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The East-West Strategic Corridor from Central Asia to Europe and Ukraine's Interests

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Rich deposits of the energy resources are among the main determinants of the geopolitical potential of the Central Asia region. The American scientists Geoffrey Kemp and Robert Harkavy elaborated the theory of the “*strategic energy ellipse*” stretching from the Caspian Basin to the southern part of the Arabian Peninsula via the Persian Gulf.¹ The *strategic energy ellipse*, which among others unites the Caspian regions of Kazakhstan, Uzbekistan and Turkmenistan, contains over 70% of the world’s proven oil reserves and over 40% of the natural gas reserves. It describes the *strategic energy ellipse* as a key region for the future development of the world political and economical affairs.

Energy resources are the decisive factor of the economical development of Central Asia countries. According to the global research “*The World in 2050*”, provided by HSBC, Kazakhstan, Uzbekistan and Turkmenistan are on the list of fast-growth countries for the period until 2050, with respect to their economical potentials.² At the same time, the governments of Kyrgyzstan and Tajikistan permanently face the problems of poverty and unemployment within their population.

Central Asia countries demonstrate sustainable growth in the *Human Development Index (HDI)* composite statistical analysis of life expectancy, education and income indices, provided by the United Nations’ annual Human

development reports. Nevertheless, the HDIs of Central Asian countries remain comparatively low. According to the Human Development Report 2013 only Kazakhstan occupies a place in the list of the countries with a high human development (69 in the total rating). Turkmenistan (102), Uzbekistan (114), Kyrgyzstan (125-126) and Tajikistan (125-126) are among the countries with a *medium human development*.³

The strategic bridge between Central Asia and Europe

The East-West Corridor, which links Central Asia with Romania (the EU area) via the Caucasian region, remains a strategically important element on the geopolitical map of Eurasia. Being a geographical bridge between the Central Asia region and Europe, it provides opportunities for the transportation of energy resources and other goods and services, enhancing the trade relations which involve five Central Asia countries, the EU, Romania and the other separate interested EU members, Caucasian countries (Georgia, Azerbaijan and to a lesser extent Armenia), and the neighbouring countries (Ukraine and Turkey). It also facilitates the access of the Corridor and neighbouring countries to the large Asian markets, especially the Chinese, Indian and Pakistani ones.

Due to its geographical position and the different potential of the countries involved the East-West Corridor facilitates the initiation

¹ Kemp G., Harkavy R. *Strategic Geography and Changing Middle East*. – Washington: Brookings Institution Press, 1997 – 493 p.

² The World in 2050. From the Top 30 to the Top 100 // Exhibition Pilot. - <http://www.exhibitionpilot.com/sites/default/files/pdf/The%20World%20in%202050%20Top%2030%20to%20100.pdf>

³ Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World // UNDP. - http://hdr.undp.org/en/media/HDR_2013_EN_complete.pdf

and realization of various new multinational infrastructural projects, especially in the area of transportation of oil and gas resources. Besides the cooperation in trade, energy resources and infrastructural areas, the Corridor opens a wide spectrum of opportunities for the beneficial cooperation in political and security issues with the involvement of actors with different potential from the European, Caucasian and Central Asia regions.

The intensification of the relations between countries in the framework of the Corridor will facilitate the ensuring of energy security for the European Union, contribute to the preserving of the security in the Black Sea area and give a new impetus to the democratic processes in the Caucasian (especially in Azerbaijan) and Central Asian countries. Moreover, the intensified cooperation and the mediation of the other participating countries could lead to progress in the resolution of the conflicts between Turkey and Armenia, Azerbaijan and Armenia, and the conflicts in the Fergana Valley.

In the future, under the condition of the common interests of a number of participators, the East-West Corridor could lay the ground work for the establishment of new regional integration formations. Due to the potential of each participating country, these prospective formations could turn into significant geopolitical players on the international scene and solve a number of political, energy, economical and security dilemmas especially, in the Central Asia region.

The East-West Corridor in the light of Ukraine's foreign policy and national interests

The advantageous geographical position, the largest territory in Europe, nearly 52 million of population, a well developed industrial base and the third largest nuclear arsenal in the world (ranking after the United States and the Russian Federation) created the preconditions needed by the newly independent Ukraine to turn into a powerful geopolitical actor in Europe. After more than 20 years of independence, one can admit that Ukraine failed to use its initial opportunities in full.

During its period of independence Kyiv has been conducting a changeable and sometimes vacillating foreign policy. In separate instances Ukraine demonstrated intent towards the intensification of cooperation with the Western countries, emphasized on the necessity of rapprochement in the relations with the Russian Federation, announced the plans to integrate into NATO, declared the non-aligned policy etc. In 2010 Ukraine proclaimed the multi-vector course of the foreign policy with the emphasis on the issue of integration into the European Union.⁴ However, despite the progress of negotiations on the Association Agreement, the Ukrainian policy towards the integration into the EU contains a significant element of the

⁴ Law of Ukraine On Foundations of Domestic and Foreign Policy (In Ukrainian) // Verkhovna Rada of Ukraine. - <http://zakon2.rada.gov.ua/laws/show/2411-17>

declarative approach, especially in meeting the democratic and economic standards.

Such uncertainty is determined by the number of internal (political mainstreams, social attitudes, economic situation etc) and external factors (the dynamic processes in international environment with the changing challenges, risks, prospects etc). Among the external factors which affect the Ukrainian foreign policy, the first place is occupied by the policy of the Russian Federation which employs a toolbox of eclectic measures of pressure (rise of prices for gas resources; trade wars; diplomatic provocations; military presence in the Crimea peninsula; activities of the representatives of the Russian Orthodox Church and the affluent pro-Russian lobby groups in political, business, scientific and academic circles; manipulation using the public opinion of the Eastern population of Ukraine etc.) to keep Ukraine in the radius of its exclusive influence.

"Without Ukraine, Russia ceases to be a European empire. Russia without Ukraine can still strive for imperial status, but it would then become a predominantly Asian imperial state...", argued Brzezinski in *"The Grand Chessboard: American Primacy and Its Geostrategic Imperatives"*.⁵ After more than 15 years this thesis is still valid. The current Russian efforts directed at the involvement of Ukraine into the Eurasian Union and prevention of the signing of the Association Agreement between Ukraine and the European Union highlight the important

place Ukraine occupies in the system of Kremlin's geostrategic interests.

The overall impact of the external and internal factors in sum with the lack of the political will among the respective Ukrainian authorities led to gaps in the conceptual planning of Ukraine's foreign policy. After more than 20 years of independence Ukraine still didn't work out any single comprehensive concept-based document in the area of foreign policy with the definition of the national interests, fundamental principles and key objectives for the Ukrainian diplomacy or the identification of the main actual challenges for Ukraine on the international scene. The Law on Foundation of Domestic and Foreign Policy, adopted in 2010, cannot solve this problem as long as its provisions remain mainly declarative and don't ensure in a full manner the efficient adaptability of the country to the dynamic processes in the current international system.

The Central Asia region occupies a special place for the officials in Kyiv on the world's geopolitical map. Despite the specificity of the foreign policy of Ukraine and the priority of its European vector, the region remains strategically important for its national interests.

The blackmail often used by Moscow and the inadequate gas price policy used in the relations with Ukraine forced the officials in Kyiv to look for alternative gas supply sources, including reverse gas supplies from European countries. According to the *Energy Strategy of Ukraine for the Period until 2030* the diversification of the sources of supply of the

⁵ Brzezinski Z. *The Grand Chessboard: American Strategy and Its Geostrategic Imperatives*. – New-York: Basic Books, 1997. – P. 42

energy resources is considered one of the key issues for ensuring the energy security of the country.⁶ In this context, the Central Asia region, with its rich deposits of the natural gas, remains eminently important for the Ukrainian energy sector. However, the opportunities for the establishment of large-scale mutually beneficial trade relations in the area of energy resources (especially natural gas) between Ukraine and Central Asian countries (especially Turkmenistan and Kazakhstan) are significantly restricted by the position of the Russian Federation regarding the issue of transportation of energy resources from Central Asia to Ukraine through its territory.

Except the need of diversification of the sources of supply of the energy resources, Ukraine is strongly interested in developing cooperation with Central Asian countries in other economic sectors as well. For instance, Central Asian markets are attractive for exported Ukrainian goods in the areas of mechanical engineering industry, chemical industry, agricultural sector, metallurgical industry etc.⁷ In order to enhance the development of the business relations, a number of Ukrainian companies opened representative offices in the region.⁸ During the span 2000-2010 companies of

the Ukrainian military industrial complex concluded a number of contracts with Central Asian countries on the supply of naval military equipment (combat crafts), small arms and artillery-type weapon as well as mechanical service of their armor(ed vehicles).⁹

The East-West Corridor which unites Central Asia with Europe, coming near the Ukrainian border, facilitates the further development of trade relations between Ukraine and Central Asian countries. It proposes new ways of supplying Ukrainian goods to Central Asian customers and its actuality is incessantly increasing in the light of the frequent trade wars with the Russian Federation. Moreover, the Corridor creates additional conditions for Ukrainian goods needed to conquer other markets (especially the Georgian and the Azerbaijani markets) situated on their way to Central Asia as far as the main items of the Ukrainian export to Central Asian countries are practically identical with the ones meant for Georgia and Azerbaijan (products of mechanical engineering industry, chemical industry, agricultural sector, metallurgical industry etc).¹⁰

The East-West Corridor could give a new impetus to the supply of natural gas from Central Asia to Ukraine. Moreover, it creates new preconditions for Ukraine's further diversification of sources of supply for energy

⁶ Energy Strategy of Ukraine for the Period till 2030 (in Ukrainian) // Ministry of Energy and Coal Industry of Ukraine. - <http://mpe.kmu.gov.ua/fuel/control/uk/doccatalog/list?currDir=50358>

⁷ Central Asia (in Ukrainian) // Ministry of Foreign Affairs of Ukraine. - <http://mfa.gov.ua/ua/about-ukraine/bilateral-cooperation/central-asia>

⁸ Lyashenko T. Transformation of the Political Systems in the Central Asian Countries: National and Regional Aspects (in Ukrainian). – Kyiv, 2011. – P. 205

⁹ Lyashenko T. Transformation of the Political Systems in the Central Asian Countries: National and Regional Aspects (in Ukrainian). – Kyiv, 2011. – P. 206

¹⁰ Central and Eastern Europe (in Ukrainian) // Ministry of Foreign Affairs of Ukraine. - <http://mfa.gov.ua/ua/about-ukraine/bilateral-cooperation/central-europe>

resources, especially by the means of the possible intensification of the trade relations in the area of energy resources with Azerbaijan, which has rich deposits of oil and natural gas and remains an important tie element in the Corridor between Europe (Romania) and Central Asia.

The East-West Corridor opens up new prospects for the establishment of large-scale infrastructural projects, especially in the area of supply of the energy resources, projects Ukraine could participate in and gain significant benefits. Gazprom's activity of building gas pipelines from Russia to European countries by-passing Ukraine (especially Nord Stream, South Stream, Yamal-Europe 2) actualizes the issue of searching for the new ways of using Ukraine's gas transportation system. In this context, the participation in the new projects in the area of supply of the energy resources in the framework of the Corridor will enhance the Ukraine's national energy security.

The European Union will also benefit from the abovementioned potential projects involving the gas transmission potential of Ukraine. The new ways of supplying energy resources will help the EU to minimize the risks regarding the disruptions in supply of the energy resources from Russia and reduce Kremlin's opportunities of using the tools of energy blackmail in the relations with the officials in Brussels and with individual EU members.

During the last three years there were held a number of negotiations and mutual visits, both on the highest and ministerial levels (especially on the levels of the foreign ministers and the ministers in the areas of natural resources etc.)

between Ukraine and Central Asian (especially Turkmenistan and Kazakhstan), and between Ukraine and the Caucasian (especially Azerbaijan) countries. Such intensification of bilateral relations confirms the significance of this vector for Ukraine's foreign policy and affords grounds to expect a further of Ukraine's intentions to expand and deepen the future cooperation with these countries in the framework of the East-West Corridor. Except the calculation of the prospective mutual benefits, the abovementioned cooperation is facilitated by a number of other factors, especially the common historic heritage (the Soviet period), economic, political and social ties (established during the Soviet times and the years of independence), and the large minority groups of Ukrainians in Central Asian (especially in Kazakhstan) and Caucasian countries as well as the representatives of these countries in Ukraine.

The East-West Corridor opens up new prospects for the development of the Ukrainian-Turkish relations within the strategic partnership. Both countries are interested in minimization of their dependence on the Russian energy resources (especially natural gas) and could make a significant contribution to the establishment of new prospective infrastructural projects in the area of supply of the energy resources from Central Asia and the Caucasian region to EU countries.¹¹ For example, Kyiv is studying the possibilities for

¹¹ Enverov R. The Energy Aspects in the Relations between Ukraine and the Republic of Turkey (in Ukrainian) // Strategic Priorities. - №4. – 2012. – P. 162

participation in the gas pipeline projects *Nabucco West* and *TANAP (Trans-Anatolian gas pipeline)*, which are going to run through the territory of Turkey.¹²

The abovementioned prospective projects will give the new impetus to the issue of the ensuring of the security in the Black Sea region and will stimulate consequently the further development of cooperation in the area of security between Ukraine and Turkey, especially in the framework of such initiatives as *BLACKSEAFOR* and the *Black Sea Harmony*, with the qualitative strengthening of the cooperation with the other participants of these initiatives, especially Romania and Georgia.¹³ As a result, such strengthened cooperation focused on security will lead to an increase in the level of trust between the abovementioned countries.

During the last few years the level of goods exchanged between Ukraine and Turkey has been sustainably increasing.¹⁴ The establishment of constructive cooperation in the framework of the East-West Corridor will enforce the future development of the Ukrainian-Turkish trade and economic relations, especially in the area of transportation and mutual investment.

The Corridor also creates the preconditions to bring to a qualitatively new level to Ukraine's

relations with Romania, which have a controversial character due to incidents involving territorial claims and disputes. However, both countries share the interest of the mutually beneficial cooperation. The joint border with the length of 613,8 km which is also the part of the border between Ukraine and the European Union actualizes the areas of border security, border crossing, preventing and combating illegal migration and trans-border crimes, protection of the rights of the national minorities, ensuring social, trade and cultural people to people contacts in the border regions, especially in the framework of the regulated small cross-border movement etc.

The trade and economic relations between the countries do not demonstrate stable tendencies and remain still far from meeting the interests of the officials in Kyiv and Bucharest.¹⁵ In this context, the Corridor could propose new prospective ways for the intensification of the mutual exchange of goods and service, both in direct trade relations and by using the transfer potentials of the countries.

Apart from the enforcement of the cooperation in the area of preserving the security in the Black Sea region (*BLACKSEAFOR*, *Black Sea Harmony* etc), the intensification of the relations between the countries in the framework of the Corridor, with the initiation of the new large-scale multinational projects,

¹² Vorotnyuk M. Ukraine-Turkey (In Ukrainian) // Ukrainian Perspective. Between the Strategic Partnership and Security. – Kyiv, 2013. – P. 40

¹³ Mkhytaryan N. State and Prospects of the Ukrainian-Turkish Relations. Analytical Paper (in Ukrainian) // National Institute for Strategic Studies, 2012 - <http://www.niss.gov.ua/articles/472/>

¹⁴ Trade and Economic Relations // Embassy of Ukraine in the Republic of Turkey. - <http://turkey.mfa.gov.ua/en/ukraine-tr/trade>

¹⁵ Trade and Economic Cooperation between Ukraine and Romania (in Ukrainian) // Embassy of Ukraine in Romania. - <http://romania.mfa.gov.ua/ua/ukraine-ro/trade>

will facilitate the initiation of joint Ukrainian-Romanian activities seeking a solution for the urgent security issues in the region. In this context, the officials in Kyiv and Bucharest are expected to intensify the cooperation in searching ways to establish efficient mechanisms for the solution to the *Transnistrian conflict*, which, despite the latent phase, restricts the political, social economic and trade relations in the region, and remains a source of security challenges and tensions.¹⁶

The establishment of the constructive cooperation in the framework of the East-West Corridor meets Ukraine's declared aspirations to integrate into the European Union. The effective use of the possibilities of intensification of the political, economical, trade and security relations with the other involved and neighbouring countries provided by the Corridor and the active participation in the joint prospective multinational projects could accelerate the economical development of the country, positively affecting its status in international environment and decreasing Ukraine's dependence on Russian gas resources. It also facilitates meeting the EU standards. Meanwhile, by providing the enhancement of mutually beneficial cooperation with Romania in different areas, Kyiv could enlist the support of Bucharest on its way towards the integration into the EU.

Moreover, the constructive cooperation in the area of the security with Romania and

Turkey as NATO members could bring significant results for Ukraine if the officials in Kyiv return to the idea of integration into the Euro-Atlantic security structures. Although this issue doesn't appear on the agenda of the Ukraine's foreign policy, the previous steps made in this direction (the experience of the relations during the distinctive partnership, the consent regarding the Ukraine's future membership in the NATO issued at the Bucharest Summit Declaration etc) and the current geopolitical processes don't exclude the probability of the abovementioned scenario.

Due to the possible benefits, the cooperation in the framework of the East-West Corridor could form the new vector of the Ukraine's foreign policy. Still, without fixing this vector at the conceptually based level, Ukraine will face difficulties in using in full all the possibilities provided by the Corridor and could follow the traditions of inconstancy and uncertainty on the international stage.

¹⁶ Rojansky M. Prospects for Unfreezing Moldova's Frozen Conflict in Transnistria // Carnegie Endowment for International Peace. -

http://carnegieendowment.org/files/Rojansky_Transnistria_Briefing.pdf