



DOI: 10.22363/2313-0660-2024-24-2-216-226

EDN: VWERON

Research article / Научная статья

Central Asia — Center Gas Pipeline System: Challenges and Opportunities for Modern Russia — Central Asia Energy Relations

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Abstract. The recently formed “Gas Union” of Russia, Kazakhstan and Uzbekistan is at a turning point, symbolizing a major shift in the energy dynamics of Central Asia. The goal of this tripartite alliance, initiated by Russian President Vladimir Putin, is to transport Russian gas to Uzbekistan through Kazakhstan. This event marks a historic moment, as it is the first time that Russian gas has been imported into Central Asia. Against the backdrop of acute energy problems in the region, this union is aimed at meeting the immediate needs of the member states from Central Asia, but it also leaves many long-term geopolitical and economic issues for the parties involved. This article aims to comprehensively analyze the Central Asia — Center gas pipeline within the framework of the emerging Russia — Central Asia Gas Union. It seeks to identify and discuss the geopolitical, economic, and environmental challenges and opportunities this renewed energy cooperation presents. The scope of this study encompasses an examination of the historical context of the pipeline, the strategic objectives of the involved nations, and the potential implications for the regional and global energy landscape. The research methodology includes a thorough review of existing literature, policy documents, and energy reports. The theoretical foundation of the study is based on neoliberal theory. The authors conclude that the creation of a new energy alliance is a sign of the beginning of a new stage in the transformation of energy cooperation between Russia and the Central Asian countries.

Key words: pipeline, Kazakhstan, Uzbekistan, transit, sanctions, natural gas

Conflicts of interest. The authors declare no conflicts of interest.

Authors’ contributions. The authors made an equal contribution to the design, research and preparation of the final article’s text.

For citation: Ranjbar, D., Mukan, S. M., & Niyazgulova, A. A. (2024). Central Asia — Center gas pipeline system: Challenges and opportunities for modern Russia — Central Asia energy relations. *Vestnik RUDN. International Relations*, 24(2), 216–226. <https://doi.org/10.22363/2313-0660-2024-24-2-216-226>

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Газопровод «Центральная Азия — Центр»: вызовы и возможности современных энергетических отношений России и стран Центральной Азии

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Аннотация. Недавно заключенный «газовый союз» России, Казахстана и Узбекистана переживает поворотный этап, символизируя серьезный сдвиг в энергетической динамике Центральной Азии. Целью трехстороннего альянса, инициированного президентом России В.В. Путиным, является транспортировка российского газа в Узбекистан через Казахстан. Событие знаменует собой исторический момент, поскольку российский газ впервые начал импортироваться в Центральную Азию. Однако «союз» воспринимается со стороны Узбекистана с пристальным вниманием и настороженностью. На фоне острых энергетических проблем в регионе союз нацелен на удовлетворение насущных потребностей стран Центральной Азии, но также оставляет множество долгосрочных геополитических и экономических проблем в отношениях стран-участниц. Цель исследования — всесторонний анализ роли и места системы газопроводов «Средняя Азия — Центр» в рамках формирующегося газового союза между Россией, Казахстаном и Узбекистаном. Рассматривается исторический контекст создания данной газопроводной системы, стратегические цели стран — участниц союза, а также потенциальные последствия реализации этого союза для регионального и глобального энергетического ландшафта. Методология исследования включает в себя анализ существующей литературы, политических документов и отчетов по энергетике. Теоретический фундамент данного исследования основан на неолиберальной теории. Авторы приходят к выводу, что создание нового энергетического альянса является признаком начала нового этапа в процессе трансформации энергетического сотрудничества России и стран Центральной Азии.

Ключевые слова: трубопровод, Казахстан, Узбекистан, санкции, природный газ

Заявление о конфликте интересов. Авторы заявляют об отсутствии конфликта интересов.

Вклад авторов. Авторы внесли равнозначный вклад в разработку дизайна, проведение исследования и подготовку текста статьи.

Для цитирования: Ранджбар Д., Муқан С. М., Ниязгулова А. А. Газопровод «Центральная Азия — Центр»: вызовы и возможности современных энергетических отношений России и стран Центральной Азии // Вестник Российского университета дружбы народов. Серия: Международные отношения. 2024. Т. 24, № 2. С. 216–226. <https://doi.org/10.22363/2313-0660-2024-24-2-216-226>

Introduction

Today, the Central Asian region faces various energy challenges. While some scholars recommend the diversification of energy sources and suppliers, building strategic storage reserves, establishing a country/region-wide energy infrastructure and flexibility to shift fuels (Shaffer, 2009, p. 93), others expand the list and include high-quality and timely information sharing, collaboration among energy actors, investment flows, research, and development (Bahgat, 2011, p. 2).

Today, global changes are taking place in the energy market due to the introduction of sanctions against Russia by the collective West

in 2022. These sanctions, primarily targeting the energy sector, have necessitated a review of Russia's energy policy and export strategies. As a result, Russia is turning its attention to its immediate neighbors in Central Asia, but no longer only as alternative energy export routes, but also as partners in ensuring energy security and maintaining its role as a global energy supplier (Arzhaev, 2023). All this served as a catalyst for the creation of a gas union between Russia, Kazakhstan and Uzbekistan,¹ aimed at

¹ The Start Has Been Given. Russian Gas Supplies to Kazakhstan and Uzbekistan Started // Neftegaz.ru. October 7, 2023. (In Russian). URL: <https://neftegaz.ru/news/transport-and-storage/797079-start-dan-nachalis->

strengthening regional energy cooperation and creating a buffer against the impact of Western sanctions.

The Central Asia — Center gas pipeline system is central in this union. Historically, this pipeline system has played a pivotal role in connecting Central Asia's vast gas reserves to larger markets and has recently experienced resurgence in strategic importance. Furthermore, the pipeline's role in transporting Central Asian gas to European markets is at the heart of the evolving Eurasian energy dynamics, with Russia refocusing its energy policy towards the south-east, strengthening and expanding its energy presence on the Eurasian continent (Kharitonova, 2023, p. 84).

This article aims to provide a comprehensive analysis of the Central Asia — Center gas pipeline system within the emerging Russia — Central Asia Gas Union framework. It seeks to identify and discuss the geopolitical, economic, and environmental challenges and opportunities this renewed energy cooperation presents. The scope of this study encompasses an examination of the historical context of the pipeline, the strategic objectives of the states involved, and the potential implications for the regional and global energy market.

This study uses quantitative analysis to achieve these objectives. The research methodology includes a review of existing literature, policy documents, and energy reports to establish a foundational understanding of the issue. Additionally, the study utilizes data analysis methods to examine energy production and consumption trends.

The theoretical foundation of this study is based on the neoliberal theory. Its application helps to understand the role that energy resources play both in the interaction between Russia and the Central Asian countries and in the development of the Central Asian region as one of the world's sources of energy resources. Within the framework of neoliberalism, the researchers do not view international relations as

a zero-sum game, where the gain of one equals the loss of the other, but rather as something interdependent. Particular emphasis is placed on the notion of “national interest,” which plays a key role in energy policy and which is used to “strengthen and protect the public good against domestic challenges and to advance foreign policy objectives” (Kratochwil, 1982, p. 13). Despite the fact that this concept is primarily used in the works of realists and neorealists, it also has a place within neoliberalism, since the priorities of modern independent development of any state largely depend on how clearly and unambiguously its national interests are formulated, as well as on a clear understanding of the ways and means of their realization (Zhade, 2005; Saidov & Kashinskaya, 2005; Pan'shina & Ufimtseva, 2016; Ananyev, 2019).

Historical Context and Background of “Gas Union”

Central Asia has been a critical player in the global energy sector, primarily due to its vast natural gas and oil reserves. Central Asia's energy history is intricately linked to its political transformations. Following the dissolution of the Soviet Union, the newly independent Central Asian states sought to assert sovereignty over these resources and exploring avenues for economic development. The region's vast oil and natural gas reserves attracted global attention, leading to a complex interplay of international interests and regional politics (Yazdani, 2021).

Historically, Russia has dominated Central Asian energy exports due to its control of major pipeline networks inherited from the Soviet era. After the collapse of the USSR, Russia sought to maintain this influence while adapting to the new geopolitical realities. This included maintaining control over pipeline infrastructure, investing in regional energy projects, concluding new gas transit agreements with Central Asian states and finding alternative routes to secure energy exports to Europe and Asia. In the post-Soviet landscape, Russia's energy policy in Central Asia has been influenced by its desire to

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(accessed: 25.04.2024).

retain influence while facing competition from other global players such as China and the EU. This approach has subsequently evolved from a position of dominance to a more nuanced engagement, balancing competition and cooperation within the broader framework of its Eurasian strategy (Beloglazov, 2008). The recent pivot to a more cooperative approach with Central Asian states, partly driven by geopolitical shifts and sanctions, marks the latest phase in Russia's evolving energy strategy.

One of the key elements of the Soviet energy legacy in the region is the Central Asia — Center gas pipeline system. This infrastructure project was built between 1960 and 1988, and is a network of pipelines, running from Turkmenistan through Uzbekistan and Kazakhstan to Russia. The system's capacity and strategic importance have fluctuated over the years, with recent developments signifying a potential revitalization of its role in regional energy dynamics (Tazetdinov, 2011). Its role as a conduit for Central Asian gas to Russian and European markets has fluctuated due to market dynamics, regional politics, and technological advancements.²

Energy Sector of Uzbekistan and Kazakhstan

Uzbekistan

The Uzbek authorities believed that Uzbekistan is one of the few countries in the world that have sufficient energy supplies to meet its energy demands. T.P. Salikhov and T.H. Nasyrov from the Institute of Power Engineering and Automation in Tashkent argued that Uzbekistan achieved self-sufficiency in fuel in 1995 and became fully self-sufficient in energy resources in 1996–1997 (Salikhov & Nasyrov, 2005). Over the past decade,

² Chow E. C., Hendrix L. E. *Central Asia's Pipelines: Field of Dreams and Reality* // The National Bureau of Asian Research. 2010. No. 23 (Special Report). URL: https://csis-website-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/1009_EChow_LHendrix_CentralAsia.pdf (accessed: 29.12.2023).

Uzbekistan has been exporting approximately 10–15 billion cubic meters of gas to Russia and 4.5 billion cubic meters to the Central Asian region.³ However, today Uzbekistan is facing a situation of increased domestic demand for energy resources, caused by a high birth rate and natural conditions.

There is a lack of transparency in the energy sector of Uzbekistan, and it is difficult to provide concrete statistics proving the extent of deficiency of energy in the country, especially in light of official statements about energy full self-sufficiency. However, numerous complaints by the population and periodic electricity blackouts and gas supply shortages in the country indicate that there are serious energy security challenges that require urgent attention by the authorities. While large-scale energy efficiency and development of renewable energy sources are necessary measures to improve availability of energy supplies and energy led economic growth, it is the intra-Central Asian trade that can contribute to the immediate sufficiency and sustainable energy supplies for Uzbekistan (Aminjonov, 2018).

Thus, the confirmed reserves of natural gas in Uzbekistan at the end of 2020 amounted to 1.86 trillion cubic meters.⁴ It was noted that half of these reserves (933 billion) are accounted for by Uzbekneftegaz with 122 oil and gas fields and that at current production rates they will be sufficient for at least 34 years.⁵ Alisher Sultanov, former Minister of Energy and now Presidential Adviser on Energy Security, stated in February 2021 that current gas volumes are sufficient to supply three Uzbekistanis.⁶

³ Uzbekistan // U.S. Energy Information Administration. 2022. URL: <https://www.eia.gov/international/overview/country/UZB> (accessed: 30.04.2024).

⁴ Natural Gas Reserves in Uzbekistan Are Estimated at 1.86 Trillion Cubic Meters // *Gazeta.uz*. August 10, 2021. (In Russian). URL: <https://www.gazeta.uz/ru/2021/08/10/gas-reserves/> (accessed: 28.03.2024).

⁵ *Ibid.*

⁶ “Our Gas Can Feed Three Uzbekistanis” — Minister of Energy // *Gazeta.uz*. February 9, 2021. (In Russian). URL: <https://www.gazeta.uz/ru/2021/02/09/ener/> (accessed: 25.04.2024).

Table 1

Gas Production in Uzbekistan, 2017–2023, mln cubic meters

Year / Gas production	2017	2018	2019	2020	2021	2022	2023
Data from the Statistics Agency	56 417.6	60 396.5	60 537.5	49 736.2	53 802.0	51 678.4	46 710.3
Data from the working group under the President	55 789.3	61 004.4	52 787.3	–	–	–	–
“Uzbek neftegaz” data	53 055.9	56 877.7	55 967.3	48 055.5	–	–	–

Source: Uzbekistan Has Become a Net Importer of Gas. How Did This Happen? // Gazeta.uz. January 25, 2024. (In Russian). URL: <https://www.gazeta.uz/ru/2024/01/25/gas-importer/> (accessed: 28.03.2024).

However, Uzbekistan subsequently experienced a decline in natural gas production in the country (Table 1). In 2023, gas production fell to 46.7 billion cubic meters, a decrease of 9.6%, or 4.97 billion cubic meters in comparison with 2022. In 2022, production fell by 2.12 billion cubic meters. In general, according to the Statistics Agency, since 2018 the drop has been about 13.68 billion cubic meters (this is almost 30% of current production volumes).

The authorities attributed the drop in production to the depletion of existing fields and technological losses. Energy Minister Zhurabek Mirzamakhmudov noted that the main part of the losses falls on Uzbekneftegaz, whose “75–80% of its fields have already been developed.”⁷ Uzbekneftegaz plans to keep production at 34.1 billion cubic meters in the coming years, but only through geological exploration and identification of new fields, which requires large investments.⁸

In recent years, Uzbekistan has been experiencing acute problems in the energy sector due to interruptions in work, especially in the cold winter. The ex-Minister of Energy of Uzbekistan, A. Sultanov, admitted that “over the past 30 years, nothing has been invested by the state in the oil, gas and energy sectors. The lack of attention and accumulated problems in the energy sector have borne their fruit.”⁹

⁷ The Head of the Ministry of Energy Commented on the Decrease in Gas Production in Uzbekistan // Gazeta.uz. April 27, 2023. (In Russian). URL: <https://www.gazeta.uz/ru/2023/04/27/gaz/> (accessed: 25.04.2024).

⁸ Ibid.

⁹ Aramov J. Russia — Kazakhstan — Uzbekistan Gas Union: The Costs and Benefits for Uzbekistan // Central Asian Bureau for Analytical Reporting. November 23, 2023. URL: [https://cabar.asia/en/russia-kazakhstan-](https://cabar.asia/en/russia-kazakhstan-uzbekistan-gas-union-the-costs-and-benefits-for-uzbekistan)

As was the case last year, winters in Central Asia are increasingly accompanied by outages and interruptions in the operation of old infrastructure, which has turned this problem into a major political and social issue in the region.

Kazakhstan

Throughout the history of the oil and gas industry in Kazakhstan, the main emphasis and investments have been focused on oil, while the gas sector remained in the background. Cumulative share extractive segment of the oil and gas sector of the republic corresponds to 11.3% of GDP, where gas sector has the smallest share. Despite the existing large-scale deposits in the country, they characterized by complex economics and geology, in addition, most of the natural reserves gas consists of high-sulfur associated gas, which significantly complicates the development and production and makes the cost of gas processing high, so the prices for purchasing gas are all the time were below the production costs. In this regard, the development of reserves and the use of such gas remains problematic and costly, which has led to a lack of interest in financing and development of gas projects.¹⁰

As for natural gas, Table 2 shows that Kazakhstan is ranked as top-21 according to the OPEC Annual Statistical Bulletin of 2022.

[uzbekistan-gas-union-the-costs-and-benefits-for-uzbekistan](https://www.gazeta.uz/ru/2023/04/27/gaz/) (accessed: 30.12.2023).

¹⁰ Overview of the Gas Industry of the Republic of Kazakhstan — The Country Is Entering a State of Gas Shortage // Halyk Research. February 15, 2024. (In Russian). URL: https://halykfinance.kz/download/files/analytics/AC_gas.pdf (accessed: 20.02.2024).

Table 2

World Proven Natural Gas Reserves by Country

Rank	Country	Trillion of cubic meters (TCM)
1	Russian Federation	47.759
2	Iran	33.988
3	Qatar	23.831
4	United States of America	16.396
5	Turkmenistan	13.950
6	Saudi Arabia	9.514
7	United Arab Emirates	8.210
8	Nigeria	5.913
9	Venezuela	5.511
10	Algeria	4.504
11	Iraq	3.714
12	China	3.142
13	Mozambique	2.840
14	Australia	2.587
15	Canada	2.464
16	Egypt	2.209
17	Malaysia	2.172
18	Norway	2.081
19	Azerbaijan	1.917
20	Uzbekistan	1.846
21	Kazakhstan	1.830

Source: World Proven Natural Gas Reserves by Country // OPEC Annual Statistical Bulletin of 2022. URL: https://asb.opec.org/data/ASB_Data.php (accessed: 30.04.2024).

Kazakhstan is still dependent on supplies from the Central Asian gas transmission corridor linking it to Uzbekistan. Heavily populated south and south-eastern regions of Kazakhstan have limited access to indigenous gas and the country is highly dependent on gas imports from Uzbekistan (Askhat, Mukan & Saudabekova, 2021). Thus, natural gas is essential as a strategic energy source for the local population in the South Kazakhstan, despite of the fact that ex-President N. Nazarbayev in 2018 announced 50% of country's gasification.¹¹

As a result of the lack of investment and proper consideration of industry development issues, the government in the country does not have enough gas processing capacity, the gas infrastructure needs modernization, and the bulk

¹¹ Smayyil M. Nazarbayev Set a Deadline for Gasification of Astana // *Tengrinews.kz*. March 5, 2018. (In Russian). URL: <https://tengrinews.kz/kazakhstan-news/nazarbaev-ustanovil-srok-dlya-gazifikatsii-astanyi-339206/> (accessed: 30.12.2023).

of the resource base is a side effect of mining oil, which is why the country faced a choice between increasing oil production or production gas Consumption in the country is growing rapidly, including due to low tariffs and the state's intentions to achieve carbon neutrality goals. Prolonged inactivity and excessive government intervention based on the principles of non-market pricing, led to an accumulation of problems in the industry and a gas shortage in the country. As a result, in conditions of natural gas shortage on the country's domestic market, associated gas has become a sought-after resource.

One of the consequences of this policy was that energy-rich Kazakhstan experienced the same energy crisis. In 2022, "a state of emergency was declared in Kazakhstan"¹² when 130 000 residents of Ekibastuz town were left without heating in 30-degree frost. It should be emphasized that the energy chaos and the energy price crisis were also the trigger that led to large-scale protests in Kazakhstan and practically shook the status quo of the current president of Kazakhstan, since after the protests the government was forced to resign.

Genesis of the Russia — Central Asia Gas Union

A complex interplay of factors drove the genesis of the Russia — Central Asia Gas Union.

The Western sanctions imposed on Russia in 2022 critically impelled Moscow to reassess its energy policy, propelling a strategic shift toward its Central Asian neighbors. As a bridge between Europe and Asia, the region's geographical position added to its strategic importance in Russia's energy calculus.

Russia sees the energy crisis in Central Asia as an "opportunity" to put forward its "Tripartite Gas Union" and vigorously pushed for its initiative to be adopted. In the end, according to the 2023 agreement, Uzbekistan will supply "2.8

¹² Chynybaeva B. The "Winterstans": Energy Crisis in Central Asia // *Climate Action Network Eastern Europe, Caucasus and Central Asia (EECCA)*. February 17, 2023. URL: <https://canecca.org/en/the-winterstans/> (accessed: 30.12.2023).

billion m³ gas annually from Russian through Kazakhstan within the next 2 years.¹³

Economic imperatives also played a pivotal role. With the European energy market becoming increasingly unpredictable, Russia sought to explore alternative markets and secure its role as a dominant energy player in Eurasia. The Union aimed to leverage the synergies between the member states, enhancing energy trade and infrastructure development while ensuring energy security and diversification.¹⁴

The Gas Union was established through diplomatic maneuvers and agreements, focusing on energy cooperation, pipeline optimization, and gas trade balance among member states. These agreements were based on high-level meetings and visits aimed at regional energy security and economic cooperation. They also included discussions on energy efficiency, technological exchange, renewable energy, regional stability, economic development, and environmental sustainability.

The role of Kazakhstan and Uzbekistan in the Gas Union goes beyond their geographical positions. With its extensive network of pipelines and substantial oil and gas reserves, Kazakhstan emerged as a critical transit and investment hub within the Union.¹⁵ Its ability to balance relations with Russia and China positioned Kazakhstan as a key mediator and a strategic partner of the great powers in the regional energy landscape.

Uzbekistan's involvement was driven by its need for energy security and economic

diversification. As a country with growing energy demands, Uzbekistan viewed the Union as an opportunity to secure reliable energy supplies while tapping into technological and infrastructural development potential.¹⁶ The country's participation signified a shift from its traditionally insular energy policy to a more integrated regional approach.

The formation of the Russia — Central Asia Gas Union is a multifaceted development shaped by geopolitical shifts, economic strategies, and regional dynamics. It marks a significant phase in Eurasian energy politics, with potential implications for the global energy landscape.

Geopolitical Implications

The Russia — Central Asia Gas Union significantly alters the power dynamics in the Central Asian region. However, the formation of the Gas Union marks a transition from a dominance-based approach to a more cooperative and regionally integrated strategy. There is an increasing role of Kazakhstan and Uzbekistan as actors in international relations, which previously acted, for example, as objects of democratization by Western countries (Honrada, Ranjbar & Mukan, 2023).

The creation of such an alliance is also in line with Russia's strategic interests in Central Asia. Firstly, it secures a stable buffer zone along its southern flank, an area of traditional geopolitical interest. Secondly, it provides Russia with access to the significant energy resources of Central Asia, ensuring diversification of its energy supply routes, particularly in the face of Western sanctions and the growing unreliability of European markets.¹⁷ It also allows Russia to maintain its position in the region, against the backdrop of growing Chinese influence.

Separately, the problem of the deterioration of the Central Asia — Center gas pipeline system should also be highlighted. Russia cannot afford

¹³ Aramov J. Russia — Kazakhstan — Uzbekistan Gas Union: The Costs and Benefits for Uzbekistan // Central Asian Bureau for Analytical Reporting. November 23, 2023. URL: <https://cabar.asia/en/russia-kazakhstan-uzbekistan-gas-union-the-costs-and-benefits-for-uzbekistan> (accessed: 30.12.2023).

¹⁴ Coleman N., Elliott S. Gazprom Signs Strategic Cooperation Pact with Uzbekistan, Eyes More Gas Routes // S&P Global. November 1, 2023. URL: <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/110123-gazprom-signs-strategic-cooperation-pact-with-uzbekistan-eyes-more-gas-routes> (accessed: 10.01.2024).

¹⁵ Huasheng Z. Central Asia in Change: Beyond the 'Great Game' // The Valdai Discussion Club. August 1, 2023. URL: <https://valdaiclub.com/a/highlights/central-asia-in-change-beyond-the-great-game/> (accessed: 10.01.2024).

¹⁶ Ibid.

¹⁷ Losz A., Mitrova T. Central Asia's Overlooked Energy Crisis: What it Means for the Global Gas Market // Center on Global Energy Policy at Columbia University, SIPA. March 28, 2023. URL: <https://www.energypolicy.columbia.edu/central-asias-overlooked-energy-crisis-what-it-means-for-the-global-gas-market/> (accessed: 10.01.2024).

to spend millions of US dollars updating the antiquated Soviet gas infrastructure because the market for natural gas in Central Asia is too small. Instead, Russia can connect the capacity of the regional market to the ongoing projects such as the “Pakistan Stream,” the Turkmenistan — Afghanistan — Pakistan — India (TAPI) pipeline, the Iran — Pakistan — India (IPI) pipeline, and the North — South corridor (Strokan, 2023).

The establishment of this Union has implications that ripple beyond regional boundaries, influencing the broader canvas of global energy policy. According to D. Biričevskij, Director of the Department of Economic Cooperation of the Russian Foreign Ministry, the gas union has enough potential to expend.¹⁸ It signals a move towards regional blocs and alliances in energy trade, challenging the existing global energy order dominated by a few key players. This realignment could lead to changes in global energy supply chains, potentially impacting global energy prices and market stability.

Economic Opportunities

The Russia — Kazakhstan — Uzbekistan Gas Union offers substantial economic benefits to the countries involved. For Russia, it opens new markets for its gas exports, potentially offsetting the loss of European markets and boosting its energy sector revenues. Central Asian countries stand to benefit from transit fees, increased foreign investments, and better access to energy resources.¹⁹ This alliance could stimulate economic growth, create jobs, and improve the region’s energy infrastructure. It also allows these countries to diversify their economies, reducing reliance on a single export

¹⁸ The Gas Union of Russia, Uzbekistan and Kazakhstan May Expand // Embassy Life. August 16, 2023. URL: <https://embassyoflife.ru/en/post/33038> (accessed: 11.01.2024).

¹⁹ Strokan M., Mukhammadkulova N. A Trilateral Gas Union: Risks and Benefits for Central Asia // The Diplomat. January 20, 2023. URL: <https://thediplomat.com/2023/01/a-trilateral-gas-union-risks-and-benefits-for-central-asia/> (accessed: 10.01.2024).

commodity and fostering broader economic development.

The Union’s impact on gas market dynamics and prices is significant. By providing an alternative source of natural gas to Asia, the Union could contribute to more competitive pricing, benefiting consumers. Additionally, this realignment could influence the strategies of other major gas exporters as they adjust to the changing market dynamics.²⁰ The Union’s ability to potentially control a sizable portion of gas supplies to Asia could grant it considerable influence in setting regional gas prices. Its development can strengthen the further development of Eurasian integration (Bazavluk, Kurylev & Savin, 2022).

Establishing the Gas Union will likely spur infrastructure development and open investment opportunities. There will be a need for modernization and expansion of the existing pipeline network and the development of new routes to support increased gas production and transportation. This could attract significant investments into the region. Additionally, there are opportunities in related sectors, such as energy technology, renewable energy integration, and energy efficiency projects (Grozin, 2023). These investments boost the energy sector and potentially drive broader economic growth and technological advancement in the region.

The Union’s economic ripple effects could extend beyond the energy sector, influencing regional politics, trade patterns, and diplomatic relations. It positions Russia and Central Asian countries as pivotal players in Eurasia, potentially reshaping regional alliances and economic blocs.

Challenges and Constraints

While promising, the formation of the Russia — Central Asia Gas Union is not without its political and economic risks. Politically, the Union may exacerbate regional tensions, as neighboring countries or global powers may

²⁰ Russia and Central Asian States Will Cooperate on Gas // Oxford Analytica. Expert Briefings. 2023. URL: <https://doi.org/10.1108/oxan-db278988> (accessed: 11.01.2024).

view it as a shift in the balance of power. Economically, reliance on a single commodity for regional cooperation poses risks, particularly in a volatile global energy market. Moreover, the economic benefits are contingent on stable political relations among the member states, and any internal instability could jeopardize the Union's goals.

The position of Turkmenistan can be singled out separately. Today Turkmenistan is one of the largest producers and exporters of natural gas in Central Asia, co-operating with various European and Asian countries. Within the framework of Central Asian co-operation, Turkmenistan, Kazakhstan and Uzbekistan cooperate in gas transportation to China: three branches of the Turkmenistan — China gas pipeline. The pipeline currently supplies 40 billion cubic metres of gas per year out of 55 billion, with Uzbekistan and Kazakhstan supplying the rest.²¹ However, Turkmenistan was skeptical about Russia's Gas Union initiative.

On August 12, 2023, the Ministry of Foreign Affairs of Turkmenistan published a statement by the Deputy Chairman of Turkmengaz, Myrad Archayev, that Russia's plans to create a "gas union" with Kazakhstan and Uzbekistan affect the interests of Ashgabat. In this regard, Archayev listed the questions that the Turkmens had after an interview with the Director of the Department of Economic Cooperation of the Russian Foreign Ministry, Dmitry Birichevsky, in which he allowed "the expansion of trilateral cooperation in the gas sector."²²

Another problem related to upgrading and expanding the existing infrastructure to meet the demands of increased gas flow.²³ Though

²¹ Announcement for Mass-Media // Embassy of Turkmenistan in the Russian Federation. August 12, 2023. (In Russian). URL: <https://russia.tmembassy.gov.tm/ru/news/120178> (accessed: 20.02.2024).

²² Turkmenistan Saw a Threat to Its Interests in the "Gas Union" of Russia, Kazakhstan and Uzbekistan // Vedomosti. August 14, 2023. (In Russian). URL: <https://www.vedomosti.ru/politics/articles/2023/08/14/989899-turkmeniya-uvidela-ugrozu-svoim-interesam> (accessed: 20.02.2024).

²³ Russie, Qazaq va Ozbak etehadiye gas: "hazine ha va mazaya" [Russian, Kazakh and Uzbek Gas Union: "Costs

extensive, the Central Asia — Center Gas Pipeline requires modernization and technological upgrades to enhance efficiency and capacity. This undertaking is expensive and technologically demanding, requiring expertise and sustained investment. Additionally, integrating the diverse infrastructure systems of the member countries poses logistical challenges.

As global energy policies increasingly favor sustainable and renewable sources, the Union's focus on fossil fuels might face growing environmental scrutiny. This will require a strategic pivot towards more sustainable practices, posing a significant challenge given the current infrastructure and investment preferences (Lv, 2023). The Union must navigate the delicate balance between economic growth and environmental protection. This includes addressing concerns about greenhouse gas emissions and ecological impacts, which are central to the current global discourse on energy projects.

It should be noted that the primary sanctions imposed on Russia can directly affect the Union's operations. These sanctions, particularly those targeting the energy sector, could limit Russia's ability to invest in and develop the necessary infrastructure for the Gas Union. They may also restrict the Union's access to global financial systems and markets, impacting its economic viability. Also, secondary sanctions, which target entities doing business with sanctioned countries or sectors, pose a substantial risk (Chuvychkina, 2023). These could deter potential investors and partners from engaging with the Union for fear of repercussions from their home countries, especially those aligned with sanction-imposing entities. This could lead to isolation in the global energy market and limit the Union's ability to access the technology and investment needed for modernization and expansion.

Navigating these sanctions while maintaining economic viability and regional stability will require skillful diplomatic and

and Benefits"] // The Islamic Republic News Agency. November 23, 2023. (In Persian). URL: <https://irna.ir/xjP5GK> (accessed: 12.01.2024).

strategic maneuvering. The Union's ability to adapt to these external pressures and find alternative routes for cooperation and investment will be a key to its success and sustainability.

Conclusion

The creation of the gas union marks the beginning of a transformation in Central Asian energy policy. A key element of this alliance is

the Central Asia — Center gas pipeline system, through which its members supply gas.

The development of energy cooperation between Russia, Kazakhstan and Uzbekistan could have a positive impact on the level of energy security in the Central Asian region. The decisions taken today will undoubtedly determine energy security and the geopolitical balance of power in Central Asia for years to come.

Received / Поступила в редакцию: 15.01.2024

Revised / Доработана после рецензирования: 02.03.2024

Accepted / Принята к публикации: 23.04.2024

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