Energy Partnerships: Us Involvement in Central Asian Resource Development

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Abstract: This research article aims to shed light on the changing role of the United States in Central Asian resource development and its implications for regional geopolitics and global energy security by exploring the complexities and dynamics of energy cooperation.

Keywords: Specific challenges, requires diversification, economic benefits and challenges for Central Asian nations

Introduction

Energy partnerships between the US and Central Asian countries have emerged as a critical component of the US foreign policy agenda in recent years. The Central Asian region is endowed with significant energy resources, including vast reserves of oil, natural gas, and renewable sources, making it an attractive prospect for international energy cooperation. The US has actively engaged in partnerships with countries like Kazakhstan, Turkmenistan, and Uzbekistan to establish strategic alliances aimed at enhancing energy security and promoting economic development. Additionally, these partnerships serve as a means for the US to diversify its energy sources and reduce dependence on traditional suppliers.

Background information on Central Asian energy resources

Central Asia, a region rich in energy resources, plays a significant role in the global energy landscape. With a focus on sustainability and economic progress, the European Union has actively engaged in promoting energy security in the region through diversifying energy sources and enhancing cooperation among Central Asian countries (Sodikova Nargiza Abdurkhmanovna, 2024). This strategic approach aligns with the United Nations Sustainable Development Goals and underscores the importance of fostering long-term collaboration for mutual prosperity. Furthermore, as the logistics industry serves as a crucial link in the global trade chain, its impact on environmental performance in Europe and Central Asia is a key consideration. Studies have shown that logistics performance positively influences environmental health and ecosystem vitality in the region, underscoring the intricate balance between economic activities, environmental concerns, and sustainable development (M. Shamout, 2024). This nuanced interplay between energy resources, logistics operations, and environmental sustainability forms the backdrop for exploring the dynamics of US involvement in Central Asian resource development within the broader context of energy partnerships.

Central Asian energy resources and Central Asian countries are important for South Asian countries both in terms of ensuring energy security, increasing bargaining power against Russia and increasing the use of natural gas in vehicles by taking precautions against climate change. With the transition of widespread trucking in Central Asia, China and India to the use of natural gas, carbon dioxide emissions can be reduced by at least 50%. This situation will be important in creating a new opening through the "Middle Corridor." South Asian countries should not be considered without Central Asia.

Importance of energy partnerships for economic and geopolitical interests

Moreover, energy partnerships play a crucial role in shaping countries' economic and geopolitical interests. Through collaboration with other nations or multinational corporations, countries can diversify their energy sources, reduce reliance on a single market, and enhance energy security. Additionally, energy partnerships can contribute to economic growth by attracting foreign investment, creating jobs, and fostering technological advancements in the energy sector. For instance, the United States has engaged in energy partnerships with Central Asian countries to access their vast oil and natural gas reserves, strengthening its energy security and

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opening new markets for American companies. By pursuing strategic energy partnerships, countries can not only meet their domestic energy needs but also exert influence on the global energy market, solidifying their position in the international arena. This interplay between energy partnerships, economic development, and geopolitical influence underscores the importance of fostering cooperative relationships in the energy sector (National Intelligence Council, 2021-03).

Since January 2022, ECFR's Energy Deals Tracker has <u>charted</u> the major energy deals that the European Union and its member states have negotiated with partners around the world. The tracker has shed light on three key strategic challenges to the bloc's energy policy. These include the need to: build more diverse and resilient energy relationships; strengthen partnerships with near neighbours; and reconcile this with the EU's climate priorities.

On diversification, member states have succeeded in rapidly expanding their options, although this has confronted them with uneasy questions on when and how to work with autocracies.

On building stronger relationships close to home, Europeans have stepped up their cooperation with North African states, although there remains much more to do in this regard.

And on reconciling energy security with climate action, ECFR's tracker uncovered scarce coordination among EU member states and a relatively small number of agreements that have prioritized clean energy. There are efforts to correct this but they still need to show results.

The Energy Deals Tracker documents the EU's booming <u>reliance</u> on close allies, like Norway and the United States. However, taking into account the EU's energy demand alone, it cannot afford to only buy energy from countries with strong records on democracy and human rights. Indeed, out of 122 deals identified in the tracker, 37 concern countries that are widely considered "<u>not free</u>".

The challenge for Europeans is, therefore, to understand when they can invest in energy partnerships with authoritarian countries – like Qatar, Saudi Arabia, or Azerbaijan – and how to do this without giving up on the defence of human rights. One way to avoid tying one's own hands when working with autocracies is to diversify partners; from this perspective, it is encouraging to see that the EU is no longer putting all its eggs in one basket. Another way is to build more interdependent partnerships (see more below), providing Europe with enough leeway to remain vocal on its partners' human rights record. Lastly, these partnerships should be based not just on economic but also shared foreign policy interests.

US Engagement in Central Asian Resource Development

Furthermore, it is essential to consider the implications of US engagement in Central Asian resource development. The United States has actively sought to establish energy partnerships with countries in the region, aiming to diversify its energy sources and reduce dependence on volatile regions. However, critics argue that this involvement could perpetuate geopolitical tensions and lead to further instability in the region. The US has typically focused on promoting private investment and developing infrastructure to facilitate resource extraction, such as the construction of pipelines and transportation networks. While these initiatives may bring economic benefits to the region, they also raise concerns about environmental degradation and social impact. It is essential for the US to carefully navigate its role in Central Asian resource development to ensure sustainable and mutually beneficial outcomes for all stakeholders involved (Elizabeth Wishnick, 2002). Central Asia is seldom a top priority for U.S. foreign policy. After the dissolution of the Soviet Union, the United States was one of the first countries to recognize the five newly independent states – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. For most of the 21st century, however, Central Asia largely served as a launchpad for U.S. involvement in Afghanistan, and little more than that.

Since the U.S. withdrawal from Afghanistan, Central Asia's general perception of the United States has been that it's a transient and opportunistic foreign power. Polling on Central Asian public opinion of great powers (Russia, China, and the U.S.) from 2017-19 was not favorable for the United States. On a 100-point scale, with 100 meaning "very favorable," the average opinion of the U.S. in Kazakhstan, Kyrgyzstan, and Tajikistan was in the 50s and at 76 in Turkmenistan. In all countries, public opinion on the U.S. lagged behind Russia and China. This data was, notably, collected before Russia's 2022 full-scale invasion of Ukraine. However, a decrease in support for Russia does not necessarily translate to an increase in support for the United States. Central Asia's souring relations with Russia and growing skepticism of Chinese influence have created a window of opportunity for the U.S. to bolster its image through greater long-term investment in the region.

Because the U.S. is unlikely to outspend China or even Russia, its approach needs to be deliberate and focused areas where it can see the greatest return on investment.

Historical overview of US involvement in the region

The historical overview of US involvement in Central Asia reveals a complex interplay of economic interests, security concerns, and geopolitical strategies. As detailed in (2022), the energy sector has been a focal point for US engagement in the region, with efforts to secure access to resources and promote energy security. This involvement has not been without controversy, as highlighted in (2022), which underscores the intricate relationships between US policies, local dynamics, and global power dynamics. By examining the nuances of past interactions, such as those outlined in the cited sources, a deeper understanding emerges of the US role in shaping the energy landscape of Central Asia. This scrutiny illuminates the drivers, challenges, and implications of American involvement in the region over time, providing valuable insights for assessing future energy partnerships and strategic initiatives.

Analysis of US policies and strategies towards energy partnerships in Central Asia

The dynamic landscape of energy partnerships in Central Asia requires a nuanced analysis of the policies and strategies employed by the US to navigate this complex region. Understanding the interconnectedness of factors such as Foreign Direct Investment (FDI), renewable energy integration, and governmental responses to global challenges like the COVID-19 pandemic is imperative. As revealed in (D. Parmová et al., 2024), the impact of FDI and renewable energy on CO2 emissions underscores the importance of sustainable energy practices in the region. Moreover, the findings from (V. Alfano et al., 2023, p. 1819-1836) shed light on the diverse approaches taken by Central Asian countries during the COVID-19 outbreak, highlighting the need for adaptive and coordinated strategies. By synthesizing these insights, a comprehensive examination of US initiatives towards energy partnerships in Central Asia can be enriched, guiding future research and policy formulation towards promoting environmentally conscious and resilient energy collaboration in the region. With consistent U.S. engagement on economic, energy, security, democracy, and governance issues, the Central Asian states will function as a region of cooperative partners, increasing their ability to maintain individual sovereignty and make clear choices to achieve and preserve economic independence.

The United States will increase its diplomatic engagement in the region and will provide programmatic assistance to support local government efforts to strengthen democratic institutions and enhance economic prosperity. In addition, the United States will support efforts to bridge differences that have divided the region. U.S. support for a unified electric grid across Central Asia will help facilitate the trade of surplus electricity to reduce costs for consumers, generate revenues for suppliers, improve regional energy security, and reduce reliance on external actors. The American University of Central Asia in Bishkek is a growing hub for the region's greatest young minds to earn U.S. degrees, gain in-demand business skills, and create lifelong regional affiliations.

Impact of US Energy Partnerships on Central Asian Countries

The development of US energy partnerships in Central Asian countries has had far-reaching implications on the geopolitics and economic landscape of the region. As highlighted by (2022), these partnerships not only facilitate the exploration and extraction of vital energy resources but also contribute to the cultural exchange and preservation of traditional music and folklore in Central Asia. Moreover, (2022) underscores the intersecting dynamics of race and gender in Middle Eastern societies, providing a lens through which to understand the complexities of power dynamics in energy partnerships. By engaging with diverse perspectives and analytical approaches from (2022) and (2022), the impact of US energy partnerships on Central Asian countries can be seen as a multifaceted process that influences not only economic interests but also societal structures and cultural identities. Understanding these complexities is essential for comprehensively evaluating the implications of US involvement in Central Asian resource development.

A robust American solar manufacturing industry is essential to delivering on the promise of new clean energy jobs, establishing American energy independence, and meeting our climate goals. With solar expected to make up 40 percent of American energy output by 2035, the United States must have a strong domestic solar manufacturing base – or risk surrendering our economic strength and national security to foreign adversaries. Today, however, China is violating U.S. trade laws to put American solar manufacturers out of business and lock-in a dangerous global monopoly that is harming American workers and setting the United States down

an unsustainable path. At the same time, Chinese-owned companies are on track to receive billions of dollars from a tax credit designed to support domestic manufacturing here in the U.S.

Congress and the Biden Administration must stand up for American jobs, for American energy security, and for meeting our climate goals by protecting American-made solar. It's time to defend America's solar industry and force China to play by the rules.

Economic benefits and challenges for Central Asian nations

Central Asian nations have the potential to benefit significantly from their rich energy resources, including oil, natural gas, and minerals. These resources can provide much-needed revenue for economic development, infrastructure projects, and investments in education and healthcare. In recent years, countries like Kazakhstan, Turkmenistan, and Uzbekistan have seen growth in their economies due to the extraction and export of these resources. However, there are also challenges that come with such economic reliance on energy production. Fluctuating commodity prices, political instability, and competition for markets can all pose risks to the stability and growth of Central Asian economies. In order to fully capitalize on their energy resources, these nations must diversify their economies, strengthen regulatory frameworks, and invest in sustainable development practices to mitigate these challenges. By addressing these issues, Central Asian countries can maximize the economic benefits while minimizing the risks associated with their energy wealth (United States. Congress. House. Committee on International Relations. Subcommittee on the Middle East and Central Asia, 2006).

The economic outlook of the Central Asian states for 2022 is expected to be guided by reviewing last year's progress, proposing recipes for the recovery as well proposing a roadmap to advance economies over the year. In Kazakhstan, Turkmenistan, and, to a lesser extent, Uzbekistan the rise in commodity prices has proved a boon for exporters of oil, gas, and metals. At the same time, commodity importers such as Kyrgyzstan and Tajikistan are benefiting from increased demand for migrant workers which led to increased remittance flows from Russia.

Analysts at the European Bank for Reconstruction and Development (EBRD) have noted a rise in consumer price inflation in all Central Asian countries. They have also warned that high liquidity is driving more credit and higher asset prices across the region.

To make a recovery with the least disruptions, the three necessary measures are to gradually cut spending, reduce the budget deficit and withdraw additional liquidity throughout 2022, said Erkik Livin, an economist at the EBRD.

At the same time, EBRD has cautioned about some impending threats in the future including high commodity and energy prices, deteriorating labor markets, and supply chain disruptions. Furthermore, weakening local currencies in several Central Asian states have FUELLED waves of inflation.

While Central Asia may be geographically remote, its economic growth is nevertheless closely intertwined with the demand from several external centers of global demand, observers a recently published report by the Organization for Economic Cooperation and Development (OECD).

Requires diversification

For ensuring long-term economic growth, the report has sought to foster further diversification of economic activity and carry out long-overdue reforms of competition policy frameworks and the governance of state-owned enterprises.

While economies recover, the experts believe the growth in the region is expected to be moderate in 2022 at the rate of 3.8%. At the same time, forecasts are characterized by a high degree of uncertainty due to risks associated with the future track of the spread of COVID-19, the possibility of a deterioration in the external economic situation, and a slowdown in economic growth in the countries of their trading partners.

According to UN experts, the coronavirus hit these countries hard in the form of capital outflows. A rise in the cost of loans, depreciation of currencies, and loss of export earnings due to the collapse of commodity prices are also observed.

One of the important financial sources for the Central Asian states is remittances of laborers working outside primarily in Russia. For Uzbekistan, Kyrgyzstan, and Tajikistan remittances also come from Kazakhstan and for Turkmenistan, a large number of remittances come from Turkey.

Devaluation of local currencies, rising prices and inflation, business stagnation, and rising unemployment threaten all Central Asian economies. All these factors can be the basis for the growth of social tension, warns Kazakh commentator Dosym Satpaev.

Evgeny Vinokurov, chief economist at the Eurasian Development Bank has pointed out the risks of instability associated with Afghanistan and advocates politico-military cooperation as critically important for strengthening stability and minimizing risks.

He claimed that Central Asia's strategic importance for the Russian economy is also growing, both in terms of exports and investments and in the context of the development of the West-East and North-South transport corridor. The possibilities of cooperation between the states of the region and Russian business have not been utilized optimally yet. The potential for building transit corridors to South and West Asia is becoming clearer.

Specific challenges

All Central Asian states are eager to find out the most appropriate recipes to steer the country towards a recovery from the recession caused by the COVID-19 pandemic. Each country faces a specific set of challenges to address. At the same time, they also face several hurdles to be overcome.

The first response to the crisis has been an increasing trend towards regional cooperation, which could lead to the development of a regional, inclusive, and mutually beneficial recovery agenda.

More than ever before, the Central Asian states need sustainable and more resilient growth models. Despite attempts for reforms across the region in the years before the pandemic, several factors which contributed to a loss of momentum loom large such as underdeveloped private sectors, serious defects in the business climate, overreliance on exports of primary commodities, and migrant labor, and weak competition.

Experts at OECD have mentioned three-fold challenges confronting the Central Asian region, which need to be addressed to create the foundations for a sustainable and inclusive economic trajectory. The first challenge is to ensure that firms and workers emerge strongly from the ongoing crisis. This will require better and targeted support and market discipline.

The second challenge is in the form of structural weaknesses, apparent well before the crisis and have compounded the impact of COVID-19. This requires improving the domestic business climate to create conditions that are more favorable for entrepreneurship, investment, and innovation.

The third challenge is that policymakers must develop policies that could maximize the competitiveness of Central Asia in the future global economy as the world moves towards low-carbon transition and digital transformation.

Geopolitical implications of US presence in the region

The presence of the United States in the Central Asian region has significant geopolitical implications, as evidenced by scholarly discourse on historical power dynamics and resource management in the area (2022). By examining the concepts of empire and imperialism in the ancient Mesopotamian context, parallels can be drawn to contemporary US involvement and its impact on political formations and power structures in the region. Furthermore, the intersection of race, ethnicity, and nationalism in Middle Eastern societies sheds light on the complexity of US engagement in the region (2022). Through a nuanced analysis of these factors, it becomes apparent that the US presence in Central Asia is not merely economic but also deeply intertwined with historical legacies, power struggles, and regional dynamics. Understanding these geopolitical implications is crucial for comprehending the multifaceted nature of energy partnerships and resource development initiatives spearheaded by the United States in Central Asia.

Conclusion

In examining the intricate web of energy partnerships and US involvement in Central Asian resource development, it becomes evident that audio technologies and ancient DNA methods, although seemingly disparate fields, share a common thread in their influence on cultural transmission and knowledge acquisition. As we reflect on the evolution of audio production and reception globally (Travis Holland et al., 2024), we are reminded of the multifaceted ways in which human societies have harnessed sound to connect and communicate. Similarly, the exploration of ancient DNA methodologies sheds light on the deep-rooted historical narratives and genetic legacies that shape our understanding of past civilizations (2022). These parallel analyses underscore the interconnectedness of human endeavors across time and space, emphasizing the importance of interdisciplinary approaches in unraveling the complexities of energy dynamics and geopolitical relationships in the Central Asian region. Ultimately, by integrating diverse perspectives and

methodologies, we can glean valuable insights into the multifaceted nature of energy partnerships and their implications for regional stability and cooperation.

The examination of US involvement in Central Asian resource development reveals significant insights into the complexities of energy partnerships in the region. Through a critical analysis of historical and contemporary perspectives, it becomes evident that the dynamics of power, control, and resource management shape the trajectory of these partnerships. Drawing from theoretical studies on imperialism and the imperial constructions in ancient Mesopotamia (2022), there is a parallel drawn to the nature of power in early formations and the implications for modern energy collaborations. Furthermore, the exploration of cultural significance and historical development in Central Asian musical traditions (2022) adds a nuanced layer to the understanding of regional interactions and the role of cultural exchanges in energy diplomacy. These key findings underscore the multifaceted nature of energy partnerships and highlight the importance of considering historical, cultural, and political factors in analyzing the implications of US engagement in Central Asian resource development.

Furthermore, it is essential for the US to prioritize building strong diplomatic relationships with Central Asian countries in order to facilitate mutually beneficial resource development projects. This can be achieved through increased high-level visits, cultural exchanges, and economic partnerships. Additionally, promoting transparency and good governance practices in the extractive industries sector will be crucial for ensuring sustainable development and reducing the risk of corruption. The US should also continue to support regional integration efforts among Central Asian countries to create a more stable and secure environment for resource development. Finally, investing in infrastructure and technology to improve the efficiency and sustainability of resource extraction processes will be key for maximizing the benefits of Central Asian resources for both the region and the US. By following these recommendations, the US can play a constructive role in Central Asian resource development while promoting economic growth and stability in the region.

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