dorogi, kotorie mi obustraivaem”, *Narodnoe Slovo*, August 28, 2004.

²⁷³ Alisher Rasulev and Ravshan Alimov, “Strukturnie preobrazovania i povishenie konkurentosposobnosti ekonomiki Uzbekistana”, *Obshchestvo i Ekonomika* No. 6 (2003), 202.

the share of the foreign trade turnover with the CIS partners increased from 31.7 % for 9 months of 2003 to 34.4 %, whereas with third countries decreased from 68.3 % to 65.6 %. In the corresponding period of 2004, the leading trade partners of Uzbekistan were Russia—13.9 % of export (increase of 185.2 % compared to the level of the first 9 months of 2003) and Iran—6.0 % (increase of 133.4 % over the same period)²⁷⁴.

The West, led by the US, adopted before and in the course of Andijan events (2005), an extremely tough and mostly unjustified position on the issues of humanitarian rights in Uzbekistan, which finally turned Tashkent towards the Eurasian powers. Correspondingly, foreign economic relations of the country with Moscow and Tehran were consolidated—Russia occupied the first place among the sixth leading partners of Uzbekistan during the first nine months of 2005, accounting for 19.2 % of its exports (increase of 151.9 % compared to the first 9 months of 2004) and Iran—the third with 6.8% (increase of 125.6 %)²⁷⁵.

Russia

Russian geostrategic interests in Uzbekistan made Russia the primary US rival concerning political influence in the region.

In the period after September 11, 2001, the development of internal regional political processes stimulated Uzbek-Russian rapprochement on a number of issues of vitally important significance for Central Asia.

In particular, the Uzbek leadership was interested in efficient functioning of the Central Asia—Center gas pipeline, which was operated by Moscow. According to agreements concluded in Samarkand, the sides planned to increase the volumes of Uzbek gas supplies to Russia to 10 billion cubic meters. The documents, signed in summer 2005 between the “Uzbekneftegas” National Holding company and

²⁷⁴ “Vneshnya torgovlya”, *Ekonomika Uzbekistana. Informatsionno-analiticheskii obzor. Yanvar-Sentyabr 2004*, Centre effektivnoi ekonomicheskoi politiki, No. 7 (2004), 56, 57.

²⁷⁵ “Vneshnya torgovlya”, *Ekonomika Uzbekistana*, No. 11 (2006), 55.

“Lukoil” and “Gazprom” open joint-stock companies, foresaw attraction of investments into the oil and gas industry of Uzbekistan in the size of \$ 2.5 billion²⁷⁶.

In June 2004, this tendency resulted in the signing of a strategic partnership agreement between two countries. It was followed by the signing, in November 2005, of the Uzbek-Russian agreement on the allied relations and merging of the Central Asian cooperation with the Eurasian Economic Community on the initiative of the President of Uzbekistan.

Development of these relations demonstrated the inefficiency of the West at changing Uzbekistan’s policy in the necessary direction. As a result, the Bush administration undertook a series of military and diplomatic steps to remove Moscow from its traditional zone of influence. One of them was the US Assistant Deputy Secretary on the South and Central Asian Asia Richard Boucher’s visit to Tashkent at the beginning of August 2006. In the process of the visit of the high-ranking American diplomat an effort was undertaken to restore mutual trust, lost after the Andijan events of 2005, and build a new basis for bilateral cooperation. The starting point for restoration of cooperation between the US and Uzbekistan could, according to the Ministry of Foreign Affairs of Uzbekistan, be a convergence of opinions of both countries on the issue of Iranian nuclear problem.

Thus, the growth of instability in the Central Asian region, largely connected with the continuation of the Iranian-American confrontation and geopolitical “games” around the Iranian dilemma, was finally reflected in the change of foreign political preferences of Tashkent. From the readiness to preserve and strengthen American-Uzbek strategic partnership, consolidating in case of necessity the US military presence on its territory, Uzbekistan turned to active opposition to the Western strategy on issues not corresponding to vitally important interests of the country. In practice, it meant strengthening of the Eurasian, first of all, Russian-Chinese trend in the Uzbek foreign policy.

²⁷⁶ Anvar Babayev, “Po puti dalneishego ukreplenia partnerstva”, *Narodnoe slovo*, June 30, 2005.

3.1.2. New tendencies in regional energy policy

Presently, vast reserves of oil and gas in the CA countries are under no doubt. (See Table 1). In particular, Kazakhstan has the second largest oil reserves among the former republics of the Soviet Union. Its proven reserves constitute 30 billion barrels of oil and 85 trillion cubic feet of natural gas as of May 2017²⁷⁷. For its part, Turkmenistan has the sixth largest natural gas resources in the world—265 trillion cubic feet—and proven 600 million barrels of oil.²⁷⁸

The energy experts give the following data on three republics:

Proved oil and gas reserves in Central Asia (2013–2015)

Country	Oil reserves	Gas reserves
Kazakhstan	30 billion barrels	85 trillion cubic feet
Turkmenistan	600 million barrels	265 trillion cubic feet
Uzbekistan	594 million barrels	65 trillion cubic feet

Table 1. *Source:* US Energy Information Administration, Kazakhstan—May 10, 2017; Turkmenistan—July 2016; Uzbekistan—July 2016, <http://www.eia.gov/countries>

However, in the official view, Uzbekistan's potential reserves of oil constitute even more than 5,3 billion tons, gas condensate – 480 million tons, natural gas is around 5 billion cubic meters, and oil and gas condensate – around 5 billion cubic meters²⁷⁹.

As to Iranian reserves, it holds around 10 % of the world's crude oil reserves, 17 % of the world's proved gas reserves and more than

²⁷⁷ "World Factbook", Kazakhstan, May 10, 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html>

²⁷⁸ "Turkmenistan. Analysis", *US Energy Information Administration*, May 30, 2014, <http://www.eia.gov/countries/country-data.cfm?fips=TX>

²⁷⁹ Ravshan Ibragimov, "Dalneishaya sudba neftegazovogo sektora Uzbekistana – ekspertnaya otsenka", January 14, 2016, <http://caspianbarrel.org/az/2016/01/38347/>

one- third of OPEC resources²⁸⁰. Oil export revenues enabled Iran to accumulate more than \$ 100 billion USD of foreign currency reserves.²⁸¹

Potential for cooperation

Unfortunately, the share of Iran in the trade of Uzbekistan constituted only \$ 374.9 million, according to the results of 2014²⁸². That is about 2.4 % of the total Uzbek foreign trade turnover (excluding CIS states) for 2014²⁸³.

Despite all difficulties, the majority of the involved regional states have transitional societies and face similar social, economic and security problems. This will objectively stimulate them to cooperate and search for mutually acceptable decisions and projects. Besides, the CA states and IRI need investments and technologies, which presupposes partnership with the US, China and the EU.

Furthermore, there are a number of factors testifying to the fact that the CA states and Iran can gradually work out a mechanism for overcoming, or at least, constraining their existing problems. The following factors will be conducive to this in Central Asia:

- 1) further improvement of the legal framework for conducting business and the creation of a favourable investment climate;
- 2) institutional and financial assistance from the EU, Russia and the US within the frameworks of bilateral and multilateral economic (including the high-priority oil and gas sphere), scientific, technological and educational projects;
- 3) intensified search for better regional security mechanisms on the multilateral level (SCO, OSCE, etc.).

On its part, Uzbekistan, for instance, plans decentralization of export and import operations and more attention to attracting foreign

²⁸⁰ "Iran. Analysis", *US Energy Information Administration*, July 22, 2014,

<http://www.eia.gov/countries/country-data.cfm?fips=ir>

²⁸¹ "Economy of Iran", *Wikipedia*, November 14, 2014,

http://en.wikipedia.org/wiki/Economy_of_Iran

²⁸² "Uzbek-Iranian Relations", <http://www.mfa.uz/ru/cooperation/countries/59/>

²⁸³ Calculated by the author, based on data from: *Almanac Uzbekistan 2015* (Tashkent: Centre for Economic Studies, 2016), 134.

investments and to the development of export activity. At the same time, the country plans to speedily put into operation several big blocks of deposits and is planning to increase its gas reserves by 488.5 billion cubic meters and liquid hydrocarbon reserves — by 41.7 million tons. It is expected to increase the annual gas extraction to 66 billion cubic meters by 2020, and oil and gas condensate—to 3.5 million tons.²⁸⁴

Preparatory measures were also undertaken in Kazakhstan; they were scheduled to lead to the growth in the production of crude oil and gas condensate by up to 111.1 % in 2015 compared to 2011 (an increase of production by 9 million tons; no newer data available). Oil production is expected to reach 110 million tons as early as in 2018.²⁸⁵

As for Turkmenistan, it started operation of the second gas processing plant “Bagtyarlyk” with a total capacity of 9 billion cubic meters of market gas per year and started building facilities for industrial development of the “Galkynysh” gas deposit, which is designed to produce 30 billion cubic meters of market gas annually²⁸⁶.

Challenges and threats

However, up to the present, the existing challenges for Iranian-Central-Asian cooperation, mentioned in the second chapter, have not been removed and even have the tendency to further aggravation. Excluding differences of political systems, all sides are quite able, as the time has proved, for peaceful coexistence.

Thus, as already mentioned in p. 2.3, the relative weakness of the Iranian economy, unable to invest into Central Asian countries, has

²⁸⁴ “Novie gazokondensantnie mestorojdenia”, *Noviyvek.uz*, 12-18 June, 2014, <http://www.noviyvek.uz>; Ravshan Ibragimov, “Dalneishaya sudba neftegazovogo sektora Uzbekistana – ekspertnaya otsenka”.

²⁸⁵ “Prognoz sotsialno-ekonomicheskogo razvitiia Respubliki Kazakhstan na 2014-2018 gody (na pervom etape)”, protocol No.7, April 27, 2014, <http://www.minplan.gov.kz/economyabout/247/49886>

²⁸⁶ Ruslan Komarov, “Ekonomika Turkmenistana: dostizhenia i priority”, *Institut strategicheskogo planirovaniia i ekonomicheskogo razvitiia*, July 18, 2014, <http://www.turkmenistan.gov.tm/?id=6902>

been preserved, at least in the nearest term. Sunni-Shia contradictions are absent in CA, however, there are fears to be involved in the present-day Sunni-Shia conflict due to periodic sunni-shia clashes in neighboring Pakistan.

As regards the anti-Iranian sanctions and the problem of the legal status of the Caspian Sea, resolution of these problems, despite the achieved agreements, bears a long-term character and depends on many variables of the current geopolitics.

In total, these factors, together with temporary investment, technical and infrastructure difficulties, will hamper the development of the Iranian-Central-Asian oil-gas partnership to a certain degree.

Influence of sanctions

Moreover, the prolonged negative influence of the anti-Iranian sanctions on economic processes in Central Asia has oriented the CA states towards China as the most convenient, reliable and predictable investor.

It is obvious that the idea about the dependency of the low level of trade on internal political and economic stability can only partially explain the situation in the region. The policy of sanctions of the leading powers is an important factor in the circumstances of the transformation and modernization of the developing countries. Without actively developing trade, regional resources can even, in the most favourable political and economic environment, be used only to cover social, economic and other needs of the developing CA states (example—Kazakhstan). Naturally, construction of transportation and transit pipelines cannot be realized without direct foreign investments.

Dependence of the Central Asian economies on lifting the Iranian sanctions can be illustrated by the example of Uzbek economy in the period of 1995–2011 (until its trade with the CIS states strengthened). Thus, it can be noticed that gradual increase of foreign investments from 12.4 to 3853.8 billion soum²⁸⁷ in the period of 1995-

²⁸⁷ Uzbek soum here and in other places not converted into dollar as the Uzbek currency have been

2011 stimulated the growth of trade turnover from 6,612.6 million dollars to 26,059.3 million dollars correspondingly. Trade sharply increased in 2005 after an increase of investments from more developed countries outside the CIS space: from 6,096.7 million dollars in 2005 to 15,020.4 million dollars in 2011, increasing GDP from 302,8 billion soum to 77,750.6 billion soum correspondingly (see Figure 1). Even with some possible inaccuracy of the official statistics, such a surge still testifies to the tendency. The search for corresponding investors brought to the fact that in 2010, for instance, the share of Chinese companies in Kazakhstan's oil market comprised 21.5 %²⁸⁸.

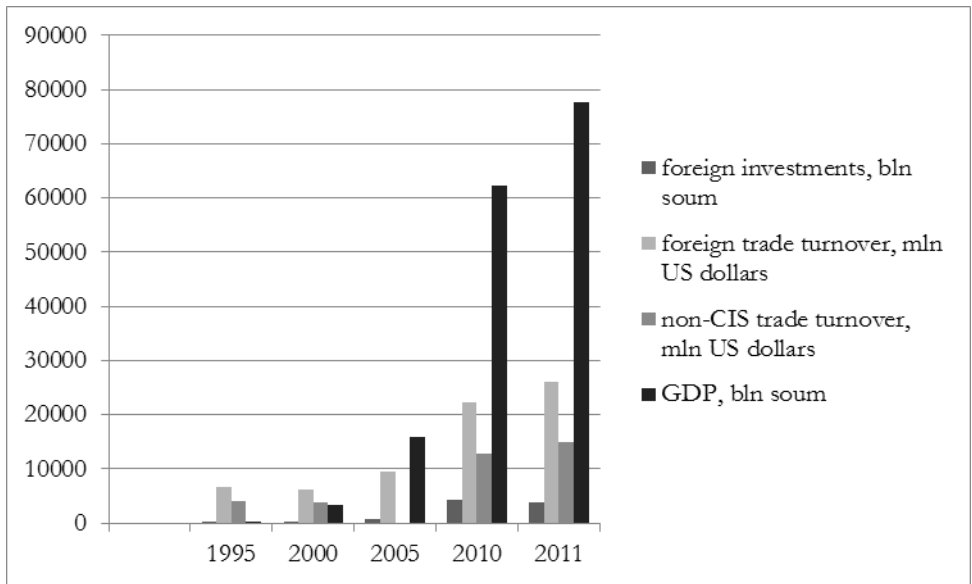


Figure 1. Influence of the trade turnover on GDP in Central Asia—the case of Uzbekistan (1995–2011). *Source:* *Uzbekistan Almanac 2013* (State Statistic Committee of the Republic of Uzbekistan, Center for Economic Studies, 2013), 81, 159.

changing every day and month and it is quite impossible to provide their US dollar equivalent.

²⁸⁸ Leonid Y. Gusev, “Energeticheskaya strategiya KNR”, Tsentr voenno-politicheskikh issledovaniy, March 21, 2013, <http://eurasian-defence.ru/node/22960>

Uzbekistan and China jointly implement energy projects with the total amount of \$ 2.8 billion²⁸⁹, both countries signed a solid package of bilateral agreements for the implementation of trade and economic projects, investment and financial cooperation for \$ 6.3 billion, including investments, loans and grants from China for \$ 2.7 billion²⁹⁰. The contract between Turkmenistan and China is expected to increase the total annual volume of natural gas supplied to China to 65 billion cubic meters.²⁹¹

The whole process of economic reorientation of the CA states to China can be presented in the following figure:



Figure 2. The process of influence of the anti-Iranian sanctions on Central Asian states

Changes in the Iranian energy strategy

During the last years, Iran's policy has remained steadfastly cautious and ambiguous. On the one hand, Tehran has been trying to develop a strong regional energy partnership, independent from any US pressure and interests.

In this regard, Iran is strengthening bilateral cooperation in the energy sphere. Thus, Kazakhstan and Iran are negotiating the possibility of resumption and increasing volume of swap delivery of Kazakh-

²⁸⁹ "Uzbekistan i Kitai obsudili sotrudnichestvo v sfere energetiki", *Neftegaz.ru*, August 13, 2014, <http://neftegaz.ru/news/view/128444>

²⁹⁰ "Uzbekistan-China: New Stage of Cooperation", *Uzdaily.com*, 2 July 2016, <http://kun.uz/en/news/2016/07/02/uzbekistan-china-ne15w-stage-of-cooperation>

²⁹¹ Nikolai Bobkin, "Turkmen Gas and the Pipeline Politics", *Strategic Culture Foundation*, January 26, 2014, <http://www.strategic-culture.org/news/2014/01/26/turkmen-gas-and-the-pipeline-politics.html>

stan's crude oil to Iran. Turkmenistan and IRI successfully carried out large-scale joint projects on building pipelines such as Korpedje-Kurtkui, Artyk-Liutfabad, Dovletabad-Serakhs-Hangeran, which deliver Turkmenistan's natural gas to Iran. In addition to the existing Korpjeje-Kurtkui pipeline operating for already 10 years, by which Turkmenistan has annually delivered about 8 billion cubic meters of gas to Iran, the Dovletabad-Serakhs-Hangeran pipeline will annually supply Iranian consumers with 20 billion cubic meters of Turkmenistan's gas in the future²⁹².

Tehran and CA states accelerated their Caspian cooperation by making certain compromises and reconciling positions. As a result, the Caspian Sea session held in Astrakhan in autumn 2014 was assessed in Iran as one of the turning points in the history of Caspian state relations. On the other side, Kazakhstan, Turkmenistan, Iran, Azerbaijan and Russia cooperate in the realization of the Caspian railroad corridor, projected to be finished in 2018. Experts consider that this could increase the volume of trade by 8–10 times²⁹³. The Caspian ring could become the central point of the North-South corridor, which will join the Baltic and Indian Seas by the shortest way. China will, most probably, join the project due to its interest in the Caspian area.

On the other hand, Tehran is doing its best to improve relations with the West. Increased possibility of lifting sanctions on Iran strengthens the European aspect in the CA-Iran cooperation. Thus, the EU states' trade with Iran amounted €13.7 billion in 2016²⁹⁴. During his European tour the same year, Iranian President Rouhani concluded an agreement worth \$ 18 billion with Italy alone. The sum of Iranian transactions with French companies constituted more

²⁹² "Turkmenistan vvel v stroi gazoprovod Dovletabat-Serakhs-Khangeran", *The Forbes*, January 06, 2014, <http://www.forbes.ru/news/36960-turkmenistan-vvel-v-stroi-gazoprovod-dovletabat-serahs-hangeran>

²⁹³ Nikolai Ustimenko, "Rossia i Iran shag k strategicheskomu partnerstvu", May 04, 2015, <http://www.ritmeurasia.org/news--2015-05-04--rossija-i-iran-shag-k-strategicheskomu-partnerstvu-17788>

²⁹⁴ "Iran-EU Trade up 78% in 2016: Eurostat", February 20, 2017, <http://www.tehrantimes.com/news/411278/Iran-EU-trade-up-78-in-2016-Eurostat>

than \$ 30 billion. Germany is ready to increase the sum of its Iranian operations to \$ 5–6 billion²⁹⁵.

Iranian-Saudi competition in the energy sphere only favors Europe. As a result, the EU countries can get cheaper supplies of Iranian oil. Simultaneously, Iran is stepping up the Chinese strand of its energy strategy. Tehran intends to collaborate with the EU and CA states within the Chinese BRI, for instance, in the process of implementing the “Plan on Interaction in the Oil and Gas Sphere with Russia and the CA States”. In fact, Iran is already participating in the “Turkmenistan-Uzbekistan-Kazakhstan-China” gas pipeline project, launched in 2009. After a partial lifting of the sanctions, Tehran and Beijing announced a new era of their economic relations, expressed in signing 17 new agreements worth \$ 600 billion²⁹⁶.

From its side, the EU issued a new energy strategy package, prioritizing protection from unforeseen stoppages in energy supply (Russia), and is preparation for cooperation with China. The European Union regards the BRI as Beijing’s serious intention to form a new model of international relations. It is supposed that the BRI will help to form an integrated Eurasian market, including Russia, and open new business possibilities for foreign companies. Europe takes into account its own potential role as a balancer of Chinese influence in the CA region; convergence of key interests of China, the EU and other countries on security issues; possibility to strengthen the OSCE and involve the Eurasian Union into active partnership. Thereby, conclude experts, a new common architecture of global government in the 21st century will be created²⁹⁷. Besides, the EU leaves the right, as far as possible, to be independent of Russian routes. Priority here

²⁹⁵ Anton Evstratov, “Konkurentsiya bez fori: kak rossiiskii i mirovoi biznes vozvrashayutsya v Iran”, *Iran.ru*, March 23, 2016, http://www.iran.ru/news/analytics/100433/KONKURENCIYA_BEZ_FORI_KAK_ROSSIYSKIY_I_MIROVOY_BIZNES_VOZVRASHchAYuTSYa_V_IRAN

²⁹⁶ Anton Evstratov, “Konkurentsiya bez fori: kak rossiiskii i mirovoi biznes vozvrashayutsya v Iran”.

²⁹⁷ Wei Shen, Jean Monnet and Andre Loesekrug-Pietri, “Co-Driving the New Silk Road”, *Berlin Policy Journal*, January/February 2016, <http://berlinpolicyjournal.com/co-driving-the-new-silk-road/>

is the Turkish corridor of Iranian energy supplies²⁹⁸.

Thus, both CA states and Iran preserve, on the one side, the Eurasian vector of foreign economic activity, and on the other—the constantly growing Chinese vector. Conditions are being gradually built for an integrated future Eurasian market, including Russia, and active cooperation with European companies.

Disputable projects

However, the process of forming a new model of international economic relations is not smooth yet. This is explained by the remaining tension in US-Iran and US-Russia relations. But due to geopolitical changes of the last year, Iran is now considered a part of the future Euro-Atlantic energy security system. The struggle is happening, in fact, between projects bypassing Russia and projects with participation of Russia: Western-sponsored projects like the Trans-Anatolian Natural Gas Pipeline (TANAP), the Trans-Caspian (TCP) and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, on the one side, and Russian-sponsored project Turkish Stream, on another.

The **TANAP** project, an important component of the Southern Gas Corridor, is pushed ahead by European countries in cooperation with Turkey, Azerbaijan and Turkmenistan. The project is designed not only to diversify the routes and sources of supply but also to undermine the Russian monopoly on the export of its energy resources to European countries.

A part of such a strategy is the examination of possibilities for Iranian participation in the TANAP. Some experts believe that in the post-sanctions period, Iranian gas can be transported to Europe through the TANAP pipeline already after 2018 when the pipeline project is projected to be finished²⁹⁹. Meanwhile, 55 percent of the

²⁹⁸ Rem Korteweg, “Into the Bazaar of Turkey-European Relations”, *Centre for European Reform*, CER Bulletin, Iss. 107, No. 5 (2016).

²⁹⁹ Orhan Gafarli, “Iranian-Turkish Relations Vis-à-Vis Turkey’s Energy Transit Policy”, *Eurasia*

work for the project was completed by the end of November 2016³⁰⁰.

However, Russian experts point out³⁰¹ that the main problem of the project is filling the pipeline with a sufficient amount of gas since it is unlikely that Azerbaijan is able to supply 20 billion cubic meters of gas per year as Europeans expect. The Turkmen gas, in fact, has been already sold to China for the next 10–12 years. Tehran's participation in the project is simply pointless—its joining TANAP would jeopardize its relationship with Iran's closest ally, Russia. This could also increase the geopolitical role of Turkey, in which Tehran is not interested at all. Russian experts also doubt Chinese interest in this project, paying attention to its more important gas projects with Pakistan and Iran. But the primary and still unresolved question is the status of the Caspian Sea. Russia and Iran insist that during construction of a gas pipeline under the Caspian Sea, the interests of all five littoral countries are to be taken into account.

Azerbaijani specialists stress, in their turn, that the gas volume in Azerbaijan is enough to fill the gas pipelines within the TANAP project. The proved recoverable reserves amount to 2.55 trillion cubic meters of gas, and the forecasted reserves are 6 trillion cubic meters.³⁰²

Turkmen experts³⁰³ also state that owing to the Gazprom's decision to abstain from purchases of Central Asian gas, Turkmenistan has now new free volumes of gas worth several billions of cubic meters. Last year, for instance, Turkmenistan increased gas extraction to 72.4

Daily Monitor, November 14, 2014, <https://jamestown.org/program/iranian-turkish-relations-vis-avis-turkeys-energy-transit-policy/>

³⁰⁰ "Agreement on \$ 400 Million Loan for TANAP Signed", *Daily Sabah*, February 8, 2017, <https://www.dailysabah.com/energy/2017/02/09/agreement-on-400-million-loan-for-tanap-signed>

³⁰¹ "TANAP and the "Battle for Resources", August 22, 2015, <https://southfront.org/the-battle-for-resources/>

³⁰² "Azerbaijan zapolnit gazoprovodi TANAP and TAP", March 11, 2015, <http://caspienergy.net/ru/investor-ru/20900-azerbajdzhan-zapolnit-gazoprovody-tanap-i-tap>

³⁰³ Murad Agayev, "Zavist "tretiuh" stran obratno proporsionalna realizatsii Transkaspiskogo gazoprovoda", August 20, 2016, http://gundogar-news.com/index.php?category_id=3&news_id=9110#sthash.qAmFukK1.dpuf

billion cubic meters, while its gas export to Russia decreased to 2.8 billion cubic meters. Besides, only the Galkinish and Yashlar deposits, taken separately, constitute 26.2 trillion cubic meters. As to Tehran's interest in the project, Turkmen experts pay attention to profitability for Iran to lay a 300–700 km gas pipeline rather than to build several thousand kilometers of it.

Azerbaijani specialists confirm this interest, saying that Iran is interested in purchasing a share in the TANAP³⁰⁴. This seems realistic if we take into account that Tehran has, on multiple occasions, declared the priority of economic considerations and profit in relations with all international actors, including Russia and Turkey. As we already mentioned in p. 2.5, problems of Iranian-Turkish relations are of a tactical character and not necessarily strategic.

Additionally, it is worth mentioning that India is also involved in construction of the TANAP gas pipeline through Indian-Turkish Joint Enterprise.

To pacify Moscow, Turkmen experts³⁰⁵ assure that until the probable date of the TANAP launch, European demands in gas will grow and may exceed the volumes suggested by the Caspian states at least two times.

If this is true, in the future this could leave alternative space for Russian gas too. Hence, there is an opportunity to find some compromise between energy producing and exporting countries.

The **TCP** project foresees active participation of the EU and Turkmenistan. The TCP can supposedly be linked to the Southern Gas Corridor, meant to transport natural gas from the Caspian area to Europe, bypassing Russian territory. Turkmen consider it the shortest route, having besides ready infrastructure to pump gas through the territory of Azerbaijan.

However, Ashgabat has to assess all political and economic obstacles as well as security issues connected to the implementation of the

³⁰⁴ "Iran nameren kupit dolyu v TANAP", April 4, 2015, <https://www.yerkir.am/ru/news/view/83195.html>

³⁰⁵ Murad Agayev, "Zavist "tretiih" stran...".

TCP. First of all, it could further aggravate its relations with Russia and Iran, opposing it on the Caspian Sea legal issues. Besides, the majority of experts point at serious ecological barriers that prevent implementation of the TCP.

In particular, Kazakh experts³⁰⁶ are pessimistic with regard to the project. They pay attention to the suspended legal status of the Caspian Sea. As to Iran, they have to agree³⁰⁷ that the content of Iranian and Russian claims to the project sufficiently differ and Iran is inclined to become a transit country on the way of Turkmen gas exports to Europe.

Yet, Turkmen experts³⁰⁸ argue that the sea area planned for the TCP is not a disputable territory neither from sectoral nor shareholding principle. In comparison to already existing Russian pipelines, built in the depth of 2000–3000 meters, the TCP will run in the depth of 300 meters. At the same time, Ashgabat notes that any project, including the TCP, is usually realized after a serious ecological examination by national and global ecologic institutions. So, there is no ground for panic.

Meanwhile, to guarantee its own and EU's energy security in the strategically important Caspian Sea, it is expected that the US can undertake some steps in this region. In particular, American experts³⁰⁹ recommend that their government promote a speedy and peaceful solution to the legal status of the Caspian Sea, securing the US and European energy interests, and to provide political support for construction of the Trans-Caspian Pipeline within the Southern Gas Corridor.

³⁰⁶ Lidia Parhomchik, "Evropeiskii vector energeticheskoi politiki Turkmenistana," Paper presented at the international seminar "Challenges and Possibilities for Economic Energy Integration of the North-South Asia: Perspectives for Korea" in Almaty, May 22, 2015.

³⁰⁷ Ibid.

³⁰⁸ Murad Agayev, "Zavist "tretiih" stran...".

³⁰⁹ "Status Kaspiya—v sfere ekonomicheskikh interesov SSHA", The Heritage Foundation, September 14, 2016,

http://www.ngv.ru/news/status_kaspiya_v_sfere_ekonomicheskikh_interesov_ssha_the_heritage_foundation/?sphrase_id=4496988

Thus, Turkmen energy dependence on Russia is constantly decreasing, further distancing both states from each other. In case of progress of these tendencies, both Russian and Western-sponsored pipelines can pass through the territory of Turkey. To what extent can the subsequent growth of Turkish influence then correspond to the Iranian interests? At present, it is obvious, however, that Iran has no other choice as to take all this pragmatically and make the best of it for its own economic interests. It seems quite realistic that in the future, after improving its infrastructure, investment and other possibilities, Tehran can join the TCP.

TAPI, another alternative route for delivery of Turkmen gas, remains topical for the participants since early 90's, despite the Afghan instability. The Turkmenistan–Afghanistan–Pakistan–India Pipeline (TAPI), also known as Trans-Afghanistan Pipeline, is planned to transport Caspian Sea natural gas from Turkmenistan through Afghanistan into Pakistan and then to India.

Its history started, in fact, in spring 1995, when the governments of Turkmenistan and Pakistan and international companies Bidas (Argentina), the US company Unocal and the Saudi oil company Delta expressed mutual readiness to cooperate on this project. But in January 1997, Bidas had to terminate its activity in this project owing to some mutual discrepancies between the participants. According to the agreement of October 25, 1997, the TAPI project was headed by the US company Unocal and the Central Asia Gas Pipeline, Ltd. (CentGas). By 1998, Unocal worked out an agreement with the main Afghan opposition forces, Taliban and Northern Alliance, on laying the future pipeline through the territories under their control. However, the instability of Afghanistan and serious discrepancies between Unocal and the Turkmen government concerning the term of fulfilling the project postponed it indefinitely. Accordingly, in December 1998, Unocal declared its abandoning the project. But in 2002, the US Ambassador in Turkmenistan, Laura Kennedy, expressed the US readiness to support commercially viable and mutual-

ly beneficial export energy pipelines in the region³¹⁰. The efforts to renew the cooperation failed again mainly due to financial reasons and the ongoing instability.

In spite of those difficulties, in mid-December 2015, the Turkmen section of the TAPI gas pipeline was launched. In June 2016, the Turkmen government allotted more than \$45 million to finance the construction of the initial stage of the TAPI gas pipeline. In April 2016, the shareholders of the TAPI Pipeline Company Limited consortium signed an investment agreement worth \$ 200 million³¹¹. Moreover, the Islamic Development Bank is going to conclude an agreement to finance construction of the Turkmen section of the TAPI gas pipeline. The volume of investments from all sources will be, according to the official data³¹², 42.7 billion Turkmen manats (\$1 = 3.5 manats) in 2017. The project is expected to be completed in late 2018.

The project does not exclude the participation of other energy producing countries, including Iran. However, the viability of the project appears unlikely, keeping in mind constant Afghani-Pakistani and Indian-Pakistani discrepancies and conflicts, Syrian instability and possible linkage of all this to Saudi radicals' illegal activity. There is no guarantee, therefore, that the Taliban and IS warriors cannot impede the realization of the TAPI project. Even after removing the sanctions, a long preparatory period is necessary to prepare the correspondent infrastructure, logistics, etc.

Turkish Stream—The meeting between Russian President Putin and his Turkish counterpart Erdogan in St. Petersburg on August 9, 2016, has raised the possibility of putting the Turkish Stream pipeline—a submarine gas corridor connecting Russian and Turkish port—back on the agenda. “Gazprom” has already received the first

³¹⁰ Medvedev Aleksandr I., “Transafghanskiiy gazoprovod v sisteme eksportnykh proektov Turkmenistana i perspektivi ih realizatsii. Puti k miry i bezopasnosti”, 2014, http://www.imemo.ru/jour/PMB/index.php?page_id=697&id=6520&jid=&jj=

³¹¹ “IBR budet finansirovat proekt TAPI”, September 23, 2016, <http://caspienergy.net/ru/neft-i-qaz/35730-2016-09-23-12-07-08>

³¹² “Turkmenistan to make big investments in TAPI project”, September 15, 2016, <http://www.today.az/news/regions/154212.html>

permission of the authorities of the Turkish Republic for the building the Turkish stream across the Black Sea.

However, European experts argue³¹³ that Europe should prevent a formation of an axis between Moscow and Ankara that is against the EU's energy interests. Therefore, they remind about the Turkish ambitions of becoming a regional gas hub and attracting investments necessary for the realization of the Southern Gas Corridor. Moreover, they made it clear that increasing reliance on Russia could bring to the loss of the Turkish geostrategic significance to the EU. The Western experts see the way out of this situation by speeding up the Southern Gas Corridor and proposing to jointly further engagement with other regional suppliers, notably Turkmenistan. Others doubt³¹⁴ that the Turkish Stream project can be linked to the TANAP gas project due to the insufficiency of the gas volume after fully developing the second and third phase of its Shah Deniz gas field.

Yet, Russian experts assure³¹⁵ that Greece and other European countries are very much interested in the Turkish Stream. The Turkish Stream includes two pipelines, one of them going to Turkey and the other - to the countries of South Europe. The problem concerns only the South European Pipeline, which can be opposed by EU. Russian specialists assure that both pipelines will be built until the end of 2019³¹⁶. Meanwhile, Moscow is planning to build the pipeline to the borders of Turkey and Greece and then it is up to Europe whether it wants to continue gas cooperation or not.

Thus, the future of this project is also not quite clear. Although it does not involve Central Asian resources directly, its geopolitical implications are important for the CA countries and their energy policy, all the more because Turkey and Russia are active regional players.

³¹³ Marco Giuli, "Turkish Stream Back on the Agenda?", September 1, 2016, http://www.epc.eu/pub_details.php?cat_id=4&pub_id=6903

³¹⁴ "Turkish Stream Gas Pipeline Project is Unlikely to Join TANAP", September 13, 2016, <http://www.enCouncil.org/ourwork/turkish-stream-unlikely-join-tanap/>

³¹⁵ Anna Sedova, "Turetskiy potok zainteresoval Evropy", September 12, 2016, <http://news-front.info/2016/09/12/tureckij-potok-zainteresoval-evropu-anna-sedova/>

³¹⁶ Vera Svetlova, "Turetskomy potoky" nujni garantiyi ES. Rossiya gotova prodlit vtoryu nitky, no...", October 26, 2016, <http://www.centrasia.ru/newsA.php?st=1477479840>

At present, I think, Turkey will try to preserve this alternative as well, not to spoil recently improved relations with Russia and economic benefits needed for it as a transitional country. It would be difficult, however, to balance these relations with another important Turkish partner—the EU. Therefore, one can expect ups and downs in the process of realizing the Turkish Stream, which will eventually be implemented, perhaps after improving EU-Russia relations and lifting the sanctions.

Based on the above, one can conclude that the West has stirred up its energy activity in the Caucasus and Central Asia and has achieved some success in implementing the TANAP project. However, the legal status of the Caspian Sea will certainly impede the realization of the TCP. It is doubtful that the US can achieve interstate consensus on this issue in the nearest term, taking into account their tense relations with Russia and Iran. TAPI will progress only on condition of pacifying the AfPak zone, which will also take an indefinite period of time and will depend on the concerted efforts of all regional actors and geopolitical situation as a whole. The future of the Turkish Stream is rather vague and dependent on the EU-Russian relations. But due to Turkish-Russian interest in bilateral cooperation, it may still develop very slowly.

Current problems

Besides the abovementioned, a number of current difficulties, possibly of a temporary character, exist.

Among **internal problems**, the following can be noted:

- Tehran should modernize its entire oil and gas sector, equipping it with necessary infrastructure that will take approximately 5 to 10 years, according to majority assessments. In particular, it is necessary to invest \$ 500 billion only into its oil sector³¹⁷ and to expand its rail network—\$ 1.5 billion of annual investment in the next six

³¹⁷ Olga Samofalova, Ekaterina Neroznikova, “Snyatie sanktsii s Irana sulit Rossii ogrominie vigodi”, April 3, 2015, <http://www.vz.ru/economy/2015/4/3/738000.html>

years³¹⁸.

■ In order to extract oil at the officially declared level of 4.7 million barrels per day, Iran should annually drill about 500 oil wells³¹⁹. Although in 2016 Iran, according to official assessments, restored former levels of oil production—about 4 million barrels per day, the problem has not been fully solved yet³²⁰.

■ Domestic energy consumption of the country is too high and by 3.3 times exceeds the average world indicator, while the volume of gas consumption annually increases by 7 % on average³²¹. It is not clear, therefore, to which degree the country is capable of satisfying the demands of the European countries.

At the external level, the following challenges to the regional projects can be singled out:

■ In the short term, Russia remains in a more advantageous position in the sphere of oil and gas supply to the EU states, as a result of the ongoing geopolitical frictions between the regional actors that create gaps to fill in by Russian companies. For instance, one of the perspective corridors for gas supply to Europe—through Turkey—is not quite reliable owing to the preserved EU-Turkey discrepancies, while Iranian-Saudi tensions contribute to the energy price formation.

■ There is still an element of distrust in Iranian-Russian relations. Due to the continuation of the anti-Russian sanctions and complicated Russian-European relations, technical and economic problems persist. Their settlement, even under the most optimistic scenario, will take much time.

³¹⁸ “Iran Plans Massive Rail Network”, *Payvand.com*, May 16, 2015, <http://www.payvand.com/news/15/may/1091.html>

³¹⁹ Ob'em dobychi nefi v Irane vyrastet do 47 mln barreley v den", *Iran.ru*, March 3, 2015, http://www.iran.ru/news/economics/96462/Obem_dobychi_nefti_v_Irane_vyrastet_do_4_7_mln_barreley_v_den

³²⁰ “Iran uvelichil prodaji nefi kompaniyam Shell i BP”, December 30, 2016, http://www.iran.ru/news/economics/104084/Iran_uvelichil_prodazhi_nefti_kompaniyam_Shell_i_BP

³²¹ “Iran zanimayet tretie mesto v mire po proizvodstvu gaza”, *Iran.ru*, April 27, 2015, http://www.iran.ru/news/economics/97120/Iran_zanimaet_trete_mesto_v_mire_po_proizvodstvu_gaza

▪ The European-Iranian relationships will, despite the European efforts to have an independent Iranian policy, be influenced by the Iranian-American discrepancies. This can be only prolonged during Trump administration and have already toughened European competition in the Iranian market.

▪ In the long term, a part of the ambitious Chinese plans cannot be compatible with the growing interests of Tehran. Up to the present, for instance, Iran has not clearly seen its role and significance in the Chinese sponsored Silk Road initiative and has needed more dialogue on technical aspects of the project³²².

▪ Transitional difficulties of CA states are also a significant challenge for progress in energy cooperation. Domestic issues and absence of corresponding international experience in CA countries have resulted in weak professional training of specialists able to work in the global competitive environment, in the absence of necessary infrastructure, transportation, communication and logistical systems. Such an environment inevitably engenders a difference in approaches to organizational and technical problems, conflict of interests on production, refining and transportation of oil and gas.

▪ Final resolution of the Iranian sanctions issue and preparation of infrastructure and logistical foundation for future energy projects are key moments in advancing the oil and gas partnership in CA. They also demand a long preparatory stage.

At the same time, there is still potential for Western-Iranian cooperation on energy. Thus, according to the latest assessments (2016), proved Iranian crude oil reserves constitute 158 billion barrels, proved reserves of natural gas (2016)—1.201 trillion cubic feet³²³. Iran's annual average crude oil production was forecast at 3.1 million barrels per day in 2016, and almost 3.6 million barrels per day in 2017. Besides, Iran has a number of new oil fields. In particular, the

³²² Mohsen Shariatnia, "Iran and Silk Road BRI: Attractions and Ambiguities", *Iran Review*, May 22, 2015, <http://www.iranreview.org/content/Documents/Iran-and-Silk-Road-Economic-Belt-Attractions-and-Ambiguities.htm>

³²³ "Iran's Key Energy Statistics", June 19, 2015, <http://www.eia.gov/beta/international/country.cfm?iso=IRN>

fields that Iranian and Chinese companies have been developing over the past several years have the potential to add 100,000 barrels per day to 200,000 barrels per day of crude oil production capacity by 2017³²⁴.

In 2014, to attract more investments, Iran introduced a new, more flexible contract model called the “Iranian (or Integrated) Oil Contract”. The still not finally approved model allows foreign companies jointly with the National Iranian Oil company to elaborate oil gas deposits and get some profit foreseen by the contract during 20–25 years. The country hopes companies will invest as much as \$50 billion a year ³²⁵.

As a result, until the end of 2016, Iran issued a list of 29 companies from Europe and Asia that have the government’s approval to bid for oil and gas development projects in the country. “Total” signed a tentative agreement with Tehran for a \$ 4.8 billion project to develop an offshore gas field in South Pars³²⁶.

In the case of failure in relations with the US, Tehran is also counting on the Ayatollah Khamenei’s “economy of resistance”, which counteracts current and potential future sanctions against Iranian economy. The Doctrine foresees the focus, first of all, on its internal forces and economic transformations. Today, the priority in the development of the state oil gas sector is accorded to cooperation with the neighboring Persian Gulf countries, Iraq and Turkey. It is supposed that they will serve as transit countries for supplies of Iranian gas to the international markets (the EU, etc.). Besides, Iran is planning exchange operations with the Caspian states (Azerbaijan, CA) and cooperation with regional neighbors in industrial production and engineering services.³²⁷

³²⁴ Asmeret Asghedom, “Iran’s Petroleum Production Expected to Increase as Sanctions are Lifted,” January 19, 2016, <https://www.eia.gov/todayinenergy/detail.cfm?id=24592>

³²⁵ Sam Wilkin, Hashem Kalantari, “Iran Adopts Oil Contract as Glut No Barrier to Boost Output”, August 4, 2016, <https://www.bloomberg.com/news/articles/2016-08-03/iran-approves-oil-contract-outline-in-step-to-even-more-supplies>

³²⁶ “Iran Approves European, Asian Companies for Oil, Gas Projects”, RFE/RL, January 3, 2017, www.rferl.org/a/iran-deals-oil-gas-deals-european-asian-companies/28211130.html

³²⁷ Sara Vakhshouri, “Iran’s Energy Policy After the Nuclear Deal”, *Atlantic Council*, Global Energy

Thus, it would be naïve to expect rapid progress in the Iranian-Central Asian collaboration, and hence, in the Euro-Atlantic vision of the energy security system. Especially because the outcome is not quite clear with the new US administration that does not approve the JCPOA agreements. This restricts Central Asian activity only to Chinese projects as the most realistic and beneficial at the moment. In its turn, China refrains from being involved into disputable projects but on the condition of intensified Chinese-European economic cooperation and after the final normalization of Iran-West relations it can take an active part in the European projects including Iran, probably within the framework of the BRI strategy. Simultaneously, as a result of Chinese-American economic competition, Central Asian states can receive, in the future, more consolidated support through the Western-sponsored pipeline projects like TANAP. Simultaneously, efforts to realize TAPI through activating regional peacekeeping and economic cooperation with all Afghan stakeholders will be undertaken. In perspective, after the potential lifting of Western sanctions from Russia, some Central Asian offshoots of the Turkish Stream can be examined.

3.2. Formation of transportation and transit network in Central Asia: geopolitical aspects

Plans and realities of the Eurasian corridors

Main acting and projected Eurasian corridors are directed towards 1) Iran and the Persian Gulf; 2) China; and 3) Afghanistan after its stabilization.

The role of routes to Europe, including within the limits of the TRACECA program and intergovernmental agreement on Trans-Asian railroads, is not significant at the moment, due to the current European economic crisis and lack of clarity regarding Iran. As to the Northern Distribution Network, it lost its previous significance

mainly due to the abovementioned geopolitical problems.

Iranian routes

are connected, amongst all, with the Tejen-Serakhs-Meshhed railroad, which provides CA states with an access to the Iranian transportation system and the ports of the Persian Gulf, Europe and Turkey. At the same time, Kazakhstan, Uzbekistan and Turkmenistan are incorporated into the Iranian railroad system via the eastern branch of the “North-South” transport corridor, attracting cargo from India, Iran and other Persian Gulf states to the Russian territory and then to the North and West Europe. The eastern branch of the “North-South” corridor allows to reduction of the distance (it is 600 km shorter than through Serahs) and, correspondingly, the terms of freight delivery to the markets of Central Asia, Iran and Turkey. From its side, projected construction of the Bafk-Zahedan railroad can provide direct railroad communication between Iran and Pakistan that allows CA states to get an access to the South Asian countries.

However, Iranian routes have not brought the expected results due to economic weakness of the involved states, instability around Iran and geopolitical tension in relationships among the majority of actors.

Gwadar

Iranian-Pakistani projects with participation of China have got enormous resonance in the sense of their possible geopolitical outcomes for the region of SCA. Many experts consider that realization of the so-called “Chinese economic corridor” (see Annex 2), joining Iran, Pakistan and CA states, means staged realization of the BRI strategy and its amalgamation with the NSR strategy. The corridor was initiated on April 20–21, 2015, during the visit of the Chinese leader Xi Jinping to Pakistan. The sides signed 51 memorandums of understanding worth \$ 46 billion. Beijing is planning to use them for two purposes—creation of so-called “Chinese-Pakistani economic

corridor” and development of Pakistani energy sector³²⁸. It is expected to finish the project by 2030.

The Chinese-Pakistani economic corridor should connect Pakistani South-Western port town Gwadar with Chinese Xinjiang Uyghur Autonomous Region (XUAR) by means of a wide network of motor- and railroads. Modernization of the Gwadar port can open access for Beijing to the Persian Gulf and become a comfortable way to the markets of the Middle East, Africa and Central Asia, creating an alternative way for transportation of hydrocarbons. It is no accident that Tehran, interested in widening its economic links, intends to cooperate with China and Pakistan on Gwadar. Transit through China to Central Asia would be the most viable variant of international trade for the Western part of China, the Gulf countries and CA states.

Concurrently, the Chinese Oil Pipeline Administration, a subsidiary of the energy giant “Chinese National Petroleum Corporation” (CNPC), is planning to build 700 km pipeline to Navabahsh, which is the Pakistani gas distribution center in the Sindh province. Pakistan will build 80 km of the pipeline from Gwadar to the Iranian border, where it is expected to be linked to the existing 900 km pipeline branch to the gas fields of the South Pars³²⁹.

In the case of positive dynamics, these tendencies could, in the future, stimulate constructive cooperation between Iran and Saudi Arabia, Iran and Pakistan, reduction of the Shia-Sunni tension, in which CA states are interested. It is obvious, however, that Pakistan will not be able to finish the gas pipeline without Chinese financial assistance.

Besides, as experts say, Gwadar project is opposed by the Belujistani

³²⁸ Vyacheslav Belokrenitskii, “Kitaisko-pakistanskii ekonomicheskii koridor: chto podrazumevayut zakluchennii Islamabadom i Pekinom soglashenia”, *Mgimo.ru*, April 29, 2015, <http://afghanistantoday.ru/node/33638>

³²⁹ “Pakistan Gas Deal: Iran Backs China’s Inclusion”, *Pakistantoday*, April 25, 2015, <http://www.pakistantoday.com.pk/2015/04/25/business/pakistan-gas-deal-iran-backs-chinas-inclusion/>

population in Pakistan, who are anxious about potential Chinese domination in the region. The project, in their view, is profitable first of all to Beijing, not the Pakistani population. This situation can slow down the tempo of the Chinese advancement into the region, but cannot diminish the idea of regional economic cooperation, which in favourable circumstances can still have a future.

ECO

The energy partnership with Central Asia is reinvigorated by activity within the framework of the Economic Cooperation Organization (ECO)³³⁰. In particular, there is an understanding that railroads can potentially be used in transporting energy resources. For this reason, discussions are underway about the necessity to increase railway traffic capacity to connect mining and industrial production centers with sea ports. Great hopes are set on “Kazakhstan-Turkmenistan-Iran” railway route with the volume of shipments, according to expert opinions, reaching approximately 20 million tons³³¹.

Chinese routes

(Western Europe-Western China, Eurasian motor transport initiative “NELTI”, etc.) provide CA states with more secure and reliable transport links to Europe, South-Eastern Asia and Russia, and look more viable for CA states in comparison to other routes. It is especially important that since the 1990s, China has revealed its interest in the railroad link “China-Kyrgyzstan-Uzbekistan”. To accelerate its Central Asian strategy, China concluded multibillion dollar investment contracts, including construction of the North-South corridor. It is worth mentioning that the leading German railroad company Deutsche Bahn has recently expressed its readiness to use the

³³⁰ Economic Cooperation Organization (ECO) unites 5 former soviet CA states, Azerbaijan, Afghanistan, Pakistan, Turkey and Iran.

³³¹ “Iran igræet kluchevyû rol v dele razvitiya torgovli mejdu stratmi-chlenami EKO”, *Iran.ru*, May18, 2015, http://www.iran.ru/news/economics/97328/Iran_igræet_klyuchevuyû_rol_v_dele_razvitiya_torgovli_mezhdu_stranami_chlenami_EKO

North-South corridor for supplies of goods from Europe to Iran through Azerbaijan.³³² Thus, Chinese-German cooperation can stimulate the development of this profitable Eurasian transport route.

Trans-Afghan route

is the shortest way to the Southern ports (Uzbekistan–Afghanistan–Pakistan, Uzbekistan–Afghanistan–Iran). The peace in Afghanistan can open new perspectives on elaborating Southern alternative transport corridors to the Iranian ports of Bender-Abbas and Chabahor, Pakistani Karachi, Kasim and Gvadar. The attractiveness of this route can be increased by the termination of the transport projects “Iran-Pakistan-India” and “Afghanistan-Pakistan-India”. Central Asian interest in this direction is quite evident from the launching the first line of the Turkmenistan-Afghanistan-Tajikistan railroad on December 1, 2016.

At the moment, the biggest trans-Afghan project is the modernization of the Port Chabahor. Chabahor port is located at the South-East of Iran in the Sistani and Belujistan provinces. It is one of the key elements in the North-South transport corridor. The project is sponsored by India. The cost of the project is estimated at \$ 85 million³³³. Besides building the second and the third terminals of the port, India will assist in the construction of the railroad connecting the port with the rest of the Iranian territory.

After a long period of waiting and analysis of the unstable situation, Delhi stepped up its activity with regard to Port Chabahor. Using the port, having a strategic importance for the country, and the North-South corridor, India plans to deliver its goods to Afghanistan, CA states, Iraq, Russia and Europe. In this way, its transport expendi-

³³² “Kompaniya “Deutsche Bahn” planiruyet ispolzovat transportnii koridor Sever-Yug”, November 24, 2016, http://www.iran.ru/news/economics/103025/Kompaniya_Deutsche_Bahn_planiruet_ispolzovat_transportnyy_koridor_Sever_Yug

³³³ “Port Chabahar v Irane nachnet rabotu v 2016 godu”, *RIA Novosti*, August 21, 2015, <http://ria.ru/world/20150821/1199357083.html#ixzz3nlbO1FJe>

tures, compared to other routes, will be reduced approximately by 30 %³³⁴. Thus, in the future, India will be able to extend the borders of the Chabahor project and increase its exports to the CIS states. For Iran, the Chabahor project, besides economic profit, will represent a chance to finish with American-induced economic isolation.

As a whole, the realization of the Chabahor project should be regarded as an effort to build a single trade-transportation-transit system with future active involvement of CA states, securing its participants' free access to the world markets. For CA states and Afghanistan in particular, the project provides access to the world markets, secure employment and benefits from trade and participation in the Chabahor trade economic zone. It is expected that the project will start operating very soon. Its future can be judged, for instance, by plans to build a petrochemical industrial zone in the region with about 30 petroleum and gas processing enterprises, closely connected with free trade zones of Chabahor. Private investors intend to invest \$ 11 billion in creating the zone.³³⁵ Central Asia, India and China are expected to become markets for the products produced therein. And, not least importantly, Tehran intends to safeguard Sistani and Belujistan provinces, which allows the strengthening of regional security³³⁶.

Washington's silence in this question allows me to conclude that after removing the Iranian sanctions, the United States could become more tolerant towards projects with Iranian participation, including the Chabahor project. However, it heavily depends on the new US Trump administration's will and economic interest to proceed fur-

³³⁴ "India nachala investirovat v Iranskii port Chabahor", August 29, 2015, <http://ati.su/Media/News.aspx?HeadingID=13&ID=68694>

³³⁵ "V raione iranskogo porta Chabahor sozdaetsya neftehimicheskaya promzona", *Iran.ru*, August 20, 2015,

http://www.iran.ru/news/economics/98247/V_rayone_iranskogo_porta_Chabahor_sozdaetsya_neftehimicheskaya_promzona

³³⁶ "V raione iranskogo porta Chabahor nachalos stroitelstvo neftehimicheskogo i staliliteynogo kombinatov", *Iran.ru*, September 10, 2015,

http://www.iran.ru/news/economics/98448/V_rayone_iranskogo_porta_Chabahor_nachalos_stroitelstvo_neftehimicheskogo_i_staliliteynogo_kombinatov

ther with the JCPOA process with Iran, on the level of the US-India partnership and US support of Indian endeavors in Afghanistan. I think the present Chinese-American competition for influence in the region can eventually positively contribute to the project in the sense of stimulating US financial countermeasures against China.

Meanwhile, Iran has accelerated building several joint economic zones for strengthening regional trade. At present, 10 projects with foreign investments are being realized in the Iranian Serakhs economic zone, bordering Turkmenistan. It is crossed by transportation routes, linking Iranian ports at the Persian and Oman Gulfs with CA states, Caucasus and Russia. The free economic Enzeli zone, located on the coast of the Caspian Sea, could supposedly include one zone from each regional country. These economic zones can be connected with other Iranian trade zones, for instance, Arvand trading zone, which is crossed by important trade routes. Moreover, Iran tries to attract the Persian Gulf states, such as the Arab Emirates, to collaboration in such zones³³⁷.

Preparation of CA states for transcontinental routes

Realization of the examined transportation projects in the future means, for CA states, the following possibilities:

- 1) creating new working places, investments, alternative markets and economic benefits from participating in the multilateral projects;
- 2) more effectively coordinating regional efforts in the struggle against global challenges to the region (IS, other radical groups, drug trafficking, migration, etc.);
- 3) coordinating policy and balance relations with leading powers based on the principle of checks and balances;
- 4) interacting constructively in the sphere of infrastructure and logistics and preparation of necessary staff.

³³⁷ “SEZ “Arvand” vistupayet za ukreplenie torgovo-ekonomicheskikh svyazei mejdu Iranom i OAE”, *Iran.ru*, June 15, 2015, http://www.iran.ru/news/economics/97608/SEZ_Arvand_vystupaet_za_ukreplenie_torgovo_ekonomicheskikh_svyazey_mezhdu_Iranom_i_OAE

Each CA state tries to make the most use of their geographic location and other advantages to turn their country into the biggest international transportation and logistics hub, with all positive financial and geopolitical dividends for itself. There is a certain element of healthy competition among the three Central Asian states—Uzbekistan, Kazakhstan and Turkmenistan, whose transport strategy will mainly define the development of the region. Yet, there are no regional alliances. On the contrary, these strategies complement each other and in the future will promote building a single regional transport network.

Thus, about \$ 7 billion was allotted in Uzbekistan in 2011–2015 to develop transport infrastructure. The new transportation program of Uzbekistan for 2015–2019 is worth \$ 10 billion³³⁸. The total amount of investments into the transport sector should constitute about \$ 46.7 billion until 2030³³⁹. Additionally, the Uzbek government is planning to establish four new free economic areas in Buchara, Samarkand, Ferghana and Khorezm oblasts.

The peculiarity of the central location of Uzbekistan is in its transit possibilities. Hence, cargo transit can become one of the important export articles. Therefore, the country faces the task of increasing transit attractiveness of its transport corridors. In circumstances when the competition of transport routes is increasing in Central Asia, transit potential of the country could stimulate closer integration of the national transport system with international transport routes.

By developing the program of creating a safe, single national transport system, Uzbekistan prioritizes its compatibility with the main directions and parameters of developing regional transport cor-

³³⁸ “Novaya transportnaya programma” Uzbekistana na 2015-2019 godi otsenivaetsya v \$10 mlrd”, *Review.uz*, April 30, 2015, <http://www.review.uz/index.php/novosti-main/item/2386-novaya-transportnaya-programma-uzbekistana-na-2015-2019-gody-otsenivaetsya-v-10-mlrd/>

³³⁹ Bahtiyor Ergashev, “Ekonomicheskii poyas Shelkovogo puti i Uzbekistan”, *Review.uz*, August 6, 2015, http://blog.review.uz/new/ekonomicheskij-poyas-shelkovogo-puti-i-uzbekistan/?fb_action_ids=10207622370736464&fb_action_types=og.likes&fb_ref=below-post

ridors, stress Uzbek leaders³⁴⁰. In particular, the newly built Angren-Pap railroad through Fergana Valley has capacities to fulfill such a linking role in the region, in the future connecting the country with China and Europe. As a whole, the country has the possibility of delivering local goods to the world markets in almost 10 directions. About 18 % of regional railroads pass through the territory of Uzbekistan, the share of all freights shipment among them being about 11 %.³⁴¹ At the same time, Uzbekistan is the only country in CA through the territory of which cargo traffic, railroads, motorcars, river and air transport can run from Afghanistan. Hence, Tashkent works very actively on the trans-Afghan corridor Termez-Mazari-Sharif-Herat-Bender-Abbas, Chabahor, and railroad Herat-Andhoi-Mazari-Sharif. The relative stability in relations of Iran with CA states allows the construction of the transport corridor Uzbekistan-Turkmenistan-Oman-Qatar (the agreement on this route entered into force on April 23, 2016) and functioning of the newly-built railroad Kazakhstan-Turkmenistan-Iran. Simultaneously, an international corridor Europe-Uzbekistan-China is planned to be built through the construction of the Uzbekistan-Kyrgyzstan-China railroad.

Kazakhstan intends to become one of the main transit countries between East and West, Chinese and European markets, as well as the main logistical operator among the CA states. Nowadays, Astana attaches great importance to the Aktau seaport, which is the main part of the Kazakh special economic zone functioning since January 1, 2003. Being part of the TRACECA and “North-South” international corridors, Aktau is considered the “Western gates” of the country that provide access to the Caspian, Black, the Mediterranean and Baltic Seas, to the Persian Gulf and South-Eastern Asia.

A peculiarity of the developing Kazakhstani transportation and transit system is the necessity for the state sector to interact and co-

³⁴⁰ “Uzbekistan to Continue to Develop Road-Transport Infrastructure”, November 29, 2016, UzDaily.com, <https://www.uzdaily.com/articles-id-37680.htm>

³⁴¹ “The Survey of the Transport Logistics State in Uzbekistan,” *Logistika.uz*. <http://logistika.uz/info/articles/4752>

ordinate its actions with a series of rather big private transport companies. Therefore, some difficulties in coordinating mutual actions on a wide range of issues, including the choice of alternative routes and providing security of the routes, cannot be excluded.

In its turn, Ashgabat plans to turn its international seaport in Turkmenbashi into the “sea gates” of Central Asia, providing shipment of cargo from Afghanistan and the East to Azerbaijan and further to the Black Sea and Europe. At the same time, the construction of the 126 km long railroad Atamurad-Imamnazar-Akina-Andhoi is foreseen between Turkmenistan and Afghanistan. It is also planned³⁴² to link railroads of Tajikistan and Turkmenistan on the territory of Afghanistan and to finish the project Uzen-Gorgan, started in 2007 and aimed to connect the country to European and Asian transport networks.

The Turkmen energy and transport policy is greatly dependent on the current geopolitical competition around the region (West-Russia-China) and is also vulnerable to threats of destabilization from the Afghanistan territory. Hence, there is some indefiniteness in the future of the Turkmen transportation system and challenges on issues of its design and coordination with transportation systems of the neighboring states.

Speaking about the CA region in general, some experts³⁴³ pay attention to differences among tax and customs policies of the CA states and excessive focus on the development of infrastructure to the detriment of liquidating obstacles on the way of constructing a regional transport network in Central Asia. However, I think, without building effective infrastructure and logistic system any talks on tax and

³⁴² “Ashgabat Supports Dushanbe’s Initiative on Joining Railroads of Two Countries on the Territory of Afghanistan”, <http://www.12news.uz/news/2013/03/13/>; “Infrastructural Projects of Turkmenistan Transform the Logistical Map of the Continent”, June 25, 2013, http://turkmenistanembassy.am/index.php?option=com_content&task=view&id=2480&full=1

³⁴³ Elena Kulipanova, “International Transport in Central Asia: Understanding the Patterns of (No)Cooperation”, University of Central Asia, Institute of Public Policy and Administration, Working Paper No. 2, 2012, https://www.academia.edu/27704058/International_Transport_in_Central_Asia_Understanding_the_Patterns_of_Non_Cooperation

custom policies are unproductive. Besides, the interests of stability and potential economic benefits have already forced the CA states to begin the process of mutual rapprochement. Particularly, we can mention the new Uzbek President's endeavors with regard toward all its CA neighbors. This is a prerequisite for their future gradual work over a single tax and customs policy, but it needs time.

Anyway, Uzbek experts consider³⁴⁴ that any transit corridor through the CA region can provide most favourable conditions for cargo delivery by means of:

- harmonization of bureaucratic procedures at the border checkpoints on the basis of agreements on the joint usage of the railroads;
- formation of single transport standards for the CA states;
- guaranteeing the connection among industrial centers, markets and regional ports;
- establishing a special investment fund for the realization of regional infrastructure projects.

Kazakh experts³⁴⁵ stress the convergence of interests of Central Asian countries in constructing and modernizing transportation and logistical infrastructure and achieving a new important stage of international cooperation in Central Asia when usage of the transit potential can bring colossal economic and political benefits not only to Central Asian states but to third countries as well. Hence, the continuation and deepening of the regional and international cooperation could terminate the geopolitical struggle in its present form.

As a whole, common interests of CA states in forming diversified regional networks of alternative routes are quite obvious. Yet this does not exclude differences in resources and competition for the right to become the main international transportation and transit

³⁴⁴ "Transport Communications of Central Asia: Variants for their Maximum Usage", April 24, 2009, <http://cps.uz/ru/analitika-i-publikatsii/transportnye-kommunikatsii-tsa-varianty-maksimalnogo-ispolzovaniya-ikh-poten>

³⁴⁵ Aset Ordabayev, "Geopolitika transportnih koridorov v Tsentralnoi Azii", Report, Institute of World Economy and Politics under the President of the Republic of Kazakhstan, April 2015.

hub in the region. Healthy competition is the engine of any progress, as we know.

3.3. Some implications of geopolitical tendencies for the CA states

It is too difficult to sum up the outcomes of the geopolitical tendencies surrounding Central Asia, of course, especially considering the fragility and instability of some of them. However, there are some objectively preconditioned tendencies, characteristic for the CA region, which cause no doubts.

The key tendencies in the development of the modern Central Asia, demonstrated by this analysis, are as follows:

- Stable relations with the Islamic world, first of all with Iran and Turkey.

- The key role of the Eurasian states—Russia and China.

Data on the external trade turnover of the two leading states of the CA region (see Figures 3, 4) in the period from 2002 to 2015 provided below, are eloquent enough to show more favourable Chinese and Russian position in the region, compared to the US one. Note that in the period of 2002-2015 there were practically no export operations from Kazakhstan and Uzbekistan to the US.

However, the Chinese historical experience of relationships with the CA states is weaker and more ambiguous in comparison to Iran, Turkey and Russia. Keeping in mind this, and also the cautious attitude to Chinese geopolitical and economic intentions, I think its stand will be less solid than Russian, Iranian and Turkish. In its turn, Russian-Chinese competition will certainly contribute to this situation.

- Stable relations at the global level with the EU states and the US. The situation here is complex and unpredictable, taking into account potential policies of the new Trump administration.

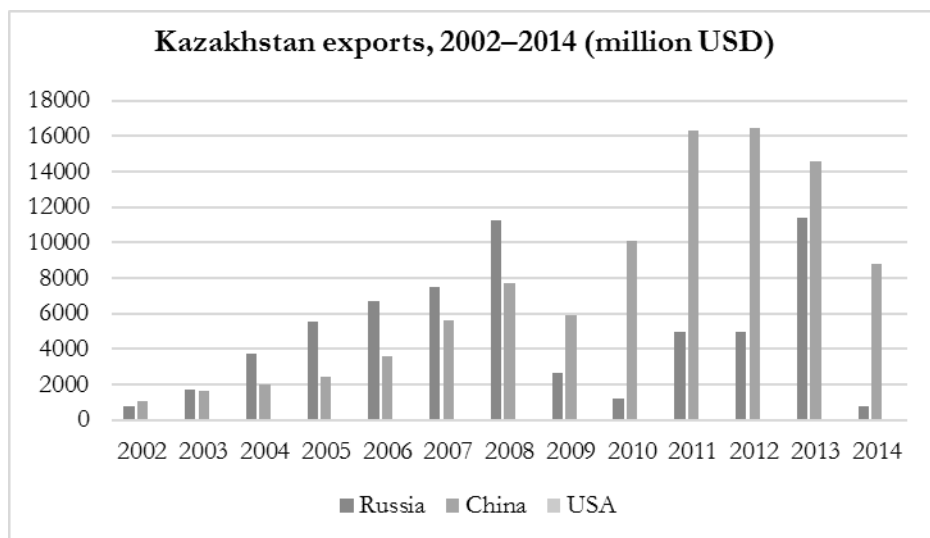


Figure 3. External trade balance of Kazakhstan, 2002–2014. *Source:* Asian Development Bank, “Key Indicators for Asia and the Pacific 2015”, <http://www.adb.org>

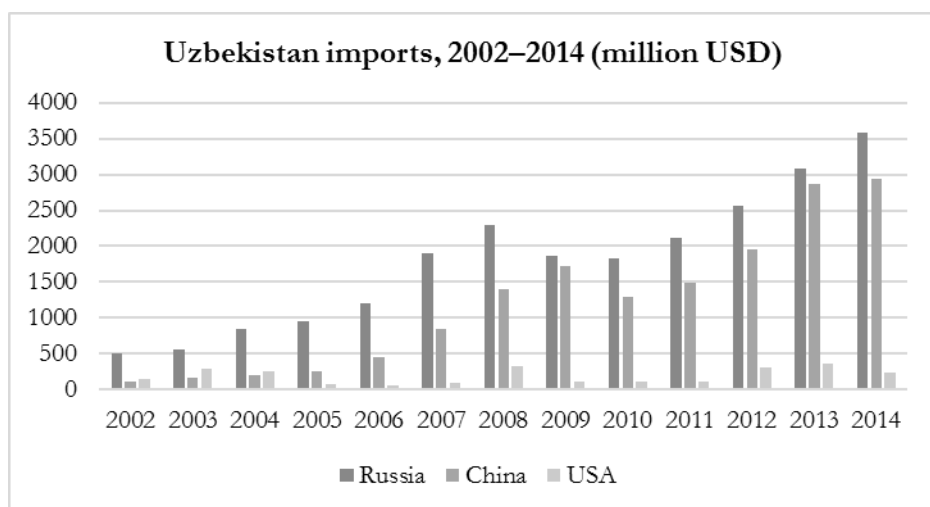
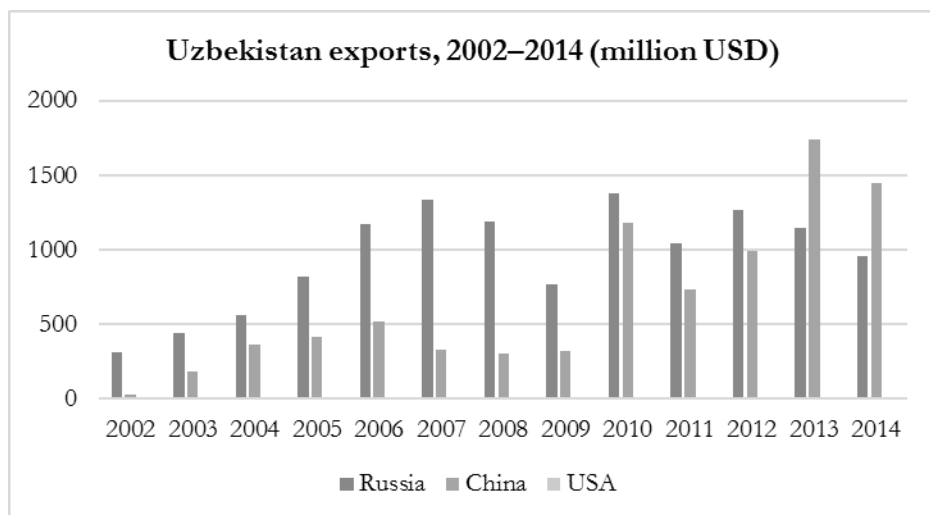


Figure 4. External trade balance of Uzbekistan, 2002–2014.

Source: Asian Development Bank, “Key Indicators for Asia and the Pacific 2015,” <http://www.adb.org>

Liberal democracy ideals, promoted by the West to lay the ground for constructing transportation and energy network and market relations in the wider region of South and Central Asia, very often face strong opposition from the local states as unacceptable in view of their present-day specifics of development. But the international practice of life has revealed quite clearly the wide usage of neoliberal and realist principles in external and internal policy and strategy of Central Asia. It would be just, then, to say that Central Asians differentiate universal norms of democracy and liberal rights (collective security system, democratization of social life and improvement of international law, observance of international norms and principles of foreign policy, etc.) from specific cultural norms, morals and standards of their life, which form the basis of their identity and, hence, cannot be altered or transformed.

Huge emigration of Central Asians and their openness to the world, revealed in their multivector policy and aspiration for diversified external economic networks, attest to their globalist tendencies in contrast to certain growing anti-global tendencies elsewhere in the world.

In this sense, the Obama administration's efforts to build a multilateral regional partnership can be assessed positively here. One cannot but admit that the Obama administration contributed to the process of clarifying the disputable areas in bilateral relations, uniting Euro-Atlantic allies and starting long-awaited constructive international talks on Iran. Hence, it has prepared the ground for first business steps in Iran, that has been promptly used by the European and other states. Taking into account the complexity of international life and plurality of the involved interests and forces, it would be better to assess these efforts as the beginning of a long process and not a complete failure. Especially because these efforts virtually made the Afghan international peacekeeping process and the beginning of business with Iran irreversible. This is reinforced by the growing Chinese-European partnership with CA states.

At the same time, there are still tendencies inherited from the Obama period that negatively affect the security situation in Central Asia:

- Threats and challenges from Syria, Iraq and AfPak areas remain in force and have been intensified by Sunni-Shia conflict.
- Iran-US tension is preserved, hence persisting difficulties in attracting foreign investment and realization of projects in the Middle Eastern direction.
- The policy of the West to restart relations with Russia has turned into sanctions, cold-war relations and a military race in 2015–2016.
- Proclaimed Western strategic dialogue with China has been challenged by rigid competition and financial war.
- The traditional EU-US partnership has been weakened by deep discrepancies on Iran and trade war issues.
- Western partnership and endorsement of Turkey as a model for Central Asian states has turned into discrepancies on issues of terrorism and tactics in Syria.

In this context, Central Asian states, particularly Uzbekistan, have chosen the strategy of a constructive equidistant partnership with world powers, that in political theory, means maintaining a balance of powers. A voice of the Central Asian region, its position on the key international issues is now more visible in the face of Kazakhstan's work in the UN Security Council and in organizing Astana international negotiations on Syria. Through such international institutions and forums, Central Asian states protect their regional interests and contribute to the settlement of the burning global issues.

As to the US, despite the existing barriers, it has been quite active in Central Asia. Its strategy has not been radically changed and is still focused on three main strategic interests: security, energy and *gradual* modernization of the SCA region. This presupposes increased regional trade. In this respect, the US has not abolished the ideas of turning Central Asia into a hub connecting the Central, South and South-Western Asia and Europe.

Supporting these tasks and taking into account Syria, Afghanistan and other points of instability, the US is ready to fulfill the role of a regional security guarantor in cooperation with other regional actors. For instance, American experts stress the need for the US, the UN and all partners to continue to support the Afghan National Unity government in the political settlement process. President Obama's goal of withdrawing US troops has motivated him to support a political settlement with the Taliban. "If implemented, such a settlement might eliminate the need for foreign troops in Afghanistan, and reduce the volume of foreign aid Afghanistan now receives to maintain the outsized security forces required to cope with the cross-border insurgency"³⁴⁶.

Settlement of the major disputes among the internal influential forces in Afghanistan, which could stabilize the whole region, is certainly supported by CA states, as this secures peace and stability in their own countries and opens new economic possibilities in the Afghan direction. With all this in view, closing NATO's branch in Tashkent in autumn 2016 does not mean curtailment of the Western cooperation with Central Asian states. But it depends now on the Trump administration to continue this line.

Meanwhile, it is quite clear that Central Asia and the Islamic Republic of Iran mean too much both for the preservation of the US security, dependent in some sense on the Middle East and SCA situation, and in issues of realizing wide interests of the American business. These are realities of the global world. Without guaranteeing comprehensive security, one cannot even talk of full settlement of the internal issues, which are the main goal of the new US President.

It is worth just remembering the September 2001 tragedy in New York, organized by the regional radical forces. Additionally, the Obama administration announced an increase in refugee intake to 110,000 in FY 2017. As of 2015, approximately 83,000 people born

³⁴⁶ Barnett R. Rubin and Garnon Georgette, "The U.S. Presence and Afghanistan's National Unity Government: Preserving and Broadening the Political Settlement", Center on International Cooperation, August 2016, <http://cic.nyu.edu/>

in Syria resided in the United States, accounting for less than 0.2 percent of the overall foreign-born population of 43.3 million³⁴⁷. These migrants can still indicate a potential increase of socio-economic problems and possible security challenges for the American society that President Trump should solve somehow.

At the same time, interests of the US business circles will not allow Washington to remain behind its European colleagues on the Iranian market. One can expect, therefore, a policy of reviewing the JCPOA agreement, rigid US-Iran dialogue, a slow process of lifting the anti-Iranian sanctions and trade wars with Europe on the Iranian issue.

As a whole, with the advent to power of the new administration, the Central Asian strategy can be partially reviewed. I think the following factors will influence Washington's involvement in the SCA region:

- 1) Interrelationship of the US national security issues (migration, criminality, drugs trafficking, etc.) with the processes in the Middle East and SCA, including Afghanistan;
- 2) global interests of the American business, which have collided with the European Union's interests here;
- 3) influential foreign policy lobby in the US and abroad, demanding the continuation of the strategy in this part of the world. It will be difficult for the new US administration to combat the adopted multilateral JCPOA agreements on Iran.

According to some American experts, President Trump's practical experience in running big businesses can become an invaluable asset for the American business interests, counting on the passage from the previous administration's demagoguery to concrete regional projects.

Thus, most probably, new US activity in the CA region can be expected, however slow it may be due to understandable reasons (choosing staff, examination, discussing and coordination, etc.).

³⁴⁷ Jie Zong and Jeanne Batalova, "Syrian Refugees in the United States", Report from Migration Policy Institute, January 13, 2017, <http://reliefweb.int/report/united-states-america/syrian-refugees-united-states>

The European countries' positions are not sufficiently strong due to the current EU crisis. Europe's complex relations with the US during the last years, when the "EU is no longer viewed by the US as the most important region of the world, thus signaling that Europe can no longer rely on American protection alone"³⁴⁸; European-Russian contradictions with Europe over energy issues, Ukraine, etc.; and present EU fragmentation and its discrepancies with the US on Iran greatly impede and slow down implementation of the European goals.

Specifically, up to date, among all CA states only Kazakhstan has had significant trade turnover with Europe. European gross investments into Kazakh economy were equal to \$106 bln in 2000-2014³⁴⁹. Yet, the European Union is revising its Central Asian strategy and foreign policy instruments within its new plans in the Iranian direction. For instance, the EU is intending to invest about 1 billion euro into the CA region in the period of 2014–2020.

But the absence of a single approach to the Chinese market may restrict European resources and negatively contribute to a realization of the future EU strategy in CA, I think. Multilateral projects will naturally be dependent also on the progress of reforms in the CA states, which is not an easy process in view of the radical reforms undertaken in Uzbekistan by the new President and weakness of Tajikistan and Kyrgyzstan. Hence, in the short-term, the focus will, most probably, be on the development of bilateral relations with CA countries.

European experts, in turn, point out "that it is not always a matter of everyone acting together: it is often a question of small-group cooperation, supported by others or just accommodated in the spirit of 'constructive abstention'"³⁵⁰. Among key partners, they point at China, India, Japan, Korea and Malaysia. I think their joint economic

³⁴⁸ Stephen Walt, "Towards an EU Global Strategy. Consulting the Experts", October 2015–April 2016, European Union Institute for Security Studies, <http://www.iss.europa.eu>

³⁴⁹ "Kazakhstan and EU", May 12, 2016, https://eeas.europa.eu/headquarters/headquarters-homepage/14454/kazakhstan-i-es_ru

³⁵⁰ Nick Witney, "The Need for Realism" in: *"Towards an EU Global Strategy. Consulting the Experts."*

power inspires some optimism even in case the Trump administration restricts its activity in SCA.

The combination and interlacing of the mentioned steps, the regional actors' economy and security interests are leading, supposedly, to a gradual merging of three models for the CA states development (see Figure 5.). The following, I think, will contribute to this process:

- 1) considerations of geopolitical security among the CA states, whereby they strive not to allow predomination of any of these models. Therefore, for instance, Uzbekistan declared the principle of constructive equidistance from the leading world powers;
- 2) absence of a single recognized international leader among the states advancing these models;
- 3) principles of regionalism, foreseen in these concepts, that can provide a definite balance of interests and forces.

The real situation at the moment is represented in the following figure:



Figure 5. Main tendencies: concepts and reality

Thus, the growth of geoeconomic and geopolitical threats leads, in practice, to the prevalence of the Chinese Belt and Road Initiative. The analysis shows quite clearly that the Russian-sponsored Eurasian Economic Union is, at the moment, rather weak. Still, time has also proved the fact that it is inclined to partly merge with the Chinese

project. Taking into account the comprehensive closeness of CA states to Russia and their aspiration to balance the Chinese factor, it can be stated that the Eurasian Union has all capacity to become, in the remote future, a separate, potentially reformed and extended organization. At the moment, however, it has to closely coordinate its activity within the Chinese BRI. Realization of the US-sponsored New Silk Road strategy has been virtually restricted only to regional military and political cooperation. Its future depends on coherent, regionally coordinated and effective policy of the new US administration.

The described tendencies testify in favor of balanced Chinese, Russian and Western positions in Central Asia. It is obvious that the role of Russia and Western states as balancers and closest allies will remain a priority for the CA region in circumstances of the geopolitical tension and increasing global threats.

The present-day relationships among the external actors in CA cannot be fully destructive and negative or entirely positive due to their closeness, intertwined interests and mixed available potential. All of them have a future to a various degree, taking into account their proximity. Hence, we can speak of only various forms of cooperation—limited, complex, perspective, etc. Their approximate state of relations can be presented using the following figure (please, see the next page, Figure 6).

What defines Central Asian preferences today?

Historical, cultural, religious (more than 81 % of CA population are Moslems) and even kindred links of Central Asians with Iran and Turkey have developed for centuries. The states historically existing in Central Asia economically flourished, which is well demonstrated by the preserved monuments of science and culture of the 9th to 12th and earlier centuries. CA peoples preserved close trade contacts even in the periods of their fragmentation. A common cultural-civilizational and economic space was in existence.

Presently, however, the efforts of some Islamic states to reintegrate peoples of Central Asia under their aegis come across a multiplicity

of factors, related to the long-term historic development of these states apart from each other. One can refer to the peculiarities of their contemporary political culture and economy, various geopolitical goals and tasks, complex ethno-religious composition of the population. CA states have to take this into account while reviving their relations with the Islamic world.

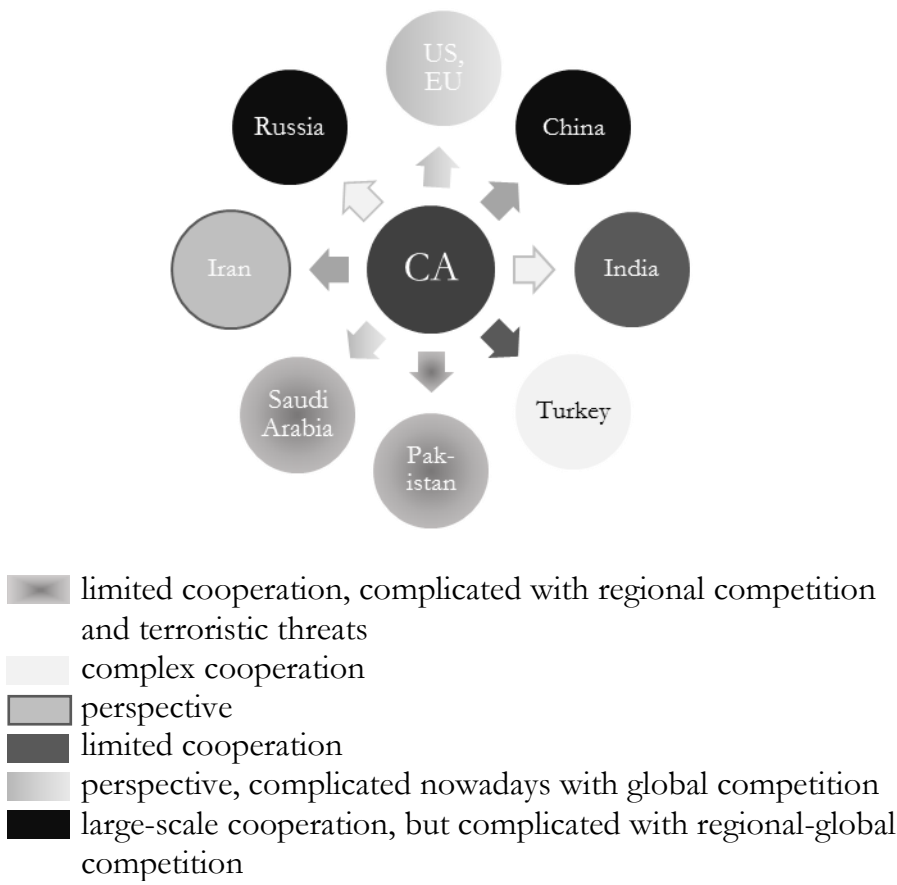


Figure 6. Approximate assessment of the present-day interstate cooperation in CA

In this sense, Russia, China, Turkey and Iran have greater advantages due to their stable, close and understandable cultural and economic environment. Despite some difficulties, these countries have stable, mutually complementary and dynamically developing economies, military and political resources and the capacity to support stability in the CA region. Iran, in comparison to other Islamic states, is more liberal (see about this peculiarity in p. 1.2). Still, the CA countries should overcome the existing Iranian-Turkish rivalry and geopolitical discrepancies in the region.

The role of the US and the EU is objectively preconditioned by the status of these powers in the IR system, comprehensive resources and technological possibilities. At the same time, Europe has the advantage of continental location for more close contacts with the CA region.

It is quite clear that in such complex international environment, the CA countries should, in the interests of security and preservation of their unique integrity, identity and originality, overcome their defragmented state and speed up the process of economic integration—first of all, among themselves.

Still, one should keep in mind that firstly, the previous world of military and political blocks has gone into the past. Secondly, Russian, Chinese and Iranian support does not mean the isolation of the CA states from other countries, keeping in mind the above-mentioned cultural and civilizational factors. Thirdly, neither regional power – Iran nor Russia - has enough tools to counteract peaceful Chinese expansion. This means, primarily, reliance on national interests and balance of power in the regional foreign policy, which is taking form of a constructive equidistant partnership with leading power centers.

Conclusions to Chapter III

Thus, it is clear that there will not be any dominating geopolitical models of development in the future due to the existing contradictions between regional actors and regional opposition to the domina-

tion of some of these models. We can see in the future merger of these models a complex set of interacting state unions: CA-Russia-Turkey-Iran plus China, EU-the US and others. As a whole, the world will obviously be developed further within the balanced influence of the three leading states: the US, Russia and China.

At the moment, geoeconomic and geopolitical threats to Central Asia lead to the prevalence of the Chinese version of The Belt and Road Initiative as the main and clear model of regional development for the nearest perspective. The fragile Russian-sponsored Eurasian Economic Union is inclined to partly merge with the Chinese project, whereas in the long-term it has capacity to become a separate, potentially reformed and extended organization. Realization of the US sponsored New Silk Road has virtually been restricted only to regional military and political cooperation. But already in the short-term, the CA region will come across intensified European-American involvement in the region that will positively affect its social-economic situation.

In addition, the following can be said both to support the suggested thesis and to conclude the chapter.

Energy sphere:

1) At present, the majority of the planned oil and gas projects in the territory of CA with participation of Iran has not been completed. Their completion is linked mainly to the outcome of the ongoing geopolitical struggle around Iran.

2) Barriers at the external level are

- Iranian-American discrepancies and attendant process of the final removal of the anti-Iranian sanctions can stretch out for an indefinite time;
- an element of distrust in Russian-Iranian relations, low competitive potential of the Russian economy, compared to the EU, China and other future Iranian partners, have been preserved;

- Central Asian fears to be involved into the current Sunni-Shia conflict between Iran and Saudi Arabia;
- the legal status of the Caspian Sea;
- a part of ambitious Chinese plans cannot in the future be interlinked with the increasing Tehran's interests.

Internal barriers on the way of energy projects with participation of Iran include such factors as:

- Low investment capacities of the Iranian economy,
- Weak oil and gas infrastructure;
- Insufficiency of the oil wells;
- High level of energy demand in the country.

3) Prolonged negative influence of the anti-Iranian sanctions on the level of external trade and socioeconomic development in Central Asia has finally reoriented the CA states towards China.

4) The majority of the involved regional states face transitional difficulties, have similar socioeconomic problems and need a constructive regional and global partnership that would, despite the difficulties, promote their cooperation in the oil and gas sector as the priority sphere in their development.

5) Tehran is striving to intensify cooperation in energy, including the settlement of the disputable Caspian issues. It also expresses readiness to cooperate with the CA states within the limits of the Chinese Silk road strategy and tries to secure support of the European companies for future projects.

6) The West has achieved some success in promoting the TANAP project. However, the legal status of the Caspian Sea will certainly impede realization of the TANAP and the TCP, and will contribute to increased tensions among the Caspian states. It is quite clear that the TAPI will progress only on the condition of pacifying the AfPak zone that depends on concerted efforts of all regional actors and geopolitical situation as a whole. The future of the Turkish Stream is largely dependent on the improvement of the EU-Russian relations, as well as the consistency and efficiency of the present-day Russian-Turkish relations.

7) Overall, much in the evolution of the oil and gas partnership in the SCA region depends on regulating the Syrian and Ukrainian crises, final removal of sanctions from Iran and forming a single compromise model of the partnership, considering the interests of all involved partners.

Transportation sector:

Difficulties of internal character in the CA region, together with a multiplicity of organizational and technical tasks related to the realization of transportation, infrastructure and logistical projects, as well as harmonizing national tax and other policies, will naturally require a transitional period in forming a common transportation system of Central Asia.

1) The biggest challenge in development of the external transportation network of Uzbekistan has been the competition of transport routes bypassing Uzbekistan. The loss of time in overcoming the current challenges (for instance, speeding up Iranian routes) can turn into serious losses for the Uzbek economy.

2) It is clear that the multiplicity of geopolitical interests in Central Asia will also create difficulties in coordinating transport strategies at the level of the region itself. A serious threat for transportation and transit plans in CA is possible attacks of regional extremists and IS.

3) On the other side, CA states confront the problem of the harmonization of their transport strategies with strategies of the leading powers. It largely concerns creating routes from the countries of the Asian-Pacific region, mainly from China, leading through CA. Challenges include the correspondence of local route preferences to the plans of that or another power sponsoring the construction of roads.

4) The most realistic, for the time being, are the Chabahor and Gwadar projects with participation of Iran. But rivalry between India (Chabahor), on the one side, and Pakistan and China (Gwadar), on another side, challenges these projects. But in the long run, for-

mation of the “Chinese economic corridor”, linking Iran, Pakistan and CA states within the BRI projects, could correspond to the US interests.

5) However, one cannot exclude that with the launch of the projected transportation routes to Central Asia, new routes for drug trafficking, illegal migration, criminality and corruption can also be opened. It is obvious that reeducation and training of the suitable personnel in CA and CIS states, which is necessary to work in such a complex international environment, will take a long period of time.

6) To limit the existing risks and challenges, CA states therefore, need to speed up economic integration, strengthen coordination and interaction among their law enforcement structures, as well as attract Iran, Turkey and Russia to more actively participate in resolution of the regional security issues.

Conclusions

Analysis of the regional IR system allows the following generalizations:

1) The former world of geopolitical dualism has been changed by growing multipolarity and a necessity to distribute global power between three main powers—US, China and Russia. Hence, it is a question of possible combination and interaction of their interests, which is, at present, quite difficult to solve. Therefore, issues of regional and global security remain a central concern.

2) The potential threat of Islamization and radicalization of the CA region determines the choice of the secular governments in CA in favor of balanced relations with the West, China and Russia, as balancers in their relations with the Islamic world.

3) The prolonged instability of Central Asia, complicated by the radicalization of the Middle East and potential spread of the extremist activities of radical forces, demands unification of the world community and joint settlement of these problems. It is obviously impossible to solve global socioeconomic and political problems with previous mechanisms of the block thinking, disconnected and weakly coordinated unions of states, and by using outdated instruments and ways of governance and regulation of conflict situations.

4) The persistent reluctance of some geopolitical actors to trade off part of their great power ambitions in favor of regional stability preserves geopolitical tension in Central Asia and prolongs and brings into question realization of some launched projects. In these circumstances, destabilization of Central Asia, owing to Syria's closeness, involvement of Saudi Arabia and Turkey into the crisis and their close connection with Afghanistan and Pakistan, is very high. That, in totality, also threatens Western security interests.

5) It appears, therefore, that both Obama's cabinet and the new Trump administration are forced, in the interests of stability and guaranteeing the US interests in SCA and in the Middle East, to

bring the negotiations with Iran to a successful and relatively suitable for all sides end. In the case of pragmatic and deliberate approach of the new US administration, the results of the Iran-West negotiations could secure preservation and inviolability of the Islamic regime in Iran. Moreover, Tehran is able to become, with time, a potentially important strategic partner of the US in the process of peaceful transformation of Afghanistan.

6) Iran, Turkey and Russia can become mutually complementary factors in the development of Central Asia, all able to accelerate the process of modernization and integration of the whole region by unification of the Caucasus and Central Asia into a single energy system with an exit to Europe. However, Tehran's "East and West" policy will, to a certain degree, restrict the Russian role in the Iranian economy. These considerations, alongside with other factors, have obviously influenced present-day Russian-Turkish rapprochement, which irritates Iran, but will not cancel their pre-destined cooperation in Central Asia.

7) Russian presence in the CA region most probably will be balanced by the presence of more developed and active European powers and China. On the one side, certain incompatibility of Central Asian culture with the Chinese one and potential economic challenges of being absorbed by the "Chinese dragon" persist. On the other, the danger of Islamic extremism justifies Russian presence in Central Asia and corresponds Moscow's vital regional interests. Hence, in the mid-term, Russia can restore and strengthen its influence both in the world and in the CA region. This depends on successful mobilization of its resources and the efficiency of its internal and external policies.

Risks and challenges

In sum, such a complex geopolitical situation, aggravated by intensified geoeconomic struggle and rise of extremism will, most probably, promote the preservation of a favourable ground in Central Asia for secret games with the participation of extremist forces, drug traffick-

ing, organized criminality, outburst of violence, military conflicts, etc.

Possible scenarios for development of geopolitical situation around Central Asia

Scenario 1. Before the final lifting of the anti-Iranian sanctions

- Dialogue and negotiations on Iran and other burning issues will take place between the European Union and the new US administration, as a result of which, staged, more rigid, but a rational and pragmatic policy of Iranian involvement can be undertaken.
- The tendencies for rapprochement of the CA states will be gradually deepened, however, predominantly bilateral forms of cooperation and gradual realization of Chinese multilateral projects with participation of the CA states, Iran and EU will remain more realistic.
- A Russia-Iran-Turkey alliance will be created, based on economic and political considerations. But the union will be fragile, taking into account Turkish membership in NATO, Chinese partnership with all these states and the containment of its strengthening from the Saudi side. Still, it has a future for balancing other powers' regional interests and, in principle, does not contradict the US interests, although preserving tension in relations with the EU over energy issues.

Scenario 2. Failure to complete the process of lifting the anti-Iranian sanctions

This appears most unlikely, but cannot be excluded due to the containment strategy of the present Trump administration and other anti-Iranian forces in the US.

- Cooperation between the EU and CA states will be intensified with the gradual involvement of Iran into regional projects, and sponsorship of the Asian powers.

- A Russia-Iran-Turkey alliance, supported by China, can be further consolidated in the interests of security.
- The Eurasian Union will be extended and strengthened, including other CA states, Iran and, possibly, India to protect its countries' economy and security.
- Extension of the Iranian-Saudi and Syrian conflicts zones appears unlikely, owing to the regional and global powers' containment strategies but is not excluded in the case of force-majeure circumstances on the territories of Afghanistan, Pakistan and other states. This will endanger current and potential geoeconomic projects in Central Asia, will negatively affect Iranian-Uzbek and Iranian-Tajik relations taking into account the Central Asian Shia diaspora, and could aggravate the situation in the Middle and Near East, Central and South Asia, and in the CIS.
- In the case pro-Syrian and Shia-Sunni incidents do not happen due to the prevalence of pragmatic considerations in the region—which is more probable—the Persian Gulf states, including Saudi Arabia, can gradually start cooperation with the Eurasian Union.

Scenario 3. **Final lifting of the anti-Iranian sanctions** in the long term.

- Some transitional period is expected to cope with all problems:
 - regulation and coordination of positions and actions among all participants of the regional process, including the conflicting sides, to remove bilateral and multilateral problems (including the Turkish factor).
 - Tactics of indirect and direct exclusion of that or another participant in the projected geoeconomic projects in CA will persist, preserving geopolitical tension with all subsequent outcomes.
 - Intense geoeconomic competition of energy and transport projects.

- Difficulties of organizational nature: infrastructure, technical, staff, government or other organizational issues at the level of projects' realization, owing to insufficient preparedness for joining global economic projects.
 - Aggressive policy of advancing own interests and pressure (US, China, Iran, etc.) on issues of pushing forward price, tax, investment and other policies.
 - Challenges for CA states emanating from the territory of Afghanistan and Pakistan: threats of extremism and radicalism, drug trafficking along the built and planned energy transportation routes. These are likely to come, first of all, from the territories on the borders with Afghanistan (Turkmenistan, Kyrgyzstan and Tajikistan).
- In the long term, relationships along the US-EU-Iran-China-Turkey axis will be gradually consolidated. Russia-Iran-Turkey cooperation will concentrate more on mutually beneficial economic projects and will remain as an instrument of checks and balances to protect their interests.
 - Constructive partnership with the expanded, in the long term, Eurasian Union and building pragmatic, rational relations of the Euro-Atlantic community with Russia, concentrating on the key regional issues, is not excluded.
 - SCO will, most probably, remain a regional forum for discussing the burning economic issues of the region.

Some possible recommendations for regional powers

It is expedient in these circumstances that the international community should support the comprehensive reform programs, undertaken by the Central Asian governments, by financing local expertise and restricting unnecessary pressure on the work of some reforming institutions.

The regional actors involved into CA economic activity should:

- coordinate regional tax, customs, and legislative policies for efficient realization of CA transit projects;

- intensify information exchange, mutual assistance and support among the interested law enforcement structures on burning security issues;
- strengthen control at all checkpoints, border and transit-logistical points.

The leading powers should

- intensify comprehensive scientific and educational cooperation with CA states to prepare necessary staff to be ready to work in the globalized environment and make a timely analysis of the ongoing projects;
- organize some practical courses in CA on the exchange of experience in the spheres of transportation, infrastructure, logistics and law enforcement;
- organize working groups for timely monitoring and analysis of the functioning projects with subsequent publication of the results in open mass media.

List of Abbreviations

BRI	The Belt and Road Initiative
BRICS	Association of Brazil, Russia, India, China and South Africa
BTC	Baku–Tbilisi–Ceyhan
CA	Central Asia
CIS	Commonwealth of Independent States
ECO	Economic Cooperation Organization
EU	European Union
FTA	Free Trade Agreement
IAEA	International Atomic Energy Agency
IEA	International Energy Agency
IR	International relations
IRI	Islamic Republic of Iran
IS	Islamic State
ISIL	Islamic State of Iraq and Levant
JCPOA	Joint Comprehensive Plan of Actions
NATO	North Atlantic Treaty Organization
NDN	North Distribution Network
NSR	New Silk Road
OIC	Organization of Islamic Conference
OPEC	Organization of the Petroleum Exporting Countries
OSCE	Organization for Security and Cooperation in Europe
PATTA	Pakistani–Afghani–Tajik Trade–Transit Agreement
SCA	South and Central Asia
SCO	Shanghai Cooperation Organization
TASIS	The American School in Switzerland
TCG	Trans-Caspian Gas Pipeline
TICA	Turkish Agency on Cooperation and Development
TTIP	Trans-Atlantic Trade and Investment Partnership
UN SC	UN Security Council

US	United States
TANAP	Trans-Anatolian Pipeline Natural Gas Pipeline Project
TAPI	Turkmenistan–Afghanistan–Pakistan–India gas pipeline
TRACECA	Transport Corridor Europe–Caucasus–Asia

Annex 1. Energy pipelines from Central Asia



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Annex 2. The Map of the Proposed Chinese Silk Road



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