Explaining the Central Asian Energy Game: Complex Interdependence and How Small States Influence Their Big Neighbors

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Dominant voices in the energy security debate describe the competition for energy resources as a zero-sum, realist game that will lead to future resource wars among prominent system-shaping states. However, the complex set of interlinked political, economic, and security issues that make up energy security involves “big” and “small” states. Complex interdependence provides a different lens to view power in situational and relational terms and thus a more comprehensive way to measure a state’s potential influence. This article examines the foreign-policy behavior of energy-rich “small” states in Central Asia, specifically Kazakhstan and Turkmenistan, in the context of their “big” neighbors, particularly Russia and China. The goal is to begin to explain the energy dynamic within Central Asia and the bargaining process that is reshaping Central Asia’s interlinked political, economic, and security relationships. Keywords: energy security, complex interdependence, Central Asia, China, Russia, Kazakhstan, Turkmenistan.

The world community has entered the twenty-first century with ever-growing energy demands, increasing energy costs and volatility of supply, and the perception of shrinking access to secure energy resources. These realities, and the fact that energy resources are found only in a few countries, take trade in energy out of the realm of ordinary “low” policy in which it is assumed that basic laws of supply and demand are determining. Due to their scarcity and link to future development, energy resources take on some of the strategic characteristics of “high” policy. The ongoing competition for energy resources leads many to see a future of resource wars, particularly in the context of large producing states such as Russia and large consumers such as the United States and China that fuel global demand. But this
zero-sum lens misses the growing interdependent political, economic, and security relationships among producing, consuming, and energy transit countries. In fact, the high-versus-low policy distinction presents a false dichotomy. The reality is a complex set of fluid, asymmetrical relationships in which all states have a certain level of dependency and influence.

By the numbers, the importance of the Caspian Sea region in the global energy equation is quite small. For example, its oil accounts for only 2–3 percent of the world’s known resources, and its gas for only 4–5 percent. However, its relative proximity to Russian, European, and Chinese markets and the tightness of the world energy market make these resources a source of potentially critical leverage. The possession of vital, expensive, and sought-after energy resources in large amounts provides certain small states with foreign-policy choices and strategic advantages that they would not normally possess.

But the Central Asian energy equation is not a simple one. Given the vast distances involved, the process of extracting and transporting these resources requires a big commitment by the parties involved. Russia has the advantage of long-term cultural and political ties to the region and a ready, although aging, pipeline and grid infrastructure that routes Central Asian energy exports through Russia. In contrast, China’s ready cash reserves that are available for investment in new pipelines and infrastructure vital to the region have changed the nature of the game. These circumstances give new options and opportunities to Central Asia’s energy-rich states. In this context, Central Asian states forge ahead to re-create their identity as important regional actors rather than just remaining a place acted upon by outside great powers such as Russia and China.

This article asks how energy-rich Central Asian states work to avoid being sandwiched between the regional giants or to become victims of a new resource “great game.” To address this question, we examine the impact of the foreign-policy behavior of energy-rich small states in Central Asia, specifically Kazakhstan and Turkmenistan, in the context of their “big” neighbors, particularly Russia and China. Given their relative poverty, geographic isolation, and close historical and functional ties to Russia, these states seek to step