

NEW SILK ROAD

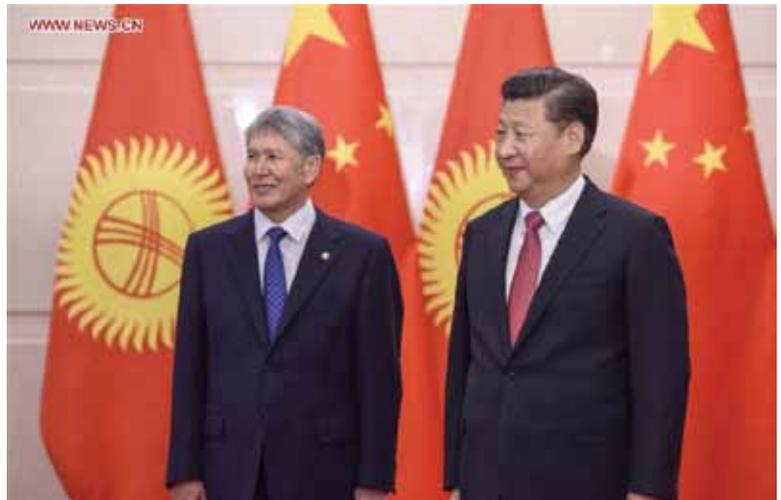
Kyrgyzstan and Tajikistan: The Crucial Challenge in Central Asian Development

by Ramtanu Maitra

Jan. 22—China’s grand panoramic land-transport infrastructure project—a major element of the larger One Belt One Road (OBOR) vision it officially unveiled in 2013—includes developing transport arteries from China to Europe and Southwest Asia, traversing a southern route through Iran and Afghanistan.

OBOR has already linked China to Kazakhstan, Turkmenistan, and Uzbekistan—three northern and western countries of Central Asia.¹ Now, with the southern route to Afghanistan and Iran, the remaining Central Asian countries, Kyrgyzstan and Tajikistan, will also be tied into the network.

A rail link from China to Kyrgyzstan and Uzbekistan was proposed in the early 2000s. That proposal called for building a new 270 km-long rail link from Kashgar (Kashi), a business hub in China’s western Xinjiang province close to the Kyrgyzstan border, to Andijan, located in the Ferghana Valley in eastern Uzbekistan, via Kyrgyzstan. The railroad will first pass through central Kyrgyzstan’s Naryn, and then go south and west to Osh before entering the fertile valley and terminating in Andijan in Uzbekistan. The project remained dormant for years, perhaps because internal political instability prevented Kyrgyzstan from making such a major decision, but was revived during Kyrgyz President Almazbek Atambayev’s first official visit to Beijing in June 2012. However, a



Xinhua/Li Xueren

China President Xi and Kyrgyz President Almazbek Atambayev, Jan. 6.

1. China is also developing a substantial transport conduit from the Karakoram Highway (also known as the China-Pakistan Friendship Highway), to the Arabian Sea through Pakistan. This new rail line, called the China-Pakistan Economic Corridor (CPEC), will traverse the western side of Pakistan, running close to Afghanistan and Iran’s eastern and southeastern borders.

number of issues, including a tepid response from Kyrgyzstan’s neighbor, Uzbekistan, have held back the project.

President Atambayev was in China in early January of this year and reportedly reopened discussion of the railroad. But the talks apparently have not resolved the difficult issues. According to a Jan. 20, 2017 news report by the 24.kg news agency, Kyrgyz Member of Parliament Kanybek Imanaliev, in a briefing to the Ata Meken parliamentary faction, a partner in the ruling coalition in Kyrgyzstan, said “Talks on the China-Kyrgyzstan-Uzbekistan railway came to naught.”

According to the news report, Imanaliev stated, “We praise the railway project, which we like, but it’s up to China to decide. It doesn’t agree with the route, the gauge of the track. This question was considered in 1998 and again we have the same.” Three main issues—funding, its route, and track gauge—have not been



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Family of Kyrgyz nomads with its yurt—fabric over a wooden frame.

solved and are holding back the final agreement, the news item said. China prefers the 1435 millimeter track gauge, the standard gauge in China, Iran, and Afghanistan (and the most common gauge in Europe), However, all Central Asian countries have the Russian gauge, 1520 millimeters.

The railroad would be the most efficient link between China and Central Asia, because it reaches Central Asia's transport and logistics hub, Uzbekistan, the only Central Asian country that manufactures and repairs rolling stock.

The line would bring Kyrgyzstan transit fees of up to \$200 million per year for the trains going through to Uzbekistan.

More important for Kyrgyzstan, the railroad would be an important link between the poorly connected North and South of the country. Such a link is particularly necessary, since the lack of adequate internal transport connections has kept Kyrgyzstan a fractious, multi-ethnic nation.

During construction, about 20,000 workers will be employed, according to at least one estimate.

Kyrgyzstan's Cultures

With a population of about six million, Kyrgyzstan is one of the three low-population nations in Central Asia, along with Turkmenistan and Tajikistan. About two-thirds of Kyrgyzstan's population is rural. The

great majority of these rural people, some of whom are also nomadic, are agricultural workers and herders, living in mountain villages in the north and east.

The origin of these settlers in this mountainous region is extremely complex. Human habitation of Kyrgyzstan stretches back into prehistory. Lake Issyk-Kul, in the northeast and not far from the Chinese border, is a cornucopia of Kyrgyzstan archaeology, and historical evidence of invaders from the past is also available in south-central Kyrgyzstan, adjoining the Ferghana Valley.

Since the 8th century A.D., many ethnic groups have either occupied or settled within Kyrgyzstan's modern borders, including Arabs, Persians of the Samanid period, and Turkic-speakers of Karakhanid Khanate. The immediate ancestors of the modern Kyrgyz people arrived in the 13th century, fleeing the invading Mongols, and this migration escalated all the way through the 16th century, this at a time when trade from the Silk Road began to enter Kyrgyz territory from the west.

Even today, Kyrgyzstan's population is not truly integrated. Ninety-five percent of the country's surface is at least 1,000 meters (3,280 feet) above sea level. There are a few isolated lowlands along Kyrgyzstan's western and northern borders. In the southwest is the fertile Ferghana Valley, which Kyrgyzstan shares with Uzbekistan and Tajikistan. The site of extensive pastures and numerous farms and towns, the Ferghana Valley receives most of its water from streams that flow into it from the surrounding mountains. Along Kyrgyzstan's frontier with Kazakhstan are the valleys of the Chu and



Xinhua/Luo Man

Shopping in the Sino Ocean bazaar in Bishkek, capital of Kyrgyzstan.

Talas rivers. The valleys are densely populated and include many farms, villages, and small cities.

Of the non-Kyrgyz nationalities found in Kyrgyzstan, the largest ethnic groups are Uzbek (14.4% of the country's population) and Russians (6.4%). Ethnic Russians first came to the Central Asian region as representatives of the Russian Empire, with the aim of overseeing colonization. Few actually settled there, other than in a military capacity for the Empire. With the founding of the Soviet Union, millions of Russians were settled throughout Central Asia in accordance with Moscow's Sovietization policy. In Kyrgyzstan, they settled mainly in the North, in Bishkek the capital, and in the Chu and Ferghana valleys.

Connecting Kyrgyzstan with Roads

This diversity among Kyrgyz nationals—stemming largely from a lack of physical integration of the population, and abetted by difficult terrain and the continuing existence of a nomadic agricultural and herding sector—makes development in Kyrgyzstan a difficult challenge. To create an environment for effective investment, China has concentrated on developing new roads to integrate Kyrgyzstan both internally and with its neighbors. In June 2015, China announced that it would provide nearly \$300 million in credit to help Kyrgyzstan build a strategic north-south road for trade between the two major cities, Bishkek and Osh, which will connect with Kyrgyz roads into Kazakhstan and Tajikistan. This road is now being built.

China also helped to construct two other roads within Kyrgyzstan—Osh-Sarytash-Irkeshtam and Bishkek-Naryn-Torugart. These were funded in part by China and were built by a workforce of thirty percent local workers and seventy percent Chinese workers, with sixty percent of raw materials imported.

Beyond these modest developments, however, Kyrgyzstan has yet to benefit in a major way from the China OBOR policy. There are many problems. About forty percent of Kyrgyzstan's GDP comes from expatriates



Roadbuilding, financed by China, to integrate Kyrgyzstan.

CNTV

sending money home, and the overall poverty of the nation, combined with the associated lack of modern skills, is a serious hindrance to economic development.

Reviving Industrial Production

Kyrgyzstan is a victim of both the collapse of the Soviet Union and its own lack of skilled-manpower. There is a great deal of idle manufacturing capacity, particularly in the antimony and silicon processing plants, various medium-sized factories, and cotton and textile production lines in the South. According to one news report, when Chinese Foreign Minister Wang Yi visited Kyrgyzstan in May 2015, Kyrgyz economic officials suggested that Beijing relocate forty or so manufacturing operations from China to Kyrgyzstan. Kyrgyz Economy Ministry officials evaluated the proposal as a win-win project, reasoning that China would gain an important manufacturing base in Kyrgyzstan, while the Central Asian nation would benefit from the revival of idle industrial capacity.

Resistance in Kyrgyzstan

There are efforts to sabotage Kyrgyz-Chinese relations, as indicated by a May 2012 *Asia Times* article titled "Anti-China mood threatens push for Kyrgyz railway link" that was reprinted by Kyrgyz news agency Kabar It said, "Anti-Chinese fever has been on the rise again and, according to Kyrgyz observers, threatens to be a barrier to the single-most important infrastructure project between the two countries—the China-Kyrgyz-

Central Asia and the Caucasus



stan-Uzbekistan railway line, which will pave the way for radical geopolitical changes in Central Asia, with ripple effects further afield.”

One controversy that surrounds the China-Kyrgyzstan-Uzbekistan rail project is the fear among some Kyrgyz that their government has agreed to hand over at least three separate large gold, aluminum and iron deposits to Chinese companies in exchange for construction of the railway. Gold production provides forty percent of the nation’s export earnings and represents twenty percent of its GDP. An effort to whip up fear within the Kyrgyz population that China is only interested in the region’s natural resources, including the gold fields, has already had some effect. Aware of public perception on this issue, China has sought to address it.

The same *Asia Times* article also stated, “Kyrgyzstan has seen the influx of tens of thousands Chinese traders, while every major Chinese investment project in the country—be it building a road, a factory or laying electricity transmission lines—invariably brings in thousands more. At least around 90,000 Chinese nationals are staying illegally in Kyrgyzstan, according to the Kyrgyz Ministry of Justice. The influx makes migration a dangerous issue, exacerbated by the fact that hundred thousands of Kyrgyz people have to migrate to Russia and Kazakhstan in search of jobs.”

China is aware of this anti-China mood within Kyrgyzstan and has begun to crack down

on Chinese firms doing business in Kyrgyzstan. Several firms found themselves in hot water for not hiring enough locals. In January 2014, Zhongda, the Chinese-owned oil company, opened an oil refinery in Kara Balta. It faced immediate protests over pollution and for not giving Kyrgyz nationals enough opportunities. Circumstances surrounding the protests were suspicious, but whatever the reason for the protests, the company responded to employment complaints. In 2013, as the project was nearing completion, the workforce consisted of 30% locals and 70% Chinese. By 2015, the 700 employees were split 70-30 in favor of locals.

China Learns to Communicate

China is also making other efforts to overcome hostility within Kyrgyzstan. In parallel with the infrastructure development and trade initiatives, China has established two Confucius Institutes in Bishkek, the capital—at the Bishkek Humanities University and Kyrgyz National University—with subsidiary branches in Osh and Jalal-Abad. Part of the international network of Confucius Institutes, they are focused on teaching the Chinese language to young Kyrgyz, using Kyrgyz-Chinese textbooks and leveraging faculty and administrators brought in on two-year cycles from the partner institutions, Xinjiang University and Xinjiang Normal University.

The number of Chinese-speaking Kyrgyz has remained tiny, compared to the number of Kyrgyz who can speak Russian and English, but it is growing, reflecting the opportunities that young Kyrgyz see in China or with Chinese firms in Kyrgyzstan. While the Confucius Institutes focus on language learning to prepare students to use Chinese in a business setting, teachers also stimulate interest in other aspects of China’s culture and history.

Mountainous Tajikistan’s Glorious Past

The eight million people of Tajikistan, Kyrgyzstan’s neighbor to the south, are vastly different from the people of other Central Asian nations, although many



CC/Hardscarf

Issyk-Kul in Tien Shan mountains, a cornucopia of Kyrgyz archaeology.

Tajiks can be found in Kyrgyzstan and Uzbekistan. The Tajiki language is of Indo-Iranian rather than Turkic origin, and is close to the Farsi spoken in Iran and the Dari spoken in Kabul. According to Tajik historians, “the formation of the Tajik nation was completed during the rule of the Samanids”—that is, the Samanid dynasty, founded by Ismail Samani in Bukhara of the 9-10th centuries—and are the heirs of its culture and its lofty poets, such as Rudaki and Ferdowsi, who are also loved in Iran today. The Samanid dynasty became the capital of all Central Asia, including Khurasan, the Ferghana Valley, Khwarazm, and most of what is now Afghanistan. Highly literate and given to careful record-keeping, the Samanid bureaucrats took as their symbol the ink bottle.

During the great era of Silk Road trade, parts of Tajikistan lay on its historic route, linking Bactria, Tokharistan, Soghd, Istaravshan, and Ferghana with India, Afghanistan, and China. The Soghd route went from Samarkand to Kokand through Penjikent and further on the road leading to the Ferghana valley through Varz, Ura-Tyube, Khujand, Konibodom, and Isfara. The other route connected Termez and Kashgar (China) through Hissar and Dushanbe (the capital of Tajikistan today).

Tajik cities on the Silk Road are precious pearls framed by picturesque landscapes. Among them are Penjikent, Ura-Tyube, and Khujand. Penjikent, the

oldest city of Tajikistan (more than 5,500 years old), is located in the valley of the Zeravshan River (near Samarkand). Penjikent was the last city on the way from Samarkand to the mountains of Kohistan.

Called the jewel of Tajikistan, the ancient city of Ura-Tyube (now Istaravshan), is located in the north of Tajikistan, in the foothills of the Turkestan Ridge. The city celebrated its 2,500th birthday in 2001. It was founded in the 6th century B.C. by Cyrus the Great, the Achaemenid king of Persia, when it was known as Cyropolis, or equivalently Kurushkada. When Alexander the Great conquered Central Asia in the late 4th century B.C., Kurushkada was already a big, well-fortified city.

In the days of Arabian sovereignty, Ura-Tyube became a province of the Arabian caliphate. At that time, Islamic architecture began to appear—mosques, madrassas, mausoleums, and minarets. The city’s most rapid development took place under the rule of the first Tajik Samanid dynasty (9th-10th centuries). But in the 13th century the city was destroyed by the armies of Chingghis Khan. Ura-Tyube rose from the ashes in the 14th-15th centuries with the coming of powerful Timurid Empire.

Near Ura-Tyube is the city of Khujand (Leninabad in the Soviet period). Its position at the crossroads of well-known trade routes between the East and the West made Khujand one of the major economic and cultural centers of Central Asia and a major center on the Silk Road. The silk products and jewelry made by the craftsmen of Khujand were known not only in the East, but throughout the world. The names of the city districts speak of the former significance of those crafts—Zargaron (jewelers), Pilakashon (silk-winders), and Sangburon (masons). Khujand was founded more than 2,500 years ago. It was there when the army of Alexander the Great arrived on the banks of the Syr Darya.

The northern segment of the old Silk Road is known today as the Pamir Highway. It runs 1,250 km from Tajikistan’s capital, Dushanbe, to Osh in the south of Kyrgyzstan. Today, the Pamir Highway fa-



Laying the Central Asia-China Gas Pipeline's Line D across Tajikistan.

cilitates the transit of consumer goods from China to Central Asian markets. In certain sections, particularly where it crosses international frontiers, the road is of good quality. But much of the highway is unpaved, and it takes several days to journey from Dushanbe to Kashgar, the westernmost urban center in China. The distance is not so great, around four hundred miles, but the altitude and poor road quality makes for slow traveling.

Natural Gas Line D Crosses Tajikistan

Tajikistan's gas and oil resources were never developed by the Soviet Union, and as a result, the vast bulk of the country's reserves, mostly buried in the Amu Darya basin in the southwest of the country, have remained unexplored. Nonetheless, Tajikistan has remained important in China's energy plans. The construction of a new \$3.2 billion Chinese gas pipeline through Tajikistan is the most significant Chinese investment in the country so far. This pipeline is the fourth ("D") section of the Central Asia-China Gas Pipeline (CACGP) that began operation in late 2009. Today, more than

half of China's natural gas imports come through this expanding array of pipelines, thousands of kilometers in length, that spans Turkmenistan, Uzbekistan, and Kazakhstan.

With Lines A, B, and C in operation, the new 1,000 km Line D will carry gas from Turkmenistan's Galkynysh gas field to China through southern Uzbekistan, northern Tajikistan, and eastern Kyrgyzstan. It will be capable of transporting 30 billion cubic meters, and when completed, this will raise CACGP's gas exports to China to a total of 85 billion cubic meters per year.

The mountainous terrain of Tajikistan, however, where the longest section of Line D (410 kilometers) is being built, presents an expensive and difficult undertaking for project planners and engineers. It will not simply mean installing pipeline along relatively flat steppe and desert, as was the case with early phases of CACGP, but will instead necessitate costly and sophisticated engineering. These challenges include "the creation of 47 tunnels with a total length of 76 kilometers. In 24 of these cases, the tunnels will be underwater," as Tajik President Emomali Rahmon himself emphasized at the ground-breaking ceremony on

Central Asia-China Gas Pipeline



September 13, 2014, in company with Chinese President Xi Jinping. Tajikistan will not receive any of the gas, but will earn transit revenues.

Tajikistan Orients Toward China

Beyond securing a steady stream of transit revenue from Line D of the CACGP, Tajikistan is also seeking hydro-power development to generate electricity for itself and for export. Tajikistan gets a significant amount of annual rainfall and that drains into the Amu Darya, a 2,400 kilometer river, with many significant tributaries, which flow westward from Tajikistan through Uzbekistan to the Aral Sea. But the heavy withdrawal of water by Uzbekistan leaves virtually nothing to reach the Aral Sea, which has shrunk by almost 70 percent over recent decades.

Because Tajikistan is short of electricity, a major dam is needed on the Vakhsh (Surkhob) River, a major tributary of Amu Darya. This new dam, the Rogun Dam, will generate 3,600 MW of electric power. Construction began on Rogun in 1980, but stalled at the end of the Soviet era. Uzbekistan opposes construction of the dam since it fears the filling of the reservoir every summer, when rainwater is available on the upstream side, will jeopardize Uzbekistan's water requirements.

Rogun Dam is one of about 10 hydro projects, either operating or planned, in the Vakhsh River Cascade. Vakhsh River hydro projects include operating projects (600 MW Baipaza, 240 MW Golovnaya, 24 MW Perepednaya, 15 MW Centralnaya, 3,000 MW Nurek); projects under construction (3,600 MW Rogun, 670 MW Sangtuda 1, 220 MW Sangtuda 2); and proposed projects (200 MW Nurobad 2, 850 MW Shurob).

The Rogun project includes the embankment dam, hydraulic tunnels of 1,100 to 1,500 meters, an underground powerhouse with six units, and other plant and auxiliary equipment. A consortium of Tractebel Engineering France (Coyné et Bellier) and ELC Electroconsult Italy is providing technical assistance to project developer OJSC Rogun HPP.

China is not participating in the construction of the dam itself, but has made a major contribution to the project by financing power lines from Sangtuda 1 and 2 hydroelectric power plants on the Vakhsh River in the Danghara district. China's Exim Bank financed—and



Tajikistan President Emomali Rahmon and China President Xi Jinping at Phase 1 completion ceremony of Dushanbe power plant built by TBEA.

Chinese electric company Tebian Electric Apparatus (TBEA) built—the power transmission line between Tursunzada and Khudjand at a cost around \$270 million. Another transmission line, Sangtuda-Khatlon-Lo-lazor, was also financed and built by Chinese companies and became operational in June 2008. The two lines have allowed energy flow from southern Tajikistan to northern areas of the country, thus eliminating, or at least decreasing, Tajikistan's dependence on Uzbekistan's supplies.

Yet another power transmission line that runs between Khudjand and Ayuni, also financed and built by the Chinese, was completed in 2011, offering an alternative route for electricity transmission from energy-abundant southern Tajikistan to the energy-deficient north. In addition, TBEA has built two coal-fired thermal power stations in Dushanbe to provide power to the capital, one of which began operating in 2014 and the other in December 2016, together producing about 400 MW of electric power.

China-Tajikistan economic relations have now gone beyond cooperation in Tajikistan's energy sector. The Tajik government announced earlier in 2016 that China plans to invest \$500 million to build seven industrial concerns in the north of the country. Last June, construction began on a metals processing plant in the northern town of Istiqlol, which is being completed with \$200 million dollars from China. Tatyana Pan-teleyeva, head of the economic development department in the Istiqlol city administration, said that this



NWPpower/www.ompower.cc/english

Tajik and Chinese at work at coal-fired power plant in Dushanbe, Tajikistan.

was only the start. “Here, across 70 hectares of land, there are plans to create a Tajik-Chinese industrial zone. We will build five industrial enterprises,” Panteleyeva was quoted as saying by RFE/RL’s Tajik service, Ozodi. Clearly, Tajikistan is veering increasingly toward China for building its economic strength.

The Security Threats

Both Tajikistan and Kyrgyzstan have been suffering security threats for years now. The five-year civil war in Tajikistan (1991-96) not only devastated the country economically and politically, it created a continuing security vacuum. There are two major security concerns. In the Fergana Valley, where Kyrgyzstan, Uzbekistan, and Tajikistan meet, extremist varieties of the Islamist movement have emerged. Islamist extremist groups, preaching the heresy of Wahhabism and seeking to create a Caliphate based on Wahhabism, have been funded by Saudi Arabia and some other Gulf countries. British intelligence-controlled Hizb ut-Tahrir, preaching the same violent form of Islamism, is active throughout the region. These extremists have been indoctrinated, and are financed to buy weapons and explosives, and to obtain military training in the ungoverned areas of Afghanistan and Pakistan.

The Uyghur secessionists, seeking to break Xinjiang Province off from China, have now joined hands with these foreign-funded and foreign-promoted terrorists. Uyghur militants were suspected of involvement in a terrorist attack on the Chinese embassy in Bishkek, the Kyrgyz capital, on August 30, 2016.

Meanwhile, the opium explosion in Afghanistan, under the watch of NATO and the United States since 2005, has not only created a brigade of armed smugglers who often work in collusion with the terrorists to protect each other, but has corrupted a vast section of the security apparatus and bureaucracy in Central Asia. The deluge of drug-generated

cash has also strengthened the Islamist extremists. The Pamir Highway, sometimes called the “heroin highway,” winding its way up through very high altitude terrain, is used to bring Afghan heroin to Osh in Kyrgyzstan on edge of the Fergana Valley. Osh has been recently dubbed the “drug capital of Central Asia.” It is anybody’s guess who is on the take in allowing the drug traffic.

Russia, badly affected by the flood of heroin northward into its territory, has long placed troops along Tajikistan’s 1,344 km border with Afghanistan. Seven thousand Russian troops patrol the border and Moscow has announced that the number will go up to 9,000 by 2020. The Collective Security Treaty Organization (CSTO), which currently has six member-states—Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia—has held several exercises aimed at facing off a veritable drug invasion from the south. Despite this, heroin continues to flow into Central Asia, Russia, and beyond into Europe.

To provide security to the Eurasian landmass, the Shanghai Cooperation Organization (SCO) was founded in 2001 by China, Russia, and all the Central Asian states except Turkmenistan. The SCO forum demands cooperation on counter-terrorism policy and holding joint military exercises.