2-2014

PUBLIC ADMINISTRATION & REGIONAL STUDIES

DUNĂREA DE JOS UNIVERSITY
FACULTY OF JURIDICAL, SOCIAL AND POLITICAL SCIENCES
PUBLIC ADMINISTRATION AND REGIONAL STUDIES DEPARTMENT

PUBLIC ADMINISTRATION & REGIONAL STUDIES

No. 2(14)-2014

CONTENTS

PREFACE

DE LA TERRE CENTRALE GEOPOLITIQUE DES 19EME ET 20EME SIECLE A LA CENTRALITE LOGISTIQUE AU 21EME SIECLE : L'AFGHANISTAN APPARTIENT-IL A L'ASIE DU SUD OU A LA 'NOUVELLE ASIE' ? 3

Pierre Chabal

REGIONAL DEVELOPMENT AND INTERNATIONAL RELATIONS – CHALLENGES AND OPPORTUNITIES 5

Mihai Floroiu
George Schin

PROJECTS, POLICIES AND NETWORKS FOR THE DANUBE REGION. CASE STUDY: ROMANIA - MOLDOVA-UKRAINE (LOWER DANUBE EUROREGION) 15

Florin Tudor

THE PORTS ON THE LOWER DANUBE – SOME TECHNICAL ASPECTS 25

Violeta Puşcaşu

ASIE CENTRALE: ENJEUX LOGISTIQUES DE DESENCLAVEMENT. LE CAS DU CORRIDOR PORTUAIRE ET LOGISTIQUE DE GWADAR 37

Yann Alix

THE ROLE OF KAZAKHSTAN IN THE NEW GEOGRAPHY OF PRODUCTION AND TRADE BETWEEN THE ASIAN AND EUROPEAN MARKETS 57

Jerome Verny
Milhan Chaze

TRANSIT POTENTIAL OF IRAN AND ITS IMPORTANCE FOR CENTRAL ASIA 73

Mara Gubaidullina

CONNECT CENTRAL ASIA: ROLE OF AFGHANISTAN 94

Kuralay Baizakova
Zhulduz Baizakova

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No.2 (14) – 2014
Galati University Press, ISSN 2065 -1759

PREFACE

DE LA TERRE CENTRALE GÉOPOLITIQUE DES 19ÈME ET 20ÈME SIÈCLE À LA CENTRALITÉ LOGISTIQUE AU 21ÈME SIÈCLE : L'AFGHANISTAN APPARTIENT-IL À L'ASIE DU SUD OU À LA 'NOUVELLE ASIE' ?

Ph. D. Pierre Chabal
Université du Havre, France

L'esprit de ce numéro spécial de la Revue Public Administration and Regional Studies est celui de la rencontre. Il s'agit bien sûr de la rencontre intellectuelle entre chercheurs et collègues venant de trois horizons divers, l'Europe centrale, l'Asie centrale et l'Europe de l'ouest mais aussi d'une rencontre entre trois régions de l'Eurasie qui, pendant des décennies, ont été séparées l'une de l'autre. Il était encore difficile de voyager du Havre à Galati ou Almaty il y a trente ans.

Aujourd'hui au contraire, il est loisible de se rencontrer. Depuis 2004, de nombreuses collaborations ont été mises en place. Nos colloques Europe-Asie ont en 2012 pleinement associés les collègues de plusieurs pays d'Asie centrale et nos liens avec la Roumanie, déjà anciens, se sont encore renforcés. Le destin de la Terre Centrale nous semble donc en pleine mutation.

MacKinder y voyait un creuset des ambitions centripètes des puissances européennes et occidentales et, sans doute, du Japon lui-même dans les années 30. Désormais, c'est l'Asie centrale qui de manière centrifuge, constructive et intellectuelle aussi, rejoint l'Europe, cette nouvelle Eurasie de l'ouest, et l'Asie de l'est, son espace de prolongement naturel.

L'Afghanistan est au cœur de ces évolutions. Le basculement en cours, symbolisé par le retrait des troupes qui y sont intervenus en 2001-2002 et depuis presque quinze ans, est une recomposition profonde de ce pays d'Asie du sud (?). L'Afghanistan ne peut être considéré d'Asie du sud que dans une vision datée où les extensions des empires russe et anglais se sont rencontrées en Asie centrale et notamment en Afghanistan, devenu par le truchement du corridor de Wakhan en 1873-1893 un zone-tampon entre les deux grands expansionnistes.

Dans une analyse raisonnée, l'Afghanistan appartient à l'Asie centrale. Non seulement l'Asie centrale ne peut être cantonnée à cinq pays, Kazakhstan, Kirghizstan, Ouzbékistan, Tadjikistan et Turkménistan, que dans la vision britannique du 19ème siècle, mais de nos jours, s'il faut s'en tenir au nombre de cinq, il faudrait plutôt en retrancher le Turkménistan, qui se tient largement en dehors des dynamiques multilatérales, et y adjoindre l'Afghanistan, devenu en juin 2012, observateur de l'organisation de coopération de Shanghai.

L'Afghanistan est en effet devenu un déterminant des dynamiques régionales. Il est situé au cœur de la Terre centrale, il est limitrophe de la Chine, qui s'implique depuis vingt ans dans la diplomatie, l'économie et la sécurité de la région. Il est voisin de l'Ouzbékistan, qui dynamise les infrastructures ferroviaires et électriques de la région. Il est aux portes de l'Iran et du Pakistan, deux pays appelés à jouer un jour un rôle accru dans la dynamique de 'la nouvelle Asie', celle 'de Shanghai'.

Pour toutes ces raisons, il est logique d'avoir suggéré que l'Afghanistan soit au cœur de la prochaine édition de notre conférence Europe-Asie, en 2016 à Oulan Bator, et avant cela au cœur d'un Atelier du Réseau Asie à Paris, en septembre 2015.

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No.2 (14) – 2014
Galati University Press, ISSN 2065 -1759

REGIONAL DEVELOPMENT AND INTERNATIONAL RELATIONS – CHALLENGES AND OPPORTUNITIES

Ph. D. Mihai Floroiu
Ph. D. George Schin
”Dunărea de Jos” University of Galați

Abstract

As OECD considers, regional development is a broad term that can be seen as a general effort to reduce regional disparities by supporting, through employment and wealth-generating resources, social and economic activities in less developped regions. Although this concept started as merely an economical one, towards the end of the 20th century, regional development became rather multi-disciplinary in its approach, as law, political science, public policy and sociology became critical disciplines alongside economics focusing more on the notion of what a region might be and how a range of factors (not just economical ones) could shape the idea of a region. Alongisde these basic considerations, one should pay more attention to how these concepts could interfere with the specifities of the State and the Statehood, considering that new derived (sui-generis) concepts of international law and international relations emerged with the scope of erasing disparities between nations and peoples, creating the premises for both real value development, and potential conflict management in international relations.

Keywords: *regional development, integration processes, paradiplomacy*

Regional integration is the core strategy of international integration of countries and their regions, both in Europe through the European Union and in other parts of the world, as Latin America through MERCOSUL, both constructions being similar in the sense that they have a foreign policy pillar. In addition, the concept of Euro-regions, which has been developed in Europe since the beginning of the 1990’s through initiatives of the EU Member States, is now used by other States, EU members or not, that have decided through cross-border initiatives of local authorities to unite and contribute to the development of a region, such as the Lower Danube Euro-Region, created by local authorities of districts from Romania, Republic of Moldova and Ukraine.

These integration schemes have contributed to the strengthening of democratic and peaceful nature of regions, allowing also for the increase and diversification of trade, the development of productive structures and thus a greater international integration of the regions in question.

In spite of de fact that the early years of an integration process were represented only by the formation of a regional customs union and the predominance of the trade dimension, the integration strategy is moving towards a hollistic approach, incorporating new dimensions for key regions such as the emphasis on the integration of production, reducing intra-regional disparities and promotion of a social and political dimension of the integration process at the same time. It is, in short, deepening the virtuous interaction between projects of national and regional development.

The paradigm shift has resulted in concrete achievements in each of its dimensions. Regarding the reduction of asymmetries, funds or convergence initiatives were created (such the as MERCOSUL Structural Fund), having a supportive and redistributive approach. Broadening the agenda of regional public policy has crystallized in the development of new and specialized institutions, as well as academic cooperation, as factor of including in the agenda of the block some concepts that were previously ignored, such as education, development and lifelong learning as well as gender equity issues.

Nowadays, these blocks are facing new challenges. An international crisis and the reconfiguration of power relations at global scale require accurate and prompt responses and States need to see the strategic nature of integration as a hub for the strengthening of the regions, both as a whole and for the nations that form those regions.

This historic moment requires further strengtheing of the integration process, in order to respond to the dilemmas set at this stage: how to face collectively an uncertain world, and how to ensure inclusion and equity in each country and each region.

1. Regional Development through the internationalization of enterprises

The internationalization process can be, historically speaking, linked to the delocalization and internationalization of a company. Thus, this concept has been studied from different perspectives, prominent among them being two broad approaches: **economic** or **rational approach** and **sequential approach**. In the economic approach, the two most recognized theories give a lead to transaction costs arising from the mobilization of intangible assets of the company accross national borders.

In one case, the internalization theory is used for explaining the foreign investment phenomenon; in another, the eclectic view is to integrate these costs into an aggregation of the various partial aspects involved in internationalizing into the final decisive considerations. Regarding the sequential model, one can distinguish two concepts: the Uppsala model[1] and the innovative approach[2].

The term of internationalization was largely conceptualized under its current form by C.P.Kindleberger in 1969[3], in exposing his theory on the US monetary policy. His concept is based on a monopoly right over five kinds of specific assets: access to technology, know-how on joint economic resources, scale economy within production facilities, better marketing ideas and generally well-known brands.

Regarding the first approach of the theory of internalization, one can refer to the advantages of property, based on the fact that the possession of assets of intangible or incorporeal nature and the existing imperfections in the market for these assets can cause high transaction costs. These costs are caused, among other reasons, by the need to establish mechanisms for coordination and control by the seller as well as the

[1] *Jan Johanson, Jan-Erik Vahlne* - The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership*, in* Journal of International Business Studies *(2009) 40, 1411–1431; doi:10.1057/jibs.2009.24*

[2] *Gary A Knight, S Tamar Cavusgil* - Innovation, organizational capabilities, and the born-global firm*, in* Journal of International Business Studies *(2004) 35, 124–141. doi:10.1057/palgrave.jibs.8400071*

[3] *C.P.Kindleberger* - The euro-dollar and the internationalization of United States monetary policy*, in PSL Quarterly Review (ISSN 2037-3643) - Vol 22, No 88 (1969)*

uncertainty in the fulfillment or not of the terms agreed in the cross-border license agreement. The company is aware of such dangers and seeks to integrate under its hierarchy and organization all activities needed to be able to control the flow, given both the limited resources it is subject to in case of cross-border transactions and the opportunities and threats that the internationalized environment will provide. Therefore, companies can just outsource part of their activities if any of the following conditions are met: the costs of internalization are noticeably higher than the transaction costs; the advantages related to property are almost equal to none, the level of interaction existing between activities; the stablity, competitiveness and size of the market aimed at accessing[1].

The second attempt to build a general theory of internationalization comes from a more pragmatic option, namely an option that gives added value to the various elements considered in the previously existing partial approaches.
Specifically, there are three factors that were considered necessary to explain the ability and willingness of the company to internationalize[2]:

• The company should have an advantage over its competitors in the host country, in order to counter the disadvantages of producing in an unfamiliar environment. These benefits, called "ownership advantages", can be given the existence of economies of scale and technological expertise, by a type of leadership and business management systems of commercialization and distribution of goods and services, by organizational and managerial capabilities or by the ability to create new technologies and the possession of resources and assets, which are considered, in general, as revenue generators;
•It must be more beneficial for the company to internalize the above advantages through foreign direct investment instead of outsourcing through the sale of patents or licenses to other national companies. This type of advantage is called "internalization advantage" and can be

[1] González Gurriarán, J. Cabanelas Omil, J. y Figueroa Dorrego, P. (2000): La internacionalización de la pequeña y mediana empresa gallega: Análisis, diagnóstico y posibles estrategias, Universidad de Vigo, p. 35
[2] Ibid. p. 36

generated either by imperfections in some markets, which can hinder the pricing process or by the desire to hide specific information about a particular product, in order to both protect initial quality and/or avoid public intervention in the form of tariffs and taxes.

• The target market must have an investment location factor, advantage known as "locatic advantages", which, associated with other specific advantage, would make the investor prefer rather to invest than export towards a specific market. These factors may be based on cost elements or factors relating to demand. In the first case, both the cost and the availability and abundance of natural resources and production factors are the variables to consider. With respect to the factors relating to the market, the level of current and potential demand, government policies, the degree of rivalry, the existence of trade barriers or political instability, were, among other, elements taken into consideration within decisions to internationalize.

The eclectic approach, on the other hand, integrates in a single proposal the specific advantages of the property, the company advantages on internalization and characteristics of internationalization location in terms of market. Each of these three concepts should be considered as a whole, as they encompass theories about the factors that motivate a company to internationalize that, independently, are considered only theoretical or incomplete. Furthermore, the interaction of these advantages may work differently for each individual company, market and region.

Despite the undeniable usefulness of those concepts, it is impossible to suggest which one is the best, as there are limitations in both approaches that hinder their direct use. However, they can be considered useful theoretical tools for analyzing the complexity of the process of internationalization. In general we can say that these approaches were preferred by large companies, which have an acceptable presence in international markets. Hence, in order to study the sequence adopted by small or medium sized companies and their impact on regional development, it is convenient to notice the contribution made to the analysis of the internationalization process from a different approach, by analyzing the stages of development and integration in local and regional markets.

Thus, from the study of a series of specific internationalization processes, particularly Nordic European multinational companies, led some authors, grouped around the Uppsala school, to attribute to the internationalization process a fundamentally evolutionary nature, as a company amounts to higher levels of international commitment after settling in and gaining previous experience in specific sections.
One should now try and see how this process of corporate internationalization can contribute to or hinder the process of regional cross-border development.

2. The concept of paradiplomacy

With the acceleration of the globalization process, certain international contacts started to be part of everyday life and generated new relationships, new businesses and new forms of cooperation that may not be fully assumed by national governments. A multitude of international actions points to a significant increase of international relations between local authorities of different States. This concept is known under the name of 'paradiplomacy' (Aldecoa, Keating, 1999).

The advancement of global processes, as well as the increasingly bigger flow of international trade and the universal process of democratization have allowed for the growth of practical diplomacy of subnational governments and local authorities, thus contradicting sometimes the official policies, which in some cases recognize informally the existence of such practices, without the corresponding legal support in the respective national legislations.

This dynamic picture of reality tends to collide more often with the existing legal provisions that limit the actions of cities and municipalities within the international context. As a result, there is a need to intensify studies in order to make proposals for adapting to a new legal setting, that would take into account the intense action of new actors at international level.

The increasing institutionalization of international relations at the municipal level is a new and concrete fact, but it has the characteristic to be irreversible due to the transformation brought about by globalization, approaching and integrating different parts of the planet. Shares of paradiplomacy, though legitimated by the events and their consequences, are largely of no legal and concrete base, and cannot be organized thoroughly in light of the current legislation.

International relations occur today in a very intense way, made possible by the ease of communication, use of new technologies and reduced cost of international travel among other reasons. New forms of municipal interaction continually arise and new procedures corresponding to those which exist within the diplomacy between States are created. However, the officers in charge of these negotiations are not diplomats, in the traditional sense, but other types of employees who often work in the same way the diplomats, without having the statute and privileges of the latter ones. Among these, one may find international relations staff, experts and delegates to specific conferences, but also large numbers of people who are also responsible for some aspect of international relations, and who do not exercise diplomacy as a profession, as special envoys (who appear in events representing a national authority), experts in specific areas (representatives of municipal governments who attend international conferences), those in charge of permanent or temporary offices in a foreign country (missions of municipalities abroad to attract tourists or investors) and special missions, moving to other countries for a time, to negotiate an agreement, or to treat subjects of common interest. Unfortunately, international relations performed under this concept of paradiplomacy have not been subject to any international convention or treaty so far.

There is a wide variety of possible ways for local governments to exercise their participation in international relations. In general, local governments rely on several initiatives to establish links with other similar communities and international organizations to develop different key activities, in order to promote common interests, attracting investments, promoting trade and publicizing the tourism potential of their respectives regions. At the same time, by promoting multilateral interregional cooperation and transnational interregional associations and through the participation in international fairs and other events aimed at promoting business products, services, technology, tourism in the municipalities, new forms of cross-border cooperation between adjacent regions of different national States can arise, with clear advantages for those regions.

Although the phenomenon is widespread and although paradiplomacy has truly become a global phenomenon, the disparate nature and certainly undramatic of the vast majority of paradiplomatic activities help to keep this phenomenon in the shadow of the media, but also in the academic literature. However, despite the fact that paradiplomacy remains unknown, the phenomenon it represents has become almost commonplace, as there are concrete examples of such new approaches of international relations, mainly within the EU, where many Member States represent the position of regions within their countries to the European Union, not to mention cases in which municipalities sanction traditional subjects of international law, based on their international acknowledgement [1], which, although were not so successfull, confirmed the rising of a new concept within international relations.

However, within international relations, due to the fact that these interactions are originally and traditionally under the State ownership, sub-State entities are often down-played just because they do not have the qualifications to be considered as "true international law subject." Several authors described the phenomenon of paradiplomacy as a pale imitation of diplomacy, which was the only and the real one, made by sovereign States. Paradiplomacy is thus presented as a secondary phenomenon of international law or foreign policy of a second order, but one can consider the fact that, as international law evolves at a different pace, the concept of paradiplomacy could become part of a soft law, which still needs to be matured.

The questions to be asked are: where does the concept of paradiplomacy stand and what does this concept mean exactly, as one must stress out the fact that the concept *per se* is rather disputed. Some prefer to talk about microdiplomacy, others mention the diplomacy of federated States, while other mention the concept of multi-track diplomacy and some consider it a multi-level diplomacy.

As a concept, the neologism "*paradiplomacy*" appeared in the scientific literature in the 1980, through the ideas and writings of professors Panatyotos Soldatos and Ivo Duchacek. Afterwards it was used in the revival of the study of federalism and comparative policies in order to

---

[1] See US cities that sanctionned Burma for the non-respect of human rights.

describe the international activities of Canadian and American states in the context of globalization. The concept may be classified under several types, going from classic paradiplomacy (international relations between municipalities), to protodiplomacy (whose goal is to grant its players with the status of a sovereign State) and to identity paradiplomacy (whose goal is to strengthen or to construct a minority nation within a multinational country). The latter is different from the protodiplomacy in the sense that the goal is not the achievement of independence but the confirmation of a specific status within a multi-national context.

*

In conclusion, we could state that the intensification of international relations must take into consideration the appearance of new subjects of these relations, in order to create a global system articulated under new and more adapted bases that would go beyond the limitations set by the classical international community, which should analyse how new actors can be recognized and act together with the traditional subjects of international law, as they can, to a certain extent, become potential partners of these traditional subjects, originary or derived ones.

Bibliography

1. Kindleberger, C.P. (1969) '*The euro-dollar and the internationalization of United States monetary policy' in PSL Quarterly Review (ISSN 2037-3643) - Vol 22, No 88 (1969)*
2. Aldecoa, F., Keating M. (eds.) (1999) *Paradiplomacy in Action. The Foreign Relations of Subnational Governments.* London: Frank Cass Publishers
3. Knight, G. A, Tamar, S C. (2004) *'Innovation, organizational capabilities, and the born-global firm*' in *Journal of International Business Studies.* 35, 124–141. oi:10.1057/palgrave.jibs.8400071
4. Gurriarán, G., Cabanelas Omil, J., J. y Figueroa Dorrego, P. (2000) *La internacionalización de la pequeña y mediana empresa gallega: Análisis, diagnóstico y posibles estrategias,* Universidad de Vigo

5. Johanson, J., Vahlne, J-E. (2009) '*The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership*' in *Journal of International Business Studies 40, 1411–1431; doi:10.1057/jibs.2009.24*
6. <http://www.cato.org/publications/trade-policy-analysis/us-sanctions-against-burma-failure-all-fronts> [15.10.2014]

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No.2 (14) – 2014
Galati University Press, ISSN 2065 -1759

PROJECTS, POLICIES AND NETWORKS FOR THE DANUBE REGION. CASE STUDY: ROMANIA - MOLDOVA-UKRAINE (LOWER DANUBE EUROREGION)

Ph.D. Florin Tudor
”Dunărea de Jos” University of Galați

Abstract

The new strategic approach regarding the regional cooperation in the Danube basin, proposed as structural reform through the Treaty of Lisbon, is seen as an example for the application of regional policy.

However, the partnership in the region must act more firmly in the domain such as - transport, environment, economy and culture for greater socio-economic cohesion in the Danube region. The regional institutions have the duty to select and coordinate projects financed with priority. Also, the states concerned by the EU Strategy for the Danube should fully exploit the opportunities of this river and focus on reducing economic imbalances, but also on ensuring social cohesion in the Danube basin. This study aims to identify how the Danube Strategy can contribute to the development and prosperity of the EU's internal development and regional partners in the "Lower Danube" Euroregion.

Keywords: strategy, cooperation, public policy, finance, infrastructure, development, Euroregion

1. Introduction

Cross-border cooperation involves, first of all, creating more common advantages that have as a long term goal, improvement of infrastructure, promotion of cultural and educational relations, public policies for environmental protection and health, human resource development in the region. In other words, the cross-border cooperation is a tool that involves the mobilization of financial resources in joint projects and which would be beneficial for some regions.

Relations between border regions, established in the mid 1980s, intensified after 1989 with more clarity and vision. Signing the bilateral trade agreement between Romania and Moldova in 1990, and the basic treaty between Romania and Ukraine, in 1997, founded a cross-border cooperation, primarily between administrative units.

The emergence of Euroregions as institutionalized forms of cooperation, constitutes the way in which neighboring countries, where traditional links have existed for hundreds of years, are trying to solve the problems of socio-economic development.

During the summit of Ismail, Ukraine, 3-4 July 1997, takes shape the initiative launched by the President of Romania at the beginning of the year, and was signed the *Declaration on the cross-border cooperation* by the Presidents of Romania, Moldova and Ukraine and at government level was signed the *Protocol of trilateral cooperation among the three countries*.

On August 14th, 1998, in Galati was signed, by the presidents of the regions concerned, after the meeting in Ismail from 24 to 25 February 1998, held under the auspices of the Council of Europe, the *Agreement on creating the "Lower Danube" Euroregion*, having as partners: from Romania - Braila, Tulcea and Galati, from the Republic of Moldova – Cahul and Cantemir, and from Ukraine - Odessa.

The main bibliographic resources used in writing this study consist of studies and reports of European institutions and the the Romanian European Institute, but also from public statistical data of the European Commission. The period referred in the study between 2007-2014, during which important decisions occurred in the governments of the Member States, but also in terms of regional policies and transnational cooperation.

2. The role of the European Commission and the European Parliament[1]

Rhine-Main-Danube Canal connects the Black Sea and the port of Constanta with the North Sea and the port of Rotterdam. The Danube region allows the transit of goods between member States of the EU and the Caspian and Middle East.

The strategies of cooperation involve the Länder of Baden-Württemberg and Bavaria in Germany, Austria, Slovakia, Czech Republic,

[1] For details, see Emilian M. Dobrescu (coordinator), Vlad Popovici The study "Romania and the EU Strategy for the Danube Region. Process, implementation and priorities" European Institute of Romania, Bucharest, 2010, page 24 et seq.

Hungary, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Romania, Bulgaria, Moldova and Ukraine (only regions along the Danube).

Complex approaches such as infrastructure, environment, demography, sustainable economic development are priorities envisaged by the EU, which supports the decisions taken based on the experience offered by the Baltic Sea strategy, without ignoring the different nature of the Danube region. EU strategies take into account the public policy coordination and the existing financing instrument with an emphasis on the better cross-border cooperation, creating a a more crear identify for this cooperation by adopting on a larger scale the principles of the European Law.

The European Commission has the obligation to facilitate the strategies developed by the Heads of State or Government, identified by the European Parliament.These strategies are focused on: connectivity of communication systems (transport, energy and information society), biodiversity, risk prevention, environmental protection and public health, socio-economic development, culture and education.

3. The main areas of the EU Strategy for the Danube Region

The lack of transport links or the absence of economic competitiveness, which deepen the environmental problems caused by accidents or crimes, are specific objectives of cooperation in the Danube region. Recent reports of the Commission[1] prioritizes four main areas and consider appropriate that Member States include them among their strategies for the Danube macro policy.

As far as interconnection the Danube region in the next period, new research projects on innovative ships[2] are to be implemented for fleet renewal on the Danube River, to start natural gas interconnection project

[1] For details, see the Report COM (2014) 284 final, 05.20.2014, from the Commission to European Parliament, Council, European Economic and Social Committee and the Committee of the Regions on Governance macro-regional strategies and The report COM (2013) 181 final, 8.4. 2013 from the Commission to the European Parliament, Council, European Economic and Social Committee and the Committee of the Regions on the European Union Strategy for the Danube Region.

[2] NEWS project concerns the development of next-generation ships for inland waterway European and logistics system - http://www.regiuneavest.ro/proiecte/news/

Bulgaria-Serbia meant to link the Baltic Sea to the Adriatic Sea, the Aegean Sea and the Black Sea. Also, the maintenance of the Danube waterway and the finalization of Calafat-Vidin bridge between Romania and Bulgaria are two ongoing projects.

The "Danube Floodrisk" is a project in which of eight Danube countries that have created a common database and mapping of flood risks. Also, the sturgeons monitoring to ensure viable populations of this important species living in the Danube belongs to a project coordinated by the Danube Sturgeon Task Force.

The direct support of the Danube Region Forum, which brings together over 300 SMEs, coordinated by the Austrian Chamber of Commerce, create a stable partnership between business, research institutes and universities.

It is recommended that among the future programs, there will be developed under regional policy for the period 2014-2020 on the Danube strategy there must be a concrete system of regional cooperation to attract funds, but firmly embedded among common priorities.

According to the European Commission for the success of the submited programs, the EU Strategy for the Danube Region should combine the financing of European Structural Funds and the European Investment Fund. The EU long term aproach programmes "2020", "Horizon 2020", "Cosmos" and "Connecting Europe" can allow governments of the Member States and the Republic of Moldova and Ukraine to include in future cooperation projects, including cross-border projects, these funding schemes which can support economic disparities regulation, beeing oriented to a greater extent to the weaknesses of markets or to suboptimal investment situations[1].

4. Transnational and cross-border cooperation in the Danube area

Areas such as innovation, environment, accessibility and urban development are funded by transnational pogrammes which aim at the integrated territorial development in a certain geographical area.

---

[1] Regarding the European Commission's recommendations on strategies of EU regional policy from Report COM (2013) 181 final, 08.04.2013, see The study of Chamber of Deputies, Parliament of Romania " Summary of the activities 8-14 April 2013, Policies and European guidelines" pp.7-14

Territorial Cooperation programmes are coordinated jointly by the partners in neighboring countries or regions within a given space and represent the way in which strategies can be developed for the specific problems from the national borders.

The Cohesion Policy within thev Objectives of Convergence and European Territorial Cooperation supports regional operational programs and sectoral programmes to assist territorial cooperation projects that have as beneficiaries research institutes and universities, local and regional public authorities, NGOs in the border area.

In order to participate in European territorial cooperation projects, Romanian beneficiaries are co-financed from the state budget. The Ministry of Regional Development and Public Administration managed the 11 territorial cooperation programmes in which Romania participated in 2007-2013, having access to a budget of 1,586,000,000 euros.

From the 94 European Territorial Cooperation programsmes, 41 programmes, cover the geographical area which includes also the Danube area, of which 18 programmes are cross-border, 7 programmes meet the transnational aspirations, and 13 programmes type IPA CBC targeted the cooperation between a EU member state and a candidate country or between two candidate countries and three ENPI programmes, namely the cooperation between one or more EU Member States and third countries.

In other words, any of the Black Sea Joint Operational Programme, South East Europe Transnational Cooperation Programme, Comon Operational Programme Romania-Ukraine-Moldova 2007-2013. The European Grouping of Territorial Cooperation (EGTC) is a tool for implementation of priority axes and projects covered by the Danube Strategy.

Cross border cooperation programmes are co-financed by the European Neighbourhood and Partnership Instrument and the European Regional Development Fund. The Indicative Programme 2007-2010 CBC has allocated 583 million euros, of which 275 million euros from the European Neighbourhood and Partnership Instrument and 308 million euros from the European Regional Development Fund. In the period 2011-2013, following a mid-term review, there have been allocated an additional 538 million euros, as follows: 260 million euros from the European

Neighbourhood and Partnership Instrument and 278 million euros from the European Regional Development.

Table 1 – Cross Border Cooperation (allocations 2007 – 2013)

CBC programmes	Commitments (2007-2013)	Disbursements (end 2013)
Land Border Programmes		
Kolarctic/Russia (Finland, Sweden, Russia, Norway)	30,471,018	20,121,835
Karelia/Russia (Finland, Russia)	23,202,507	18,071,149
SE Finland/Russia (Finland, Russia)	36,185,361	23,324,933
Estonia/Latvia/Russia	47,774,729	30,169,542
Latvia/Lithuania/Belarus	41,736,666	21,631,189
Lithuania/ Poland /Russia	124,212,272	78,213,772
Poland/Belarus/Ukraine	186,201,367	109,335,338
Hungary/Slovakia/Romania/Ukraine	68,638,283	49,455,275
Romania/ Ukraine/Rep. of Moldova	126,718,066	77,563,018
Sea-Crossing Programmes		
Italy/Tunisia	25,191,423	18,065,500
Sea-Basin Programmes		
Black Sea (Romania, Bulgaria, Greece, Turkey, Ukraine, Rep. of Moldova, Georgia, Armenia)	28,118,954	19,771,382
Baltic Sea Region (Belarus, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Sweden)	8,800,000	8,800,000
Mediterranean (Cyprus Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Palestinian Authority, Portugal, Spain, Syria, Tunisia	200,000,000	92,147,421
TOTAL	***947,250,646***	***566,670,354***

Source: European Commission, Neighourhood at the Crossroads: Implementation of the European Neighbourhood Policy in 2013, Brussels, 27.3.2014, SWD(2014) 98 final.

5. Projects implemented in the "Lower Danube" Euroregion

It should be pointed that a CBC programme finances mainly projects regarding accessibility, environment and risk prevention, economic development and "people to people" social action. There is also a condition, the funding of at least two beneficiaries on either side of the border, keeing in mind that for the programmes at the external borders there must be at least a beneficiary from a EU Member State and a non-European country.

Regional programmes within strategic partnerships are less known, although they have a tangible impact, with a transnational component. For example, projects for relationship Romania - Moldova and Ukraine, seven in number, provide security for investment in the implementation of the EU Strategy for the Danube Region, of the Euroregion projects and the Black Sea Basin Joint Operational Programme.

Such projects have a European format which manifests a biletaral cooperation where, for example, Romania is the donor. In the case of Moldova, according to Eurostat, Romania has earmarked over 90 million euros during 1993-2012 in various areas, including development, education and research[1].

The concrete results of these projects were based on complex financing with very good dynamics. The underpin the future EU funding schemes in 2014-2020.

[1] For details, see Study RCEP "Priorities for regional cooperation and cross-Republic of Moldova and Romania", available at http://www.crpe.ro/r-moldova-prioritatile-cooperarii-regionale-si-transfrontaliere-de-la-bune-intentii-pana-la-rezultate/

Table 2: Programme allocations broken down by ENI and ERDF funding

	2014-2017			2018-2020			2014 -2020			2018-2020
Land border programmes Romania/Ukraine	EM 17.142.857	ERDF 12.401.237	TOTAL 29.544.094	EM 12.857.143	ERDF 17.598.763	TOTAL 30.455.906	EM 30.000.000	ERDF 30.000.000	TOTAL 60.000.000	Additional ERDF*
Romania/Moldova	23.142.857	16.741.669	39.884.526	17.357.143	23.758.331	41.115.474	40.500.000	40.500.000	81.000.000	

Sourse: European Commission - Directorate General for Development and Cooperation – Europe aid - Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

Table 3: ENI Cross-Border Cooperation Indicative total allocations (ENI and ERDF) per programme

Land border programmes (Figures in EL R)	TOTAL 2014-2017	TOTAL 2018-2020	TOTAL 2014-2020	2018-2020 Additional ERDF[10]
Romania/Ukraine	29.544.094	30.455.906	60.000.000	
Romania/Moldova	39.884.526	41.115.474	81.000.000	

Sourse: European Commission - Directorate General for Development and Cooperation – Europe aid - Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

Table 4: Land Borders and Sea Crossing Programmes

Land Borders and Sea Crossing Programmes	
Programme	Eligible Territorial Units (NUTS 3 or equivalent)
Romanla/1 kralne	Romania: Satu Marc. Maramureş. Botoşani. Suceava. Tulcea Ukraine: Ivano-Frankivsk. Zakarpatska. Chemivtsi, Odesska Oblasts
Romania/Moldova	Romania: Botoşani. Iasi. Vaslui. Galați Moldova: the whole country

Sourse: European Commission - Directorate General for Development and Cooperation – Europe aid - Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

Conclusions

The economic and social potential of the "Lower Danube" Euroregion identifies opportunities for cooperation that can accelerate economic cooperation of the three party countries. In our opinion, we may consider as priorities the regional programmes for: infrastructure development programs main transport corridors; linking road and rail infrastructure and inland waterway navigation; existing economic development potential; development and promotion of Common tourism products; commone environmental protection programs, joint monitoring of the main factors of pollution.

Bibliography

1. Dobrescu, E. M. (coordinator) and Popovici, V. (2010) "*Romania and the EU Strategy for Danube area. Process, implementation and priorities*", Bucharest: European Institute of Romania
2. Report COM (2014) 284 final, 05.20.2014, the Commission to the European Parliament, Council, European Economic and Social Committee and Committee of the Regions on Governance macro-regional strategies and report COM (2013) 181 final,

08.04.2013, the Commission to the European Parliament, Council, European Economic and Social Committee and Committee of the Regions on the European Union Strategy for the Danube Region

3. European Commission recommendations on strategies of EU regional policy from Report COM (2013) 181 final, 04.08.2013, see The study of Chamber of Deputies, Parliament of Romania "*Summary of the activities 8 to 14 April 2013, policies and European guidelines*"
4. RCEP Study "*Priorities for regional cooperation and cross-Republic of Moldova and Romania*", available athttp://www.crpe.ro/r-moldova-prioritatile-cooperarii-regionale-si-transfrontaliere-de-la-bune-intentii-pana-la-rezultate/ [11/15/2014]
5. Programming of the European Neighbourhood Instrument (ENI) - 2014-2020 Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)
6. JOINT STAFF WORKING DOCUMENT, Implementation of the European Neighbourhood Policy, Statistical Annex Accompanying the document JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF REGIONS, Neighourhood at the Crossroads: Implementation of the European Neighbourhood Policy 2013, SWD (2014) 98 final, 27.03.2014

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No.2 (14) – 2014
Galati University Press, ISSN 2065 -1759

THE PORTS ON THE LOWER DANUBE – SOME TECHNICAL ASPECTS

Ph. D. Violeta Puşcaşu
"Dunărea de Jos" University of Galaţi

Abstract
The geographic water routes have always played an important role in the geostrategic decisions of the great powers. Today, this aspect is actively integrated in a variety of policies, from those on cross-border cooperation and good neighbourhood to the sectoral ones for the development of transport, tourism and trade. In this respect, the Danube is one of the most obvious examples, its role being promoted by the riparian states, as well as outside Europe, due to the connections it opens. In terms of flow and navigation, the most important part is on the Romanian territory, in the so-called Lower Danube sector, while Romanian ports are key points in the implementation of development strategies. Accordingly, the article reviews their technical potential, so as to underline the differences, as well as the possibilities for future capitalization.

Keywords: harbours, Danube, potential, river

1. The Lower Danube – navigation route and the meanings of a regionym

On the Romanian territory, the Danube River has three different parts:
1. the main fluvial part, about 1075 km long, is simply a navigable river (considering certain conditions) (fig. 1);
2. the second part is represented by the river mouth flowing (through the Danube Delta) into the Black Sea with three branches – Chilia, at the North side of Delta, Sulina, navigable, on about 70 km, and Sf. Gheorghe, in the South part of the Danube Delta;
3. the third part is an artificial canal, built during a long period (with a convulsive history), namely the Danube-Black Sea Canal (with two branches).

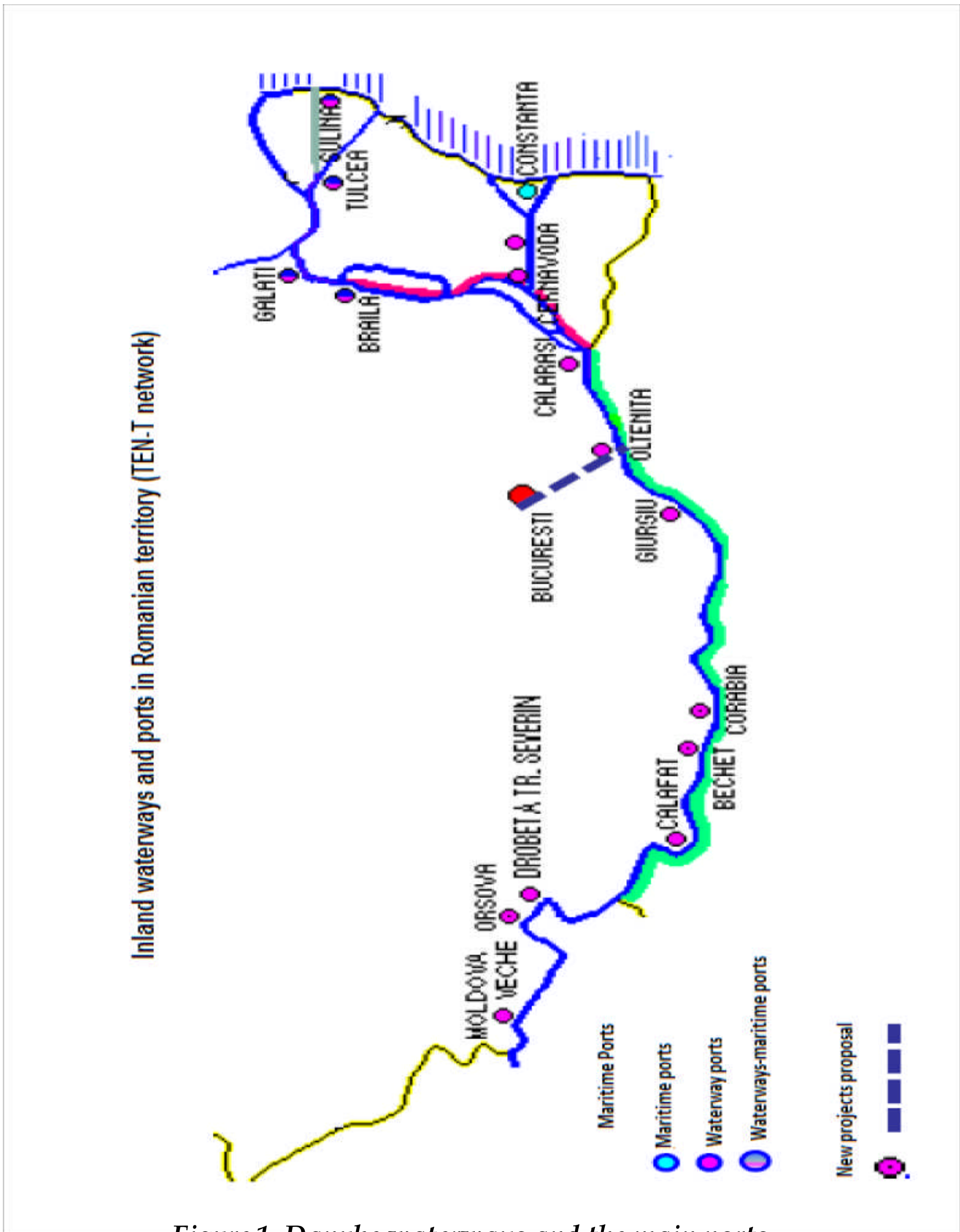


Figure 1. Danube waterways and the main ports
(Source: Romanian Ministry of Transport and Infrastructure -RMTI, Romanian Strategy of Intermodal Transport, 2020)

The appellative *Lower Danube* is frequently used in a variety of articles, from those on geography and history to those on engineering and navigation, as well as in administrative and political documents. Its usage in this article prompts a short overview of the distinctions between the syntagm *Lower Danube* and its synonyms, *inferior Danube* and *maritime Danube*, used to refer to the final section of the river. As a result of the natural inclination towards gradual simplification, the common language combined the meanings of the three terms into one, although their content is not identical.

The appellative *Lower Danube* has physic-geographical meanings, while the *maritime* attribute reflects the projection, in navigation, of the geomorphologic and hydrographical characteristics. Since, in terms of space, up to the half of the 19th century, the two terms referred to the same geographic region situated between the Iron Gates gorges and the maritime mouths of the Danube, it is no wonder that the attribute *lower* is adopted for its plasticity, with no differentiating nuances between the two. The area it denominated was characterised by such riverbed, gradient and flow rate as to make possible the access of ships upstream to the Danubian Border (gorge).

The situation changes in the second half of the 19th century. Due to the technical advance registered in shipbuilding[1] and the political events in Europe after the Crimean war, the Danube becomes an important geostrategic axis, whose division, based mostly on water transport, will reflect into the names used for the upstream and the downstream sections.

After 1856, the establishment of the European Danube Commission sped the arrangement works on the Sulina branch, which was to become the most important navigation route, thus, also changing the fate of the port cities on the Lower Danube. The highest commercial traffic flow was registered in Brăila and Galați, since they remained free ports from 1836 until 1883, this being the main route for the Romanian Principalities' export. Their activity has the combined advantage of a geographic positioning on great Danube shallows and of the development of internal transport facilities such as railways and roads, which would ensure a better

[1] In 1837, the first Austrian steamship, coming from Constantinople, sails up the Danube to Brăila.

connection between ports and their hinterland. Moreover, the hinterland would be one of the determining factors in a certain specialization of the ports, according to the products and commercial flows they attract.

The access of maritime vessels with a draught up to 7 m is possible from Sulina (km 0) to Brăila (km 170). This is the maritime Danube sector, clearly a shorter one than the inferior Danube. Accordingly, the attribute *lower* starts being associated, alternatively, either with the entire inferior course or with its extreme segment. A first imposition of this restriction comes with Prince Al. I. Cuza's Royal Decree in 1864 that attributes the name Lower Danube to a newly-established archbishopric, with its see in Ismail. Today, the appellative is used in correct references (e.g. the Lower Danube River Administration, national authority with its headquarters in Galați), as well as in names that exceed the actual area, such as the Lower Danube Euroregion or the University of Lower Danube.

Therefore, this is an instance of an important economic function, like that concerning harbours and navigation, generating the meaning of concentration/reduction of a general physico-geographic term to a limited area.

2. A few tendencies concerning ports and navigation routes in a European context

The volume of all freight transported on Romania's navigation routes holds the second place in EU (table no.1), which may be seen as admirable, considering that it shares the top three with the Netherlands and Belgium. However, Romania cannot be compared to the Netherlands, which has a similar position on the Rhine, the key difference between these countries being the lack of modern harbour facilities in Romania. Here, 9% out of the water freight transportation takes place on the Danube, and the majority of the commodity cargo is bulk cargo.

Table .1. Percentage of all freight transported on water, in tons/km 2011

Country	%	rank
The Netherlands	36,7	1
Romania	21,7	2
Belgium	18,5	3
Bulgaria	15	4
Germany	11,2	5
Croatia	5,7	6
UE 27	6,2	

3. Romanian ports on the Danube – a diverse potential[1]

The current list of the ports on the Lower Danube includes 34 entries: the large and well-established, as well as the smaller ones, whose importance decreased.

1. Sulina

Once the seat of the European Danube Commission, Sulina capitalizes, at present, almost none of its location's potential. The port is a member of the TEN-T extended network, as it provides its residents with essential services in terms of passenger transport, as well as freight transport in the Danube Delta region. The port has four berths and a wharf, 5,940 m long. However, its activity centres primarily on passenger transportation, while being used to a small extent for freight transport. Most of the freight traffic consists in transit activities.

2. Tulcea

This is an important port, which is also a member of the TEN-T extended network. It has 41 berths, eight gantry cranes and a total surface of 82,762 m^2 (open storing area of 70,000 m^2). The port is the gateway to the Danube Delta, while also servicing local industry. It primarily handles

[1] The information in this sub-chapter uses, to a great extent, the data provided by Romania's General Transport Master Plan, 2014

mineral products (quarry extracted, aggregates, gypsum, slag, salt) and its main activity is to supply materials for the building sector, which is why the necessary facilities are organized around quarry extraction and loading materials. A short distance away is Tulcea Industrial Port. It was built in 1974 so as to supply raw materials to the metal processing factories in Tulcea. Its main activities are loading and unloading maritime and river vessels carrying various raw materials, such as manganese, bauxite, iron ore, lime, ferrous alloys. A grain terminal is set to be built in the future.

3. Galați is the largest river-maritime port and Romania's second largest port, operating over 5 million tons of freight in 2011 and being part of the TEN-T core network. The port has four terminals: Docks Terminal for general cargo and containers, New Basin Terminal for general cargo, Oil Terminal for oil products, Mineral Terminal – serving the Arcelor Mittal Steel Plant. It provides a series of value-added logistics services. Furthermore, the port of Galați connects the Black Sea to the rivers with no exit to it. The geostrategic dimension of the port is given by the direct connection to Ukraine and Moldova (less than 7 km of road transport) and by the existence of a railway system (the only one with both European and Russian gauge). Thus, Galați is the port that makes the connection between the European Union and the former Soviet states. Its technical facilities include 56 berths, 31 gantry cranes, 10 truck cranes and 9 floating cranes, a forklift and conveyor belts for the transportation of great quantities of coal and iron ore. It has a surface of 864,131m^2 (an open storage area of 538,320 m^2 and a covered storage area of 7,200 m^2). There is also a free zone of 73,967 m^2.

In addition to operating import and export freight, the port of Galați is a transshipment port from barges to coasters, to continue the delivery to other ports of the Black Sea which service Ukraine, Russia and Turkey. Galați imports significant quantities of iron ore for its neighbouring steel works. There is a continuous flow of mineral ore internal transport on barges from south-western Romania to Galați, on a distance of 800 km. Transit traffic is the most important traffic segment for the port of Galați. The most frequent types of goods present in this port are cereals, aggregates and scrap metal, together with coal, chemicals, LPG and cement, which is joined by the development of container operating procedures. The fact that, at the moment, the port has significant weaknesses in what concerns intermodal systems is a major obstacle for the integration of the port's logistics in the international transport system.

4. Brăila

This is another large port, located upstream of the Galati Port, part of the TEN-T extended network. Its surface is 398,630m² out of which a large section for grain and fodder silos. It allows as well the mooring of maritime and river vessels. The port has a connection to the railway system, but the infrastructure is outdated. The main goods in the port of Brăila are mineral products, wood products and chemical fertilizers, serving also for general cargo and grain traffic, being placed in an agricultural prevailing area.

5. Cernavodă

This port, part of the TEN-T core network, is situated on the right bank of the Danube, closely downstream from the entrance into the Danube-Black Sea Canal, its area comprising the riverside, as well as a dock. The port of Cernavodă has a passenger terminal, an oil berth and commercial berths in the dock. Most of the products unloaded in the Cernavodă port are mineral and wood products.

6. Medgidia

Situated on the Danube-Black Sea Canal, the port of Medgidia, provides, besides passenger services, industrial berths (17) and commercial berths (5), its main activities being agriculture-related operations and transporting cement.

7. Basarabi/ Murfatlar

This port is situated on the Danube-Black Sea Canal, and it provides 11 berths for industrial usage as well as a passenger berth.

8. Călăraşi

Călăraşi port can be accessed via a short navigable canal and it is part of the TEN-T extended network. The operation zone is divided as follows: the commercial port (on the Danube) operates mostly with agricultural freight, while the industrial port (on the navigable canal) was designated as a key steel transit point for the Siderca Steel Plant. The latter is, at present, almost abandoned and, except for a limited production zone, it has not managed to supply the tonnage for which the port was built.

9. Oltenița

This port is part of the TEN-T extended network, it can receive barges of up to 2,000 tons and it handles about 520,000 t per year. Despite its closeness to Bucharest, it handles a small amount of containerization, while being used mostly for mineral and grain products.

10. Giurgiu

Giurgiu is a port of the TEN-T core network. It is situated at the intersection of the Danube with Corridor IX, which is on the north-south route from the Baltic Sea to Bulgaria, Greece and Turkey. Along the years, the bridge between Giurgiu and Ruse, in Bulgaria, was an essential connection for rail and road transport (among the most frequently utilized border transit points). Giurgiu is also one of the closest ports to Bucharest, which grants it with an increased importance. There is also a free zone of 17,000 m² with a customs storage facility and 7,200 m² of covered storage space, as well as a container storage platform with facilities for loading and unloading containers. Giurgiu port operates in four locations which provide specialized port facilities:

o The "Ramadan" commercial port: the passenger port, plus berths handling agricultural freight from vertical elevators for grain, ballast, coal, general goods.

o The "Canalul Plantelor / Sf. Gheorghe" (Plant Canal/ St. George): grain elevator, but it also handles aggregates and general goods.

o The Cioroiu Port: oil terminal.

o The Giurgiu Free Zone: handles general goods and containers.

Considering its location close to the terrestrial border crossing point and its proximity to Bucharest (as well as its size), this port is an important hub for the future transportation of goods on the Danube. The role of containerization has begun to rise in the port, grain and grain products being also among the main goods.

11. Corabia

At present, Corabia registers a low rate of freight traffic and it is in an advanced state of decay. It only handles grain and it has some storage facilities. However, it is well positioned as the only larger port between Giurgiu and Calafat. It also has the advantage of an extensive hinterland which can be accessed from the port.

12. Bechet

At the moment, Bechet port registers a low rate of regular traffic. The most important customer is the RO-RO ferry which crosses the Danube to Bulgaria. The port is located close to the Craiova industrial centre and it can become a useful load handling terminal.

13. Calafat

Calafat is part of the TEN-T core network and it has three berths. The technical advantage consists in having enough space for barges of up to 2,000 t, the storage space and the RO-RO facilities. The Danube River Ports Administration acquired for this port a vessel for managing waste coming from ship operations, bilge water processing and collection. Calafat is part of the recently designated Ten-T South Corridor IV and it uses the road and railway bridge recently inaugurated, connecting Vidin, in Bulgaria, to Romania. This corridor has a significant potential considering that it could become a main route for freight transport from Germany and Central Europe towards Turkey and it could become a viable alternative to the current routes that cross Serbia; moreover, a significant increase was registered recently in the volume of goods handled.

14. Drobeta Turnu Severin

Drobeta is a port of the TEN-T core network and it is the first port to be classified by AECOM as having national importance on the route from Central Europe to Romania. It is located on the TEN-T South Corridor. It has seven berths, three gantry cranes, a rotating crane and 13,725 m^2 open storage space, as well as a waste management vessel. Drobeta Turnu Severin is strategically located as a transshipment point on the Danube for the traffic from north-west and towards cities such as Craiova.

15. Orşova

Building materials and mineral products are an important component of goods transportation from the port of Orşova, while there is no dominant industry or predominant quantity of goods.

16. Moldova Veche

This port was nominated for inclusion in a modernization program since it is the first port encountered on entering Romania on the Danube. It has 3 berths, 30,000 m^2 open storage space and 2,000 m^2 covered storage space. It can provide maintenance and repairing services, storage and unloading facilities for containers.

Local ports

In addition to the ports with significant facilities and traffic, there is also a series of small ports on the Danube, which have local usage.

No.	Port	Activity
1	Drencova	It handles less than five ships a year, having only one berth.
2	Gruia	It handles mainly small ballast and spall quantities and it is a small port (1,000 m^2) with limited infrastructure possibilities.
3	Cetate	Port with a limited surface (1,000 m^2) which handles large quantities of ballast and spall from dredging the Danube.
4	Turnu Măgurele	It is mainly associated with the chemical and fertilizer plants in its vicinity, handling both chemical raw materials and the produced fertilizers.
5	Zimnicea	The iron and steel sector is one of the main users of the port, although the latter is also used for ballast river transport.
6	Hârşova	It has only one basin with a 500 m inclined wharf; besides passenger transport, the port is currently also used for shipping sand extracted from the river bed.

7	Turcoaia	It focuses on quarry stone processing for building construction.
8	Macin	It handles stone for the national construction industry and it focuses exclusively on this product's shipment.
9	Gura Arman	Its activity consists of stone transportation from the Iacob-Deal quarry.
10	Isaccea	It handles exclusively products for the construction industry in terms of transport, as well as wood, stone and sand operations.
11	Mahmudia	It is mainly used for the local stone transport for the construction industry.
12	Ovidiu	It is a port situated on the Poarta Alba-Midia branch of the Danube – Black Sea Canal. It has two berths and a low rate of freight traffic.
13	Chilia Veche	At the moment, it does not handle commercial freight transports, and, as such, it holds no interest.
14	Feteşti	Situated on the *Borcea Branch* of the Danube, the port does not handle significant freight volumes.
15	Tisoviţa	It did not transport freight between 2010 and 2011.
16	Rast	It is a small port situated in the Romanian-Bulgarian sector. Port operations are very few.
17	Baziaş	Close to the border with Serbia, the operations in this port are in a very small number.
18	Luminiţa	It is included in the port network of the Danube – Black Sea Canal's Administration of Navigable Canals. It is close to the Midia port (the satellite port of Constanţa). Although handling a certain volume of freight, it deals mostly with mineral products. The vicinity of Luminiţa to the ports of Midia and Constanţa means that most goods in the area are handled by these latter ports.

It becomes evident that there is a great diversity of potential and characteristics among the Romanian ports on the Danube. As the dynamic European and international context requires a continuous re-consideration of development strategies, Romanian ports formed an association – the Union of Romanian Inland Ports – whose mission is to consolidate their position within national economy and internationally, by active involvement in the implementation of viable investment projects, by bridging partnerships for the implementation of projects with an active role in the support and development of the naval sector and in attracting new freight flows and by promoting the Pan European Corridor VII.

Conclusions

The Danube provides real opportunities for re-launching river activities. In addition to the diversified freight transport, for which an infrastructure more or less adapted to current standards already exists, the great number of locations for ports reveals a potential of multiple connectivity on the upstream-downstream route, a true European river "road", as it was called by geographer N. Al. Rădulescu.

Bibliography

1. ***, Freight and Logistics Advancement in Central/South-East Europe - Validation of trade and transport processes, Implementation of improvement actions, Application of co-coordinated structures, Report, Pre-feasibility study waterway line AT-RO and Danube Logistics, 2012
2. Soare, I. (2004) *Spațiul dunărean fluvio-maritim. Studiu de geografie umană și economică*, Galați: N'Ergo
3. http://www.danubeports.info/index.php?id=1189
4. DaHar (2012) *Danube Inland Harbour Development, State of the art study, Logistic development of Inland waterway ports*

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No.2 (14) – 2014
Galati University Press, ISSN 2065 -1759

ASIE CENTRALE: ENJEUX LOGISTIQUES DE DÉSENCLAVEMENT LE CAS DU CORRIDOR PORTUAIRE ET LOGISTIQUE DE GWADAR

Ph. D. Yann Alix
Fondation SEFACIL

Abstract

Whatever you are in South America, Africa or Central Asia, landlocked economies are dramatically impacted by the highest transportation & logistics costs. From raw material to high value products in containers, landlocked countries remain strategically dependent on networks and services to import and export cargo up to their landlocked consumers. Transit policy, regulatory framework, trade facilitation, inland infrastructure and multimodal services are amongst the key factors to combine in order to encourage smoothness and efficient logistics systems.

The paper proposes to analyze how Central Asia becomes one of the most prominent markets, appealing Europe, Chinese and even US interests in order to guarantee better integration into global value chain networks. Logistics, geopolitics and strategy are deployed by the big players like Russia, India, China or Pakistan to promote some new corridors as shown with the initiative at Gwadar in Baluchistan. The paper concludes on challenges in stake, bearing in mind regional geopolitical instability which includes a large part of the Central Asia Countries.

Keywords*:* Landlock countries, Central Asia, Logistics, Transportation Corridors, Geopolitics

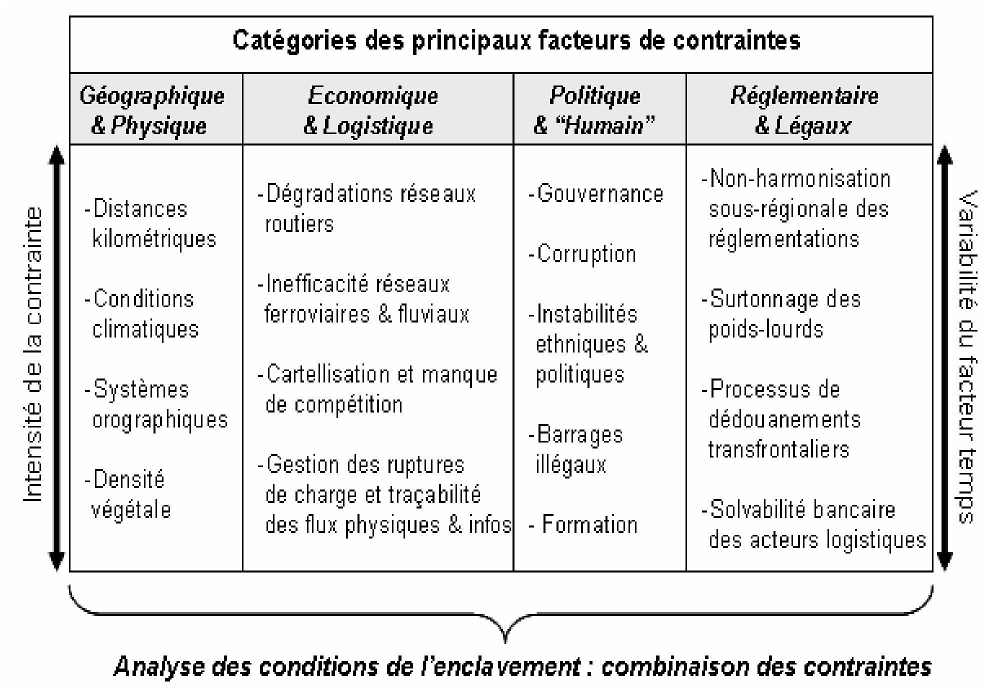
1. Les enjeux du désenclavement logistique du Centre Asiatique

Le programme d'actions signé à Almaty pour soutenir le développement des économies enclavées célèbre ses 10 années. L'initiative des Nations-Unies continue de porter l'impérieuse nécessité de réduire les surcoûts de transport et de logistique qui amputent dramatiquement la compétitivité des pays enclavés et limitent considérablement leur connectivité internationale dans un monde d'échanges globalisés (Alix & Daudet 2014; Arvis & all 2010). Rappelons que le programme Almaty se déclinait à sa signature sur 5 piliers:

- Transit Policy & Regulatory Frameworks
- Infrastructure Development
- Trade & Transport Facilitation
- Development Assistance
- Implementation and Review

Les surcoûts de transport et de logistique peuvent dans les cas les plus extrêmes annihiler toute planification de développement socio-économique (Alix & Pelletier 2011b). Les experts de la Banque Mondiale rappellent que les coûts d'importation des produits internationaux à destination des marchés enclavés continuent d'atteindre 15 à 20% dans les zones enclavées contre moins de 5% dans le contexte des pays industrialisés (Arvis & all 2007a; Arvis & all 2007b). Des chiffres avancent même des surcoûts de 50% dans les cas les plus extrêmes où les conditions de mobilité apparaissent très dégradées (Rodrigue 2014).
Autre indicateur corrélant enclavement géographique et bien-être socio-économique des populations enclavées, l'indice de développement humain La plupart des Etats enclavés sud-américains, africains et asiatiques, quel que soit finalement le régime politique, le climat, l'histoire ou la démographie, se retrouve dans la seconde partie du classement mondial.
Une très abondante littérature académique et professionnelle documente en détail les tenants et les aboutissants d'une fatalité géographique qui ne doit pas minimiser l'ensemble des autres paramètres tel que l'on peut les retrouver dans la figure 1.

La classification par ordre d'impact ou d'importance d'une catégorie de facteurs vis-à-vis d'une autre relève de l'analyse au cas par cas. C'est pourquoi les indices d'intensité et de temporalité des contraintes se placent dans une logique transversale signifiant que chaque pays ou zones enclavés présentent leurs propres combinaisons, intensités et temporalités de contraintes (Pelletier & Alix 2010).



Catégories des principaux facteurs de contraintes			
Géographique & Physique	***Economique & Logistique***	***Politique & "Humain"***	***Réglementaire & Légaux***
-Distances kilométriques -Conditions climatiques -Systèmes orographiques -Densité végétale	-Dégradations réseaux routiers -Inefficacité réseaux ferroviaires & fluviaux -Cartellisation et manque de compétition -Gestion des ruptures de charge et traçabilité des flux physiques & infos	-Gouvernance -Corruption -Instabilités ethniques & politiques -Barrages illégaux - Formation	-Non-harmonisation sous-régionale des réglementations -Surtonnage des poids-lourds -Processus de dédouanements transfrontaliers -Solvabilité bancaire des acteurs logistiques

Figure 1 : Critériologie qualitative des conditions de l'enclavement
Source: Alix & Pelletier 2011a

Toutefois, de ces principales catégories, il est intéressant de noter que seuls les éléments liés à la géographie physique et climatique demeurent difficilement modifiables par une action anthropique. Même les obstacles orographiques trouvent des solutions par le génie civil dans la construction d'ouvrages d'arts comme les tunnels, les ponts et les pipelines. Aussi, force est de constater que la plupart des contraintes de l'enclavement relève de facteurs humains qui pourraient, selon l'intensité et le temps des actions correctives, se trouver en partie résolue. Cette assertion reste d'autant plus intéressante si l'on se concentre sur les modalités des acheminements terrestres et l'envergure logistique des circuits de transport (The World Bank 2008).

L'enclavement physique peut alors se combattre sur les plans infrastructurels et organisationnels dans le cadre de politiques de planification stratégique souvent déployées sur le long terme. L'infrastructure constitue l'expression matérielle de la connectivité physique. Sans infrastructures de transport, point de désenclavement. Mais sans volonté politique nationale et sans concertation sous-régionale, point de déploiements infrastructurels planifiés. Aussi, dans le contexte des Etats enclavés de l'Asie Centrale, les forces politiques se conjuguent étroitement avec les intérêts géopolitiques, les enjeux énergétiques et les développements économiques.

2. Union Européenne, Chine, Russie, Inde, États Unis: toutes les grandes puissances en quête de connectivités logistiques et stratégiques avec l'Asie Centrale

Deux citations, toutes les deux extraites du quotidien indien *India Times* résument finalement les problématiques liant de manière intime géopolitique, politique, logistique et énergétique. La première revient au Ministre des Chemins de fer pakistanais, M. Khwaia Saad Rafique, lors de sa visite en Inde pour stimuler la compétitivité des systèmes de transport ferroviaire de son pays:

> The government wants to establish a transnational trade corridor and economic zone. It is focussing on national and regional connectivity with China, India, Central Asia, the Middle East and Europe and work on Gwadar Port is progressing expeditiously (*INDIA TIMES* December, 10, 2013).

La seconde relève de l'adjointe au Secrétariat d'Etat des Etats-Unis d'Amérique pour la zone Sud et Centre Asiatique, Madame Nisha Desai Biswal à propos du soutien de son pays pour développer les opportunités de commerce avec les pays émergents du centre et du sud de l'Asie:

> The rebalance to Asia is fundamentally about the recognition that this continent, including South and Central Asia will play a growing role in global politics, security, and economics in the 21st century, and that the prosperity and security of the United States is vitally

linked to the prosperity and security of Asia (*INDIA TIMES* November, 22, 2013).

Des citations plus ou moins identiques auraient pu être empruntées aux leaders politiques de l'Union Européenne, de la Russie, de l'Inde et, plus particulièrement, de la Chine qui nourrit de grandes ambitions politiques et stratégiques en Asie Centrale. Dès 2007, M. Nazarbaev, le président Kazakh, signait avec son homologue chinois, M. Hu Jintao, une dizaine d'accords de coopérations économiques bilatéraux avec une forte connotation énergétique. Avec le *Shanghai Cooperation Organization* (SCO) cinq Nations centre-asiatiques (Russie, Kazakhstan, Tadjikistan, Kyrgyzstan et Ouzbékistan) auxquelles il convient d'ajouter cinq Nations riveraines avec un statut de membre observateur (Mongolie, Pakistan, Inde, Iran et Afghanistan) prêtent une forme d'allégeance stratégique à l'égard du géant chinois. Cet environnement politique et stratégique constitue le substrat indispensable pour favoriser les échanges en désenclavant les pays sans littoraux ou très isolés. La facilitation du commerce repose alors sur l'élimination progressive des barrières héritées des systèmes bureaucratiques tout en faisant la promotion de corridors de transport et de solutions logistiques transnationales (Alix 2013; Moreau 2013).

Dans le contexte de l'expansion internationale de la Chine sur l'espace continental Eurasiatique, la *China Transportation Association* explique en substance que les services terrestres eurasiatiques concourent autant à sauver du temps de transit pour les importateurs/exportateurs qu'à stimuler les échanges avec les nations du Centre de l'Asie. Depuis la mise en place du *SCO* en 2001, la valeur des échanges commerciaux entre la Chine et les cinq pays partenaires a été multiplié par dix pour atteindre en 2011 un total de 111 milliards US$ (Alix & Verny 2014).

En réponse pourrions-nous nous permettre de dire, les Européens promeuvent depuis plus de 15 ans une ouverture à l'Est qui va bien au-delà des frontières terrestres avec la Russie (CEMT 2006; Rounov 2012). Les projets de connexions ferroviaires et les investissements des logisticiens européens l'attestent (Alix & Daudet 2014). Les autorités portuaires se placent en accompagnement des pouvoirs publics belges, néerlandais ou encore allemands pour soutenir de plus intenses connectivités multimodales. Sur les plans logistiques et économiques, les terminaisons portuaires ouest et nord-européennes se revendiquent comme des portes de sorties fiables et performantes en concurrence directe avec les ports du pourtour de la Mer Noire qui jouissent de réputations nettement moins solides (Alix & Moreau 2013).

Les Russes eux-mêmes cherchent à consolider leurs héritages dans des solutions de transport combinant des axes historiques orientés Est-Ouest avec des ambitions de « descendre plus au sud » avec le concours des pays enclavés de l'Asie Centrale. Rappelons la signature en 2000 sous l'impulsion de la Fédération de Russie du *North-South International Transport Corridor Agreement* (NSITC) qui incluait la République d'Iran et l'Inde. NSITC qui traverse évidemment des Etats enclavés de l'Asie Centrale parmi lesquels le géant Kazakh a rapidement intégré quatre pays du CAREC (Azerbaijan, Kazakhstan, the Kyrgyzstan République et Tadjikistan) en plus de sept autres nations "voisines" incluant la Turquie, l'Ukraine ou encore Oman). La Russie entend bien conserver une relation politique et économique privilégiée avec ses anciens satellites méridionaux. Les projets portuaires et logistiques sur la partie occidentale de la Russie visent également à offrir des solutions intégrées « panrusses » aux importateurs et exportateurs russophones de l'Asie centrale.

Le *Central Asia Regional Economic Cooperation* (CAREC) lui-même constitue une réponse à une volonté d'intégration politique et économique sous-régionale avec comme pierre angulaire les investissements de transport et la réduction du poids des administrations dans la libre circulation des marchandises (CAREC, 2012a). Près de 18 milliards de dollars ont déjà été investis dans 100 projets d'infrastructures sur l'ensemble des six corridors de transport prioritaires définis par le CAREC (figure 2).

En novembre 2011 à Baku est lancé CAREC 2020 avec l'ambition d'accroître la compétitivité des pays membres via des réseaux intégrés de transport (CAREC 2012b). Les investissements ferroviaires et routiers maillent une toile de services entre les Etats membres du CAREC sans oublier de les intégrer dans les développements financés par les Russes, les Chinois ou encore les Européens (Vinokurov, Jadraliyev & Shcherbanin 2009).

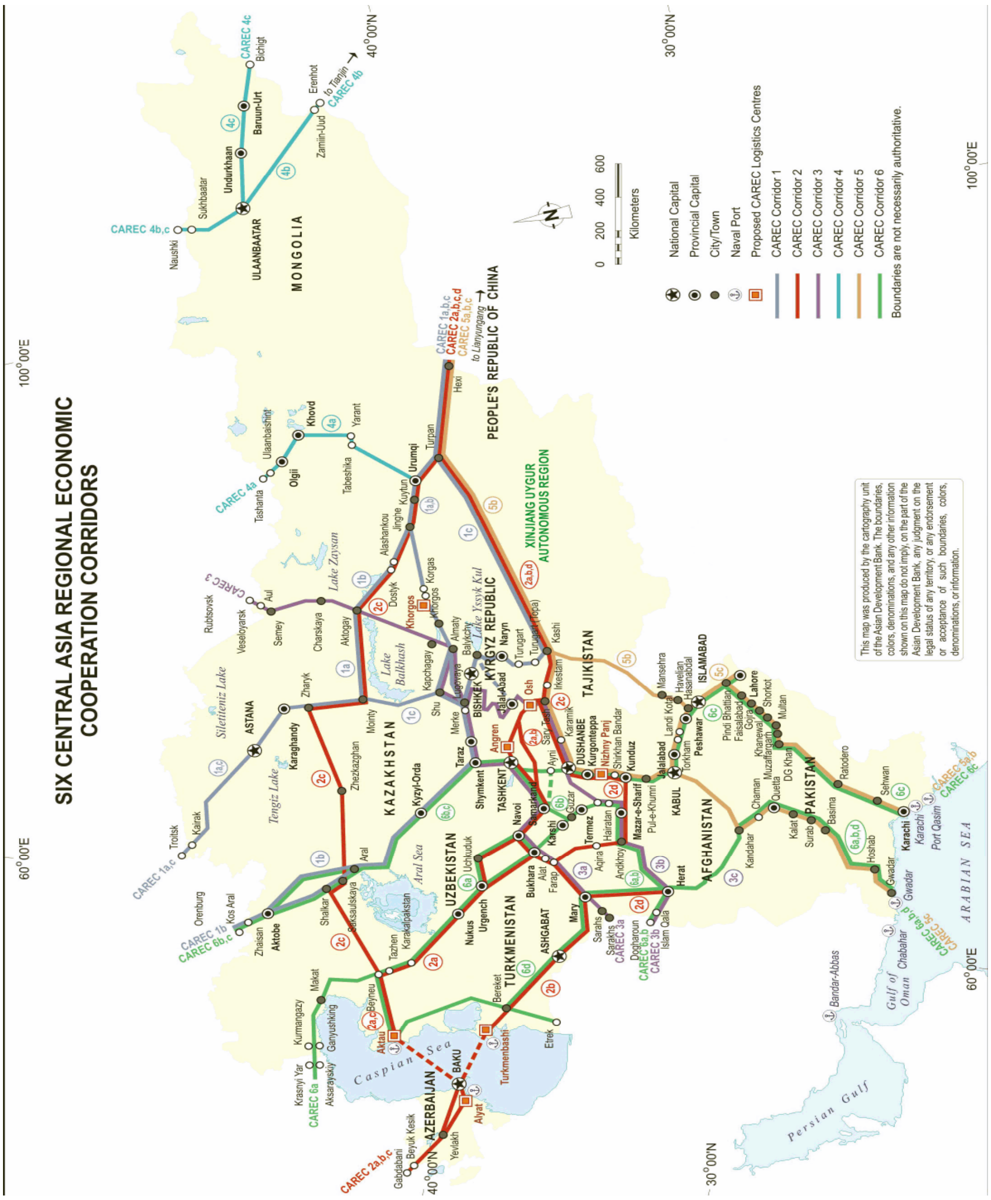


Figure 2: Corridors de coopération économique des pays-membres du CAREC
Source : CAREC 2014

Dans ce contexte, les États enclavés disposent finalement « d'options stratégiques et politiques » différentes pour rallier des ports et des mers différentes. Les options infrastructurelles se démultiplient selon les soutiens financiers et stratégiques. Les intégrations sous-régionales se consolident sur le succès des mobilités économiques et logistiques. La diversification des risques s'avère aussi essentielle. S'affranchir d'une trop grande dépendance à l'égard de quelques origines ou destinations dans ses matrices importations/exportations constitue un argument politique fondamental. La démultiplication des accords commerciaux encourage mais aussi complexifie le potentiel de chacune des options infrastructurelles utilisées par les acteurs économiques des espaces enclavés.

De nouvelles combinaisons politiques, économiques et stratégiques animent une concurrence sous-régionale intense pour disposer du contrôle des routes principales du commerce qui irriguent et traversent l'Asie Centrale. Le sous-continent indien avec ces géants que sont l'Inde et le Pakistan ne veulent surtout pas se couper de ces pays enclavés au fort potentiel de croissance. Avec l'attractivité grandissante du Moyen-Orient et les ambitions d'ouverture de la République d'Iran, une nouvelle redistribution des cartes s'opère sur cet espace économique géant. Depuis la Mer Noire à l'Ouest à la Mer d'Oman au sud au Golfe du Bengale à l'est et les frontières Kazakho-russes au Nord, de nouvelles opportunités logistiques s'esquissent pour canaliser les flux énergétiques et manufacturiers.

Les conduites pétrolières et gazières tendent à occulter par leur importance économique la structuration géostratégique de territoires immenses encore faiblement connectés. La Turquie revendique une nouvelle attractivité aux portes de l'espace européen. Dubaï et quelques autres États voisins constatent le changement progressif de statut international de la République d'Iran, elle-même en connexion directe avec le Turkménistan et les pays enclavés d'Asie Centrale. La situation toujours compliquée de l'Afghanistan implique l'esquisse de réseaux terrestres de contournement pour connecter les pays enclavés au Détroit d'Ormuz ou la Mer d'Oman.

Les incertitudes quant à l'issue du conflit syrien, l'émergence d'un hypothétique État Kurde ou encore le futur du contrôle portuaire ukrainien constituent autant de facteurs conjoncturels qui impactent les destinées d'investissements par essence structurels. La notion de risques apparaît déterminante dans la construction de projets logistiques et stratégiques à destination des pays enclavés de l'Asie Centrale. L'accompagnement des ambitions politiques des Etats ne peut se concevoir sans le positionnement financier et opérationnel du secteur privé. Les multinationales se livrent une âpre concurrence en autant que les couvertures de risques ne soient pas disproportionnées. Or, construire un port ou exploiter un tronçon ferroviaire exigent une stabilité dans le temps… et dans l'espace.

Le méga projet industrialo-énergético-portuaire de Gwadar au Baloutchistan s'inscrit dans ces dynamiques géopolitiques sous-régionales où les échelles de temps et d'espace se mêlent intimement. Sur fond de risques terroristes et d'influences géopolitiques, le cas de Gwadar révèle toute la complexité d'un jeu multi scalaire d'intérêts globaux et particuliers. À tel point que Gwadar peut même être présenté comme un élément de la stratégie maritime chinoise dites du *Collier de perles* (Veron, 2013). Cela s'avère finalement d'autant plus pertinent si l'on considère le transfert de responsabilité obtenu début février 2014 par le *Chinese Overseas Port Holdings Limited* pour opérer commercialement le futur terminal à la place des Singapouriens de PSA. Avec ce positionnement stratégique, les intérêts chinois ceinturent le sous-continent indien et s'offrent surtout une porte d'entrée et de sortie sur les réserves énergétiques du centre de l'Asie. Dans ce contexte, il est essentiel de rappeler que le corridor 6 du CAREC se termine à Gwadar en connectant toutes les terminaisons méridionales des autres corridors via des centres névralgiques comme Douchanbé ou Tachkent.

3. Le mégaprojet logistico-industriel de Gwadar: nouvel axe stratégique majeur ?

Les illustrations ci-après présentent le port de Gwadar aujourd'hui et tel qu'il est perçu demain, voire après-demain avec la mise en opération du Master Plan (Figure 3, 4 et 5).

Sans entrer dans les détails d'un projet jugé pharaonique dans ses dimensions et ses ambitions, le corridor industrialo-portuaire de Gwadar s'inscrit dans la politique nationale Pakistanaise de mieux connecter la riche province du Baloutchistan au reste du pays. Le projet date déjà du début des années 1990 alors que Gwadar constitue déjà une pierre angulaire de l'influence Pakistanaise à «l'embouchure» du Golfe d'Oman. L'aménagement d'un corridor portuaire et logistique à partir de Gwadar s'intègre dans un projet de pacification des revendications tribales et politiques d'une province du Baloutchistan très éloignée d'Islamabad et de Karachi.

La phase 1 du *Gwadar Deep Water Port Project* est complétée en 2007 avec un investissement Pakistanais de 248 millions de dollars largement soutenu sur les plans technique et financier par la Chine. Ensuite, la phase 2 inclut la construction de nouveaux quais pour un demi-milliard de dollars auquel s'ajoute un autre demi-milliard financé par l'*Asian Development Bank* pour relier par autoroute Gwadar avec l'Afghanistan et l'Asie Centrale. Si l'on ajoute une Free Trade Zone et une zone industrielle adjacente, le projet complet oscille autour de 1,5 milliards de dollars, ce qui n'inclut pas les potentiels investissements gaziers et pétroliers privés.

Lors de la pose symbolique de la première pierre le 22 mars 2002 en présence du M. Wu Bang Guo, Vice-Premier de la République Populaire de Chine, le président du Pakistan, le Général Pervez Musharraf, prononce un long discours dont l'extrait suivant résume finalement l'enjeu global de Gwadar pour toute la sous-région:

> The Gwadar port shall provide modern, up-to-date facilities for cargo vessels in line with modern ports. The coastal highway which is also being constructed simultaneously with the port, will provide a very healthy linkage between Karachi and Gwadar ports. If we see this whole region, it is like a funnel. The top of the funnel is this wide area of Central Asia and also China's western region. And this funnel gets narrowed on through Afghanistan and in Pakistan northern areas into Pakistan and goes through Pakistan and the end of this funnel is Gwadar port. So this funnel, futuristically, is the future economic funnel of this whole region. All the top of this funnel, the broad top of the funnel, anything going into it or out of it, Pakistan and Gwadar port provides the real input, the inlet and the outlet into it (President Musharraf wordpress 2005)

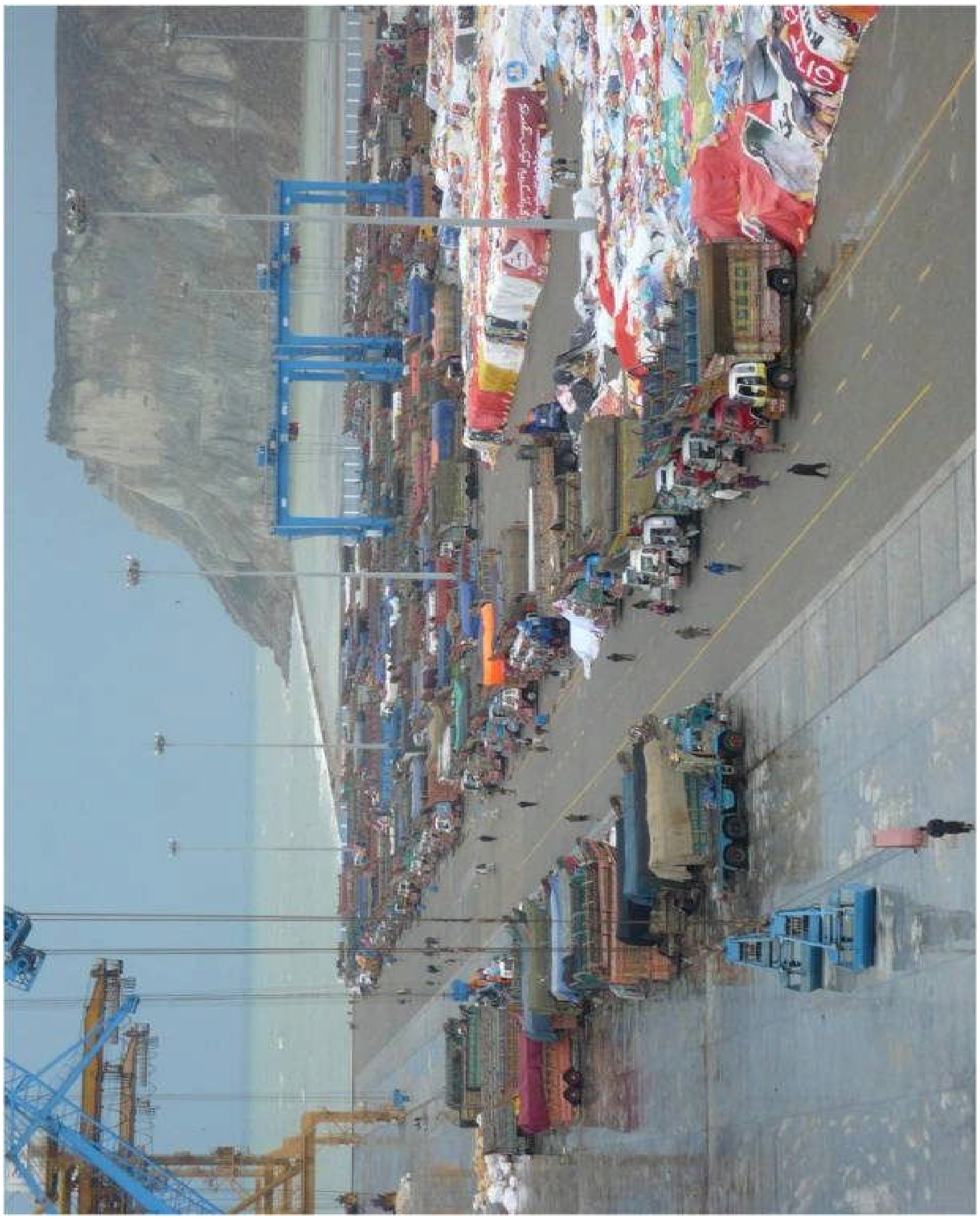


Figure 3: Le port de Gwadar aujourd'hui
Source : Port Authority of Gwadar

Figure 4: L'extension du terminal à conteneurs du port de Gwadar
Source : Port Authority of Gwadar

Figure 5: Illustration des futures installations projetées du site industriel-portuaires de Gwadar
Source : Port Authority of Gwadar

Au-delà des installations portuaires, les parcs industriels et d'autres zones franches complètent un aménagement qui intéressent aussi des investisseurs et des financiers. Pour preuve, la dernière visite très remarquée en juillet 2014 d'un groupe de banquiers chinois menés par le General Manager de *Investment Banking Department, Industrial and Commecial Bank of China* (ICBC). Aujourd'hui, plus de 4,000 acres de terres viabilisées se distribuent entre *Gwadar Port Free Zone* et le Gwadar Industrial Estate and Development Authority (GIEDA). Les investisseurs chinois insistent cependant sur la nécessité de compléter les connexions ferroviaires et routières vers l'Asie Centrale pour ainsi mettre Gwadar à moins de 2000 kilomètres de la première frontière terrestre avec l'espace marchand chinois.

Pour finir, une dernière annonce politique a été orchestrée au cours de l'été 2014 entre les gouvernements chinois et pakistanais pour la construction du plus important port de gaz naturel liquéfié (LNG) du Pakistan. 3 milliards de dollars seraient investis par les intérêts chinois dans un accord bilatéral entre les deux États. Le super terminal maritime de LNG disposerait d'une usine de regazéification ainsi que d'importances infrastructures de stockage. Le tout serait relier par un pipeline d'un coût estimé à 1 milliard de dollars jusqu'à Nawabshah, avec en perspective la possibilité de rallier les réserves gazières iraniennes de l'autre côté de la frontière. Cet investissement majeur fait partie d'un projet global gigantesque pour lequel la Chine serait prêt à mobiliser 35 milliards de dollars via des partenariats exclusifs avec le Pakistan. L'accord spécial *China-Pakistan Economic Corridor* (CPEC) chapeaute toutes ces initiatives qui convergent pour la plupart vers Gwadar et son futur corridor de fret et d'énergie.

4. Discussion

Aujourd'hui, une quadruple dimension stratégique anime les discussions sur la véritable solution que propose cette immense planification sous-régionale qu'incarnent les projets portuaires, logistiques et infrastructurels à partir de Gwadar.

La première dimension tient à ces corridors « de substitution » qui pourraient voir le jour depuis les champs pétrolifères et gaziers du centre enclavé asiatique. Nous parlons ici de substitution car les infrastructures en place et planifiées laissent à penser que Gwadar pourrait s'inscrire dans une stratégie à moyen et surtout à long termes pour les intérêts politiques et stratégiques du Centre de l'Asie. Les ambitions chinoises de disposer d'une sortie énergétique à Gwadar paraissent aujourd'hui plus motrice dans la perspective de voir se construire des infrastructures dédiées. Gwadar peut devenir un relais essentiel dans la logique de croissance et de modernisation des provinces de l'Ouest Chinois avec des circuits pétroliers d'importation depuis « leurs futures installations Pakistanaises ». Ces circuits raccourcis de l'approvisionnement pétrolier moyen-oriental se complèterait idéalement des investissements colossaux déjà entrepris avec la plupart des pays enclavés de l'Asie Centrale au premier rang duquel le Kazakhstan.

Au rayon de la politique fiction globale, il convient de s'arrêter sur les hypothétiques ambitions de Gwadar à l'égard de la République d'Iran. La localisation géostratégique de Gwadar à quelques encablures de la frontière iranienne ne doit pas être sous-estimée. La mise en exploitation des deux premières phases de Gwadar est perçue par les observateurs comme un premier jalon qui rendrait possiblement crédible le déploiement d'infrastructures pétrolières et gazières de grande envergure. Les changements à la tête de la République d'Iran depuis le lancement initial du projet doivent également être pris en compte. Avec la question très politique du futur Kurde et de la radicalisation de l'État Islamique, la République d'Iran pourrait redéployer des ambitions géoéconomiques et géostratégiques avec ses voisins immédiats. Aujourd'hui, tout cela ne relève que d'hypothèses politiciennes mais les potentiels gaziers et pétroliers sous-régionaux pourraient cependant vite trouver une échappatoire stratégique avec la fenêtre portuaire de Gwadar. Les relations stratégiques plutôt discrètes entre la Chine et la République d'Iran pourraient se nourrir d'un intérêt partagé à voir émerger Gwadar rapidement. Face à l'expansion de l'influence de l'Etat Islamique dans la sous-région, la République d'Iran pourrait jouir d'une nouvelle aura politique internationale et tirer profit de cette nouvelle stature pour conjuguer influence politique et développement énergétique.

La seconde dimension a trait au transport maritime de conteneurs. Gwadar ne cache plus l'ambition de devenir un second « Djebel Ali » sous-régional en permettant aux porte-conteneurs géants de ne plus entrer dans le délicat Golfe d'Oman. Ce « raccourci » portuaire trouve une cohérence en autant que des connectivités logistiques et intermodales permettent de drainer des volumes sur le port de Gwadar. Aujourd'hui, les performances dans la gestion des escales à Djebel Ali et dans d'autres ports concurrents de la Péninsule Arabique ne laissent guère de place à l'affirmation de Gwadar. Cependant, les flottes conteneurisées chinoises pourraient « stratégiquement » changer leurs rotations de la Péninsule arabique pour les concentrer sur Gwadar s'ils obtiennent des conditions de transbordement optimales. Là encore, cela ne pourrait se projeter qu'avec la garantie de disposer de services de manutention fiables et compétitifs. Or, le transfert de gestion opéré début février 2014 depuis PSA vers le *Chinese Overseas Port Holdings Limited* n'apporte nullement la garantie de cette future différenciation qualitative sur les terminaux de Gwadar. Il ne faut surtout pas décontextualiser la projection des futures capacités de Gwadar avec les projets conteneurisés déjà confirmés de la péninsule arabique. Djebel Ali se projette avec son troisième terminal au-delà des 20 millions d'EVP avant 2015. Le port King Abdulaziz en Arabie Saoudite table sur 3 millions d'EVP alors que le futur super port à conteneurs de Doha prévoit 12 millions d'EVP de capacité à l'horizon 2025. La suspicion politique de l'Inde pourrait aussi limiter les ambitions de Gwadar de jouer un éventuel rôle de transbordement stratégique à destination des marchés du sous-continent indien.

Troisième dimension, les circulations logistiques terrestres entre les pays enclavés de l'Asie Centrale et Gwadar sont contraintes par la géographie, l'histoire et même la culture. Les revendications indépendantistes Balouchistanes résonnent en écho des complexités tribales Afghanes ou Tadjiks. Or, les différents tracés et les centaines de millions d'investissements dans les infrastructures terrestres ne sauraient s'affranchir de ces « incertitudes politiques et ethniques ». La logistique a besoin de fiabilité sur tous les tronçons. Les services déployés pour l'instant risquent de se heurter aux complexités des passages transfrontaliers. Malgré la multitude d'accords sous-régionaux, les transits par les « routes méridionales » souffrent d'un manque chronique de facilitation et d'intégration. En filigrane vient se calquer les trafics illégaux, les réseaux mafieux et bien sûr les risques d'instabilité de groupuscules plus ou moins terroristes, plus ou moins indépendantistes ou plus ou moins régionalistes. Que l'on considère les points névralgiques de Quetta ou Kandahar à l'Ouest, ceux de Mazar-e-Sharif et Kunduz au Nord ou de Mansehra et Peshawar à l'Est, force est de constater que les liaisons avec les pays enclavés de l'Asie Centrale restent périlleuses. Or, c'est une évidence de rappeler que l'attractivité logistique de la solution portuaire de Gwadar tient dans la fiabilité et la compétitivité des solutions logistiques terrestres. La gestion opérationnelle des pré et post-acheminements demeure absolument décisive dans la crédibilité de l'ensemble du projet intégré de Gwadar.

Quatrième dimension, l'aspect militaire de Gwadar, tant pour les intérêts Paksitanais que pour leur partenaire stratégique Chinois. La modernisation portuaire de Gwadar, et particulièrement depuis la prise en main de la future exploitation par le *Chinese Overseas Port Holdings* Limited, pourrait permettre l'accueil de navires de guerre. Une porte d'accès sur la Mer d'Arabie, à portée de navires du Détroit d'Ormuz et du Golfe Persique, s'avère absolument essentielle pour la Navale Chinoise. Une base à l'Ouest du Pakistan et à quelques dizaines de kilomètres de la frontière iranienne, consolide les intérêts stratégiques chinois à proximité même des bases américaines. Les Indiens s'émeuvent déjà publiquement d'un risque « d'encerclement stratégique » avec les ambitions avérées de positionner des investissements portuaires chinois au Sri Lanka et au Bangladesh. La « Perle » de Gwadar dans le collier stratégique maritime chinois constituerait l'extension la plus occidentale de cette consolidation militaire sur les principales routes énergétiques qui relient les côtes de la Mer de Chine jusqu'à la Péninsule Arabique (Neo 2013). La combinaison des intérêts militaires et commerciaux s'articule dans une vision de plus en plus intégrée où économie et politique se marient à grand coup d'investissements financiers et d'aides techniques. L'aire d'influence chinoise ne cesse de s'étendre dans des eaux et des espaces terrestres longtemps dominés par l'Inde et la Russie (Struye de Swielande 2009; Alix 2013). Les troubles politiques depuis les rives Syriennes et Ukrainiennes aux menaces terroristes de l'Etat Islamique aux confluences de l'Irak, de la Turquie et de la République d'Iran ne sont pas non plus à négliger dans le contexte du développement chinois à Gwadar. La politique internationale chinoise a toujours été très discrète dans cette partie du monde très éloignée des bases historiques de l'influence de Beijing. Par la force des événements politiques, Gwadar pourrait devenir un enjeu géostratégique majeur sur l'échiquier régional. La politique officielle de soutien économique, financier et technique de la Chine à l'égard du Pakistan et des pays enclavés de l'Asie Centrale pourrait se reconsidérer dans une vision stratégique largement plus globale.

Bibliographie

1. Alix, Y., Daudet, B. (2014) 'Services ferroviaires Eurasiatiques: quand transport et logistique riment avec économie et politique'. In *Région et Développement.* Université Var-Toulon. Accepted & Forthcoming
2. Alix, Y., Verny, J. (2014) 'Les ponts terrestres Eurasiatiques comme outils de la géostratégie économique de la Chine: le cas de la République de Chine et de la Fédération de Russie'. Ouvrage collectif sous la direction du Prof. Pierre Chabal. Science Po Le Havre – Université du Havre. Editions L'Harmattan. Under Press
3. Alix, Y. (2013) 'Structuration et maillage des réseaux de transport au service de l'expansion économique et politique chinoise '. Cycle de Conférence du Club Chine Forever EM Lyon *La Chine au fil de l'eau: situation et enjeux du transport maritime et fluvial*. Maison de la Chine, 3 Octobre, Paris. France.
4. Alix, Y., Moreau, O. (2013) 'The Black Sea: From Ports' Expansion toward Logistics' Opportunities for connecting Europe/Mid-East/Central Asia & Far East Markets'. *Les Journées Neptune - Journées scientifiques de l'Université du Sud Toulon-Var. Laboratoire d'Economie Appliquée au Développement.* 8 et 9 avril. Toulon
5. Alix, Y., Pelletier, J.F. (2011a) 'Territoires enclavés et opportunités de marché: analyse des performances logistiques des corridors de transport en Afrique subsaharienne '. *Organisations et Territoires.* Université du Québec. Volume 20, Numéro 1, 41-51
6. Alix, Y., Pelletier, J.F. (2011b) 'Trade Corridors, Value Networks & Logistics Performance: Applied methodology to Sub-Saharan Landlocked Countries'. *African Review of Maritime Affairs and Transportation*. January 2011, N°3, 50-56
7. Arvis, J.M. and all (2010) *Connecting to Compete: Trade Logistics in the Global Economy*. The World Bank. WDC.

8. Arvis, J.F., Raballand G., Marteau, J.F. (2007) 'The Cost of being landlocked: Logistics Costs and Supply Chain Reliability'. *Policy Research Working Paper*, N° 4258. World Bank
9. Arvis, J-F., Mustra, M.A., Panzer, J., Ojala, L. and Naula, T., (2007) *Connecting to Compete: Trade Logistics in the Global Economy; The Logistics Performance Index and Its Indicators*, The World Bank.
10. *Central Asia Regional Economic Co-operation* (2012a) *From Landlocked to Linked In The Central Asia Regional Economic Cooperation Program*
11. *Central Asia Regional Economic Co-operation* (2012b) *Where to from Here? Corridor-based Transport Facilitation Arrangements in the CAREC Region*
12. *Conférence Européenne des Ministres des Transports*, 2006, *Les liaisons de transport entre l'Europe et l'Asie*
13. *INDIA TIMES* (2013) 'US to support integrated trade opportunity in South and Central Asia'. November, 22, 2013
14. Moreau, O. (2013) 'Dynamique régionale et efficience des transports continentaux. Le cas des corridors Asie Centrale – Europe'. In *Logistique et transports des vracs* (sous la direction de Alix & Lacoste), Editions EMS, 351-363
15. Neo, C. (2013) 'China's Gwadar Pearl. The port acquisition and implication for India'. Institut of South Asian Studies, ISAS Brief, N°288, July, 11th
16. Pelletier, J.F., Alix, Y. (2010) 'Benchmarking the Integration of Corridors in International Value Networks: The Study of African Cases'. In *Integrating Seaports and Trade Corridors.* Hall, P., McCalla, R., Comtois, C., Slack, B.; Farnham Ashgate Edition – New-York. 173-191.
17. Rodrigue, J.P. (2014) https://people.hofstra.edu/geotrans/eng/ch3en/conc3en/maritimeenclaves.html
18. Rounov, I. (2012) *IRU Model Highway Initiative*. 2nd TRACECA Investment Forum. Brussels, Beb, 28th.

19. Struye de Swielande, T. (2009) 'Will China become a dominant maritime power in the future?'. *3rd Annual Conference Geneva In-Sight 2009*. 9 & 10 November 2009. Geneva, Switzerland
20. Vinokurov, E., Jadraliyev, M., Shcherbanin, Y. (2009) *The EurAsEC Transport Corridors*. Eurasian Development Bank. Sector Report. March 2009
21. The World Bank (2013) Kazakhstan: Solid Growth, Unsettled Global Environment. The World Bank
22. The World Bank (2008) *Improving Trade and Transport for Landlocked Developing Countries: World Bank Contributions to implementing the Almaty Programme of Action*. The World Bank, WDC.
23. Veron, E. (2013) 'Le "collier de perles", une stratégie maritime chinoise?'. *24ème FIG – La Chine, puissance mondiale?* 3-6 octobre 2013.
24. http://presidentmusharraf.wordpress.com/2005/01/24/musharraf-ground-breaking-gwadar/

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No. 2 (14) – 2014
Galati University Press, ISSN 2065 -1759

THE ROLE OF KAZAKHSTAN IN THE NEW GEOGRAPHY OF PRODUCTION AND TRADE BETWEEN THE ASIAN AND EUROPEAN MARKETS

Ph.D. Jerome Verny
Ph.D. Milhan Chaze
NEOMA Business School, France

Introduction[1]

For over a decade, the global economic order has been undergoing major macro-economic and geographic changes. International relations evolve with the emergence of countries that face new economic superpowers like China. Federated around this new economic Sino-pole, Asian countries are increasingly attractive to major international investors in particular due to the reduced labor costs and a consumer market of several hundred million people. These events are accompanied by a new geography of the value chain. Indeed, a new transcontinental organization of production of goods generates new trade routes using mainly sea transport to link production areas to consumer markets.

However, despite its undisputed dominance, maritime transport is not the only mode of transcontinental freight. Rail transport starts to attract international freight companies due to its speed. Now, as part of the formation of a rail corridor linking East Asia to Western Europe, Central Asia countries, particularly Kazakhstan, would be located between two major economic regions of the world. In this case, the development of freight traffic could lead to a development of the logistic function and thus accelerate the process of economic development.

The objective of this paper is therefore to study the relevance of new rail corridors and the potential integration of Kazakhstan into the new

[1]The results presented in this article come from a study carried out as part of the FASE project (Ferroviaire Asie-Europe), coordinated by MOBIS and funded by the European Union, the French Ministry of Research and the Region Haute-Normandie. The authors thank the MOBIS team for its contribution in this European project.

transcontinental trade routes. For this, after introducing the Euro-Asian trade relations that could generate new freight traffic across Kazakhstan, we will analyze the strengths and constraintsof the country to better understand, in a third step, the issues available to it in logistics development.

1. The Europe-Asia trade relations and the issue of rail corridors

1.1. Growing trade between Asia and Europe

Over the past twenty years, international trade has accelerated its dynamics, both in terms of volumes of goods and concerned countries. Indeed, the value of goods traded worldwide grew from 3,676 billion in 1993 to 14,851 billion in 2010 (WTO, 2011). Meanwhile, trade in manufactured goods, which were mainly concentrated in the three poles of the Triad (North America, Western Europe, Japan) have gradually expanded to other countries, thanks to the emergence of newly developed countries: first the four Asian "tigers" (South Korea, Taiwan, Hong Kong and Singapore), then South-East Asian countries, China, India and the great countries of Latin America (Brazil, Mexico). Similarly, the collapse of the socialist economic system in the USSR and the countries of Eastern Europe, as well as the transition to a market economy initiated by Deng Xiaoping in China, made these countries come back to the capitalist system.

This development, together with the gradual opening of markets as a result of GATT and the WTO international agreements and the agreements of regional economic organizations (European Union, NAFTA, MERCOSUR, ASEAN, etc.) strengthened the process of globalization and integration of the various countries of the world in the same economic unit. In this context, trade between East Asia, now the first industrial region in the world and a fast expanding market, and Western Europe, the second production region and world's largest consumer market, increased (+24% annual growth in value between 2005 and 2008 [WorldBank, 2010]). On that basis, the main issue remains that of the geography of the goods flows between the two economic regions.

1.2. Saturation ahead of the Royal Road and the challenge of Asia-Europe rail link

The flow of containerized cargo between Asia and Europe always follows the same maritime route since the opening of the Suez Canal in 1869. It crosses the South China Sea, the Indian Ocean, the Red Sea, the Mediterranean sea and joins Western Europe, successively on the Straits of Malacca, Bab el Mandeb and Gibraltar (Figure 1). On this route, the Suez Canal is a bottleneck which tends to lengthen the travel time of containers and increase the cost of transporting goods (Verny, Grigentin 2009). Today, more than 17200 vessels, including 37% of container ships (6332 ships) and 948 million tons of goods in 2012 (Suez Canal Authorities, 2012) pass through the Suez Canal. And global economic growth, driven by emerging markets, should strengthen the international flows of goods, so that the Egyptian government launched in 2014 the construction of a second channel, parallel to the one built there more than a century before by Ferdinand de Lesseps.

However, in anticipation of this new passage between the Red and Mediterranean seas, other options are available to freight companies. The first is the Northern Sea Route (NSR), which runs along the coast of the Russian Arctic, from the Bering Strait to Norway. This option has been widely studied because of the gradual melting of the polar ice cap caused by the global warming (Verny 2007, 2013). But it still not interests companies, due to its impracticality for nearly eight months of the year, and the need to use Russian icebreaker in order to follow it. As a consequence, the second option, the Eurasian railway line, becomes particularly interesting.

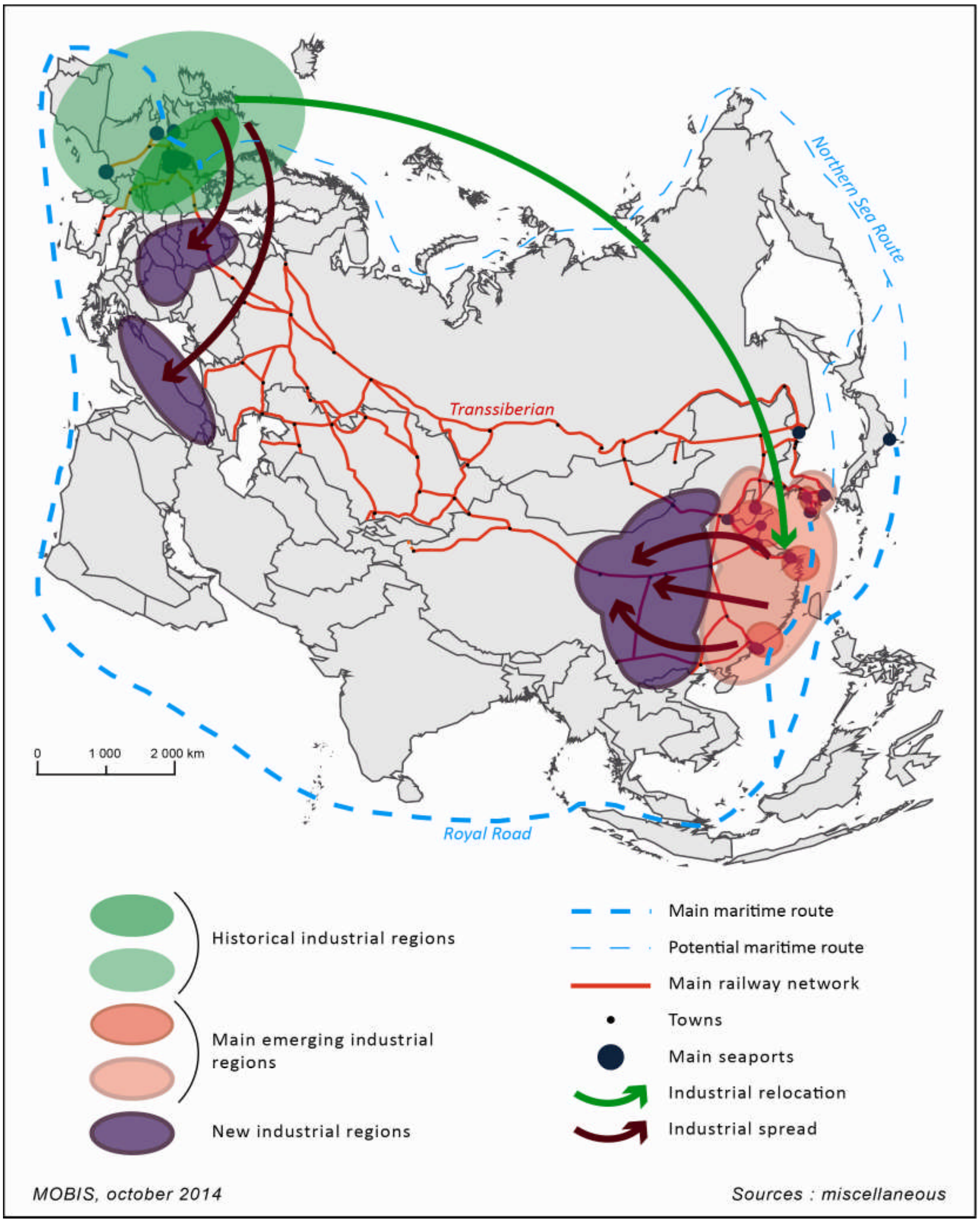


Figure 1: Evolution of the location of the main producing areas in Europe and East Asia

Indeed, rail transport is faster than sea freight. On the route from Khabarovsk (Eastern Siberia) to Potsdam (Germany), the estimated time of shipping through the Royal Road is 1093 hours against 341 hours by train (UNECE, 2012). In addition, as shown in Figure 1, the gradual spread of industry, from the original home of manufacturing activities (Western Europe and East Asia maritime) to the inland of continents (Central and Eastern Europe, Asia Minor in western inland China to the east), tends to shorten terrestrial distances and reduce the interest of maritime transport to connect the two continents. From there, with a view to the establishment of regular freight lines between Europe and Asia, the question of the potential role of the states of Central Asia, and in particular Kazakhstan, in the functioning of the international transport corridor arises.

2. Kazakhstan in the heart of theAsia-Europe rail link

2.1. An economy based on the exploitation of natural resources

Kazakhstan economy is mainly based on the exploitation of natural resources, like the one of its nearest neighbors (Russia, Uzbekistan and Turkmenistan). The main natural resource is oil. Kazakhstan, like Turkmenistan, has, thanks to the cutting border inherited from the Soviet era, access to the Caspian Sea, which is one of the world's largest deposits. The presence of "black gold" in Central Asia has been known since the Middle Ages (Damiani 2013), but its massive exploitation is recent, because the Soviet authorities have long only exploited the resources of the West Caspian coast for the benefit of Azerbaijan. Indeed, Kazakhstan is now only the 16th largest producer of crude oil (1.6 million barrels per day), although getting the 11th World reserves (30 billion barrels [Damiani, 2013]).

This underutilization is also found in natural gas. The reserves of the Karakum Desert are among the largest in the world. Kazakhstan has the 14th "blue gold" global reserve, but is only the 42nd international producer (Damani 2013). However, oil and gas account for three-quarters of the country's exports (Figure2), which reveals both the importance of the energy potential of the country and its weakness inherited from the USSR manufacturing.

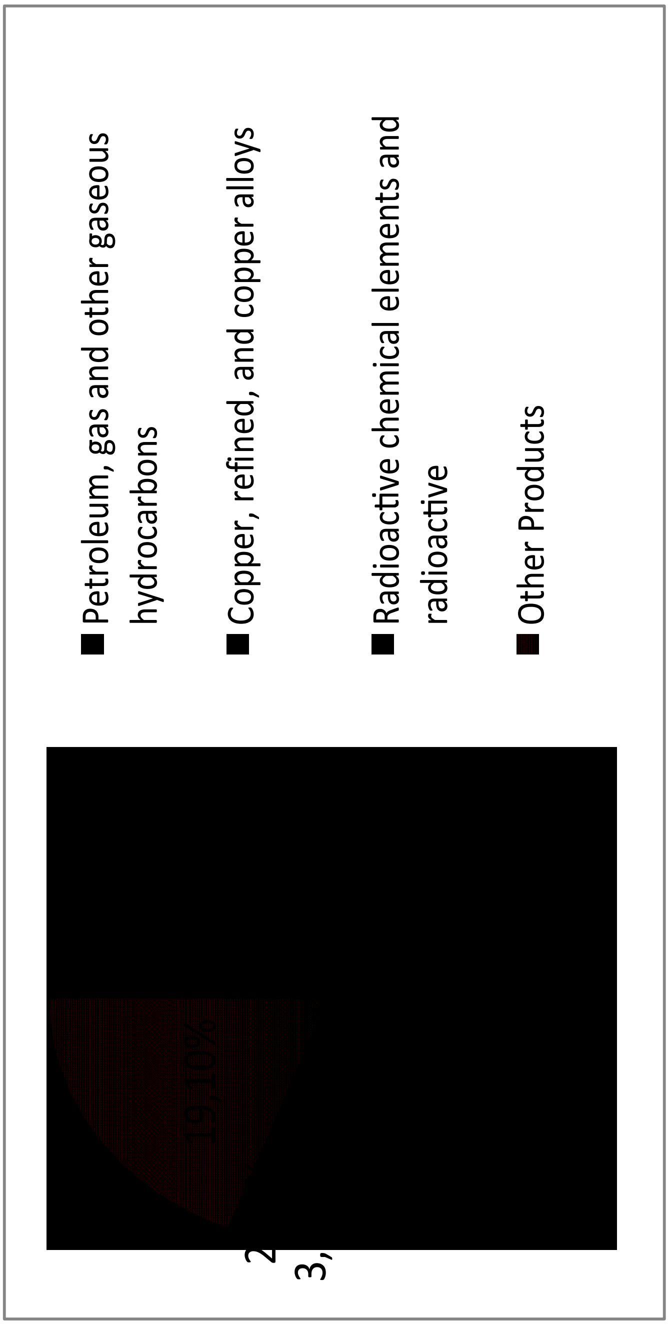


Figure 2: Products exported in 2012 (UN comtrade 2012)

Other Kazakh exports are copper (3.2%of the total of exported products) and uranium (2.8%), of which Kazakhstan is the world's largest producer (Damiani 2013). But unlike its southern neighbors, Kazakhstan has not inherited the main cotton processing zones when cutting the Russian Turkestan by the Soviet authorities. 'White gold' returned to Uzbekistan and Turkmenistan, however, Kazakhstan inherited a portion of the black soil of Siberia, allowing it to establish itself as an important center of agricultural production in the region.

Finally, the Kazakh economy has similar characteristics to those of Russia and other Central Asian countries, namely, a high dependence on energy development. This dependence tends to prevent the emergence of an export-oriented manufacturing industry, because it generates the Dutch disease, i.e. an overvalued domestic currency due to oil exports, encouraging purchase of foreign manufactured goods whose price is more competitive than the price of the goods produced locally. The biased functioning of the economy of Kazakhstan is therefore in the geography of its business relationships.

2.2. A little geographically diversified foreign trade

The main economic partners of Kazakhstan are the European Union, Russia and China, which together account for three-quarters of the country's international trade (76% [International Trade Centre 2013]). However, Kazakhstan today carries nearly half of its trade with the European Union (41%), the Russian big brother representing only 18% of trade at the same levelas China (17%).

Nevertheless, the structure of trade differs between partner countries. Indeed, relations with the EuropeanUnion are primarily in exports of oil and gas by pipeline, thus not involving rail traffic. The other 20% of imports from the European Union (International Trade Centre, 2013) consist mainly of manufactured goods. However, the main imports of goods are from China and Russia. In the first case, China has a competitive advantage thanks to lower prices than its Western competitors. In the second case, a legacy from the Soviet period explains the persistence of strong Russian-Kazakh trade relations, plus the establishment of a customs union in 2010 between Russia, Belarus and Kazakhstan, exempting from tax goods moving between these three states.

Finally, Kazakhstan maintains only limited trade relationships with the other former Soviet republics: only 7% of its foreign trade is conducted with members of the Commonwealth of Independent States, Russia excluded (International Trade Centre, 2013). These relationships are surprisingly few even with the other republics of Central Asia (Figure 3). The geography of trade in Kazakhstan then leads us to wonder about its location in the heart of Central Asia.

2.3. Strategically located in Central Asia, but still a relatively closed country

The geographical location of Kazakhstan is one of a land locked country, in the middle of a low population density region (6 inhabitants /km ^{2}), and only getting a sea access as a closed sea, the Caspian Sea. However, the main centers of global production (excluding America) are located at the ends of the Eurasian land. If we add to this the limit of its productive industry, we have already discussed, and the weakness of its domestic market (17.9million inhabitants), the low Logistics Performance Index[1] (LPI) of Kazakhstan is understandable.

Indeed, with an index of 2.69 in 2012, Kazakhstan does not appear as one of the most efficient countries logistically or more open commercially. As highlighted in Figure 4, Kazakhstan is also similar to its Central Asian neighbors, whose logistics performances are also very low. This not only reflects the effects of the isolation of these countries in the heart of the continent and the lack of connection to the world's major shipping routes, but also the policy of relatively closed economic systems largely state-controlled and heavily permeated with Soviet administrative and policy tradition.

[1]The Logistics Performance Index of the World Bank is established on the basis of a survey of a thousand international freight forwarders, reviewing all of the world on the basis of six criteria: "process efficiency customs clearance, quality of trade and transport related infrastructure, ease of organizing shipments at competitive prices, quality of infrastructure services, the ability to track and trace consignments, and frequency with which shipments reach the recipient on time" (World Bank, 2013). From the ratings of freight companies in these six criteria, an index ranging from 1 (the lowest) to 5 (the highest) is established.

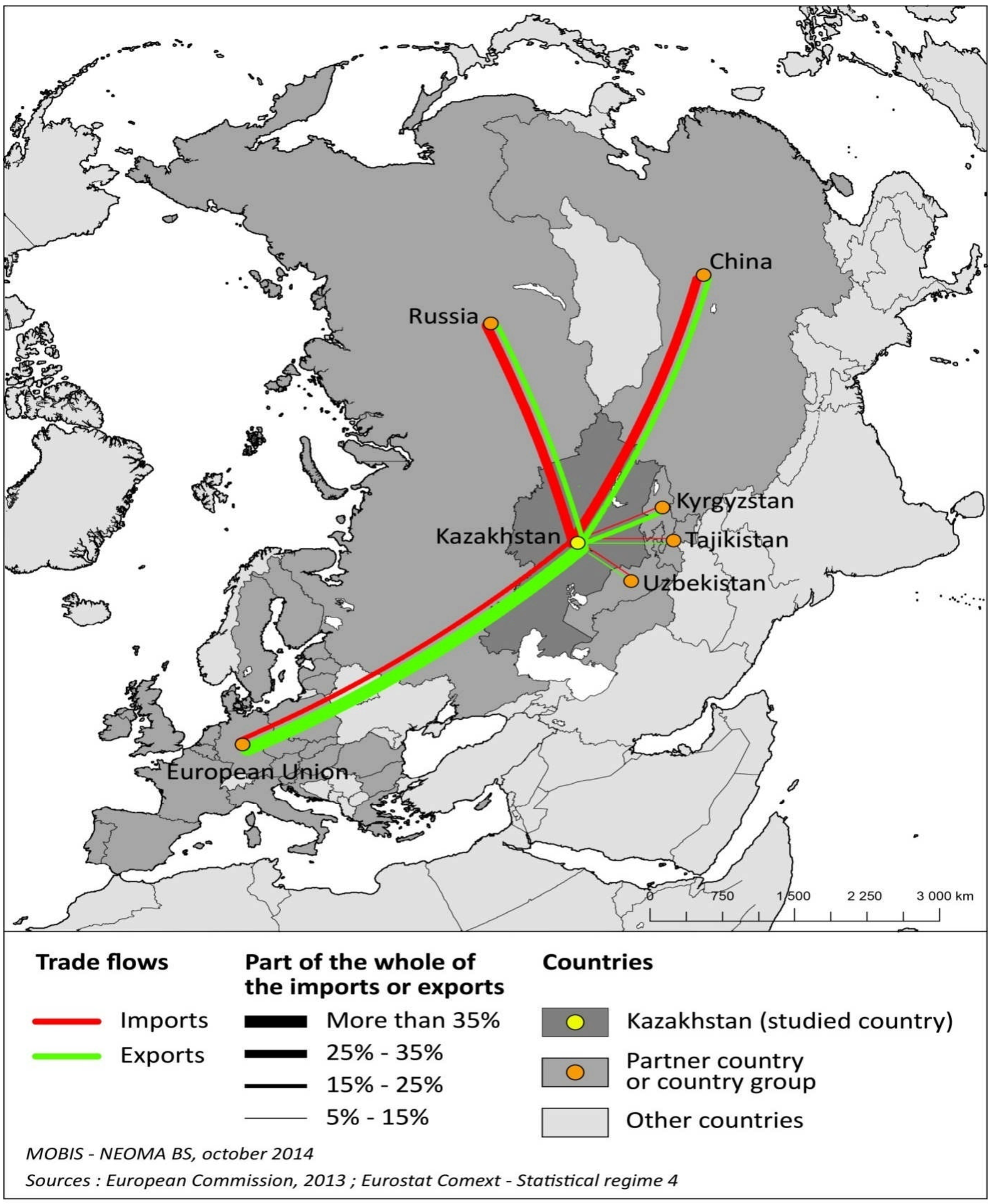


Figure 3 -import-exportflowsbetween Kazakhstanand its major tradingpartners

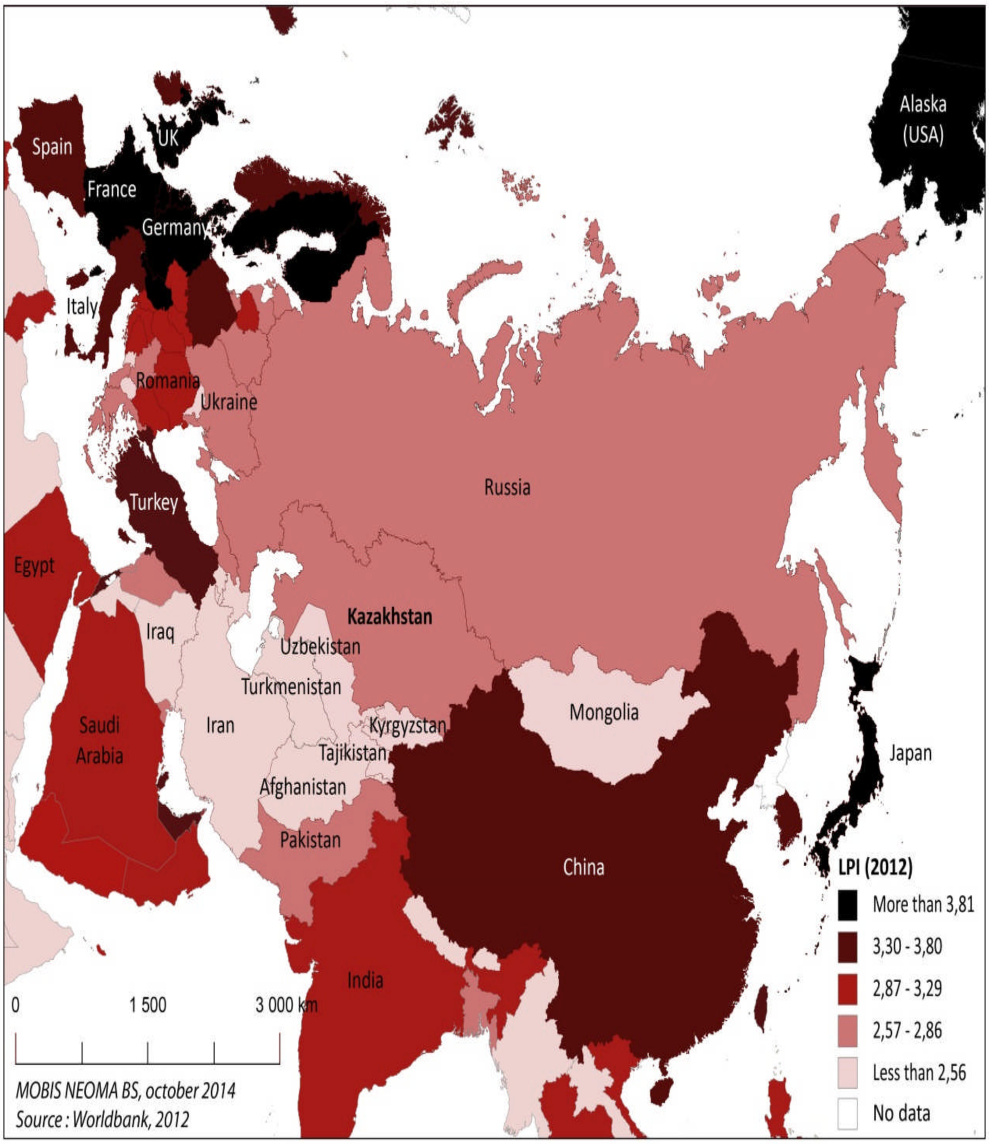


Figure 4: Logistics Performance Indexin 2012

Consequently, the development of the strategic location of Kazakhstan, at the heart of Central Asian trade routes, requires an opening of the national economic system, specifically an easing of administrative operations and an improving of local transportation infrastructures. Thanks to the optimization of these key factors, foreign investments can grow and enable Kazakhstan to establish itself as a hub of trade between Europe and Asia.

3. The challenges of logistics development in Kazakhstan Logistics

3.1 A development tool for Kazakhstan

For several decades now, the Central Asian countries have been working to develop and improve their transport system, mainly based on terrestrial infrastructure. On this point, Kazakhstan has advantages over its neighbors, both in terms of accessibility and density of transport infrastructure. Although the railway network inherited essentially from the Soviet period involves, in fact, Russian standards different from those found in Europe or China, such as signaling, track gauge or electrification (Figure 5), Kazakh network is relatively well-connected with East-West corridors (Transcaspian) and North-South corridors (Transaralian and Turksiberian) where regional and international goods passes in transit. Moreover, geographical isolation is less marked for Kazakhstan which has effective transport connections with Russia, China and increasingly with the European transport corridors, via connections between Transaralian and Turksiberian railways and the Trans-Siberian. Indeed, rail traffic appears higher than in neighboring countries (although the lack of data on this point makes it difficult to go even deeper into the subject [Figure 5]).

The growing interest of international investors in Central Asia therefore focuses on Kazakhstan as the country of entry and exit of goods. Their goal is to integrate Central Asia into the global trading system by increasing flows through Kazakhstan. In fact, the significant potential for infrastructural and logistical development in Kazakhstan attracts increasing levels of foreign direct investment (FDI): 134% between 2004 and 2013 according to UNCTAD (Les Echos Data 2014). The strategy of the Kazakh authorities relies also on supporting FDI production and local

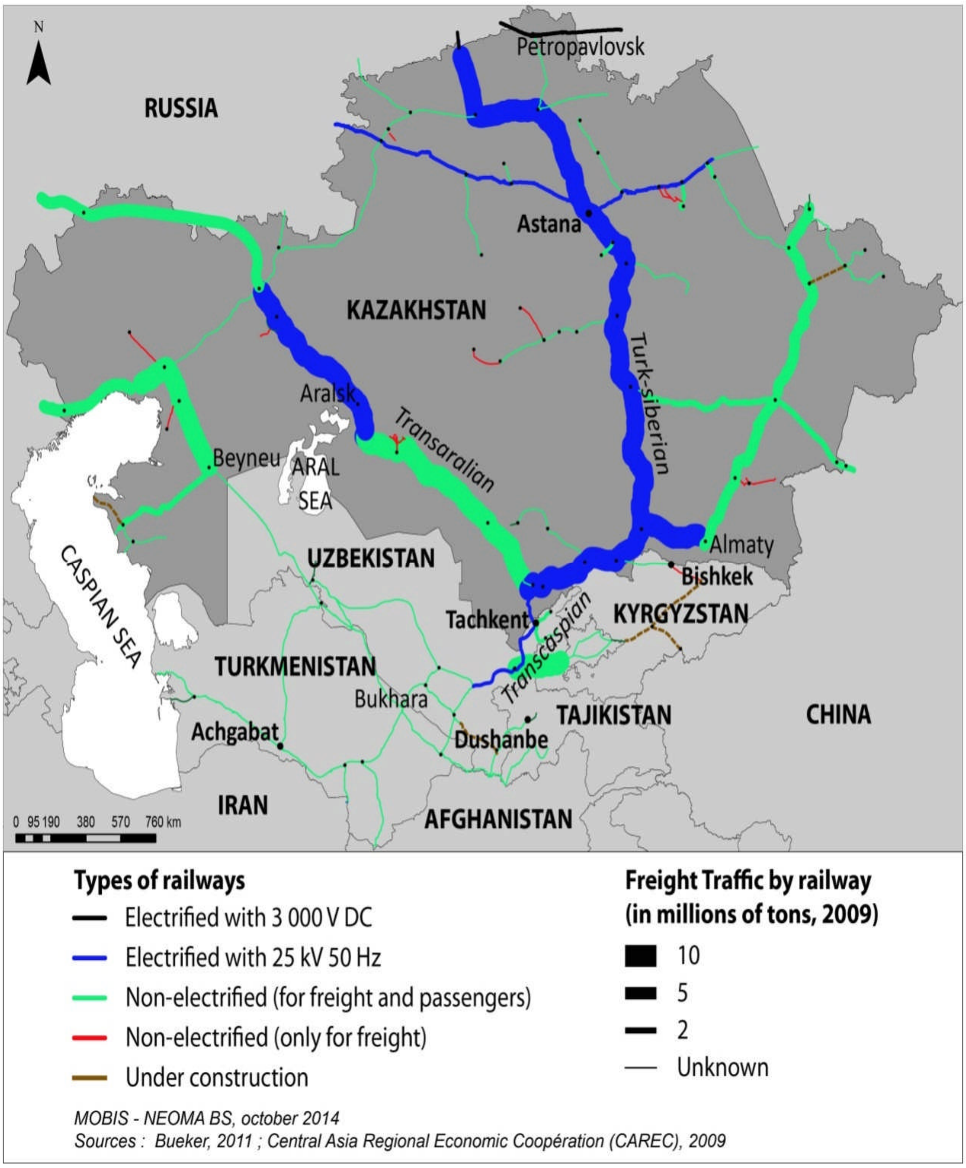


Figure 5: Infrastructureand rail trafficin Central Asia

cooperation, which indicates increasing positive externalities in terms of economic development and jobs.

Finally, the need for transcontinental land transportation services between Europe and Asia requires the creation of new logistics infrastructures causing turmoil for the countries visited. Knowing that logistics facilities to most of them will be set where transport infrastructure will be present, the issue of development of the transport network in Kazakhstan involves strategic planning over the next decades, for the government hopes to assert the countries such as commercial and industrial full partner and not just as a transit of goods on the transcontinental route between Europe and Asia.

3.2. The outlook for industrial and commercial development of Kazakhstan

The increase in FDI flows certainly contributes to the financing of major transport infrastructure projects, but also reinforces the development of the industrial base and the productive apparatus of the country. New opportunities arise for Kazakh leaders with a view to diversifying the national economy still facing the extraction and exploitation of natural resources.

Kazakhstan shows performance rates for some interesting economic indicators, although they need to be improved: a GDP growth of 4.6% in 2014 (Les Echos Data 2014), a growth of trade in 83% between 2009 and 2013 (International Trade Centre 2014), an increase of 134% FDI inflows between 2004 and 2013 (Les Echos Data 2014). Logistics is therefore a strategic lever of development for the country, the latter being a key factor in reducing transportation costs, flow optimization and local development. While it is interesting to note that the industrial economy is important in Central Asia, with an average of 36.4% of GDP for the five countries (World Bank 2010), the Logistics Performance Index of Kazakhstan is, meanwhile, higher than those of its neighbors (2.69 for Kazakhstan, against 2.49 for Turkmenistan, Uzbekistan 2.46, 2.35 and 2.28 for Kyrgyzstan to Tajikistan in 2012), which enhances the country's attractiveness for investments by foreign firms.

Kazakhstan is experiencing intensification of economic relations with Russia and China, as well as increased trade and industrial cooperation with Central Asian countries and the European Union. For example, in an oriented internationalization to Russia and the CIS strategy, Alstom (whose capital has gone largely under the control of General Electric in 2014) opened in 2012 a large factory in the Astana capital of Kazakhstan, in partnership with the Kazakh railway company (KTZ) and its Russian partner, TMH. This partnership aims at meeting the Russian and Kazakh considerable need for contracts of rolling stock, including a new generation of locomotives adapted to the specificities of the former Soviet national networks.

Other major multinationals are also present in Kazakhstan (General Electric, Talgo, and Siemens) and participate in the establishment of the Asia-Europe rail corridor through the Central Asian country. The volumes of cargo flows are thus led to grow and should promote the gradual opening up of Central Asia. However, the challenges can be met only if a commercial opening of the country will be effectively set up together with a statement of political will for economic development. At the same time, progress depends on its ability to overcome resistance to the development of the productive and service economy generated by the dependence of oil and gas exports.

Conclusion

In a volatile global economic environment where companies seek to control their cost of production, including research to optimize their transport chain/logistics, the use of rail freight is emerging as an effective solution to support maritime freight, especially given the difficulties facing it (rising costs and travel time, congestion and saturation of port facilities). The rail transportation solutions between Asia and Europe will not call into question the supremacy of shipping on this major area of international trade. However, they will be an essential complement to the historic trade route in the context of new geography of flows that tends to integrate new players. As such, Kazakhstan, at the crossroads of European and Asian regional economic groupings, crystallizes many geopolitical issues, but mostly presents considerable logistical and economic opportunities.

The challenge for local political and economic actors will be to encourage foreign investments, but also to generate national investments in improving transport infrastructure and the development of logistics services. For this, the current economic system and Kazakh policy must adapt to meet these challenges. The transition from an economy depending on oil and gas to a productive economy and services can only be done by a real political will. Otherwise, transit of goods will not generate new productive functions and could turn thanks to tariffs, into just another financial benefit for the country.

Bibliography

1. Damiani, I. (2013) *Géopolitique de l'Asie centrale. Entre Europe et Chine: le cœur de l'Eurasie*. Paris: PUF, Major, 169 p.
2. International Trade Center (2013) Online data base <http://www.intracen.org/> [20/10/2014]
3. Les Echos Data (2014) Online database <http://data.lesechos .fr/> [20/10/2014]
4. Suez Canal Authorities (2012) *Detailed yearly statistical report*, Suez Canal traffic statistics
5. UNECE (2012) *Euro-Asian Transport Linkages: Paving the way for a more efficient Euro-Asian Transport*. New York and Geneva <http://www.unece.org/fileadmin/DAM/trans/main/eatl/docs/EATL_Report_Phase_II.pdf>
6. Verny, J. (2007) '*La route maritime du Nord comme réponse au désenclavement de la Russie?*'. in Wackermann, G. (dir.) La Russie en dissertations corrigées, Paris: Ellipses, pp. 203-210
7. Verny, J. (2013) '*European perspective on potential arctic shipping*'. in Young, O. R., Kim, J. D., Kim,Y. H. (eds.) *The Arctic in world affairs: a North Pacific dialogue on Arctic marine issues*, Honolulu KMI-EWC
8. Verny, J., Grigentin, C., (2009) '*Containers hipping on the Northern Sea Route*'. in *Int.J.ProductionEconomics*, Volume 122, Issue 1, November 2009, pp. 107-117
9. WORLD BANK (2010) in Europe and Central Asia, the value of trade recorded an annual growth of 24% between 2005 and 2008,

data from the World Bank, <http://donnees.banquemondiale.org/actualites/la_region> [25/09/2014]
10. WTO (2011) *Statistiques du commerce international*. <www.wto.org/french/res_f/statis_f/its2011_f/its2011_f.pdf> [25/09/2014]

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No. 2 (14) – 2014
Galati University Press, ISSN 2065 -1759

TRANSIT POTENTIAL OF IRAN AND ITS IMPORTANCE FOR CENTRAL ASIA

Ph. D Mara Gubaidullina
Kazakh National University

Abstract

The transit potential of Iran's territory is very important for Central Asian countries. The confined space of Central Asia has no access to the world ocean, restricts its trade and export opportunities. Iran, being situated between three continents, has geo-strategic advantages in the Middle East and is called a "connecting bridge between East and West". Land and air routes which pass through Iran can make Central Asia closer to the West and the countries of the Persian Gulf by a short route. The transit potential of Iran can only be used in conjunction with regional partnership, be a prerequisite for a closer interregional cooperation.

Keywords: Central Asia; Iran's strategic interests; trade and energy relations; transit potential of Iran; the corridor "North-South" and "East - West"

1. Iran and its importance in Middle Asia and for post-soviet Central Asia

Iran is one of the key regional actors in the Middle East, which is increasingly active every year in Central Asia (CA). The one of Iran's strategic goals is to prevent the strengthening of the U.S. and Israel in Central Asia. Iranian leaders deliberately pursue the policy which is aimed at countering "Trans-Eurasian security system" (U.S. Silk Road Strategy). In the U.S. the strategy for the 1990's also included the whole region of Central Asia[1].

[1] The "Silk Road Strategy" of the U.S. - the "Trans-Eurasian security system" is an important part of the U.S. foreign policy in the last two decades. It was formed in the draft of the U.S. Congress in 1999 and called for the establishment of a network of energy and transport corridor linking Western Europe and Central Asia, and, finally, the Far East. Despite the fact that the project on the Silk Road Strategy 1999 (HR 3196) was passed by the House of Representatives, it never became a law. The Silk Road Strategy is aimed at the

Iran's geopolitical strategy aims to ensure that the IRI has become a leading regional power. In May 2009, Tehran hosted the meeting of the leaders of Iran, Pakistan and Afghanistan, where Mahmud Ahmadinejad, the President of Iran, reiterated his country's claims for regional leadership. The regional leadership is a stable doctrinal basis for Iran’s international policy, which has been the basement for Iran’s foreign policy since the period of Shah Reza Pahlavi.

Nowadays this strategy is reinforced by the directives about pragmatism in economics, the necessity of entering the world economics and the "soft" entry into Central Asia by restoring the common cultural and historical heritage (these are the ideas of the former Iranian presidents A.A. Hashemi-Rafsanjani and S.M. Khatami). The former Iranian leader Khatami wanted to warn about the threat from the United States: “the U.S. presence in Central Asia infringes the sovereign rights and humiliates these countries” (CA-NEWS, April 25, 2002).

These ambitions are based on the grounds that Iran is the largest oil power. Iran ranges the second after Saudi Arabia in terms of the bulk of oil production among OPEC countries. The main buyers of Iranian oil are Japan, South Korea, China, Italy, Germany and India. Along with it there are Iran’s nuclear capability and nuclear program, which both cause a negative reaction in the world.

IRI pretends to be a leader in the Islamic world, competing with Turkey and the Persian Gulf countries. Iran also shows political loyalty to Russia and China (great neighbors in CA); there are no obvious contradictions and conflicts of interest in politics, and relations with these countries are based on strategic partnership. In 2007, in Tehran, Iran held the second summit of Caspian states with participation of Kazakhstan, Russia, Azerbaijan and Turkmenistan. Since then, Iran has declared as strategic priority, particularly, the cultural and civilizational commonality of a large region in the relations with Central Asian states. Official participation of the President of Kazakhstan has confirmed strategic interest to deepen its relations with Iran (Kazakhstan Today, 15 October 2007).

---

target of integration of the former Soviet republics of Transcaucasia and Central Asia in the U.S. sphere of influence. Refer to: (Chossudovsky, 2008)

Thus, Iran's political argument in its relations with Central Asian states is a common cultural-civilizational space with historical heritage, Islamic culture, traditions, and language affinity with Tajiks. Along with this, in recent years, Iran is expanding its naval presence in the Caspian region. In general, Iran's policy in Central Asia is characterized by courtesy and deliberateness in order to provide support for Iran in the international community. Kazakhstan and Central Asian countries are located between the strategically important partners – Russia and China, and therefore are in the *area of "loyalty"* from the side of Iran, I would like to say (Gubaidullina 2013). At the same time, for each of the former Soviet republics of Central Asia the originality of building relations with Iran is typical.

2. Central Asia – Iran: factors of rapprochement and interests of the parties

The importance of the Islamic Republic of Iran (IRI) for post-soviet republics of Central Asia is determined by a number of reasons. First of all, these interests are due to geopolitical, cultural-civilizational and also national interests.

The *geographical proximity* of the Islamic Republic of Iran towards to the states of Central Asia means common borders and a complex of interconnections and dependencies. The common border as a factor of bilateral relations stimulates contacts and rapprochement between countries. The border on the Caspian Sea connects Iran with Turkmenistan and Kazakhstan. Turkmenistan also borders upon Iran overland. Through these two countries the whole region of Central Asia became closer to Iran. But it's necessary to consider that the border also separates states and sometimes estranges them from each other.

The resource potential of Central Asia and its location in the centre of Eurasia as well as proximity to areas, which are a source of threats today, underlie the strategic and geopolitical interests of the world powers. First of all, it is about the so-called «resource strategy» of the world powers and transnational companies in Central Asia.

Tehran tries to strengthen its positions in the traditional zone of Iranian influence and interests - on the Caspian Sea, in Turkmenistan, Tajikistan, and Afghanistan. The transit potential of Iran's territory is very important for Central Asian countries. The geo-strategic location of Iran and its transit potential are beneficial to the interests of Central Asian countries. The confined space of Central Asia, which has no access to the world ocean, restricts its trade and export opportunities. At the same time Iran, being situated between three continents, has geo-strategic advantages in the Middle East. Therefore Iran is called a "connecting bridge between East and West". Even more often occurs the discourse "Iran can become a bridge between East and West" (CA-NEWS, May 25, 2011), which proves the intention of Kazakhstan to build relationships between the Middle East and West.

The shipping routes (sea lanes), land and air routes which pass through Iran can make Central Asia closer to the West and the countries of the Persian Gulf by a short route. Thereby, Central Asia would be close to the world trade routes. Herewith, the transit potential of Iran can only be used in conjunction with regional partners, i.e. be a prerequisite for a closer interregional cooperation.

Iran is very important to Central Asian states by the virtue of its *economic and political influence* in the Middle East and in the Islamic world; the second economy, industrial capacity, resources, and first of all the world's largest oil reserves, industry, high technologies, developed infrastructure, etc. allowed Iran to make a great breakthrough in its development. It is also attractive for the developing economics of Central Asia (Jani 2009).

The relations between Iran and the post-Soviet republics of Central Asia are based primarily on a *bilateral basis*. Iran was one of the first states to recognize the sovereignty of the former Soviet republics of Central Asia in 1991. Diplomatic relations were almost immediately established as well as a political dialogue.

The embassies of the IRI have been functioning in all five capital cities of Central Asia since 1992. In 1993 the embassies of Central Asian countries were opened in Tehran (RIA News, June 26, 2006). We should note that Iran builds special relations with each of Central Asian states, considering special interests, location and states' special features. The new style of behavior, which in its own way was special and sometimes contradictory, was formed in the relations between the IRI and Central

Asian republics. In the behavior of actors the dialectic of mutual attraction and repulsion became apparent.

Thus, *strategic interests* underlie *Iran's relations with Turkmenistan and Tajikistan*. They are determined by the main agreements. We should note that Tajikistan is the only country in the CIS which has military ties with Iran. In July 2006, following the meeting of the presidents of Afghanistan, Iran and Tajikistan in Dushanbe, it was decided to set up a trilateral commission for cooperation with the coordinating center in Kabul. At signing the documents the Iranian President Mahmoud Ahmadinejad said that "we all should be united - economics, culture and arts; it is necessary to remove all the barriers which divide us," and at the same time he stressed that "the security of Tajikistan and Afghanistan depends on Iran, and Iran's security depends on the security in these countries". President Emomali Rakhmonov in response confirmed that "in future the Commission will pay special attention to regional security and military-technical cooperation (RIA News, June 26, 2006).

It should be mentioned that the relationships between *Iran and Uzbekistan* have no linear development, so they may be defined as a "curve" or "undulatory" ("wave"). Certain changes have taken place in the evolution of relationships between Tehran and Tashkent for over two decades: the negative reaction of Uzbekistan on the increasing role of Islam and the growth of Tajik separatism in Bukhara and Samarkand, which were linked to Iran's presence in the region, were replaced by a more businesslike and friendly attitude. In turn, Iran criticizes Uzbek and Kyrgyz authorities for their pro-American policies.

Further, "the *Kazakhstan-Iranian cooperation* has a high potential, the use of which could play an important role in the development of the whole region and in strengthening its security". This was discussed at the meeting between President Nursultan Nazarbayev and the Chairman of the Majlis (Parliament) of the Islamic Assembly of Iran Ali Ardashir Larijani (*CA-NEWS (KZ),* May 21, 2011). The diplomatic relations between the Republic of Kazakhstan and the Islamic Republic of Iran were established on January, 29th, 1992. The trade-economic sphere and humanitarian links also began to develop (Tokaev 2000). In the multi-vector "scenario" of Kazakhstan's foreign policy the IRI is not defined as a priority or strategic importance partner. In spite of this, Kazakhstan consistently stresses the "*importance*" of bilateral relations with the Islamic Republic of Iran as a country having significant importance and weight in the Middle East. At the highest political level, as the result of mutual visits of leaders of states and regular meetings on the highest level, the legal basis of relations was formed.

Officially Tehran supports the initiatives of the leaders of Central Asian countries, for example, Nazarbayev's idea of Eurasian integration, of the Stability Pact on the Caspian Sea and the plan of recovering after the global financial crisis. It is worth noting the «peak» of relationships with Iran, which was connected with the visit of the President of Iran Mohammad Hatami to Kazakhstan in Spring 2002 and was followed by collateral oil and gas projects, including joint co-production, processing and transportation, etc. The result of the visit to Astana and the talks was the agreement that "Kazakhstan is ready to export oil through Iran"(*Gazeta.kz,* April 25, 2002).

The same tone is present in the inter-parliamentary exchange (meetings of the speakers of the two houses of Parliament of Kazakhstan K. Tokayev and U. Mukhamedzhanov with Larijani), etc. Thus, the basis of cooperation between Iran and Central Asian countries is represented by both the elements of geopolitics and pragmatic interests.

In general, Iran and Central Asian states have never had serious conflicts, confrontations or open contradictions for the last 20 years of coexistence. The relationships with Iran are estimated by Central Asia as friendly, conflict-free and productive.

3. Contradictions and problems related to the development of mutual relations

The problems are as follows:

The Iranian position on the issues of the world politics has always been a subject for criticism and condemnation of the world powers. The situation for Iran is such that many international processes cause its irreconcilable reaction, which often disrupts the balance of inter-regional relations and creates a prolonged and destabilizing international situation.

The most serious problem among all is the Afghan problem. Both international forces and all the republics of Central Asia are involved in this issue. In turn, Iran itself is now considered as a «problem» of the world policy, where the geopolitical interests of the world powers clash with each other. This is certainly reflected (a ricochet hurt) on the positions of the republics of Central Asia, which cannot do their best in developing their own bilateral relations.

At the same time, Iran pursues a rather balanced policy in Central Asia, predominantly within «secular» interests, with no apparent effort at religious emphasis. The interdenominational contacts between the countries of Central Asia and Iran follow trade and economic interests. The balance of interests and policies, established between Central Asia and Iran, it is what may be called a patient "positional play."

The lack of clear strategy for cooperation of Central Asian countries with Iran and the lack of definition of objectives means are clearly an obstacle in the way towards the openness of the country. At the same time, weak direct contacts between Central Asia and Iran (political, economic, commercial, cultural and humanities, etc.) may also be considered as factors which determine its status of closed state. This leads to the imperfection of legal regulation in the field and in many other areas of cooperation.

<u>Impossibility of abolishing the visa regime between the IRI and CA</u>. The simplified visa procedure for Iranian citizens was introduced in Kazakhstan and Tajikistan, but it is not open in Turkmenistan and Uzbekistan.

As a consequence, weak transport infrastructure and the lack of regular transport and logistical connections between Iran and Central Asian countries also raise a number of problems.

The difference between the economic and political model of Iran's development and the models of the developing states of Central Asia are obvious. Contradictions arise at forming trade and economic relations on the "an equal basis".

The difference between the ideological approaches and the role of the confessional factor in the relationships between the IRI and Central Asian countries (the Sunni-Shiite opposition to Iran's unifying idea for three Persian-speaking countries - Iran, Afghanistan and Tajikistan) is a challenge for Uzbekistan. This is one of the reasons of Uzbekistan's counteraction and criticism of Iran and Tajikistan.

The energy factor in the bilateral relations between Iran, Kazakhstan and Turkmenistan causes in its turn other problems. The main one is the conflict of interests in producing and transporting oil. It is necessary to set up a legal regime in pricing policies, especially for gas supplies from Turkmenistan to Iran.

Other important issues are represented by:

- the water resources and energy projects implemented in Tajikistan, Sangtudinskaya Hydropower Station-2 and Uzbekistan's counteraction in their construction;
- Iran remonstrance to Tajikistan's "rail blockade" ;
- the difficulties in export and import operations, connected with excessive bureaucracy;
- the lack of established Iranian banking on Central Asian states' territories, except for Kazakhstan, and the problems with the service of trade operations;
- *The Caspian factor* in the relations between Iran and the Caspian States: there are issues involving the legal regime on the Caspian Sea, the protection of biological resources (Caspian Sea. State of the Environment, 2011), the economic security (The Protocol of the consultative meeting on discussing the Sub-Regional Strategy, 2006). It is important to remind that the isolation of the Caspian Basin together with its climatic and salinity gradients have created a unique ecological system with some 400 species endemic to the Caspian waters. Today, many Caspian species are threatened by over-exploitation, habitat destruction, pollution and climate change. It reflects negatively on human well-being, social and economic sectors, and environmental services.

The Caspian Sea, surrounded by the five coastal countries, namely the Republic of Azerbaijan, the Islamic Republic of Iran, the Republic of Kazakhstan, the Russian Federation and Turkmenistan, is the largest land-locked water body on Earth. The Caspian Sea, abundant with natural living and fossil resources, its coastal areas home to more than 15 million people, faces a series of environmental challenges. The Caspian Framework Convention for the Protection of the Marine Environment of the Caspian

Sea in Tehran Convention (Regional Seas Conventions and Action Plans, 2010), which came into force in 2006, provides a mechanism for regional co-operation on issues related to climate change in general terms, but littoral states must make commitments, effectively addressing and collectively dealing with the challenges of the region. (Questionnaire IRI, 2010).

The Tehran Convention serves as an overarching framework laying down the general requirements and the institutional mechanism for the protection of the marine environment of the Caspian Sea (Questionnaire IRI; KZ; RF; TM, 2010).

Tehran is trying to strengthen its own positions in areas of traditional Iranian influence and regional interests – on the Caspian Sea, in Turkmenistan, Tajikistan and Afghanistan.

Caspian Sea plays one of the determining roles between all the Caspian littoral states. Moreover, the CA countries do not always defend their position. Today, the issues of the legal regime in the Caspian Sea have remained outside the context of the agenda of the region. Unsustainable position of the Central Asian countries complicates the adoption of a comprehensive approach that defines this state on the basis of the existing international law.

The development of naval forces of Kazakhstan, Turkmenistan and Azerbaijan is also a source of conflict. The support of this policy from the U.S. leads to a keen criticism from Iran, especially in 2011. Even earlier, in 2004, the Iranian government remonstrated to the creation of main military naval base and naval force of Kazakhstan on the Caspian Sea – Gulf of Kuryk near Aktau. Each of Central Asian countries takes into consideration the above-mention circumstances in its foreign policy.

4. Central Asia and Iran: dialogue platforms on regional issues

Iran builds relationships with Central Asia in *multilateral format*, supporting projects of Central Asian cooperation and integration. Iran seeks to reduce anti-Iranian sentiments, expanding cooperation with Central Asia, providing economic assistance and skillfully using anti-Western sentiments.

At the beginning of the campaign against terrorism in Afghanistan in 2001-2002, Central Asian republics pursued a policy generally not in the interests of Iran: the territories of Uzbekistan and Kyrgyzstan were granted to the U.S. military forces, and the "skies" of Kazakhstan and Tajikistan were open to military aircrafts. Meanwhile, the Iranian President called for «dialogue of the civilizations», opening the way for secure world, which did not contradict the predominant pro-American sentiments in the region (the lecture of M. Hatami at Kazakh National University named after al-Farabi on April 2002. While I was listening to his lecture, I believed that Hatami showed himself as a rare example of deliberate and intelligent approach in foreign policy and in Iran's position in Central Asia. On this visit, the newspaper wrote: "Khatami's visit to Central Asia. Iran is trying to break the loop Anaconda" (CA NEWS, April 25, 2002)

Iran's key positions in ECO, OIC and OPEC are a serious argument for cooperation with Iran. Moreover, such organizations as the OEEC, the OIC and the CICA are the dialogue platform for approximating positions.

Iran promotes Kazakhstan in the Organization of the Islamic Conference (OIC) and supports the projects of Central Asian states and their implementation. In turn, IRI is a member of all congresses of the leaders of world and traditional religions in Astana. However, the confessional affinity (Islam) did not become the main issue in resolving the matters of bilateral cooperation, including the OIC. This fact is always emphasized on official level. In particular, talking to the President of Kazakhstan, the head of Iran's Majlis delegation Ali Ardashir Larijani assured Nursultan Nazarbayev that "Iran fully supports the foreign policy of Nazarbayev", "it lays its hopes for the chairmanship in the Organization of the Islamic Conference, "Kazakhstan may become a connecting bridge between East and West".

Iran became a member of Kazakhstan's political project for Asia the Conference on Interaction and Confidence Building Measures in Asia *(CICA)* as the Asian OSCE. Estimating the role of the CICA, the representative of the Ministry of Foreign Affairs of Iran in 2002 said the following: "with cooperation and concerted efforts of the Member States the CICA is increasingly strengthened so as to achieve its noble objectives" and "the Islamic Republic of Iran has always tried to play a constructive role in the international scene. It was on this basis that Iran raised the idea of dialogue among civilizations in the United Nations in order to promote understanding, tolerance and respect for diversity of cultures, and as an enabling paradigm to face current global challenges and threats to international peace and security". This declaration is included in the Statement by Deputy Minister of Foreign Affairs of the Islamic Republic of Iran, Mohsen Amin Zadeh, in Almaty June 4, 2002 (*CICA*, 2003).

IRI - party Kazakh project CICA. On the contrary, for Iran Kazakhstan is of a "strategic importance for wide regional cooperation", it is a "brotherly and friendly country", "serious regional partner", - according to the former President of the IRI M. Ahmadinejad. A good pace was set during the two countries' stepwise approaching, whereas the solid package of about a hundred interstate agreements reinforce the relationships. The cooperation of RK with the IRI became organized; the so-called Road Map for 2011 or 'Actions Plan of Kazakhstan and Iran until 2015' was developed. On this issue 'Kazakh Ambassador to the IRI E. Utembayev held a press conference at the Embassy of Kazakhstan in Iran' (*AsiaNews*, 13 February 2008), and later 'Kazakh Ambassador B.Amreev presented his credentials to President of Iran Mahmoud Ahmadinejad' and so on *(MFA*, 15 March 2011).

Outer forces, circumstances and the international situation in the region in general had a significant influence on the political positions of the leaders of the republics of Central Asia relating to Iran, on their ties with Iran and among themselves.

Iran and international security and stability: there could be noticed an apparent difference of the positions of Central Asian states on Iran's nuclear program and human rights in Iran etc. in this issue. The Iranian nuclear program and long confrontation between Iran and the United States are assigned to this number of problems. The sanctions imposed on Iran restricted contacts and access of developing countries of Central Asia to Iranian technologies. The listed problems are aimed at the exclusion of Iran's international involvement in the world policy.

The nuclear program of Iran: Kazakhstan's position. During the most critical periods in the relations between Iran and the West relating to Iran's nuclear program and increasing sanctions against it, the position of Kazakhstan can be characterized as isolated from the matter (Iran's nuclear dossier, 2012; *News Politics*, January 8, 2012; and Heavy Waters, 2012). I would call it "passive involvement" in international range of problems. Today, Iran expresses its trust in Kazakhstan's position on the Iranian nuclear issue. This is evidenced by two rounds of international negotiations with all stakeholders in the spring of 2013 in Almaty.

After the meeting in Almaty on this issue, progress has been made. Iran has been implementing five nuclear transparency measures. Iran's President Hassan Rouhani called on International Atomic Energy Agency to play a more effective role in resolving the issue of Tehran's nuclear program. The UN nuclear chief Yukiya Amano said he expected progress to be made soon in the long-running investigation into Iran's nuclear activities. IAEA chief thanked Iran for its readiness for more transparency in its nuclear program, and 'IAEA chief expects progress soon in Iran nuclear inquiry'(*Iran Daily*, Aug. 19th, 2014). Amano said the trend of progress in Iran's nuclear case was positive during the past year, hoping the issue will be settled in the near future. Amano has received a firm commitment from Iran to resolve the dispute over its nuclear program with the US and other world powers. Hassan Rouhani noted that Iran is 'serious' in its talks with the IAEA and the P5+1 group of world powers to resolve misunderstandings over the Islamic Republic's civilian nuclear program.

Iran also seeks to cooperate with the countries of Central Asia in the *Shanghai Cooperation Organization* and affirms the necessity of its membership in the SCO. In the future, the SCO could well be a good dialogue platform for the negotiation of complex relationships that characterize the relationship between the West and the East.

In general, Iran is committed to minimizing the anti-Iranian orientation in international politics, in its wish to expand cooperation with Central Asia, providing economic assistance, and is skillfully using the anti-Western sentiments.

5. Trade, economic and investment cooperation with Iran

Expansion of trade volumes with Iran has become a tendency in recent years, which characterizes the foreign economic relations of all Central Asian states. In 2010, Kazakhstan and Turkmenistan reached the highest rates: 3 billion US dollars in each country (Turkmenistan News, 2011).

Kazakhstan - Iran

Despite the fact that Iran takes only the sixth (6th) place in the list of foreign economic partners of Kazakhstan, the growth rates in foreign trade with Iran are quite high.

Trade turnover between the two countries increased fivefold in the last six years, from 400 million US dollars to more than 2 billion US dollars in 2009. Only in the year 2010 the bilateral trade volumes grew by 1 billion US dollars (Kazakhstan–Iran Relation, 2011). Kazakhstan is particularly interested in Iranian investments in mechanical engineering, infrastructure, transport, and telecommunications. Iran imports grain, oil products and metals from Kazakhstan. Kazakh export to Iran represented the most important items: grain of durum wheat, petroleum, steel, and others. Export of Kazakhstan has many different options and a "contingency" approach to transportation to foreign markets. Also this export demands infrastructure.

Aktau sea port facilities in the Caspian Sea were significantly enhanced in cooperation with Iran. A New Sea port and oil storage are under construction in Mangistau at the present moment. To ensure access to the site, new road section – Yeraliyevo-Kuryk – has been developed. Rent of Iranian terminals used for storage of grain and oil as well as for supply operations to other countries does not suffice to meet the needs of Kazakhstan. Iran builds up capacities of its own seaports (Anzali). Also, Iran is investing in construction of terminals Kazakhstan will operate in the ports of Iran - Amirabad, Imam Khomeini. For effective exchange of crude oil and its transportation over the Caspian Sea, six large-capacity tankers were built in Iran following the order from Kazakhstan, each tanker weighs 63 thousand tons.

Representatives of sea ports authorities have their offices in Aktau and in Anzali, and since 2009, the Consulate General of Iran has been opened in Aktau. All these aspects facilitate development of cross-border cooperation between Iran and Mangistau region. «*Partnership between seaports in Caspian*» program 'Noushahar – Aktau and Anzali – Aktau' fostered unification of transit between Kazakhstan and Iran. Customs procedures were simplified. Carriage by sea is carried out under the unified bill of lading.

Iran is partner with Kazakhstan for joint oil and gas projects, including construction of a pipeline connecting Kazakhstan, Turkmenistan and Iran, Persian Gulf (Turkmen gas), which will become an artery to big Asian markets for Astana (Kazakhstan).

Turkmenistan – Iran

Iran is the foremost state, takes the first place among the main partners of Turkmenistan in oil and gas sector, in electricity as well as in transport and communications. According to Ahmadinejad, "Iran has all possibilities and preconditions for increasing this figure up to 10 billion US dollar per annum in the next five years". Current Turkmenistan gas supply volumes to Iran amount up to 9 billion cubic meters per year. EDB experts believe that "Despite high economic growth, Turkmenistan is largely dependent on gas exports" (CA-NEWS, Dez. 27, 2011).

Optimistic prospects are linked to program of a wide diversification of gas routes of Turkmenistan. There are three new gas pipelines. One of these gas pipelines has already been built «Dovletabad – Salyp Yap». It is an addition to the acting gas pipeline which is called «Korpedzhe – Kurtkui» on the line Turkmenistan – Iran (200 km).

Iran and Turkmenistan stopped contradicting each other in the gas sector. Today these two states are trying not to return to this issue.

Tajikistan – Iran

From the very beginning, ethnic and cultural kinship of Tajik and Iranian people ensured higher level of Iran-Tajikistan relations, compared to other states within the region. This specific feature of Tajik-Iranian relations became one of the main factors facilitating direct participation of Iranian diplomatic circles in a peaceful withdrawal from the civil war of 1992-1997.

Iran still keeps its high interests in Tajikistan, mostly due to intentions to expand its political and ideological influence sphere (*Jani, 2009*). Iran is among of three main economic partners and major investors in Tajikistan with turnover to 201.7 million US dollars. The indicator is high for Tajikistan, in comparison with the Kazakhstan where the trade turnover only between Iran and Mangistau is 360 million US dollars.

In the case of Tajikistan, Iran is optimistic. Construction of highways and cooperation in the energy sector of Iran and Tajikistan are in joint energy projects. It is expected that after the commissioning of Tajik power plants and highways, Iran is the main buyer of Tajik electricity. Currently, with the participation of Iranian companies were implemented major energy projects: Sangtuda-2 on the river Vakhsh (completion in 2010), then Feasibility Study (FS) Ayni on the river Zarafshan and Shurabskaya HPP on the river Vakhsh. It is not excluded the participation of Iran in two Nurabad HPPs on the river Hingou. Iran's direct investment for their construction was 65.5 million US dollars (2010) surpassing Russia.

Uzbekistan – Iran

Iran is in the top ten largest major trade partners of Uzbekistan. Iran importing from Uzbekistan: cotton with textiles (more than 1 million tons); liquefied natural gas (LNG, Shurtan Gas Chemical Complex), mineral fertilizers, ferrous and non-ferrous metals and other trade. The commodity turnover with Iran is 609 million dollars.

Maybe in the future Trans-Afghan transport highway will increase the intensity of trade relations between Uzbekistan and Iran.

Kyrgyzstan – Iran

In cooperation with Kyrgyzstan, Iran’s place is not essential, it is still a small place, according to the low rate of commodity turnover – 43 million US dollars. The reasons are as follows: economic instability; conflicting political priorities. Therefore, Iran is not interested in investment projects in this country.

Long-term potential

Central Asian countries should take into account the following factors towards Iran. What has raised investor expectations about doing business in Iran is a diplomatic breakthrough that could clear the way for Western sanctions to be lifted and open the doors for lucrative trade deals. Most investors have chosen Iran because they were interested in doing market research and lobbying with their Iranian counterparts (Bloomberg, 2014). Groups from Canada, Europe and the US have visited Iran. Companies that were once active in Iran, such as French oil giant Total SA and Luxembourg-based Arcelor Mittal, the world's largest steelmaker have publicly expressed interest in returning. A group representing more than 100 French companies—including engineering group Alstom SA, telecommunications company Orange SA and carmaker Renault SA—visited Tehran, the largest foreign-trade mission the country had ever hosted.

Iran's reserves, the fourth largest in the world, will become important to world markets.

Iran has 76 million people. As recently as 2011, it produced twice as many cars, according to the Paris-based International Organization of Motor Vehicle Manufacturers. It consumes more steel annually than either the UK or France, according to the World Steel Association. And the Tehran Stock Exchange, or TSE, has a market capitalization of about $135 billion, three times the value of the main stock market in Vietnam, with a population of 89 million. Iran has represented an opportunity that's "just huge". Tehran-based investment firm with $200 million under management has become the first port of call for investors. "This is one of the most attractive markets in the world in terms of its long-term potential," Rabii says to Bloomberg (2014).

6. Prospects: Projects on transport and communication (the corridor "North-South" and "East - West")

Big potential relations of Central Asia and Iran laid in the realization of large interstate projects, which will provide transportation of export goods.

Transit territory of Iran is «the cheapest, the most reliable and direct route» to the Persian Gulf, - said M. Khatami; and world markets for Central Asian countries. Big role is assigned to major joint projects, providing transportation of export cargo (CAREC, 2011).

Kazakhstan, Uzbekistan and Turkmenistan already connect with Tehran and the railway Mashhad- Sarakhs-Tejan with the Iranian component. Iran completes a new highway Mashhad-Sarakhs. As part of the transport corridor "North-South" Iran is building "integration links" with the Central Asian countries. The Center for International Transit is developed in the special economic zone (SEZ) «Serakhs» (near the Turkmen-Iranian border).

In 2011 began the compound broad-gauge railway to connect Central Asia with the Iranian component by railway system with (usual) normal track. According to the intergovernmental agreement between Kazakhstan, Iran and Turkmenistan (2007) in 2011 was put into operation the line "Uzen (Kazakhstan) - Kyzylkaya - Bereket - Etrek (Turkmenistan) - Gorgan (Iran)".

Priority in cooperation with Iran received an interstate construction joint project of the transport corridor "North-South": this is a railway system from Kazakhstan - Turkmenistan - Iran directly to the major port of Bandar Abbas on the Persian Gulf and port Karachi in the Indian Ocean (Chossudovsky, 2008).

Regional and border centers were developed through the transport corridor "North-South", for example, at the boundary between the Iranian province Golestan and Akhal province of Turkmenistan. The joint project relates Central Asia directly to the Persian Gulf.

The perspective project of Trans-Afghan transit corridor - railways and roads through the Termez-Mazar Sharif-Herat - Mashhad, which leads to the Iranian port of Bandar Abbas (Persian Gulf) and Chahbehar (Indian Ocean), is considered promising. Kazakhstan, Uzbekistan, Turkmenistan and Tehran are already connected by the railroad Meshhed-Serakhs-Tedzhen. Iran is finishing the new highway Meshhed-Serakhs.

The component parts of the corridor «North-South» are ports of Iran, Amirabad and Anzali. These ports serve the needs of Central Asia. For Kazakhstan the transport corridor «North-South» is important because it affords to link the whole national transport network with international corridors. The project, linking China, Tajikistan, Afghanistan and Iran, among other things, has the prospect of Iran-Uzbek rapprochement.

The implementation of the transport corridor «East-West» has advantages and disadvantages. «It will be an economic revolution in the countries of the region. Central Asia and China will have an access to the Persian Gulf» (*M. Keshavarzade, the Ambassador of Iran*). There will also be threats to the security, like, for instance, the proximity of unstable regions such as Afghanistan, the Middle East, or the unfinished political chain security. The known project TAPI is a competitive line in the field of transport and communication projects with the countries of Central Asia, the Middle East and South Asia.

The prospect of expanding ties – a program of broad diversification of gas routes Turkmenistan ("Dovletabat - Salyr Yap" in addition to the existing pipeline "Korpeje-Kurtkui" on the line Turkmenistan - Iran). Having decided the recent controversy in the gas sector, Iran, as well as Turkmenistan, do not wish to repeat it.

"Multivariate" ways of transporting Kazakh exports to foreign markets (oil, hard wheat, etc.) must be provided with infrastructure. The question is about the co-investment in its development. Results were achieved in Kazakhstan: jointly expanded seaport Aktau; in Mangistau were built a new port and oil storage facilities, which lead to a new way of "Eralievo - Kuryk." In Iran was enlarged the capacity of the port of Anzali for Kazakh products. There is a good chance to continue the construction of Kazakhstan terminals in the ports of Amirabad, Imam Khomeini.

A new form of cooperation between Kazakhstan and Iran is envisaged: "the partnership between the ports of the Caspian Sea" (Noushahar - Aktau), (Anzali - Aktau) and cross-border cooperation between Iran and the Mangistau region.

Conclusion

Constructive relationships have already been developed and the area of mutual trade and economic partnership, which will be strengthened by the new railway, is developing rapidly.

There are a number of open issues and difficulties left in the relations between Iran and Central Asian states, whose solution is possible in both near-term and long-term perspectives. There are also certain regional issues, which also require solution and affect the interests of the Iranian side; there are only a few issues among them whose removal will lead to stability, deepening of relations and mutual understanding.

Bibliography

1. AsiaNews (Iran), 13 February 2008
2. CA-NEWS/Central Asia News, April 25, 2002 <www.centrasia.ru /newsA.php?st=1019724000>
3. CA-NEWS/Central Asia News, May 21, 2011 <http://i-news.kz/news/2011/05/21/5554806.html>
4. CA-NEWS/Central Asia News, December 27, 2011 <http://www.ca-news.org/news/862431?from=rss>
5. CAREC (2011b) Report on 10th CAREC Ministerial Conference Development. Partners' Forum. November 24, 2011. Baku, Azerbaijan. *Central Asia Regional Economic Cooperation Programme*. Available at: http://www.carecprogram.org/uploads/events/ 2011/CAREC-DPF/ Development-Partners-Forum-Highlights].pdf [July 15, 2012]
6. The Caspian Sea. State of the Environment (2011), *Report by the interim Secretariat of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea and the Project Coordination*
7. The Caspian Sea (2011): *Restoring Depleted Fisheries and Consolidation of a Permanent Regional Environmental Governance Framework "CaspEco"* <http://projects.inweh.unu.edu/inweh/report.php? ListType=Project Document&MenuItemID=3&ID=191>
8. Chossudovsky, M. (2008) '*The Eurasian Corridor: Pipeline Geopolitics and the New Cold War*', Global Research (Centre for Research on Globalization), August 22, 2008 <http://www. globalresearch .ca/the-eurasian-corridor-pipeline-geopolitics-and-the-new-cold-war/9907>
9. Chossudovsky, M. (2008) *World Policy and Resources Research (War and Peace)*, September 18, 2008 <www.warandpeace.ru/ru/ exclusive/view/26596/>
10. *CICA* (2003) '*The First Summit*'. Conference on interaction and confidence-building measures in Asia. Astana, pp. 276-277
11. Gazeta.kz, April 25, 2002 ('Kazakhstan is ready to export oil through Iran. Results of Khatami's visit to Astana') <http:// www.centrasia.ru/newsA.php?st=1019723400>

12. Gubaidullina, M. (2013) '*Kazakhstan and Central Asia in the geopolitics of the Middle East: Iran vector*', Regnum*, October 23, 2013*. <http://www.regnum.ru/news/1723134.html>
13. Heavy Waters (2012) '*Iran's Nuclear Program, the Risk of War and Lessons from Turkey Crisis Group*', Journal Middle East and Europe Report N°116, 23 February 2012
14. Jani, F. (2009) '*Iran and Central Asia. Review of the relationship*', Fergana.Ru, April *13, 2009* <www.centrasia.ru/newsA.php?st=1239596640>
15. Iran Daily, 4861, August 19, 2014 <http://www.iran-daily.com/Newspaper/Page/4861/1/16313/0>
16. 'Iran's nuclear dossier' (2012)*, Expert, NTW. Ru* <http://expert.ru/dossier/story/125651/?n=2>
17. '*Iran declared the launch of a nuclear center'* (2012), News Politics, January 8, 2012 <http://news.mail.ru/politics/7769992/?frommail=1>
18. '*Kazakhstan – Iran Relation 2009-2011*' (2011) Portal: Ministry of Foreign Affairs of Kazakhstan <http://portal.mfa.kz/portal/page/portal/ mfa/ru/content/ policy/cooperation/asia_africa/>
19. *Kazakhstan Today,* 15 October 2007 <http://news.gazeta.kz>
20. Linn J. (2012) '*Central Asian Regional Integration and Cooperation: Reality or Mirage?*' The Economics of the Post-Soviet and Eurasian. EDB Eurasian Integration Yearbook 2012 <http://www.brookings.edu/~/media/research/files/papers/2012/10/regional%20integration%20and%20cooperation%20linn/10%20regional%20integration%20and%20cooperation%20linn>
21. MFA-content/Portal Ministry of Foreign Affairs of Kazakhstan: <http://portal.mfa.kz/portal/page/portal/mfa/ru/content/policy/cooperation/asia_africa/>
22. MFA-News/Ministry of Foreign Affairs of Kazakhstan, 15 March 2011 <http://portal.mfa.kz/portal/page/portal/mfa/ru/content/News/nws2011/2011-03-152>
23. Newspaper Iran Daily 4861, August 19, 2014. Bloomberg (2014): 'Iran lures foreign investors' <http://www.iran-daily.com/Newspaper /Page/ 4861/1/16313/0>

24. *The Protocol of the consultative meeting on discussing the Sub-Regional Strategy for Sustainable Development of Central Asia (2006)*, Dushanbe (Tajikistan), July 26, 2006
25. 'Regional Seas Conventions and Action Plans' (2010) *12th Global Meeting of the Regional Seas Conventions and Action Plans,* UNITED NATIONS, UNEP (DEPI)/RS.12/INF.2.RS. Bergen, Norway, 20th – 22nd September 2010 <http://www.unep.org/regionalseas/ globalmeetings/12/ inf.02-list-of-participants.pdf>
26. RIA News, June 26, 2006
27. Tokaev, K. (2000) *Foreign policy of Kazakhstan in the conditions of globalization*. Almaty: SAK, 584
28. Turkmenistan News (2011). *Weekly News for the week*, December 3, 2011. < www.eurasianet.org/node/59034>
29. 'Turkmen gas. The impact of higher prices for Turkmen gas' <www.ap7.ru/na_zlobu_dnja/posledstvija_povyshenija_tseny_na _turkmenskij_gaz.html>
30. Questionnaire IRI (2010). *State of the Environment of the Caspian Sea in Iran, Islamic Republic*. UNEP, Geneva; Questionnaire KZ (2010). *State of the Environment of the Caspian Sea in Kazakhstan*. UNEP; Questionnaire RF (2010). *State of the Environment of the Caspian Sea in Russian Federation*. UNEP; Questionnaire TM (2010). *State of the Environment of the Caspian Sea in* Turkmenistan. UNEP <http://www.unep.org/roe/KeyActivities/ UNEPintheCaspian/ tabid/54357/Default.aspx>

PUBLIC ADMINISTRATION & REGIONAL STUDIES
7th Year, No. 2 (14) – 2014
Galati University Press, ISSN 2065 -1759

CONNECT CENTRAL ASIA: ROLE OF AFGHANISTAN

Ph.D Kuralay Baizakova
Ph.D Zhulduz Baizakova
Kazakh National University

Abstract

The economic potential of the Central Asian countries can be considered as the basis for a new model of cooperation and economic integration. The region of Central Asia can be the bridge between the European, Asian and Middle Eastern countries. In this article are considered the role and the place of Afghanistan in transit opportunities of Central Asian countries. The armed opposition in Afghanistan is a major obstacle for the development of regional economic cooperation and realization of wide transit potential of the Central Asia.

Nowadays, Afghanistan is actively involved in the integration processes of Central Asia within the Conference on Interaction and Confidence Building Measures in Asia, the Organization of Islamic Cooperation, the Shanghai Cooperation Organization and other organizations. This fact will certainly help to promote fast reconstruction of Afghanistan in partnership with the Afghan authorities and other members of the international community.

However, there is not a common point of view among specialists, analysts, representatives of the expert community and the intelligence services as far as the future development of situation.

Keywords: New Silk Road; Northern Distribution Network; Central Asia; Afghanistan

1. Introduction

After the collapse of Soviet Union, Central Asian republics started focusing on developing their own transport and communication systems at the expense of neglecting regional transport infrastructure that was built earlier to connect neighbouring countries. That stemmed from the fact that, once independent, Central Asian countries discovered that they had more differences than commonalities and headed towards the alienation from each other (Connecting Central Asia with Economic Centers: Interim report, ADBI).

Today Central Asian region presents a complicated set of multilateral and bilateral arrangements within region's countries and between other external actors. With the drawdown of NATO ISAF forces fast approaching, the region is about to face even more serious threats and challenges. Yet to say that CA countries stand unified and solid is an under assessment. If nothing else, the region is deeply divided across various fields of cooperation: there are border, energy and water disputes along with the deep sense of mistrust towards the neighbours.

2. New Silk Road initiative

By declaring the revival of the New Silk Road by attempting to link Central Asia with South Asia via Afghanistan, both United States and Western policy-making community expect to boost the economic development of Afghanistan by extending the trade ties, creating new transportation networks and new routes.

The initiative has so far been seen as partly controversial since Central Asian government does not perceive Afghanistan as part of the region and there are ongoing security concerns due to increasing drug trafficking and terrorist attacks. However, for the West in general and for the US in particular, New Silk Road may serve as “politically expedient” exit away from Afghanistan and its permanent security troubles (The Diplomat, Following the New Silk Road 2014). There is strong possibility that in the absence of any other viable geopolitical solution, Unites States will keep pursuing the New Silk Road as “lux et veritas”. As US Deputy Secretary of State, William Burns, in late September 2014 stated that: “We see clearly that Afghanistan's fortunes remain tied to its neighborhood, just as the neighborhood's fortunes remain tied to Afghanistan," encouraging further development of New Silk Road strategy (The United States Silk Road to Nowhere 2014).

Despite the countless efforts to construct reliable land transit routes as well as the pipelines connecting CA to the rest of the world, 90% of cargo exchange between Asia and Europe takes place via the sea ports to which none of CA countries has direct access. The existing land corridors, such as Transport Corridor Europe-Caucasus-Asia (TRACECA), Trans-Kazakhstan and Trans-Siberian routes proved to be both inefficient and expensive comparing to the maritime options (Azerbaijan as a Regional Hub in Central Eurasia, Taleh Ziyadov, June 2011).

However, before developing and further investing into serious transport projects, it is important to study the region and its countries better, to determine whether they have sufficient political and economic will to get engaged. Presently Central Asian countries do not have an integrated economic or trade system similar to the EU.

Prior to elaborating plans of boosting Afghan economy by creating closer ties with its northern neighbours, it is important to understand whether Central Asia itself as a region is capable and willing to do that or not. For example, among five countries it is only Tajikistan that has an air connection with Afghanistan today. Uzbekistan has the only functioning railroad.

Today Afghanistan's 93% of products are being imported; the country is almost completely dependent upon its neighbours to supply basic goods, much as the flour, sunflower oil, grain, pasta varieties and other. In this regard the U.S Agency for International Development (USAID) Regional Economic Cooperation Project is actually funding interested Central Asian businesses to explore the export opportunities to Afghanistan and Pakistan. Part of that exploring includes the discussions on how to improve the transportation and logistical issues. For example, some of Kazakhstan's export products to Afghanistan, after transiting Uzbekistan, reach their destination via freight ferry along Amu-Darya to Hairatan to be picked up by rail link to Mazar-i-Sharif; the process takes considerable amount of time. It is obvious that regional countries involved in the process need to find the ways of reducing the timing of the deliveries, so vital for perishable products (Kursiv, Afganistan i Pakistan 2014).

3. Northern Distribution Network

One of the greatest achievements in connecting Central Asia and Afghanistan has become the construction of Hairatan - Mazar-i-Sharif railroad opened in August 2011 funded by the Asian Development Bank.

The railway track gauge is 1524 mm that makes it compatible with Uzbekistan and the rest of Central Asian countries (Railway Technology Uzbekistan 2014). Currently Uzbek government is looking at extending 75 km Hairatan-Mazar-i-Sharif towards Sher Khan Bandar (Tajik-Afghan border) and on the other side with Herat. The project is supposed to be funded by Central Asia Regional Economic Co-operation (CAREC) and might also connect Kunduz, Kholm and Naibabad (Central Asia online 2014).

However, if Uzbekistan or any other CA country plans to extend the rail network, they must ensure it will remain as 1524 mm track gauge, otherwise additional funding will be required for constructing separate gauge switching stations.

Today both Kazakhstan and Uzbekistan play significant role of transit countries for NATO shipments to and from Afghanistan via two vital routes: one is TRACECA (Turkey-Georgia-Azerbaijan-Kazakhstan-Uzbekistan-Afghanistan) and the other is called Northern Distribution Network (Latvia-Russia-Kazakhstan-Uzbekistan-Afghanistan).

Over the years around 100 000 containers belonging to the US and NATO forces were shipped via NDN to bypass the territory of Pakistan (Eurasia Net 2014). Another example In 2010, Kazakhstan had processed over 1 million ton of transit cargo to Afghanistan (Azerbaijan as a Regional Hub in Central Eurasia, Taleh Ziyadov, June 2011).

However, things do not look well for the newly elected leadership of Afghanistan: President Ashraf Ghani and his counterpart, Abdulla Abdulla, just recently signed the Power Sharing Agreement and are yet to prove their ability to jointly work and find the coordinated solutions. Taliban attacks continue to destabilise the country, and so far there are no indications that they might subside. If nothing else, it is on the opposite: the nearer the drawdown time approaches, the deadlier the attacks on Afghan National Army and Afghan National Forces are. Many recruits quit their ranks and in some cases switch sides. Both western and local experts are unable to predict how the situation might evolve once most of NATO contingent withdraws (South Asia Foreign Policy 2014).

It is important to note that Central Asia has not been immune to Taliban attacks either. There are serious concerns among the Central Asian expert community that Taliban might present a tangible threat for the region (Central Asia Online Articles 2014).

On the other hand, there are also indications that CA governments wish to pursue the idea of building the transport bridge infrastructure to Afghanistan in order to connect to the wider world and assist Afghanistan to get reconnected too. Afghanistan had long had border disputes with Pakistan and it is well assumed that both countries do not trust each other. Central Asia might serve as a perfect bridge to reconnect Afghanistan to a wider world. Such re-connection is already happening.

4. Tajikistan-Afghanistan-Turkmenistan railway

The construction of Tajikistan-Afghanistan-Turkmenistan railway is planned to commence at the end of 2014. The railway will link two Central Asian countries with Afghanistan and can also be extended further in the direction of Iran in the west and towards Kyrgyzstan and China in the east. The new railway will link Atamyrat (Turkmenistan) – Imamnazar (Turkmenistan) - Aqina (Afghanistan) – Andkhoy (Afghanistan) – Panj (Tajikistan). It is scheduled to be completed by June 2015 (Turkmenistan – Afghanistan rail link 2014)

The railway thus bypasses the territory of Uzbekistan which has been blocking import/export of Tajik goods. If the project is indeed launched and the flow of goods flourishes, then Uzbekistan will be missing out a great share of profit which might trigger further tensions within the region.

Today Uzbekistan perceives itself as a regional hegemon and prevents Tajikistan and Kyrgyzstan from transiting their goods as well as competing with Dushanbe on supplying energy to Afghanistan (Turkmenistan-tajikistan-best-friends 2014).

Uzbekistan can rightfully be called the key to the transport infrastructure of Central Asia. 74 % of CA and Russian transit freight passes through Uzbekistan. Tajikistan for one thing relies heavily on

Tashkent in terms of connecting to Uzbekistan's railway network since the country has disjoint rail lines (Kulipanova 2012).

Yet Uzbekistan's road transit to Afghanistan stands at 4 percent opposing 69 percent that includes Kazakhstan and Turkmenistan and 21 percent going through Tajikistan (Rastogi and Arvis 2014).

Turkmenistan may assume the role of the most active player in the transport field due to its self-funding, determination to diversify the access to world markets and its geopolitical neutrality. Tajikistan's interests lie in the fact of breaking the current isolation due to Uzbekistan's disruptive actions and get the country to re-connect with the wider world.

As for Afghanistan, one of the latest Special Inspector General for Afghanistan Reconstruction (SIGAR) reports confirms the fact of Afghan railroad system being almost non-existent. It also appears that the Western coalition has a little trust in serious investments into the area as the report suggests that "there is no direct U.S. project funding dedicated to building rail infrastructure, although indirect U.S. funding continues through contributions to the ADB and other entities"(Special Inspector General for Afghanistan Reconstruction, Quarterly Report to the United States Congress, January 30th 2013).

5. Connect South Asia

One of the US's most ambitious projects for the region is to turn it into serious intercontinental and interregional hub connecting Middle East, Central Asia and South Asia using Afghanistan's territory. However local expert communities are deeply aware of the fact that if Afghanistan is not first stabilised and reconstructed along with the provision of highly guaranteed security and safety, no investor will be willing to take the risk of "connection policy". Furthermore, there lies another destabilising hotspot of FATA areas as well as permanent volatile state of conflict between Pakistan and India.

So even if post-2014 Afghanistan with its newly elected leadership that is yet to demonstrate an efficient and coordinated work might stabilize in the mid-term future, the issue of Afghanistan-Pakistan tribal conflict must still be sorted out. Again if that happens, there lies vulnerability with India and Pakistan border conflicts. One should also mention the fact of deep concern and suspicion with which India views China which is reinforcing its positions both militarily and strategically all along its border with India. Going North, one should mention the brewing instability in Ferghana valley: with mixed populations and convenient locations to mount Islamic extremist attacks.

India rightfully describes what was mentioned in the paragraph above as the "arc of instability" perceiving itself to be surrounded by unsafe and disturbing neighbours. As long as the situation remains, no transport connection, be it railways, roads, highways, river ferries and even air links can be considered safe and user friendly.

In 2012, India had launched its Connect Central Asia foreign policy initiative to activate its political, military and logistic ties with Central Asian republics. India wishes to boost mutual trade and energy cooperation as well as to create reliable partners and allies to combat modern day terrorism and extremism. One of the most critical components of "Connect Central Asia" strategy is to formulate common policy towards Afghanistan and its reconstruction process. India is heavily interested in seeking cooperation with CA on counter-terrorism, providing military training and development between Central Asia and South Asia regions. In this regard India relies on Iranian port Chabahar that it plans to invest into. Chabahar in turn is connected to the famous ring road in Afghanistan, the project that India spent 136 million USD (Jamestown Org single 2014).

Another important factor is the role Central Asian republics might play in terms of developing relations between India and Pakistan. Main thing to consider is that India wishes to access landlocked Central Asia and Afghanistan for various reasons, among which there are: access to natural resources of Turkmenistan and Kazakhstan; construction of TAPI pipeline (Turkmenistan-Afghanistan-Pakistan-India); boosting the trade through construction of new railways and highways for transportation of goods; boosting military and security cooperation between India and CA countries to protect from the imminent threat from Afghanistan and Pakistan and others. None of these goals can be considered serious to achieve without first ensuring one significant factor: Pakistan, being geographically located as it is and having currently complicated relationship with India, serves as almost unsurmountable obstacle on India's way to Connect Central Asia.

On the 11th of December 2010 Afghanistan, Turkmenistan, Pakistan and India had signed an agreement on the pipeline construction, though the plans were never implemented due to the conflict of interests about the price of the construction and other financial arrangements (Tapi still in the pipeline 2014).

Conclusion

The objective of making Central Asian territory as intercontinental hub has no doubt its own positive sides, such as boosting the trade; managing the infrastructure; facilitating regional transport cooperation and others. Extended system of railways and roads will no doubt lead to increased and sustainable cooperation between CA countries and might even perhaps contribute to reducing certain difficulties that the region faces now. It is a task worth signing up for and continuing to implement despite short and medium term problems. However, before anything, the countries of both Central Asia and South Asia need to be re-assured and convinced that Afghanistan will find a solution to its permanent civil war state and reduce the Islamic extremist and Taliban threat it currently presents for its neighbours. And another gravest challenge to overcome is to find sufficient funding for the gigantic task ahead. International donors might help but that might in turn require specific guarantees and tons of feasibility studies from the countries involved to receive any financial help.

The overall volume of interregional trade between CA countries is relatively low. Asian Development Bank estimates intra-regional trade as 6.2 percent out of global trade only, thus making Central Asia the world's least economically integrated region (Blog Foreign Policy 2014).

One of the background reasons for Central Asian republics not to develop regional transport/transit links lies in the fact that CA countries themselves are not interested and/or motivated enough in developing those ties on tactical level. There is deep mistrust between the countries and until this mistrust is overcome no serious developments, at least in transportation field should be anticipated.

Bibliography

1. *CAREC transport and trade facilitation strategy 2020*, Mandaluyong City, Philippines: Asian Development Bank, 2014
2. *Connecting Central Asia with Economic Centers, Interim Report*, A Study of the Asian Development Bank Institute, 2014
3. Cordula, R. and Arvis, J-F. *The Eurasian Connection; Supply-Chain Efficiency along the Modern Silk Route through Central Asia*, World Bank, 2014
4. Kulipanova, E. (2012*) International Transport in Central Asia: Understanding the Patterns of (Non-)Cooperation*. Institute of public policy and administration. Working paper No.2,
5. Vinokurov, E., Jadraliyev M. and Shcherbanin, Y. (2009) '*The EurAsEC Transport Corridors*'. in Vinokurov, E. (ed.), EDEurasian Integration Yearbook 2009, EDB: Almaty, pp. 186-240. <http://www.eabr.org/eng/publications/IntegrationYearbook/>
6. *From landlocked to linked in: The Central Asia Regional Economic Cooperation Program*; Mandaluyong City, Philippines: Asian Development Bank, 2012.
7. *Integrating Central Asia into the World Economy: The Role of Energy and Transport Infrastructure*; The Wolfensohn Center for Development at the Brookings Institution and the Carnegie Endowment for International Peace, in partnership with the Asian Development Bank and the Central Asia Regional Economic Cooperation Program (CAREC), Washington, DC, October 22 and 23, 2007
8. Otsuka, Shigeru (2001) '*Central Asian Railways and Europe-Asia Land Bridge*'. Japan Railway and Transport Review. Volume 28
9. Manohan, P. (2006) '*Connecting Central Asia A Road Map for Regional Cooperation*'. Asian Development Bank, 2006
10. Vakulchuk, R. and Irnazarov, F. (2014) *Analysis of Informal Obstacles to Cross-Border Economic Activity in Kazakhstan and Uzbekistan,* ADB Working Paper Series on Regional Economic Integration, No. 130, May 2014

11. Ziyadov, T. (2011) *Azerbaijan as a Regional Hub in Central Eurasia*, Azerbaijan Diplomatic Academy, Baku, Azerbaijan and Johns Hopkins University, Washington, DC, June 2011
12. *The Diplomat, Following the New Silk Road* 2014. Available from <http://thediplomat.com/2014/10/following-the-new-silk-road> [October 13 2014]
13. *The United States Silk Road to Nowhere* 2014. <http://blog.foreignpolicy.com/posts/2014/09/29/the_united_states_silk_road_to_nowhere> [October 5 2014]
14. *Kursiv*, Afganistan i Pakistan 2014. Available from <http://www.kursiv.kz/news/details/kompanii/Afganistan-i-Pakistan-perspektivnye-rynki-sbyta> [October 8 2014]
15. *Railway Technology Uzbekistan* 2014. <http://www.railway-technology.com/projects/hairatanuzbekistanra> [3 October 2014
16. Central Asia online 2014. Available from <http://centralasiaonline.com/en_GB/articles/caii/features/main/2013/03/20/feature-01> [3 October 2014]
17. Eurasia Net 2014. <http://www.eurasianet.org/node/69601> [4 October 2014]
18. *South Asia Foreign Policy* 2014. <http://southasia. foreignpolicy.com/posts/2014/09/29/afghanistans_new_leaders_are_committed_the_us_should_be_too> [2 October 2014]
19. *Central Asia Online Articles*. Available at <http://centralasiaonline.com/en_GB/articles/caii/features/main/2014/09/09/feature-01> [31 September 2014]
20. *Turkmenistan – Afghanistan rail link to be completed in June 2015*, 2014. <http://www.andrewgrantham.co.uk/afghanistan/tag/atamurat/> [5 October 2014]
21. Turkmenistan Tajikistan best friends available from <http://www.rferl.org/content/turkmenistan-tajikistan-best-friends/25376832.html> [October 3, 2014]
22. Jamestown<http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Bswords%5D=8fd5893941d69d0be3f378576261ae3e&tx_ttnews%5Bany_of_the_words%5D=Yemen&tx_ttnews%5Bpointer%5D=3&tx_ttnews%5Btt_news%5D=39891&tx_ttnews%5

BbackPid%5D=7&cHash=66c1617c0dd55b4b54e2174ace4a9d13#.VE7hqfnF9AF> [October 3, 2014]
23. Tapi still in the pipeline. <http://www.dw.de/tapi-still-in-the-pipeline/a-63276276> [1 October 2014]
24. <http://blog.foreignpolicy.com/posts/2014/09/29/the_united_states_silk_road_to_nowhere> [October 5 2014]

ISSN 2065 -1759