

„NEW SILK ROAD” – CHALLENGES AND PERSPECTIVES

Paraschiva BĂDESCU*

Abstract. Populations, conquerors, cultures and ideas have swept across the steppes, deserts and mountains of Central Asia for thousands of years, and the region has been the focus of ancient East-West trade routes collectively called “The Silk Road”; it was the board on which the “Great Game” between big actors was played. The region represents the most concentrated mass of wealth in the world; these riches are becoming the stake in a new economic Great Game and new Silk Road. The study presents the situation, risks and challenges the countries involved are facing with, interests, involvement and strategies of different players. The area remains a ground of increased interests and competition between them, indicating perspectives for building a new Silk Road.

Keywords: Eurasia, new Silk Road, Great Game, areas of interests, objectives and strategies, regional security, challenges and cooperation, future perspective.

The region known loosely as Central Asia is a vast arena of desert, steppe and knotted mountain ranges stretching from the Caspian Sea in the west to Mongolia in the east. It spans five former Soviet republics – Kazakstan, Kyrgyzstan, Tajikistan and Uzbekistan – and parts of western China. Until just a few years ago it was an inaccessible and unfamiliar area to the outside world. For centuries, Central Asia has been the locus of ancient east-west trade routes collectively called the Silk Road. The notion of the Silk Road stresses Central Asia’s important linking role as the territory through which the great civilisations of the east and west made contact and carried on cultural, economic and other exchange. The Silk Road gave rise to unprecedented trade, but its true glory and unique status in human history were the result of the interchange of ideas, technologies and religions that occurred among the very different cultures that used it.

* The author has held several positions in MFA and externally, led or was a member of the Romanian delegations to various negotiations on bilateral or multilateral security and cooperation in Europe; as a member of the team, she was part of the MFA (Task Force) for preparing and holding the OSCE Chairmanship in Office of Romania, 2001. She was Ambassador, Head of OSCE Centre in Turkmenistan (2002-2004); Ambassador, Head of OSCE Office in Podgorica / Deputy Head of OSCE Mission in Serbia-Montenegro (2005-2006); Ambassador, Head of OSCE Mission in Montenegro (2006-2010) and Ambassador, Head of OSCE/ODIHR Election Observation Mission for Presidential Election 2013, Republic of Tajikistan. In 2012, she received ‘OSCE Medal’ for her outstanding activity in the OSCE.

The desintegration of the Soviet Union has found the republics unprepared for the reality of independence, they were not expecting and looking for. When Stalin drew the borders between different republics in 1924, no-one really expected them to become international boundaries. Areas were portioned on the map without much regard to the reality on the ground. As the result, many towns and enclaves are finding themselves isolated, as the once complex web of regional ties shrinks behind new borderlines. Fergana valley has been particularly affected. The independence has put the Central Asian republics' similarities and differences under a strong light. All are grappling with huge population shifts as minorities – especially Slavs and Germans – emigrate. All are facing pressing economic crises, are experiencing rising nationalism and a resurgence of Islam, and are attempting to modernise and westernise while maintaining their national specificity. All are feeling pressure from Russia seeking to consolidate its sphere of interests. All are opening themselves more or less to new spheres of influence from Turkey, Iran, China and the West. But there are differences stemming from their natural resources, distinct identities and cultures.

Root causes of potential conflicts in Central Asia have a dynamic character, including border disputes/tensions, ethnic and national tensions, poverty, disputes on natural resources. There are some objective processes – state building, nation building, consolidation of national elite, promoting of national ideas. All these processes lead to the radical restructuring of the society. All countries from the region are competing with each other, as each wants to have its own leadership in the region, which leads to the lack of perspective for regional cooperation and integration. Unless the CA Governments make the regional integration a top priority, they will become further isolated, losing the benefits from global economic exchanges. The region has almost no communication system that allows it to establish close relations with its neighbors in the region or outside. Despite these challenges, the region internally is still divided, which keep it isolated from the world markets.

Moreover, an unexpected „strategic vacuum” in Central Asia after the collapse of the Soviet Union was promptly followed by a fierce competition between great powers, also known as the „Great Game”. The rich energy resources are usually considered the main reason of the renewed interest in the region and also as the principal motivation of the US, Russia and China in the New Great Game. However, the role of energy resources is usually overstated. Beyond its energy resources Central Asia also has an inherent importance resulting from its geographic situation.

From Old to the New Silk Road

For many centuries the historic Silk Road was the most important land route connecting Europe and Asia. Consisting of many different routes and stretching out over a vast geography, the Silk Road was a unique path that not only became a

source of prosperity and trade relationships, but also promoted exchange of knowledge and experience as well as cultural interaction among different communities. Land routes, unlike maritime routes, compelled caravans to interact with other communities and different cultures on the way to their final destination. As a result of a trade-driven interaction, even the smallest villages were exposed not only to the products of advanced civilizations, but also to the exchange of ideas, knowledge, experience and beliefs.

The significance of the historic Silk Road lies in its unique nature – no authority or government could ever claim a monopoly on creation and control of the Silk Road. The Silk Road gradually lost its value and importance in the modern period due to developments in maritime transportation and political circumstances in the region. Nowadays, for many countries located on the ancient Silk Road, particularly landlocked Central Asia, an historic Silk Road-like trade system appears to be the only alternative for their growth and development. Developing industries demand new markets; technological innovations facilitate international cooperation. The New Silk Road projects are instrumental in laying the foundation for regional cooperation; creating political flexibility; improving economic growth; offering trade diversifications; and investing in transportation, mining and energy sectors. All of these represent a historically unprecedented chance for the Central Asian republics to become important players in the world economy. There are already many large- and small-scale, bilateral and multilateral projects aimed to reconstruct and revive a trade and exchange system similar to the ancient Silk Road such as those launched by Turkey, China, Kazakhstan, and Turkmenistan, in addition to the Customs Union, TRACECA, CAREC, SPECA, and INOGATE.

Launching, in June 2011, the „*New Silk Road*” strategy, the United States drew global attention to the various ongoing initiatives aiming to promote trade, economic cooperation and development in Central Asia and in other countries located on the path of the ancient Silk Road. In the post-2014 period, after withdrawing military forces from Afghanistan, the USA is going to maintain its interest in Central Asia by promoting this initiative that aims to improve stability by facilitating and enhancing regional cooperation in trade, energy, and transportation, to develop economic growth throughout the region as well as integration into the world economy by introducing modernized infrastructure and effective cross-border trade. US aims to assist Central Asian states on many fronts, including „addressing transnational threats, building the infrastructure and connectivity necessary for regional economic development and cooperation, and providing space for civil society groups, rule of law and human rights concerns”. In order to achieve these objectives, the US plans to use a combination of diplomatic engagement and bilateral and multilateral assistance¹.

¹ Panel on European and American Policy Priorities in Central Asia, The George Washington University, Washington DC, April 16, 2013.

As the United States transitions to a fundamentally different relationship with a democratic, unified Afghanistan, it is taking steps to work with regional partners to build on the gains of the past decade. The linchpin of this effort is the opening of new markets and the connection of Afghanistan to Pakistan, India, and beyond. Promoting connectivity in a region that is the least-economically integrated in the world is challenging, but vital to transforming many of these economies from being dependent on aid to thriving as lucrative trading partners. That is why there is an important support for *the “New Silk Road” initiative*, linking Central and South Asia through regional energy markets, trade and transport routes, improved customs and borders, and connecting businesses and people.

The New Silk Road strategy also bears a political dimension such as promoting democratic norms, values and human rights. For obvious political reasons, Iran, despite its location, convenient trade routes and influence in the region, is completely left outside of the New Silk Road. The United States lies in distance to the region and does not have a significant direct economic benefit from trade relationships with Silk Road countries. Thus, the US New Silk Road strategy could be perceived as an attempt to create political leverage on Central Asian states to counter Russia’s Eurasian Union. On the other hand, remote promotion of the New Silk Road could also be seen as an indication of willingness to facilitate development processes in Central Asian states. So, the general perception by Central Asian States of the US New Silk Road strategy has been predominantly a positive one.

The promoters² of the “New Silk Road” strategy stressed that it should not be viewed as a “zero sum game”, encroaching on natural and historic alliances with regional powers, but as a necessary process for the independence and economic development of the region. Indeed, new North-South transit and trade routes linking Central and South Asia can complement *growing East-West connections* across Eurasia, including those pursued by China and Russia.

The investments in transportation and border infrastructure made over the past decade have created much of the physical infrastructure necessary to support cross-border trade. These *investments include* rail links from Uzbekistan to Afghanistan, bridges and roads connecting Tajikistan and Afghanistan, and also sophisticated truck and port facilities capable of moving large volumes of goods rapidly. These investments have already increased regional trade. The *average cost of crossing borders* in Central Asia has dropped 15 percent in the last three years, and the volume of intra-regional trade has increased by 49 percent over the last five years. But much more needs to be done to unlock the potential trade and investment opportunities.

² Hilary Clinton, “Progress Noted, but Questions Remain Over ‘New Silk Road’ Initiative”, U.S. Department of State, July 2011.

Continuing support for CA states’s accession to the World Trade Organization is to be welcomed, so that they can join the global trade community. Governments in the region must also pass and implement cross-border trade and transit agreements, and harmonize their customs regimes so that goods can flow across open, but secure borders.

These steps can yield significant results. Probably the greatest opportunity to connect this region lies in the energy sector, where energy-rich countries in Central Asia could one day supply natural gas and electricity to energy-starved South Asia. Beyond infrastructure, the “New Silk Road” vision also seeks to promote greater regional economic integration through people-to-people connections. In February 2014, over 250 Afghan, Kazakhstani, and Uzbekistani businessmen gathered in Mazar-i-Sharif, near the Friendship Bridge, signing *over \$8 million in letters of intent* for commercial sales. Similar U.S.-sponsored conferences in Afghanistan, Bangladesh, Kazakhstan, and Kyrgyzstan have successfully brought together hundreds of South and Central Asian businesses and entrepreneurs, *including women*, generating millions in trade and fostering important relationships across political, religious, and ethnic lines.

These commitments show the desire by people in the region to look past historical differences and to a future of regional economic connectivity that can increase prosperity and stability. It is time for governments to do.

Many important steps toward the New Silk Road initiative have already been completed. Electricity from Uzbekistan and Turkmenistan is powering small businesses and government buildings in Afghanistan; rail connections are being built between Kazakhstan, Turkmenistan and Afghanistan and a new rail from the Uzbek border to Mazar-e-Sharif has been completed; Turkmen, Pakistani, and Indian officials have finalized a pricing agreement for the TAPI gas pipeline. Overall, one could identify about 40 infrastructure projects that could be considered important parts of the New Silk Road initiative³.

The TAPI (Turkmenistan-Afghanistan-Pakistan-India) pipeline is one of the important lynchpins of the New Silk Road strategy. The pipeline is expected to transport Caspian gas from Turkmenistan through Afghanistan and Pakistan into India. The project, that will strengthen regional cooperation, economic growth and integration among the countries of the New Silk Road, is planned to begin operating by 2017-2018. Another important project that is under way and fits the framework of the US New Silk Road strategy is CASA-1000, which aims to deliver hydropower from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan.

Turkmenistan is fast-growing economy in the region; its most important economic sector is oil and natural gas which accounts more than 60 percent of the total GDP. It is sixth in the world in natural gas reserves and twentieth in gas

³ Joshua Kuchera, “A New Silk Road?”, *The Diplomat*, November 2011, <http://thediplomat.com/2011/11/11/the-new-silk-road>.

production⁴. Turkmenistan is, also, the world's largest per capita producer of cotton and is among the top ten producers of cotton in the world. Being rich in oil and natural gas resources, it hosts several important pipelines: the Central Asia-China Gas Pipeline that connects Turkmenistan-Uzbekistan-Kazakhstan-China, Dauletabad-Sarakhs-Kangiran pipeline that connect Turkmenistan and Iran and the Korpeje-Kordkuy pipeline connecting Turkmenistan to Iran. Construction on the domestic East-West Pipeline started in 2010 and is expected to be completed by 2015. Additionally, there are two important proposed gas pipelines: the Trans-Caspian Gas Pipeline and the TAPI pipeline. Turkmenistan's main importers of natural gas are Russia, Iran and China. With the TAPI pipeline, supported and favored by US, Turkmenistan will gain access to another big market.

Tajikistan, being an up-stream country, is the richest state in central Asia in terms of its potential to produce hydroelectricity, which is a very valuable commodity to trade along the new Silk Road, and it is expected that it will have a positive impact on the projects related to the new Silk Road. The bridges connecting Tajikistan to Afghanistan, financed by US and Aga Khan Development Network will have a tremendous impact on trade not only in these countries, but also in the whole region.

The project *CASA-1000*, which aims to export electricity from Tajikistan and Kyrgyzstan to Afghanistan, India and Pakistan, is also under way and is widely supported by the US as part of the New Silk Road strategy.

Tajikistan shares a 749 mile (1206 km) long border with Afghanistan, the longest post-Soviet border which is poorly protected and used as major route to smuggle drugs to Europe. The Cross-Border Transport Agreement (CBTA), finalized in 2011 by Afghanistan, Tajikistan and Kyrgyzstan, aims to simplify border crossing procedures and ease the flow of goods and people across the borders⁵.

On March 20, 2013, the Tajik, Turkmen and Afghan presidents signed a memorandum of understanding for the construction of a new railway linking the three countries, which will strengthen the economies and partnership of the three countries

Kyrgyzstan has significant deposits of gold and rare metals; locally exploitable coal, oil, and natural gas; and vast deposits of mercury, bismuth, lead and zinc. Kyrgyzstan is the third among CIS countries in gold production and second after Uzbekistan in CIS in coal reserves. Overall, the nation's leading exports are cotton, wool, meat, tobacco, metals (particularly gold, mercury, and uranium), natural gas, hydropower, and machinery⁶. One of the most important

⁴ Energy Information Administration. Turkmenistan. <http://www.eia.gov/cabs/Turkmenistan>.

⁵ "Afghanistan Joins Tajikistan, Kyrgyz Republic Cross-Border Transport Accord", *Asia Development Bank*, August, 2011, <http://www.adb.org/news>

⁶ *The World Factbook*. Kyrgyzstan, <https://www.cia.gov/library/publications/the-world-factbook>.

strategic advantages of Kyrgyzstan is its rich hydropower resources, which, along with oil and natural gas, is one of the most valuable commodities demanded along the New Silk Road. As part of the New Silk Road initiative supported by US and Russia, the abovementioned CASA-1000 project aims to transport available summer electricity surplus from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan. Another important fact in the framework of the new Silk Road is Kyrgyzstan's trade partnership with China. Being the immediate neighbor of China and a member of WTO since 1998, Kyrgyzstan is a gateway for China to Eurasia and then Europe. China is eager to support Kyrgyzstan in construction of new international railways that will connect Asia to Europe. The construction of a new Uzbekistan-Kyrgyzstan-China railway is under way, and this project will be a significant part of the New Silk Road initiative.

Uzbekistan, the most populous country in Central Asia, has significant hydrocarbon reserves and is the world's seventh largest producer of gold⁷, and the third largest exporter of cotton. The major trade partners of Uzbekistan are Russia, Turkey, China and Kazakhstan. Despite significant gas reserves, a lack of sufficient foreign investments and poor transportation infrastructure has prevented Uzbekistan from becoming a major natural gas exporter. Uzbekistan has already developed some oil and gas pipelines. It is actively developing existing railway projects and is working on ones. Uzbekistan borders Afghanistan, Kazakhstan, Kyrgyzstan, Turkmenistan and Tajikistan, being an important link for most of the routes that connect Asia and Europe. It is part of the Trans-Caspian railroad, built during the Russian Empire along the ancient Silk Road. The Uzbekistan-Kyrgyzstan-China railway is an important New Silk Road initiative. The proposed railway is planned to go from Kashgar in Chinese Xianjiang and might even go as far as Europe via Turkey⁸. With cities of Samarkand, Bukhara, Khiva, Tashkent, Termez and others, famous oases on the ancient Silk Road, tourism is an important sector that could revive Uzbekistan as an important link along the path of New Silk Road.

Turkey's "Silk Road Project", initiated in 2008, aims to provide simplification and unification of customs formalities and to reconstruct the historical Silk Road as a link between European and Asian markets. The project, primarily focusing on transportation, security, logistics and custom procedures at borders, is an important contribution to the revival of the Silk Road. At the "International Forum on the Role of Customs Administration on Facilitating and Promoting Trade among Silk Road Countries", in Antalya/Turkey, the 17 countries that are incorporated into the Silk Road Project – Azerbaijan, Georgia, India, Iraq, Iran, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Russia, Syria, Tajikistan,

⁷ *Uzbekistan is rich in natural resources*, <http://www.miningworld-centralasia.com/pages/uzbekistan.htm>

⁸ Roman Muzalevsky, "China-Kyrgyzstan-Uzbekistan Railway Scheme: Fears, Hopes and Prospects," The Jamestown Foundation, May 2012.

Uzbekistan, Afghanistan, China and South Korea – and several international organizations, such as World Customs Administration (WCO), United Nations Economic Commission for Europe (UNECE), European Organization for Forwarding and Logistics (CLECAT) and International Transport Union (IRU) was adopted the *Antalya Declaration*.⁹ The most important agreements outlined in the declaration were as follows: achieving more transparent and streamlined customs formalities; strengthening collective and individual initiatives under the revitalization concept; improving customs-business partnership; making joint efforts to suppress illegal activities, terrorism and human trafficking; supporting both regional and global trade facilitation efforts. The next forum was held in Baku, Azerbaijan, in 2009, and issued the *Caravanserai Project*, focusing on increasing the efficiency of the Silk Road routes and particularly the border crossing points (BCP). At the next forum held in Teheran, in 2010, an agreement was made to revive the Silk Road through rail service on the major part of the Silk Road and the launching of Economic Cooperation Organization (ECO) Silk Road Truck Caravan¹⁰.

The forum held in Batumi, Georgia, in 2011 appreciated “Transport Corridor Europe-Caucasus-Asia (TRACECA) for its support on the establishment of the Permanent Secretariat as the administrative body in charge of the implementation and follow-up of the decisions of the Forum”¹¹. Taking into account the fact that not all of the Silk Road countries are the members of TRACECA, the forum called its members to consider the Memorandum of Understanding (MoU) proposed by TRACECA, which is an international transport program involving the European Union and 14 Member States of the Eastern European, Caucasian and Central Asian region¹².

Turkey has often stressed the importance of its historic, ethnic, linguistic and cultural ties with Central Asia. There are many Turkish schools, universities and dialogue centers that offer not only high-quality education and cultural interaction, but also facilitates the establishment and conduct of new business relations.

The Chinese Silk Road Initiative – China is pursuing great interest in developing multilateral partnerships with Central Asian countries in many areas, including energy, trade and transportation routes. One of the most important energy deals between Central Asia and China is the 1100-mile gas pipeline that transports Turkmen gas to China via Uzbekistan and Kazakhstan, which began operating in 2009¹³. Another important energy project is the Kazakhstan-China oil

⁹ “Information Note on Silk Road Customs Cooperation Initiative”, *Republic of Turkey, Ministry of Customs and Trade*, February 2012.

¹⁰ “Teheran Declaration”, *Republic of Turkey Ministry of Customs and Trade*, 2010.

¹¹ “Batumi Declaration”, *Republic of Turkey Ministry of Customs and Trade*, 2011.

¹² “Welcome to TRACECA”, <http://www.traceca-org>

¹³ “China president opens Turkmenistan gas pipeline”, *BBC News*, December 2009, <http://news.bbc.co.uk/2/hi/asia-pacific>

pipeline, first China's direct import pipeline.¹⁴ China has also made significant investment into Central Asian railroads. In February 2013 the Government of China approved the construction of a new two billion-dollar railroad from China to Kyrgyzstan and Uzbekistan.

China is very pragmatic and business-oriented in its Silk Road approach; there is no ideological or political agenda in its Silk Road investments and is quite cautious about maintaining its political neutrality in the region, including refraining from investing in disputed projects. For example, China declared that it will remain uninterested in investing in the construction of the Rogun Dam until Tajikistan and Uzbekistan resolve their disputes. On the other hand, having the third largest economy in the world and playing a leading role in the Shanghai Cooperation Organization (SCO), China yields considerable potential to change the dynamics in the region.

Russia does not have yet an official Silk Road strategy. Central Asia, which is considered by Russia as its “near abroad”, is still heavily dependent on infrastructure developed during the Soviet times. Therefore, the current Russian policy towards Central Asian states is not focused on new developments and investments in infrastructure; it is focused rather on securing the Soviet legacy and sustaining its engagement in the region in order to continue benefiting from its previous investments and from the region's vast resources by creating supranational structures. The main project in this respect is the *Eurasian Union* – the economic and political alliance among the former Soviet republics. An important step towards the formation of the Eurasian Union was the establishment of a Customs Union, signed by Russia, Kazakhstan and Belarus, and expecting that some other countries are going to consider joining the union. On 29 May 2014, Russia, Belarus and Kazakhstan have signed, in Astana, the Basic Treaty of the Eurasian Economic Union, which will enter into force on January, 1, 2015. Russia also invests in various projects in Central Asia and takes part in new multilateral initiatives. It is very interested in investing in energy related projects, such as hydroelectric projects in the up-stream countries of Tajikistan and Uzbekistan and the hydrocarbon resources of Uzbekistan and Kazakhstan.

There are currently under consideration or under construction a number of transport links connecting Asia and Europe through Central Asia. Europe's main initiative is *TRACECA* (Transport Corridor Europe-Caucasus-Asia), an international transport initiative involving European Union and 14 member states (Armenia, Azerbaijan, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, **Romania**, Tajikistan, Turkmenistan, Turkey, Ukraine and Uzbekistan), which aims to promote regional economy by providing reliable and efficient transport links between Europe and Asia¹⁵ and is focused on five main fields:

¹⁴ “Kazakhstan-China oil pipeline could start operating at its full capacity by 2014”, Energy Global, September 2012, <http://www.energyglobal.com/news/pipelines/articles>.

¹⁵ TRACECA, <http://www.traceca-org.org/en>

marine transport, air routes, roads and rails, transport infrastructure and transport security. Initially, it was financed by the European Commission, but since 2009 it has been financed by the member states, being an important indicator that demonstrates their commitment to establish and manage trading routes between Europe and Asia.

INOGATE is another important initiative that aims to build energy policy cooperation among the member countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkey, Turkmenistan, Ukraine, Uzbekistan, and Tajikistan). The project has four main objectives: to converge energy markets on the basis of the EU internal energy market by taking into account the peculiarities of participant countries; to advance energy security by addressing the topics of energy imports and exports, energy transit and demand; to support sustainable energy development including the development of energy efficiency and renewable energy; and to attract investors to energy projects within *INOGATE*. Among the projects that have been implemented within the framework of *INOGATE* are related to the Trans-Caspian-Black Sea Gas Corridor and an energy saving initiative in Eastern European and Central Asian countries¹⁶.

CAREC (Central Asia Regional Economic Cooperation) is a multinational project, supported by 6 multilateral partners such as the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the Islamic Development Bank (IsDB), the United Nations Development Program (UNDP) and the World Bank, for cooperation among the member countries: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, China, Tajikistan, Turkmenistan and Uzbekistan.

SPECA (Special Program for the Economies of Central Asia) is a United Nations program launched in 1998 to support regional cooperation among Central Asian countries so as to integrate them into the global economy more quickly and efficiently, having as participants Azerbaijan, Afghanistan and five key Central Asian states. *SPECA* is supported and sponsored by the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP). The *SPECA* project is focusing on specific areas such as transport, trade, water and energy, statistics, gender and economy and knowledge-based economy development.¹⁷

Challenges and Prospects for the New Silk Road

Each of the New Silk Road initiatives described above has its own specific agenda, goals, and priorities, all of them contributing, like the ancient Silk Road, to a system of trade and cooperation that is reemerging in Central Asia. Various

¹⁶ “*INOGATE* Projects”, <http://www.inogate.org>

¹⁷ “The UN Special Program for the Economies of Central Asia (*SPECA*)”, <http://www.unece.org/fileadmin/DAM/SPECA>

New Silk Road initiatives generally support and complement each other. While the governments are instrumental in laying the foundation for various New Silk Road initiatives, the most important contributions will come from private companies and small and medium enterprises. Such initiatives consist of various short-term and long-term projects. There are many indicators that the New Silk Road initiatives have every reason to thrive.

There are also some challenges ahead for the New Silk Road initiatives. Reluctance by the authorities of the region to change the status quo could be the main obstacle preventing their successful implementation. Some initiatives and projects are criticized because political leadership has not been very enthusiastic in liberalizing their trade, empowering private sector or opening their economies. However, since all the countries in central Asia are landlocked, without regional cooperation it is extremely difficult to achieve rapid economic growth. In order to achieve fast-growing economies and sustained development, Central Asian states have no other option than to participate in the New Silk Road initiatives.

All countries in Central Asia face economic challenges, even the resource-rich countries like Kazakhstan and Turkmenistan, which both are facing problems. Creating a more coherent economic strategy that can provide jobs, high unemployment and fragile economies in Tajikistan, Kyrgyzstan and Uzbekistan mean that job seekers often have to leave the country in order to find work. The challenge of economic development is a key component of stability in the region. Political and economic situations are always intertwined, and nowhere more than in Central Asia.

The high-profile nature of some of the project will make them a target for those who seek to destabilize the region. On top of everything, the rivalry and a very poor record of cooperation among the regimes of Central Asia may be an even greater risk to the projects than non-systemic threats like the Taliban and narco-traffickers.

The most important developments for Central Asian countries in the coming period will be connected to Russia's and China's economies. Also, Afghanistan-related security issues are an ongoing concern, especially with International Security Assistance Force personnel gradually departing. The situation along Turkmenistan's border with Afghanistan will be of particular concern. Turkmenistan has generally not been the target of attacks by militants, and has pursued a policy of maintaining good relations with Kabul, including during the Taliban period. However, over the past year the Taliban have increased their presence in Faryab province along the Turkmen border. Attempts to cross into Turkmenistan's territory have led to clashes.

The relationship among countries in Central Asia remains strained, making regional political and economic integration much harder, and tensions between them have impacted their economic ties.

Unsurprisingly, some regional actors view US New Silk Road strategy with suspicion. Russia has been critical of US motives for the initiative, while China is building its own version of the Silk Road that has legitimacy in the eyes of many in the region. Pakistan and Iran, both critical players in the region, have extremely tense relations with the U.S., and are skeptical of the New Silk Road strategy to the extent that they view it as a U.S. plan.

The reasoning behind the New Silk Road is that economic incentives will reinforce political integration and long-term stabilization. However, for centuries, Central Asia has been a hotbed of regional competition. Consequently, anything approaching an adequate or even plausible strategy must accept the likelihood that the region's underlying historical rivalries might be immutable.

Central Asia has come to occupy a front-stage geopolitical importance. One outcome for this region in the period ahead could be a replay and reinforcement of traditional strategic competition between major powers seeking to secure their interests. Alternatively, an opportunity exists for these powers, together with the Central Asian states themselves and other interested countries, to advance their mutual interests in partnership. The ability, or lack thereof, to find and accept the balance of powers will decide the future of the region. Cooperation, rather than confrontation, would benefit both major powers and Central Asian states, as well as enhance stability and security. If there is a resurgence of the "Great Game" with geopolitical competition manifesting itself in the region, the major powers are likely to lose terrain to other actors. Therefore, their main challenge will be to overcome obstacles, to clear the way for an effective partnership in the region, promoting the initiatives aimed at reviving the New Silk Road.