

HIGHLIGHTS

- **Political Developments**
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Political Developments

The growing resentment towards China's debt diplomacy and land encroachment in Central Asia has resulted in over 150 anti-China protests in recent years, with Kyrgyzstan being the worst affected, followed by Kazakhstan and Tajikistan. Experts suggest the number could rise due to rising unemployment and state welfare constraints during the pandemic and the Russia-Ukraine conflict. China's growing investments in the energy, oil, and gas sectors have also drawn criticism. Private Security Companies (PSCs) have been deployed to safeguard Chinese investments, which has raised concerns about China's growing influence.

Hundreds, if not thousands, of Central Asian migrants are being hired to work by Russia in territory occupied by it in Ukraine, despite dangerous conditions and warnings from their governments not to go to Ukraine. Most of these migrants are used in the reconstruction of war-ravaged cities like Mariupol and Donetsk; others dig trenches and collect dead bodies on the frontlines. Female migrants from Central Asia are also offered jobs in military hospitals, canteens, and factories in occupied eastern Ukraine. Central Asian governments, particularly those of Kyrgyzstan, Tajikistan, and Uzbekistan, have become accustomed to exporting excess labor capacity in order to generate much-needed revenue for households through remittances, relieve domestic pressure to create jobs, and provide public goods and services. Politically, migration serves as a safety valve that prevents the buildup of unemployment-fueled social and political frustration and helps undemocratic regimes to stay in power.

Russia remains the primary destination for these labor migrants. Familiarity with the Russian language and culture stemming from a shared Soviet past, geographic proximity, and Russia's acute need for labor migrants continues to keep Central Asia in Moscow's orbit. Streamlined

processes for obtaining citizenship for highly qualified personnel from former Soviet republics, such as doctors and engineers, adds to Russia's allure, particularly to those from Tajikistan and Kyrgyzstan, the most remittance-dependent countries in the region. The current economic downturn in Russia and pressure to work in Russia-occupied Ukraine might contribute to changes in regional labor migration patterns. While Uzbekistan has become a popular destination for migrants from Turkmenistan, Kazakhstan has emerged as a popular alternative destination to Russia for a growing number of Uzbeks, Tajiks, and Kyrgyz (precise numbers are harder to find as many migrants take advantage of the lack of visa requirements to work illegally and avoid paying taxes).

Kazakhstan has begun exporting oil to Germany via the Druzhba ("Friendship") pipeline through Russia and Belarus, despite delays to the oil shipment. The deal between Astana and Berlin on oil exports has raised questions over whether Kazakhstan will play a larger role in the European energy market. The option to import crude oil from Kazakhstan via the Druzhba pipeline emerged as Germany's most convenient and cheapest alternative after efforts to break away from Russian oil supply. The challenge for Kazakhstan is that it doesn't have much oil to spare after meeting its commitments to export to Europe.

The Foreign Ministers and high-level officials of China, Iran, Pakistan, Russia, Tajikistan, Turkmenistan and Uzbekistan attended the Fourth Meeting of Foreign Ministers of Afghanistan's Neighbouring Countries on April 13 in Samarkand, Uzbekistan. The parties emphasized that all the terrorist Organisations entrenched in Afghanistan, including the 'Islamic State', Al Qaeda, Eastern Iraqi Movement, Pakistan Taliban, Baloch Liberation Army, and Uyghur Movement continue to pose severe regional and global security threats. The parties affirmed the regional and international concerted efforts to ensure regional stability, such as the Tashkent International Conference on Security and Economic Development in Afghanistan and the 'Moscow Model'. After the meeting, the participants attended the "Neighboring Countries of Afghanistan plus Afghanistan Foreign Ministers' Dialogue".

Before the meeting, China's Foreign Minister met the Uzbek President Shavkat Mirziyoyev. He invited President Mirziyoyev for the first China-Central Asia Summit (scheduled for May, 2023) and the third Belt and Road International Cooperation Summit Forum. The two sides agreed to implement the five-year plan for economic, trade and investment cooperation while continuously attempting to achieve the US\$10 Billion trade volume target set earlier. They also agreed to strive for the early start of the construction of the China-Kyrgyzstan-Uzbekistan Railway, that will help regional connectivity. Chinese FM emphasized that he "encourages more Chinese enterprises to invest in Uzbekistan and is willing to expand the import of high-quality products from the country".

In a move to strengthen ties with Tehran's neighbours, Israeli Foreign Minister Eli Cohen inaugurated a permanent embassy in Turkmenistan on April 20, establishing Israel's closest diplomatic presence to Iran. Despite establishing diplomatic ties 30 years ago, there was only a

temporary embassy in Ashgabat, while Turkmenistan still has no embassy in Israel. After meeting the Turkmen President, Israeli Foreign Minister Cohen called his visit "historic" and said Israel's ties with Central Asia's "energy superpower" were of strategic importance.

The Foreign Minister of Uzbekistan, Bakhtiyor Saidov, held talks with European Union Special Representative for Central Asia Terhi Hakala and Human Rights Eamon Gilmore. They discussed various issues on current relations between Uzbekistan and European Union, including political, trade, economic, cultural, and humanitarian issues. The two sides agreed on the importance of the early signing of the Enhanced Partnership and Cooperation Agreement between Uzbekistan and the EU.

The early elections to the Mazhilis, the lower house of Kazakhstan's parliament, and the maslikhats, local governments, held on March 19, marked another important step in reforming the Kazakh political system following the political unrest of January 2022. The reforms announced by President Tokayev pursue two main goals. The first is to transition the country toward a more pluralistic, inclusive and representative political system. The second is to better involve the younger generation in the political process, expecting them to bring new ideas to solve the backlog of socioeconomic problems inherited from the Nursultan Nazarbayev presidency. The Mazhilis elections completed the first cycle of these political reforms following the constitutional referendum and presidential elections in 2022, as well as the senate elections in early 2023.

The most recent elections in Kazakhstan were held according to the new electoral system. The former electoral system was based exclusively on party lists, as proportional representation was scrapped in favor of a mixed-party list and single-member system. The new electoral system provides for 70 percent of Mazhilis deputies (69 out of 98) to be elected based on party-list proportional representation and 30 percent (29 deputies) from single-member districts. The last time Kazakhstan held elections based on this mixed system was in 2004. Another key novelty introduced before the elections was the requirement that at least 30 percent of the party-list candidates include women, young people and the disabled. Finally, the option of voting "against all" was introduced.

Seven political parties and 609 self-nominated candidates (525 independent, five from nongovernmental organizations and 79 members of political parties) ran in the elections. Independents who ran as self-nominated candidates represented a wide cross-section of Kazakhstani society: entrepreneurs, teachers, pensioners and the unemployed, among others. Most lacked fundraising, campaign experience, name recognition, as well as financial and human resources, relying instead on the support of friends and families and personal funds. Notwithstanding these obstacles, over 600 people decided to run in the elections, of whom 435 were registered.

On April 10, Kazakh President Kassym-Jomart Tokayev and President of Azerbaijan Ilham Aliyev signed the 'Protocol on the establishment of the Supreme Interstate Council of the Republic of Azerbaijan and the Republic of Kazakhstan.' A joint statement was issued on the occasion. During the meeting, the leaders discussed avenues to strengthen political, trade, economic, transport and transit, and cultural and humanitarian cooperation between the two countries.

On April 10, the Russian government sent the agreement between Russia and Kyrgyzstan to create the regional united air defence system to President Vladimir Putin for submission to the State Duma for ratification. Despite not having a common border, the two countries had agreed to create a shared regional air defence system in Moscow on August 16, 2022.

In an interview with Al-Jazeera, Kazakhstan's Deputy Foreign Minister Roman Vassilenko emphasized that the nation has opted for a "multivector foreign policy" allowing the country to build normal relations with Russia, China and the West. Vassilenko also argued that the Russia-Ukraine War has made it "obvious that the world doesn't have a plan B" hence, the world must "if not reinvent the UN, somehow strengthen the UN and strengthen the international system".

Ambassador-at-Large of the Kazakh Foreign Ministry Murat Mukushev has been appointed Kazakhstan's National Coordinator for the Shanghai Cooperation Organization (SCO). Previously Mukushev held various positions in the Foreign Ministry, Kazakh embassies, and the Senate, an upper chamber of Kazakh Parliament.

Economic Developments

Senior officials of the United States, Uzbekistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Turkmenistan met for the Council Meeting of the U.S. – Central Asia Trade and Investment Framework Agreement (TIFA). The participants emphasized the value of TIFA as a mechanism to strengthen trade and investment ties between the United States and the countries of Central Asia, as well as within the region. They agreed to work together to expand trade, connectivity and investment between and among the TIFA member countries with benefits that are broadly shared, inclusive of women and youth, supportive of micro, small, and medium enterprises, and beneficial to regional economic security and connectivity.

Kazakh IT startups have been named the best in the Central Asian region. They won three out of seven categories at the Central Asian Tech Awards in Bishkek, Kyrgyzstan. All the winners are participants of the Astana Hub International Technopark. A domestic developer of an IT platform for the rail freight shipping arrangement and automation of business processes in the transport industry won the 'Breakthrough of the Year' nomination. The website enables companies to register shipments just in five minutes and track the movement of cargo on their smartphone or computer from anywhere. 95 percent of domestic cargo transportation in Kazakhstan are

arranged online through this project. Moreover, the platform allows the country to become the transport and digital hub of Central Asia.

Kazakh Deputy Prime Minister and Minister of Trade and Integration announced that the trade turnover between Central Asian countries and China grew by 31.9 percent over the year and exceeded USD 32 billion in 2022. This was announced to prepare for the upcoming China+Central Asia (C+C5) Summit scheduled for May, 2023. He proposed organizing a joint promotion of products by Central Asian countries given their competitive position.

The Asian Development Bank (ADB) forecast Kazakhstan's economic growth to accelerate in 2023 and 2024, driven by recovering industry, services, and domestic demand. ADB has projected Kazakhstan's gross domestic product (GDP) growth to be 3.7 percent in 2023 and 4.1 percent in 2024, up from 3.2 percent last year. According to the ADB, projected price rises for the main export commodities are expected to stimulate investment and support business sentiment. Spillovers from sanctions on Russia however pose the greatest downside risks to the outlook. Services are expected to grow from 3.4 percent in 2023 to 3.9 percent in 2024, supported by transport, trade, hospitality, and greater trade facilitation between Europe and Asia. Industry is projected to expand by 4.7 percent in 2023, driven by robust external demand for commodities, before slowing to 4.3 percent in 2024. Inflation is projected to gradually decline to 11.8 percent in 2023 from 15 percent in 2022 and drop to 6.4 percent in 2024, reflecting tight monetary policy and presuming a stable currency. The government's export restrictions on foods and gasoline price controls are expected to maintain price stability and curb inflation. On the demand side, consumption growth is projected to recover to 1.6 percent in 2023 and 2.2 percent in 2024 as reduced inflation boosts real incomes and state allocations of social support rise.

India-Central Asia Relations

Under India's Presidency of the Shanghai Cooperation Organization (SCO), the meeting of SCO Defense Ministers took place in New Delhi on 27th April, 2023. In addition to the eight members of the SCO, India also invited the Defense Ministers of Iran and Belarus to participate in the deliberations. All Ministers participated in the meeting in person except Pakistan whose special advisor to the Prime Minister on defence participated virtually. Raksha Mantri (RM) Rajnath Singh said that India is fully committed to making Shanghai Cooperation Organization (SCO) stronger to effectively tackle contemporary challenges faced by the member countries. He stressed on the need to focus on the common agenda to ensure a secure, stable and prosperous region and said that India views SCO as an important entity to promote defense cooperation among member states.

In his opening remarks, RM added that there have been great cultural and civilizational linkages and a continuous exchange of people, ideas and goods among the member countries over the centuries, which has enriched the nations economically and culturally. Calling upon the SCO member states to root out terrorism collectively and fix accountability on its supporters, RM

asserted that any kind of terrorist act or support to it is a major crime against humanity. "Peace and prosperity cannot coexist with this menace," he added. "If a nation shelters terrorists, it not only poses a threat to others, but for itself too. Radicalisation of youth is a cause of concern not only from the point of view of security, but it is also a major obstacle in the path of socio-economic progress of society. If we want to make the SCO a stronger and more credible international organisation, our topmost priority should be to effectively deal with terrorism," RM said. India believes in maintaining peace and security based on UN Charter provisions, RM stressed, while stating that India is committed towards defence capacity building of SCO member states for shared security interests. "A secure, stable, and prosperous region will improve the quality of life of people of each nation."

RM held a bilateral meeting with the Minister of Defence of Russia Army General Sergei K Shoigu on the sidelines of the SCO Defence Ministers' meeting in New Delhi on April 28, 2023. The two Ministers discussed wide-ranging issues of bilateral defence cooperation, including military-to-military ties as well as industrial partnership. They also discussed the Russian defence industry's participation in the 'Make in India' initiative and ways to provide further impetus to it. They also discussed regional peace and security. They expressed satisfaction over the continued trust and mutual respect between the two countries, particularly in defence and reiterated their commitment towards strengthening the partnership. They acknowledged the unique, long-lasting and time-tested relationship between India and Russia.

Separately, in a statement on bilateral talks between Chinese Defence Minister Li Shangfu and RM, the latter said that China's violation of the existing Agreements had eroded the very basis of bilateral relations. In a strongly-worded public articulation of the [state of the Sino-Indian bilateral ties](#), RM told the visiting Chinese State Councillor and Minister of National Defence that "all issues at the LAC need to be resolved in accordance with existing bilateral agreements and commitments" and "disengagement at the border will logically be followed with de-escalation." China said that the two countries share far "more common interests than differences" and the two sides should take a "long-term view, place the border issue in an appropriate position in bilateral relations, and promote the transition of the border situation to normalized management".

The first meeting of the India-Central Asia Joint Working Group (JWG) on Chabahar Port was held in Mumbai on 12-13 April 2023. The meeting was chaired by Secretary (ER) and attended by the Deputy Ministers and Senior Officials of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The special invitees for the event were the country representative of the UN World Food Program (UNWFP), Deputy Foreign Minister of Iran and Consul General of Afghanistan.

In addition to other Presentations, Consul General of Afghanistan emphasized the significance of Chabahar Port for the delivery of humanitarian assistance for Afghan people and providing economic opportunities for the Afghan businessman and traders. Deputy Foreign Minister of Iran

proposed to hold the next round of India-Central Asia Joint Working Group (JWG) in Iran along with the participation of the private sector.

The participants appreciated the role played by Shahid Behesti Terminal, Chabahar Port in facilitating the shipments of humanitarian assistance for the Afghan people. Since, December 2018, India has utilized the port to ship a total of 2.5 million tons of wheat and two thousand tons of pulses to Afghanistan. The participants emphasized that the connectivity projects deserve priority attention and could be a force-multiplier for trade and economic cooperation and contacts between countries and people. They agreed that connectivity requires the active participation of the private sector. Upon their request, India offered capacity building programs to the officials/relevant stakeholders of participating countries in the field of port management and logistics.

On April 3, the first India-Central Asia Culture Ministers' Meeting was hosted by Minister of Culture, Tourism and Development of North Eastern region, G. Krishan Reddy, virtually. Minister Reddy called for "acknowledging the mutual historical, traditional and ancient links between India and the Central Asian countries". The meeting was a direct outcome of the India-Central Asia Summit held on January 27, 2022, which was hosted by Prime Minister Narendra Modi. The Summit laid emphasis on promoting cultural cooperation and strengthening the age-old cultural linkages that bind the people of Central Asia and India together.

The India-Central Asia Foundation organized an international 3-day seminar titled "Understanding Central Asian Perspectives on Eurasia" from April 11-13. The conference discussed contemporary and historical perspectives driving today's geopolitical, economic and diplomatic issues and how they impact India. According to a statement issued at the end of the seminar, as Central Asia is caught between two conflict zones, the region has been experiencing a sense of vulnerability regarding security and the absence of economic interaction. The statement questioned how the strengthened strategic partnership between Russia and China would impact Central Asia.

A new chapter in the development of tourism between Kyrgyzstan and India began following the visit of Kyrgyz Deputy Minister of Culture, Information, Sports and Youth Policy to India. During his visit, he met the Uttar Pradesh Chief Minister Yogi Adityanath and Mr. Kishan Reddy, minister for culture, tourism and development, to discuss the current state, prospects, and initiatives of cooperation between Shanghai Cooperation Organization (SCO) member states in the field of tourism. The meeting, which was held in Varanasi, India, saw an exchange of views on the promotion of sustainable tourism and the future prospects and plans for a bilateral tourism trade between Kyrgyz Republic and India.

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(The views expressed are personal)
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COMMENTS