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Struggle for energy resources in Central Asia

Today it can be seen that global competition increases and interdependence of countries and regions became less stable. The search for an effective answer to the traditional and new challenges of international stability and security in the modern century has a huge influence on the importance of energy resources. Energy resources play a serious role for improving the quality of life and expanding opportunities for all states. Thus provision of effective, reliable and ecological secure energy supply according to the prices of fundamental marketable economy principles considered to be one of the most important challenges for the world community.

Due to economic crisis the importance of Central Asian energy resources dramatically increased in the world. There are a lot of big players like Russia, China, the USA and European states which are still interested in Central Asia, weaving new strategies. So, confrontations between above-mentioned powers around Central Asian energy resources potential still exist and become more extensive.

Keywords: economic crisis, threats, Central Asia, energy resources, strategy.

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Борьба за энергоресурсы в Центральной Азии

В статье рассматривается ситуация с энергетическими ресурсами в Центральной Азии, а именно борьба за энергоресурсы, вызывающая соперничество великих держав и влияние экономического кризиса на данный регион. Основное внимание уделяется стратегиям великих держав в отношении Центральноазиатского энергетического потенциала.

Мировой экономический кризис сыграл свою роль. Помимо этого, на сегодняшний день, несмотря на энергетический потенциал, до сих пор существует проблема с индустриальным сектором, который недостаточно развит для того, чтобы обеспечивать отечественной индустриальной продукцией регион. Все это вместе создает ситуацию, где Центральная Азия находится под прицелом великих держав, чьи интересы возросли, поскольку энергетические ресурсы стали еще более ценными. Соответственно, борьба усиливается, а стратегии великих держав становятся более усложненными.

Ключевые слова: экономический кризис, угрозы, Центральная Азия, энергетические ресурсы, стратегия.

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Орталық Азиядағы энергоқорлар үшін күрес

Бұл мақалада Орталық Азиядағы энергетикалық мәселелер кеңінен талқыланып, жалпы аймақтағы өзекті мәселелер қарастырылады. Ең негізгі мәселелердің бірі – осы аймақтағы қорлар үшін Ұлы державалардың күресі мен экономикалық дағдарыстың ықпалы. Сондай-ақ алып мемлекеттердің ӨА-ға қарасты стратегиялары анық көрсетілген.

Әлемдік экономикалық дағдарыс Орталық Азия елдері үшін айтарлықтай ықпал етті. Бұған қоса аймақтағы мемлекеттердің мүмкіндігіне қарамастан барлық елдердің осал жерлері бір, ол – индустриялық секторлар. Бұл саланың дамымағандығы себебінен еліміз отандық өніммен қамтамасыз етілмей отыр. Мұндай жағдай аймақтағы барлық елдерде көрініс табууда. Сол себептен ОА елдері Ұлы державалардың тікелей мүддесіне айналуы мүмкін. Өйткені мұнай-газ қорлары үшін күрес күн сайын өсіп келуде. Сәйкесінше күрес күшейіп, ал Ұлы державалардың стратегиясы мен саясаттары күрделенуде.

Түйін сөздер: экономикалық дағдарыс, айбаттар, Орталық Азия, энергетикалық ресурстар, стратегия.

Historically, Central Asia has been referred to in the context of its position at the crossroads of East and West, nestled between empires and bordering zones of conflict and insecurity (e.g. Afghanistan, China's Xinjiang province, and Iran). Although the region was largely ignored throughout the Cold War, its vitality and importance was quickly rediscovered.

Central Asia is continuously recognized as an important stakeholder in the Caspian energy game, a conduit to Chinese energy security, a playground of Russian power politics, and a transit area for criminal activity and religious fervor that is played out to its extreme in Afghanistan.

Given these regional realities, Central Asia is part of several struggles that intermittently see external actors compete for attention and ultimately for access to resources. The competition for control over regional resources is often exemplified in bilateral and multilateral economic and military agreements that are negotiated with the Central Asian states.

Although there is no illusion that external states are in a position to dictate terms of engagement, regional elites have recognized that they can leverage *competing interests to their* (often personal) advantage. As a result, concepts such as the rule of law, corporate governance, and transparency in commercial operations are often considered to be expendable in the national interest [1].

Today the situation in the world is composed of different complicated aspects. On one hand serious economic crisis in Europe and Asian economic rise, on the other hand there is a need of providing global energy security in conditions where it can be seen an acute struggle for energy resources. These events demonstrate the importance of energy resources in global economy.

Financial economic crisis which began in the USA in 2007 covered practically all countries in the world. Afterwards rates of growth in world trade decreased by more than 50% at the beginning of 2009. Nowadays there are two closely linked to each other processes: competitive struggle for access to energy resources and their sale. This struggle focused on the following factors: uneven distribution of hydrocarbon reserves and energy dependence. Energy factor became a weighty instrument of intergovernmental, economic and political relations [2].

Central Asian region has significant energy potential. However, countries of the region have different natural resources. For example, Kazakhstan

and Turkmenistan have much energy resources then Kyrgyzstan and Tajikistan have a lot of hydropower resources. Generally, each country of Central Asia has different types of mineral resources where Kazakhstan is the richest.

Despite energy potential of the region, industrial sector isn't so developed from the point of processing resources and providing domestic industrial production. Therefore in order to strengthen geopolitical position of Central Asian states, it's necessary to accelerate the development of industrial sector.

Export of natural resources plays a serious role for Central Asia forasmuch as export is an additional financial reserve which directed to improving industrial sector [3].

Due to economic crisis the importance of Central Asian energy resources grows in the world. Many countries like Russia, China, the USA and European states are still involved in Central Asian game weaving new tricky strategies around the region. «Big game» in the region between above-mentioned powers starts transforming and becomes more extensive.

Russia. Russia usually is a mediator between some resource-rich countries of Central Asia (Turkmenistan, Kazakhstan and Uzbekistan) and Europe in oil and gas trade. Russia even gave its consent to buy Central Asian gas where the price based on European formula in order to save mediator functions. The Russian goal of these actions focused on attempts to tie countries of the region to its own gas transport system oriented to Europe. European countries also tried to win over the region to its side as an indispensable energy supplier. However all of above-mentioned plans were undermined because of economic crisis.

Another priority of Russia is uranium of Central Asia (Kazakhstan and Uzbekistan). Despite the fact that Russia has about 20% of Kazakh fields, Russia will have to fight for them with China, Europe, and the USA, interests of which still exist. China for Russia one of the main rivals because it can be seen how China gradually increases its demands in the region what isn't good for Russia. As a result the positions of Russia considered more unstable because external competition grows and Kazakh Russian relations are not so strong from the point of production/scientific and technical cooperation in nuclear power. In addition, there is a foggy situation in the field of building nuclear power facility on the territory of Kazakhstan [4].

China. Energy resources have a huge influence on Chinese economy and social political stability in the country. Therefore China pays attention to its energy security strongly. Energy interest of China focused on the following reasons:

Central Asia is important for China strategically because it's close to China according to geographic data. China doesn't possess powerful naval forces accordingly China cannot defend its energy interests in many places of the World ocean which controlled by the USA and its allies. Therefore geographic factor for Chinese energy security is really important;

Kazakhstan and Uzbekistan have a lot of uranium ore reserves for producing nuclear fuel. This factor defines increasingly important and perspective interest of China. Particularly Peking has ambitious plans directed to the development of nuclear power;

Kyrgyzstan and Tajikistan control near 90% of water resources in the region. According to hydropower plans of China, Peking is seriously interested in Kyrgyzstan and Tajikistan. However in practice there is little chance that China will be able to develop hydropower of these two Central Asian states at an early date. It's impossible because water and energy problems of two countries block everything. Kyrgyzstan and Tajikistan clash over the construction of large hydro power plant more and more sharply with the interests of Central Asian long term development [5].

Chinese finance is approximately more than 20 billion dollars in Central Asian region. Most of the Chinese finance goes to Kazakh fuel and energy complex [4, p.2].

India. Today India needs energy desperately. «Its economy is beginning to move quickly — quicker than anybody would have predicted 15 years ago when India was slipping behind the rest of the world and also slipping behind China very badly». Because of its rising energy security needs which is being termed as being «second only ...to food security», India is not only looking at Central Asia but also other options for its energy requirements.

India has a possibility of importing natural gas from Bangladesh and Myanmar if these countries would agree to supply energy to India. It is probably going to turn to other countries, including the United States, for assistance in developing its civilian nuclear program, and there is a possibility of India importing natural gas in liquefied form. The visit of the US President and later signing of nuclear deal with India also confirms that India is deeply worried

about its energy security needs and is bent on diversifying its energy base.

Over the last twenty years, India's domestic production of oil has stagnated while its consumption of petroleum products has almost trebled. India imports 70% of their oil, which has had a significant impact on the balance-of-payments position. The rise in international oil prices in 2007-2008 took India's current account sharply into deficit after several years in surplus.

In the next ten years, even if the latest series of domestic oil exploration discoveries (for example, by UK-based Cairns Energy in Rajasthan) are fully exploited, India will still struggle to keep its imports down at current levels. Domestic demand for petroleum products is increasing relentlessly at 5% per year. Meanwhile, demand for natural gas, which stood at 0.6 trillion cubic feet (tcf) in 1995 had reached 0.9 tcf by 2002 and is expected to touch 1.2 tcf by 2010 and 1.6 tcf by 2015. Domestic sources of supply met over 90% of demand as late as 2003. However, despite the increased reserves discovered by recent exploration, the country will need to import up to one-third of its projected consumption needs by 2015. Moreover, volatilities in the international gas market threaten not only India's balance-of-payments position, but also the underlying growth rate of its industrial and agricultural sectors — where gas is a fast-rising substitute fuel and is used extensively to produce chemical fertilizers.

Against this backdrop, India will leave no stone unturned to pursue hard policy for a very warm relationship with Central Asia States. Indian government is full aware of this fact. The then Petroleum Minister Manishanker Aiyar's visit to China, Iran, Central Asian Republics, Russia etc, underlined the urgency of achieving the goal of energy security [6].

Europe. The EU was forwarding schemes of pipelines and transport routes bypassing Russian territory with the assistance of the USA. In addition, the EU watched Chinese companies in the region indifferently then supported contradictions between Russia and countries of the region. In general, European capital played its certain role in instigating contradictions in three main directions: between Russia and Europe, between Russia and China, between countries of Central Asia. Finally, the EU is absolutely against of Chinese strengthening in Central Asia [4, p.2].

The USA. Traditionally the USA is for the

activity of the EU and China in Central Asia whose energy pipelines as well as transport routes bypass Russia. As for the region, the USA continues to pursue its kind, old goals:

At any cost to weaken connections between Russia and Central Asian states;

Slowdown of integration processes in Europe in order to prevent becoming the EU as an independent player on international arena;

Creation of contradictions and competition between Russia and China, Russia and Europe [4, p.3].

The USA continues to consider Central Asian states as a future region which will work with international community in the interests of peace, security, democracy, improvement of management and economic development [7].

Central Asia is still «a zone of vital American interests». On this basis, the USA knows how to play this game correctly.

Strengthening of economic crisis, parallel strengths the meaning of energy resources. Accordingly these changes lead to the struggle between states for possession of vital energy resources.

Central Asia has huge energy resource reserve. This reserve captures the attention of «big players» such as Russia, the USA, China and the EU. Above-

mentioned «players» have different geopolitical strategies, different interests, but the same goal. Each of these states is trying to have a big influence on the region to carry out its mercenary operations directed to good deals where roots of deals are energy resources.

Russia continues to defend its national interests in Central Asia where the main priority is uranium and the main rival is China at the moment.

China pays serious attention to energy security because economy of China and social-political situation in the country depends directly on energy resources. Therefore for China Central Asia is attractive in providing itself necessary energy resources.

The EU suffered greatly from the economic crisis. Despite this fact the EU is still interested in the establishment of cooperation with Central Asian states.

India will pursue hard policy for a very warm relationship with Central Asian region.

The USA will operate under the old scheme accordingly will carry on fighting for its influence in the region and pursue its familiar certain goals.

All in all, there are many players in Central Asia. Each «player» experiences energy famine considering energy potential of this region. It involves new infinite contradictions.

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