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## **The European Union's Economic Development Strategy and Cooperation with the Countries of Central Asia**

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#### ***Abstract***

The purpose of this study is to analyse the European Union (EU) economic and development cooperation in Central Asia. EU's economic support to Central Asian countries strengthens its position in this region. Central Asia is a key strategic area for cooperation and the EU seems to have deeper engagement. Moreover, this research highlights the EU's strategic gear up with Central Asian countries from 2007 to till now. Since the EU launched the Central Asia Strategy in 2007, the objective of this policy is to provide development assistance and establish diplomatic channels in the region. The following research questions rely on, why is Central Asia important to the EU and how does it shape relations with Central Asian countries? And this study relies on qualitative analysis that will be used in this research which addresses the main research problems. Further, the study uses the empirical approach to justify answers to the questions and identify the research outcomes.

**Keywords:** EU, Central Asia, Economy, Development, Strategic Cooperation, Geopolitics

## Стратегия экономического развития Европейского Союза и сотрудничество со странами Центральной Азии

### Аннотация

Целью данного исследования является анализ экономического сотрудничества и развития Европейского Союза (ЕС) в Центральной Азии. Экономическая поддержка ЕС странам Центральной Азии укрепляет его позиции в этом регионе. Центральная Азия является ключевой стратегической областью сотрудничества, и ЕС, похоже, более активно участвует в этом процессе. Кроме того, это исследование подчеркивает стратегическое сотрудничество ЕС со странами Центральной Азии с 2007 года по настоящее время. Поскольку в 2007 году ЕС запустил Стратегию по Центральной Азии, целью этой политики является оказание помощи в целях развития и установление дипломатических каналов в регионе. Следующие вопросы исследования основаны на том, почему Центральная Азия важна для ЕС и как она влияет на отношения со странами Центральной Азии? И это исследование основано на качественном анализе, который будет использоваться в этом исследовании, направленном на решение основных проблем исследования. Кроме того, в исследовании используется эмпирический подход для обоснования ответов на вопросы и определения результатов исследования. В результате ЕС имеет значительный объем торговли и инвестиций со странами Центральной Азии и нуждается в дальнейшем ускорении своего партнерства в этом регионе.

*Ключевые слова:* ЕС, Центральная Азия, Экономика, Развитие, Стратегическое сотрудничество, Геополитика

### Introduction

Central Asia is a strategically important region for the EU. It is located in the heart of Eurasia and has significant natural resources. The EU policy maker encourages European ties with Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan, and Tajikistan and deeply understands that Central Asia is a very important region in the geostrategic context. The EU's strategy toward Central Asia is strengthening its position in the Middle East and Afghanistan. EU's trade and investment can diminish the Chinese and Russian presence in Central Asia (European Commission, n.d.). The EU policy for Central Asia is a broad partnership in the areas of resilience, prosperity and regional cooperation. The Central Asian region is of "strategic importance"

to deepen cooperation with the countries of this region. In the mid-1990s, the discovery of hydrocarbon reserves in the Caspian basin affected the EU's policy toward Central Asia. Kazakhstan and Turkmenistan have huge reserves of oil and gas which has affected the EU's policy for this region. And both the countries have deeper economic and trade cooperation with the EU. The Central Asian countries have become significant energy exporters to the EU (Yazdani, 2009).

The EU's engagement with Central Asia has been neglected since the late 1990s. Most of political commentators stated that the EU has maintained its limited connection with Central Asian countries. The lack of strategy has been observed in the region of the EU and there was uncertainty about how to structure its vision for the region (Kavalski, 2016). Subsequently, the EU prepared for constructive trade and economic cooperation with Central Asia. The prime motto of the EU is to exploit the energy and transport oil and gas from Central Asia to the EU member states. The EU has negotiated with the Central Asian countries to provide oils and gas to the energy consuming states in Europe. In 1995, there are countries from the littoral states of the Caspian and the Black seas that participated in an international energy cooperation program. Interstate Oil and Gas Transport to Europe (INOGATE) had formed with the help of the EU under the EU's Europe Aid program. EU's partnership accounted as smooth and balanced with Central Asian countries since the 1990s. Without any major political controversies, the EU is shaping healthier partnership with the Central Asian region. The EU is always aware of other external partners in this region (Kluczevska, Dzhuraev, 2020).

The empirical research highlights how Central Asian countries have greater ties up for trade and economic partnership. The EU's diplomacy continuously tries to develop smooth partnership without external obstacles. Despite the presence of China, Russia and India, the EU has had success in this region, but on the other hand, there is the perception that the EU cannot compete with the US, Russia and China. The EU is emerging an important player compared to other the US, Russia and China and it is gradually successful to manage soft power politics in Central Asia. As an external power, the EU seems to play a normative role to cooperate with the Central Asian region. Moreover, the EU has emerged as the key actor in

the region and has been in the role of pathbreaking in trade and investment since 2007 (Konopelko, 2016).

The EU has the calibre to change the dynamics of normative power and change norms in global politics. In the case of Central Asia, the EU envisaged multi-purpose cooperation and its acts to change norms about the legacy of communism in this region. The EU always wants to play on its pitch as external actor and partner countries to support the criteria of the EU (Kavalski, Cho, 2018). The EU wants to develop its own mechanism in Central Asia in the context of liberal democratic norms and it would oppose the China's preference to run as the state-driven response in the region. The EU's normative policy in Central Asia could be the cause of China's suspicion (Barton, 2021). Ian Manners has described an actor's role in international politics and talks about his capability what kind of changes wants to bring and the ability to "shape what can be "normal" in international life'(Manners, 2002, p. 253).

The goal of this research is to analyse the EU's economic engagement and its strategy for cooperation with the five Central Asian countries. In global politics, there is a struggle to grab power among international actors to achieve more geopolitical success in the current scenarios of economics and business (Anghelescu, 2018). In the context of Central Asia, the EU have to manage its position stronger in the region in the presence of the US, China, Russia and India. The EU foreign policy is deeply associated with the neoclassical realist theory in the context of the strategy for Central Asia (Ripsman et al., 2016). This research examines the EU economic and development framework for Central Asian countries. To what extent has the EU been successful in Central Asia? The five Central Asia countries have several infrastructural works and projects of international power and their work has been reflected. The EU occupies a good position among these power groups in the region.

### Literature Review

The EU adopted the new policy and its first development cooperation strategy towards Central Asia, "EU and Central Asia: Strategy for a New Partnership" in 2007 (CA Strategy)" (Şahin, Dugen, 2015). Nanay and Stegen (2012)

highlight, the EU's engagement in Central Asia has been developing gradually since the 1990s. There was a scarce partnership between the EU with Central Asian countries in the early 1990s. Due to the lack of institutional structure in the region, the EU couldn't establish mature cooperation with Central Asian countries (Nanay, Stegen, 2012, pp. 347–348; Youngs, 2009).

The EU legacy is that non-member states need to promote good governance, a stable democracy, respect for human rights, a functional market economy, and the rule of law. It is the norm of the EU to easily connect with countries across the world. The EU's style of work is more structural for the establishment of a welfare state. The EU policy is trying to establish democratic states and continues to work in Asia, Africa, Latin America, the Indo-Pacific region and other regions of the world where these countries need humanitarian assistance, aid and other help (Winn, Gänzle, 2022). The European Council (EC) adopted a strategy for a new partnership for Central Asia in 2007, which is the central foreign policy of the EU. This EU strategy aims to integrate at different levels in Central Asia. The EU is keen to engage in Central Asia as a promoter of democracy, rule-based administration, institutional reform, good governance, respect for human rights, the promotion of an independent, civil society, higher education and transparency of public finances. (Hoffmann, 2010, pp. 87–88).

Central Asian countries have accepted and placed EU initiatives on sustainable development, education, health and security. Young people in this region appreciate the valuable work of the EU in the economic and social field (European Commission, 2021). Fawn (2021) discusses the EU's desire to mitigate the influences of other international players as competitors in Central Asia. EU engagement is established across the region, but it does not diminish the intent of other global players. China and Russia have been cooperating in Central Asian countries since the 1990s and have a trade and investment partnership. Despite the presence of China and Russia, the EU wants deeper cooperation among Central Asian countries with its own ideas and standards. China's Belt and Road Initiative projects have been adopted by the Central Asian countries. China expands cooperation on a larger scale and wields influence in trade, aid and infrastructure development. Russia is the core ally of Central Asia countries since the era of the Union of Soviet Socialist Republics (USSR).

The Central Asian countries are the members of the Russia-led Eurasian Economic Union (EAEU) and Collective Security Treaty Organisation (CSTO), thus Russia's security presence in the region has geostrategic behaviour through the formation of military alliance. The EAEU provides opportunities for Russia's economic partnership with Central Asia. Russia has a number of Central Asian people who have jobs, businesses and other work. Despite these ties and the legacy of the USSR, Russian dominance is politically limited and inconsistent in the region. Russia feels that it has competition with the EU in soft power in the cultural and educational context (Fawn, 2021).

Despite internal challenges, the EU is a key supporter of regionalism and is working as an exemplar of region-making. The EU itself sets an example of a strong regional organisation and its policy affected other regional organisations around the world. The EU faces many challenges in Central Asia, despite many obstacles, the EU has promoted regionalism in Central Asia. According to Peter Burian, who is the EU special representative, says the EU wants to shape the region for deeper cooperation in the area of trade, investment and manufacturing. The central theme of the EU is that regional cooperation is a factor in sustainable development and stability (Burian, 2019). EU institutions have mainly focused on influencing the transformation of laws and legislation to protect investments in Central Asian countries. European lobby groups have taken a deep interest in the region for free and fair trade and economic cooperation between Central Asian countries. EU entrepreneurs want fewer restrictions on investments in the context of case law and legislation from the Central Asian countries (Moisé, Sorbello, 2022).

The EU foreign policy agenda for economic cooperation in Central Asia highlights an extensive policy that can collaborate with Central Asian countries on a larger scale under the neoclassical realist approach. It can be useful to shape the EU's agenda among the Central Asian countries to unite under a common understanding of what the EU wants to be envisaged. The EU as a regional organisation can maintain a significant reach among the five Central Asian countries with multiple layered approaches. The constructivists state and analysing the idea about the EU is a normative power in this region (Maurer, Simão, 2013, p. 94). Its main motto is to create value-based external affairs ideas with neighbouring states. Thus, the EU is trying to

establish of democratic set-up with a coherent approach to accelerate its vision in the region in a better discipline manner.

Gideon Rose (1998) coined the term neoclassical realism which indicates foreign policy approaches for other global organisations and regions in the context of bilateral and multilateral cooperation. Neoclassical realists point out that material capacity, as well as institutional structure, affects the behaviour of states in international politics through the power of institutional perception and decision (Rose, 1998, pp. 146–147). According to the neoclassical realist approach, the global system safeguards the three main characteristics propagated by Kenneth Waltz in the theory of neorealism: the degree of differentiation, the principle of order system and the capabilities of distribution power among components (Ripsman et al., 2016, p. 36).

The EU itself proved, “It is a complex actor, in recent years EU has become more influential in the international power domain, albeit the EU is relatively impacted in the comparison of established international players which is somewhat contested.” It is considered by many political scientists and researchers as a *sui generis* player (Özoğuz-Bolgi, 2013, p. 3), since the last two decades, the EU aspires to have international influences, which has necessitated various foreign policies and successfully associated with many regional partners across the world (Duke & Vanhoonacker, 2017, p. 25). The geostrategic location of the countries of Central Asia is one of the core areas which has enormous weightage in the context of trade and commerce. It is an adjacent point to connect Asia and Europe through road which is beneficial for economic cooperation towards the Indo-Pacific region through the use of road connectivity from Central Asia. It is an important area in international relations where Russia, the US, China and India have stronger trade and economic activities in the region. Central Asia has been influencing the external affairs policy of key global players since the era of the Soviet Union (Bharti, 2022).

### **Theoretical Framework**

In reality, however, the EU has tough competition in Central Asia with Russia and China. As for geopolitical concerns, both the countries have a stronger physical presence as normative ones in the current global order. The tools of

soft power are used to explore the region by the major international players. As a geopolitical asset, the EU is deeply engaged in the pan-Eurasian region (Laumulin, 2019).

EU's cooperation with the Central Asian countries describes according to the 'role theory' which is coined by K. J. Holsti. Since 1970, the role theory has been utilised in global politics to understand foreign policy, diplomacy and economic cooperation (Holsti, 1970). He discusses national interest as the core area and the conception of states' perception to construct mechanism for global friendship to build bilateral and multilateral cooperation. The EU as the regional organisation is playing an important role in international politics in making economic and trade cooperation. The EU is playing a pragmatic role in international politics as a peacemaker and supports the building of democratic institutions across the world. Its role is to strengthen the European countries' economic and trade partnerships in Asia, Africa, Latin America and Pacific countries.

The international trade theory is directly attached to the concept of "terms of trade." It is an important concept of economic and trade cooperation. This theory is the conceptual basis and correctly defines exports and imports between international actors. The EU's objective is to ensure that the unified region of "Central Asia" adopts the basic agenda of modern democracy and to build institutions in the region. In the 1970s, the theory of new institutionalism developed and many scholars were involved in the study of organisations' role in international relation. The growing importance of organisations attracts social scientists which kind of transformation is occurring in world politics and its role to make the regional organisations as well. New institutionalism theory is applied to calculate the role of the EU in the creation of another regional organisation in Central Asia. The EU is an important factor in this region despite the heaviest position of Russia and China in Central Asia. The new institutionalism is considered a mature theory in international relations. The EU's presence in any region of the world means there will be strong democratic institutions and norms to accelerate the establishment of a welfare state (Jennings, Greenwood, 2003; Palmer et al., 2008).



## Data and Methods

The qualitative methodology used in this research justifies the research questions and main findings. Data collection methods include textual analysis and an empirical approach to shape research. This research deeply investigates the research problems of using primary and secondary data from various data sources. Data will be collected from official websites of the European Commission, World Bank, government websites, journal articles, books, reports from think tanks, databases and documents published online. Quantitative data on the EU's investment and trade in Central Asia will be taken from Europa, Astana Times, Eurostat and the UN Comtrade of the United Nations. The quantitative data will be analysed according to the qualitative method.

The EU's trade and investment have gradually increased year by year since 2007. Today, the EU is one of the main trading partners among the countries of Central Asia. The EU is the third largest trading external partner in the region. Despite of EU's deep interest in Central Asia, the overall commercial partnership doesn't speed up and remained modest in trade turnover. Central Asian exports to the EU are still influenced by a few products, i.e., gas, metals, crude oil and cotton fibre. The EU exports to Central Asia are in manufacturing, transport equipment and other areas (Gupta, 2021). The energy sector is the key area which is extending strong ties up with the Central Asian countries since the cooperation started. Kazakhstan's 80 percent of oil products have been exported to the EU. The Caspian Sea Pipeline is deepening energy export from Central Asia to European countries. The EU is focusing on supplying oil and gas from the Caspian and Central Asia to meet the needs of EU member states (Yenikeyeff, 2011). Cooperation in the nuclear industry shapes the wide EU engagement in Central Asia. Before entering into the cooperation in the nuclear field, the area of hydrocarbons was a core engagement between the EU and Central Asia. The EU has great capabilities to build nuclear power plants in Central Asia (World Nuclear Association, 2022).

The EU's companies are established in the area of minerals and metallurgy. The EU's enterprises have deeper cooperation in the energy industry

**Table 1.** EU-Central Asia Trade, Product Wise in 2020 (in million EUR)

Products	Imports	Exports
Food and live animals	141	426
Beverages and Tobacco	1	69
Crude materials, inedible, except fuels	272	122
Minerals fuels, lubricants, and related materials	11,654	83
Animal vegetable oils, fats, and waxes	0	7
Chemical and related prod	283	2300
Manufactured goods are classified chiefly by materials	615	682
Machinery and transport equipment	43	4,335
Miscellaneous manufactured article	33	949
Commodities and transaction	64	46
Other	114	112
Total	13221	9,131

Source: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/region/details\\_central-asia-5\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/region/details_central-asia-5_en.pdf).

in Central Asia. Despite huge competition at the global level, the EU become a major player in this region. As part of the 2019 strategy, the EU has focused on three priority areas, for example, working together for better cooperation, a partnership for prosperity and peace and partnering for resilience (European Commission, 2019a).

**Table 2.** EU-Central Asian Countries Trade in 2013-2017 (in million EUR)

Years/Country	EU Import					EU Export				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Kazakhstan	23,865	23,859	16,247	12,743	17,656	7,472	6,751	6,197	5,076	5,103
Kyrgyzstan	77	80	51	73	166	399	401	270	238	293
Tajikistan	89	61	58	94	43	196	216	166	175	172
Turkmenistan	866	816	427	637	253	1,082	1,154	1,095	1,169	895
Uzbekistan	247	233	246	175	221	1,404	1,404	1,591	1,625	1,688
<b>Total</b>	<b>25,144</b>	<b>25,049</b>	<b>17,029</b>	<b>13,722</b>	<b>18,339</b>	<b>10,553</b>	<b>9,926</b>	<b>9,319</b>	<b>8,283</b>	<b>8,151</b>

Source: European Commission, 2018.

**Table 4.** Trade in goods with Central Asia, 2018–2020 (in billion EUR)

Year	EU imports	EU Exports	Balance
2018	20.7	8.6	-12
2019	19.1	9.5	-9.7
2020	13.2	9.1	-4.1

Source: <https://ec.europa.eu/trade/policy/countries-and-regions/regions/central-asia/>.

**Table 5.** EU trade with the five Central Asian countries (Trade flows in 2021, in million EUR)

Harmonise System (HS) Value in Euro (Million)		Imports				Exports			
		Total Percent	Extra-EU (Percent)	Growth Percent	Value in Euro (Million)	Total Percent	Extra-EU (%)	Growth (%)	
1	Live animals; animal products	26	0.1	0.1	-21.4	154	1.7	0.4	-13.5
2	Vegetable products	287	1.5	0.5	17.2	178	2.0	0.4	10.5
3	Animal or vegeta- ble fats and oils	0	0.0	0.0	7.6	10	0.1	0.1	-7.4
4	Foodstuffs, bevera- ges, tobacco	18	0.1	0.0	1.1	307	3.4	0.3	18.6
5	Mineral's products	16,282	87	3.8	39.6	95	1.0	0.1	8.2
6	Products of the chemical or allied industries	554	3.0	0.2	113.1	2,079	22.8	0.5	-5.2
7	Plastics, rubber and articles thereof	61	0.3	0.1	151.4	283	3.1	0.3	12.6
8	Raw hides and skins, and saddlery	11	0.1	0.1	58.8	26	0.3	0.1	24.3
9	Wood, charcoal and cork and articles thereof	0	0.0	0.0	403.9	26	0.3	0.1	39
10	Pulp of wood, paper and paperboard	5	0.0	0.0	-36.1	159	1.7	0.4	34.5
11	Textiles and textiles articles	165	0.9	0.2	42.3	200	2.2	0.3	11.7
12	Footwear, hats and other headgear	1	0.0	0.0	20.3	45	0.5	0.3	12.4

Harmonise System (HS) Value in Euro (Million)		Imports				Exports			
		Total Percent	Extra-EU (Percent)	Growth Percent	Value in Euro (Million)	Total Percent	Extra-EU (%)	Growth (%)	
13	Articles of stone, glass and ceramics	6	0.0	0.0	31.1	87	1.0	0.3	-16.9
14	Pearls, precious metals and articles thereof	153	0.8	0.3	127.2	19	0.2	0.0	8.7
15	Base metals and articles thereof	899	4.8	0.6	53.9	233	2.6	0.2	-26.9
16	Machinery and appliances	53	0.3	0.0	72.4	2,900	31.8	0.5	-1.8
17	Transport equipment	16	0.1	0.0	19.8	1,292	14.2	0.4	4.2
18	Optical and photographic instruments, etc.	3	0.0	0.0	62.2	668	7.3	0.6	21.4
19	Aims and ammunition	0	0.0	0.0	-75.1	63	0.7	1.4	323.5
20	Miscellaneous	1	0.0	0.0	-0.8	175	1.9	0.4	-10.9
21	Works of art and antiques	0	0.0	0.0	37.2	0	0.0	0.0	-47.9
22	Not classified	167	0.9	1.0	32.4	113	1.2	0.5	-9.5

Source: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/region/details\\_central-asia-5\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/region/details_central-asia-5_en.pdf)

Since 2010, the EU member states are strengthening their position in the context of investment in the region. EU Member States have invested US\$121.3 billion in Central Asian countries, which exceeds 4 percent of total foreign direct investment (FDI) in the region. Thus, EU member states assimilate the Central Asia policy to deepen ties in this region and Central Asia got one-third of its foreign trade from the EU countries. In 2021, the EU trade turnover with Central Asian countries has increased by 18.4 percent to USD 20.8 billion. Kazakhstan is receiving larger European investment and its economy grew by 14.1 percent to USD 4.7 billion (The Astana Times, 2021).

**Table 6.** EU Trade with the five Central Asian countries (Trade flows by Harmonise System, 2018 – 2021).

HS Sections	Imports Values (Euro in Million)				Exports Values (Euro in Million)			
	2018	2019	2020	2021	2018	2019	2020	2021
Live animals; animal products	38	34	33	26	126	156	178	154
Vegetable products	264	292	245	287	154	154	161	178
Animal or vegetable fats and oils	1	1	0	0	8	9	11	10
Foodstuffs, beverages, tobacco	9	8	17	18	266	282	259	307
Mineral's products	18,592	17,315	11,668	16,282	96	122	87	95
Products of the chemical or allied industries	271	277	260	554	1,497	1,619	2,192	2,079
Plastics, rubber and articles thereof	27	22	24	61	240	268	251	283
Raw hides and skins, and saddlery	12	11	7	11	31	28	21	26
Wood, charcoal and cork and articles thereof	0	0	0	0	28	29	42	26
Pulp of wood, paper and paperboard	5	5	8	5	111	119	118	159
Textiles and textiles articles	96	98	116	165	217	216	179	200
Footwear, hats and other headgear	1	1	1	1	59	48	40	45
Articles of stone, glass and ceramics	8	11	5	6	108	124	105	87

HS Sections	Imports Values (Euro in Million)				Exports Values (Euro in Million)			
	2018	2019	2020	2021	2018	2019	2020	2021
Pearls, precious metals and articles thereof	91	134	67	153	15	17	18	19
Base metals and articles thereof	747	692	585	899	444	423	318	233
Machinery and appliances	32	27	31	53	3,510	3,752	2,953	2,900
Transport equipment	34	10	13	16	1,014	1,313	1,240	1,292
Optical and photographic instruments, etc.	3	6	2	3	380	448	551	668
Aims and ammunition	0	0	1	0	6	13	15	63
Miscellaneous	1	1	1	1	180	243	197	175
Works of art and antiques	0	0	0	0	0	0	1	0
Not classified	440	172	126	167	137	80	125	113
<b>Total</b>	<b>20,672</b>	<b>19,118</b>	<b>13,210</b>	<b>18,709</b>	<b>8,629</b>	<b>9,463</b>	<b>9,061</b>	<b>9,112</b>
Product Groups	2018	2019	2020	2021	2018	2019	2020	2021
Agriculture products	295	318	276	323	558	601	612	650
Fishery products	37	33	32	24	5	7	6	8
Industrial's products	20,340	18,767	12,903	18,362	8,066	8,066	8,444	8,454

Source: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/region/details\\_central-asia-5\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/region/details_central-asia-5_en.pdf).

Empirical data shows that the EU's import rate is higher than export to Central Asia. The aforementioned data also proves that trade and economic cooperation is going in a better way between the EU and countries of Central Asia. During 2018–2021, the export and import rate have gradually increased in different sectors.

## Results and Discussion

In 2007, the EU sees the region as strategically important in the context of geopolitical connectivity from Central Asia to Afghanistan. Under the German Presidency, the EU's Strategy in 2007 was designed to make it more relevant in Central Asia. EU policy objectives converged on issues of good governance, the rule of law, human rights, the promotion of democracy and energy security. These standards are also applied to the new Member States as well as the EU seems to apply to partners beyond Europe. The five Central Asian countries supported the EU's cooperation policy in the region (Anghelescu, 2020). In 2019, the EU adopted a new strategy for this region and Brussels's vision toward Central Asia for extensive partnership and agreed to promote regionalism and higher education. The EU seems to have multi-dimensional cooperation among Central Asian countries. The EU wants to promote regional development and enhance cooperation and dialogue. Thus, the EU is initiating work on the pace of Central Asian countries (European Commission, 2019b).

Moreover, the EU will have to improve its visibility in the region if it wants to have more connections among the five Central Asian countries. The EU has immense challenges from China, India and Russia to establish their policy with Central Asian countries. The EU must work on security issues and threats of terrorists if the EU wants to enter Afghanistan through the land route of Central Asia (Laumulin, 2019).

The Prime Minister of Kazakh Askar Mamin proposed the establishment of the "European Union-Central Asia Business Council" during the "EU-Central Asia Economic Forum" on 5<sup>th</sup> November 2021. During the forum meeting, Mamin said that the EU was one of the most reliable and stable economic partners in Central Asia. Mamin stressed that partner countries in Central Asia should strengthen their ties and work within the framework of the EU. He emphasized that the Central Asian countries need to make new generation transport chains toward Europe for better connectivity between both sides. Further, the forum agreed to improve the accessibility of infrastructure and quality in the region (The Astana Times, 2021).

On the 5<sup>th</sup> November 2021, the economic forum took place in Bishkek (Kyrgyzstan) within the EU strategy for Central Asia, which was adopted in

2019. The EU remains an important partner for the Central Asian region due to its income level, market size, standards and trade rules. The EU strategy of 2019 aims to strengthen trade and economic ties between the countries of Central Asia. The European Union-Central Asian Economic Forum has started collaborating on digitalization, green recovery and better trade and economic environment (Khitakhunov, n.d.). The EU is a growing economic partner and the largest investor in Kazakhstan. The US\$160 billion investment in Kazakhstan by the EU is boosting infrastructure development in the country. Thus, Kazakh's economic and trade cooperation is growing with European countries (Kazinform, 2021).

Between 2014 and 2020, the countries of Central Asia received a fund of EUR 1.02 billion from the "Development Cooperation Instrument (DCI)". The EU also provided funds (EUR 360 million) for the regional development programme as bilateral assistance to Central Asia. Central Asian countries have received funds from the key EU funding program for innovation, research and technical education under "Horizon Europe". In 2020, bilateral trade in goods amounted to 22.3 billion euros in the region, in addition to this, 4.1 billion euros of surpluses in favour of the countries of Central Asia. The main areas of cooperation are regional security, education, socio-economic development, numerous levels of infrastructural development and sustainable management of natural resources (Soutullo et al., 2021).

The EU assistance in the Central Asian region is increasing over the periods and the region received €1.1 billion between 2014 and 2020. Central Asian countries received €675 million in 2007-2013. Furthermore, the European Bank for Reconstruction and Development and the European Investment Bank has participated in the financial support of the countries of this region. The two institutions have invested €11.3 billion in the countries of Central Asia. The EU initiative is the 'Central Asia Investment programme which has been strengthening bilateral cooperation in the region since 2007. After the United States of America (US) and China, the EU is the largest energy consumer and 55 percent of energy resources came from Central Asia to the EU countries (Dutta, 2019).

The EU is known as a great example of regionalisation and runs many institutions in democratic ways in Europe. EU has settled down an example of regional cooperation that has command of the development process.



Consequently, the EU successfully solved the problem of the recession itself and tried to establish a better economy in Central Asia. In Central Asia, the EU will be the bridge among Central Asian countries for better cooperation. This can help minimize military clashes in Central Asia. For the establishment of peace and prosperity among the countries of Central Asia, the EU could act as a mediator to solve problems (Naarajärvi, 2012).

The EU's 2019 strategy for Central Asia is an acceleration of development projects in the entire region. The EU diplomacy seems to have connectivity in Afghanistan through Central Asia. It would be difficult for the EU to integrate into Afghanistan in the context of security threats. By and large, this research indicates that the new EU strategy aims to connect other immediate neighbours in the Central Asia region, especially in South Asia, which will strengthen the iconic agenda of the Europe-Asia connection of the EU. Today, the EU seems to reach the level of global connectivity in today's international arena of geopolitics and geoeconomics (Anghelescu, 2018).

The new EU strategy has maintained a new balance between bilateral and regional approaches. The EU and Central Asian countries focus on building trust between both sides for an extensive partnership for future courses of action. Here, for instance, the students of Central Asian countries have been provided Erasmus Plus scholarships by the European Commission. It is strengthening higher education in the region and other research associate programmes have been funded under the Erasmus Horizon projects to the Central Asian institutions and universities (Böttger, Plottka, 2018).

Russia is known as a source of stability, security, and territorial integrity in the countries of Central Asia. But after the Russian invasion of Ukraine, the Central Asian countries are scared about their sovereignty. On the issue of Russian aggression in Ukraine, Central Asian countries tried to remain neutral. In the United Nations General Assembly (UNGA) on the 2<sup>nd</sup> March, 2022 special emergency session was called on the issue of Russian invasion of Ukraine. Kyrgyzstan, Tajikistan and Kazakhstan abstained during the session on the issue of voting against Russia and Turkmenistan and Uzbekistan were absent from voting (Wani, 2022). The EU is maintaining its cooperation with the countries of Central Asia and diplomatic relation doesn't affect after the Russian invasion of Ukraine. The people of Central Asian countries have sentiments for the people of Ukraine and they support the innocent people

**Table 7.** A comparative analysis of EU strategies for Central Asia

Similarities	Strategy differences between 2007 and 2019	
	EU Strategy 2007	EU Strategy 2019
Area of Cooperation 1. Human rights 2. Democracy promotion 3. Education 4. Economic development and cooperation 5. Energy and transport cooperation 6. Water and Ecology Management 7. Regional security 8. Intercultural dialogue	Stress on a new partnership	Stress on a stronger partnership
	The structure is more comprehensive and general	The structure is more detailed and specific
	A descriptive nature of the strategy	An analytic nature of the strategy
	General description of the strategy's implementation tools	Specific initiatives in each subsection
	Afghanistan is a priority in terms of regional security threats	Consideration of new security threats (cybersecurity, etc), including ISIS
	The budget is incorporated into the strategy with a basic breakdown (i.e., 70 percent for bilateral projects, and 30 percent for the promotion of regional cooperation)	A larger budget without any indication of breakdown, leaving priority areas for funding open to further determination

Source: <https://library.fes.de/pdf-files/bueros/bischkek/16168.pdf>.

of Ukraine. Russia's engagement with Central Asia would be weakened in the context of Russian aggression on Ukraine. The EU is having the upper hand to strengthen its geostrategic diplomacy.

The EU and Russia's engagement in the countries of Central Asia is worthwhile for several causes. Russia has had deeper engagement since the era of the Soviet Union with countries of the region. Furthermore, linguistic similarity and cultural aspects are one of the key legacies with which Russia has deepened cooperation with the countries of Central Asia. Despite the Russian strong foothold in Central Asia, the EU and USA present a model of political and economic development. The EU's policy also attracted the younger generation who moved towards the EU countries for jobs and higher education. China's BRI is spreading in the region and India has also deeper connection in the region. The EU's role is different from the other international powers to support the people to get high quality of life, for

example, education and training, scholarships, jobs, peace and prosperity, security and stability (Juraev, 2014).

### **EU's seven priority areas for engagement in Central Asia:**

- I. Human rights, the rule of law, good governance and democratization,
- II. Youth and education,
- III. The Promotion of economic development, trade and investment,
- IV. Strengthening energy and transport links,
- V. Environmental sustainability and water,
- VI. Combating common threats and challenges, and
- VII. Inter-cultural dialogue. (European External Action Service, 2009)

In December 2020, the EU and the Association of Southeast Asian Nations (ASEAN) entered into strategic partnerships after the 44 years of longstanding partnership. Regional organisations elevate their cooperation on common agenda which is mutual understanding on the issues of such as rules-based international order, effective and sustainable multilateralism, free and fair trade. Apart from this, the organisation is committed to utilise the Indo-Pacific concept of economic cooperation. Similarly, the EU's development cooperation started in 2019 for a more pragmatic partnership with the countries of Central Asia (European Union External Action, 2020).

The EU's strategic partnership with ASEAN strengthens its external engagement towards Southeast Asian countries. This partnership is shaping the European interest in the Indo-Pacific region as well as boosting the EU's Europe-Asia connection. The inter-regional partnership pioneer better opportunities for all the organisations in international politics. The Southeast Asian nations and other Pacific countries will get support from the EU's presence in the region. In the case of Central Asia, there is an unavailability of strong regional organisations like the EU and ASEAN. By and large, the EU has successfully achieved cooperation in the ASEAN region and as well in Central Asia (Allison-Reumann, Murray, 2021).

## Conclusion

The will of the EU is to promote its strategy in the countries of Central Asia and as an external actor to achieve the maximum objective. The EU wants to explore the region without jeopardizing current relation with Central Asian countries and continue trying to boost cooperation (Dzhuraev, Muratalieva, 2020). The research indicates that an enthusiastic cooperation is needed in the EU strategy to deepen cooperation. The cooperation of the two sides is necessary to strengthen bilateral cooperation to achieve major successes in the field of trade and investment. This research shows that Kazakhstan is the leading country in Central Asia, which has a wide range of energy supply to European countries, and Turkmenistan ranks second in oil and gas exports to the EU.

Despite the presence of major international players in Central Asia, the EU has successfully initiated its strategy for this region. Since 2013, China's BRI projects have attracted the attention of international players, because it connects the world. Even the Central and Eastern European countries and other EU member states have deep cooperation under the BRI framework (17+1 initiative in the CEE region) (M. S. Bharti, 2022). The EU's policy is to connect Afghanistan and other immediate neighbour countries of the Central Asia region. The South Asian region is not far from Central Asia, which is beneficial for the EU to connect through the railroad.

The EU's trade is growing year on year with Central Asian countries. The trade value of the EU has rapidly increased as import and export values with the five Central Asian countries. The result of this study highlights that the import of the EU is the highest in mineral products from Central Asia. Metal and its manufacturing are key products that are imported on a larger scale from this region. Research data show that the EU is a key regional organization that imports oil and gas from Central Asia to meet the energy needs of EU Member States. Both the sides have significant cooperation in the area of trade in goods. Since 2018, the EU has imported an appropriate level of trade in goods with Central Asia. The Central Asian region can meet the energy needs of the EU and Russia's threat to the EU member state to reduce energy supply. Since the Russian invasion of Ukraine, many countries

show their solidarity with the Ukrainian people and government against Russian aggression.

Finally, this research concludes that the EU needs to deepen trade and economic cooperation with Central Asian countries amid Russian aggression towards Eastern Europe. Central Asian countries understand the importance of the EU in European politics. Beyond Europe, the EU continues to integrate with other regional players globally. The EU's Copenhagen criteria are a core value that can improve the problems and development of the regions.

The EU's goal is to achieve energy security and its strategy work for the establishment of pragmatic cooperation with Central Asian countries (Rettman, 2011). China and Russia are the main competitors in this region and Central Asian countries are cooperating more with both the countries. Thus, the EU must maintain its cooperation to gain the confidence of these countries. By and large, the EU strategy of 2007 managed to increase multiple cooperation between both the blocks, this cooperation has been expanded with the new EU strategy of 2019. The role of the EU has become more important in uniting the countries of Central Asia.

The EU has gradually developed its geopolitical connection across the region for the establishment of functional institutions. This research finds out that the EU has developed trade and economic cooperation with the countries of Central Asia. During the period, the rate of export and import accelerated on both the sides. There are major challenges to the EU in comparison to the US, Russia and China. Because China's BRI and Russia's historical link with Central Asia is creating challenges to the EU presence in the region. This empirical research shows that the EU is an emerging player and focuses to settle down democratic institutions. Amidst the Russia-Ukraine war, the EU is continuing to try to promote Countries in Central Asia to be aware of democratic nations and aggression which is violating the norms of the international system and the sovereignty of Ukraine. This research suggests that there is a need to work on the geostrategic importance of the region and the EU's further step in Central Asia. There is a huge scope for further research on these important issues of geopolitics and the geostrategic importance of the region.

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