

## **I. МИЛЛИЙ ТАРАҚҚИЁТ ТАМОЙИЛЛАРИ**

Принципы национального развития  
Principals of national development

### **TOWARDS THE FOUNDATION OF THE ENERGY DIPLOMACY AND GEOPOLITICS STUDY CENTER**

***Sodiyq Safoev***

The Center for Energy Diplomacy and Geopolitics has been established at the University of World Economy and Diplomacy, which is designed to conduct systemic research that has not only scientific-theoretical but also practical significance for the sustainable development of Uzbekistan and the promotion of the country's national interests in the international arena.

It is hardly necessary to prove the urgent need for a deep and systematic analysis of the emerging trends in the country's energy development in the medium term and the state of affairs and dynamics of changes in the global and regional energy markets.

Due to the growing importance of the fuel and energy complex for the sustainable development of the country and the promotion of national interests in the international arena, systematic research on energy diplomacy and geopolitics, combining the efforts of science and practice to study trends in the energy sector not only in the narrow technical but also in a broader socio-political and foreign policy sense are becoming essential.

Achieving this research task is possible only with the synergy of science and practice. The newly established Center is intended to become a platform for close cooperation between the University and state authorities of the country's fuel and energy complex within the framework of joint research activities of an applied nature. In close collaboration with specialized research institutes and universities of the country, international consulting companies, and domestic and foreign energy corporations operating in Uzbekistan, the Center is called upon to conduct analytical research at the intersection of geopolitics, economic policy, and technology.

In the modern era, primarily due to the revolution in the energy sector, people's way, style, pace, quality of life, mentality, and consumer preferences have radically changed. The level of productive forces and mankind's capabilities have become entirely different. According to anthropologists, the world has become an "energy society." Energy is the blood in the vessels of urbanized society; without it, life would collapse.

This predetermines the importance of a deep and systematic study of trends in the energy sector, not only in a narrow technical sense but also in a broader socio-political and foreign policy sense.

In recent years, thanks to the large-scale reforms initiated by President Sh. M.

Mirziyoyev, Uzbekistan, has undergone a radical change in the development of the fuel and energy complex. The creation of the Ministry of Energy has made it possible to establish a unified long-term strategy in this sector, which is of vital importance for the sustainable development of the country. The concept of socially responsible functioning of the energy complex is being consistently implemented, considering the interests of the whole society and the preservation of the environment. Uzbekistan has created a favorable investment climate and transparent and predictable environment, which has allowed a sharp increase in the inflow of foreign investment in the energy sector.

At the same time, due to the dynamics of the development of productive forces and public needs, the development trajectory of Uzbekistan's energy sector must be adjusted. The energy sector is inextricably linked to the national security strategy and implementation of the program of sustainable development of society.

This is because energy is the largest sector of the national economy. Economic development confirms the "iron law," according to which there is a direct correlation between the rate of economic growth and the rate of energy consumption. If economic growth is 3-4 percent, the demand for energy resources will grow by 3-4 percent annually. One need not go far; for example, Uzbekistan's economy has doubled since 2017. At the end of last year, the growth amounted to 6 percent. At the same time, if over 60 billion dollars of foreign investments have been utilized in our country recently, their significant part was directed precisely in the energy sector.

Due to this and a whole set of other factors, energy issues largely predetermine foreign policy priorities and the international influence of the state. In essence, the energy market is global. Its main actors are powerful transnational corporations.

The pricing mechanism in the energy sector is directly related to global and regional trends in this sphere. This means that it is necessary to deeply monitor the dynamics of changes in supply and demand in the world market and its segments, the geography of energy production and consumption, including in connection with the so-called shale revolution and the growing share of renewable energy sources.

The energy potential of Central Asia may be different from the production volumes of Middle Eastern sources of hydrocarbons. However, it is also clear that the dynamically growing economies of China, India, and Pakistan need to find new energy sources to sustain their high growth rates. These can only be found in Central Asia. Given the strategic role of these three states in the world economy and international life, how the Central Asian countries manage their energy reserves is of paramount global importance.

This primarily determines the policies of the leading global and regional powers towards the region today. Uzbekistan, as well as Central Asia as a whole, is increasingly seen as an essential element of the global energy balance. The main centers of global industrial production need new alternative energy suppliers, and Central Asia is a choice. Because of this, a geopolitical scramble for influence in this region and control over its energy resources is unfolding.

But this is not a repetition of the old version of the “Great Game” around the region when it was seen as a bone of contention for external forces. First, it involves many more states, which creates a complex, multi-vector configuration of confrontation. This creates preconditions for a block confrontation around Central Asia, which is extremely dangerous for the region. Most importantly, while the peoples of Central Asia used to be a kind of “prize,” passive subjects of geopolitical competition between powers, today, they are increasingly becoming active participants in strategic processes.

Central Asian countries' main problems are their geography and remoteness from the world energy markets, which predetermine their foreign policy doctrine. The lack of a well-thought-out policy in energy development can create risks for the country's sustainable development. It is known that several countries have achieved significant success in attracting capital to the energy sector. Still, it has become clear that a sharp increase in the share of extractive industries in the economy can lead to the so-called “Dutch disease” when the growth of the money supply inside the country leads to inflation. The subsequent increase in the real exchange rate weakens the competitiveness of exports, negatively affecting the development of other sectors of the economy and leading to increased corruption and polarization of incomes.

In addition, the growing scale of energy and increasing dependence on its use predetermine the threat to human habitat and ecology. That is why, speaking about priority directions of further economic development, in his speech at the III Investment Forum, the President of Uzbekistan, S.M. Mirziyoyev, first emphasized “green” energy, which is of particular relevance for the entire region. The goal is to bring its share in the energy balance to 40 percent by 2030, while at the beginning of reforms in 2017, it amounted to 0 percent.

The demand for energy resources in Uzbekistan will grow twofold by 2050. The country must diversify its energy sources to ensure a sustainable and reliable supply. In light of global trends, experts believe nuclear power is the most promising solution. They think that small nuclear power plants (SNPPs) are essential for modernizing the energy infrastructure. Their introduction will diversify the energy complex, providing energy to remote and sparsely populated regions.

The timeliness and importance of establishing the Center for Energy Diplomacy and Geopolitics at the University of World Economy and Diplomacy is worth noting. Along with implementing joint research projects and subsequently preparing recommendations to the government on topical issues in the energy sector, the Center should also contribute to enriching the university's curricula with new disciplines important for the training of future diplomats called to promote and protect the country's national interests in the international arena.