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CIVIL SOCIETY

**GEORGE SOROS
IN THE SOUTHERN CAUCASUS**

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**Open Society
in the Caucasus—Illusions vs. Reality**

Recently, so much attention has been focused on George Soros, a prominent international financier and philanthropist with the number of articles written about him—both enthusiastic and critical, sincere and openly biased—growing by geometric progression, that it would be quite appropriate to clarify some of the central concepts of his philosophy in general and his activities in the Southern Caucasus in particular. Interest in this personality particularly increased in connection with the war on Iraq, as well as with the latest presidential elections in Georgia and the United States. Soros the philanthropist is becoming increasingly involved in political life, openly showing his sympathies and antipathies, his likes and dislikes, which of course cannot but evoke a response from both the mass media and the political elite in different countries, which does not take criticism too well.

The present article does not aim to analyze Soros' political activities or to rebuff his critics, which, in the opinion of the present author, he does not need. As a board member of one of the national Soros foundations in the Southern Caucasus, I would like to reflect on the basic principles of Open Society and their importance for regional development, and also to assess the extent to which George Soros' ideas are implemented by these national foundations.

George Soros took an active interest in the concept of Open Society in the 1940s, when he was at the London School of Economics. He survived the Nazi occupation of Budapest and left communist Hungary in 1947 for England, where he graduated from the LSE. While a student at LSE, Soros became familiar with the work of philosopher Karl Popper, who had a profound influence on his thinking and later on his professional and philanthropic activities. Soros saw Popper as his philosophical guru. Karl Popper was a

committed follower of French philosopher Henri Bergson, a founder and most significant exponent of logical positivism. In his works, Bergson posited the reality, not the illusion, of freedom, as embodied, above all, in constructive diversity and based on the rule of law.

In 1945, Karl Popper published his famous book *Open Society and Its Enemies*, which he called his contribution to the war effort. Based on a thorough analysis of works by the great philosophers of the past, he showed that ideal states as described by Plato, Hegel, and Marx were in reality tyrannies, closed societies. He defines an “open society” as one which ensures that political leaders can be overthrown without the need for bloodshed, as opposed to a “closed society,” in which a bloody revolution or coup d’état is needed to change the leaders. Democracies are examples of an “open society,” whereas totalitarian dictatorships and autocratic monarchies are examples of a “closed society.” The author was referring, above all, to the national-socialist and the pseudo-socialist societies created by Hitler and Stalin, respectively. Being a Marxist in his youth, Karl Popper later came to the conclusion that any collectivist society is always closed. Only a society where individuals make independent decisions is an open society.¹ In defining the concept of a free and open society, he held that the principles of open society are a social equivalent of the political and economic concept of the “constitution of freedom.”

In 1956, Soros moved to the United States, where he began to accumulate a large fortune through an international investment fund he founded and managed. After translating his economic plans into reality by creating a financial empire, George Soros, a consistent follower of K. Popper’s ideas, went ahead with the fulfillment of his long cherished dream—organization of the Open Society Institute (OSI). Soros has been active as a philanthropist since 1979, when he provided funds to help black students attend the University of Cape Town in apartheid South Africa. National Soros foundations have been in operation as charity structures since 1984, while the Open Society Institute network was created in 1993. It was designed to support various initiatives during the transformation of the socialist system in Central and East European countries, as well as of the newly independent post-Soviet states. In addition, the OSI network comprises national foundations in some countries of Africa, Latin America, Asia, and the United States. Today this structure operates in more than 50 countries of the world. The task of OSI national foundations is to build and facilitate the development of civil society institutions promoting the openness and accountability of governments to society and assisting the implementation of reform and modernization programs.

Open society is an opportunity for each individual not only to have his own view of political, economic, and social life, but also to express it, counting on an adequate reaction from the ruling authorities without the fear of being persecuted for his views. Diversity of views and persuasions is a fundamental principle of open society, while no one has the right to claim the role of exponent of the ultimate truth, be it an individual representative of the ruling establishment, or the state as a whole.² As a fervent, avowed opponent of totalitarianism in all of its manifestations, on the one hand, and of the chaos of market capitalism, on the other, George Soros emphasizes the need to counter authoritarian trends and strengthen the role of civil society in young, embryonic democracies.

Civil Society as We Understand It

The term “civil society” was given its original definition in works by the philosophers of the 18th century French Enlightenment, emerging as one of the key notions of anti-absolutist social thought. Yet from the outset, it had two meanings: John Locke formulated the idea of the primacy of Society over the State, holding that government existed as an “agency empowered to evoke the public good.” This idea

¹ See: K. Popper, *Otkrytoye obshchestvo i ego vragi* (Open Society and Its Enemies), Vol. 1, Moscow, 1992, p. 7.

² See: G. Soros, *The Bubble of American Supremacy*, Public Affairs, New York, 2004, p. 2.

was embraced by modern liberalism, positing that only a “society of individuals” has a right to create and dismantle government, depending on whether or not it serves its interests.³

Unlike John Locke, however, Montesquieu did not separate the State from Society, believing that it was necessary to limit the power of the State (prevent the transformation of the monarchy into despotism), but limit it from within, not from the outside. In his view, central authority is counterbalanced by various intermediate organisms—that is to say, by civil society. He was the first to put forward the idea of the separation of powers, which could limit the tyranny of the executive branch. Tocqueville and Hegel viewed civil society as a sphere parallel to, not separate from, the State, as an association of citizens based on their interests and needs. After a long hiatus, caused by the Industrial Revolution in Europe, the term “civil society” acquired a new meaning. This came shortly before the outbreak of World War II, in works by Antonio Gramsci, a leading proponent of socialism who saw civil society as the nucleus of independent political activity in the fight against tyranny.⁴

Civil society got a new lease on life in the 1990s—not only in the United States and Europe, but also in the vast FSU area. The IT Revolution facilitated the development of contacts between countries, and the trendy expression “civil society” became a key element of the “spirit of the times.”⁵

Amid an unprecedented invigoration of the national movement in post-Soviet countries and the inability by the State apparatus to meet the new challenges, the enlightened part of the population was convinced that precisely a community of citizens free from totalitarian shackles could lift these states out of their economic collapse and ethnic conflicts. The historical background of this belief in the South Caucasian countries was provided by the numerous publications based on hitherto off-limits archival documents and other materials pointing to strong traditions of parliamentarianism, democratic elections, and independent political and public organizations in all three republics of the region (Azerbaijan, Armenia, and Georgia), during the brief period of independence in 1918-1920s. It seemed to our new-wave politicians, who greatly idealized the historical situation of those years, that the moment the Soviet shackles were cast off, the sun of freedom and democracy would begin to shine, while civil society would emerge as a decisive factor in political life.

These expectations, however, turned out to be rather illusory, ending up in the utter defeat of Zviad Gamsakhurdia’s followers in Georgia and the People’s Front in Azerbaijan, while several months later, the AOD (Armenian Pannational Movement) government was voted out of office in Armenia.⁶ Former Soviet era leaders came to power in Georgia and Azerbaijan with a former Komsomol functionary taking over in Armenia. The role of the State structures once again expanded immeasurably. Even so, along with the numerous political parties, nongovernmental organizations, which comprised the most active part of “non-partisan” society, emerged as a viable force. In Georgia and Armenia, this process began somewhat earlier than in Azerbaijan, where it was hindered by the instability of the mid-1990s and the threat of coups d’état and uprisings, scaring off foreign sponsors. Yet the second half of the 1990s can be described as a period of active formation of NGOs in our republic. It is widely believed that their activity laid the foundation of civil society. Meanwhile, a normally developing civil society presupposes the involvement and participation of all nongovernmental organizations—professional and intellectual associations, business associations, labor unions, political parties, sports clubs, student unions, religious and other structures. Furthermore, they should not only exist on paper, but also play a key role in the life of society as a whole, which, however, is not the case today. NGOs (the so-called third sector) tend to transform into a kind of a corporate community with its own laws, inner circles, and political and financial intrigues. It is the view of the present author that herein lies the basic contradiction with the tasks that George Soros set himself in translating the idea of Open Society into reality—the ultimate model of Civil Society. Recently, some

³ See: Ph. De Lara, “Des pouvoirs locaux relevent-ils de l’Etat ou de la société civile,” *Novelle alternative* (Paris), No. 27, 1992, p. 10.

⁴ See: A. Gramsci, *Tyuremnye tetradi*, Moscow, 1971; G.A. Antonos, “Vozniknovenie grazhdanskogo obshchestva v Tsentral’noy Evrope i na Balkanakh,” *Gosudarstvo i pravo*, Series 4, No. 2, 1993, pp. 11-15.

⁵ See: Th. Carothers, *Civil Society. Think Again*, Carnegie Endowment, New York, 2004, p. 2.

⁶ The Zviad Gamsakhurdia government was in power in Georgia in 1989-1990; the People’s Front in Azerbaijan: 1992-1993; the Armenian Pannational Movement: 1991-1998.

shifts have occurred in South Caucasian countries as more and more individuals and organizations are becoming involved in the activities of civil society institutions, much of the credit for which belongs to the Soros Foundation.

The OSI Regional Network: Common and Distinctive Features

The national Soros foundation in Georgia was established in 1994; the OSI-Azerbaijan and the OSI-Armenia foundations were created in 1997. Initially, the activity of these structures followed basically the same pattern, common to the entire Soros Foundations Network: support for the nascent civilian sector and financial assistance to intellectual resources which, following the breakup of the Soviet Union, were in a deplorable state. It is noteworthy that support of researchers and funding of research projects in both the public and the nongovernmental sector in Georgia and Armenia were more substantial and long term than in Azerbaijan—presumably, due to the country's better economic situation. Of course its scale was incomparable to support of Russian science, worth a total of \$115 million during the period of the Foundation's activity in the Russian Federation (1995-2002), but even so it played a certain role in restraining the "brain drain" from the Southern Caucasus.

OSI programs in the region cover the SFN's traditional areas of activity: Civil Society, Education, Information, Law, Public Health, East-East, Culture and Arts, the Media, and the Women's program.

The activities of the OSI-Azerbaijan Foundation from the outset proceeded along two principal lines: education and information. In 1998-1999, operational projects were set up with budgets formed both in national foundations and SFN programs directed from Budapest and New York. These comprise civil society, including law, art, culture, public health, the mass media, self-government, and also the women's program. In connection with the presidential elections in Azerbaijan and Armenia, as well as the parliamentary elections in Georgia (2003), in the past two years the electoral process has been a priority area for the OSI South Caucasian national foundations. The operation of these national foundations, however, also has some distinguishing features. For example, in Georgia it is an economic reform program and in Azerbaijan, an oil revenue transparency program.

Whereas initially one of the OSI's objectives in the region was development of the "third sector," in recent years its operation in each republic has been marked by the establishment of closer contacts between NGOs and the government, and sometimes also with business structures, in the interest of ensuring greater stability and effectiveness of regional activities. Such partnership often-times proves successful. For example, in Azerbaijan, jointly with the country's Ministry of Education and the World Bank, the OSI participates in a three-year high-school reform program, in particular by providing 6.5 percent of its \$13.5 million budget, organizing expert appraisal of innovative textbooks, holding school grant competitions, and developing the information and communications technology system. Free Internet service centers have been created in a number of universities and rural schools. A new interactive training methodology is available even in kindergartens. The Baku Education and Information Center (BEIC) operates as an independent NGO. Similar centers exist in Armenia and Georgia. In Armenia, the OSIAF worked with higher education institutions and the Ministry of Education to create compatible education standards and disseminate electronic content throughout the school system.⁷

A public-health school project is being implemented jointly with the Education Ministry of Azerbaijan. Furthermore, rehabilitation centers for children with mental disabilities were set up in Armenia and Azerbaijan, while the first inpatient hospice in the Southern Caucasus was opened in Georgia (as of now

⁷ See: "Building Open Society." *Soros Foundations Network. 2003 Report*, New York, 2004, p. 30.

in Azerbaijan there is only a pilot mobile hospice program). Under the Harm Reduction Development Program (HRDP), relating to drugs and other health issues, substitution therapy projects are being implemented, including, e.g. a syringe exchange program.

One of the first success stories has been the information and communications technology (ICT) development program. During the OSI's operation in the Southern Caucasus, a large number of university Internet centers have been established and some libraries in the capital, as well as in the provinces, were provided with modern computers. The most ambitious and large scale ICT program in Azerbaijan is AzNET, aimed at setting up an educational and academic network covering the country's entire territory. Designed for three years, it is being implemented in collaboration with the U.N. Development Program (UNDP) and the National Academy of Sciences (AzRENA), with the Soros Foundation due to invest a total of \$600,000.⁸ A similar project, designed to expand coverage and improve the quality of the Internet service, is being implemented by the Georgian Research and Educational Networking Association (GRENA) jointly with IREX (the International Research & Exchanges Board), an international nonprofit organization specializing in education, independent media, Internet development, and civil society programs in the United States, Europe, Eurasia, the Middle East and North Africa, and Asia.⁹

The OSI-Georgia and Armenia Foundations have also achieved success in involving the "third sector" in law-making activity. Thus, in Armenia, the OSI actively supported the adoption of a law on freedom of information and reform of the Criminal Law Code. The Foundation and the OSCE continued the Penitentiary Program, which received a Ministry of Justice endorsement for establishing a public oversight council over the penitentiary system. The Rule of Law Program supported projects to protect human rights, fight corruption, and help implement Georgia's General Administrative Code.¹⁰

Azerbaijan implemented projects to facilitate the dissemination and enforcement of provisions of the European Convention on Human Rights: in particular, practical training sessions, devoted to principles of due process of law were organized for judges and prosecutors. Lately, special focus has been placed on building up capacity for public oversight of law enforcement operations which should proceed in strict compliance with Azerbaijan's international law obligations. In the course of the program's implementation, considerable experience has been gained in cooperating with the Police Academy, including the implementation of democracy oriented personnel training modules. Jointly with the UNDP, the country's Ministry of Justice received funding to create a civil registration record online. In all three republics, national Soros foundations support anti-corruption projects related to human rights. A women's program is in place, comprising a network of crisis centers and projects to prevent violence against women and children.

At the same time, there are some differences in the operation of these national Soros foundations, arising from the economic development specifics of the South Caucasian states. Thus, the national OSI-Georgia Foundation piloted microfinance projects in the Samtskhe-Javakheti region. Small and Micro Enterprise Support Centers in this area initially received assistance from other donor sources, but began operating independently in 2003.¹¹ OSGF spun off its Social Science Support Program into a new Social Science Center and transformed the Karl Popper Debate Center into a new independent NGO.

Azerbaijan differs from the two other South Caucasian states in that it has substantial energy reserves which attract not only multinationals, but also independent oil companies. Yet oil, as is known, can be both a boon and a curse for the people producing it, as has been the case in many countries in Africa and Latin America. The problem of public oversight over oil revenues was first raised by British Prime Minister Tony Blair, who, in September 2002, proclaimed the Extractive Industries Transparency Initiative (EITI). At a London conference, in July 2003, the initiative was

⁸ See: F. Asadov, "Otkrytoe obshchestvo v Azerbajjane," *Zerkalo*, 7 August, 2004.

⁹ See the Foundation's annual report at [www.osi-az.org].

¹⁰ See: *Soros Foundations Network. 2003 Report*, p. 29.

¹¹ *Ibid.*, p. 31.

supported by Ilkham Aliev, first deputy chairman of the Azerbaijan State Oil Company (now the country's president).

George Soros also shows intense interest in this issue. Thus he supported the Caspian Revenue Watch program, which aims to generate and publicize research, information, and advocacy on how revenues are being invested and disbursed and how governments and extraction companies respond to civic demands for accountability in the region. The CRW involves leading experts in the field: oil producers, economists, legal experts, environmentalists, etc. In May 2003, the Open Society Institute released a report calling for accountability, transparency, and public oversight in the oil and natural gas industries of Azerbaijan and Kazakhstan. The report *Caspian Oil Windfalls: Who Will Benefit?* became a notable event in our state's public life. Its presentation was attended by George Soros, who met with the country's president, Heydar Aliev, emphasizing the importance of the project. He revisited the program in 2004, at a meeting of members of OSI boards in the CIS and Eastern Europe in Budapest.

Under this program, an NGO coalition was created in Azerbaijan, which opened negotiations with the State Commission on the Extractive Industries Transparency Initiative and with oil companies on signing a memorandum on requirements and procedures for informing the public about government oil revenues. It is important to note that this was an unprecedented event—in effect, the first such experience in the world. Another broad NGO coalition, supported by OSI-Azerbaijan, has formed five expert groups and—under an agreement between OSI-Azerbaijan and British Petroleum (operator of the Baku-Tbilisi-Ceyhan pipeline), assisted by the international NGO Catholic Relief Services—is going to start monitoring this oil pipeline project. Monitoring will proceed along five principal lines (the environment, human rights, conservation of historical monuments, the use of local resources, and social problems); subject to successful implementation, it could provide a unique case study of cooperation and interaction between civil society, multinationals, and the government.¹²

Elections in the Southern Caucasus and the OSI's Role

All of the aforesaid might create an idyllic picture of complete mutual understanding and constructive cooperation between OSI national foundations and government structures. This, however, is far from the case. The elections which took place in all South Caucasian republics in 2003, highlighting the confrontation between the ruling authorities and civil society, are clear demonstration of this. Georgia ended up with a change of political regime, for which, according to President Eduard Shevardnadze, George Soros was to blame. Yet before judging of the legitimacy of such accusations, it would be appropriate to take a closer look at the problem from the “inside”—that is to say, from the point of view of the tasks that faced the national Soros foundations in the region, and the extent to which they coped with these tasks.

First of all, it should be noted that the budgets of all three national foundations did not provide (and could not possibly have provided) separate line-item funding of election programs or individual candidates' activities, but only of civil sector development as a whole. Given that the latter comprises legal reform, public health, women's and youth programs, as well as support of the mass media and a number of other projects, some rather insignificant financial resources were left for election monitoring. The main task, common to all the three national Soros foundations under the public initiative support program in these elections, was to support NGOs in organizing the monitoring of this process, including the provision of citizens with information about the elections and election procedures, gathering information about violations that occurred in the election process, and promoting public debate in print and electronic media outlets. In Georgia, where the legislative and sociopolitical situation provided more favorable conditions

¹² [www.osi-az.org].

for full-fledged monitoring by NGOs (which was not the case in Azerbaijan, for example), it was quite effective on election day.

In Armenia, where presidential and parliamentary elections were held several months earlier than in Georgia and Azerbaijan, a number of NGOs organized, with OSI assistance, effective monitoring of the election process: In particular, media monitoring was conducted by the Erevan Press Club. Violations that were identified in the election process, suppression of mass demonstrations, pressure exerted on the media, and the government's failure to live up to its pledges concerning the organization of a referendum on amending the country's Constitution to guarantee the independence of the judiciary, forced the Foundation's local division and public structures to give higher priority to strengthening the country's democratic institutions. OSIAF-Armenia initiated the Partnership for Open Society to counter government pressure on the media and suppression of basic civil liberties. The Partnership includes NGOs, donors, members of the Armenian diaspora, and international agencies that support policy research and public debate. As the government pursues changes to meet Council of Europe recommendations, the Partnership will play an increasingly important role in advocacy, research, and public discussion on major reforms.¹³

In Azerbaijan, the election situation was complicated by the fact that the republic's parliament earlier adopted a law excluding NGOs funded by international donors from election monitoring. So in the election process, they had to limit themselves to a general public awareness campaign and the registration of voting violations, a task that was taken on by the coalition For Free and Fair Elections, created with support from the national Soros foundation in the republic. It comprised 30 NGOs whose activities were directed and synchronized by a Coordinating Council set up especially for the purpose. After the elections, it released a detailed report on their outcome, analyzing the new Election Law Code, the election campaign, and the election violations that were registered both at the center and at the local level, including the numerous arrests of opposition figures. The Baku Press Club was instrumental not only in monitoring the mass media, but also in publishing a comprehensive report on media coverage of the election campaign. In particular, it highlighted the unequal opportunities provided by the republic's print and electronic media for the presidential candidates. The coalition of nongovernmental organizations, led by the Coordinating Council, continued its work. For example, it organized the monitoring of municipal elections in December 2004.¹⁴

As for the political situation in Georgia, it drastically differed from what was going on in Azerbaijan or Armenia: Specifically, it was characterized by a substantial degree of consolidation of civil society, which had formulated its tasks more clearly. At the same time, the confusion and lack of coordination within the ruling establishment, which turned out to be the "weakest link" among the South Caucasian political elites, were obvious both to the Georgians themselves and to international organizations. Considering the severe economic plight faced by the people, who saw deliverance from all troubles in an immediate change of regime, the assertions about George Soros' decisive role in the events that took place in the country at the time are absurd, to say the least. Bloodless as the "Rose Revolution" was, Georgia had all the makings of a classic revolutionary situation wherein the rulers could not rule, while the ruled did not want to live as they had before.

Now, what was the national Soros foundation's role in those events? As mentioned earlier, its election support program in the country did not essentially differ from similar programs implemented in other states of the region. Whatever differences there were consisted of the specifics of its implementation. Georgian laws do not impose any constraints on NGO election monitoring activity, so election monitoring was comprehensive. In addition to providing citizens with information about the elections and election procedures, it comprised wide-ranging sociological surveys, including exit polls, organization of observer activity at all polling stations, parallel vote tabulation (PVT), posting of PVT results on an open web site, etc., as well as coverage of all violations and protest rallies in the media, including on television (not only on the Rustavi-2 channel). Thus, Georgian NGOs, which conducted their own monitoring, were

¹³ See: *Soros Foundations Network. 2003 Report*, pp. 28-29.

¹⁴ See: *Otchet Koordinatsionnogo soveshchatel'nogo soveta (KSS) po provedeniyu monitoringa prezidentskikh vyborov v Azerbajjane*, Baku, 2003; *Otchet Bakinskogo press-kluba o monitoringe SMI v khode prezidentskikh vyborov v Azerbajjane*, Baku, 2003.

able to cover 75 percent of the electorate on election day—much higher than in previous years.¹⁵ All of these activities precipitated E. Shevardnadze's resignation and the advent of M. Saakashvili.

There is no doubt that George Soros was greatly encouraged by the fact that Georgian society was able to make a free choice, making no secret of his joy, which gave cause to talk about his "special role" in those events. Furthermore, he pledged to help the new government, and he did. At the World Economic Forum in Davos (January 2004), George Soros established, jointly with the UNDP, the Capacity Building Fund for Georgia, providing \$2 million for reform programs in the country.¹⁶ Incidentally, this is rather an insignificant amount of money compared to what was confiscated from corrupt Georgian state and government officials and went into the republic's budget in 2004.

* * *

In 2004, the OSI-Georgia Foundation marked its 10th anniversary; the other two national Soros foundations in the region are seven years old. In all, during this period, George Soros allotted about \$40 million to the OSI/GF, approximately \$20 million to the OSI-Azerbaijan Foundation, and just a little less to the OSI-Armenia Foundation. Of course, George Soros, a pragmatic financier and incorrigible romantic and philosopher, is a controversial figure. Yet one thing is certain: pragmatic considerations are not a prevailing feature of his operation in the post-European area, especially in the Southern Caucasus (with which he was not particularly familiar until recently), bringing, rather, moral dividends. It would seem that the realities of modern life and politics leave no room for pursuing romantic endeavors, but George Soros, by force of example, disproves this dubious truth. Moreover, he encourages others to provide similar examples of selfless activity.

¹⁵ See: *Soros Foundations Network. 2003 Report*, pp. 30-31.

¹⁶ [www.gsft.ge].

2004 ELECTIONS IN KAZAKHSTAN: STRATEGY AND TACTICS OF THE POLITICAL PARTIES

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Elections to the Majilis, the country's lower house of parliament, were held on 19 September and 3 October (repeat elections took place in 22 of the 67 one-member districts), 2004. According to the Central Election Commission, nearly 5 million people participated in the voting

(56.5% of the active electorate). The names of 77 deputies—67 one-member and 10 party—are well known. Thirty members of the new parliament also belonged to previous deputy corps (a total of 49 balloted). Almost 80% of the parliament members are Kazakhs, and 20% are Russians and representatives of other nationalities, there are 69 men and 8 women, all of whom have higher education, with the average age being 51 (the youngest is 33 and the oldest 73). The party breakdown is as follows: Otan has 53 members (7 on the party list, 35 officially nominated by the party in one-member districts, and 11 self-nominees who are party members); the AIST bloc [abbreviation for the Agrarian-Industrialist Union of Workers, which in Russian means “stork”] has 14 members (one on the party list, 10 official one-members, 3 self-nominees); the Asar party, 4 (one on the party list and three official one-members); the Ak zhol party, 2

(one on the party list and one self-nominee); and the Democratic Party has one official member from a one-member district and 3 non-party deputies.¹

The latest election campaign was distinguished by its interparty intrigues. After all, elections give a significant boost to inner party development, and the preparations for them have an impact on the breakdown in political forces in the country. Twelve political parties, comprising the format of a party system, competed for deputy seats. The configuration of this system was set forth in the Law on Political Parties which came into force in 2002.

¹ See: *Kazakhstanskaia pravda*, September-October 2004; S. Zhusupov, “Kakoi parlament my poluchili, ili Razmyshleniia posle vyborov,” *Ekspert Kazakhstan*, No. 19, 11-24 October, 2004; D. Ashimbaev, “Novy Mazhilis: shtrikhi k portretu,” *Strana i Mir*, 22 October, 2004.

Range of Party-Political Dispositions on the Eve of the Voting

As a rule, the success of any party largely depends on what the electorate thinks about its platform (election program). In their quest for clarity, voters usually ask: “What are the party’s goals and values?” This is basically the crux of the matter, how a party views the key problems facing society.

Let us take a closer look at the platforms adopted at the congresses of those political parties registered as of June 2004 (in alphabetical order): the Agrarian Party of Kazakhstan (APK), the Kazakhstan Civilian Party (KCP), the Communist Party of Kazakhstan (CPK), the Communist People’s Party of Kazakhstan (CPPK), the Democratic Party Ak zhol, the Democratic Party of Kazakhstan, the Kazakhstan Social-Democratic Party Auyl, the Patriot Party of Kazakhstan (PPK), the People’s Democratic Choice of Kazakhstan (DCK), the Republican Party Asar, the Republican Political Party Otan (the Homeland), Rukhaniat.²

Party Goals and Values

Name	Goal	Values
APK	Movement toward a developed society of freedom and social justice in which favorable conditions are created for the people of Kazakhstan to engage in constructive labor.	Not specially noted. In the program text: social justice, equal opportunities for each and everyone, and freedom (of conscience).
KCP	Assistance in strengthening and developing Kazakhstan’s statehood.	Not specially noted. In the program text: social justice,

² See: Yu.O. Buluktaev, A.E. Chebotarev, *Politicheskie partii Kazakhstana*, 2004. Reference, Kompleks Publishers, Almaty, 2004.

Table (continued)

Name	Goal	Values
		national accord, civilian solidarity, political responsibility (of the state to the people), democracy.
AK ZHOL	An independent, prosperous, democratic and free Kazakhstan, a dignified life for each citizen of our country.	Independence, democracy, freedom, justice.
AUYL	Building statehood, strengthening the country's real sovereignty, equality for all citizens regardless of race or religion.	Freedom, justice, solidarity.
CPK	Creating conditions for building a society of freedom and social justice in the country based on the principles of scientific socialism. Supreme goal—building a just social structure in which everyone has equal opportunity and on the banner of which is written: "Personal freedom means universal freedom!"	Not specially noted. In the program text: justice (social), fraternity and solidarity of the workers, freedom.
DCK	Building a Society of Equal Opportunity	Not specially noted. In the program text: justice (social), equality, freedom, democracy.
PPK	Spiritual and cultural revival of society and creating conditions for raising the economy, increasing the country's prosperity and national wealth in order to resolve society's social problems.	Not specially noted. In the program text: universal ideas and values, moral values of society.
RUKHANIAT	Helping to build a democratic and lawful state with a socially oriented market economy through moral and spiritual revival of the nation.	Not specially noted. In the program text: humanitarian ideals and values developed by mankind.
ASAR	Building an economically strong, democratic, lawful, and social state with developed institutions of civil society.	Prosperity, freedom, justice, solidarity.
OTAN	Building a contemporary democratic society.	Freedom, justice, solidarity, equality, and fraternity.
DPK	Retaining the Homeland's independence by building a lawful state based on the principles of genuine democracy, ethnic accord, political stability, a free market economy and supremacy of the law.	Freedom, law, justice, and accord.
CPPK	Movement toward a society of genuine people's power, social justice, broad	Not specially noted. In the program text: social and

Table (continued)

Name	Goal	Values
	spirituality, freedom, and a prosperous economy based on scientific and technical progress and the principles of scientific socialism.	political equality, communism.

So, the APK, CPK, DCK, DPK, and CPPK placed the accent on movement toward a society of freedom and social justice, and a society of equal opportunity, the PPK chose universal ideas and values, while Rukhaniyat went for humanistic values developed by mankind. Auyl, Asar, and the CPPK mentioned equal opportunity in their programs, while the goal of the KCP, Auyl, and the DPK was strengthening and building statehood. Ak zhol, Rukhaniyat, Otan, and Asar declared their goal to be building a democratic state and society. Of course, this does not mean that the other parties are rejecting the democratic path of development. On the contrary, the words “democracy” and “democratic” are present to one extent or another in the program texts of all the parties. They just do not single them out as their main goal. For example, the KCP sets itself the task (but not the goal) of building a democratic state. The PPK’s program also claims that “the country should move toward building a democratic state.” All of these structures (although in the case of the CPK and CPPK this may be stretching the point, but there is such a thing as democratic socialism) can be classified as democratically oriented parties.

If we look at their differences from an abstract and theoretical viewpoint, the following parties placed a special emphasis on values in their programs: Ak zhol (independence, democracy, freedom, and justice), Otan (freedom, justice, solidarity, equality, fraternity), Asar (prosperity, freedom, justice, solidarity), Auyl (freedom, justice, solidarity), and the DPK (freedom, law, justice, and accord). The programs of the other parties also contain values, but they are not specially singled out.

Based on their declared dispositions and in relation to the powers that be, the CPK, CPPK, and DCK can be placed on the left flank, Ak zhol and Auyl can be considered leftist-centrist parties, and Otan, KCP, APK, PPK, Asar, Rukhaniyat, and DPK can be classified as centrist and rightist-centrist. This positioning is very provisional since their practical activity not only fails to confirm, but even refutes the priorities stated in their programs.

An analysis of the program provisions showed that the parties’ goals are largely global and identical, and their values are all the same. So it is difficult to distinguish between them on the basis of their declared platforms. The voters find it much easier to identify them by their leaders: Otan—Nursultan Nazarbaev; Asar—D. Nazarbaeva; Ak zhol—B. Abilov, A. Baimenov, O. Zhandosov, L. Zhulanova, and A. Sarsenbauly; the CPK—S. Abdildin; the APK—R. Madinov; the KCP—A. Peruashev; Auyl—G. Kaliev; the PPK—G. Kasymov; the DCK—G. Zhakiianov; Rukhaniyat—A. Djaganova; the DPK—M. Narikbaev; and the CPPK—V. Kosarev.

Starting Terms

1. For an election campaign to be successful, it is very important to start preparing for it as early as possible, preferably even beginning its strategic planning one year to eighteen months in advance. But for several reasons, not all the parties followed this golden rule. As of September 2003 (one year before the elections), seven parties were registered: the Agrarian, Civilian, Ak zhol, the Communists, Auyl, the Patriots, and Otan. Of them, the APK, KCP, and CPK were registered as blocs by June 2004. Eight months before the elections, as of January 2004, another two parties were registered—Rukhaniyat and Asar (in October and December 2003), and the DCK, CPPK, and DPK in June 2004, only about three months before the voting. So most of the parties had very little time to prepare for the elections.

2. Unequal starting terms, primarily for the opposition parties, were predetermined during the formation of the election commissions. For example, Ak zhol, the Communist Party, and DCK nominated a total of about 15,000 of their representatives for membership on the election commissions. But only six people were appointed from these three parties to the district, as well as to the Astana and Almaty election commissions. The opposition obtained only 23 of the 259 seats on the city commissions, 106 of the 1,169 seats on the regional, and 29 of the 469 on the district commissions.³ All of these commissions were made up primarily of representatives from the Otan party, which aroused criticism from the opposition organizations.

Strategy Choice

An election campaign strategy can be defined as a program of future party work aimed at achieving set goals. During the latest elections, the political organizations were faced with the problem of choosing either between acting under conditions of their own domination (on the pro-government field) or under the domination of their rivals (on the opponents' field). What is more, they had to take into account the following factors: opposition from the authorities; the population's level of awareness about the party; the degree of electorate support; the position of their rivals; and the availability of communication channels.

Among the parties which received more than 3% of the votes, the first strategy was used by Otan, Asar, and the AIST bloc, and the second by Ak zhol and the DCK-CPK bloc. All the parties and blocs used the strategy of winning political space and ensuring themselves a niche in it (regardless of the population category), which was dictated by the economic and social expectations of the voters. The goal pursued was aimed at attracting the attention of the electorate to those problems which the party felt it had the proficiency and ability to resolve (in which it felt superior to its rivals). In other words, parties tried to convince the voters of how competent and serious they were, thus ensuring themselves a place on the political market. For example, Otan posed as the party of the current head of state, the personality of which voters should associate with political stability, ethnic and confessional accord, and a further rise in the standard of living. Ak zhol proposed modernizing society's political system and ensuring a dignified life for each citizen, tying this to carrying out three tasks: eradicating corruption, reducing the gap between the rich and poor, and ensuring efficient use of natural resources. The Asar party and AIST bloc supported the president's reform policy. The DCK-CPK bloc put forward the slogan: "Oil money should serve the people!"

What is more, a strategy of political alliances was implemented. Four parties united into two blocs: the Opposition People's Alliance of Communists and DCK and the Agrarian-Industrial Union of Workers (AIST). Their creation was made legitimate by subsequent changes in the election law. In particular, it was stressed that any bloc which formed must register with the Central Election Commission, that any party may belong to only one bloc, and during elections, a bloc has the same rights as a political party.

As we know, the goal of any union of party forces is to win the election. Since it was impossible for the Agrarian, Civilian, Communist or DCK parties to achieve superior results independently, the creation of two blocs can be seen as a justified step.

According to experts, the Agrarian and Civilian party bloc (registered in June 2004) represented the interests of the rural bourgeoisie and industrial capital. There is the opinion that these pro-government parties formed from above were forced into this alliance by the political technologists also appointed from above. So it seems that neither the members of these parties, nor their leaders were particularly desirous of this union. We will note that both parties exceeded the 7% barrier at the 1999 elections, taking third and fourth place according to the party lists, respectively. Possibly the authorities were afraid that neither

³ See: SOZ, 16 September, 2004.

the Agrarians, nor the Industrialists would be able to achieve such results independently at the 2004 elections, but by pooling their resources they could become a serious rival, primarily to the opposition structures.

At that time, in June, the Opposition People's Alliance of Communists and DCK was registered. Some analysts forecasted that this alliance would mean partial loss of the CPK's (leader S. Abdildin) identity among its electorate. After all, it is the only party of the beginning-mid 1990s that has survived, and the only one that has participated in all the elections. In contrast to other parties, the CPK has its own social niche, the protest part of the electorate regularly voted for the communists, which they saw as their main resource. The communists took second place in the 1999 parliamentary elections, yielding only to the Otan party. If we keep in mind the constant pressure of the authorities on the CPK, the population's loss of interest in communist ideals, the emergence of another communist party (the people's), headed by V. Kosarev, on the political arena not long before the elections, the CPK was hard put to define its election strategy. In this respect, its political alliance with DCK appears justified, despite the discrepancies in their ideological platforms. One of the reasons for the very modest achievements of AIST and DCK-CPK in the rivalry on the party lists might be their late entry into the election campaign.

No more than twelve hours are needed to become thoroughly acquainted with the platforms of all the parties. And I doubt any normal voter would want to waste his time on this. So success will be achieved only by parties who can make their platforms eye-catching and memorable, without overwhelming the voters with too much information. Slogans play a powerful strategic role here. Of course, we can argue about how effective they are, but still, now that the elections are over, most people still associate the Otan party with: "So much has been done—let's go on together!" Ak zhol brings to mind: "A dignified life today for one and all!" Asar is: "Peace to all! Homeland, family, prosperity!" AIST raises a smile and people say, "It brings happiness!" And the DCK-CPK brings cries of: "Together with the people for the good of the people!" And no one pays any heed to the critics who say: "but we don't have storks in Kazakhstan;" "show us a prosperous family," "much has been privatized, shall we go on?" The parties accomplished their purpose—recognition, so they must have been using this strategic resource quite effectively.

And talking of recognition, we should pay attention to another strategic resource of the election campaign—the publication of public opinion poll results, which is an important source of information for voters, and which the parties use as techniques. Of course, the professionalism, honesty, and reputation of the various sociological services and agencies is a separate topic of conversation. It is no secret that some of them acted according to the principle of: "I'll scratch your back, if you'll scratch mine."

It was touching, for example, to hear about the high rating of Dariga Nazarbaeva, one of the leaders of the Asar party, regularly published since January 2004 in several mass media by the Central Asian Agency of Political Research, headed by former first deputy of the chairman of Asar, who is Dariga Nazarbaeva. For her these ratings were an ill service, since this person is known throughout the country anyway. Another example. On 31 August, the *Partiia* newspaper published the results of a survey carried out by Komkon-2 Eurasia, a marketing, sociopolitical and media research company. It said: "[If an election were held today] more than half of the people of Kazakhstan, 53%, would vote for the Asar party, 33.5% for Otan, and only 5.5% for Ak zhol and AIST. The poll was conducted in 22 cities around the country, and 900 respondents participated."⁴ But the Asar party gathered less than 12% of the votes (one seat on the party lists).

An article entitled "AIST's Sensational Flight" published on 14 September on the first page of the newspaper *ExpressK* looks just as curious. A certain East European Center of Structural Research (EECSR) "polled 2,500 Kazakhstanians, beginning with members of the rich class and ending with the republic's unemployed. According to the poll, Ak zhol obtained only 6.7% of the votes and dropped to fourth place. Asar withdrew to third place with 21.7% of the respondents' votes. Abdildin's Communist Party and Zhakiianov's DCK (the CPK and DCK bloc) obtained a rating within 2 (plus-minus 1) percent

⁴ *Partiia*, 31 August, 2004.

and fell way behind the leading five. Nevertheless, 35.8% of the poll participants gave their preference to Otan. So who is in second place? AIST is second! It will receive votes from 23.5% of the Kazakhstanians polled.”⁵ In the end, AIST barely made the 7% barrier, gathering 7.07% of the votes.

Individual parties and blocs used tactics aimed at neutralizing their rivals’ campaign. For example, representatives of the AIST bloc attempted to remove their rivals, the DCK-CPK bloc, from the election race with the help of the Central Election Commission. They believed this bloc had violated legislation by airing a television advertising clip. Dirty tricks were also widely used: disseminating compromising information, putting doubles, people with the same name, on the voting lists, pasting their own propaganda over other people’s leaflets and posters.

Certain parties also threatened to boycott the election, using this as a tactic to break relations with the Central Election Commission (that is, with the authorities) while the elections were being held in protest against violations of the game rules. Some experts thought that the opposition structures would declare a boycott. But this was avoided. The matter concerned not only the prospects of their further functioning (according to the Law on Political Parties adopted on 15 July, 2002, a political party can be disbanded by court decision if it fails to participate twice in a row in elections of deputies to the Kazakhstan parliament). It is much more important that the voters assess such a boycott as the refusal of the structures participating in it to engage in political battle, as a manifestation of their cowardliness and a violation of the right of each citizen to vote for the party he wants to. For nothing is more important for a party at an election than the electorate’s vote. This is why this form of political struggle, according to the leaders of the opposition parties, would be detrimental to each of them.

The parties also made poor use of the strategy of winning over the “critical mass of voters,” those who are still unsure, and of strengthening their position among the conquered electorate. Television debates between parties were poorly organized, and so did not produce the desired effect. Many of the parties underestimated the importance of their own participation in public discussions.

R e s u l t s a n d L e s s o n s

So the 7% barrier was surmounted by the following structures: Otan received 60.61% of the votes (7 seats out of 10); Ak zhol—12.04% (1 seat); Asar—11.38% (1 seat); the AIST bloc—7.07% (1 seat). The following structures did not make it: the Opposition People’s Alliance of Communists and DCK—3.44%; the Communist People’s Party—1.98%; the Auyl party—1.73%; the Democratic Party—0.76%; the Patriot Party—0.55%; and Rukhaniyat—0.44%. The distribution of deputy seats for party candidates from one-member districts looks as follows: Otan—35; the AIST bloc—10; Asar—3; and the Democratic Party received one seat.⁶ This information does not include self-nominees who identified themselves with a particular party.

As should have been expected, assessments of the recent elections are ambiguous. Whereas the authorities and Central Election Commission considered them successful, the opposition parties, presenting numerous violations of the Law on Elections as proof, called them falsified and so illegitimate. Nor were the observers unanimous in their evaluation of the elections. Based on an analysis of the violations committed during the elections, the Republican Network of Independent Observers (RNIO) made the following statement on voting day: “The violations were of an organized and preplanned nature and were supervised from a single center.” But several international observers from Poland, Turkey, India, and several CIS countries positively assessed the elections. What is more, the OSCE and U.S. government (in contrast to the American observers) believed that the election campaign did not correspond to generally accepted international standards.

Some analysts are still claiming that the opposition parties chose an incorrect strategy and tactics and that this was one of the reasons for their defeat. This does not appear to be the case. Whereas fal-

⁵ *ExpressK*, 14 September, 2004.

⁶ See: *Kazakhstanskaia pravda*, 28 October, 2004.

sifications really did take place, it was not the opposition that lost, but all the parties, all of society, all of Kazakhstan. The growing conflict and confrontational potential is already obvious, being manifested not only in power-opposition relations, but also in the ranks of the ruling elite. An example of this could be the sensational statements made by G. Marchenko, ex-assistant to the country's president (previously ex-premier) and Zh. Tuiakbai, Majilis speaker and deputy chairman of the Otan party. The first noted the unsatisfactory organization of the elections, the second minced no words by saying that they were "a farce unworthy of our country." In so doing, he underpinned his words with action and announced his withdrawal from the Otan party and unwillingness to continue working in the new parliament.

Without becoming embroiled in a detailed analysis of the technological chain of events accompanying the election campaign, we should acknowledge that all the parties, and not only the opposition (of course, depending on available resources), tried to clearly follow their strategies and employed quite intelligent, from the viewpoint of political theory, tactical steps and techniques. But their efficiency coefficient proved close to zero, because they were restricted by political game rules imposed on them under the name of "party democracy in Kazakhstan." After all, the country's parties are the hostages of its current political system, which was also manifested during the past parliamentary elections.

- First, this election campaign showed that the "Central Party" strategy won, that is, of that party which holds the controls of political decision-making and plays a dominating role in this process. In Kazakhstan, this role belongs to the presidential administration and akimats—executive power. And its strategy in this case was rather simple: pushing through "its own" candidates (from Otan and AIST) and "picking off" rivals from all the other parties, who turned out to be sparring partners, if not cannon fodder in this process. Judging from the reports in the mass media, the tactics here included the following: creating unequal conditions for parties during election agitation, plugging in the administrative resource in the form of the akims, bringing pressure to bear on the members of the election commissions, voting by coercion (mainly budget sphere employees and students from various higher education establishments).
- Second, the elections confirmed once more that ten seats on the party lists is far too few for 12 parties. This miserly amount is a product of "dosed out" ("controllable") democracy. In this context, plurality looks like props, like the dolled-up party façade of a supposedly democratic building.

According to the law, each party had the right to spend up to 99 million tenge (approximately \$740,000) during the entire campaign. So far, only one structure has published a report on the use of its election fund resources—the Opposition People's Alliance of Communists and DCK. Its total spending on these purposes amounted to 45,995,300 tenge. The leaders of this bloc say that according to the data of an investigation they carried out, the Otan, Asar, and AIST budgets were 4-5-fold higher than the maximum permissible level. A report by only one television channel, Eurasia-ORT, showed that between 1 and 17 September alone the Otan party and AIST bloc spent 20,139,000 tenge, and the Asar party, 10,195,000 tenge.⁷ Their achievements (one seat each on the party lists for Ak zhol, Asar, and AIST) in no way corresponded with the financial, human, and moral resources they expended.

- Third, the elections showed that the country's political organizations must adapt to the far from perfect system format defined by the Law on Political Parties adopted in 2002. The matter primarily concerns the notorious 50,000 registration norm. At one time, experts and some deputies warned that this number (which is high even by international standards) could create favorable ground for misrepresentation and coercive enlistment of citizens into party organizations. The past elections again revealed this problem: according to their results, three political parties received between 20,000 and 36,000 bulletins, that is, members of these parties

⁷ See: *Panorama*, 15 October, 2004.

themselves (there should be no less than 50,000 members in each of them) did not vote for their own parties.

In so doing, the past election campaign showed that a full-fledged party system cannot be built on imitation, but must be based on real implementation of political reforms, which envisage, among other things, extending party representation in parliament.

AMERICA AND POLITICAL OPPOSITION IN CENTRAL ASIA

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Political opposition in all Central Asian countries is still weak: the dissident parties and groups are not strong enough to cope with the state, their opponent, which is omnipotent.¹ Late in the 1990s the United States realized that rather than

addressing specifically European or Asian tasks, in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan it has to create a certain Eurasian model of its attitude toward their political systems. The threat of international terrorism and Islamic extremism is too real to allow Washington to treat the democratic groups in Central Asia in the same balanced way similar groups in Central and Eastern Europe are treated. Still, the White House is fully aware of the importance of the current situation in Central Asia for continued stability and order the world over.

¹ Talking about the Central Asian republics Brzezinski has pointed out that “the newly independent energy-exporting states are still in the early stages of political consolidation. Their systems are fragile, their political processes arbitrary and their statehood vulnerable” (Zb. Brzezinski, “Hegemonic Quick-sand,” *The National Interest*, Winter 2003/04, p. 14 [<http://www.kas.de/upload/dokumente/brzezinski.pdf>]).

Sources

The sources of the United States current and highly unusual attitude toward political opposition in the Central Asian republics should probably be sought in the special approaches of former U.S. President Carter and his closest circle to this opposition. As soon as the Soviet Union signed the Helsinki Final Act, America, under pressure from the humanitarian basket and human dimension priorities, had to alter its previous, “Ford,” tactics. The Democratic Administration referred to the human rights issues much more often than its predecessors. The stake on deeply personal motives stalled the Soviet propaganda machine. The dissident movement, or even its shoots (in Uzbekistan, Turkmenistan, and elsewhere), developed from pro-American into “pro-world.”

It seems that the only failure shared by two successive administrations—Jimmy Carter’s Democratic and Ronald Reagan’s Republican—was their inability to differentiate between the various political opposition groups in the Soviet Union (and in Central Asia). In the late 1970s and early 1980s, the White

House regarded their common feature—anticommunism and anti-Sovietism—as the main trait unrelated, for example, to secular and religious factors. “Dissident,” “opposition member,” and “prisoner of conscience” were indistinguishable synonyms. While Marxism was shortsighted enough to classify its theoretical opponents according to their attitude to God, the American leaders could have been more farsighted when Leninism was undergoing its total crisis.²

The way two subsequent administrations (of George H.W. Bush and Bill Clinton) treated the opponents of the post-Soviet Central Asian regimes largely depended on the fluctuations of President Yeltsin’s policies and the degree to which the Russian democratic forces contributed to decision-making in the Russian Federation. The important (now partially lost) pro-American triad still existed, “the White House-Russia’s democratic forces-Central Asian political opposition,” which made it easier to realize democratic goals. In the 1990s, constructive opposition groups in post-Soviet republics coordinated their actions to a certain extent, the center of which was removed beyond the offices of the Russian special services.

The turn that occurred late in 2001 in the relations between the local regimes and the United States opened a new stage for the Central Asian opposition: it finally found its real place in the political systems of its own states. The choice was a hard one: the opposition had to identify its attitude toward the stronger pro-American bias and certain shifts in the policies pursued by the U.S. Administration regarding religious extremism. Being aware of the dilemma that might prove too complex for the fairly weak local opposition, the White House deemed it necessary to insist on continuity of its Central Asian policies.³

Attitude to Different Groups

Today, as before, the leaders of Central Asian political opposition form a loose conglomerate of academics (A. Pulatov, N. Masanov, and others), journalists (D. Atovulloev, A. Usmanov, and others), diplomats (B. Shikhmuradov, B. Malikov, and others), officials (A. Kazhegeldin, F. Kulov, and others), writers (M. Salikh, O. Suleymenov, and others), etc. Their intellectual potential notwithstanding, in the latter half of the 1990s, the White House placed its stakes on those who had been in politics and especially on those who had stood at the helm. This happened because in the late 1980s and early 1990s, post-Soviet opposition compromised itself (in Azerbaijan, Georgia, etc.).

This should not be taken to mean that Washington has changed its attitude toward the local opposition as a system of different, not only political, elements.⁴ The administrations of father and son Bush and Clinton placed their stakes on the young institutions of civil society, which had been opposing bureaucracy from the very beginning. Indeed, the conception of the “third sector” in its American interpretation (parties, NGOs, initiative groups, religious organizations, clubs, branches of international organizations, etc.) has broadened the opposition’s potential fields of involvement. Western donors created rivalry inside the opposition camp and caused mergers between individual organizations.

As distinct from Moscow, Washington is treating the region as a single whole: it openly stimulates joint actions of civil society institutions (forums, seminars, etc.), and supports opposition in exile. (It should

² I have excluded from this article the attitude of the American leaders to Central Asian spiritual opposition, the Hizb ut-Tahrir Party, the Wahhabis, etc. in particular.

³ Within days after 11 September, 2001 National Security Advisor Condoleezza Rice provided a clear answer: “We are not going to stop talking about the things that matter to us—human rights and religious freedom and so forth. We’re going to continue to press those issues” (*Country Reports on Human Rights Practices—2003*, Released by the Bureau of Democracy, Human Rights, and Labor, 25 February, 2004 [www.state.gov/g/drl/rls/hrprt/2003/]).

⁴ Significantly, in 2004 in many of its documents the U.S. State Department used the blanket term of “activists” and “non-governmental organizations” to describe all opposition groups.

be added that the seemingly monolithic Turkestan opposition in the West has, to a certain extent, helped the United States realize its national interests.) The White House proceeds from the idea that the democratic states embracing the market economy will inevitably be involved in globalization and internationalization of their public life.

The United States treats political opposition in the densely populated areas of the Ferghana Valley historically predisposed to social conflicts as a special issue. Statistics confirm that opposition sentiments are rapidly developing and that the American sociopolitical centers are focusing greater attention on these areas. For example, the U.S. Agency for International Development supports most projects, especially in the media.⁵ The growing number of applications for grants testifies that the realized projects were effective.

Long-Term Goals

American interest in Central Asian political opposition consists of three components. First, the discovered and potential oil and gas fields make the region's democratic stability all-important. Second, the threateningly large weapon reserves and drug routes forced the United States to identify the most efficient elites in Astana, Tashkent, Ashgabad, Bishkek, and Dushanbe. Third, the disintegration processes, which make the opposition in all five countries political players in their own right.

The most prominent opposition figures, in turn, accuse the White House of having no reasonable and long-term policies. Former Kazakhstan Prime Minister Kazhegeldin has pointed out that no regional security is possible without stability, while "the only stability an authoritarian regime can offer is stable stagnation."⁶ This is hardly true: authoritarian regimes are generated by undeveloped markets, while stability cannot be achieved outside developed commodity-money relations.

The very fact that the ruling Central Asian elite has armed itself with the "managed democracy" conception, and want to achieve modernization *à la* Putin, says that it is hardly prepared to coexist with the political opposition.⁷ The "managed democracy" conception became even more important for certain leaders in certain countries after Eduard Shevardnadze was removed from his post.⁸ The statements issued by the leaders of Kazakhstan and Kyrgyzstan in late 2003 and early 2004 about the odious nature of certain international organizations confirm that they refused to follow in the footsteps of Washington alone. This deprived the opposition of a large number of financial sources.

Democracy and the market inevitably lead to social differentiation and to opposition between social groups. Producers come to the fore as the most promising class; it has, however, to cope with communist-minded bureaucrats. Is the American administration aware of this? Its policies of the past decades say that the understanding is not complete. Preached by Western political scientists, the concept of "managed conflicts," which is realized in Central Asia, localizes the hotbeds of resistance and slows down the emergence of a healthy opposition in the region.

⁵ The relative trip to Namangan Assistant Secretary Michael G. Kozak made in November 2004 to meet the leaders of non-registered opposition groups of Uzbekistan confirmed that Washington is resolved to support political opposition in the region.

⁶ *Balans mezhdv voennoy moshch'iu i podderzhkoy prav cheloveka v Tsentral'noy Azii. Diskussia na radio "Svoboda"* (U.S.A.), 2 July, 2002 [www.svoboda.org].

⁷ On 27 April, 2004, speaking at the conference of the U.S. Kazakhstan Business Association in Washington the then Deputy Secretary of State Richard L. Armitage correctly pointed out: "I want to emphasize that the road to a viable, independent state with long-term prosperity and political stability does not run through 'managed democracy'." ("Kazakhstan Can Be a Positive Role Model," R. Armitage Says. *Remarks at U.S.-Kazakhstan Business Association Conference*, 27 April, 2004 [usinfo.state.gov.]).

⁸ Here I want to quote an outstanding Uzbek and Tajik philosopher Abdurrauf Fitrat (1886-1938) killed by the Stalin regime. Back in 1917 he said that democracy needed no management—it itself should manage society.

Achievements

Implementation of the documents “Charter on Strategic Partnership between the U.S. and the RK,” “Declaration of Strategic Partnership between the U.S. and the RU,” “Joint Statement on Relations between the U.S. and the RT,” and others helped democratize the political processes in Central Asia. Among other things, they contain provisions about helping the local states move toward democracy. As a result, civil society institutions, including those not loyal to the official regimes, acquired wide support, the opportunity for legal appeal, guarantees of their security, as well as financial support, etc.

According to different sources, in the past four years the United States followed a more differentiated strategy on the human rights issue, which cannot be said of other issues enumerated above. In Kyrgyzstan, for example, the George W. Bush administration is resolved to help develop the independent media; in Tajikistan, it concentrates on stemming trafficking in human beings; in Kazakhstan, on fighting corruption, on intensive discussions about democratization at all levels of power, as well as active cooperation with Uzbek human rights activists.⁹ In other words, the White House has identified its preferences regarding certain political opposition groups, depending on the democratic development level.

Washington’s efforts achieved a certain amount of success in promoting the power/opposition dialog. In Kazakhstan, for example, the political opposition took part in the parliamentary elections; in Kyrgyzstan, rallies in support of imprisoned opposition members were allowed; in Tajikistan, several groups presented alternative amendments to the election laws; Turkmenistan adopted a new law on the “third sector,” in Uzbekistan, political opposition and human rights activists regularly gathered for round table discussions. (The U.S. Department of State monitors how human rights are observed in these countries.)

The George W. Bush Administration is continuing what was started by its predecessors: it uses the tactics of financing specific programs to allow them to achieve independence in the future with an emphasis on teaching the principles, forms, and methods of democracy to the broad masses. This is done in the form of training seminars in various parts of the local states. Well-known international institutions, such as the International Republican Institute, the National Democratic Institute, Human Rights Watch, Freedom House, the Open Society Institute, and others, have an important role to play in these processes. They rarely duplicate their efforts.

Democrats and Republicans

The Democratic rule in the United States in the 1990s determined the line of conduct of George W. Bush and his administration, especially where support of opposition parties and movements was concerned. The time lost on the inevitable delimitation of “what was mine” and “what was yours” between the Democrats and Republicans and between America and Russia deprived the administration of the opportunity to formally readjust the democratic forces in Central Asia. This did not weaken the Clinton Administration’s position in the region. The lack of finesse and relative one-sidedness of Russia’s diplomacy in the region forced the United States to reveal and prevent anti-American sentiments.¹⁰

⁹ See excerpts from a report “Supporting Human Rights and Democracy: The U.S. Record 2003-2004 Report. Richard L. Armitage, Deputy Secretary of State, Remarks at the Rollout of Report,” Washington, D.C., 17 May, 2004 [www.state.gov/s/d/rm/32521.htm].

¹⁰ On 18 April, 2000, the *Kazakhstanskaia pravda* wrote about the visit of U.S. State Secretary Madeleine Albright and noted that the local opposition had had to meet one of the top U.S. officials “late at night and without journalists.” The newspaper concluded that judging by the subjects discussed “America was more interested in possible variants of its relations with Russia, that has just acquired a new president (Putin.—*B.E.*), than in the problems of opposition.”

In 2000-2004, the White House described its efforts to promote parliamentary political parties, human rights structures, and the independent media as “unprecedented.”¹¹ I believe that the period between October 2001 and December 2003 was the most successful in this respect: political opposition formulated new conceptions and created new platforms that took into account the achievements and failures of democratic movements in Central and Eastern Europe.¹² The unfolding worldwide counter-terrorist struggle created certain elements of democratic unity in the face of contemporary threats and challenges.

The involvement of the region’s countries in the operation in Iraq was the touchstone of loyalty of the U.S. Administration to the local regimes and its attitude to the political opposition. Uzbekistan was the first to approve America’s intention, while Kazakhstan was the only country in the region to send its troops to Iraq. Western governments, meanwhile, used the situation to try to reconcile power and the opposition and to achieve the latter’s broader involvement in parliamentary elections.

Many of the Central Asian opposition groups understand that the U.S. Administration’s position is a difficult one, therefore, it has become normal to seek the support of American legislators. Democratic and Republican congressmen and senators often agree on Central Asian issues. For example, the joint resolution of the U.S. Congress (No. 3 of 14 January, 2003) drafted by Democrat of Connecticut Joseph Lieberman and Republican of Arizona John McCain called on the region’s governments to liberate all imprisoned opposition members and demanded that all political emigrants should be allowed to return home.¹³

Prospects

The events in Serbia, Georgia, Belarus, and Ukraine urged Washington to more actively support political opposition, on the one hand, while Moscow found itself excluded from the “power-opposition” problem range, on the other. American support became more selective; today the White House relies on “practical-minded dissidents.” It seems that Moscow lost a lot of influence among the Central Asian opposition groups when Yabloko and the Union of Right Forces (two democratic groups) failed to retain their seats in the State Duma. They made it possible to maintain a productive and civilized dialog across the post-Soviet expanse and to prevent radical steps.

Two most prominent issues the United States supports—transparent elections and a more democratic media—are shaping the legal field of action for the region’s democratic forces. In 2002-2004, they took an active part in amending the election laws, and in making TV, radio, the press, and the Internet more democratic. Washington is actively using the OSCE and international NGOs to improve the election laws and allow dissidents take part in parliamentary and local elections.

The very fact that the active phases of democratic processes (the “roses,” “palm,” and “orange” revolutions) coincided with presidential and parliamentary elections (which manifests the purely Western type of political thinking) deprives the opposition groups across the post-Soviet territory of the opportunity for effective consolidation. At the same time, the leaders of such revolutions are too hastily selected (this also happened before, in the late 1980s-early 1990s). In Turkestan (with the exception of Kyrgyzstan and Turkmenistan), it would be better to elect an economist rather than a lawyer as leader. European experience cannot be fully applied in Central Asia; the local mentality should be taken into account.

¹¹ In 2003 fiscal year the United States contributed \$13.9 million to democratic developments in Kazakhstan, \$7.5 million in Tajikistan, etc.

¹² The program of action formulated by two groups (Birlik and Erk, headed by T. Yoldosh) acting in Uzbekistan is a relevant example. Its economic part demanded that poverty be liquidated, the problem of illegal labor migration addressed and local producers protected, etc. Their claim to part of the Caspian oil, however, can be described as highly debatable.

¹³ Introduction of bills and joint resolutions—(Senate—January 14,—2003) [thomas.loc.gov/cgi-bin/query/D?r108:24:/temp/~r108BpwrDX].

The Internet attracts the Washington Administration's particular attention: it can provide objective information about the situation around the world and in one's own country and it can unite the region's democratic forces. The United States is supporting a huge number of web sites in Central Asia, thus giving it an unlimited opportunity to plant democratic ideas in people's minds. But the worldwide net has its weaknesses too: the democratic forces have not yet invented any legitimate and effective counter-censorship measures; they cannot prevent persecution of journalists, stop blockage of their web sites, etc. The region needs a single information space.

* * *

It is interesting to note that in 2007, a number of fairly important political events will take place, one of the most significant being the presidential elections in Kazakhstan. In Georgia, the new authorities will take their first important steps, the Ukrainian political system will be transformed, while in Russia the liberals may come back to power. This will change once more the relations between the United States and the Central Asian political opposition; prompt and unconventional steps might be needed. We shall probably watch interesting events in the camp of the ruling elite; some of them are already taking place before our eyes in Kazakhstan. Washington will have to reassess its attitude to the opposition groups once more.

RELIGION IN SOCIETY

**RELIGIOUS THOUGHT
IN CENTRAL ASIA:
IT NEEDS A MAJOR OVERHAUL**

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Islam, one of the most stable aspects of Central Asia today, has a considerable influence on the local historical and sociopolitical processes and their trends. Its potential and stability are rooted in the unique combination of historical and political circumstances that add legitimacy to Islam and ensure its future.

Islam as an important strategic factor cannot be excluded from the region's social and political life: all the Central Asian countries are doing their best to make it more constructive and to use its huge physical and moral potential to build democratic nation-states.

Today, Islam in Central Asia is very conservative and steeped in tradition; while still an important factor in the present sociopolitical context, it is experiencing a crisis created by the gap between the type and level of religious awareness and the realities of developed contemporary society. Being weak intellectually and lacking structure, Islam is unable to play the constructive and creative function inherent in it. This explains why in Central Asia its role is

not always positive; more often than not this negatively affects the sociopolitical processes there.

The pernicious results are clearly demonstrated by two very important aspects. First, while the level of religious awareness in a society that is behind the times remains low, religion, with its untapped potential, is degenerating from a consolidating factor into a factor of instability and radicalism. Second, Islam has still not become a driving force of nation-state formation. This deprives the process of Islam's omnipotent physical and moral potential and could also deprive future political regimes of legitimacy.

It stands to reason that against the background of the permanently active Islamic factor the present crisis in religious thinking will most likely lead to negative moral, cultural, social, and political phenomena, including religious radicalism and extremism with political overtones. Religious awareness and religious thought should be raised to a level where religion will not only stop feeding conflicts (a role which does not belong to it), but also play a

constructive role in creation and consolidation. This adds urgency to the problem of reforming religious thinking and of modernizing the Islamic factor as a precaution against radicalization of religion and a guarantee of its sustainable development.

To achieve that we need a set of programs related to the following issues:

- (1) improved mechanisms for regulating relations between the state and religion, as

well as the legal basis of Islam's social functioning;

- (2) structural and meaningful changes in the sphere of religious education;
- (3) modernization of religious enlightenment;
- (4) improvement of the imperfect Muslim clergy institution, etc.

Historical and Political Reasons for the Retarded Development and Conservation of Religious Thinking

By the turn of the 20th century, the Muslim world had become an arena of reformist trends which brought religious thought to a qualitatively new level. This process can be described as modernization of religious thinking and the Islamic interpretation of the new historical epoch. The way this issue is treated predetermines the way Islam and the Muslims will treat new social realities. The struggle between the traditional and the modern, which started early in the 20th century in many Islamic countries, gradually undermined the traditional form and idea of religion inherited from the Middle Ages; it adjusted Islam to the new conditions and created a harmonious blend of Islam and elements of the new lifestyle. This can be described as Islam's main achievement in the new era.

At the turn of the 20th century, political and religious reform movements were launched by prominent thinkers Bekhbudi, Akhmad Donish, Savdo, Munzim, Ayni, and others in Bukhara and Samarkand, two of the most influential historical and religious centers in Central Asia. Early in the 20th century, the general process of Islamic reformation in the region (and elsewhere in the Muslim world) moved into a phase of pro-nationalistic and structural changes in religious thinking. It was then that the active members of the Young Bukhara movement "Jadidia" published reformist newspapers and magazines, renovation literature, opened schools of a "new type," and created specific reformist religious and sociopolitical programs. The movement itself was gradually acquiring a clearer organizational structure and developed a program of its political activities. In 1920, when the Bukhara Emirate fell under the blows of the Bolsheviks, who established Soviet power in Central Asia, the region became totally isolated from the Islamic world.

Whereas elsewhere in the Muslim world religious thought was developing, deepening, and modernizing, in Central Asia the process was cut short. Under Soviet power, Islam was socially excluded, which means that religious thinking and religious relationships remained at the level they had reached by the early 20th century. As a result, the quality and form of religious thinking in Central Asia differ a lot from (or lag behind, to be more exact) the religious thinking in other parts of the Muslim world.

On the other hand, the social infrastructure developed rapidly under Soviet power; the entire complex of social relations was modernized; traditional Central Asian society became contemporary. It was engulfed by a wave of materialist propaganda and artificially accelerated secularization. Today these factors are contributing to the crisis of religious thinking in Central Asia; they are widening the gap between the quality and type of Islamic thinking and the sociopolitical development level and demands of the structurally developed and fairly rational and secular society.

Specific Features of “Fossilized” Religious Thinking

For the reasons described above the level of religious thinking in Central Asia is very primitive, limited, and negatively conservative.

1. The sociopolitical side of Islam can be described as a mechanism which molds public awareness and promotes individual socialization. Being banished from the official environment and deprived for a long time of an independent sociopolitical role, Islam lost its structuralizing function and stopped operating as a sociopolitical mechanism for socializing the faithful and shaping people as social individuals. This type of religious thinking contributed to the alienation of those broad strata of the population who adhered to Islam as a special lifestyle; they were excluded from socialization and public activities. In this way, religion developed into a marginalizing factor, while society was confronted with the problem of social mobilization.
2. As it adapted, religion alleviated or even resolved many of the problems created by the tradition/modernism dilemma. Because of its extremely limited contacts with the outside world, religious thinking in Central Asian societies is still far removed from the Islamic conception of the contemporary world. This is especially obvious when it comes to combining the Muslim lifestyle and elements of modernity. The deep-cutting reforms of Islamic thought and modernization of the Islamic world outlook in Iran, Egypt, Turkey, Southeast Asia, and elsewhere, which renovated Islam, did not affect Central Asia. They never reached the clerics or most the faithful there, who still have no idea about these changes and their meaning. As a result, there is an acute contradiction between the quality and fundamentals of religious awareness in Central Asia and current reality in this region, which is demonstrated in certain spheres of everyday life. In this context, the faithful tend to regard individual elements of contemporary life as alien and lacking legitimacy. This is a serious obstacle on the path to modernizing all of society by introducing new elements of contemporary life, some of which are purely technical.
3. The prolonged ban on freedom of conscience, the extermination of Islamic clerics, etc., destroyed the religious education system and dramatically lowered the level of religious knowledge among common people, primarily among the faithful. The sources of religious knowledge removed from circulation were replaced with clandestine, and individual, forms of religious education. In the absence of written sources, oral tuition was practiced, which gradually resulted in the absolute ignorance of the faithful.

A gradual departure from the conceptual fundamentals of Islam (or their total disappearance from circulation) and concentration on religious rites and rituals as the ultimate evidence of religion warped the idea of religion and its sociocultural and sociopolitical role: several generations of Central Asian Muslims viewed Islam as the combination of a very limited number of rituals and abstract theological ideas which had nothing in common with rationalism, science, and sociopolitical life. In this context, many rituals were performed by force of habit, while religion acquired mythical and folklore overtones. This commonly accepted view of religion stands opposed to the resurgence of genuine Islamic principles and values. In this way, one interpretation of religion competes with another interpretation of the same religion, which can be described as “opposition of religion to itself.” This is one of the main problems and obstacles on the road to reforming religious thinking in Central Asia.

4. Disappearance of the clergy as an individual social group is one of the results of the historical and political circumstances described above. Those who survived in the Soviet Union continued disseminating knowledge about Islam; the state even helped create a layer of pro-Soviet

clerics. Today, however, the Islamic clergy as a traditional institution of control and guidance for the faithful has failed to overcome its structural disunity and intellectual inadequacy. This “system-less system” and the low level of general and religious education of the clerics make it impossible for them to modernize religion and religious thinking. The intellectual potential, level of understanding, and willpower of the Islamic clerics needed for such transformations are inadequate to the task of raising religion to a contemporary level. On the other hand, the clerics’ structural disunity and the large number of petty trends among them have led to a struggle among themselves. As a result, they have developed into a disunited group incapable of winning a clear-cut social position for themselves. It is quite rare to see Islamic clerics themselves damaging their influence and status in society.

5. The persistent efforts to impose atheist communist ideas (as the green light for participation in social and political activities) on the local Muslims, who consistently rejected them, drove people away from social and political involvement and killed any interest in politics. This gradually divided society into the enlightened secular top crust and poorly educated religious masses. This meant that devotion to religion became a sort of sign of social exclusion. The highly religious Central Asian population had to face a situation in which organizational and structural laxity, the low educational level and conservatism of most Islamic clergy, as well as the low level of political culture and political awareness of most of the faithful prevented Islam from playing its constructive and unifying role.

This had pernicious consequences in two main areas. First, a situation emerged in which the level of religious thinking was low, while religion trailed behind social modernization. This transformed religion (normally a consolidating factor) into a factor of instability and backwardness, and created an environment that bred religious extremism and radicalism. Second, excluding Islam from nation-state building deprives the process of immense physical and moral potential, on the one hand, while permitting the creation of political regimes far removed from social reality and deprived of legitimacy, on the other.

Modernization of Religious Thinking and Its Main Tools

If the religious thinking crisis in the region continues, the Islamic factor will have a negative influence on the social and political processes there. The “fossilized” type of religious thinking, and its specific features, is a serious obstacle on the road to religious renovation, socialization of the faithful, and overall modernization of society. At the same time, “fossilized” religious thinking leads to religious extremism, intolerance of alien cultures, etc., and, in the final analysis, to social destabilization.

1. Improvement of Religion’s Social Functioning Mechanism and its Relations with the State

Even though this problem is not directly related to the issues reflecting the internal crisis of religion and religious thinking in the region, its very presence preserves and deepens the crisis. This problem is present in all the Central Asian republics. It is manifested in the fact that all of them still do not have an adequate legal basis or an adequate political conception. (Several steps in the right

direction were made in Tajikistan, yet the problem has still not been resolved.) In other words, despite religion's influence and its great potential, legislation and political practices continue to ignore it and it is not in great demand. Contrary to Islam's historical role in shaping the ethnic and cultural identity of all the Central Asian nations and despite their devotion to religion, the ruling Central Asian regimes are insisting on forced secularization. Generally speaking, these practices are following in the Soviet Union's footsteps, thus depriving Islam of an official status and perpetuating its social exclusion. As I have mentioned before, this is one of the reasons for the fossilized religious thinking in our region.

In this way, the Central Asian regimes are driving religious thinking toward radicalism. This is decreasing the ruling regimes' legitimacy and creating seats of political unrest, on the one hand, while turning religion into a factor of persistent instability and preventing it from tapping its positive potential, on the other.

(a) The Sociopolitical Status of Religion and State Policies in this Sphere

Secular state power in the Central Asian republics and Islam's considerable role in them have made it imperative to formulate national policy concepts regarding religion and determine how the state should carry them out. The following can be described as the main aims of such activities: integration of religion into social and political life to prevent it from developing into a factor of instability; channeling religion's huge potential into strengthening national security and ensuring national interests; encouraging partnership with moderate religious trends and socializing the faithful without imposing secularization on them; modernizing religious thinking, etc.

At the same time, the local countries badly need a national conception (or a legal document) for registering the social status of religion and regulating all of its relations with the state. This document (a declaration, national conception, or constitutional law) should be drawn up with the concerted efforts of all public and political forces, including representatives of Islamic thought and the clergy. The document should give a correct and contemporary scientific description of religion and the relationships within it; a clear interpretation of the principles of a secular nation-state guiding the particular republic and its relations with the key components of the people's national and cultural identity, of which religion is one; and a scientifically substantiated assessment of the place and role religion played and is playing in culture. It should also describe the attitude of a secular state toward Islam as an integral part of the nation's ethnic identity; assess the real value of religion in the context of ethnic values and identify its place in national interests and national security; provide a correct description of religion's political involvement in a secular state; outline the limits of political activities of religious organizations; provide a detailed description of the relations between the state, society, and religion, and comment on the constitutional provisions that separate religion from the state; ban the use of religion as state ideology; identify the powers of state bodies dealing with religion and religious organizations; clarify the correlation between state interference in religious affairs and the meaning of the constitutional principle of separation of the state and religious organizations; provide a clear-cut description of religious organizations and their activities; identify the relations between religious political and non-political organizations; outline the legal frames, system, and status of general (primarily higher and academic) religious education, etc.

In fact, many of the debatable issues in the sphere of religion plaguing all the Central Asian republics are generated by religion's inadequate mechanism for functioning in society and the absence of detailed national policies in this sphere.

**(b) *Improvement of
the Legal Basis of the Relations between
the State and Religion***

The legal acts now in effect in Uzbekistan, Tajikistan, and Kyrgyzstan convincingly demonstrate that the legal basis of the Central Asian republics has two major flaws. First, the legislators fail to see the real role of religion in society. Second, the laws related to religion are not detailed enough and, therefore, lack specificity. This suggests that to acquire (or improve) the legal basis we should liberate the spirit, add details to the legal acts, and adjust them to social realities.

**(c) *Change the Nature and
Status of the State Structure Dealing
with Religion***

Today, the state structures dealing with religion mainly control them and, in particular, identify the nature and limits of religious activities in society. Still very much affected by the Soviet anti-religious ideology, these structures continue to actively interfere in the internal affairs of religious organizations (from appointing their leaders to censoring speeches and sermons). On many occasions this interference does nothing but complicate the relations between the state and religion and preserves distrust of the state and the state leaders among the faithful.

It should be borne in mind that attempts by the state to control religion and limit its role do not usually produce positive results in Muslim societies; they merely aggravate the relations between the state and religion. For this reason, the Central Asian republics should change the functions and roles of the state structures dealing with religious affairs and transform them into coordinators and partners.

**2. *Improvement and
Modernization of
Religious Education***

In Islam, the religious education system plays a key role in shaping the type of religious thinking prevalent among the faithful. While preserving their key position in society, the maktabs, madrasahs, and hawzahs gradually acquired symbolic meaning and a sacred status. At all times, madrasahs, together with mosques, have been regarded as the main religious institutions, for that reason all their initiatives were seen as legally justified. At the same time, religious education is functioning as an institution of accumulation and distribution of intellectual potential, and a mechanism for its improvement, rationalization, and systematization. Religious education determines the place and role of each member of the clergy and helps to preserve the system and integrity of faith. The history of Islamic reformist movements says that most medieval and contemporary reformist movements were launched by institutions and centers of religious education. In other words, the quality and level of religious thinking in Central Asia largely depend on whether or not the system of religious education will accomplish modernization and improvement.

Today, this system is in a crisis; it does not meet the requirements of the times. The educational establishments are preserving their traditional forms, while their curricula are based on the curricula of the Bukhara madrasahs of the 19th century, highly distorted at that. A typical graduate of a religious school in Dushanbe or Tashkent does not have adequate intellectual potential or social awareness of the current times. This suggests the following changes in religious education.

(a) *Structural Improvement*

For better results, measures in this sphere should include: an improved legal basis and a clear official status for religious education; centralized (yet not necessarily state) regulation of religious education and its modernization with the aim of achieving general and internal systematization of its institutions; specification of the stages and creation of a multi-stage unified system; correlating diplomas and other documents of religious and secular education.

(b) *Modernizing the Content of Religious Education*

Specific measures in this field should embrace the following aspects: improvement of outdated curricula; introduction of new socializing and rationalizing disciplines (history of one's country and world history, sociology, political science, foreign languages, etc.); improvement of the traditional teaching methods; elaboration of the requirements needed to award scholarly degrees and identify qualifications of the graduates (something like the entrance, graduate, candidate, doctoral, and other exams used by the secular education system).

(c) *Restoring Ties between Teaching and Scholarly Activities*

The following can and should be done in this sphere: encouraging fundamental research in the sphere of religious education; help in writing teaching aids which will meet all contemporary requirements; help in setting up research departments or centers at educational establishments; support in publishing a journal to supply information about the state of affairs in religious education.

(d) *Strengthening the Technical Basis*

Material and technical aid is needed in publishing the necessary teaching aids; aid in supplying technical equipment for special purposes: classes of foreign languages, computer classes, research departments, offices, etc.

3. Raising the General Level of People's Religious Awareness

Religious ignorance and lack of knowledge about religion are responsible for the inadequate perception of the meaning of religion and lead to dangerous abuse of religious principles and values. Religious education should be concerned with providing a more rational understanding of religion by society as a whole and by the faithful in particular; with cleansing religion of phenomena alien to its nature, and with modernizing religious thinking.

To achieve this, the religious education system should be adjusted to the demands of the times; and it should raise the intellectual potential of the Islamic clergy in all the Central Asian republics. More specific steps should include: teaching world religions, the fundamentals of religion, and the history and basics of Islam in secular schools; we need books written in clear language about the constructive principles of Islam, by which I mean solidarity, brotherhood, peace, craving for knowledge, creative efforts, charity,

and explanation of the common roots, elements and values of all the world religions; Islam should be recognized as one of the component parts of the region's culture and should be studied as such; we need radio and TV programs to achieve the above aims.

4. Modernization of the Institution of Islamic Clergy

In all the Central Asian republics, the Islamic clerics are disunited, their intellectual level is low, and they can be described as a "system-less system." Incompetent and not wishing to introduce changes, they present a serious barrier to the modernization of religion and society. To improve the situation, the structure of spiritual administrations should be enhanced, along with the decision-making mechanisms; the type of thinking and lifestyle of the Muslim clergy should be gradually modernized. A corresponding program should embrace the following spheres.

(a) The Structure and Functions of the Spiritual Administrations

As soon as the Soviet Union disappeared, the former branches of the Central Asian Spiritual Administration of the Muslims (CASAM) in the republics acquired independence. In Tajikistan, Uzbekistan, and Turkmenistan they have preserved all the features typical of their predecessor, which undermines their legitimacy and authority among the faithful. First, despite their non-political status they have to support the official authorities and their political positions. Second, they hire clerics loyal to the government, not all of whom are competent or respected religious leaders.

Their dependence on politics and their lagging behind (in many respects, including their quality) foreign religious leaders do not allow these structures to develop into religious centers. This has undermined religion's potential and allowed alternative religious centers to emerge, thus preserving the split among the faithful and even widening it. The example of Uzbekistan, Turkmenistan, Kazakhstan, and Tajikistan has demonstrated that those elected to head the corresponding spiritual administrations are not always the most respected clerics. In Tajikistan, for example, the council of the ulema set up according to this principle does not enjoy authority among the faithful and cannot formulate and protect their rights. What is more, it is equally unable to regulate the complex relations among the clergy and inside the religious community in general.

(b) The Mechanism of Decision-Making

The lack of coordination in issuing fatwas and the discrepancy between the official and real structures of religious authority are widening the split in the religious community. In all the Central Asian republics, the fatwas and commentaries issued by the official spiritual administration (empowered to issue such documents) are ignored by prominent religious figures and a certain part of the faithful because of the lack of respect for and trust in the official religious structures.

To remedy the situation we should restore the Islamic tradition according to which the right to issue fatwas belongs to respected "shuros" (religious councils composed of respected religious leaders). Each republic should be advised to issue periodical collections of fatwas passed by respected ulema in order to prevent oral religious "law making."

(c) *A System of Religious Ranks and Degrees*

I have already written that the conservative nature of religion in Central Asia is preserved by the “system-less system” of the Islamic clergy, which allows its members to damage the influence and authority of Islam. To avoid this, the hierarchy and structure of the Islamic clergy in the Central Asian republics should be changed and ordered; the way of thinking and lifestyle of the local clerics should be modernized. To achieve this, a clear system of religious ranks and degrees should be created corresponding to the clerics’ spiritual, scholarly, and official level; spheres where such degrees and ranks can be used should be identified; efforts should be made to create a class of clerics aware of their civil responsibility and a layer of “middle-class” clergy (a group of moderate Islamic technocrats and intelligentsia).

C o n c l u s i o n

An analysis of the position of religion in Central Asia has demonstrated that, all local specifics notwithstanding, the entire region is caught in an acute religious crisis with possible grave moral, social, and political repercussions.

(a) *Inference*

In the future, too, Islam, as a key strategic factor, will continue to influence the sociopolitical picture in Central Asia. Islam is experiencing a grave crisis created by the gap between the way and level of religious thinking and current reality; religious thought in the region has become “fossilized” because the region is trailing behind the general trend toward modernization in Islam. This largely happened because Central Asia was part of the Soviet Union and its anti-religious policies.

This crisis gives rise to religious conservatism and radicalism; through them the Islamic factor (potentially very powerful) is having a negative influence on the social and political processes in Central Asia. The time has come to systematize religion’s social status and modernize the quality and level of religious thinking.

(b) *Recommendations*

The Central Asian countries should improve religion’s social functioning mechanism and its relations with the state, especially when it comes to elaborating national policies in the religious sphere. The legal basis of the relations between religion and the state should be improved, liberalized, and specified. The nature and status of the state structure dealing with religion should be readjusted to make it a partner, rather than the controlling body it is today. It is expedient to improve the content and structure of religious education, unify its system, and modernize outdated curricula.

At the same time, the need to raise the general level of religious thinking is overripe; we have to achieve a more rational perception of religion and change the structure and functions of the spiritual administrations in order to transform them into real and competent centers of decision-making engaged in coordinating religious activities in each specific country.

RADICAL ISLAM IN UZBEKISTAN: PAST AND FUTURE

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For religious extremists Uzbekistan is the most desirable aim in Central Asia because of its favorable geostrategic location, high economic potential, and the rapidly growing population. Control over it would allow the Islamists to deliver a serious blow to contemporary civilization and to lay the cornerstone of the Islamic Caliphate.

Since the early 1990s Tashkent has been engaged in a difficult struggle against religious extremists. At first it was fighting alone under fire of human rights and other democratic organizations convinced that the opposition was treated with unjustified cruelty. It was as early as 1997 that President of Uzbekistan Islam Karimov spoke about the dangers of dismissing lightly Islamic fundamentalism and its threats and said that the media abroad had been saying for some time that the Uzbek leaders invented the threat to scare the West for the reasons of their own. Western analysts and experts in Islam readily embraced the idea that fundamentalism was absolutely harmless

for the world community and was the headache of "its own" states alone. They even believed that had the Islamists managed to adjust the local regimes to their patterns they would have readily entered into a dialog with the rest of the world. These people proceeded from the fact that many of the fundamentalists were educated in Europe and America. One is tempted to ask them: Do you understand the real state of affairs in the Muslim East repeatedly subjected to disintegration, dissent, and humiliations?¹

Time has shown that the Uzbek leader was right. Tashkent recognized the threat of religious extremism earlier than any other capital; Moscow arrived at this conclusion in 1999, while the West awoke to this fact in the wake of 9/11. This explains why Tashkent proved to be better prepared to rebuff extremist expansion.

¹ See: I. Karimov, *Uzbekistan na poroge XXI veka: ugrozy bezopasnosti, uslovia i garantii progressa*, Tashkent, 1997, pp. 45-46.

Emergence of Religious Opposition

In the past people who lived on the territory of contemporary Uzbekistan were highly religious. Islam played an important role in the Khiva and Kokand khanates and in the Bukhara Emirate. Repressions against the Muslim clerics and suppression of Islam during Soviet times undermined its positions. Even though in 1943 the Spiritual Administration of the Muslims of Central Asia and Kazakhstan was set up together with several religious educational establishments and the state demonstrated greater tolerance of religion and the faithful Islam, along with other confessions, remained under strict state control.

In the 1960s the Soviet state unfolded a wide-scale anti-religious campaign; several mosques were closed, while the clergy in Uzbekistan became divided into "official" and "unofficial."² The majority of

² R. Abazov, A. Vassilivetskiy, V. Ponomarev, *Islam i politicheskaya bor'ba v stranakh SNG*, ed. by A.M. Verkhovskiy, Moscow, 1992, p. 10.

the makhallias (religious communities) had their own unofficial mullah who performed the necessary rites. If the community remained politically neutral, the authorities preferred to ignore this practice.

In the 1970s-1980s the situation more or less stabilized. Even though the republic never had had a more or less developed Islamic underground movement some time later certain unofficial religious leaders (and adventurers) claimed the honor of organizing illegal religious groups.

The first radical religious organizations appeared in Uzbekistan at the turn of the 1990s: Akromody (set up by mullah Akrom from the Ferghana Valley); Uzun sokol (The Long Beard) founded by mullah Fakhritdin; Adolat, Islom lashkarlari, Tablih, Tovba, Noor. They were mainly operating in the Ferghana Valley, in the Namangan, Andijan, and Ferghana regions. In addition, they were found in the Tashkent, Dzhizak and Surkhandaria regions. In 1990-1992 they were fairly active and organized numerous meetings, rallies, and marches; in 1993-1994 they became underground organizations living on donations of members, kindred organizations operating abroad and Islamic funds. The groups were disseminating the idea of an Islamic state; as a rule they had several scores of members; at best they were 300-400 strong.

Their influence on the domestic situation was fairly limited, yet they managed to cause a lot of trouble for the authorities. On the whole, the leaders of the "first wave" (as well as the leaders of two secular organizations Erk and Birlik) were not educated enough to create massive movements and pursued primitive policies unable to ignite the masses. By the mid-1990s their activities subsided.

Between 1993 and 1997 the opposition radically changed its image; the most active and ambitious structures united on the Islamic platform, while some of the Erk and Birlik members joined what remained of the religious groups. Religious parties found the situation conducive to the growth of their influence in the country shattered by the radical changes that had taken place after 1991. The standard of living plummeted under the pressure of the disintegrated (formerly united) economic system and economic reforms. By the mid-1990s the nation in general had realized that the transition period would take a long time to be completed. This coincided with a demographic explosion when the population increased by about 500,000 every year.

Under the pressure of destitution, unemployment and overpopulation part of the local people turned to religious organizations. Their activists never tired of repeating that ordinary people would live well only in a "correct," that is, Islamic state free of omnipotent bureaucracy and ruling clans in which everybody would be wealthy and able to develop their abilities.

Many lent an ear to this: Islamists paid for the membership in their organizations and for services rendered. Distribution of leaflets, for example, could earn from \$50 to 100 in the country where a monthly wage of \$25 to \$30 was a great luck to be envied (especially in the regions far removed from the capital and in the countryside). In 1998, Islamic opposition became bold enough to move from secret propaganda in markets and mosques to large-scale agitation and an open propaganda of the radical Islamic ideas. More and more leaflets appeared in villages and towns; prayers in Ferghana mosques developed into political rallies. The Islamists were exploiting the weakest points of the powers that be: the ruling clans, corruption, and appalling poverty. Over time the flow of leaflets reached the capital. A wave of protest against economic policies and the arbitrary rule of local authorities swept some of the regions. The Islamists even risked contacting the media in Tashkent in an effort to interest journalists in information directly from the original source and make them their allies.

In the mid-1990s new organizations appeared: these were the embryos of the Islamic Movement of Uzbekistan (IMU) and the Hizb ut-Tahrir (The Liberation Party). They described the Caliphate as their goal and said nothing about national-democratic ideas and aims.

Hizb ut-Tahrir

In Uzbekistan it is operating underground as part of the worldwide organization born in Syria early in the 1950s and has copied its hierarchical arrangement. In Uzbekistan, the "mutamad" heads the organ-

ization; there are regional leaders (masul) under him, their assistants (musoids) responsible for the district structures. The districts are divided into smaller parts; there is information that there are even smaller units down to the makhallias headed by naqibs. The naqib and his assistants form a "zhikhoz"; its members are "mushrifs" (subordinate to the "naqib") and rank-and-file party members. Depending on the numerical strength of the zhikhoz each of the mushrifs may have one or several khalka (a group of 4 to 5) under him.

The party mainly operates using its own money: each of the members has to pay monthly dues (normally from 5 to 20 percent of his income depending on his financial status).

According to official documents, the party favors an evolution from a secular to an Islamic state achieved through propaganda and enlisting more members. At the same time, there is no clarity about the methods with which the party hopes to gain power (this is testified by what the members say as well as by the party documents). This allows its supporters and those who agree with it to speak about its peaceful intentions in gaining power and about a possible coup.

The Hizb ut-Tahrir draws on the following books: *Nizomul Islom* (The System of Islam); *Hizb ut-Tahrir tushunchalari* (The Idea of Hizb ut-Tahrir); *Hizb ut uiushma* (United Movement); *Caliphalik* (How to Build the Caliphate); *Demokratia qufr nizomi* (Democracy is for the Unfaithful); *Caliphalik kandy tugatildi* (How the Caliphate Disappeared), and *Mankhaz* (Coup d'état). The party uses them as a guide to action. All of them taken together form the party's ideological platform. From time to time the party leaders contact the leaders of the Islamic Movement of Uzbekistan, yet they have not joined their forces and do not coordinate their actions.

Persecutions and arrests of members and leaders did not undermine the organization: all arrested members are immediately replaced with others. According to the law enforcement bodies and special services of Uzbekistan, late in the 1990s the party's membership was growing in geometric progression.

The Islamic Movement of Uzbekistan

The Islamic Movement of Uzbekistan does not hesitate to use force to create a Shari'a state; its leaders and activists took an active part in the civil war in Tajikistan and were maintaining close ties with the United Tajik Opposition (UTO) and its members—the former head of the Ministry for Emergency Situations of Tajikistan Mirzo Zieev, commander of the presidential guard Gafur Mirzoev, and others.³

Late in the 1990s, having acquired definite organizational forms the main forces settled in the Tavildaria zone of Tajikistan; Tajik opposition, the Taliban and religious funds and organizations from Saudi Arabia and Pakistan brought them weapons and paid for their armed forces. Juma Namagani, Tahir Yoldosh, and Zubair Abdurakhman became leaders of the IMU. In 1997-1998 they carried out their first terrorist acts by murdering several local officials in the Andijan Region of Uzbekistan. On 17 February, 1999 a series of terrorist acts in Tashkent betrayed their true aims for the first time. There were five explosions that killed 19 (or even more, according to alternative sources); several of the bombs exploded at the building of the Cabinet of Ministers and the Ministry of the Interior.

The IMU expected to destabilize the situation, cause havoc, and attract international attention. This never happened thanks to the timely measures of the country's leaders, yet international response was considerable. Before that Uzbekistan was believed to be the most stable Central Asian country. Later the top officials admitted that the long spell of stability and order in the republic created an illusion that the nation had accepted the economic reforms and deprived the opposition (and religious opposition) of its strongest arguments. Reality proved to be much more complicated. At that

³ See: V. Shelia, "Gde taliby sdaiut khvosty?" *Novaia gazeta*, 5-8 October, 2000.

time, there were at least 1,000 well-armed fighters in the IMU armed forces that could count on support of Arabic mercenaries, fighters of the Tajik opposition and the Taliban ready to side with the Uzbek Islamists.

In the summer of 1999 and in 2000 the IMU fighters invaded the Surkhandaria Region of Uzbekistan and the Batken Region of Kyrgyzstan. Some of the units approached the capital of Uzbekistan using mountain roads. The authorities were very much concerned; it took a lot of efforts, patience, and time to move back the fighters who were using the tactics the local separatists had tested in Chechnia.

The Ferghana Valley was the strategic goal of the IMU: its leaders expected support from those who believed in the Islamic state; the fighters aimed at controlling one or two districts to set up an Islamic state there. In anticipation of a decisive battle they stored weapons and ammunition.

In the latter half of the 1990s, up to 30-35 percent of the local population supported the Islamic ideas and their radical variants. (The Uzbek part of the Ferghana Valley comprises 4.5 percent of the republic's territory and is home for about one-third of its population, out of the total 25 million.) Had the fighters entrenched themselves in the valley the results would have been hard to predict. According to the local authorities, if the Islamists managed to establish control over Uzbekistan, at least eight million of those who did not want to live according to medieval rules would have left the country driven away by fear of repressions.⁴ A civil war, similar to that that had been tearing apart Tajikistan in the 1990s, could not be excluded.

In 2001 official Tashkent was facing a very real threat of a large-scale guerilla war. Having defeated General Doustum the Taliban moved to the state border of Uzbekistan. Meanwhile the IMU leaders who remained in the camps the Taliban had set up for them in Afghanistan issued belligerent statements to the effect that the IMU fighters and the Taliban would join forces to attack Uzbekistan. There was no stability inside the country either. Seemingly secure, the official authorities had all reasons to be concerned with the situation in the Ferghana Valley; the leaders of Uzbekistan were readying to rebuff aggression: the state border with Afghanistan was fortified, more weapons were bought, while diplomats tried to attract attention of international community to the problem of religious extremism and terrorism.

The events of 9/11 convinced the world that terrorism was a common threat; all leading states became aware of this. Very soon the United States launched an operation of retribution against Afghanistan in the course of which the IMU was very actively involved on the side of the Taliban, while the IMU leader Juma Namangani was appointed bin Laden's deputy and commander of the northern front. The IMU paid with heavy losses for this (especially at Kunduz and Talukan). There was information that Namangani himself had been killed that later turned out to be false.

In the latter half of November 2001, having realized that victory could not be achieved the leaders of the Taliban altered their tactics. What the world media called "a complete rout" of the Taliban was probably a tactical ploy of its leaders. To avoid direct confrontation with the stronger enemy, they went underground to preserve what was left of the battle-worthy forces. Part of the Taliban retreated to Pakistan; others went up to the mountains, while still others formed the so-called "Pashtoon units of the anti-Taliban coalition." None of the prominent leaders of the Taliban, to say nothing of bin Laden, have been captured.

The IMU was ordered to spare its forces and lie down for a while as well. At first its members tried to find shelter in the northern provinces of Afghanistan in the zone controlled by Tajik field commanders, later the larger part of them moved to Iran, the Pashtoon regions of Pakistan, and Tajikistan.

Religious Opposition Today

According to official estimates, the IMU is no longer as dangerous as it was before. During the counter-terrorist operation of the United States in Afghanistan the IMU lost nearly all its bases in the north

⁴ See: Z. Todua, "Islamskaia oppozitsia v Uzbekistane do i posle nachala antiterroristicheskoy operatsii v Afghanistane," *Publications*, April 2002 [www.niiss.ru].

of the country. It also lost its financial sources. In 2002 and 2003 it was much less active than before and could no longer threaten Uzbekistan and Central Asia as a whole.

The situation with Hizb ut-Tahrir is different: for some time (during and after the active phase of the American military operation in Afghanistan) it remained quiet probably in anticipation of another wave of arrests; there were fears that the authorities would destroy the organization if the situation permitted. Later the party revived. Today, despite repressions it is working: in the first half of 2003 it reached the highest peak of its activity by distributing leaflets in Tashkent and its environs, in the Ferghana, Namanagan, Andijan, and Surkhandaria regions as well as in the Kyrgyz part of the Ferghana Valley (in places with the predominant Uzbek population). These leaflets are either printed in small printing shops or written by hand. As a rule the party activists dropped them into postboxes.

Today the party is actively building up its membership through propaganda and agitation, leaflets, religious literature, clandestine meetings, and massive Friday prayers in unregistered mosques. It has also mastered new methods: its leaflets call on people not to be afraid of arrests and prisons and explain that each arrested rank-and-file member win at least 30 to 50 of his close and distant relatives over to the party's cause. Those who leave prisons under amnesty or because their term expires tell their relatives and friends about the horrors of being a political prisoner in Uzbekistan, which increases the number of enemies of the state.

According to local experts, recently the quality of leaflets worsened: they became too blunt, teach the faithful intolerance and call them to the struggle against the "unfaithful" and "apostates." One of the leaflets, for example, says that there can be no cooperation between Islam as the perfect religion and other faiths, that Islam is the main religion and nothing will come after it, and that those who say that all religions are equal contradict the Koran. If the unfaithful reject Allah, the Koran, and its rules a dialog with them will be meaningless. Those who want to enter into a dialog with other religions betray Islam. As before leaflets heap primitive criticism on the country's leaders. The lower quality of the leaflets can be probably explained by the fact that the better-educated party members have been arrested. In 2003, about 7,000 were kept in prisons as members of religious extremist organizations; there were 1,600 Wahhabis among them; 650 members of radical Islamic movements of all sorts; around 200 representatives of secular opposition (from the former Birlik and Erk parties); about 4,500 Hizb ut-Tahrir members,⁵ the republican emir (head) of the party among them arrested in the spring of 2002, as well as heads of some of the larger groups. The law enforcement bodies closed 15 clandestine printing shops and stemmed the flow of illegal religious literature coming to the country from abroad.

To undermine the positions of Islamists the authorities have enlisted the loyal mullahs and imams who work with the faithful; the official clergy has been instructed to convince the faithful during Friday prayers (the most important prayers which attract crowds) that domestic and foreign policies are absolutely correct and that ordinary people should reconcile themselves with them and concentrate on their families and everyday concerns. This improved the situation among the clerics; starting in the mid-1990s they have been receiving secondary and higher religious education in the republic. The share of unreliable (from the viewpoint of Tashkent) imams of the "Soviet school" and those who in 1991-1994 studied abroad has dropped. (Today nearly 80 percent of the imams were educated in the republic in post-Soviet times.)

By the first half of 2004 there were 1,987 official mosques in the republic and about one million active faithful who perform all religious rites and rituals. The authorities, however, have not yet been able to completely eliminate religious extremists: there is always a danger of their revived influence under a new and active leader. This may happen if the economic reforms underway in the country will not improve the standard of living of the nation's majority.

One can say that by the late 1990s the republic acquired a fairly strong Islamic opposition, which proved unable, however, to topple down the regime. The Islamists limited themselves to the task of setting up a separatist Islamist enclave (patterned on similar structures in Chechnia and the Kadar Zone of Dagestan) in the parts of the Ferghana Valley, which belong to Uzbekistan and Kyrgyzstan.

⁵ Quoted from the leaflet of Hizb ut-Tahrir distributed in Tashkent in February 2003.

President Karimov is convinced that in his country the threat of Islamic fundamentalism is manifested in its attempts “at undermining people’s confidence in the state that is carrying out reforms; destroying stability, ethnic and civil harmony very much needed while the country is moving toward better life. The Islamists have resolved to discredit democracy, the secular state, the multiethnic and multiconfessional society.”⁶

The measures carried out by the leaders of Uzbekistan and the counter-terrorist operation in Afghanistan helped contain the Islamist onslaught. The Uzbek citadel is standing; the country defended itself and its Central Asian neighbors.⁷ It is too early to say that the Islamists have lost their positions: in April 2004 Tashkent and Bukhara were shaken by terrorist acts, while the Islamists mastered new tactics—female suicide bombers. This is a dangerous method of which Russia is unfortunately well aware.

It is not easy to stem the numerical growth of the radical terrorist movements, yet the struggle against them should be brought to its logical end. This is what the leaders of independent Uzbekistan want.

- First, the country should complete modernization of its social, political, and economic life;
- second, it should pool to its side the informal religious leaders;
- third, it should continue its struggle against the Islamists seeking a civil war;
- fourth, it should help the international community in its efforts to stabilize the situation in Tajikistan and Afghanistan in order not to allow extremists to turn the countries into a toehold of another religious expansion against Central Asia.

⁶ Interview with Shoazim Minovarov, Chairman of the State Committee for Religious Affairs, Tashkent, 24 February, 2004.

⁷ See: I. Karimov, *op. cit.*, p. 44.

THE MUSLIM EAST AND RADICALIZATION OF ISLAM IN THE NORTHERN CAUCASUS

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In the 1990s, extremist terrorist organizations and movements operating under religious and ethnic slogans and trying to impose their own ideological and moral principles on others became very active in the Northern Caucasus. Their radicalism and extremism stemmed from trends and organizations that tried, like ultra-left revolutionaries, to monopolize the right to speak for the people and

express their interests and hopes. They distorted the Koran and the Sunna in an attempt to adjust them to their purely political aims.

For this reason it is hardly correct to use “Islamic terrorism” and the “Islamic threat” to describe extremist movements and groups acting in the Muslim world. All of them are out to change the social and political life of the Muslim countries ac-

ording to the principles of "pure," original Islam, which means that they are, in fact, apologists of the ideology known as Islamism.

M. Roshchin, Ph.D. (Hist.), who is well known as an expert in Daghestan, has pointed out that the first seat of Islamic fundamentalism in the Northern Caucasus appeared in Daghestan, from where it gradually spread across the region. By the mid-1990s, the republic had already become the ideological center of fundamentalism, while Chechnia promptly developed into its proving ground.

In 1989-1995, these structures were living on huge amounts of money from abroad, yet foreign influence was obvious even earlier. In the latter half of the 1980s, the founder and leader of the Islamic Jamaat Muhammad Bagauddin (Bagavudin Magomedovich Kebedov born, according to certain sources, in the Avar village of Santlada, Tsumadinskiy District of Daghestan, or in the Chechen village of Vedenov, according to other sources) "had contacts with embassies in several Arab countries, which supplied him with the literature he needed."¹ Foreign money helped build mosques and open teaching and propaganda centers in Makhachkala and Kiziliurt, foreigners paid for huge circulations of newspapers and magazines, and for the large number of copies of religious books. Numerous foreign delegations and individual functionaries visited the republic as missionaries and educators, wishing to learn more about the local situation. Arab and other Islamists used the visits to establish contacts with corresponding structures in Daghestan, to share experience with Muslim leaders, and to influence the ideological and political orientation of the local Muslims.

"On 13 May, 1989 a group of Islamists from Kirghizia, Turkmenia, Kazakhstan, and the North Caucasian republics held the so-called congress of Muslims in Buinaksk. The congress decided to capture the Spiritual Administration of the Muslims of the Northern Caucasus. Later, they were active in the villages of Agvali (the Tsumadinskiy District), Erpeli (the Buinaksk District), Kaiakent (the Kaiakent District), in villages of the Buinaksk and Gunib districts, and in the city of Khasaviurt. They

¹ A.M. Magomedov, K.M. Khanbabaev, "Religia i protsessy mirotvorchestva v Daghestane," *Informatsionno-analiticheskiy bulleten* (Makhachkala), No. 2 (5), 2003, p. 10.

also held several unsanctioned rallies of believers in the center of Makhachkala."²

Early in the 1990s, young people from Daghestan went abroad in large numbers to study in Muslim educational establishments. The process was uncontrolled; it was up to the representatives of foreign Islamic organizations to select future students from among the local young men. In the mid-1990s, the Daghestani Islamists turned the selection process into a competition among the students (tilmizes) of the local madrasahs and were also guided by teachers' recommendations. The competition lasted a week, whereby the competitors first stayed at the Chaika sanatorium and then at the Primorskaia tourist base. Students from the madrasah of the Kudali village (founded by Akhmad-Qadi Akhtaev), Kiziliurt (founded by Bagavudin Kebedov), and other Islamist schools stayed at the sanatorium. The selected were sent to Saudi Arabia, Tunisia, Egypt, Malaysia, etc. to continue their studies. Early in the 1990s, deputy finance minister and pro-rector of the Islamic University of Medina, accompanied by Akhtaev, visited the village of Kudali, where they arrived in a helicopter hired from the republican authorities. Akhmet Iarlykapov has written: "Some of the Wahhabi madrasahs were reminiscent of quasi-military camps where study went hand in hand with serious physical and military training: it was believed that in contemporary conditions, jihad would inevitably develop into an armed struggle."

In 1995-1996, a group of Arab lecturers at the Shafi'a Islamic University rented the Danko summer camp in the Buinaksk District where the university students were taught Islamic sciences. The Spiritual Administration of the Muslims of Daghestan, in turn, tried to send "its own" graduates abroad, mainly to Syria (with the help of a Syrian citizen, ethnic Daghestanian Muhammad-Noor Daghestani) and to Turkey (with the help of a retired Turkish general, descendant of Daghestani émigrés Mehti-pasha Sungur).

There was a more or less common opinion among the imams and the Spiritual Administration's functionaries that the graduates of Islamic educational institutions in Saudi Arabia, Qatar, Egypt, and other countries strengthened the position of Islam-

² G. Kurbanov, "How Daghestan is Opposing Religious Extremism," *Central Asia and the Caucasus*, No. 5 (17), 2002, p. 122.

ists in the republic. Head of the Spiritual Administration of the Muslims of European Part of Russia Ravil Gainutdin agreed with this. Some of the Dagestani lecturers at the Shafi'a Islamic University did not completely trust their Arab colleagues. They were tolerated because Arab charities lavishly supported those institutes that hired their compatriots. Islamist NGOs of Turkey, Syria, Jordan, and Saudi Arabia used their local Dagestani diasporas to actively influence the Muslims of the Republic of Dagestan.

While in the early 1990s the influence of Islamist organizations of other (except those enumerated above) Muslim countries was negligible, by 1999 Russia had about 110 registered Muslim educational establishments, in which teachers from Egypt, Syria, Jordan, Turkey, and other Muslim countries taught religious disciplines and Arabic.

In 1986, there were 27 mosques in Dagestan, while according to official sources, as of 1 July, 2003 there were 1,679 mosques with 2,400 imams and muezzins, as well as 16 Islamic higher educational establishments with 52 branches, 141 madras-

ahs, and 324 maktabas. All together they taught 15,630 students (4,300 in maktabas; 5,400 in madrasahs; 5,930 in institutes). There were over 30,000 Sufis of the Naqshbandi, Shazili, and Qadiri tariqats. About 100,000 Dagestanis performed the hajj and umra; nearly 1,200 are studying in higher educational establishments abroad, hundreds of graduates have already returned home.

Arabian students at Dagestani higher educational establishments have also contributed to politicization of Islam in the republic. To promote their ideas and enlist supporters, they were actively involved in religious seminars, symposiums, and other scholarly and cultural international events. Some of them used the idea of resurrecting the cultural and historical heritage of Islam in certain Muslim regions of Russia to remove them from "Moscow influence." After the well-known events of August-September 1999, all teachers from Muslim countries were deported from Dagestan; some of them, however, managed to stay as post-graduate students of state institutes of higher learning.

Is This Charity?

The officially registered offices of Islamic charities and national Arab organizations also contributed to the developments described above. Several of them are fairly well known in Dagestan: the International Islamic Salvation Organization (al-Igasa) headed by a Saudi subject, Abd al-Hamid ad-Dagestani, and an Algerian citizen, Zarat Abd al-Qader. According to the republic's law enforcement bodies, such organizations as al-Igasa, Benevolence International Foundation (BIF), Jamaat Ikhya at-Turas al-Islami (the Revival of Islamic Heritage Society—RIHS), Lashkar Tayba, Al-Hayriya, Al-Harameyn, Qatar, and Ikra set up Wahhabi enclaves and seats of armed resistance in Chechnia and Dagestan. According to the Algerian authorities, Zarat Abd al-Qader was also involved in transporting Algerian and Egyptian mercenaries to Chechnia and Dagestan.

M. Aliev has pointed out that technologies for destroying the united spiritual administrations of the Muslims were first tested under al-Igasa's patronage, together with methods for planting Wahhabi ideology, financing religious extremists, and setting up separatist alliances and illegal armed formations. The Islamic Salvation Organization educated personnel for other similar organizations. For example, head of the BIF office in Dagestan Jordanian Al-Fara Yusef Ali used to be the Chief Health Officer with al-Igasa. In August 1999, he hastily left Dagestan investing one of the local people with the enduring power of attorney.

M. Aliev has further written that, as a rich organization, BIF financed the Charity Hospital for Women Foundation set up by a Wahhabi Mother and Child League. With no bank account of its own, the League had to use bank accounts of the Charity Hospital. The BIF was not registered with tax offices; couriers from Baku delivered its money in cash. Cooperation among these organizations and the methods they employed to avoid taxes brought large amounts of cash into the republic. For the same purpose, an eponymous company, the Benevolence Inter. Fund, was established. According to the Auditing Chamber of the Republic of Dagestan, in 1999, the Benevolence branch transferred 91,800 rubles to the Charity

Hospital; in 2000, the sum was 1,628,192 rubles. According to customs declarations, in 1999 the Charity Hospital received 70 units of medical equipment worth \$27,961 from the so-called representative office of the Chechen Republic of Ichkeria in Baku and from the Kuwait Foundation of Aid to the Sick. The Charity Hospital registered the receipt of only 23 units worth 173,503 rubles (or \$6,968). The rest (47 units in the sum of \$20,994) disappeared together with the documents confirming that the equipment had been sent. The leaders explained that the equipment did not reach the Charity Hospital, but was sent on to Chechnia, where it was supposed to go from the very beginning.

In fact, the Benevolence branches were set up to complicate control over them. The League itself was set up with the financial support of Abd al-Hamid ad-Daghestani and the Pakistan organization Lashkar Tayba; according to the Western press, it was connected with bin Laden. The Charity Hospital was set up to screen financial transactions going to aid Wahhabism and transport extremists and dual-purpose equipment to Daghestan and Chechnia. According to Sheikh Abdallah Dabbag, Chairman of the Qatar Charity Society, its eight branches have been working in Daghestan and Azerbaijan since 1995. The Daghestani branch was working illegally before it registered itself in March 1997. Between 1996 and 1999 about \$1 million was sent to Daghestan and Azerbaijan in the form of aid.

In 1995-1999, Al-Harameyn and Jamaat Ikhyat-Turas al-Islami unofficially transferred nearly \$10 million to the illegal armed units of Daghestani Wahhabis. In his report of 6 March, 1996 Bagaudin wrote: "To my esteemed brother Salim Muhammad Zakharan, Director of the Jamaat Ikhyat-Turas al-Islami Bureau in Russia and the Islamic republics. We inform you that we bought office and video equipment, means of transportation, and five apartments for teaching students outside the mosque. We registered the Kavkaz Center and started the *Znamia Islama* (Banner of Islam.—*Ed.*) newspaper."

Declared good intentions aside (these organizations claimed that they helped common people, victims of natural and social calamities, and orphans), these structures secretly used their potential to strengthen the Islamic factor in the republic. The number of religious educational establishments was growing in geometric progression, tempted by money secular higher educational establishments were also involved in the religious sphere, and mosques were mushrooming everywhere. Hundreds of young people were driven to extremist centers and camps, and local Wahhabis, radical Islamic parties, and societies were enjoying financial and material support from abroad. Missionaries from Saudi Arabia, Pakistan, Sudan, Yemen, Egypt, Jordan, Kuwait, UAE, etc. were arriving in large numbers. Foreign money paid for the Kavkaz Information Center, the Islamic Nation, the Congress of the Peoples of Ichkeria and Daghestan, Al-Islamiyya, the Islamic Revival Party, and other regional separatist structures.

In 1999-2000, the North Caucasian Islamists tried, probably in vain, to receive official (government) aid from the Arab countries. Zelimkhan Iandarbiev (who lived in Qatar) confirmed this by saying: "So far we have not received support in any of the Islamic countries we counted on."³

Late in 1999, a nongovernmental Organization of Islamic Salvation of Chechnia (Munazzamat al-igasa al-islamiyya li Sheshen) was set up in Kuwait (not registered with any state structure). Connected with Khattab, it gathered money, recruited mercenaries and transported them to Chechnia through Turkey, Azerbaijan, and Daghestan. Normally, one operation, or three days, was needed to transfer up to \$100,000.⁴ According to the Russian special services, members of another Kuwaiti religious organization, Islamic Heritage Revival (Ikhyat-Turas al-Islami), transferred \$40,000 to the Kavkaz Center.⁵ Certain UAE official structures, the Islamic Bank headed by Chechen Said Luta among them, also gave money to Islamists in Russia.⁶

In Yemen, too, radical Islamic groups stepped up their support of Daghestani and Chechen Islamists. For several domestic and socioeconomic reasons (separatism of the sheikhs of large tribal confederations, an official ideology crisis, and the grave economic situation in the south), the Yem-

³ G. Charodeev, "Kto pomogaet chechenskimi boevikami," *Izvestia*, 8 December, 1999.

⁴ See: E. Mikhailov, "Tainye tropy oruzhia," *Versty*, 25 October, 1999.

⁵ See: *Vlast*, No. 44, 9 November, 1999.

⁶ See: E. Mikhailov, "Obshchak," *Versty*, 7 December, 1999.

eni authorities are unable to control the local and foreign Islamists who have entrenched themselves in the country.⁷ In the first ten months of 1999, the Yemeni Alliance for Reforms (al-Islakh) gathered about \$4.5 million; the money was sent to Saudi Arabia through the Islamic Bank and on to the Northern Caucasus.⁸

In Lebanon the North Caucasian Islamists were mainly supported by nongovernmental religious-political organizations (NGRPO). Earlier Sheikh Taher Mahmud al-Murshidi, the founder and head of a terrorist group Khalid Islambuli Brigade (named after the man who in 1981 assassinated President of Egypt Sadat and was executed) dispatched a group of mercenaries through Lebanon to Chechnia. The operation was supervised by Bagaouddin (B. Kebedov) as one of the leaders of the Islamic Army of the Caucasus.⁹

Jordan plays a special role in helping Daghestan and Chechnia. It has a large North Caucasian diaspora of muhajirs (whose ancestors emigrated to the Ottoman Empire after the Caucasian War of 1817-1864). There are several cultural and humanitarian North Caucasian associations in this country, including Chechen Charity and the Society of Friends of Checheno-Ingushetia. There is the opinion that they are engaged, in particular, in gathering information about Russia. This does not mean that Jordan is pursuing anti-Russian policies at the official level, but the local radical Islamists have been actively gathering money for Chechnia. For example, early in 1999 the local branch of the Muslim Brothers gathered about \$20 million; the money was transferred to the Baku office of Al-Haramayn and from there to Chechnia and Daghestan by couriers as aid to communities, schools, mosques, etc. One trip could bring up to \$100,000. (Information about \$20 million gathered in Jordan for Islamists and Chechen militants was confirmed by the Russian Foreign Ministry.)

Results

It was mainly missionaries from Arabian and other NGOs who helped radicalize Islam in Daghestan. Mustafa Muhammad Tahan, Secretary-General of the International Union of Islamic Student Associations, has written in his book *The Future of Islam in the Caucasus and Central Asia* (published in 1995 in Arab in Kuwait) that he personally took part in setting up an All-Russia Islamic Revival Party on 9 June, 1990 in Astrakhan. Said he: "Our party tried to overcome regionalism, Islamic legal and theological differences, and everything that destroys Muslim unity in this country." In 1990 its branch appeared in Daghestan; above-mentioned Egyptian Servakh and Algerian Zarat were its active members. According to the special services of Russia, in 1992 alone this branch received \$17 million from Saudi Arabia.¹⁰ In Daghestan, the city of Kiziliurt and the village of Santlada (the Tsumadinskiy District) became centers of radical Islam, from which it spread across the republic; some of those who lived in the villages of Kvanada and Tlondoda were also involved in the process.

Bagaouddin founded the Khikma madrasah in Kiziliurt, which taught several thousand tilmizes; the curricula included religious films with sermons delivered by Islamic radicals from Arab countries, as well as videos showing fighting between the Chechen separatists and the federal forces, etc. Another large community of radicals appeared in the zone of the Kadar jamaat, which included the villages of Kadar, Chabanmakhi, and Karamakhi where Arabs offered primary religious instruction. According to the law enforcement bodies, until the summer of 1999, criminals guilty of grave crimes and even murders concealed themselves in Karamakhi and Chabanmakhi. The Muslim community of these two villages and partly of Kadar of the Buinaksk District with the main mosque in Karamakhi became "a small Wahhabi republic," an outpost of fundamentalism in Daghestan. It was there that young people from all over the

⁷ See: K.I. Poliakov, "Yemenskie ekstremisty i Rossia (Plemennye vozhdii pokrovitel'stvuiut eksportu islamskoy revoliutsii)," *NG-Religii*, 24 February, 1999.

⁸ See: Iu. Tyssovskiy, "Islamskie den'gi tekut v Chechniu," *Vek*, No. 40, 1999; *Vlast*, 9 November, 1999.

⁹ See: Iu. Tyssovskiy, "Dollary iz-pod poly," *Vek*, No. 44, 1999.

¹⁰ See: A. Chelnokov, "Vahhabity v Tobol'ske," *Sovershenno sekretno*, No. 10, 1999.

republic and from other North Caucasian republics came in search of “pure” Islam. Local instruction included two stages: first ideological and then military training.

Akhmad-Qadi Akhtaev opened a madrasah in the village of Kudali (the Gunib District) where Alaudin and other Arabs taught students from Daghestan, Kabardino-Balkaria, Ossetia, and Karachaevo-Cherkessia. A Wahhabi enclave was set up in the village of Gubden; radicals appeared in the Khasaviurt, Kazbek, Gunib, Karabudakhkent, and Derbent districts, as well as in the villages of Khushet and Leninkent (near Makhachkala). There was an Islamic institute in Makhachkala on Lenin Street in a building which formerly housed a music school. Among the lecturers were several Arabs: Mukhammad-Gani, Khusam ad-Din, Abd al-Maksud from Egypt and several of his compatriots; Yusuf and brothers Takha and Ibrahim Yasin from Iraq, who had lived in Saudi Arabia, Algerian Ashur, who moved to Baku in 1996, Salakh from Sudan, etc.

Nurul Islam, the official newspaper of the Spiritual Administration of the Muslims of Daghestan, published some of the documents found during research at the Islamic Center Kavkaz carried out after Khattab attacked a military unit in Buinaksk on 23 December, 1997. These documents contained information about \$9,000 the Baku branch of Al-Haramayn Charity transferred in 1998 to celebrate Iftar in Daghestan. The newspaper also published a request for \$20,525 for the Kavkaz Center, a report on how \$10,688 allocated “for Iftar for poor Muslims” in Karamakhi, Kiziliurt, Uchkent, Kizliar, and Makhachkala had been spent, and a document under which Bagauddin (Kebedov) received \$2,000, his salary for four months.¹¹

Money was mainly delivered by couriers; many of them, Arabs and Turks who came to Russia legally (and illegally) with huge amounts of cash on them, were detained in Daghestan. Two Iraqis with \$300,000 on them were detained in the Belokan District of Azerbaijan. They were headed for Daghestan. Couriers crossed into Russia from Georgia; there were other channels of cash deliveries. In December 1998, Egyptian al-Labban used a conference of the Congress of the Peoples of Ichkeria and Daghestan to hand \$200,000 to Shamil Basaev.¹²

Saudi Arabia: Is It a Cradle of Islam and a Cradle of Terror?

Some radical organizations have set up their headquarters in the Gulf countries; financially they are mostly dependent on the local governments, yet prefer to ignore their recommendations. The Russian ambassador to Saudi Arabia has pointed out that officially the country does not support the fighters.¹³ Since the religious-political situation in Saudi Arabia is not a simple one, we should keep in mind both the motives and the consequences of the humanitarian aid and educational activities its subjects carry out in Russia (in Daghestan, in particular). For the same reason we should not overestimate the Saudi authorities’ ability to control all the large international Islamist organizations in their country: they are virtually free to operate at will. Obviously, what is going on in Saudi Arabia—one of the most influential countries in the Arab and Islamic world and the largest oil producer—directly affects the situation in the Middle and Near East and even in the world.

Despite certain progress in liberalizing its public life, Saudi Arabia is still one of the most conservative and closed Muslim states. Political scientist Valentin Iurchenko writes that the outward peace and

¹¹ See: D.V. Makarov, *Ofitsial’nyy i neofitsial’nyy islam v Daghestane*, Moscow, 2000, p. 47; *Nurul Islam*, No. 3, February 1998.

¹² See: Iu. Tyssovskiy, “Dollary iz-pod poly;” E. Mikhailov, “Taynye tropy oruzhia;” Iu. Tyssovskiy, “Islamskie den’gi tekut v Chechniu.”

¹³ See: A. Stepanov, “Oazis posredi pustyni (Saudovskaia Aravia unikal’na po-osobomu,” *Trud*, 2 and 6 February, 2002.

social and political stagnation in this country are deceiving.¹⁴ The religious-political situation there is still very complicated; there are serious social and economic problems there caused primarily by the sharp fluctuations in oil prices on the world markets. Drinking water is in short supply; it is increasingly harder to create jobs for the local people, especially for the younger generations, and to maintain their high social status. The number of unemployed educated young men is climbing, class differentiation is becoming more and more obvious, and the gap between the rich and the poor is widening. The shrinking financial resources make it much harder to pay for the nation's loyalty, the "golden age" of wealth and great expectations when all were sure of affluence from the first to the last day of their lives is receding into the past.

Historian V. Solovey, an expert at the Gorbachev Foundation, has the following to say about Saudi Arabia: "The contemporary regime in Saudi Arabia cannot be called fundamentalist—the initial revolutionary Wahhabi impulse has been completely exhausted. It seems that the catastrophically wide gap between degrading reality and standard utopia is forcing the Saudis to export Islamic revolution by channeling the passionate energy threatening the kingdom outwards."¹⁵

In this way, the threat of Islamic extremism is always present in Saudi Arabia; today, the radical trend of "neo-Wahhabis" is the main menace.

Involvement in Hostilities

The Arab countries discovered that it was much easier to control financial flows than to keep their citizens away from fighting in the Northern Caucasus. The authorities of some of them can only exercise limited control over the comings and goings of members of religious-political extremist organizations. The first press reports about mercenaries from Arab and other Muslim countries appeared when armed Islamists from Chechnia invaded the Tsumadinskiy and Botlikh districts of Daghestan on 2 August, 1999. The so-called United Command of Daghestani Mujaheddins headed by Shamil Basaev (which carried out the invasion) was divided into three groups: the Islamic Army of the Caucasus (under Bagavudin Kebedov), the Daghestani Rebel Army of Imam (under M. Tagaev) and the Peacekeeping Forces of the Mejlis of the Peoples of Ichkeria and Daghestan (under Khattab).¹⁶ The press referred to officers of the Daghestani security services when it reported that Arabs on the payroll of extremists of Egypt, Turkey, Afghanistan, Kuwait, Iran, Pakistan, Saudi Arabia, the Sudan, and Morocco trained fighters in Chechnia.

This was possible because for many years the local Islamists used 25,000 passport blanks of the Russian Federation (brought to Ichkeria in 1993 and left there) to issue Russian passports to foreign mercenaries. The special services suspect that many Russian citizens of this sort are roaming around the country gathering information and setting up subversion groups.¹⁷ According to the RF Ministry of Defense, in October 1999 alone up to 300 mercenaries from the Middle East and Bosnia and Herzegovina came to the fighting area in the Northern Caucasus through the "gaps" in the Russian-Georgian border.¹⁸ Back home, they were wanted criminals. In fact, in their countries, most Islamists are persecuted as criminals for wishing to set up an "Islamic state" contrary to the local constitutions. Al-Harameyn and the Alliance of the Muslim Bosnian Youth recruited mercenaries in Turkey, Pakistan, and other Muslim countries and paid for their transportation.¹⁹

¹⁴ See: V. Iurchenko, "Saudovskaia Aravia: vlast i oppozitsia," *Vlast*, No. 1, 2003, p. 66.

¹⁵ V.D. Solovey, "Ideologicheskoe i politicheskoe izmerenia fundamentalizma," *Rossia i musul'manskiy mir. Bulletin referativno-analiticheskoy informatsii*, No. 10 (136), 2003, p. 150.

¹⁶ See: I.P. Dobaev, "Kvaziislamskie ekstremizm and terrorizm na Severnom Kavkaze," *Rossia i musul'manskiy mir*, No. 9 (135), 2003, p. 73.

¹⁷ See: V. Khlystun, "Naemniki," *Trud*, 19 November, 1999.

¹⁸ See: E. Mikhailov, "Taynye tropy oruzhia."

¹⁹ See: V. Khlystun, op. cit.

There were military camps in Chechnia and Daghestan where local young men were trained. A Shagako of the Federal Security Service said at a press conference that those who organized and carried out the blasts in Moscow, Volgodonsk, and Buinaksk were trained in Chechnia at the Kavkaz training center set up by Khattab.²⁰ He also controlled the so-called Islamic Institute of the Caucasus, at which 40 lecturers from Afghanistan and Arab countries trained 160 students; after two months of Koranic and linguistic (Arabic) studies they were sent to the militarized Ibn Abu Vakkas camp, where Khattab and others taught demolition techniques and all the other skills indispensable for a "jihad fighter." Some of them were sent to Pakistan, Turkey, and other countries. All foreign mercenaries had to study at Khattab's courses as well—not only those who wished to learn more at the Islamic Institute of the Caucasus.

The republic paid with 212 killed and 619 wounded (108 and 179 civilians, respectively) during the invasion of August-September 1999 when it had to rebuff an armed aggression from Chechen territory. Thirty-three settlements were destroyed in the Botlikh, Novolakskoe, and Buinaksk districts; 17 schools, 20 kindergartens, 20 cultural institutions, 11 mosques, 28 outpatient clinics and hospitals, 45 administrative buildings, 156 km of highways, 333 km of transmission lines, 210 km of communication lines, and 5,980 private houses were demolished. Three thousand four hundred and seventy-seven families, or 13,989 people lost their homes and property.²¹ Overall losses were assessed at 1,632,000,000 rubles.

Late in April 2002, when it became known that Khattab had been killed, the Federal Security Service made public information about the leading role of foreign terrorist organizations in Chechnia: Khattab, for example, was a member of the so-called Shura, a council of warlords all of whom, except Basaev, were Arabs. (Khattab was its actual head.)

Under pressure from the federal forces, the Islamists had to limit their activities. From time to time the media report deaths of "amirs," destroyed Islamist groups, and considerable losses among the Wahhabis. We should not dupe ourselves, however: the Islamists have not lost their influence. Extremists were driven underground, yet did not lose their attraction for the young men who joined their ranks (in smaller numbers than before), tempted by payments from abroad or allocated by the local criminal groups acting under the "banner of Islam." Religious faith is used to justify terrorism, subversion, and other crimes.

There can be no doubt that Islam is one of the key social and political factors in Daghestan. Most people practice traditional Islam in the form of North Caucasian Sufism (Muridism) represented by three tareqats: Naqshbandiyya, Shaziliyya, and Qadiriyya. The relations among them are far from perfect, yet they agree that Islamism, locally known as Wahhabism, should be denounced and uprooted.

According to the Daghestan Interior Ministry, there are 893 supporters of this extremist religious teaching known to the ministry's structures; in 2001, 12 people were arrested as members of illegal armed groups; 53 more are wanted, 50 of them are wanted by Interpol. (In the same year, over 100 were detained to investigate their contacts with illegal armed groups.)

The movement of "pure" Islam, which seeks cleansing of "illicit novelties," has a long history in Daghestan, the Northern Caucasus, and elsewhere in the Muslim world. Driven underground, the Wahhabis became extremists: no wonder they resorted to blasts in Kaspiisk, murders of militiamen and top officials of the Republic of Daghestan, and other extremist acts.

There is the opinion among the common people and in the law enforcement bodies that the anti-Wahhabi law was premature: it would have been wiser to identify all members of this movement, their contacts, and the channels through which they received aid from abroad, etc. and then deliver a blow to all their structures across Russia.

In his interview with the *Neprikosnovenniy zapas* journal, Prof. Malashenko, a prominent Russian specialist on Islam, pointed out that the struggle for the utopia of an Islamic state will never end; for this

²⁰ See: *Kontinent*, No. 12, 2000.

²¹ See: M. Kurbanov, "Repressions against the Peoples of Daghestan: Rehabilitation Problems," *Central Asia and the Caucasus*, No. 6 (18), 2002, p. 150.

reason political Islam, Islamic fundamentalism, will never disappear: in the near future it will continue fighting for the same unattainable goals.²²

²² See: "Sovremenniy Islam: mezhdru politikoy i traditsiy," *Neprikosnovenniy zapas*, No. 6, 2002.

DAGHESTAN AND TATARSTAN: THE STATE/RELIGION RELATIONSHIP IN THE ISLAMIC CONTEXT OF RUSSIA

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For my analysis of the relations between Islam and the state in Russia I have selected Daghestan and Tatarstan, two republics with predominantly Muslim populations which demonstrate the two most typical patterns of such relations. Islam in Daghestan has concentrated the main features of this religion in the Northern Caucasus, home of about 4.5 million Muslims, over 40 percent of whom belong to the Daghestanian ethnic groups. Islam in Daghestan has a common history with Islam in the neighboring republics. This is best illustrated by the Caucasian War of the 1820s-1850s and by the Soviet period (mainly between May 1944 and January 1990 when all religious organizations in the region were supervised by the Spiritual Administration of the Muslims of the Northern Caucasus). Today, the local religious organizations are working in close contact with the Coordinating Center of the North Caucasian Muslims (CCNCM), which has several co-chairmen who alternate once every three years.

The fact that the Daghestanian ethnoses share many of the adats (all sorts of taboos, blood feud, sworn brotherhood, hospitality, etc.) makes the republic best suited for the purposes of my analysis. It is equally important that in Daghestan and its neighbors, the Sunni Shafi'i madhab is the most widespread. In addition, Daghestan and other North Caucasian republics have been most exposed to the problems created by Islamic extremism. Daghestan was the first among them to pass the so-called anti-Wahhabi law in September 1999. Kabardino-Balkaria, Karachaevo-Cherkessia, and Ingushetia followed suit; Wahhabism was also banned in Chechnia.

The above shows that for many reasons Daghestan can be regarded as a "model of the Northern Caucasus."¹

As distinct from Tatarstan, Islam in Daghestan is functioning under difficult socioeconomic conditions, which are especially obvious high in the mountains and in the foothills. Specialists in social sciences and experts on the Caucasus are of the opinion that the traditions of the Daghestanian mountain peoples are dying away as remnants of patriarchal and semi-patriarchal societies. According to other authors,

¹ A. Malashenko, *Islamskoe vozrozhdenie Rossii*, Moscow, 1998, p. 107.

this approach is not totally correct: mountain peoples cherish their traditions. It takes much time to bring reforms to these distant settlements, which are very hard to reach. For example, the pre-revolutionary administrative and religious structures survived in the northwest of Daghestan until 1927, while collectivization was completed in 1939-1940, ten years later than in the rest of the country. Roads connecting the mountains and the valleys appeared late in the 1940s-1960s; in winter and early spring snow and mud flows make these areas inaccessible.² This explains why the traditional religious ideas, Muslim norms and rites suppressed under Soviet power survived up in the mountains. Traditional religious world outlook inevitably reflected the history and living conditions of the local people.

Islamic fundamentalism as a form of social protest gives Muslim religious communities immunity against novelties and restores archaic social relationships (property, moral, religious, etc.) under the banner of embracing the true and pure religion of their ancestors. Its ideology is a powerful consolidating weapon which could develop into religious extremism. Some people are of the opinion that "Wahhabism as a religious and legal teaching is typical of Daghestan. In fact, the ideology of the Imam Shamil movement did contain certain features of the Hanbali madhhab and principles of 'pure Islam'."³

This is not true: there are traditions of Islamic fundamentalism in our republic, yet they are mostly connected with the harsh climatic and living conditions in the foothills and the mountains. Ascetic and rigorist elements are inevitable in our spiritual and religious heritage: the people of Daghestan perceive this heritage as a source of heroism in the struggle against numerous enemies (also displayed in the Caucasian War against the Russian Empire), which provides spiritual support in coping with the hardships of life. These elements are still alive among the laity and Muslim clerics.

The following figures relating to the laity support the above:

1. 20.4 percent of the polled look at Wahhabism as an Islamic trend which, by banning some of the rites (worshipping of saints, costly burial rites, etc.), insists on a simpler and cheaper religious life. In the foothills, 28.7 percent of the people are convinced of this.
2. In the mountains, 20.8 percent of the polled (compared with 12.8 percent of the general sampling) describe Wahhabism as "a response to the injustice against Islam and the Muslims demonstrated by the state."
3. The idea of "Wahhabism as an Islamic movement that demands freedom of religion and does not formulate political demands" was actively supported (41.2 percent) in the Botlikh District, an area of hostilities in 1999; today the situation remains tense there.
4. Daghestanians who have greatly suffered from the ideas of extremist Wahhabism are still more convinced than the Tartar Muslims (22.1 percent in Daghestan compared with 17.7 percent in Kazan) that the religious content predominates in Wahhabism.
5. The relations between the rapidly changing world and Islam are one of the most urgent problems of Islamic resurrection in Daghestan and in Russia. To find out what the faithful thought about this they were asked: "If you think it possible please select one of the following formulas: for all the faithful, Islam should remain the same as it was under the Prophet Muhammad; Islam cannot remain the same as it was under the Prophet Muhammad since life has greatly changed since that time; undecided."

In Daghestan, 54.5 percent of the polled believed that "Islam should remain the same as it was under the Prophet Muhammad" (52.8 percent in the mountains; 82 percent in the foothills, and 47.5 percent in the valleys). It should be said that this conviction is part of the fundamentalist and Wahhabi ideologies. Only 24.9 percent of the polled demonstrated flexibility by selecting the second variant. On the whole, the greatest share of supporters of "fundamentalism" was found in the foothills (82 percent); in the countryside the share of such people is greater than in towns and cities (60.9 and 42.7 percent, respectively).

² See: V.O. Bobrovnikov, "Islam i sovetskoe nasledie v kolkhozakh severo-zapadnogo Daghestana," *Etnograficheskoe obozrenie*, No. 5, 1997, p. 138.

³ M. Shevchenko, "Etnokonfessional'nye faktory edinstva Rossii," *NG-Religii*, 27 October, 1999.

Our poll revealed that the most “fundamentalist minded” were the group of respondents who regularly performed namaz; the largest share (90.3 percent) of “fundamentalist minded” people was found in the foothills (the Karamakhi zone is part of the area) and in the countryside (83.7 percent). The figures for perfunctory prayers are much lower: 50.0 and 42.4 percent, respectively.

Sociological data confirm that fundamentalist ideas—fertile soil for Wahhabi propaganda—are popular among the Daghestanian faithful, yet this should not be taken as evidence of the local Muslims’ extremist sentiments. As a form of social protest, fundamentalism may develop into extremism in social-economic and social-political crises. Daghestan has already had a taste of this (not without a certain amount of influence from foreign religious NGOs).

By itself, rejection of Islamic modernization is not dangerous from the social-political viewpoint. It may develop into a threat if subjected to outside political influences. This is explained by the fact that everyday popular Islam as part of everyday consciousness, and public psychology is not always consistent: there are contradictory trends in it when it comes to realizing the idea of going back to the Muslim values of the early Middle Ages. It permits novelties in religious behavior created by social progress and contains rudiments of pagan beliefs, which, as a rule, remain unrecognized. Islamic fundamentalism as part of Islamic ideology is a different matter. In Daghestan, the fundamentalist ideas are consistently promoted and realized by the Spiritual Administration of the Muslims of Daghestan (SAMD), alims, and the well-educated faithful.

Recently, stronger fundamentalist trends as represented by the SAMD added urgency to the relations between Islam and the state. The local intelligentsia, who, on the whole, turned away from the religious resurrection issues, is being gradually drawn into discussions with the Muslim clerics about the relations among Islam, society, and the state. These discussions have already shown that the leaders of Daghestanian Islam are shaping Muslim consciousness to the detriment of the commonly accepted secular values; they are trying to turn some of the public institutions into religious ones in an effort to acquire the right to control certain social phenomena. The SAMD has already banned audio, video, and photo products on the religious theme, as well as the “sale and distribution of all literal translations of the Koran and the Hadiths—from those by Krachkovsky to those by Valeria Porokhova.”⁴ To destroy literature of an “anti-Islamic” nature, the SAMD expert council organized raids across the republic.⁵ In their zeal, the raiders removed from the shelves the Koranic translations by Muhammad-Nouri Osmanov, a prominent scholar and winner of the State Prize of Russia. They insisted that they were being guided by the Law on Banning Wahhabi and Other Extremist Activities on the Territory of the Republic of Daghestan.⁶ In fact, the SAMD assumed certain state functions such as the right to determine which literature is Wahhabi and which is not; it violates human rights by banning books published by a decision of the state structures, and is enlisting power agencies to help carry out its actions unsanctioned by the authorities. Examples of clerical interference in the prerogatives of the state with the aim of reviving archaic elements in social norms and relationships are numerous; there are efforts to change the content of secular education in secondary schools and higher educational establishments.⁷ The supervision structures rarely respond to violations of the law on religion by religious organizations themselves. The Public Prosecutor’s Office responded to the bans on the Koranic translations only when it could remain silent no longer: “The SAMD has no right to describe any of the Koranic translations as Wahhabi and decide whether they can be distributed or not.”⁸ By way of commentary, deputy mufti Ahmad-hajji Tagaev said: “I have seen secular courts of justice... We prefer to place our trust in Allah rather than in people.”⁹

These and other examples show that rather than trying to adjust itself to the new conditions and embrace the commonly accepted secular values, freedom of conscience, and the freedom to choose one’s

⁴ “Obrashchenie-preduprezhdenie k prodavtsam i rasprostraniteliam pechatnoy produktsii,” *As-salam*, No. 7, 2004.

⁵ See: E. Kotlova, “Glupost nesusvetnaia,” *Novoe delo*, No. 16, 23 April, 2004.

⁶ See: “Obrashchenie-preduprezhdenie...”

⁷ See, for example: D.V. Makarov, *Ofitsial’nyi i neofitsial’nyi islam v Daghestane*, Moscow, 2000, pp. 14-15; G. Mago-medov, “Chto strashnee wahhabizma,” *NG*, 7 August, 2001; “Kompleksnaia programma dukhovno-nravstvennogo ozdorovleniia obshcherossiiskogo musul’anskogo dvizheniia ‘Nur,’” *Nurul islam*, No. 11, 1998; Ia. Rasulov, “A sud’i kto?” *Chernovik*, No. 19, 14 May, 2004.

⁸ L. Magomedov, “Kak borot’sia s wahhabizmom?” *Novoe delo*, No. 16, 23 April, 2004.

⁹ *Ibidem*.

world outlook, official Islam (supported by the state) is working toward realizing the Koranic and Sunni principles (in their fundamentalist interpretations) in public life. Closer examination of the principles professed by the republic's spiritual leaders shows that the choice was far from a random one. Fundamentalism determines special relations between the state and religion; the Daghestanian Shafi'ites interpreted this as the need to change Islam through new interpretations of the Koran and the Sunna. These changes, which better suit the new conditions, are expected to help the faithful to better understand the new realities according to the Islamic norms and, if necessary, to abandon the old obsolete confessional norms.

The procedure for formulating and resolving new questions (which the predecessors failed to address) in full conformity with Islam is associated with *ijtihad*. Its acceptance or rejection, as well as the nature of its acceptance and the way it is interpreted, are the main criteria by which the society's readiness to accept secular values and develop them is judged. This is a measure of tolerance of the secular norms, the importance of "this world" and human interests in the context of the initial confessional values.

Islam in Tatarstan (represented by the Hanafi madhab and Jadidism) and the Shafi'i madhab in Daghestan give different answers to these questions. This is testified by a discussion on the pages of our republic-level press, which started late in 2003.¹⁰ Two issues of the *Daghestantsy* newspaper carried an article by Rafael Khakimov, director of the Institute of History, Academy of Sciences of Tatarstan, and state political advisor to the president of Tatarstan. The article previously appeared in the *Vremia novostey* newspaper (No. 127, 2003). The author is one of the most active Jadidists (Jadidism is renovationist Islam). Its ideas, promoted because of the "opened doors of *ijtihad*," received a fresh boost in Tatarstan. When describing and developing them, Khakimov concentrates on the following points of the philosophy of Jadidism.

1. There is a stereotype equally accepted by the Muslims and non-Muslims that Islam is a single religion with no ethnic, geographic, or other specifics. This thesis lives side by side with the opposite idea about the diversity of ethnically tinged Islamic traditions.
2. The madhabs, which appeared as the result of Islam's natural development in the 9th-11th centuries, were later canonized. Since that time, the Muslims have to faithfully follow the teachings of legal schools (*taqlid*), no new interpretations of the Koran are allowed. This led to fossilization of thinking and social relations, and the idea of progress became alien to Islam. At the same time, we all know that the Prophet Muhammad said: "Indeed, at the beginning of every century Allah will send a man to the umma to renovate religion." How can this correlate with blind faith in the *taqlids*? One obviously excludes the other. Renovation demands *ijtihad* and independent critical thinking. "Closing the doors of *ijtihad*" spells a ban on critical analytical thinking; it presupposes that life has stopped and nothing fundamentally new goes on in the world.
3. The Muslim legal experts distinguish between the Mecca (before 622) and the Medina (after 622) ayats of the Koran. During his Mecca period (609-622), the Prophet addressed the ayats to all the people, men and women alike; he prohibited the use of force to convert people to Islam and clearly demonstrated his tolerance of the followers of other religions. In the Medina period, however, the Koran is addressed to the Arabs: "And slay them [pagans] wherever you catch them, and turn them out from where they have turned you out" [2:191].

The Muslim experts believed that the Mecca ayats, as the earlier ones, no longer applied. The Prophet himself, however, never excluded them from the Koran. It was under his personal guidance that the main teachers of the Holy Book of the Muslims were trained; he placed great emphasis on memorizing the *surahs*. It is not important that some of the ayats were declared annulled, while others remained valid. It is very important, however, to realize that they are addressed to different audiences, different epochs; such understanding is very important today.

¹⁰ See: R. Khakimov, "Vozmozhna li modernizatsia islama?" *Daghestantsy*, No. 9 (26), 2003; No. 1 (27) 2004; Sh. Mukhidinov, "Komu nuzhna modernizatsia islama?" *Daghestantsy*, No. 2 (28), 2004.

Wahhabism relied on coercion in its struggle against other religions or even Islamic trends. When insisting on purity, it in fact follows the extreme Hanbali interpretation, which absolutely rejects rationality. It claims that the Koran cannot be rationally understood, it can only be believed in. This means that Wahhabism rejects new phenomena, yet time changes and many provisions call for new interpretations.

4. It is stated in the theological writings that there are people worthy of analyzing the Holy Book and others unworthy of this honor and that the right to interpret Islam belongs to the elect. Today, writes Khakimov, when everybody can read and write and when higher education is available to all, everyone can study the Koran in their native tongues.
5. At all times, Islam was judged by rituals which were socially important in the past (especially in the Middle Ages). Today, many of the norms have lost their importance. For example, the ban on portraits arose during the time when Islam fought against idol worship. Today, shelling images of Buddha (as the Taliban did), no longer proves faithfulness. Barbarity and Islam have nothing in common. Allah does not approve of blind worship. The Prophet Muhammad said: "Allah does not like excessive fanaticism and extremes in worship."¹¹

Sh. Mukhidinov, editor of the Avar-language version of *As-salam* newspaper, published by the SAMD, subjected this and other provisions of Khakimov's article to scathing criticism. He ferociously attacked the idea of new *ijtihad* as the cornerstone of Jadidism. In a nutshell, his criticism can be presented in the following way: the Islamic norms we have inherited from Allah through the Prophet Muhammad cannot be described as being limited to certain historical period; the faithful do not need new interpretations of the Koran and Sunna—Allah alone can modernize and readjust Islam; it is not for the people to keep the "doors of *ijtihad*" open or closed; *ijtihad* was performed in the past when the *mujtahids* (people vested with the right of interpreting the Koran and Sunna) of all four legal schools "analyzed all religious problems; it is only mankind, who does not study such problems and does not live by them, who is seeking new ways which lead it astray and, ultimately, to regress." Mukhidinov went on to say that critical thinking and *ijtihad* have led the Wahhabis to terrorism and extremism. All contemporary interpreters of the Koran may be led, at best, to rejecting the rituals (namaz, fasting, etc.); at worst, they might be tempted with anti-Islamism. High technology and the best creations of human genius cause harm to mankind if supported by forces which have no faith in Allah and which follow the road of delusion. Interpretation of the Koran will attract only those who doubt or those who have no faith in the Creator and the after-life.¹²

This easily fits into the Islamic fundamentalist framework and is supported by the spiritual leaders of Daghestan. Deputy Mufti of the RD Ahmad-hajji Tagaev has asked: "...what in particular are they going to reform and renovate? Do they have the Koran in mind? Or the Sunna? ... in my opinion they want a repeat of August 1999."¹³ These questions are intended as an answer to Z. Varisov and R. Kurbanov who, together with the Jadidists, believe that "the old Islamic interpretations should be revised," since "Islam in Daghestan is gradually slipping into stagnation and degradation." The same authors say that Islam proved unable to respond to the new historic challenges and lost its leading role in creating viable socioeconomic and sociopolitical models.¹⁴

The very nature of the discussion between the supporters and opponents of reform in Islam is thought-provoking. The Daghestanian clerics demonstrate a complete lack of rationalism, which is indispensable for the discussion. Here by rationalism I mean well-substantiated arguments, logic, and a clear understanding of the arguments supplied by the other side, which, in the final analysis, alone can produce the necessary proofs. For example, when writing about Islam in Tatarstan, Khakimov explains its specifics with the following factors.

¹¹ R. Khakimov, *op. cit.*

¹² See: Sh. Mukhidinov, *op. cit.*

¹³ A. Tagaev, "Deystvitel'no pora nazvat veshchi svoimi imenami," *Novoe delo*, 14 May, 2004.

¹⁴ Z. Varisov, R. Kurbanov, "Islamskoe vyrozhdienie Daghestana," *Novoe delo*, 9 April, 2004.

For certain historical reasons, the Tartars found themselves in specific conditions which demanded huge intellectual and physical exertion. For example, in the Russian Empire, a Christian Orthodox state, no secular educational establishments for the Tartars were permitted; education in Tartar was limited to the religious sphere, which made the leading madrasahs centers of progressive thinking.

The state, which looked at Christian Orthodoxy as its only responsibility, did not interfere in Islam; left beyond state supervision, Tartar theology could develop freely. This was a unique situation, because in the Muslim countries the rulers imposed their conditions on the councils of the ulemas, which inevitably had to bend their will to the interests of the powers that be. "Among the Tartars, modernization became the inner and logical process of the development of Islam."

The Muslim community is a civilization that unites all the faithful, yet each nation is living in specific conditions. History made the Tartars the northernmost Islamic outpost; geographically and culturally they have found themselves on the border between West and East.

This explains the specifics of the Islamic sub-civilization in Tatarstan.¹⁵

According to Khakimov, "Islam is not monolithic"—there are contradictions between the Mansuh and Nasih ayats, while the historic destinies of the Muslim nations are very different.

Khakimov's opponents are sparing with their arguments. They limit themselves to saying that "this is not so." Mukhidinov lays the irony on thick when he comments on Khakimov's arguments: "It follows from what he says that Imam al-Hanafi interpreted the Koran and the Sunna and arrived at certain conclusions to please the Tartars and in accordance with their needs."¹⁶

First, Khakimov has never said that al-Hanafi founded his madhab for the Tartars: the first Hanafites appeared in Iraq in the 8th century, that is, long before 922, the year the Tartars embraced Islam. Second, according to Tartar academics the Tartars intentionally selected this madhab, under which everyday life is considerably easier; common law ('Urf) can be applied as an auxiliary, and independent, source of rights. This makes business and everyday contacts with people of other faiths easier. This is the most tolerant madhab.

The choice of faith was common practice. In his time, Grand Prince Vladimir rejected Islam because, among other things, it banned wine drinking while, said he, "in Rus they drink a lot and life is unthinkable without drinking." Khan Girey of Kazan adopted Christian Orthodoxy because despite his numerous prayers to Allah, the Russians captured Kazan in 1552. It was through religion that nations developed their cultures for centuries or even millennia. Any attempts to cut short the process by saying that the Koran and the Sunna are the same for all contradict historical facts.

The Daghestanian Shafi'ites cannot provide a rational answer to the questions raised by the hadith of the Prophet Muhammad, which says that at the beginning of every century, Allah will send a man to the umma to renovate the faith. If such people did come after the "doors of ijtihad" had been closed in the 10th century, the question is "Who were they?" Who performed this role in the 20th century? If "closing the doors of ijtihad" does not depend on human will (this competence belongs to the Almighty), should Jadidism be regarded as a phenomenon contradicting the will of Allah? Who is omniscient enough to say when the "doors of ijtihad" are opened and when they are closed? Finally, if they remain closed should this be taken to mean that the Prophet's prophecy was not fulfilled? Khakimov's opponents have not offered rational answers to the questions raised by his position.

It should be said that many Islamic scholars, who are successfully developing the theoretical Islamic issues, have posed and continue posing these and similar questions. Indeed, how was the "door of ijtihad" closed? Which of the imams said that no Muslim living after him should have the right to look and find the right way indicated by the Koran?¹⁷

The differences between Islam in Daghestan and Tatarstan can be found in the assessment of ijtihad from the viewpoint of its role in the emergence of Wahhabism. Some of the spiritual leaders of Daghestan identify reforms (ijtihad) with extremism and Wahhabism: "Is it not enough for us to see what harm renovat-

¹⁵ See: R. Khakimov, op. cit.

¹⁶ Sh. Mukhidinov, op. cit.

¹⁷ See: Rifat-as-Said, "Novy vzgliad," *Tarih*, No. 6, 1998, pp. 85-86.

ed and reformed Islam brought to Daghestan? What names can be found for those who call for such reforms that inevitably end in bloodshed?"¹⁸ Indeed, the religious and philosophical positions of the Wahhabis and Jadidists do share certain points. In particular, the religious reform suggested by S. Marjani contains the following points: taqlid (following the dogmas and authority of one of the madhabs) should be completely removed; the Muslims should be returned to the fundamentals of faith and culture of the Prophet Muhammad's period.

The Wahhabis also reject the madhabs and believe that the umma should return to Islam of the Prophet Muhammad's period. These philosophical and instrumental points pursued and are still pursuing different aims. First, the Wahhabis objected to taqlid because the madhabs that used ijthihad, ijma (concerted decisions of theologians) and kiyas (analogy-based rules) brought new and heretical elements (bid'ah) to Islam. They should be resolutely removed from religious life. Second, the Wahhabis object not only to ijthihad carried out within four madhabs, but also to ijthihad in principle, which, they argue, leads religious thinking away from initial Islam. Third, and most important, the extremist wing of the Wahhabis uses military force and violence to resolve these problems. In their eyes, all those who follow taqlid are kafirs who should and would be destroyed.

The Jadidists have set themselves different objectives and use different methods to achieve them. First, in his curriculum Marjani has given much space to secular disciplines. Russian, mathematics, physics, astronomy, fundamentals of medicine, geography, history, and foreign languages (Eastern, as well as West European) were taught in the Jadidist madrasahs. This was never done, and could not be done, in the Wahhabi madrasahs.¹⁹ Second, the Jadidists of the new generation (of the early 20th century) looked at ijma and kiyas as the main instruments of reform; the Wahhabis were dead set against this. Third, the Wahhabis refused to accept ijthihad of the founders of the four madhabs, not because they wanted to offer new interpretations of the Koran and the Sunna better suited to the new realities. On the contrary: they relied on the Koran to justify archaization of social life. The Jadidists, on the other hand, reject ijthihad of the four imams not to banish new elements from life, but to incorporate them on a broader scale through the procedure of Muslim sanctioning. Ijthihad is the main instrument of such sanctioning. Fourth, Jadidist history has already shown that it did not give rise to Wahhabism or extremism. Jadidism has demonstrated that it is a tolerant and civilized spiritual phenomenon which has assimilated both Islamic (Eastern) and West European values.

The above demonstrates that ijthihad of the Jadidists and what the Wahhabis describe as reforms are complete opposites. The Wahhabis are the most consistent enemies of ijthihad of the Jadidists, which places the two at opposite ends of the scale measuring attitudes toward ijthihad.

The Daghestanian Shafi'ites sit on two chairs—the Jadidist and the Wahhabi. Having rejected reforms in Islam, they were not bold enough to reject ijma and kiyas, that is, the slow process of ijthihad within the madhab. The leaders of the Daghestanian clerics are convinced that any consistent effort to insist on "the closed doors of ijthihad" will inevitably end in religious fundamentalism, which will regard secular laws as laws of secondary importance compared with the Shari'a. It will insist on the immutability of the religious norms, reject new interpretations of the main religious texts, and will try to revive the social norms buried long ago in the darkness of the ages. In fact, these features of religious fundamentalism can already be discerned in Daghestan to one extent or another.

Jadidism came to Daghestan early in the 20th century; influenced by the Tartar reformers prominent Daghestanian scholar, enlightener and theologian Abusufian Akaev opened a Jadidist madrasah in the village of Aksay in 1903.²⁰ A year earlier, he published a book *Usul Jadid* (New Method).²¹ Seven

¹⁸ A. Tagaev, op. cit.

¹⁹ In his article about the problems of Islamic education, Prof. I. Shamov analyzed the curricula of several Islamic educational establishments in Daghestan and concluded that they lacked secular subjects and that they were close to the fundamentalist interpretation of the priorities of Islamic consciousness (see: I.A. Shamov, "Religia i svetskoe prosveshchenie," *Daghestanskaja pravda*, 8 June, 2001).

²⁰ Well-known Tartar enlightener Ismail Gasprinsky opened the first Jadidist madrasah in Russia in 1884 in Bahçesaray (the Crimea) (see: G. Bautdinov, "Rossiiskie predtechy Evroislama," *NG*, 4 February, 2004).

²¹ See: A. Akaev, *Usul jadid*, Kazan, 1902.

years later, he explained the ideas of Jadidism again in another book.²² Well-known scholar Ali Kaiaev (Ali al Gumuki) also promoted the ideas of “absolute ijihad,” which he learned at the al-Azhar University in Cairo from famous theologians and their followers. His newspaper *Jaridat Daghestan* called for “absolute ijihad” and pointed to the need to boldly study the Koran and the Sunna to be able to draw conclusions in tune with the contemporary epoch. “The conservative clerics tagged him as a Wahhabi for no reason at all, simply because he rejected the tradition and called for absolute ijihad.”²³ He also criticized the Daghestanian murids and Sufis who extolled, without measure, their sheikhs, thus damaging their reputations. They ascribed unthinkable features to them; also they worshipped the sheikhs’ (the tariqat spiritual leaders’) portraits before entering into a state of ecstasy. For Ali Kaiaev, this was paganism. The Daghestanian clerics still consider Ali Kaiaev a Wahhabi. Time has shown that these reformers acquired no followers in the republic’s religious sphere.

In Tatarstan, religious and social thought is developing, breeding new ideas, and attracting attention. The very understanding of Jadidism must change. Pointing to the need for a new approach to Islam, Chairman of the Council of Muftis of Russia Ravil Gainutdin has said: “The mere revival of Jadidism won’t resolve all the problems of contemporary Islam.”²⁴ Mufti of the Central Spiritual Administration of the Muslims of Russia Talgat Tadjuddin is not alien to Jadidism either. We can say that Ph.D. A. Iuzeev, who lives in Kazan and is well known for his profound study of the Tartar religious-philosophic ideas, also develops Jadidism. Says he: “It is wrong to identify Jadidism with religious reform... It is reform of the educational system carried out to introduce Muslims to European science and culture. The present religious-philosophical teaching of Jadidism is not an independent phenomenon—it is a part, one of the sides of widely understood reforms and enlightenment, part of theological liberalism, not a specific and independent trend; there are even fewer reasons to call it a purely Tartar trend.”²⁵

For obvious reasons, Islamic resurrection in Tatarstan cannot be reduced to Jadidism alone. Today, there are at least three types of Islamic consciousness in the republic, Jadidism being far from the most popular among them. This place belongs to neo-traditionalism. It is supported and promoted by the followers and clerics of official Islam, who look at this religion as a set of religious symbols and fossilized forms of religious thinking, rites, and rituals. Revivalism with its patchy and narrow social basis is least popular, and is supported mainly by Islamic fundamentalists. The reformatory type of religious thinking, which belongs mainly to the intelligentsia, students and the urban middle class, is believed to be in harmony with contemporary public and state interests.²⁶

C o n c l u s i o n s

1. The traditional form (type) of Islamic thinking, which demands strict adherence to religious rites, predominates in Daghestan for historical, geographic, and economic reasons. It can be described as a “fossilized form of religious thinking” which does nothing to adjust religious consciousness to the new realities.
2. For many years, everyday life in the foothills and up in the mountains has been shaping elements of fundamentalist consciousness. In the context of a socioeconomic crisis, it proved to be fertile soil for radical religious (Wahhabi) ideas. In Daghestan, there are only two types of religious consciousness: traditional, which tends toward fundamentalism, and extremist-Wahhabi.
3. Today, fundamentalism predominates in the minds of the Daghestanian faithful, thanks to the efforts of religious organizations and their leaders.

²² See: A. Akaev, *Irshadu assibyan*, Temirhan-Shura, 1909.

²³ A. Navruzov, “Gazeta ‘Jaridat Daghestan’—istoriko-kul’turny pamiatnik,” Candidate thesis, Makhachkala, 2000, p. 168.

²⁴ *NG-religii*, 5 November, 2003.

²⁵ Quoted from: G. Bautdinov, *op. cit.*

²⁶ See: R.M. Mukhametshin, “Dinamika islamskogo faktora v obshchestvennom soznanii tatar XVI-XX vv. (istoriko-sotsial’nyy ocherk),” *Sovremennye natsional’nye protsessy v Respublike Tatarstan*, Issue II, Kazan, 1994, pp. 112-113.

4. As distinct from the Tartar Islamic consciousness, there is no reformatory element in Daghestan to help create a rational (from the viewpoint of public and state interests) balance between the conservative and progressive forces in Islamic resurrection. For this reason, the relations between Islam and the state in Daghestan are dominated by a trend toward more archaic social ties, abandonment of commonly accepted secular values, and greater sacralization (religious sanctioning) of secular social phenomena.
 5. The one-sided nature of the emerging relations between Islam and the state in Daghestan (as compared to what is going on in Tatarstan) is explained by the fact that the local intelligentsia is keeping away from the process of creating new relations between religion and the state. There are two reasons for this: as distinct from Jadidism in Tatarstan, the Daghestanian intelligentsia has no traditions of “secular” involvement in religious issues; the authorities of the RD have not yet realized that the intelligentsia should and could be involved in addressing the problems of the state and religion. So far, the republican leaders have failed to support academics who defend secular values and oppose interference of religious organizations and clerics in state policies.
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REGIONAL POLITICS

**THE NORTHERN CAUCASUS:
SCRUTINIZED BY TERRORISTS**

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At the turn of the 21st century terrorism spread wide across the world; Russia and the Northern Caucasus have not avoided their share of it. Its pernicious effect was most pronounced in Chechnia and Dagestan.

Analysis of Terms

Different sources agree on the interpretation of the word “terror” borrowed from Latin as “extreme fear” or “a time of, or government by, terrorism.” Another term “terrorism” comes close to the second interpretation as “an organized system of intimidation, especially for political ends.” Sometimes the two terms are used as synonyms.

It is not my aim to provide a detailed investigation of the two terms. I shall point out that legal acts, academic investigations, and dictionaries have failed to supply an unambiguous interpretation in order to enable the world community to identify “terrorism” with more precision and clarity. There are several hundreds of more or less similar interpretations corrected by the terrorist practice in each particular case.

There is the opinion that terrorism as a political weapon appeared less than two centuries ago. It clashed with another point of view that derives terrorism from hoary antiquity. Indeed: “Terrorism is not a recent sociopolitical phenomenon—its history goes back to at least a century and a half”¹ or “It should be pointed out that many academics and political scientists are convinced that terrorism was rooted in

¹ K.V. Zharinov, *Terrorizm i terroristy*, Harvest Publishers, Minsk, 1999, p. 3.

revolutions. Its birth is normally associated with the French Revolution of the 18th century and the October Revolution of 1917 in Russia. In fact, it is rooted in hoary antiquity; in different historical periods, and within different political trends it assumed different forms.”²

After studying different authors and various sources I came to a conclusion that terrorism has been accompanying mankind throughout its history and that the term gained currency during the French Revolution of the 18th century. So far, however, mankind has failed to agree on an internationally recognized interpretation of it.

History and practice of terrorism reveal several vectors determined by the targets of terrorist activities and those who initiate such activities. This provides the following conventional classification:

- State terrorism on the international arena;
- Terrorism of nations against tyrants;
- Terrorism of rulers against subjugated peoples of conquered countries;
- Terrorism of the authorities against their own nation, certain classes, followers of certain religions, members of certain social groups, organizations, sects, and groups;
- Terrorism of fanatics;
- Terrorism of groups of dissenters and the opposition against the authorities;
- Terrorism of subjugated people against their oppressors;
- Terrorism born by power struggle and redistribution of property;
- Terrorism among competing criminal communities;
- Individual “ideological” terrorism against members of the ruling groups;
- Terrorism as an instrument of revenge;
- Terrorism of despondency;
- Terrorism of “Herostratuses”;
- Terrorism of psychically unstable people;
- Sham terrorism.

The Party of Socialist-Revolutionaries, a product of political instability, appeared in Russia at the turn of the 20th century. It publicly described its aim as terrorism justified by expediency and prerequisites. This statement appeared in the party’s newspaper *Revoliutsionnaia Rossia* started in January 1902. The party leaders borrowed their theoretical ideas from their predecessors (members of the Narodnaia Volia organization) and from the ideology of Marxism that was spreading across Russia like fire.

Having married the ideas of Narodnaia Volia and Marxism (hardly compatible at first glance) the Socialist-Revolutionaries created a theoretical hybrid of sorts that accepted terror as an auxiliary instrument designed to ignite the “revolutionary fervor” of the popular masses. Viktor Chernov, the party’s chief ideologist, said: “Terror is not a self-contained form of struggle. We look at terrorist acts as part of struggle intimately connected with its other parts.”³ Assassinations and plunder justified by revolutionary expediency rested on theories offered by dubious authors in their dubious writings. A certain Ivan Pavlov, for example, published in Moscow a notorious leaflet called *Ochistka chelovechestva* (Cleansing Mankind).

A more or less detailed comparison of extremist theories and extremist practices suggests a conclusion that all terrorist theories rested in the following ideological platforms: political extremism, religious fanaticism, nationalistic ethno-centrism, and criminal radicalism.

² *Sovremenniy terrorizm: sostoianie i perspektivy*, Editorial URSS, Moscow, 2000, p. 39.

³ A. Geyfman, *Revoliutsionniy terror v Rossii*, Kron-press, Moscow, 1997, p. 67.

Political extremism develops into terrorism if decisions are realized by radical means and violence irrespective of the level of decision-making. In some cases political extremism and religious fanaticism go hand in hand with nationalistic ethno-centrism. Driven to extremes nationalism develops into ethno-centrism and sets traps similar to those set by other types of aggressive radicalism.

Not infrequently, Mafia structures turn radical to confront society with criminal radicalism. This often happens under the conditions in which nationalists, fanatics and other extremists feel free to act. Sometimes they delimitate the spheres of influence, sometimes they are at daggers drawn among themselves, sometimes they prefer to act together. The same people or even organizations may assume different hypostases depending on circumstances. If concentrated in one and the same region these structures may trigger terrorism: armed people of different orientations cause havoc. This fully applies to Ichkeria that from the very beginning was a terrorist structure.

More likely than not those who speak of the ideological plank in the terrorists' platform have in mind the Muslim fanatics; it was these people who coined the strange term "Islamic terrorism" used and abused by the press. The term was obviously not a brainchild of a thoughtful academic: it seems that it was coined by a certain superficial journalist.

Recently, the world has seen many terrorist acts perpetrated by all sorts of groups that screen their true aims behind Islamic terms.

Terrorism in the Chechen Republic

Terrorists acting in the Northern Caucasus are especially fond of this. Chechnia and Dagestan are two seats of terrorism in the region. Traces of many terrorist acts committed across the country lead there.

For certain domestic and foreign, subjective and objective, important and unimportant factors Chechnia developed into a territory of unbridled criminal activity of terrorist groups, some of them organized and armed according to the regular army pattern. Ichkeria lost no time in setting up and arming its own army with the weapons Yeltsin and his generals had abandoned to Dudaev in huge quantities. There was enough to arm the regular units of the main headquarters of Ichkeria and fighter groups made up of criminals and adventurers. Here is a far from complete list of units and subunits of the "armed forces of Ichkeria": the Galanchozhski regiment, a mounted company, a mountain rifle regiment, an "Abkhazian" assault battalion, the presidential guard, signals battalion, guard company, and logistics. Units, or rather small armies, commanded by those who paid them were personal detachments of rich people whose money came from dubious sources and terror. Odious figures—Basaev, Khaykharoev, Ghelaev, Baraev, Khankarov, Israpilov, Atgeriev, and Raduev—had many armed people under their command.

It should be said that the units that were part of the Ichkerian sham-state structures and units under warlords were all involved in large-scale criminal activities and terrorism. In fact, they were the shock-force of terrorism in Chechnia. Terrorist acts had become a common feature of life in Chechnia even before the RF federal center brought its troops into the republic in December 1994. Judge by yourself.

On 27 October, 1991 Dudaev was elected president of Chechnia. This event triggered a wave of terror across the republic. Several days later, on 8 November the administration of the Naurskaia correctional facilities where criminals from all corners of the Soviet Union were kept freed them all; cruelty and crimes became common occurrences.

Soviet military personnel and military objects became the main target of terrorists and other criminals who needed weapons. Even the so-called United Congress of the Chechen People that had brought Dudaev to power had to call on him to stop criminal activities around the military units stationed in Chechnia. On 2 June, 1992 the presidium of its executive committee published a statement that said, in

particular: "The Executive Committee places the responsibility for the attacks against the military that caused loss of life, as well as for the grave economic situation on the executive powers in the first place. Speaking in the name of people and using the rights received from the congress the Executive Committee demands that the President should take urgent measures to stabilize the crime situation in the republic and to find and punish those responsible for the attacks against military units and embezzlements in banks."⁴ This failed to stem terror; not only the functionaries of the new regime but also the opposition as well as individual people and families that had nothing to do with politics fell victim to acts of terror.

A family of Osset surgeons who had worked for many years in the republican hospital was exterminated; rector of the Chechen-Ingush University Kan-Kalik, a Jew, was abducted and murdered. Deputy Rector Chechen Bisliev who tried to defend him was killed on the spot with a submachine gun.

Cruel murders and abductions became common; official Chechen structures also found terror a handy instrument together with the opposition units and bandit groups that rejected all authorities. On top of this there were criminal groups of which nothing was known at all.

The chain of terror that claimed lives after Dudaev had come to power can be described in the following way: the rally of opposition on the Theater Square in Grozny was dispersed by force—the mayor's office in Grozny was attacked—Labazanov's base was destroyed—Gantamirov's group was attacked in Gekhi—invasion of the Nadtarechniy District controlled by Avturkhanov—a raid on Grozny by the opposition and the Russian special services—the first Chechen war. The last two actions were aimed at Dudaev, all others were initiated by the Chechen president himself.

The terrorist raids of Basaev's on Budennovsk, Raduev's on Kizliar, the 1999 invasion of Dagestan, as well as blow-ups of apartment blocks in Moscow, Buinaksk, and Volgograd were the largest acts of Ichkerian terrorists. Even though their scope, the composition of the criminal groups, the number of victims, damage incurred and other factors were different, all these crimes were rooted in Ichkeria. Those who carried them out had been trained in special centers in Chechnia; all crimes and preparations for them involved foreign mercenaries.

The terrorist raids and those who blasted the apartment blocks were mainly so-called Wahhabis, that is, they belonged to the extremely radical sham-Islamic sectarian teaching that had nothing in common with genuine Wahhabism, the nominally official ideology of Saudi Arabia. The chronology of the crimes was the following: on 14 June, 1995 Basaev's gang attacked Budennovsk; on 9 January, 1996 Raduev's unit invaded Kizliar. After a lull of three years terrorists resumed their activities: on 7 August, 1999 their detachments invaded the Botlikh District of Dagestan; on 4 September, the Novolakscoe District in the same republic; on 8 September an apartment block in Gurianov Street in Moscow was destroyed by an explosion; several days later, on 13 September another Moscow apartment block collapsed; on 16 September an apartment block in Volgograd (the Rostov Region) was blown up.

Then a counter-terrorist operation in Chechnia (the second Chechen war) began, followed by a new wave of terrorist acts. The largest of them were: blowing up the complex of government buildings in Grozny; the terrorist act in Kaspiisk on Victory Day (9 May, 2002); a blast in Grozny on 9 May, 2004 that killed President of Chechnia Akhmad Kadyrov. It seems that the simultaneous blasts of two passenger airliners and the monstrous attack on a school in Beslan culminated the list of crimes.

The neighboring territories were caught in the waves of terror that started in Ichkeria. This was especially obvious in Dagestan where the domestic situation and foreign factors were more or less conducive to crime and violence.

Terror in Dagestan

In Dagestan, too, terror was born by certain specific factors that affected different sides of everyday life in the republic. In Chechnia, however, there were large forces that wanted "independence"; in

⁴ *Krovaviy terror*, Olma-press, Moscow, 2000, p. 21.

Daghestan similar sentiments are not popular, while such forces cannot control the situation. Still, there are many other factors that promote terrorism. Here are some of them.

Daghestan has a long land border with Georgia and Azerbaijan that runs across the mountainous areas hard to control; on top of this the state border divides small ethnic groups with close ties and relatives in other states. There are Daghestanians (Avars, Lezgians, and Tsakhurs) in Azerbaijan, while there is a large Azeri community in Daghestan. There is a sea border between them; the territories of both republics are crossed by important trans-Caucasian transport, pipeline and multi-channel communication lines.

The Karabakh conflict in Azerbaijan and the conflict between South Ossetia and Georgia produced flows of refugees and victims who escaped to Daghestan; fighters sought refuge in Daghestan as well; weapons and money were illegally moved across its territory.

There are large Daghestanian diasporas in the troubled Middle East (in Turkey, Syria, Jordan, and Israel) that have contacts with relatives in Russia and exchange visits with them. All sorts of radicals and religious fanatics use humanitarian contacts to come to Daghestan. Some of them bring extremist literature, weapons, drugs, counterfeit money and other illegal things. Numerous criminal cases have already been initiated in the republic; information about them can be found in the press.

The long land border with Chechnia along which live thousands of Chechen Daghestanians and Daghestanian Chechens with numerous relatives on both sides is another important terrorism-breeding factor. In the past Daghestanians and Chechens lived within one theocratic state; they fought side by side against the Russian empire throughout the 19th century.

The first Chechen war drove tens of thousands of Chechen refugees to Daghestan; being aware of special relations between the two peoples Russia did not bring federal troops into Chechnia from the Daghestanian territory and never created footholds there. This did not save Daghestan from Chechen inroads under Basaev and Khattab; this happened three years after the notorious Khasaviurt agreements had been signed on 22 August, 1996 and military actions been stopped. It should be said that Daghestan is ethnically the most complicated region of Russia with several scores of autochthonous ethnic groups and people of other nationalities.

Political passions that were rocking the Soviet Union in the 1990s acquired special dimensions in Daghestan. Mono-ethnic rallies as a rule decided that the nation represented at them suffered more than others from injustices. These sentiments were mounted by "smart guys" who appropriated top posts in all sorts of "ethnic movements." At the same time, huge sums of money ingeniously stolen from Moscow banks and in Grozny bought palaces and limos for the leaders of the new "ethnic movements." Later wild privatization began; the market of false "privatization vouchers" brought even more property to the same people. This created several oligarchs who controlled money flows. Not infrequently, political figures, deputies, ethnic leaders, bankers, and bandits were the same people. They did not even try to camouflage their several hypostases.

Little by little society began to recognize the poles of power and the sources of money to the accompaniment of explosions and shooting. Here is a list of the main categories of people among whom crimes of terror are frequent: members of power structures of all levels; law enforcement structures; businessmen; functionaries of ethnic elites; leaders of family and other clans; heads of criminal groups—so-called "fish," "oil," "liquor," "shuttle trade," and other "kings." Power and criminal groups are intertwined to the extent that investigatory structures find it hard to decide whether another murder was an act of terror or not.

Those who filled prestigious posts risked to be murdered if they refused to vacate them at the claimant's request; deputies involved in business transactions or dubious financial deals ran a risk of murder, too. Hundreds of volumes of investigatory materials, suspended and dismissed cases that involved thousands of people (tens of them being still wanted, while others already killed under suspicious circumstances) and numerous registered terrorist acts bear witness to the situation in the republic.

The following people died during terrorist acts: deputies of the republic's Popular Assembly, bureaucrats and prominent public figures Suleymanov, Toturbiev, Bayramov, Kammaev, Gusaev, as well

as deputies of local legislatures, heads of local administrations and their deputies, officers of the militia, officials of the public prosecutor's office and the FSS and other prominent people. The list is long. Criminal cases (Art 105 of the RF Criminal Code, terrorism) were initiated, investigation took years without visible results.

Two terrorist acts that killed not only their intended victims but also those who were caught nearby caused quite a stir.

On 20 August, 1996, a powerful explosion happened at the entrance to the five-storied building that housed several government offices, the Finance Ministry among them. A car parked nearby was the source of the blast that killed tens of civilians who had come to the building on business: 6 died on the spot; 2, later in a hospital; over 10 people were wounded. The explosion was timed to coincide with the moment when Finance Minister Gamid Gamidov who shortly before that had been elected deputy of the State Duma, arrived at the office and was talking to a woman who was obviously waiting for him. The murder of the Duma deputy brought up many questions and provided one clear answer: it was work of a professional.

Two years later, on 21 August, 1998, there was an explosion in a mosque in Makhachkala that killed three people: a deputy of the republican Popular Assembly, prominent public figure and mufti of the Spiritual Administration of the Muslims of Daghestan Saidmuhammad-hajji Abubakarov, his brother, and his driver. Investigation revealed that 125-mm radio-controlled artillery shell was carefully concealed at the spot where the mufti parked his car.

These two murders remained unsolved despite the efforts of investigatory teams, officials from the RF General Public Prosecutor's Office, the Main Investigatory Administration of the RF Ministry of the Interior, the Main Department of the General Prosecutor's Office for the Northern Caucasus and people from the republican Ministry of the Interior and the FSS Administration for the Republic of Daghestan.

Certain terrorist acts were obviously planned in Chechnia and aimed specifically against the Russian military. I have in mind the blasts of apartment blocks in Kaspiisk and Buinaksk that killed tens and wounded hundreds. Investigation of the crime in Kaspiisk that had taken place on 16 November, 1996 produced no results. Those who blew up the house in Buinaksk on 4 September, 1999 were brought to justice, yet certain questions were left without answers.

In September 2000, as a result of a joint operation of the special services of Russia and Azerbaijan seven members of illegal armed detachments that had fought against the federal troops in Chechnia and Daghestan were brought from Baku to Makhachkala. Brothers Alisultan and Magomed Salikhov wanted after the terrorist act in Buinaksk were among them. They were living in Baku with false passports and false life stories. Under false pretexts they were invited to a neutral office where they were identified, arrested, and deported to Daghestan.

The explosion in the apartment block in Buinaksk claimed over 60 lives, 23 of them children. The crime was planned in the camp of Khattab in Serzhen-Iurt where the Salikhov brothers had acquired skills of demolition sappers. In Soviet times this place was a summer pioneer camp. By the irony of fate the camp became the base of Khattab and those who murdered children and their relatives.

It was from this camp that five tons of explosives were brought by a truck to Buinaksk; there the sacks were moved to two other trucks supplied with explosive devices. One of them was parked at house No. 3 on the Shikhsaidov (Levanevskiy) Street where the servicemen of brigade No. 136 lived; another, at a military hospital (it was defused fifteen minutes before the scheduled time).

Terrorist acts against the servicemen in Daghestan did not stop when the second war in Chechnia was seemingly completed. The largest terrorist act took place on 18 January, 2002 in Makhachkala. An exploded land mine killed seven military and wounded 11 when a truck with 30 soldiers and sergeants of brigade No. 102 of internal troops was driving past on its way back to the barracks from the bath-house. Militiamen and people from the public prosecutor's office are also intended victims: in three months of 2001-2002 five special militia vehicles and two cars of the public prosecutor's office were blown up. People on foot are not safe either: militiamen are killed in the streets, when driving in cars or just outside their offices.

This is a challenge—there is no doubt about it. Minister of the Interior of the Republic of Dagestan Lieutenant-General of Militia Magomedtagirov announced that the republic was prepared to face the challenge and that it announced a war on terror. In fact, the war had been going on with variable results. So far, the authorities have not yet achieved a decisive turn in their favor, while many of those who head the law enforcement bodies feel powerless in the face of unbridled terror.

The phenomenon “terror Dagestani style” betrayed itself in the attempts at murdering Mayor of Makhachkala Said Amirov and other officials. The series of terrorist acts designed to kill Amirov was predated by an event described in legal parlance as massive unrest.

On 21 May, 1998 a large number of cars, most of them foreign makes, arrived in Makhachkala from Chechnia. The bearded people who rode in them (some of whom looked familiar) brought machineguns, submachine guns, grenade launchers, and ammunition.

The cars were stopped in one of the streets leading to the palace of Duma deputy Nadir Khachilaev. The bearded people responded with submachine gun fire. Two militiamen were killed on the spot; six were wounded, while the bearded people took refuge in the palace and organized all-round defenses.

The republic’s head Magomedali Magomedov, Chairman of the State Council of Dagestan, was away in Moscow, the second and third in command and the heads of power-wielding structures spent a sleepless night in an effort to work out a plan of action. While they were thinking, a crowd of sellers from the nearby wholesale market (controlled by the same deputy Khachilaev) gathered around the palace. As Chairman of the Council of Muslims of Russia Khachilaev could count on support from the faithful. Indeed, with every passing hour the number of bearded people in white skullcaps at the palace was increasing. Several hours later the unruly mob occupied the building that housed the State Council and the Cabinet of Ministers; they plundered it and destroyed everything in sight. After reaching the roof, they threw down the state banner of Russia and the republican banner and hoisted a green flag.

This patchy assembly of claimants to state posts that included well-known criminals and radicals wielding Islamic slogans could not go further than that: the mayor of Makhachkala robbed them of victory.

Had the building of the city administration across the road of the already captured government offices been taken, power in the capital of Dagestan could have been toppled down with unpredictable results. The Grozny variant could have been applied there too—at least armed support from Ichkeria was already moving toward Makhachkala.

Being fully aware of this the mayor organized defenses of his building and called on the defenders to fight to the last. The extremists had to beat retreat.

This triggered another series of attempts on his life; the mayor has survived about fifteen of them: the administrative building was shelled; there were several blasts while the mayor drove along the streets. The worst happened on 4 September, 1998: a car full of explosives burst in Parkhomenko Street killing nearly 20 and wounding over 100; tens of private houses and flats were destroyed or damaged. The latest terrorist act happened on 15 September, 2004 when an antitank guided missile exploded in one of the streets. It was intended for one of the government buildings in Lenin Square or for the mayor’s office. In 2002 Makhachkala was second among the best-kept cities of Russia; in 2003 it was the first and was awarded a first-degree diploma and a large sum of money from the federal budget.

A careful analysis of the recent terrorist acts in Dagestan shows that certain forces used terror as a means of redistribution of power and property. This is easily explained by the methods by which property was obtained in post-Soviet times. Criminal methods created a criminal symbiosis of power and money. This situation is not unique in Russia. Religious radicalism supported by the example of Ichkeria and its influence is another factor of terrorism in Dagestan. This explains why many of the terrorist acts were aimed at the Russian servicemen.

Terror and False Islam

I have already written that terror in Dagestan is rooted in terrorism in Ichkeria. This is explained by the fact that there are numerous supporters of the pseudo-Islamic extremist teaching that is called

Wahhabism in the Northern Caucasus. This is a fundamentalist radical movement whose adepts are scattered across countries and continents. In the wake of 9/11 they came under the scrutiny of the world powers' counter-terrorist efforts. These measures might affect public awareness to the extent when anti-terrorist struggle develops into anti-Islamic hysterics. To a great extent this is explained by widespread ignorance of Islam among the populations of Europe, America and other continents.

The man-in-the-street knows two key words: yashmak and violence. In actual fact, Islam has nothing to do with violence. The faithful cannot kill himself and cannot murder others. Islam is alien to terrorism. In his interview to the second channel of Russian TV Metropolitan of Smolensk and Kaliningrad Cyril pointed out that the terrorists exploited sham Muslim slogans that had nothing to do with true Islam to justify their crimes.

C o n c l u s i o n s

Neither in Russia nor in the Northern Caucasus terrorism has any long-term prospects. On the one hand, it is born by social stratification of global dimensions, on the other, by the clash of varied forces in the strategically important Caucasian region. To a great extent this rivalry is heated up by the desire of certain forces in other countries to gain control over the "golden" oil pipeline between the Caspian and the Black seas. They tried to exploit the situation in Chechnia aggravated by the lack of a consistent Caucasian policy of the Yeltsin government that came too close to serving the Moscow-Grozny oil mafia.

The present leaders of our country are strengthening the state institutions and fighting corruption. Coupled with the measures designed to improve the social situation this will bring positive results and will, finally, do away with the social evil called terrorism.

GEORGIA AFTER NOVEMBER 2003: ACHIEVEMENTS AND TRENDS

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There is a common opinion that the post-November 2003 events in Georgia should help to consolidate its statehood and state institutions. The most important of these events were: peacefully ridding Ajaria (and the whole country) of Aslan Abashidze, uniting several ministries into one, and reducing the army of bureaucrats. The new leaders of Georgia have also been paying more attention to its armed forces, and so the list can go on.

Every revolution also has its negative aspects; in Georgia they left grim memories. Since the day of independence, power has changed three times through coups and bloodshed, but never according to the Constitution. Coups and bloodshed have become a habit—the constitution was no longer regarded as having value. The next coup was discussed as something trivial like making arrangements for spending an evening with friends or hav-

ing a friendly game of cards. Coups relieved people of the need to think during election campaigns and of the opportunity to make a well-substantiated choice. Not infrequently, when talking among themselves in various backyards where the common people normally congregate, the Tbilisi populace consoled itself with, "We can always topple them if they turn out to be bad." For my part I am prepared to accept a coup (or a revolution—tick the

appropriate box) if it radically changes the situation for the better.

The promises of the powers that be and their dreams are better left aside—it is the action that counts. Leaders are judged by their ability to cure the ills of the past and to capitalize on the positive factors. The fifteen months which have elapsed since the events of November 2003 are not enough to pass a final judgment, yet are more than enough to size up the trends.

Economy and the Budget

In 2003, the GDP, which is the generally recognized sign of the state of economic health of any country, grew by about 8 percent, a great share of which came from the Baku-Tbilisi-Ceyhan project now being carried out. The trend has been preserved despite the project's three-week suspension for ecological reasons. This pipeline, the gas pipeline between Baku, Tbilisi, and Erzurum, as well as the East-West transport and communication system are obvious achievements which the new leaders inherited from their predecessors.

The chronically unimplemented budget is one of the obvious failures: it caused wage arrears (which have been piling up for months and years), even though in 2003 it was still the private sector that supplied up to 80 percent of the state treasury income. All those paid by the state, primarily pensioners, had to bear the brunt of the crippling budget. It was the nagging monetary problems caused by it that sealed the fate of the old leaders. The new leaders, drunk on the euphoria of victory, heaped on the nation promises to improve the situation in the social sphere. When the time came to get down to business, they took very effective steps to collect more taxes and establish law and order in the customs service. Results were soon forthcoming: for the first time in many years (according to the results assessed for the first six months of 2004), the budget showed a surplus. The cabinet is convinced that this covers up the errors it made during the same period, as well as all its failures. The results, however, did nothing to improve the life of the most vulnerable social groups. Indeed, in such countries as Georgia stricter tax collection and tightened customs control send the food prices up; the extra money created by these measures went to the power-wielding ministries.

Meanwhile, the new leaders have found another—highly original—method for filling the state coffers. They confiscated huge sums of money and expensive property from former bureaucrats and working businessmen (more about this below).

Democracy and State Administration

The absence of a classical checks and balances system is an obstacle that prevents further democratization of Georgian society and reform of the state structures. The powers that be want neither checks nor balances: in two weeks they formulated several constitutional amendments to tip the balance in favor of the president and executive power to the detriment of the parliament. The latter approved them without a murmur in several minutes. Significantly, the voting took place in January 2004 after the new president had been sworn in, while the deputies who demonstrated unanimity were elected in 1999. Officially, the parliament, which should have resigned in November 2003, extended its powers after the coup. Since new

parliamentary elections were looming on the horizon, many of the deputies exchanged their votes for administrative support.

Here is another thought-provoking detail: the NGOs, which shouldered the task of unofficial counting of the votes and assumed the role of guardian of the election's candor, went to court to contest the results of the elections by party lists. They said nothing about the voting in the single-member districts. No reasonable explanation for this comes to mind. Indeed, people voted for parties and individual candidates at one and the same time; vote counting proceeded according to the same rules, while falsifications, if there were falsifications, could not be limited to some ballot papers and not to others. In full conformity with the lawsuit, the court annulled the results of the November voting by party lists and left intact the results for single-member districts. The current parliament is made up of deputies who miraculously avoided the well-channeled popular ire and party members with unblemished mandates. By the way, the man who headed the vote-counting procedure and was responsible for the peculiar composition of the present parliament was appointed mayor of Tbilisi.

Before the November coup, too, the constitutional and legal system of Georgia was far from perfect; the elections of 1999 and 2000 under President Shevardnadze were neither honest, nor upright. The same applies to the November 2003 elections, even though the conclusions supplied by international observers about the previous elections were uniformly favorable. Those who rule Georgia today, however, won the previous elections and never doubted their honesty and transparency. They remained silent until 2 November, 2003 when they suddenly realized that the same methods were applied against them.

This brings to mind an Oriental parable about a pupil who, being paid 8 measures of rice instead of the promised 10, fled from the dishonest employer to the teacher.

"Would you have left him if you got 12, instead of the promised 10, measures," asked the teacher.

"Never in my life," was the answer.

"It seems that you were offended by having too little rather than by your master's cheating," concluded the teacher.

Constitutional Changes

In February 2004, the parliament adopted constitutional amendments; preserving all the rights the president had under the 1995 constitution, the new amendments strengthened the executive branch. The amendment which allowed the president to disband the parliament (according to the 1995 constitution, the parliament could impeach the president) vested him with virtual control over the parliament. It could be disbanded if it fails to approve: the budget submitted by the cabinet; the presidential candidate for the premier; new laws (depending on the voting results the government may call for vote of confidence).

The new amendments allow the president to remove judges; the parliament stopped being a check-and-balance instrument because it cannot pass the budget-related laws without the cabinet's approval.

Local Self-Administration

In 2002, the compromise between the opposition (today, many of its members are found in the echelons of power) and President Shevardnadze reached on the eve of the local elections produced a law under which the president could appoint heads of local administration (*gamgebeli*) from among the elected chairmen of the local councils (*saekrebulo*). The rule was enacted after the local elections of June 2002. In this way, the local leaders were partially elected by the people and for this reason were not accountable to the president alone. Since the parties that the coup brought to power had virtually no local roots, they

had to find a way to appoint their own *gamgebeli*. The solution proved to be simple one: the president assumed the right to appoint temporary administration heads whose power rested on the president's decision rather than on a direct or indirect popular vote.

The new authorities failed to fulfill the central of their revolutionary promises—direct elections of mayors of large cities, including Tbilisi. Direct elections were postponed until 2006: the argument was an old one—the country had not yet matured enough to be trusted with elections.

In Ajaria, the new system allows the president to disband the local parliament for various reasons. The president of Georgia appoints the head of the autonomous republic's cabinet; it is for the local legislature to approve his choice. Its refusal to do this is fraught with disbandment. (I do hope that the president of Georgia did not have in mind the model of broad autonomy offered Abkhazia and South Ossetia from the high U.N. rostrum.) The EuroCouncil Venetian Commission severely criticized these novelties. Before that, the president of Georgia tried (without success) to expel from the country the representative of the EuroCouncil Secretary-General and called the Secretary-General himself an “insolent bureaucrat.”

The Election Code, Parliamentary Elections of March 2004, and the Resultant Deputy Corps

Together with the above measures, the new Georgian leaders initiated amendments to the Election Code (under which the November 2003 elections were carried out). To my mind, the new document is less democratic and less honest than the previous one. For example, under the so-called “formula of former U.S. Secretary of State Baker” and according to the old election code, President Shevardnadze appointed five out of fifteen members of the Central Election Commission. Accordingly, power had five places in all the lower election commissions compared to the nine allotted to the opposition. The president chose the head of the Central Election Commission out of three OSCE-recommended candidates. At the parliamentary elections of 2004, the president appointed five members out of the total fifteen and two members from the opposition. One of the two places went to the National Movement headed by Mikhail Saakashvili, another, to the United Democrats headed by Zurab Zhvania. Today, both are part of the ruling party. Under the new law, the OSCE has no role to play in selecting candidates for the post of chairman of the Central Election Commission (the chairman is appointed by the president himself). In this way, power controls eight out of fifteen commission members. One is tempted to ask: Are the members of a commission which merely summarizes the election results important? The answer is simple: alas, Georgia has not yet reached the level of democracy and rule of law at which this factor becomes unimportant.

The parliamentary elections of 2004 were much better organized than the elections of November 2003, yet during the election campaign the opposition was cornered. It had practically no access to the media, which were working round the clock telling the masses about the election campaign of the president and his party. Despite the insistent and repeated recommendations of the EuroCouncil, the election barrier was not lowered from 7 to 4 percent, allegedly due to the lack of time needed to draft and pass a corresponding law. Let me remind you that the constitutional amendments were drafted in ten days and passed in ten minutes.

The opposition had the official status of a parliamentary minority in the legislatures of 1995 and 1999; this gave it a vice-speaker, deputy chairmen of all committees, equal time with the majority for making contributions at plenary sittings, etc. The parliamentary elections of 2004 left one opposition—the Right Opposition, composed of the New Right and the Industrialists. It was deprived of an official minority status and of all related rights.

Freedom of Speech

The old regime could boast of an obvious achievement—freedom of speech: there were 7 or 8 private TV channels in the country and numerous privately owned newspapers. The majority trusted them not only because of their objective coverage of events, but also because power had no control over them. In the wake of the November coup, three channels (Iberia, Channel 9, and Ajarian TV) were closed down. There were attempts to dispose of the Kavkasia TV Company; recently, several publications were closed down as well. Critical comments about the powers that be that appeared in the *Georgian Times* newspaper attracted the attention of the law enforcement bodies.

The Rule of Law

Since the first days of Georgia's independence none of the leaders have been able to organize an honest and transparent regime based on the rule of law. In recent months, the situation worsened: top bureaucrats and rich businessmen were arrested and charged with corruption and tax evasion. All of them were detained for three months in strict accordance with the demands of the prosecutor. The prosecutor's office treated them and their relatives in a very strange way, to say the least, which smacked of racketeering. None of the cases has so far reached the court because the prosecutors are providing no evidence. The detained are confronted with lists of their property and bank assets which have nothing to do with reality and means that the authorities are proceeding from their own calculations. The detained are asked to "voluntarily" return them to the nation and thus buy their freedom.

For some strange reason, those who lived for many years on small salaries, but were able to buy their freedom for hundreds of thousands, or even millions, thus indirectly admitting to bribe-taking, are set free, while those former bureaucrats who deny all accusations and refuse to pay (they probably have no money at all) are kept behind bars.

This prompts a question: how do the authorities select those who should be subjected to racketeering? The answer is an obvious one: on the basis of public opinion and social order. Those who control the media can manipulate public opinion. As a result of the many months of struggle with the "hydra of corruption," none of the prisoners or former prisoners accused of corruption were kept in prison on strictly legal foundations.

Struggle against violations of the law should be carried out within the limits of the law and according to court mechanisms and court decisions—justice should not be turned into an instrument of popular anger. By allowing persons under investigation to buy their freedom, the state undermines the principle of the rule of law and admits that those who can pay are immune. This approach encourages real and potential embezzlers, who know that the money will come handy some day; this approach tramples down the constitution and depraves society. Georgian justice is growing increasingly dependent on the executive power—the already disrupted balance between the branches of power is being destroyed. When the president appointed one of the leaders of the ruling party the Supreme Court Chairman, the checks and balances system received another blow. It was under Soviet power that the Supreme Court Chairman was inevitably a member of the C.C. Communist Party of Georgia.

Torture is another problem: according to the human rights organizations, since December 2003 over 500 detained who were transferred from detention places to prisons bore traces of torture. The case of torture of the former chairman of the Auditing Chamber became widely known. The Georgian leaders demonstrate total indifference to the repeated recommendations of the European Human Rights Court to change the measure of restraint currently being applied to the former fuel and energy minister for health reasons (he has already spent several months in detention). According to the human rights organizations, a ransom is also being demanded for him. One of the active members of the Kmara organization went as far as saying in a radio interview: "Under Shevardnadze, the situation in this sphere was much better."

Separatist Conflicts

I have already written that on many occasions public opinion dominated over the constitution, while important decisions are prompted by social order rather than objective analysis. The Tskhinvali conflict was obviously escalated without preliminary diplomatic, military, and economic preparation by a desire to promptly fulfill the lavish pre-revolutionary promises. This resulted in 16 deaths on the Georgian side (the loss of life on the Osset side remained unknown), the Russian peacekeepers extending their zone of deployment (even though the Georgian executive and legislative powers recognized Russia as one of the conflicting sides), and the confidence gradually emerging between Georgians and Ossets being destroyed. It cannot be promptly restored. The level of safety of the Georgian population in the Tskhinvali Region was considerably lowered. There is no progress in the talks with Abkhazia either.

Foreign Policy

Georgia has achieved more in this field than in others: the new leaders inherited good or very good relations with their neighbors (with the exception of Russia) and fairly warm relations with practically all the European states; membership in the Council of Europe and the WTO, allied relations with the United States, which included military-political cooperation and armed participation in the counter-terrorist coalition, as well as allied relations with Ukraine. Integration into NATO has started; there is an Agreement on Partnership and Cooperation with the EU. I should say that the new leaders are successfully developing the positive trends in many respects. We have finished elaborating the IPAP with NATO; we have joined the EU New Neighbors Initiative, we have successfully completed the Georgian-American "Train and Equip" program, we have become one of the candidates for the Millennium Challenge program, which promises large investments.

In the case of Russia, the far from simple relations with this state, a key one for Georgia, inherited from Shevardnadze became even less stable and less predictable. Not only the ordinary people, but also experts cannot guess what will come next. Life has taught us that nothing good will come. The newly elected president paid his first official foreign visit to Moscow, during which he spoke to the Russian president (nobody knows about what), from which he emerged radiating happiness and then was warmly greeted at the Moscow Institute of International Relations. After his return home, he invited Russian business to buy up Georgia; and the defense minister declared that the Russian military bases were no longer one of the key problems of bilateral relations. Two months later, however, in an interview with a large French publication and speaking in front of the students of a military academy, the Georgian president warned the nation that it should be prepared for a war against Russia. More than that: in the summer of 2004, one of the leaders of the ruling party, chairman of the parliamentary Committee for Security and Defense, challenged Russia by saying: we were no worse than the Chechens, who had been successfully opposing Russia for several years.

The presidential press service offers no reliable information; in the absence of it, we can surmise that Moscow hinted to our leaders that Russia might relent on the Georgian territorial integrity issue if Tbilisi stops insisting on the withdrawal of Russia's military bases. At the same time, in the spring of 2004, top Georgian bureaucrats and the president started talking about the possibility of settling the Tskhinvali conflict in several months. They also said that the Abkhazian conflict could be settled. The United States will not like this: the Americans know that Russia's military presence in Georgia is fraught with longer-term and more serious danger than merely disrupted territorial integrity. (I totally agree with them.) The bases issue, which was essentially settled according to the CFE-adapted variant, cannot be revised. At the Istanbul OSCE summit, the president of Georgia resolutely insisted on the withdrawal of the Russian bases. These developments were followed by failures in Tskhinvali, restored railway communication between Moscow and Sukhumi, energy problems in Georgia and, significantly, statements by Rus-

sian Foreign Minister Sergei Lavrov, who reproached Georgia for having failed to fulfill its obligations. I wonder what were they?

C o n c l u s i o n

In Georgia there are hopes for renovation and progress. This sends positive signals to power and forces it to fit these expectations and pre-revolutionary promises (some of them hardly realizable). When the leaders find themselves outside control of the opposition (weak and disunited), the media (unoffending and cautious), and public opinion they are expected to form, the top crust becomes accustomed to unlimited power and wishes to consolidate it even more, while the president assumes the role of a “kind and just czar.” This shows that we may lose the few democratic and liberal achievements of the past and become, in the eyes of the civilized world, a territory through which Azerbaijan moves its oil and gas.

GEOPOLITICAL LANDMARKS OF CENTRAL ASIAN AND CAUCASIAN STATES

THE CASPIAN AND THE CAUCASUS IN RUSSIA'S GEOPOLITICAL INTERESTS: HISTORICAL ASPECTS

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The Caspian-Caucasian region has acquired a special geopolitical importance: in the past ten years no other region has attracted as much attention as the Caucasus because of the transportation lines that connect Europe and Asia and the shortest West-bound route for Caspian oil, the reserves of which are second only to the oil wealth of the Middle East. Its territory can be used as a strategic toehold for influencing its neighbors—Turkey, Iran, the Central Asian countries, and China.¹

This multiethnic region has developed into the epicenter of historic events and processes caused by the clash of local and global interests: Russia, the

United States, some of the West European countries, as well as Iran and Turkey have turned their attention to the Caucasus.

The Caspian, which is described as “the traditional zone of Russia’s national interests,” has become even more important. The Foreign Policy Conception of the Russian Federation adopted in 2000 says: “Russia will insist on a status for the Caspian Sea which will allow the coastal states to cooperate on a mutually advantageous and just basis in using the region’s resources taking due account of the legal interests of all of them.”²

The part that belongs to the Russian Federation is its southernmost border territory used for eco-

¹ See: S.S. Zhiltsov, *Geopolitika Kaspiyskogo regiona*, Moscow, 2003, p. 43.

² See: *Kontseptsia vneshney politiki Rossiiskoy Federatsii* [http://www.ipmb.ru/1_2.html], 12 December, 2004.

conomic and other contacts with the trans-Caucasus and with certain other countries across the Caspian Sea with its ice-free ports.

Today Russia and Iran border on new independent states on the Caspian shores—Azerbaijan, Kazakhstan, and Turkmenistan—while Russia's presence there and in the Caucasus is shrinking

under American pressure and the influence of Turkey, Iran, European states, the APR, and Middle East countries.

For many centuries Russia has been fighting to establish its influence in the Caspian Sea and drive away all other powers wishing to do the same.

Peter the Great's March

Two hundred and seventy years have passed since Peter the Great marched on the Caucasus (his campaign went down to history as the Caspian, Persian, or Eastern), yet the stormy diplomatic and military events of the time still attract close attention in Russia, the Caucasus, and elsewhere. This interest is aroused by the historic importance of Russia's foreign policy weight, which is obvious in the region under discussion.

Peter the Great's march belongs to the history of several countries (Russia, Iran, and Turkey)³ and of the Caucasus. The region between the Black and the Caspian seas played an important role in the international policy of all the large powers: Russia never let its strategic and political importance out of its sight, while Iran and Turkey, in turn, never missed a chance to use the Caucasian factor in anti-Russian policies. Its favorable geographic location allowed the local peoples to maintain close ties with other nations and countries.

The relations between Russia and the Caucasus go far back into the past. Early in the 18th century when Russia became an empire, its first emperor Peter the Great displayed great interest in the Caucasus and the desire to reach the warm southern seas. This coincided with the Ottoman Empire's military and political expansion to the Caucasus, while part of the Eastern Caucasus still belonged to Persia. Prominent statesman of that time Artemy Volynskiy, who was very familiar with the situation in the Caucasus, urged Peter the Great to fight for the Caspian provinces. The czar demonstrated a lot of wisdom when he said: "We will have to fight for the Caspian coast first in order to keep the Turks away from it."⁴

Caught in the web of aggressive intentions of their mighty neighbors, the Caucasian feudal rulers had to rely on Russia, Turkey, or Iran to promote their own interests.

It was under Peter the Great that the Russian Empire acquired a vast program of political and economic policies in the Caspian and the Caucasus. Russia's young yet rapidly developing industry needed raw material sources. The Caucasus could offer silk, cotton, wool, fabrics, wines, spices, jewelry, fruits, etc. Russia's rulers craved for gold, silver, and other riches, which they hoped to find in the newly conquered lands.

Russia needed the Caspian regions for military-political reasons as well: its southeastern borders were too vulnerable, therefore the empire had to protect itself with a stretch of the Caspian coast.⁵ These considerations shifted Russia's expansion from the West to the East: the Baltic region, Poland, the Balkans, the Caucasus, Central Asia, and the Far East. Its Caucasian plans were favorably accepted in Azerbaijan, Armenia, Georgia, Daghestan, and elsewhere. The local peoples welcomed Russia's increasing presence: they wanted Russia's help in their struggle against Iranian and Turkish expansion.

³ See: V.P. Lystsov, *Persidskiy pokhod Petra I. 1722-1723*, Moscow, 1951, p. 87.

⁴ S.M. Soloviev, *Istoria Rossii s drevneyshikh vremen*, in 15 books, Moscow, 1963, Book IX, Vols. 17-18, Ch. 1, p. 372.

⁵ See: *Russkiy vestnik*, Vol. 68, 1867, p. 557.

After defeating Sweden and signing the Peace of Nystad in 1721, Peter the Great began preparing for the march on the Caucasus in earnest. The political context in the region and the Middle East was favorable. Artemy Volynskiy, the governor of Astrakhan, urged the emperor to start the march in 1722. Peter the Great decided to move in the summer so as to prevent Turkish interference and to join the Caucasian Caspian coast to Russia. On 15 May, 1722 the czar set off for Astrakhan to start his land and sea march, which took eighteen months to complete. This was how Russia's pressure in the Caucasus began.

On 18 July, 1722 Admiral Count Apraksin led the fleet from Astrakhan to the Caspian Sea. Three days before that Peter the Great issued a manifesto in the local languages to be dispatched to Tarki, Derbent, Shemakha, and Baku, in which he said that two subjects of the shah—Daud-bek and Surkhay Khan—had rebelled, captured Shemakha, and robbed Russian merchants, inflicting heavy losses on Russia and humiliating it as a great power.⁶

After two days at sea, Peter the Great and his navy arrived at the mouth of the Terek River, he ordered to move further on, to the mouth of the Sulak River. On 27 July, the army landed on the Agrakhanskiy Peninsula and started building a fortified camp. The land troops moving across the Astrakhan steppes went in the same direction. After crossing the Sulak, Peter entered Daghestan. Some of the Daghestani feudal lords, the Andereevskiy ruler among them, tried to resist. The Kostekovskiy and Aksai rulers and the Shamkhal of Tarki, however, hastened to assure Russia of their loyalty, while Shamkhal Adil-Girey demonstrated his benevolence. On 6 August, Peter the Great was welcomed with honor not far from Aksai: the Shamkhal of Tarki presented the Russian emperor with 1,600 bulls harnessed to carts, 150 bulls to be eaten by the Russian troops, as well as three Persian horses and a saddle inlaid with gold. Adil-Girey declared that while in the past he had been a loyal servant of the Russian czar, from that time on he would serve him "with more zeal" and offered his troops.

On 12 August, the Russian vanguard troops approached Tarki where the Shamkhal greeted them with bread and salt Russian-style. Peter camped five miles away from the town. The next day he paid a visit to the Shamkhal in his capital and walked in the nearby mountains accompanied by three platoons of dragoons. The Russian emperor visited an ancient tower and other monuments. The honors and the Shamkhal's loyalty produced a good impression on Peter.

Informed about Peter the Great's arrival in Daghestan, the Georgian and Armenian rulers also prepared to greet the czar. Georgian czar Vakhtang with his 40-thousand-strong army moved to Gäncä to wait for the Russian troops expected in Shirvan. There the two armies had to pool forces to beat off the Iranian and Turkish oppressors.

On 16 August, Peter moved the army from Tarki to Derbent, which turned out to be the key to the 1722 campaign. The troops entered the dominions of Sultan Makhmud of Utamysh. A reconnaissance Cossack group was attacked; after that the village of Utamysh with 500 houses was completely destroyed; 26 people were taken prisoner and put to death. After easily scattering the sultan's troops, Peter moved to the south. Akhmed Khan, the Utsmiy of Kaytag, and the rulers of Buinaksk assured the Russian czar of their loyalty. On 23 August, Russian land troops entered Derbent without striking a blow; the local people enthusiastically greeted the czar. A week later, on 30 August, the troops reached the Rubas River and founded a fortress with a potential garrison of 600. This was the southernmost point to which Peter the Great personally led his army.

Several days later, all the lands around Derbent recognized the rule of the Russian czar. He informed the Senate that "Russia was standing firmly in these lands." The loyalty of Naib of Derbent Imam Kuli and the peaceful surrender of the city were rewarded with the rank of Major General and a salary from the Russian coffers.⁷ It was in Derbent that Peter received the feudal rulers of Daghestan and other Caucasian regions. All of them, as well as the ordinary people of Baku, Shemakha, Salian, Resht, Tiflis, and Erevan, wanted to become Russian subjects.

⁶ See: *Russko-daghestanskije otoshenia XVII-pervoy chetverti XVIII veka*, Makhachkala, 1958, p. 244.

⁷ See: S.M. Soloviev, op. cit., p. 369.

Czar of Kartli Vakhtang VI went to Gäncä. In his letter to Peter the Great he informed the Russian czar that he had come to join the Armenian and Azeri troops stationed there. The Gäncä and Karabakh volunteer detachments made up of Azeris and Armenians, together with Georgians, were ready for a march to join the Russian troops and move further on against the Turkish and Iranian conquerors.

For several reasons Peter had to cut short his Caucasian expedition: the Caspian army was underfed and needed more fodder; and there was the threat of another war with Sweden, which greatly troubled the Russians. On 29 August, the military council in Derbent decided to cut the march short; part of the army had to go back to Russia. Garrisons were left behind in the newly acquired dominions. On 7 September, Peter set off for Astrakhan; a garrison was stationed in Tarki, while a fortress called the Holy Cross was built up on the Sulak River on royal orders. It was commanded by Colonel Soymonov.

The Caspian March of 1722 earned Russia the Agrakhanskiy Peninsula, the mouths of the rivers Sulak and Agrakhani (where the Holy Cross fortress was built) and the Caspian coast of Daghestan with Derbent. These achievements and joining Baku and the Caspian coast of Azerbaijan to Russia greatly strengthened the positions of those who favored closer relations with Russia in the Northern Caucasus. The Kabardins, for example, not only welcomed Russia's success in the Caspian region, but also helped it as much as they could. Two princes, Elmurza of Cherkassk (the younger brother of Alexander Bekovich) and Aslanbek Kelemetov brought their detachments to the Russian camp as soon as the Russians had landed in Daghestan. They fought together with Peter. A fortress, which the Kabardins petitioned for through Artemy Volynskiy, was built on royal orders on the Sulak River in Daghestan.

The very fact that Russian troops entered the Northern Caucasus greatly affected relations with the Vaynakhs. In the fall, just before he was ready to leave the Caucasus, Peter the Great visited the area now occupied by Chechnia and Ingushetia, where he inspected the silk-making factory of Safar Vassiliev (who received the land on which the factory stood back in 1718 from the Russian czar). Peter also went to the villages of the Grebenskie Cossacks and to the Bragun warm waters.

The march added vigor to the liberation struggle of the trans-Caucasian peoples against the Turkish and Persian oppressors. A popular uprising under the outstanding Armenian military leader David-bek flared up in Karabakh and Siunike, while the liberation movement itself merged with the rising movement for unification with Russia in the 18th century.⁸ Vakhtang VI played a prominent role in pooling the forces of the trans-Caucasian nations. Russia, in turn, did not abandon its plans in Georgia, Azerbaijan, and Armenia.

Turkey watched Russia with mounting concern; to arouse anti-Russian sentiments among the mountain people, it tried to bribe or intimidate them. Religion was its most powerful tool for setting the Muslims and Christians against each other. On their way to the Caspian shores, its troops moved toward the Daghestani border. The Crimean khans and Turkish sultans wanted to conquer Shirvan, Daghestan, and Kabarda. In his instructions to Russian resident Nekliuev, Peter the Great firmly stated that Russia's interests "will not allow any other power, no matter which, to establish itself in the Caspian."

The very real Turkish threat forced the Russian emperor to take certain diplomatic steps and plan a military campaign for 1723. The Russian Caspian flotilla in Astrakhan, the Russian naval Caspian base, was strengthened. The fortresses of the Holy Cross and Derbent in Daghestan were fortified to protect Russian territorial acquisitions there. (Derbent received two infantry battalions and 20 canons.) In 1723, a naval force under General M. Matiushkin occupied Baku, a measure to which the emperor attached great importance.⁹

England and France, likewise, were apprehensive of Russia's conquests in the Caucasus. They were actively encouraging Turkey to declare war on Russia. In the summer of 1723, the Ottoman troops launched

⁸ See: *Istoria Azerbajjana*, Vol. 1, Baku, 1958, p. 293.

⁹ See: *Ibid.*, p. 304.

their trans-Caucasian campaign; they first attacked Eastern Georgia, the most independent and anti-Turkish part of the region. Vakhtang VI had to return to Kartli; the Turks captured Tbilisi; Vakhtang was forced to emigrate to Russia.

From Georgia, the Turks moved on to Karabakh to be met with strong resistance from the Azeris and Armenians. Turkey mainly wanted to prevent Russia from striking root in the trans-Caucasus. After failing in Karabakh, the Turks stationed in Erzurum moved to Eastern Armenia.

Georgians, Azeris, Armenians and Daghestanis put up stiff resistance to the Ottoman invasion of the Caucasus accompanied by unheard-of cruelty. The local people had the support of Russia and its troops stationed in the region. Turkey tried in vain to scare Russia with a threat of a war to force it to abandon its Caucasian dominions.

The St. Petersburg Treaty

In September 1723, Russia and Persia signed a treaty in Petersburg on the suggestion of the Shah of Iran who was scared by the Turkish invasion of the Caucasus. Under the treaty, the shah acknowledged Russia's acquisitions along the Caspian coast of the Caucasus.¹⁰ In this way Shah Takhmasp admitted that several territories (including the cities of Derbent, Baku, Gilian, Mazandaran, Astrabad, and other mainly silk-producing centers) "belonged to Russia for all times."

Russia, in turn, never abandoned its trans-Caucasian plans. This was clearly stated in a letter Peter the Great addressed to the supporters of pro-Russian orientation in Georgia, Armenia, and Azerbaijan: "I shall never abandon a cause once I have started it." In response to Czar Vakhtang's repeated requests for help Peter wrote: "When we capture Baku and strengthen our positions along the Caspian coast we shall send our troops to help him in the numbers needed. We must first entrench ourselves on the Caspian coast—without that we shall accomplish nothing."¹¹

The treaty with Persia undermined Turkey's plans to invade the Caucasus—this was very important to Russia. The document, which formalized the military union between the two states, was an answer to the Ottoman invasion of Persia which started in the summer of 1723. The Caucasus, an area where the interests of three powers clashed, remained the main bone of contention between Russia and Turkey. Russia, which was fighting in the Caucasus against its rivals supported by strong West European powers (primarily England and France), was in a much more favorable position. It relied on its own might and was supported by most of the local people. The Turkish sultans managed, from time to time, to exploit the Muslim factor. In the spring of 1723, the Erzurum pasha invaded Georgia and destroyed Kartli and Kakheti.

After capturing Tbilisi, the Turkish army moved on to Gänkä, Shemakha, and Baku. The people of the Azerbaijanian cities, together with Armenians, moved against the invaders arms in hand.

The Istanbul Treaty

The struggle over the Caspian dominions was aggravated as the Turkish army moved forward. Russia's interests were endangered, yet the country, which had just finished waging a war with Sweden, could not enter another war. It needed peace with Turkey. Under English and French pressure, however, the peace talks dragged on for a long time, until on 2 June, 1724 they ended in a treaty signed in Istanbul (Constantinople). Russia kept the Caspian provinces in Daghestan and Azerbaijan, while Turkey received all the other lands in Daghestan and Azerbaijan, as well as Georgia and Armenia.

¹⁰ See: R.M. Magomedov, *Rossia i Daghestan*, Makhachkala, 1987, p. 58; *Istoria Azerbaijanana*, Vol. 1, p. 302.

¹¹ *Istoria Azerbaijanana*, Vol. 1, p. 302.

The very fact that the coastal areas were joined to Russia intensified the movement for joining Russia in all other parts of the Caucasus. The pro-Russian orientation among the local people became even stronger.

To a certain extent the Istanbul Treaty was Russia's diplomatic success. At the same time, its position in the Caspian area remained precarious as long as Turkey controlled certain trans-Caucasian territories (Armenia, Georgia, and Azerbaijan in particular, minus coastal strips). While the diplomats continued talking, Turkey was moving its troops further into Georgia, Armenia, and Azerbaijan. Turkish domination of Eastern Georgia caused great strife among the local people, who never surrendered to it without a fight.

The military-political situation in the region was greatly affected by the presence of Russian troops in Derbent, Baku, and Salian and of its fleet in the Caspian Sea. Aware of this, and having experienced the staunchness of the local people (Azeris, Armenians, Georgians, Daghestanis, and others), the Turkish invaders eased their pressure and slowed down their onslaught. In their struggle against the Ottoman Empire the Caucasian peoples stood together; their mutual assistance made them stronger. The peoples of Georgia, Azerbaijan, Armenia, Daghestan, etc. pinned their hopes of liberation from the Turkish and Persian oppressors on Russia; they expressed this hope in numerous letters they sent to the Russian authorities. During Peter the Great's Caspian campaign, Georgians and Armenians came to settle on the Caspian shores.¹²

The Imeretian Kingdom was also seeking relations with Russia. In 1724, Czar Alexander V sent a letter to Captain Georgy Dadiani, who was on Russian service, with a request to ask the royal court to establish Russia's protectorate over his country in order to help him drive the Turks from Georgia.

This did not stop Turkey, which continued its aggressive policies: its army was conquering Georgian, Armenian, and Azerbaijanian towns and villages. The Turks treated the local people cruelly, many of them were taken prisoner, villages were burned down. Resistance was strong everywhere, the Turks paid for Tebriz with a heavy toll of human lives; in December 1725, they captured Ardebil. The regime of the Turkish sultans in the trans-Caucasus was cruel, the taxes and dues were heavy. The Christians were treated with particular cruelty and were persecuted and humiliated. The popular masses of Armenia, Georgia, Azerbaijan, and Southern Daghestan hated the aggressors; an anti-Turkish movement engulfed the region.

All the Daghestani rulers, Surkhay-Khan of Kazikumukh in particular, wanted closer ties with Russia; the rulers of Tabasaran Rustam-bek-qadi and Maisum Magomed were Russian subjects. In 1727, on a suggestion by the Utsmiy of Kaytag, the Avar khan came to the camp at the Holy Cross fortress to take an oath of allegiance to Russia. The Andi people became Russian subjects in 1731. By that time Russia controlled a large part of Daghestan.

Russia was sealing its influence in the Caucasus and the Caspian area by building the Holy Cross fortress, fortifying Derbent, Baku, and Resht, and by establishing its protectorate over Kabarda. It controlled the maritime trade routes and the key ports, increased its influence in Daghestan and Kabarda, kept the Crimean Tartars away from the Caspian, and stood opposed to Turkish expansion toward its dominions along the seacoast.

At the same time, the Ottoman rule over the lands that used to be the Persian sphere of control and the Ottoman Empire's advance toward the Caspian threatened Russia's interests. It had to take diplomatic and military measures to strengthen its positions in the threatened territories; in particular, more troops and ammunition were sent to Derbent and Baku.

Russia was fighting for the Caspian and for new territories because its ruling classes needed them. The Caspian territories were entrusted to Prince Vassili Dolgorukov, who was the military, as well as civilian ruler at one and the same time. In some cities Russian administrative structures were created, in others, old rulers (naibs and sultans) remained in power. The Russian government wanted to turn the area into a source of raw materials for the Russian manufacturing industry.

¹² See: P.G. Butkov, *Materialy dlia novoy istorii Kavkaza s 1722 po 1803 g.*, Part I, St. Petersburg, 1869, p. 44.

Javad, Salian, Shabran, Mushkur and others, which fell into Russian possession, were attractive politically and economically. Academician P. Butkov described the newly acquired lands and towns in the following way: "These lands were rich in grain, cattle, mulberry tree orchards, tobacco, and vineyards."¹³ Even before the Caspian campaign, Peter the Great repeatedly pointed out to the Astrakhan governor that the natural riches of the Eastern Caucasus should be carefully investigated. Later the emperor issued decrees about developing the natural wealth of this area, and encouraged all measures designed to develop sericulture and cotton growing, increase oil production, and organize fishing in rivers and the sea. Specialists in gold, silver, copper, iron and other ores came to Daghestan and Azerbaijan from Russia to study the local deposits.

Despite the colonial designs of the imperial government, the very fact of joining Russia was an important event in the history of the local peoples. The Caspian area acquired immense possibilities for its social and economic development, while the Azeris, Armenians, Georgians, and Daghestanis gained the hope of finally liberating themselves from the Turkish sultans and Persian shahs. For several reasons this hope remained unfulfilled during Peter the Great's Caspian campaign. At that time, the Russian Empire was undoubtedly hoping to reach the Indian Ocean shores, which meant that it planned to conquer not only the Caucasus and Central Asia, but also to spread its influence to Mesopotamia, Iran, and Western Asia, restore Christian Orthodox rule in the Balkans and Constantinople, and reach the Mediterranean.

The Military-Political Results of the Caspian Campaign

Peter the Great's march made the southeastern lands of his empire safer; it added vigor to the liberation movements of the trans-Caucasian peoples and saved Daghestan from the danger of being conquered by Turkey; it created an economic upsurge along the sea coast and raised the cultural level of those who lived there. The ties between the Caucasian peoples and Russia became stronger.

Objectively, Russia's strategic interests and its struggle against the Persian and Turkish influence in the region coincided with the aims of the liberation struggle of the peoples of Daghestan and other Caucasian regions, and helped them draw closer to Russia.

Russia was very much concerned with the task of preserving and strengthening its economic and military-political presence in the Northern Caucasus. President of the Russian Federation Vladimir Putin has pointed out: "We should not forget that the Northern Caucasus is one of the key strategic regions of Russia." Today, many aims of Russia's Caspian and Caucasian policies are associated with Daghestan. Moscow is guided by the country's interests when it concentrates on the following issues: first, military and political security, which Russia associates with settling all conflicts in the Caucasus. The Russian Federation regards the militarization of other Caspian states and the military-political presence of third countries in the region as a threat to its own security. Second, ecological safety, which Russia is concerned about more than its neighbors: the part of the sea on its shores plays an important role in reproducing bioresources. Transportation and energy routes are another issue: they are used to promote Russia's foreign economic interests, that is, to deliver Caspian energy fuels to Europe, China, the APR countries, etc.

Being aware of Russia's historical responsibility for the future of the nations that used to be part of the Russian Empire, the Russian leaders should pursue a policy that meets the interests of Russia and the local peoples. Certain powers want Russia to be perpetually bogged down in never-ending conflicts on its territory in order to instill the idea among the local people of detaching themselves from the Russian Federation.

¹³ Ibid., p. 56.

Any attempts to drive a wedge of dissent between the Caucasian nations and countries and between the Caucasus and Russia will inevitably heap disaster on all our heads.

Russia must bear responsibility for the continued unity of its peoples and for the territorial integrity of its republics and other territories.

THE STRUGGLE FOR CASPIAN OIL AND CASPIAN TRANSIT: GEOPOLITICAL REGIONAL DIMENSIONS¹

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The Communicational Dimension of the Resource Factor

In the 1990s, when the Soviet Union fell apart, the Caspian emerged as a center of oil-related rivalry, the victory in which would bring influence and domination over a territory that Moscow regarded as an outskirt of its empire. This corner of Eurasia became the crossroads of political interests of global and regional powers. This very fact revived the old phrase, "The Great Game," that Kipling used to describe the Russian-British rivalry in Central Asia in the 19th century. Abused by political observers, the phrase added mystical and emotional dimensions to the Caspian issue. I believe that the analogy is an important one because the focus of the struggle (oil and gas) is found inside the region. The Caspian Basin, which has come to be described as the energy treasure-trove of the 21st century, is one of those places on the planet that is very hard to penetrate. Kipling demonstrated great perspicacity when he said that the country to win the railway race would be the winner in the Great Game. In the latter half of the 19th century, the time when the Russian and British empires clashed in Central Asia, it was control over the communication routes that decided Russia's victory and Britain's retreat. The Trans-Caspian railway completed in 1888 was Russia's main geopolitical instrument in the region, creating new trade routes to replace the old ones which in the past connected Persia, Khiva, Bukhara, and Turkestan to European Russia.² This cost the British their markets and stemmed British expansion on the continent.

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² See: V. Maksimenko, "Central Asia and the Caucasus: Geopolitical Entity Explained," *Central Asia and the Caucasus*, No. 3, 2000, p. 63.

History is repeating itself at the turn of the 21st century: the region's future depends on oil and gas pipelines which bring energy fuels to the foreign markets. Caspian geography and metaphysics have made the transit issue the key to interpreting the meaning of the rapid changes unfolding in the Caspian-Black Sea area. Communications make geographic location meaningful; transportation lines revive the resources and the fact of possessing them. Today, local political interests and trends in outside influences are largely determined by potential export oil pipelines. Back in the 1990s, it became abundantly clear that outside influences would betray themselves in a specific way depending on the oil-export routes (to the north, south, east or west). Enormous finances, as well as the inflated ambitions and egoisms of the largest oil companies, political leaders, and ruling groups are aligning themselves along the pipelines.

The above should not be taken to mean that the oil pipelines serve as magic axes of sorts for the Caspian policies at all levels. It was the transit factor, however, that changed the region from a relatively stable Eurasian resource periphery into a busy geopolitical crossroads. More complex and more differentiated political considerations and factors set the Caspian and its resources in motion.

The Levels of Caspian Policies: New Imagery and New Analysis

Globalization and the mounting intensity of internal and external impact on the region have created various political levels there. Having won the Cold War, the West incorporated the region into its geopolitical mega-projects. Simultaneous localization/disintegration of the local states created more centers of decision-making, all of them below the nation-state level. This opened up new sub-national and sub-regional expanses. The related issue of the nature and content of the political stimuli "above" and "below" the nation-state level makes it possible to formulate a new analytical perspective when describing regional problems. The globalization/fragmentation process is restructuring the problem field of post-Soviet Caspian policies. This demands new scales and new analytical units. My approach is based on identifying and explaining three levels of Caspian politics: global, regional, and local.

The *global* (mega) level is formed by the superpowers' (the U.S., Russia, China and India) long-term geopolitical interests. The *regional* (meso) level is represented by the regional interests of the Caspian states and their meso-alliances. The local political egoisms of the ruling elites of RF subjects, national units, enclaves, and rebel territories in Russia, Georgia, and Azerbaijan form the *local* (micro) level of Caspian politics.

The Caspian Basin has created concentric political circles: global, regional, and local, which suggests a corresponding "concentric" approach to probe deeper into the Caspian developments. This can be done through the prism of the spatial-level pyramid which has considerably changed the shape and content of, as well as added weight to the Caspian problems.

I have approached the levels of Caspian policies not as consolidated spatial categories and geographical units, but as heuristic concepts and have offered a new analytical framework to better explain Caspian policies and the processes at the local, regional, and global levels.

The Caspian in the Context of Contemporary Geopolitical Interpretations: The Mega-Level

In the 1990s, the global level consisted of American geopolitical mega-projects designed to move as close as possible to controlling the Caspian's geographic location and resources.

In the 20th century, southern Eurasia (Central Asia and the Caucasus) attracted the leading world powers by a combination of rich resources and what looked like apparent defenselessness. Vladimir Maksimenko wrote in his article that the last century tempted the Western geostrategists twice: when the Ottoman and the Russian empires fell apart, and later when the Soviet Union disintegrated. On both occasions the West was inclined to look at the Caucasus and Central Asia as territories of secondary importance and as a “soft underbelly” of Eurasia, in which Russia, the pivotal continental state, proved to be most vulnerable.³

Oil supplied the most real and convincing stimulus for this. In 1986, five years before the Soviet Union collapsed, Zbigniew Brzezinski wrote that the southern geostrategic front of a clash between the U.S.S.R. and the U.S. was “the most urgent and difficult geopolitical priority” precisely because “this front covered 56 percent of the known world oil reserves, on which the U.S. and Western Europe depended so much.”⁴

The Soviet Union’s collapse, which removed a large entity with world-order ambitions from the political world map, changed the balance of forces in Eurasia. Yeltsin’s “new” Russia with its naked outskirts looked like an amorphous body deprived of clear political will. This prompted intellectual “meta-stories”—the soil in which the West’s exalted political ambitions and plans were rooted. The “meta-stories” reflected the political interests of the day nurtured by that part of the American establishment that was especially eager to lay hands on the Eurasian energy resources.

The book *Energy Superbowl* published by the Nixon Center for Peace and Freedom describes the territory stretching from the Volga mouth to Oman as a strategic energy ellipse. The authors ascribed its energy prospects to the fact that it continued the oil fields of Iran and the entire Middle East. It contains two-thirds of the prospected oil reserves and over 40 percent of proven world natural gas reserves.⁵ The Caspian Basin and the Persian Gulf form one energy and geopolitical unit. This approach allowed American strategists to speak of the area as a New Middle East. The authors of the *Energy Superbowl* verbalized this mainstream idea together with its overtones. They said, in particular, that the Caspian-Persian energy ellipse and its resources were a strategic prize on the changing scene of international politics.⁶

The United States supported its intellectual exercises with a mega-project for the Caspian region as a whole. It all started in 1994 when the Americans declared the Caspian Basin as a zone of their vital interests. In geopolitical terms this meant that the oil-bearing region was being slotted into the Greater Middle East. Washington’s firmly motivated interpretations and ambitions offered a striking contrast to the impotence demonstrated by “democratic” Russia unable to create a mega-project for the Caspian area as a whole. Moscow has failed to acquire a language of domination and create a stable text to express its claim to an independent role in foreign policies. This forced the disunited players on the Russian political scene—the government, oil and gas companies, and regional leaders—to adjust to the rapid geopolitical changes. Gradually the Caspian Basin developed into a crossroads of big, average, and small political egoisms and interests.

The Region in the Context of Pipeline Syndrome: the Meso-Level

In the first half of the 1990s, political observers agreed that all signs of a resource rush and business revival were present in Azerbaijan, Turkmenistan, and Kazakhstan. This looked refreshing against the

³ See: V. Maksimenko, op. cit., p. 61.

⁴ Ibid., p. 59.

⁵ See: *Energy Superbowl. Strategic Politics and the Persian Gulf and Caspian Basin*, Nixon Center for Peace and Freedom, Washington, D.C., 1997, p. 14.

⁶ Ibidem.

background of drab post-Soviet decline. The changes were behind what looked like a mystery: the names of countries few people in the world could recognize suddenly appeared on the front pages of leading Western periodicals, while their leaders were received in Western capitals with a pomp far exceeding their states' economic potentials and political weight. Numerous statistical reports and forecasts swiftly added a political dimension to the Caspian offshore oil and gas riches.

Oil and oil pipelines became a much-wanted political commodity. It was President of Azerbaijan Heydar Aliev who pioneered an active exchange of oil for political dividends, the "contract of the century" signed in 1994 being the most famous example of this. By transferring oil fields or shares in consortiums to Western companies, Heydar Aliev tried to convince the West to resolve the Karabakh conflict in favor of his country. As a result, he acquired an influential lobby in the United States and Western Europe. Kazakhstan followed suit. Newly discovered rich oilfields on the northern Caspian shelf (next to Tengiz and Kashagan) made the republic one of the oil-richest countries. Preliminary estimates of the newly discovered hydrocarbon resources were adjusted and used for further forecasts so as to present the Caspian countries as an epitome of resource potential. In fact, the declared scopes of their energy resources (primarily Azerbaijan) were largely a bluff exploited for political purposes. Still, the transit race became a peak of activities at the Caspian meso-level.

Excessive politicization of the oil-related factor ended in a pipeline syndrome. Two potential routes for Caspian oil (Baku-Ceyhan and Tengiz-Novorossiisk known as the Caspian Pipeline Consortium—CPC) competed with the Soviet pipeline between Baku and Novorossiisk. The Baku-Supsa pipeline with a relatively limited carrying capacity completed early in 1999 was an intermediary project. In the 1990s, the CPC won: its construction started in 1999 to be completed in 2001. Moscow had to work hard to send Kazakhstani oil across Russian territory to Novorossiisk. The Baku-Ceyhan project, a linchpin of American Caspian policies, was shelved.

Russia acquired a powerful instrument. It used it to bring pressure on the Caspian states and stabilize, for some time, the meso-level of Caspian policies by depriving it of stimuli and alternatives. The pause was prolonged by the Caspian Sea's vague international-legal status, as well as by the idea of demilitarizing the Caspian Basin. The uncontrolled disintegration and chaotic fragmentation of Russia, Georgia, and Azerbaijan set the local (micro) level in motion. The process was also provoked by the growing appetites of the local ruling groups: the RF subjects and local units of the Caspian-Black Sea area wanted a share in all large-scale transit projects. In other words, Caspian oil was not only behind the global rivalry of the world powers and coastal states: all of a sudden it was triggering regional and local conflicts in Russia too.

Caspian Oil Routes and RF Regions: Nature and Directions of Local Egoisms

Inevitably, all energy and transit policies have local dimensions to them. This is especially true of oil pipelines built and exploited in specific geographic conditions. In fact, all energy corporations (either in Ecuador, Sakhalin, Nigeria, or the Caspian Basin) must enter into complicated relationships with far-removed and therefore hard to understand local units. This approach makes it possible to view regional policies through the prism of oil-related factors and to discuss oil problems in the context of regional interests.

In the 1990s, the CPC oil pipeline project was launched; it proved to be the largest project of this kind in Russia in the last 10 years. The export pipeline is 1,558 km long; its original annual carrying capacity was 28 million tonnes of oil to be brought up to 67 million tonnes in four construction stages. The route that starts in Tengiz, passes along the northern Caspian shore and straight on to Novorossiisk. It forms a transportation arc which joins the Black and Caspian seas and crosses four subjects of the Russian Fed-

eration: the Astrakhan Region, Kalmykia, and the Stavropol and Krasnodar territories. The pipeline bypasses the most troublesome spot in the Russian geopolitical expanse—the North Caucasian republics. Indeed, in the 1990s, independent Chechnia repeatedly stopped oil traffic along the Baku-Novorossiisk pipeline, on which both capitals were pinning their hopes. In fact, the pipeline remains vulnerable on the territory of potentially unstable Daghestan. This left no choice but to build another export pipeline across safe territories. The safe territories formerly regarded as Russia's periphery, in turn, acquired a chance to become the heart of the south Russian communication lines. The hopes were fed by the fact that in the 1990s the ruling elites of these regions themselves formulated and tried to realize the idea of upgrading Russia's transit potential on the basis of their territories.

Formerly purely agrarian regions, in post-Soviet times they became Russia's only access to the sea: all major southern ports are found on their territories. The Caspian Olia port in the Astrakhan Region, and Novorossiisk, one of the largest Black Sea ports (the Krasnodar Territory), were modernized while the CPC pipeline was being built. There were also plans to build a port in Lagan on the Kalmyk section of the Caspian coast as one of the transit points of the North-South transit corridor; the Kalmyk leaders attached great importance to the project. The Kuban area with the major Russian ports found on its territory (Novorossiisk, Tuapse, and Yeisk) and responsible for about 40 percent of the country's foreign trade turnover plays the most important role in these plans. Novorossiisk stands a good chance of becoming the key transshipment point for the CPC oil moved outside the country. This means that the strategic importance of these territories (which can be called Russian "gateway regions") in the south is created by their control over Caspian oil and transportation corridors.

The CPC-created oil-and-gas expansion changed the frame of mind of the local authorities. Under the impact of oil, the local elites abandoned the centuries-old unique agrarian specialization for new ideas of their place in Russia's economy and oil-and-gas priorities.

The Rent-Related Nature of Local Conflicts along the CPC

1. The Astrakhan Region-Republic of Kalmykia Confrontation

The acute and drawn-out conflict between the two RF subjects was provoked by the resource (oil included) factors.⁷ There were also other reasons: the agricultural enterprises of the Astrakhan Region were using 390,000 hectares of distant pastures in the Chernye zemli area (within the administrative borders of the Republic of Kalmykia).

The conflict is rooted in the sides' failure to agree on the status of the debatable lands: all repeated attempts at an agreement failed. In 1999, the conflict came close to escalation. This should not be taken to mean that the Astrakhan Region's administration, headed at that time by Anatoli Guzhvin, was engaged in a cold war of sorts to seize part of its neighbors' lands. Still, in 1998-1999 the conflict was an acute one, the gravest among other resource-related squabbles.

There are signs that it was caused by the sides' financial egoisms—they wanted as large share as possible for oil transfer across the debatable territories. The political elites of both regions painted gratifying pictures and diagrams of prosperity for their populations. In one of his interviews, President of Kalmykia Kirsan Iliumzhinov promised: "When we reach the figure of 3 million tonnes of annual oil extraction, there will be no need for our people to work."⁸ The local expectations ranged from revived construction projects to a healthy tourist industry. The normally reserved governor of the Astrakhan

⁷ See: A. Magomedov, "Oil and Caspian Pipeline Consortium as Instruments of Astrakhan and Kalmyk Leaders," *Central Asia and the Caucasus*, No. 2 (8), 2001, pp. 87-96.

⁸ *NG—Regiony*, No. 15, 1998, p. 4.

Region offered similar forecasts: according to him, Caspian oil and the oil transportation system would raise the local living standards to the highest Russian level and make Astrakhan the capital of the Caspian region.⁹

2. The Krasnodar Territory: Inner Conflicts and Oil-Related Bargaining

As distinct from the Astrakhan Region and Kalmykia where the capitals, connected with Moscow, dominate in the administrative and natural resources respect, the Kuban area has several main cities: Krasnodar, the administrative capital, Sochi, the capital of the recreation industry, and Novorossiisk and Tuapse, two ports with highly developed transportation and trade infrastructures. Novorossiisk is rapidly developing into a huge Black Sea transshipment port: it processes the larger part of Russia's exports and a third of Russia's oil exports. The CPC uses it as its oil terminal, which has already made Novorossiisk one of the largest foreign trade centers of post-Soviet Russia and one of the key economic units of Russia and other CIS countries.¹⁰

In the post-Soviet period, the Black Sea coast has finally acquired enough modernizing resources to develop at a fast pace. The process is an unequal one: the Krasnodar Territory demonstrates the unevenness of the modernization process and even a modernization conflict caused by the historically created division into the Southwest and the Northeast (the coast and inland agricultural areas). The conflict is rooted in two different economic types: the agrarian North and the industrial, transport, and recreational South. There is a certain division of labor between them: the South attracts money and investment projects, while the North is responsible for the disproportionately high share of the region's policy-making. This moved the local agrarian elites into the key posts in executive structures and supplied them with lobbying instruments. They could shape the budget policies to their advantage even though in 1988 the agrarian-industrial complex accounted for a mere 11 percent of the area's gross product and for 17 percent in 1995.

This disproportion reached its peak under Governor Nikolai Kondratenko, who placed the stakes on agriculture; this and his "hyperactive" nature complicated his relations with the oil factor. On the one hand, Novorossiisk had developed into the key transshipment port of Russia; on the other, the governor and his assistants looked at the Russian fuel and energy elite as an alien or even hostile element. The "Kondratenko factor" came to the fore during his second term (1996-2000), when the governor played his self-imposed role of local "hero," "protector" and "master" of the area with gusto. He belonged to the politicians of a "heroic" frame of mind and posed himself as an incorruptible fighter against the anti-national Yeltsin regime and a defender of the people's interests cruelly prosecuted by the powers that be. The result was a predictable one: he became a headache for the Kremlin, bureaucrats, and big Moscow business, therefore the relations between the area authorities and oil companies and between the governor and the federal center revolving around Caspian oil transits were conflictive, or even dramatic.

As distinct from the Astrakhan Region and Kalmykia, where the local heads were able to shape public opinion on the oil transit issue, in the Krasnodar Territory, the CPC-related events caused an enormous public response. Passions flew high around big oil money and the global project. Since 1997, the ordinary people, parties, Cossack organizations, public movements, and even the Orthodox Church have been showing an increasing interest in the project and its possible impact on their home country. After being presented with an investment-related feasibility study, the local administration scheduled the date for a public hearing on the CPC project. As a result it became abundantly clear that there were several major political players in the region with their own interests in the pipeline consortium and their own policies

⁹ See: *Obshchaia gazeta*, No. 36, 7-13 September, 2000, p. 6.

¹⁰ See: *Krasnodarskie izvestia*, 26 November, 1998, p. 3; *Ekonomika i zhizn*, No. 21, May 1999, p. 5.

regarding the CPC heads. They were ecological and public organizations, the area administration, and local self-government structures. All of them were political brokers in the resource distribution game. The local ecologists and more active members of the public made the process public and the discussions heated. Most of their initiatives were supported by figures and were intended to bring political pressure to bear on the CPC heads in order to enter into bargaining with them.

In the post-Kondratenko period, several large international and national technological projects were launched in the Krasnodar Territory. They were the CPC, the Blue Stream gas pipeline, a bridge across the Kerch Strait, and plans for developing the gas- and oil-bearing shelves of the Azov and Black seas nurtured by Rosneft and LUKoil.

There are several other promising local initiatives: the Transkam project proposed by Boris Khabitsov, Board Chairman of the Osset Ironbank (Vladikavkaz). His plan is to build a transportation corridor through the Great Caucasian Range to connect North and South Ossetia and the Russian Federation with the Southern Caucasus and the Middle East.¹¹ President of the Republic of North Ossetia-Alania Alexander Dzasokhov offered the latest and more official alternative in his paper *Alanskiy put v interesakh Rossii* (the Alan Route in Russia's Interests).¹²

The above suggests that the Russian regional elites, having all of a sudden found themselves involved in the "big Caspian oil" and potential transportation route projects, demonstrated rent-seeking behavior. Their support of the pipeline and politicization of the oil-extraction issue showed that oil was more attractive than the other available alternatives. This behavior model testifies that the present situation is a transitory one. These processes were unfolding during Boris Yeltsin's anarchic-authoritarian presidency, which approved of bargaining and mutual connivance of the sides involved. They were, in fact, the regime's corner-stone. The central figures were preserving their leading positions mainly by artificially extending the period of transition.

Any impartial analysis can provide an answer to the question of how the subregional power elites are changing their identity in the face of mounting globalization and regionalization. The "gateway" regions described above are transforming their identities in pursuit of their interests: the oil pipeline from Tengiz to Novorossiisk changed the identity of each region it crossed along with the identity of the corresponding ruling elites (which were looking after their own interests even more). The nature of political coordination also changed: the "gateway" regions were mastering a new, coordinating role in their areas, which the government of Russia failed to perform. The policy of the Center was replaced with local policies; in this context the regional authorities emerged as leading players. The new identity meant that the local elites acquired a new international coordinating role in their areas and were no longer clients of the RF leaders. The local structures perceived themselves as international entities.

In Yeltsin's time, the local elites were guided by common interests created by the unexpectedly immense possibilities: they wanted control over transit routes and raw material resources to promote their political goals. The elites were moving toward their goals by different routes charted by the nature of their relations with the Center and the limits of their own claims.

The above can be described as moderate variants based on bargaining and the rent-based stimuli.

3. Chechen and Abkhazian Transit Projects as Local Post-War Ultimatums

The "commercial" nature of the Chechen war and the further weakening of Russia's influence in the Caucasus after the Khasaviurt Agreements gave birth to Kh.-A. Nukhaev's extravagant project called "The

¹¹ See: *Nezavisimaia gazeta*, 6 March, 2000, p. 5.

¹² See: *Ibid.*, 26 July, 2000, p. 5.

Caucasian Common Market.” On the surface, the idea was presented as a mechanism of regional integration to bring peace and stability to the Caucasus. It was expected to rely on the North-South transportation corridor that would connect Russia, the Caucasus, and Iran and serve as a branch of the West-East (TRACECA) project, popular in the past. In fact, Russia, which lost the first Chechen war, was invited to create a North Caucasian free economic zone around Chechnia and tie all the energy and transport projects to it. The Chechen ultimatum was supported by threats against the northern route of Caspian oil (Baku-Novorossiisk). On the whole, the project smacked of military-diplomatic blackmail and fit perfectly with the Greater Ichkeria project based on the Caucasian Confederation stretching from the Caspian to the Black seas, another chimera of the Chechen separatists.

Georgia found itself in a similar situation: its military defeat in Abkhazia crippled its statehood. In the post-conflict period, the Abkhazian politicians used the transit issue as an instrument for strengthening their positions in the region and advised all the leading oil companies engaged in the Baku-Supsa project not to invest in the pipelines crossing Georgian territory. Their arguments presented by Inal Kazan, Sukhumi’s envoy plenipotentiary to the United States, included high political risks in the region, where another war between Abkhazia and Georgia might bring the latter another military catastrophe. Abkhazia warned that in the context of the still smoldering conflict with Tbilisi, it reserved the right to completely destroy the oil pipeline and its infrastructure on Georgian territory, because the petrodollars could be used to pay for the war against Abkhazia. The Abkhazians offered a safe alternative: a pipeline across their own territory along the Black Sea coast. The initiatives were made public in January 1996-April 1998, at a time when the oil pipeline intrigue was unfolding in the Caspian-Black Sea meso-area. They were obviously part of Abkhazian diplomacy designed to put pressure on both sides: Georgia and Western investors.

The upsurge in the political importance of the local (micro) level of Caspian policies resulted in “local centers of power, diplomatic fragments, and imitations”¹³ along the functioning and planned oil pipelines and transportation routes. All those involved in the struggle for control over stretches of the transit pipelines were obviously fighting for a higher status in the changing meso-area.

New Era of Caspian Policies

The dramatic beginning of the new century gave rise to new Caspian policies: its mega (global) and meso (regional) levels were set in motion, thus trampling down the local (micro) level. The following factors made this possible:

1. The coming to power of a new Russian president who, highly impressed by the American geopolitical triumph and its Caspian-Central Asian strategy, launched his own “strategic Caspian initiative.” In order to restore the priority of Russia’s national interests, President Putin first had to get rid of the Yeltsin legacy. In 2000, with this aim in view, he instituted the post of president’s special representative for the Caspian issue in the rank of vice-premier (Viktor Kaliuzhnyi was appointed to this post).
2. The 9/11 tragedy and the response of the United States and its allies in the war on international terrorism disrupted the fairly stable course of Caspian developments. This coincided with Russia’s return to the Caspian and Putin’s “strategic Caspian initiative.”
3. Failure of the Caspian summit held in Ashgabad in April 2002 to resolve the problem of the Caspian’s legal status and the sea’s division. Later meetings and discussions of the Conven-

¹³ V.L. Tsymburskiy, *Rossia—Zemlia za Velikim Limitrofom: tsivilizatsia i ee geopolitika*, Editorial URSS Publishers, Moscow, 2000, pp. 20, 83.

tion on the Caspian's Legal Status (one of them took place in April 2004) were likewise fruitless.

4. The Baku-Tbilisi-Ceyhan oil pipeline was one of the factors that determined the range of problems discussed and added urgency to these discussions. Since 1994, the U.S. has been pushing ahead the BTC project as the linchpin of its Caspian policies. Late in September 2002, the international BP-led consortium announced the symbolic start of the construction stage. The project was actually started in February-March 2003, to be completed early in 2005. Its planned annual carrying capacity is 50 million tonnes; its length is 1,760 km, the pipeline will cross Azerbaijan, Georgia, and Turkey and will connect the Azerbaijani oil fields (Azeri, Chirag, and Gunashli) with the oil terminals in Ceyhan on the Mediterranean.

The project will become part of the East-West transportation corridor. According to Steven Mann, Senior Advisor for Caspian Basin Energy Diplomacy, the pipeline will change the face of Eurasia, while its commercial attractiveness has already tempted Kazakhstan.

The project dealt a heavy blow to Moscow's interests in the Caspian Basin: it failed to keep Kazakhstan in its rather pinching transit grasp. And it still has to fight Washington for influence in the republic. Russia's political and economic interests in the Southern Caucasus are also threatened: Azeri oil transit sent to Ceyhan may deprive Russia of its share of oil transit revenue. The oil transit routes bypassing Russia may weaken Russia's ties with the Southern Caucasus and Central Asia.

The above processes accelerated the Caspian Basin's militarization. The current situation hardly confirms the optimism of Russian politicians and political observers: "Initiative in the Caspian Region belongs to Russia, which shares it with Kazakhstan" (Iu. Alexandrov). Nor can we agree with the skepticism about the BTC's future based on Azerbaijan's proven oil reserves (V. Kaliuzhniy, M. Khazin). It looks as if the Russian experts are still relying on geo-economic considerations and explaining pipeline policies with economic reasons. They are firmly convinced that the oil pipeline and promising oil reserves are inseparable. The analysts proceeded from the local risks—closeness to the zones of ethnic and regional conflicts (Karabakh and Turkish Kurdistan), and seismic and ecological threats. Some of them offered sarcastic comments on the BTC's future such as: "a new international fever," "costly madness," etc.¹⁴

It is more or less obvious that the project is unrelated to economic considerations. Oil has nothing to do with the great powers' contention. Communication lines, which add meaning to geographic location and give control over vast expanses, are behind the clashes. Its obvious strategic importance has made the BTC a geopolitical weapon. Russian analytical studies and diplomacy display their weaknesses and vulnerability when underestimating the old truth that Maksimenko has put in a nutshell: "History has taught us that trade communications at the world's crossroads may acquire military and strategic importance: trade routes turn into war paths."¹⁵

Early in the 21st century the leaders of the coastal states, concerned about possible destabilization in the region, have been rapidly militarizing the Caspian Basin. There are people prepared to use force to resolve the conflicts over offshore oil fields. The relations between Azerbaijan and Turkmenistan and Azerbaijan and Iran have become strained because of the oil fields in the southern Caspian. Central Asian countries are creating their navies and coastal defense infrastructures to protect their interests. All the coastal states are fully aware of the possibility of using force to gain geopolitical and geo-economic domination in the Caspian Basin. Turkmenistan, Azerbaijan, and Iran have repeatedly stated that they intended to use force to protect "their" parts of the sea. The still unresolved legal status and several contestable parts of the sea are keeping the tension high among the coastal states and national oil companies.

¹⁴ S. Eduardov, "Zhazhda v trubakh" [www.utro.ru/articles/2003/02/07/126422.shtml]; Iu. Alexandrov, D. Orlov, "Baku-Tbilisi-Ceyhan: gde neft?" *Nezavisimaia gazeta*, 4 October, 2002, p. 10.

¹⁵ V. Maksimenko, op. cit., p. 61.

Vladimir Putin's "Strategic Caspian Initiative": Keeping Local Transit Initiatives in Check

The local level has been suppressed by the mounting pressure at the mega- and meso-levels and Russia's revived role as a Caspian state. This coincided with the end of Boris Yeltsin's era; Russia began to revise its attitude toward the oil transit issues and the money flows within the CPC-Kremlin-regions triangle. As a result of President Putin's centralization course, the financial system was reorganized in favor of the Kremlin; and amendments to the budget and taxation codes helped concentrate incomes in the federal budget: today it receives 100 percent of the severance tax. As a result the regions lost oil transit tax as well: in 2003, the Astrakhan Region lost 1.6 billion rubles.¹⁶

The regions were obviously displeased. The Duma deputies of the Astrakhan Region described these initiatives as "killing off the territories," some of them went as far as calling for a boycott of the December 2003 parliamentary elections to attract the Center's attention to the region's needs. Kalmykia responded in a similar way. Elista described the decision of the RF government to transfer 100 percent of the rent the CPC administration paid for use of part of the Kalmyk territory to the federal budget as "a gross violation of the principles of federalism and gross injustice."¹⁷

These changes were in line with President Putin's course aimed at suppressing the alternative (regional, in this case) centers of political influence. The regional authorities were deprived of the "pipe-produced" rent and the possibility of adding political dimensions to oil production and oil transit. Simultaneously, in the fall of 2000, the Center showed that it was determined to establish its control over the southern ports, which meant that the regional elites would be no longer able to implement urgent transit projects through the North Caspian ports.

These changes have supplied the background for Russia's new Caspian policies and the role the Center left to the regions. In April 2002, during his visit to Astrakhan, Vladimir Putin not only clearly outlined Russia's military priorities in the Caspian Sea, but also promised that the Caspian Flotilla would receive the latest weapons and better trained personnel.¹⁸

In August 2002, the Caspian was a scene of large-scale marine exercises of the Caspian Flotilla as part of the presidential initiative. The scope and number of power structures involved had no precedence either in Russia or in the Soviet Union. The exercises were pursuing political, rather than military, aims, which is confirmed by the fact that they were announced immediately after the failed Ashgabad summit. The president obviously wanted to demonstrate Russia's military domination in the Caspian Sea and force the coastal states to shift their implacable positions on its legal status. One of the key episodes involved was defense of facilities of the Russian fuel-and-energy complex in the Caspian. The defense minister personally commanded the exercises designed to protect the Astra drilling rig, which belongs to the LUKoil Astrakhan branch. Significantly, the state resolved to demonstrate its readiness to defend the interests of specific Russian oil business entities and pooled the efforts of all the power-wielding structures.

Astrakhan is developing into an important transportation junction in the south of Russia; more than that, it is turning into the key military-strategic point and an important geopolitical toehold to be used for controlling the Caspian. This is fully confirmed by the above circumstances and the nature of personal relations between Astrakhan Governor Anatoly Guzhvin and President Putin. At that time, the governor was engaged in frequent consultations with the head of state on all key issues of the Kremlin's Caspian policies and was directly involved in supervising Russia's military policies in the region. In September

¹⁶ See: *Volga* (an independent newspaper of the Astrakhan Region), 22 October, 2003.

¹⁷ *Ibid.*, 28 October, 2003.

¹⁸ See: *Nezavisimaya gazeta*, 16 January, 2004; *Volga*, 26 February, 2004.

2002, at a sitting of the State Council presidium he was awarded an order "For Military Service." In this way, the president acknowledged his considerable contribution to the development of the Caspian Flotilla and the carrying out of military exercises.¹⁹ In the future, too, Astrakhan will be responsible for many aspects of Russia's Caspian policies.

The presidential decree of 17 September, 2003 about bringing part of the Black Sea Fleet to Novorossiisk increased military-political pressure on the Krasnodar Territory.

This shows that in the context of the struggle for transit routes, certain local units of the Caspian meso-level were seeking involvement in the emerging georegional landscape. I have already mentioned that the Russian regions have been competing for greater roles in the international transit projects. Local rivalry for communication resources added to the chaos of the asymmetric (or even obviously bipolar) trends in Russia's Caspian policies.

Today, asymmetry is created by the policies of Putin's new selectivity with respect to the regions. Coupled with rigid control, this has resulted in a regional hierarchy of sorts. Astrakhan and the Krasnodar Territory have become Russia's outposts on the Caspian and Black seas, while Kalmykia, Chechnia, and Dagestan have been pushed aside. For example, in April 2004 the visit of Vladimir Iakovlev, the then presidential representative in the Southern Federal Okrug, to Kalmykia buried the hopes of building a port in Lagan.²⁰ Elista lost the old controversy with Astrakhan over the North Caspian islands. Under the Law on Confirming the Administrative Borders of the Astrakhan Region passed by the regional Duma in March 2004, the region acquired seven contestable islands, while Kalmykia had to drop its claims.²¹

Finally, both Astrakhan and the Kuban area, which emerged victors, are reaping the rich fruits produced by their transit routes: the Krasnodar Territory is turning into the gateway region of Russia's south, while Astrakhan is acquiring more clout in the context of the new North-South transportation corridor.

C o n c l u s i o n

The still unresolved legal status of the Caspian Sea and the accumulating contradictions among the coastal states are pushing the relations among them from "soft" and mainly vague diplomatic approaches toward "harsh" ones. The hastily created Caspian fleets added importance to the coastal cities and changed them from mere transit and communication crossroads into military outposts. The fact that big geopolitical players (America, China, and India) have also become involved in the process has pushed "harsh security measures" to the fore at the expense of "soft" approaches.

It seems that in this context the excessively optimistic forecasts offered by certain analysts (D. Trenin) should be revised. Contrary to what they said, no inevitable decrease in the role of the Russian ports as military outposts is in sight. The same applies to their statement about deflation of the military dimension of security in general.²²

Any forecasts predicting hostilities among the coastal states are highly unlikely. Today, the military presence should be interpreted as a diplomatic argument and an instrument of control over geographic location and resources in the form of "negotiations supported by force."²³

At all times, the local level becomes more active when the role of the national and regional levels decline. The opposite is equally correct: stronger nation-states suppress the local level by fitting it into the algorithm of their political interests. During self-mobilization, the central authorities limit

¹⁹ Anatoly Guzhvin suddenly died on 17 August, 2004; the media reported that he died of heart failure while on vacation in Sochi.

²⁰ See: *Kommersant*, 20 April, 2004, p. 3.

²¹ See: *Volga*, 28 April, 2004.

²² See: *Rossiiskie regiony kak mezhdunarodnye aktory. Analiticheskiy doklad*, ed. by A.S. Makarychev, NGLU Press, Nizhny Novgorod, 2000, p. 74.

²³ V.L. Tsymburskiy, op. cit., p. 96.

their support of those local units which can be described as the key ones for the country's national interests. President Putin's latest initiatives to appoint governors rather than elect them may make the regional leaders and local interests completely dependent on the Kremlin. It seems that in the near future the role of the local units as vehicles of specific interests and claims will be reduced to the minimum.

THE CAUCASUS THROUGH THE EURASIAN PRISM

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The Region's Geopolitical Specifics

Historians are convinced that the Caucasus has always been an object of close attention of the European states and Oriental Eurasian empires. Throughout the last twenty centuries, the Roman Empire, Persia, Byzantium, and the Ottoman Empire tried to establish their control over the region. Tamerlane, Genghis Khan, Shah Abbas, and Mamai invaded the Caucasus at different times.¹

The founders of a virtual ethnographic museum pointed out: "The Caucasus is a small part of Eurasia, therefore we cannot but marvel at the variety it displays. Its natural conditions range from subtropical to polar; there are large cities and mountain villages comprising a single house-fortress. Christianity, Islam, Judaism, and numerous other very specific beliefs have been living together there."²

According to Russian political scientist Alexander Dugin, the Caucasus has been a sphere of strategic rivalry between Russia and the West (the British Empire in the past and the United States today) for three centuries now. Russia was seeking an outlet to the warm seas and the south in order to establish itself in India and the Indian Ocean; Britain, in turn, has been doing its best to stem Russia's southward thrust. The Caucasian wars, Crimean War, and all Russian-Turkish and Russian-Persian wars were caused by these opposing geopolitical movements. At all times, Britain stood opposed to Russia.³

Anatoly Gromyko says the same: "In the last few years the region where, according to Kipling, the Great Game unfolded in the 19th century has undergone amazing changes. In the 19th century, Russia

¹ See: Documents of the Internet forum "Chechenskiy krizis i 'osobennosti natsional' noy politiki' na Kavkaze" [<http://www.agentura.ru/Forum/archive2001/3767.html>].

² *Etnograficheskie etudy. Narody Kavkaza* [http://www.ethnomuseum.ru/parad/Ethnographic_Etudes/Caucasus/Caucasus_peoples/index.htm].

³ See: A.G. Dugin, *Osnovy geopolitiki*, Arktogeia-tsentr, Moscow, 2000, p. 803 [<http://www.arctogaia.com/public/osnovy-geo/vocabul.htm>].

and Britain were contending for influence in Central Asia. Later, the Caucasus and Central Asia became part of the zone of vital interests, first, of czarist and, later, of Soviet Russia. Britain concentrated on the Middle East and India. The balance looked immutable until the end of the second millennium, which brought surprises. The Great Game was resumed on a planetary scale. New countries appeared on the political map; these developments made the Caspian Basin the key strategic prize and a future source of energy resources. All of a sudden the Central Caucasus (Transcaucasus) and Central Asia, which for a long time existed on the periphery of the world community's attention, developed into a 'multi-layered pie' of local, regional, and global interests. Today, they are viewed as vast 'strait-territories' with dual civilizational orientations where Christianity and Islam, the West and the East, Europe and Asia, Eurasianism and Atlanticism rub shoulders. The region has any number of active neighbors confronted with vitally important issues. In the north, Russia is trying to extract itself from the vicious circle of economic and political upheavals; in the west, Turkey is balancing between a secular regime sitting on bayonets and moderate Islamism; in the east, China is gaining power; and in the south, there is Iran, which overshadows the Persian Gulf..."⁴

If we take into account that "the great confrontation between the West and the East rooted for many centuries in fundamental geopolitical law—the tellurocracy-thalassocracy dualism—was manifested as military and political rivalry between two cultural and historical civilizations: democracy and ideocracy,"⁵ we can say that the Caucasian-Caspian region has been, and remains, an epicenter of such "civilizational upheavals." Parvin Darabadi goes on to say that the region, "together with the Arctic Ocean and the Aral Sea basins, forms the Pivotal Area, otherwise called the Heartland, that is, intracontinental Eurasian territories around which geohistorical development is revolving. Historically, its dynamics were closely related to the fact that the Caspian area has been serving for 2,000 years as a meeting place of three super-ethnoses: the Turkic, Slavic, and Aryan-Iranian. In a broader civilizational context, we can say that since the 7th century it was the Christian, Muslim, and partly Buddhist worlds that have been in contact there."⁶

Its geographic location doomed this "borderland" territory to permanent conflicts of a narrow regional and broader nature, which involved extra-regional forces. There is the opinion that at all times the political landscape and local mentality were affected by a tangle of intricate problems. Too often they caused bitter disagreements, bloodshed and wars between the local nations and states. At different times in the past the region was either a buffer zone, which cushioned imperial rivalry, or was part of one or another empire. By a whim of history, the region is populated by ethnoses that belong to different cultural and civilizational, and often hostile, traditions.

Despite its conflict-prone nature, the Caucasus should be regarded as an integral cultural and historical zone populated by nations with common histories, mentalities, and way of life. In the context of the region's "permanent conflict," an idea expressed by Georg Simmel deserves special attention: "Antagonism is much stronger among kindred communities than among alien ones. Mutual hatred of small neighboring states with inevitably similar or even identical ideas of the world, local ties, and interests is often more passionate and irreconcilable than among large nations separated by vast expanses and absolutely alien to each other."⁷

The region's highly varied ethnic and linguistic context is another specific regional trait. In Soviet times this relatively small area of about 440,000 sq km,⁸ sparsely populated by no more than 30 million,⁹ was (and is) home for over 50 peoples using languages of 3 linguistic families.¹⁰ The Georgian, the mountain

⁴ A.A. Gromyko, "Novaia Velikaia igra: Kaspiy stal sredotochiem geopoliticheskikh interesov gosudarstv regionov," *Nezavisimaia gazeta*, 20 August, 1998.

⁵ P. Darabadi, "The Caspian Region in Contemporary Geopolitics," *Central Asia and the Caucasus*, No. 3 (21), 2003, p. 66.

⁶ Ibidem.

⁷ G. Simmel, *Izbrannoe*, Vol. 2, "Sozertsanie zhizni," Moscow, 1996, p. 505.

⁸ See: *Bol'shaia sovetskaia entsiklopedia*, Vol. 11, Sovetskaia entsiklopedia Publishers, Moscow, 1973, p. 113.

⁹ See: K.S. Gadjiev, *Geopolitika Kavkaza*, Mezhdunarodnye otnoshenia Publishers, Moscow, 2003, p. 40.

¹⁰ See: *Bol'shaia sovetskaia entsiklopedia*, Vol. 11, p. 116.

peoples of Daghestan, the peoples of the Vainakh and Adighe groups, and some others speak Japhetic, or Caucasian-Iberian languages. The Azeris, Kumyks, Nogais, Karachais, Balkars, and others use languages belonging to the Turkic group of the Altai language family, while Armenians, Ossets, Tats, Talyshes, Mountain Jews, and Kurds speak Indo-European languages.

Any classification being inevitably relative, the region's division suggests two approaches. According to one of them, Russian (Soviet) science divided the Caucasus conquered by the Russian Empire into two parts—the Northern Caucasus and the Transcaucasus, “divided along the Main, or Watershed, Range of the Greater Caucasus.”¹¹ Whereby the whole western extremity of the Greater Caucasus belongs to the Northern Caucasus. From the “viewpoint of physical geography these units cannot be regarded as territorial units.”¹² It was E. Ismailov and Z. Kengerli who offered a different approach, since the Russian (Soviet) pattern no longer applied, “first, because it lost its geopolitical context—Russia's monopoly domination in the Caucasus. Second, this approach relied on the region's incorrectly reflected historical socioeconomic, sociocultural, and ethnic characteristics.”¹³

Being convinced that the Russian approach narrowed down, for no justified reason, the limits of the Caucasian region, Ismailov and Kengerli widened it to cover the northeastern regions of Turkey (Kars, Ardagan, Artvin, Igdyr, etc.) and the northwestern areas of Iran (Eastern and Western Azerbaijan, etc.). They have arrived at the following scheme: the Central Caucasus (Azerbaijan, Armenia, Georgia); the Northern Caucasus (autonomous republics within the Russian Federation); the Southern Caucasus, divided in turn into the Southwestern Caucasus (the *ilis* of Turkey bordering on Azerbaijan, Armenia and Georgia), and the Southeastern Caucasus (the northwestern *ostans* of Iran). The authors explain this division by the fact that “for many centuries, before Russia conquered the Caucasus, these regions (the *ilis* and *ostans*.—*Ed.*) were found in the same socioeconomic and ethnocultural area.”¹⁴

Described in the terms of Saul Bernard Cohen, the Caucasus is a shatterbelt of Eurasia of sorts. According to Dugin, this is a zone of “indefiniteness and highly varied orientations, which may be attracted to both the tellurocratic continent and to the thalassocratic sea.”¹⁵ Control over it spells strategic preeminence for any of the global entities of geopolitics.

Strictly speaking, this geopolitical property is responsible for the fact that “from time immemorial the Caucasus has been regarded as one of the key geostrategic regions separating Eastern Europe from the Asian steppes and Christianity from Islam. It served as the barrier between the Byzantine, Ottoman, Persian, and Russian empires and was an arena on which empires clashed and national conflicts flared up. At the same time, the Caucasus, situated at the place where Europe and Asia come together, serves as a handy toehold for those wishing to push further to the Middle East, as well as the Caspian and Black sea basins and the Mediterranean. It connects all these regions.”¹⁶ The area in the southwestern corner of Eurasia, seen as a “very specific region, the meeting place of all the leading world religions, Christianity and Islam in the first place, of the West and the East, Europe and Asia, the North and the South”¹⁷ brings various worlds together, thus betraying its limological nature.

Today, the Caucasus directly borders on the Russian Federation and Ukraine; the Black Sea serves as its border with Bulgaria and Rumania; the Caspian connects it with Central Asia. It borders on Iran and Turkey and through them on the Arab countries. It has access to the Caspian, Black and Azov seas and boasts a ramified transport and communication network.

Among others, the following factors were responsible for bringing the region to the fore at the turn of the 21st century:

¹¹ Ibid., p. 113.

¹² Ibidem.

¹³ E. Ismailov, Z. Kengerli, “O kategorii Kavkaz,” *Doklady Natsional'noy Akademii Nauk Azerbaidzhan*, No. 5-6, 2002, Elm Publishers, Baku, pp. 292-293.

¹⁴ E. Ismailov, Z. Kengerli, op. cit., p. 293.

¹⁵ A.G. Dugin, op. cit.

¹⁶ K.S. Gadjiev, op. cit., p. 10.

¹⁷ Ibid., p. 43.

- (1) *The altered global geopolitical configuration.* The Soviet Union's collapse opened the region to "all interested parties." Along with Russia (the U.S.S.R.'s "axis republic") America (in the first place), Turkey, Iran, and Western Europe have already shown their desire to control the region to varying degrees. This is mainly true of the Central Caucasus, since the Northern Caucasus is part of the Russian Federation.
- (2) *Natural resources.* I have already mentioned that in Soviet times the region never betrayed its "conflict-prone nature." As soon as the Soviet Union disappeared from the political map, it betrayed itself in the rivalry of different countries and political forces. This happened because some of the geopolitical entities regard the region as a source of various natural resources and energy fuels.¹⁸ S.E. Cornell is convinced that it is local natural resources which are riveting the attention of the key political and business circles to the Caucasian-Caspian region.¹⁹

The region comes second after Saudi Arabia in terms of its hydrocarbon resources. The explored reserves of the Caspian Basin amount to 30 billion barrels of oil and 7 trillion c m of gas. At the current world daily consumption of oil (70 million barrels) and annual consumption of gas (2.2 trillion c m), the region could keep the world supplied with oil for 14 months and with gas for 3 years. The Caspian Basin comes second after the Persian Gulf, yet is richer than the Northern Sea. The figures for the forecasted reserves are even more impressive: according to conservative estimates, there are 100 billion barrels of oil and 10 trillion c m of gas in the area.²⁰ This adds strategic importance to the ability to control the Caucasian-Caspian region. There is a widely shared opinion that today the key role in international relations belongs to states or groups of states that directly control large centers of extraction and production of the strategically important energy resources and the regions across which these resources are transited. These states and groups of states are expected to protect the corresponding infrastructures in order to make transportation absolutely safe. This presupposes that the energy-producing regions should create favorable political conditions in the form of puppet regimes; rivals should be removed, while the territories should be completely controlled.

As a link between the East and the West, the Caucasus is a Eurasian region which will become one of the key entities of world economic relations in the 21st century.²¹ Parvin Darabadi has the following to say in this respect: "Its huge fuel resources have become important geostrategic and geo-economic factors largely shaping world politics and world economy. This became especially clear after the 9/11 events, when powerful tectonic forces were stirred to action. They can radically change the entire geopolitical landscape of Eurasia. In the new century, the geopolitical position of any country will be determined by the level to which it can control fuel and energy resources and means of their transportation."²² The region is also "rich in iron, copper, and chromium ores, Glauber's salt, chlorides, phosphorites, asbestos, etc., as well as biore-sources."²³ We should also bear in mind that "90 percent of black caviar consumed by the world comes from the Caspian."²⁴

- (3) *Geographic location.* The Caucasus' geographic location as a "link" means it is a target of keen interest of all the global geopolitical entities—be they states, military-political blocs, or all manner of confessional-ethnic groups. The limological nature of the region on the southern borders of politically and economically weakened Russia resurfaced as soon as the Soviet Union ceased to

¹⁸ It should be said that since under Soviet power the region's natural riches belonged to the state, no international conflicts over them were possible.

¹⁹ See: S.E. Cornell, "Geopolitics and Strategic Alignments in the Caucasus and Central Asia," *Perceptions. Journal of International Affairs*, Vol. IV, No. 2, June-August 1999.

²⁰ See: A.A. Gromyko, op. cit.

²¹ See: Documents of the Internet forum "Chechensky krizis i 'osobnosti natsional'noy politiki' na Kavkaze".

²² P. Darabadi, op. cit.

²³ K.S. Gadjiev, op. cit., p. 44.

²⁴ A.A. Gromyko, op. cit.

exist. This created the opportunity of penetrating the region to further undermine Moscow's influence there and squeeze it out altogether. In the context of Alfred T. Mahan's conceptions, control over the Caucasian-Caspian region is strategically important in terms of implementing the Anaconda Plan.²⁵ This means that the United States is going to penetrate the "shatterbelt" and push Russia out of it.

- (4) *A transit zone.* The region should be regarded as an important crossing for all kinds of transnational transportation systems along the South-North and East-West line. Even the above factors (which do not exhaust the list of all other factors) make it possible to say that for a long time to come the region "will seriously affect both the world economy and interstate relations"²⁶ (until the present unipolar world is replaced with a new world order more acceptable to the most geopolitical entities).

V. Kotilko believes that today the situation in the Caucasus is determined by the following factors: "Specific natural conditions and the still underdeveloped mining of natural resources; the mostly untapped food and recreation, as well as great agricultural potential; the environmental problems; the high risk of ethnic and religious flare-ups; the prolonged impact of regional armed conflicts; the unregulated border conflicts caused by the Soviet Union's disintegration; the consistent efforts of the West and the United States to create and maintain a pro-Western orientation in the Caucasus and Central Asia."²⁷

Gadjiev suggests that the Caucasus should be regarded as a single whole, and that the state, administrative, and ethnic borders inside it should be ignored. He supports his point by saying that there is "a community of close economic, cultural, political, and other ties rooted in the past; common historical destinies, similar standards and behavior stereotypes and specifics of local mentality."²⁸ To better understand regional specifics we should always bear in mind that the region is torn apart by numerous contradictions caused by its natural and geographic conditions, its natural resources, economic activities, transportation infrastructure, and geopolitical specifics.

The Eurasian Idea of the Caucasus

Eurasianism, which preaches the "flourishing complexity" of cultures and nations and criticizes "all sorts of centrism"²⁹ (either civilizational or strictly national), has acquired special importance in the present context. Indeed, according to Prince Nikolai Trubetskoy, "the national question becomes even more complicated because individual nationalities are hostile to each other."³⁰ These words written back in the 1920s are still pertinent today.

When saying that any forms of extremism are especially dangerous in the Caucasus and pointing to the "integrational" nature of Eurasian ideology, Stanislav Derev, presidential candidate at the 2001 elections in Karachaevo-Cherkessia, insisted that "peace in the multinational region should be preserved not only because a bad peace is better than a good dispute, but also because it is the only condition leading to creative interaction among fraternal peoples."³¹

²⁵ It was American General McClellan who first implemented this plan during the American Civil War of 1861-1865. As a result, the enemy territories found themselves strictly blockaded along the seaboard, and the enemy was gradually worn out strategically (see: A.G. Dugin, *Osnovy geopolitiki*, Parts 1 and 2 [<http://www.kprf.ru/library/3651.shtml?print>]).

²⁶ V. Kotilko, "Rossia i Kaspii: geopoliticheskie interesy" [http://www.nasled.ru/presa/obozrev/N07_00/07_09.HTM].

²⁷ Ibidem.

²⁸ K.S. Gadjiev, op. cit., p. 46.

²⁹ A certain amount of "ideological centrism," in which ideology prevails over economic, ethnic, and other factors, is probably an exception.

³⁰ N.S. Trubetskoy, "O narodakh Kavkaza," in: *Nasledie Chingizkhana*, Agraf Publishers, Moscow, 2000, p. 474.

³¹ I. Maksakov, "Evraziystvo na iuge Rossii: ubezhdenia i somnena. Severokavkazskie lidery o novom techenii v rossiiskoy politike," *Nezavisimaia gazeta*, 8 June, 2001.

The classics of Eurasianism, an ideological trend which emerged at the dawn of the 20th century, did not pay particular attention to the Caucasus for the simple reason that it had not yet developed into an independent geopolitical entity and remained a group of frontier territories and a bone of contention for the Eurasian (Persian, Ottoman, and Russian empires) and Western powers. Still, some of their works do contain references to the Caucasus' strategic importance and look at its geography. Pyotr Savitsky described this territory as a "zone that encircles the middle world" (Eurasia) with mountains.³² The classics of Eurasianism viewed the Caucasus as a latitudinal mountain range that confined three "axial" Eurasian plains in the south along with the Crimean Mountains, the Kopetdag, Parapamiz, Hindu-Kush, and main Tien-Shan ranges, and the northern Tibet ranges, In-Shan, in the area of the Great Wall of China."³³

This shows that the classics of Eurasianism regarded the Caucasus as the borderline zone of the Middle World, or the shatterbelt of Eurasia (to borrow the term from S.B. Cohen).

The Central Caucasian Ethnic Groups as Seen by Trubetskoy

Georgians

When talking about the Georgians, the author says that during the February Revolution of 1917 they gained the right to autonomy (at least), which could not be taken away from them. At the same time, said Trubetskoy, this might give rise to Georgian separatism, therefore, he added, every Russian government should oppose it: "If Russia wants to preserve the oil of Baku (deprived of it Russia would hardly be able to keep not only the Transcaucasus, but also the Northern Caucasus under its control), it should prevent Georgia's independence."³⁴ He was convinced that in the context of historical experience it would be impossible to totally ignore Georgia's independence. At the same time, in view of Eurasian interests, it would be impossible to grant it complete independence. For this reason, the classic suggested that the middle road should be chosen; it was very important, he said, to prevent Russophobic sentiments among the Georgians. When criticizing Eurocentrism, Nikolai Trubetskoy pointed out that Georgian nationalism assumes dangerous forms under the influence of Europeanism. From this it followed, according to Trubetskoy, that the Georgian question could be correctly resolved in the context of genuine Georgian nationalism³⁵ as a special form of Eurasian ideology.

Azerbaijanians

Their numerical strength made the Azerbaijanians the most important element of the Central Caucasus. Trubetskoy pointed out that they were more consistent than their Caucasian neighbors in their Russophobia because of their specific ethnic and linguistic features and their ethnogenesis.³⁶

³² P.N. Savitsky, *Geograficheskie i geopoliticheskie osnovy Evraziystva. Kontinent Evrazia*, Agraf Publishers, Moscow, 1997, pp. 298-299.

³³ Ibidem.

³⁴ N.S. Trubetskoy, op. cit., pp. 472-473.

³⁵ On the Eurasian opinion about true and false nationalism see: N.S. Trubetskoy, "Ob istinnom i lozhnom natsionalizme," in: *Nasledie Chingizkhana*, pp. 103-117.

³⁶ It should be pointed out here that on the eve of the Soviet Union's collapse, the Azerbaijanians were one of the few Soviet ethnic groups that remained loyal to Moscow. Trubetskoy's opinion expressed early in the 20th century and Lev Gumilev's theory of ethnogenesis suggest that since the beginning of the 20th century the Azerbaijanians, as an ethnolinguistic group, have changed considerably.

In Azerbaijan, Russophobia is accompanied by Turkophilia fed by pan-Islamist and pan-Turanist ideas. Because of their economic potential (oil, silk, and cotton) and because it was highly important to integrate them into united Eurasia, wrote Trubetskoy, it was also very important to prevent their separation from Russia. Under pressure from objective reality, he had to admit that the Azeris should be granted a certain amount of independence within the Eurasian integration processes. Being aware that a dialog was desirable and necessary, Prince Trubetskoy pointed out that a "national Azerbaijani form of Eurasianism" was of prime importance. He saw Shi'ism as an alternative to pan-Turkism and pan-Islamism.

Armenians

Trubetskoy said that in view of the well-known circumstances (the common border with Turkey and Azerbaijan, both being Muslim states, and the far from simple relations with Georgia to mention a few), the Armenians have always sided with Russia (irrespective of the nature of the Russian government) and would continue to do this in future. This made Armenian separatism next to impossible. He added that placing stakes on the Armenians held no promise: despite their economic might and their total control over the Transcaucasian economy, they were basically a parasitic nation with a slavish mentality. They were not liked by their neighbors, and even hated throughout the Caucasus. Those who placed their stakes on them would attract similar dislike and hatred.³⁷

His opinion is practically identical to what writer Vassili Velichko, "an expert in Caucasian affairs," had to say: "From time immemorial, there has been a bad opinion about the Armenians. It was obviously justified, since otherwise this opinion would not have appeared among different nations at different times."³⁸ To support his thesis that "placing stakes on the Armenians held no promise," Trubetskoy referred to the Russian pre-revolutionary policies which, he insisted, "left Russians alone with the Armenians, all the other Transcaucasian nationalities being against them."³⁹ He offered his opinion that to a certain extent the Armenian question was an international issue, therefore the Russian government should coordinate its relations with the Armenians in the Caucasus with Russia's relations with Turkey.

* * *

The present geopolitical meandering in the Central Caucasus is amazingly similar to what Prince Trubetskoy had to say: the three national problems of the Transcaucasus (Georgian, Azerbaijani, and Armenian) are indeed intertwined with foreign policies.

In summing up, Trubetskoy said that being aware that Georgian independence would make it possible to turn it into a satellite of the West in the Eurasian "shatterbelt," the Western powers were doomed to "intrigues in Georgia." The "inevitability" of this forced Trubetskoy to point out that a pro-Western orientation among the Armenians was undesirable, as well as additional prerequisites of Western expansion in the Central Caucasus. At the same time, said he, placing stakes on the Armenians alone "would create a Turkophilic orientation among the Azeris and Russophobic sentiments among the Georgians."⁴⁰

The "first Eurasian" countered the imperial "divide and rule" conception by saying that it did not apply in situations in which state power wished to create an organism designed to work together. It was

³⁷ See: N.S. Trubetskoy, "O narodakh Kavkaza," p. 472.

³⁸ V.L. Velichko, *Kavkaz. Russkoe delo i mezhduplemennyye voprosy*, Elm Publishers, Baku, 1990, p. 64.

³⁹ N.S. Trubetskoy, "O narodakh Kavkaza," p. 472.

⁴⁰ *Ibid.*, p. 474.

for this reason, said he, that disagreements and potential conflicts between Caucasian nationalities should be played down. To prevent their separation, all the psychological factors behind separatist sentiments should be taken into account. His forecast about the effects of disintegration within the Eurasian continent was amazingly exact. He wrote that the ordinary people were not nurturing "separatist sentiments" and believed that it was the local intellectuals who supported separatism. He pointed out, at the same time, that these people were mainly driven by the principle: "better first in the village than last in a city." He spared no sarcasm when speaking about this sort of separatism: "The minister of a newly declared republic does what the bureaucrat of the old gubernia was doing before him,"⁴¹ yet "it is much nicer to be called a minister."

The Caucasus as Seen by the Neo-Eurasians

For the objective reasons described above neo-Eurasianism pays much more attention to the place and geopolitical role of the entire region, and the Central Caucasus in particular. The territory has left the sphere of Russia's direct control (which it exercised within the Soviet Union when all other geopolitical entities refrained from "claiming the right of control" over the region).

Collapse of the bipolar world opened another stage in the re-division of the world on a global scale. According to Ken Jowitt, the world has re-entered the Genesis Age and is moving away from its centralized and rigidly organized state, when it was hysterically intent on keeping its frontiers closed, toward a new one, which can be described as vague and universally confusing.⁴² The re-division of the world affected the Caucasus. This created the need for a new geopolitical strategy toward the region in order to oppose the Western, or to be more exact, American one.

The geopolitical design of neo-Eurasianism is found in Alexander Dugin's so-called "syncretic" conception of neo-Eurasianism as the most "geopolitically oriented" among all other contemporary interpretations of the term. Other neo-Eurasian trends are mostly engaged in developing and broadening the civilizational, cultural, and historical aspects of the classical doctrine.⁴³

When writing about Dugin's fundamental work *Osnovy geopolitiki* (The Fundamentals of Geopolitics), in which the author presented, among others, his own "neo-Eurasian" geopolitical strategy in the Caucasus, A. Tsygankov describes it as "the response of the most radical- and conservative-minded part of Russian society to the problems of Russia in Eurasia."⁴⁴ In his definitive work Dugin, who is the leader of the most politically active trend of neo-Eurasianism, has pointed out that any contemporary Eurasian strategy in the Caucasus should take into account the general geopolitical context there.

He believes that the two types of separatism existing in the Caucasus today are specific features of the present-day geopolitical situation. One of them is national-separatism, which is rooted in autochthonous considerations and oriented toward a non-Western, or "traditional," development course⁴⁵ and hostile to any forms of "universalism." As a rule, the author goes on to write, it is supported by Islamic fundamentalists (either Sufi or Shi'a) who obviously sympathize with Iran. The second type is Caucasian Muslim separatism oriented toward the West, Saudi Arabia, and official

⁴¹ See: Ibidem.

⁴² See: *Zeitschrift für Sociologie*, June 1994, p. 183.

⁴³ For more detail, see my work "K voprosu o spetsifike neoevraziystva," in: *Tezisy nauchnoy konferentsii dlia dissertantov i aspirantov, organizovannoy v Akademii gosudarstvennogo upravleniya pri Prezidente Azerbajjanskoj Respubliki*, Chashyo'lu Publishers, Baku, 2004.

⁴⁴ A.P. Tsygankov, "Mastering Space in Eurasia: Russian Geopolitical Thinking after the Soviet Break-Up (review essay)," *Communist and Post-Communist Studies*, Vol. 35, No. 1, 2003 [<http://bss.sfsu.edu/tsygankov/Research/RusEurasPap.htm>].

⁴⁵ See: A.G. Dugin, op. cit., p. 809.

Turkey; its moralist Sunni "Wahhabism" could coexist with the liberal-democratic and openly Atlanticist preferences.

Today, according to Dugin, we are witnessing the active removal of the old model of influence and control, which creates the need for a new one. Along with the traditional methodology of encouraging pro-Russian sentiments among the elites and playing on domestic contradictions, the new model should take into account the new situation created by the two types of separatism. In the long term, the "tellurian civilization" may profit from the first type. The second cannot be used either in the short or the long term. Since the contradictions between Eurasianism and Atlanticism cannot be removed, Dugin offers a "flexible strategy," which will in the future make use of the pro-Iranian "fundamentalists" (who are today opposed to Russia as the axis of unified Eurasia, according to Dugin).

The founder of the syncretic conception of neo-Eurasianism believes that the three independent Caucasian republics are important elements of the region's geopolitical picture.⁴⁶ Their concise geopolitical descriptions make interesting reading especially when compared with what Trubetskoy had to say in his time. "Christian Armenia, having started with the pro-Atlantic policy of 'independence from Moscow' and having reproduced the history of the early 20th century when Armenians turned to the 'white' Atlanticist Entente instead of Bolshevik Moscow, rapidly realized its geopolitical vulnerability: Islamic neighbors, no access to the sea, and no efficient and safe transportation routes. It took an obviously pro-Moscow strategic position. It is actively developing its ties with Iran very much in line with the general anti-Atlanticist conception of the Moscow-Tehran axis."⁴⁷

Dugin recognizes that the West is strengthening its position in Georgia, yet he is convinced that over time "the religious-topographic reflection" in Georgia will come to the fore to create recognition of the "need of an alliance with Eurasia."

Azerbaijan presents a more difficult problem. When anti-Moscow passions were raging in Georgia and Armenia, it remained more "pro-Soviet" and more "pro-Moscow" than its neighbors. Today, it is mainly U.S.-oriented. Wahhabism is poorly developed there because the local population is Shi'a Muslim; an Atlantic orientation is maintained through Ankara's political and economic presence and thanks to a certain amount of ethnic kinship with Turkey. Relations with Iran are strained because of the Southern Azerbaijan issue. The local press regularly raises the question of the rights of Azerbaijanians in Iran.

C o n c l u s i o n

The Soviet Union's collapse launched the next stage in the division of the world, in which the Caucasus was also involved. For historical reasons it became a geopolitical "stumbling block" once more. Today, there is no stabilization in sight; at least it will not come before the Central Caucasian countries finally choose their geopolitical orientation or, rather, not before it is chosen for them by the main global and regional geopolitical players and before Russia establishes law and order in the Northern Caucasus. And it can only do this by curtailing everything the destabilizing groups (encouraged by certain circles abroad and inside Russia) are doing with the help of domestic and foreign centers of power.

⁴⁶ See: *Ibid.*, p. 807.

⁴⁷ *Ibid.*, p. 808.

GEORGIA'S GEOPOLITICAL LANDMARKS: IS THERE A SHIFT?

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I n t r o d u c t i o n

On 30 October, 2004, we all learned that the NATO Council endorsed the Individual Partnership Action Plan between NATO and Georgia. The diplomatic communities of many countries assessed this as a serious step toward Georgia's integration into NATO. No specific dates were cited; the NATO Secretary-General who visited Tbilisi several days after the announcement cautioned our leaders that they had to cope single-handedly with the gravest of our problems—separatism. The public, however, is inclined to believe Mikhail Saakashvili, who says that Georgia will join NATO during his presidential term.

The country has already started readjusting its armed forces to the NATO standards. Under the agreements with the United States, by the end of 2004 there were 850 Georgian servicemen stationed in Iraq as part of the coalition forces (this is a large figure for a country with an army of 14,000-15,000). In so doing, Georgia is demonstrating its intention to shift its foreign policy vector westward; for over two centuries, until the end of the 20th century, the country (wittingly or unwittingly) was north-oriented.

It should be said, however, that starting in the mid-1990s, the country's leaders have been insisting on a multi-vectoral foreign policy, which means that the country has abandoned its orientation only toward Moscow. Diplomatic efforts in this direction never slackened, yet (for objective and subjective reasons) the country's real integration into Europe (by this I mean integration into NATO and the EU) looked like a distant and pretty unrealistic

goal. The country had to concentrate on its own survival; it needed (and still needs) energy fuels and had to depend (and still has to depend) on Russia for them.

The new Georgian leaders brought to power by the "Rose Revolution" of November 2003 are obviously pro-Western. All political forces, including the large opposition parties, agree with this, or do not oppose this course.

The coming geopolitical shift in the key South Caucasian state poses the question: Why is a small country (Georgia in our case) forced to seek strategic partners far from its borders? Is its NATO partnership real? In other words: Will it be welcome in the West?

To correctly identify a country's geopolitical goals and hence its future, its past must be analyzed and put into the broad geographical context. This alone will make it possible to discover the geopolitical code on which the country's foreign policy rests; to be more exact, the geopolitical code determines the country's interests, as well as identifies the threats to these interests and the nature of possible responses to these threats.

With a small country, the geopolitical code normally remains at the local level and suggests strategic assessments of its neighbors when shaping its foreign policy. Only the world superpowers operate with geopolitical codes at the global level. A small country, however, cannot remain indifferent to the global geopolitical situation and, especially, to the superpowers' interests and designs. While trying to adjust itself to global geopolitics, a small country can find its niche on the world arena to remain safe or to survive.

Alexander Rondeli, a Georgian expert in foreign policies of small countries, has pointed out: "No matter how flexible, no matter how promptly it responds to changes, the foreign policy of any small country should have a strategic aim and should make its strategic choice. This means that it receives support from some states and is opposed

by others—a very precarious and dangerous situation."¹

Will Georgia cope with this risky task? Time alone will tell; a scholar has to look at what prompted such developments.

¹ A. Rondeli, *Malaia strana v mezhdunarodnoy sisteme*, Metsniereba Publishers, Tbilisi, 2003, pp. 79-80 (in Georgian).

Historical Background

Adoption of Christianity as the state religion in the first half of the 4th century was a deliberate choice of Western orientation represented by Byzantium. Until that time, Eastern Georgia, the core of the Georgian statehood and nation, was politically and culturally dominated by the East: Sassanian Iran and Zoroastrianism.

Christianity brought about a cultural revolution in Georgia: it acquired its own written language, an original one based on phonetics, to translate the Bible into Georgian. The canonical Georgian translation helped create a common literary language across the country and a single nation.² Throughout the Middle Ages, Georgia remained the easternmost part of the Christian world and regarded itself as the Eastern outpost of Europe.

Speaking at the Parliamentary Assembly of the Council of Europe on 28 January, 2004, President of Georgia Mikhail Saakashvili pointed out: "Today, Georgia has stepped on the home-bound road; it is re-integrating with Europe, with which it has common values and a common history."³ This put our country's public opinion in a nutshell, most of the population of which looks at Europe as a "common home."

As distinct from many (but not all) post-Soviet countries, Georgia as a state (or several states) has existed on the same territory under the same name (Kartli-Sakartvelo) for at least two millennia. Throughout the late Middle Ages, the Georgian states preserved the inherited power of the local Christian rulers, many of whom wished to unite the country under their power. These dreams never came true because of the geopolitical realities (feudal disunity largely preserved by the efforts of the Ottoman Empire and Safavid Persia, two neighboring regional powers) which determined the landmarks.

By the end of the 18th century, the Russian Empire had entrenched itself fairly well in the Northern Caucasus and on the Northern Black Sea coast to be ready to move further south. It needed a South Caucasian ally. In this way the interests of Russia and Eastern Georgia (the united kingdom Kartli-Kakhetia with Tbilisi as its capital) coincided. By that time, recognized by the rulers of other Georgian kingdoms and princedoms as the most important part of the country, Eastern Georgia had become virtually independent of Persia torn apart by feudal strife (it had been its vassal for two centuries). Kartli-Kakhetia needed a strong ally and patron to help it move further away from Persia and protect it against the inroads of the Caucasian (mainly Daghestanian) mountain peoples. Their small groups, who invaded the Georgian valleys, threatened the country's political, economic, and demographic stability (they frequently abducted children and sold them as slaves in the Ottoman Empire). The agreement on an alliance signed in 1783 (the so-called Georgievsk Treaty [after the name of the fortress in which it was signed]) established Russia's protectorate over Kartli-Kakhetia, the sovereignty of which was thus limited (the state was deprived of its independent foreign policy), yet guaranteed inherited power and self-administration.⁴

² See: R. Gachechiladze, *The New Georgia: Space, Society, Politics*, UCL Press, London, 1995.

³ 24 Saati newspaper, 29 January, 2004.

⁴ Art 6 of the document said: "His Serene Highness Czar Irakly Teymurazovich and his house of heirs and descendants shall under all conditions preserve power in the kingdoms of Kartali and Kakhetia with their own domestic administration, court of justice, punishment and tax collection given under His Serene Highness' will and for his profit" (*Georgievskiy traktat. Issledovanie, dokumenty, fotokopii V. Macharadze*, Khelovneba Publishers, Tbilisi, 1983, p. 76).

It was in this manner that, late in the 18th century, the Georgian political elite shifted its geopolitical orientation from the East to the North. It was an indirect European orientation: direct ties with the center and west of Europe being limited by the political and geographic realities of the times. Georgia had access to Western and Central Europe through the territory of the Ottoman Empire (if we exclude Russia from this discussion). And although it always had its daggers drawn with Persia, a source of trouble for Georgia, the Ottoman Empire was an equally undesirable partner for [Eastern] Georgia. The latter made several aborted attempts at attracting the attention of France, Spain, and the Vatican in the early 18th century, yet it was too far away, too hard to reach, too small, and too poor to be worth the trouble of the European powers. They would hardly agree to shed the blood of their own soldiers or mercenaries over Georgia.

Enlarging Russia, however, had its military-strategic interests in Georgia: it could use its territory as a toehold for southward movement. In 1813, under the Gulistan Treaty with defeated Persia, Russia enlarged its territory to the River Arax; its stronger positions in Georgia allowed it to pincer the still unconquered part of the Northern Caucasus. At that time, civilizational proximity was a strong factor of public relations. The fact that during the Byzantine Empire the Georgians belonged to the same Christian branch (Orthodoxy) as the Russians was insistently driven home; the argument survived until Soviet times and was used to “strengthen the friendship of nations.”

The quasi-allied relations between Russia and Eastern Georgia survived less than two decades. In 1801, Emperor Alexander I exploited the squabble at the court in Tbilisi, annulled the Georgievsk Treaty and annexed Eastern Georgia; during the Russo-Turkish wars of the 19th century, Russia conquered Western and part of Southern Georgia and deported the local monarchs and their families. The autocephalous status of the Georgian Christian Orthodox Church was destroyed; imperial administration—more efficient and ruthless—replaced the local bureaucrats. To make control over the empire’s outskirts (Georgia was one of them) easier, the empire mixed ethnic groups by encouraging emigration of the local people (Georgian Muslims and Abkhazians) and immigration (Germans from Württemberg; Russians from central Russia, Armenians and Greeks from the eastern vilayets of the Ottoman Empire, etc.).

Russian expansion brought some objectively positive results too. After four centuries of disunity, practically all the Georgian lands were united within one empire and acquired certain Western and European features. These factors, in turn, gave birth to Georgian nationalism, something that St. Petersburg had not expected and did not like. It would prefer to see the Southern Caucasus Russified, very much after the pattern of the Northern Caucasus. As part of the empire, Georgia could not identify its geopolitical preferences.

The Georgians and other large South Caucasian nations got the chance after World War I. Within the short period of two or three years, in 1918-1920/21, three independent republics—Azerbaijan, Armenia, and Georgia—came into being in the Southern Caucasus in the context of a temporary imperial vacuum created by the neighboring superpowers’ lack of interest (Russia, bogged down in the Civil War; defeated Turkey, struggling to its feet and beating off Greek attacks; and Persia, dealing with the death-throes of the Qajar dynasty). The new states never acted together and were easy prey for Russia, which returned to the region as a country of Bolsheviks.

At that time geopolitical choice (by which I mean the choice of the patron country) was a limited one. For a short while, until November 1918, Georgia was looking at Germany, then it turned its gaze to the U.K. The former lost the war, while the latter lost interest in the Southern Caucasus with the oil of Baku as its only attraction. Great Britain preferred to concentrate on the Middle East with its easily accessible oil and no serious rivals. In vain, independent Georgia tried to attract the attention of the European powers and join the League of Nations. It, and the neighboring republics, were forced to become part of the forming Soviet Union.

Formally, under the Soviet constitution, the Georgian S.S.R., like all other Union republics, was a “sovereign state” with its own foreign ministry. In fact, none of them (including Ukraine and Byelorussia, which were U.N. members) could play any independent role on the world arena.

It was only after the Soviet Union's collapse, 70 years later, that Georgia regained its chance to identify its geopolitical priorities. Under Gamsakhurdia (1990-1991), it remained an unrecognized state with vague geopolitical aims. Its foreign policy acquired clearer features when Georgia was recognized by the world community late in 1991, and especially after it joined international organizations (the U.N., OSCE, etc.) in 1992.

The Political-Geographical Context

Georgia borders on Turkey, Armenia, Azerbaijan, and Russia. It is the only South Caucasian and Central Asian country with access to the World Ocean. The main transit sea-bound arteries of Armenia and Azerbaijan cross its territory. The main export pipeline for Caspian oil from Azerbaijan to Turkey will also cross Georgia.

Armenia, which has no diplomatic and other relations with its Turkic neighbors, Azerbaijan and Turkey, has to use Georgian territory to maintain contacts with Russia and Europe. Turkey and Azerbaijan, in turn, also have to use Georgian territory to cooperate (or use Iran as a transit state). The United States, which has to keep its armed forces in Central Asia to carry out the counter-terrorist struggle, uses Georgia as a transit state.

Late in the 20th century, this added supra-regional value to Georgia's political-geographic location. I have already written that late in the 18th century too, imperial Russia was interested in Georgia as a geographical unit which provided a toehold for southward movement. At that time, Georgian territory was of regional value: in the Middle East, Russia was competing with Persia and the Ottoman Empire rather than with European powers. British interest in the Caucasus as a whole and in Georgia during its short-lived independence in 1918 was likewise short. It was Kemal Atatürk's Turkey which stood opposed to Russia in the Caucasus. In 1921, the two countries agreed to divide the Southern Caucasus between themselves.

When Georgia acquired independence once more in 1991, Turkey, which suddenly found itself delivered of its most dangerous enemy, the Soviet Union, tried to spread its influence to the entire Southern Caucasus and Central Asia only to discover that its financial and economic resources were not enough. They were sufficient to master the Georgian market though. Nearly the entire post-Soviet space, Georgia included, proved an ideal market for Turkish consumer goods and foodstuffs. It was the heyday of Turkish industry.

In Russia, Georgia borders on the Krasnodar Territory with its predominantly Russian population and its multiethnic North Caucasian republics, the local elites of which gradually gained political weight during Soviet times. The Kremlin managed to keep them in check for a while by inciting them against each other. It looks as though the bi-ethnic "mini-republics" (Karachaevo-Cherkessia, Kabardino-Balkaria, Checheno-Ingushetia) were set up with this aim in view. In addition, there was a considerable Russian element in each of them. Daghestan, the republic with numerous ethnic groups and no stable sources of money, completely depended on Moscow. Early in the 1990s, to reduce ethnic pressure in the Northern Caucasus, the Russian Federation pointed to Georgia as the main troublemaker.

The political situation of the late 20th century suggests that early in the 1920s, the Kremlin had long-term intentions when it gave autonomous rights to the future irredenta. To support the point, researchers normally refer to several autonomies: the Ossets on the southern slopes of the Caucasus (South Ossetia), while there had always been North Ossetia in the Northern Caucasus;⁵ and the Armenians living on the territory which was once the Karabakh Khanate (Nagorny Karabakh), while there was Armenian S.S.R. This is as good explanation as any of the presence of ethnoterritorial autonomies. We cannot exclude the possibility that sometimes no strategic interests were involved and that the autonomies were a stopgap used for short-term political reasons.

⁵ For more detail, see: R. Gachechiladze, *op. cit.*, pp. 86-88.

Political-geographic realities (PGR) of even a relatively limited scale, having emerged in a specific territory and, through this territory, in the mental maps and hearts of the people, are very tenacious. All attempts to change them and adjust to new PGRs of a larger scale can threaten empires, to say nothing of small states.⁶

The ethno-territorial conflicts in Georgia—in Abkhazia and South Ossetia—occur along its border with Russia. There are larger ethnic minorities in Georgia which create far fewer problems: they live fairly far from the Russian border.⁷

Even though Georgia's policies in Abkhazia and South Ossetia were not free of errors, Russia's support is the main factor of the separatists' temporary success. During the hostilities in Abkhazia in 1992-1993, this support was not obvious even though the Russian military base in Gudauta helped set up the Abkhazian air force and the navy. Numerous North Caucasian volunteers (Cossacks and people of local nationalities—Adighes, Cherkesses, Kabardins, and Chechens) easily crossed the border. They were all taught to believe Georgia was their main enemy. Shamil Basaev, the notorious Chechen militant, and his comrades-in-arms acquired their military skills by fighting side by side with Russian Cossacks against Georgia. Later, they used these skills against Russia. As a result, over half of the Abkhazian population (up to 300,000 people), mainly Georgians, were driven out of the republic. Most of them are still refugees or temporarily displaced persons.

In the latter half of the 1990s and at the beginning of the 21st century, support from the north became more obvious. The decisions of CIS summits on severing economic ties with the Abkhazian and South Ossetian separatists were consistently ignored; they were offered favorable border-crossing conditions (the populations of the two breakaway territories essentially do not need a visa to cross into Russia, while in most of Georgia visas were introduced); Russian citizenship was granted to the absolute majority of those who live in South Ossetia and Abkhazia, while Russian officials speak of the need to protect their interests, etc.

This has created a negative background for relations between the two countries and provokes corresponding public opinion in Georgia. People tend to suspect our northern neighbor of even non-existent sins. This affects international relations as well.

Is Georgia Reassessing Its Geopolitical Code?

The geopolitical code of any country is determined by its *interests* compared with the interests of its neighbors and the *threats to its interests*. A small country, naturally, should rely on other states with similar or non-contradicting interests to formulate responses to the threats.

Today, none of Georgia's neighbors poses a real danger to it. The time of Ottoman conquests, Dagestani inroads, and Russian expansion has passed. Even the threat of "pan-Turkism" exploited as a bugaboo by certain "highly educated people" living to the south and north of Georgia can hardly scare anyone. Turkey is a civilized state which wants to become part of Europe; it abandoned its intention to conquer the Caucasus and Turkestan, which it betrayed back in 1918. A contemporary state ruled by law is Russia's aim. All reasonable Moscow politicians know that to restore a sort of Soviet Union

⁶ For example, in late 1990 the Supreme Soviet of the Republic of Georgia abolished the autonomy of South Ossetia in response to its own attempt to abolish its own status of autonomous region in a unilateral effort to raise its political status. To establish peace and restore the country's territorial integrity in the changed geopolitical conditions, Georgia will probably have to restore South Ossetia's former autonomous status or even raise it.

⁷ The 2004 events in Ajaria are a good example of the geographical factor's importance. Russia obviously did not want to fan the crisis of power in Ajaria (there was no ethnic conflict there—the absolute majority was Georgian) because of its geographic location. Ajaria, which borders on Turkey, has no common border with Russia. The Ajarian ruler, however, tried to add legitimacy to his claims by referring to the feudal past of his ancestors (sic!), while resisting Georgia, which was restoring constitutional order in the region. He asked Moscow for support, but it preferred to give him asylum.

under market conditions is economically unprofitable; it is impossible to destroy the world political order without crippling Russia's interests. Azerbaijan and Armenia hardly feel politically threatened by Georgia and they prefer to maintain friendly relations with it. In fact, Georgia has already reached a consensus on all territorial issues and has achieved recognition of the immutability of the present borders.

Still, Georgia is aware that its national interests are threatened. It has to seek a response to such threats.

Regrettably, Russia presents the main threat to Georgia, even though a certain civilizational kinship between the Russians and Georgians exists (rooted in shared Christian Orthodoxy), and the two nations are tied by cultural contacts. Today, these contacts are still quite strong: Russian is still taught in Georgian schools; there are Russian-language newspapers, Russian theaters, radio and TV programs, even though the number of ethnic Russians in the country is negligible. In Soviet times, there were more Russians in Georgia than Georgians in Russia; today Russian culture in Georgia functions mainly for the Georgians (there are also many Georgians in the cultural and economic spheres of the RF). Personal relations between the two ethnic groups have survived.

High politics, however, national security considerations, and military-political aspects force official Tbilisi to treat relations between the two states with caution and not to succumb to "friendly feelings." For some strange reason, two "civilizational sisters"—Russia and Georgia—have different political interests.

It seems that Russia has so far failed to realize that Georgia is a foreign state; to a great extent this is due to Russia's historical memory. Georgia is treated as a closer country than Azerbaijan, the Central Asian republics, or even Armenia (tied to Russia by political and ethnic threads). (According to the 2002 population census, there are 1,100,000 Armenians in Russia, two-fold fewer than in Armenia.) There is another factor: not only the right-wing great power patriots, but also many others remember that Stalin, who did a lot to strengthen Russian statehood and restore imperial thinking, was a Georgian. This should have bred "fraternal feelings." Instead, it breeds "paternalism:" Russia finds it hard to accept the thought that the "ungrateful Georgians" refuse to follow Russia's guidance.

States are guided by political pragmatism; Georgia wants to restore its control over the two separatist regions—Abkhazia and South Ossetia—which can be effectively done by peaceful means. Moscow's policies of the past fifteen years leave no doubt that it wants to preserve the status quo, that is, to keep the conflicts burning. We can agree that Russia, burdened by the Chechen issue, finds it hard to address ethnic problems in the neighboring country. Tbilisi, in turn, sees that instead of trying to settle the conflicts, Moscow is working hard to support the separatists.

Georgia wants to become a transit country for Caspian hydrocarbons to diversify the sources of energy fuels and become less dependent on Russia's monopoly in this sphere. Russia did everything possible to oppose this: it is one of the largest gas exporters to Turkey and one of the largest oil suppliers. It needs no rivals.

To protect our interests, we need a small, mobile, and well-equipped army. Georgia's efforts to achieve this were supported by the NATO countries and partly by Ukraine. In fact, Georgia, a Black Sea country, received nothing when the Soviet Navy was divided.

Tbilisi does not need foreign troops and bases on its territory, especially if the military doctrine of the foreign state says nothing about protecting Georgian interests. There are Russian military bases on our territory. At the Istanbul OSCE summit of 1999, Russia promised to withdraw its bases—today it is doing its best to postpone this.⁸ Russia insists that it needs eleven years to remove the bases and demands

⁸ According to a Russian military expert "Russia's geostrategy in the South requires that the problem of the Russian military bases in the independent Transcaucasian states (Georgia and Armenia.—*R.G.*) be specified. We should strive to preserve Russia's military presence in this region... It could have received a firmer basis had Russia made a weightier and more efficient contribution to settling the conflicts in the Transcaucasus. The situation, however, is developing in the direction of squeezing Russia out of this vitally important region" (V.L. Petrov, *Geopolitika Rossii: vozrozhdenie ili gibel?* Veche Publishers, Moscow, 2003, p. 185).

huge contributions to pay for it. Official Tbilisi, however, is convinced that three years is more than enough (almost six years have already passed).

Russia's repeated refusal to take practical measures to regulate relations is causing concern in the Georgian capital. For example, Russia signed and ratified agreements on friendship and cooperation with most of the CIS countries, yet the agreement with Georgia signed on 3 February, 1994 and ratified by the Georgian parliament has not yet been ratified by the RF State Duma. For several years now the sides have been discussing a new text to be signed (probably) in 2005.

The above says that concentrating on Russia alone is becoming less and less productive and that Georgia must revise its geopolitical code. This means that it needs closer cooperation with other countries and military-political blocs (primarily NATO). Tbilisi is aware that the country should address its domestic issues itself and hopes that other forces may help it to do this much more effectively than a neighboring power with no interest in this.

Objectively, Georgia's orientation toward the West and the Western life style should force our people to revise their attitude toward labor, discipline, observing the law, human rights, etc. The nation should learn that the road to Europe is a hard one and that theoretically EU membership is possible only if we revise our values. This has not yet been widely discussed in our country; the public has not yet addressed the issue of our foreign policy orientation. This will inevitably be done in the future.

Partnership with NATO is a fairly long process, yet granted both sides want it, Georgia will eventually join the bloc. If our country fulfills all the necessary conditions, the West will welcome it! Much depends on international developments though. On the eve of 9/11, nobody expected the changes that finally took place. Two Black Sea countries (Rumania and Bulgaria) were rapidly admitted to NATO in the context of the counter-terrorist struggle.

The events that took place in Ukraine late in 2004 may affect the relations between Georgia, another Black Sea country, and NATO if this key East European nation moves toward closer relations with the North Atlantic structures.

C o n c l u s i o n

Peaceful relations between neighbors may take different forms ranging from equal partnership to unequal partnership and then to complete avoidance of partnership ("cold peace").

Georgia wants to become an equal partner for all its neighbors, the former metropolitan country included. In fact, we have already achieved this with most of our neighbors (Armenia and Azerbaijan). Even huge (by Caucasian standards) Turkey respects our right to independent policies.

Theoretically, our partnership with Moscow is also equal, yet its present state (Russia's virtual support of the breakaway Georgian regions; Russian citizenship for their populations, the Russian military bases, etc.) makes Georgia de facto an unequal partner, something which our country cannot accept. To balance our foreign relations and to acquire more reliable guarantees of our independence and territorial integrity, we have to look for partners far from our borders.

Georgia looks at "cold peace" as the least desirable alternative of its relations with Russia; it is hardly possible too: our economic, cultural, and personal relations will go on.

It seems that the Russian establishment is quite capable of steering our relations toward equal partnership. Russia, as a great power, will profit from this too. In any case, Georgia's multi-vectoral foreign policy does not boil down to rejecting its orientation toward Moscow. A possible geopolitical shift may prove less painful for all the parties concerned.

GEOPOLITICS OF INTERDEPENDENCE BETWEEN KAZAKHSTAN AND OTHER CIS COUNTRIES (*Conceptual Aspect of Interaction*)

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(Almaty, Kazakhstan)*

Geopolitical Background

The current geopolitical situation that determines the key aspects of Kazakhstan's socioeconomic development has a distinctly regional character. In the context of global development trends, the economic and political importance of Central Asia depends on two groups of factors: its geographical proximity to such great powers as Russia and China, and its abundant natural resources, especially oil, gas and nonferrous metals. These groups of factors, for their part, are made up of numerous constituents, which are closely intertwined and are in a state of dynamic imbalance.

The geostrategic interest taken by leading countries of the world in the economy of the Republic of Kazakhstan is due precisely to its resource potential and specific geopolitical position. The mineral resource base of Kazakhstan, just as of all other FSU republics, was formed with due regard for the needs of the U.S.S.R. as a closed economic space, while the deployment of consumers of mineral resources was dictated by the principles of large-scale integration, which was often conducive to highly efficient use of the all-Union mineral potential. For example, major titanium and zirconium deposits in Ukraine provided all the necessary raw materials for three titanium-magnesium integrated works located in different parts of the U.S.S.R.: Zaporozhye (Ukraine), Berezniki (R.S.F.S.R.) and Ust-Kamenogorsk (Kazakhstan), and also resolved all the problems in providing Soviet plants with zircon. The unique deposits of magnetic iron ore in Northern Kazakhstan supplied raw materials for steel mills in the Urals and Western Siberia, and the creation of the U.S.S.R.'s largest mineral resource base for the production of bauxites, also in Northern Kazakhstan, ensured the steady operation of the country's aluminum subindustry.¹ Today Kazakhstan's major geopolitical partners—Russia, U.S.A., PRC and Britain—are attracted by its abundant mineral and agricultural resources, and also by its advantageous geostrategic position in Central Asia at the junction of transportation routes running to Russia and China. In addition, this factor helps Kazakhstan to take a regional lead in developing economic transformation processes.²

The geo-economic and geopolitical advantages of our state—its location in the center of Eurasia at the intersection of the shortest transcontinental transportation and communication routes—are of interest to large foreign companies and transnational corporations, giving the republic a chance to turn transit through its territory into a key revenue item of the state budget. This advantage also enables the country to attract foreign investment for the development of its transport and communication complex on sufficiently favorable terms. As history would have it, virtually all domestic, interregional and oth-

¹ See: S.Zh. Daukeev, "Mineral'no-syrievye resursy Kazakhstana: vozmozhnosti nauchno-tekhnicheskogo razvitiia. Voprosy kompleksnoi pererabotki syria Kazakhstana," *Trudy pervoi mezhdunarodnoi konferentsii*, Almaty, 2003, p. 457.

² See: S.S. Satubaldin, *Aziatski krizis: prichiny i uroki*, AO Sak, Almaty, 2000, p. 680.

er international routes running across the country coincide with each other, forming a favorable pattern of territorial transit arteries. That is why the establishment of international transportation corridors will help to develop the republic's internal transportation system, so that investment in this infrastructure will not lead to an imbalance between the state's internal and external interests. In this respect, it is particularly important today to formulate a correct strategy in relations with Russia, China, Kyrgyzstan and Uzbekistan.

Consequently, the development of optimal transportation routes of international importance is a major aspect of effective management of Kazakhstan's transport and communication complex, and it can and must be used to realize the advantages of the republic's geopolitical position as a transit territory between Europe and Asia. This implies the maximum use of the potential of the country's geo-economic position (GEP) at macro, meso and micro levels.

Kazakhstan's macro position depends on its extreme remoteness from the leading centers of the world economy. For example, the countries of the European Union lie three thousand kilometers away from the republic's western borders, and some of its major geopolitical partners, such as Britain, the U.S.A. and Japan, lie more than six thousand kilometers away.

The republic's meso position is characterized by its common borders with other CIS republics and China and its relative proximity to the countries of the Middle East. The development of relations between these groups of countries determines the proportions and scale of economic development in Kazakhstan, and also the republic's place in the international territorial division of labor within the framework of Eurasia in accordance with its natural and economic potential. Needless to say, these are only prerequisites of GEP, which either can or cannot be used in the process of economic reform. This means that the country's territorial-production structure should become a part and not an appendage of the potentially huge economic system that will sooner or later take shape in the territory of Eurasia. Despite the formation and development of the republic's national economic complex as part of the U.S.S.R.'s single economic space, GEP was regarded as a dynamic system of multi-aspect and multi-scale spatial relations with foreign countries that depended on structural changes both within and outside the republic. But in Soviet times this system could not utilize the afore-said advantages of macro or meso position, since Kazakhstan was not an agent of the world economy, while its economic relations with neighboring countries were distorted by ideological tenets and by the peculiarities of central planning.

Meanwhile, use of the opportunities offered by Kazakhstan's microeconomic position relative to Uzbekistan, Kyrgyzstan and China has been and remains the basis of its interregional cooperation. In this light, it is important to assess, among other things, the specific features of the republic's land and sea borders.

Kazakhstan's maritime boundary begins on the Caspian, not far away from the Volga delta, on the border with Russia; it runs along the southern part of the Atyrau and the western part of the Mangistau regions of Kazakhstan, and then comes close to the shores of the bay of Kara Bogaz Gol (now Turkmenbashi) lying in the territory of Turkmenistan. Its total length is 1,730 km. The main port here is Atyrau, which is a busy junction for sea, river, rail and automobile routes and oil pipelines. In effect, it is a combined sea and river port. In addition, links with Azerbaijan, the Northern Caucasus, the Lower Volga Region and Turkmenistan are effected through the ports of Bautino, Aktau and Eraliev, which are gradually assuming the character and status of international ports. In the structure of economic relations between the countries of the Caspian basin, the main focus is on oil and oil products, building materials, timber, fish, machinery and equipment. However, things have been changing. More active foreign economic relations with Caspian countries and via the Volga with other states will enhance the status and increase the geopolitical importance of the Atyrau commercial seaport, necessitating its significant expansion and renovation.

So, an analysis of the republic's geopolitical priorities should start from the assumption that the conceptual interaction vector should be directed so as to bring out and explore the possibilities for active use of the factors of Kazakhstan's physiographic and socioeconomic environment (and reasonable influence on it) in the interests of the state's military, economic and environmental security.

Geopolitical Traits

In 1991, Kazakhstan and all the other CIS republics were faced with the challenge of national self-determination, with the need to assert their independent statehood and to find their bearings in the geopolitical environment. At the same time, the breakup of the single sociocultural space, the disruption of the well-established system of production links, and the transitional condition of the newly formed mechanisms of interaction between states led to an aggravation of some geopolitical and geo-economic problems.

After the collapse of the U.S.S.R., the FSU countries were plunged into a systemic crisis, which clearly manifested the need for closer political and economic ties between them. This need derived from the necessary demolition of the rigid political structures that constituted the basis of Soviet statehood. The Soviet Union fell apart within a record time, and it was in the interests of the newly independent states not only to dismantle the totalitarian system, but also to rule out the possibility of its restoration. Clearly, even today Kazakhstan (like many other CIS countries) still has inadequate experience of independent statehood. This is due to a number of factors: the republic's "truncated" economy resulting from the disintegration of the single national economic complex; lack of long-term practical experience of regional interaction, including bilateral relations between sovereign republics in Central Asia; and a slackening of control over socioeconomic, political, sociocultural and psychological ties in every CIS state.

At the first stage of the CIS countries' independent development, the idea was to pattern their future economic interaction on the model developed and time-tested in the European Union. But proper implementation of this model was prevented by two delusive circumstances. The first was that the economic "transparency" of interrepublican borders was retained for some time after the breakup of the U.S.S.R., while the single currency (the old Soviet ruble) continued to operate until the fall of 1993. Hence the paradoxical situation: it appeared that the main components of an economic union, which the EU countries had accumulated for almost four decades, existed with the framework of the CIS from the very beginning. Consequently, the task appeared to be as follows: to complete the construction of the "lower floors" of the integration building (to create a customs union and a single capital market) while retaining and strengthening its existing "roof." The second circumstance was as follows: the prevailing view at the time was that the overall situation in the CIS was much more favorable than in the EU, whose members prior to their unification had been independent states with their own economic, legal and institutional peculiarities. The situation in the CIS appeared to be fundamentally different: all its countries were identical, because their national economies had only recently been a single whole and were well-adjusted to each other. In other words, the states of Western Europe had to feel their way ahead, moving forward by trial and error, whereas the CIS republics already knew where to go and would make rapid progress along the road paved in Soviet times.

However, for objective reasons the "transparency" of interrepublican borders evaporated very quickly. The different pace of reform in the national economies of the CIS countries led to a different degree of liberalization of their domestic prices, resulting in significant differences in price levels. This triggered a flight of goods, including vital resources, from countries with relatively low domestic prices to countries where prices were higher. The outflow of material resources caused by the abolition of the state monopoly on foreign trade was also very tangible. Raw materials, fuel and metals streamed out to Far Abroad (non-CIS) countries, that is, to the world market, where they could be sold at a higher price for hard currency. Such outflows often passed through the customs territory of other CIS countries. All of that compelled Russia and the other Commonwealth states to introduce tight tariff and quota restrictions on exports and to establish frontier customs houses.

Yet another problem appeared with the erosion of the single currency area. Even while the Soviet ruble remained the single means of payment in the CIS zone, the independent national banks of the Commonwealth states were enabled to issue book money without control and to use this money to settle accounts with each other and especially with Russia, which accounted for up to 80% of the foreign trade of

most of these states. As a result, Russia was flooded with depreciated money, which fueled the country's galloping inflation still further. Russia was obliged to introduce its own currency and to pursue a tight credit policy toward the other CIS countries. Each of these countries, for their part, introduced its own national currency.

One of the main problems facing Kazakhstan, like all the other CIS countries, is to strengthen state sovereignty and to harmonize ethnic relations. The existing ethnic problems of national minorities in our republic (Uighurs, Kurds, Dungans and others) require close attention. The ethnopolitical phenomenon has assumed great importance as one of the key phenomena in the post-Soviet space at interstate, internal political and geopolitical levels. The prospects for an advance toward economic integration within the Commonwealth depend on each member state's readiness to give up part of its sovereignty, since their real integration will only be possible if they bring their geopolitical priorities closer together by curtailing their ethnopolitical aspirations.

A crucial geopolitical question that has arisen since the breakup of the U.S.S.R. is that of political and trade control over vast energy resources, especially in the Caucasus and Central Asia. The substance of the new geopolitical game consists in gaining control over the production of hydrocarbons and over the pipelines that carry oil and gas to Western markets. In this context, the most urgent geopolitical problems facing Kazakhstan today are associated with the exploration, production and transportation of Caspian oil. The presence in this area of such large corporations as Agip KCO, British Gas, Shell and ExxonMobil determines the geostrategic interests of a number of world powers in Kazakhstan. Caspian oil has become the scene of an intense competitive struggle between the U.S.A. and some West European states. In the geopolitical situation around the Caspian region, the U.S.A. is gradually coming to the fore. Its growing role is connected not only with Washington's constant rivalry with Beijing and Moscow in this strategically important region of the world, but also with the natural resources (oil) that turn this region into a strategic one.³ The alternative routes for the transportation of this oil that are currently under discussion (Kazakhstan-Russia, Kazakhstan-Azerbaijan, Western Kazakhstan-Western China, Kazakhstan-Iran-Persian Gulf, Kazakhstan-Turkmenistan-Pakistan) are of geopolitical interest to the leading world powers.

Centripetal and Centrifugal Trends

According to N. Speakman, the state can become a regional organizing center if it has a high integral rating based on 10 key parameters: mineral resources; national spirit; territory and climate; borders; population; ethnic diversity; political stability; social integration level; economic, technological and financial development; and quality of managerial elite. In geopolitical and geo-economic terms, the CIS republics are characterized by a combination of two main processes. On the one hand, the Commonwealth countries are structuring their nation-state interests and, on the other, they have a growing awareness of the legitimacy of economic integration within the CIS framework. This situation implies the need to select priorities. In my view, the advisability of closer economic relations is quite obvious.

Economic integration objectively slows down the advance toward sovereignty, but at the same time it is the "price" one has to pay for economic modernization. In addition, the existence of destabilizing factors becomes dangerous in the conditions of the post-militarist legacy. The newly independent FSU states have inherited the roles they used to play in the days of the U.S.S.R. The specific features of the policy currently pursued by Russia as the geopolitical and geo-economic leader in the Eurasian space (in

³ See: A.A. Aubakirova, *Geopoliticheskie i geograficheskie faktory v formirovanii vneshnepoliticheskoi strategii respubliky Kazakhstan*, Ekonomika, Almaty, 2003, p. 270.

relation to other CIS countries) go back to the period when the construction of national statehood in these countries coincided with the revival of Russian statehood proper, a process which for historical reasons proceeded at a faster pace. This has enabled Russia to overtake the other CIS republics in developing a systems approach to foreign policy and to play the leading role in relations with them. Russia has more dynamic opportunities to exercise economic, communicational, ethnodemographic, military and informational control in the post-Soviet space. Consequently, in the solution of complex problems facing the Commonwealth countries it is Russia's interests that are taken into account in the first place. At the same time, the current geopolitical balance of power induces Russia to look for new ways of ensuring its interests in accordance with its changed role.

The economy of any state "looks" at the external world through the "prism" of its national interests, priorities and foreign economic institutions. The stability of its position in the modern economic world depends on the coherence of three strategic components: the situation in the external sphere, the state of the "prism" and the situation in the national economy.⁴ The record of Kazakhstan's independent development shows that the differing interests of the CIS countries are a secondary factor compared to other, more important tasks. Firstly, these republics have to determine their own priorities within the system of bilateral relations with their Commonwealth partners, and secondly, they have to gear these efforts toward the main goal: systemic resistance to the possibility of reanimating the old "center-periphery" relations. In view of the specific operation of numerous economic, political, social, ethnic and other factors, two opposite trends are at work in the economic space of the CIS: disintegration (centrifugal) and integration (centripetal). The centrifugal trend prevailed in the first three years after the establishment of the Commonwealth and is still evident today. It is connected with the disintegration of the old economic system, including the elimination of central planning and state funding, which came into conflict with the need to form market relations. Kazakhstan, like other CIS states, is both an agent of these changes and is influenced by them. One should note that with the development of this trend the mechanism whereby the Center "funds" the less developed republics (mostly through a flow of capital from Russia) is eliminated, which is ultimately reflected in the main macroeconomic indicators of the CIS countries (see Table 1).

In recent years (especially in 1999-2003), political problems in the CIS have prevailed over economic problems despite their interconnection. This points to the significant influence of geopolitical centers on political processes underway in the Commonwealth states.

In the first half of 2000, an unexpectedly steady economic upturn was already registered in virtually all the CIS countries: their gross domestic product increased by 6% compared to the same period of the preceding year. This growth was promoted by both external and internal factors. Steady demand in Western Europe stimulated an expansion of exports from transition economy countries and pushed up prices for their products, which had a favorable effect on suppliers of primary commodities.

The trend toward economic growth in the Commonwealth countries continued in 2001-2002. In 2002, their gross domestic product increased by 5%, industrial output by 4%, agricultural output by 2%, fixed capital investment by 6%, and retail trade by 10%. GDP growth rates were highest in Azerbaijan, Armenia, Kazakhstan and Tajikistan (9-13%); in Moldova the increase was 7%, and in Belarus, Georgia, Russia, Uzbekistan and Ukraine, 3-5%. In Belarus, such growth rates have been recorded over the past four years, and in Uzbekistan, over the past six years; in Russia and Ukraine, growth has somewhat slowed down compared to 2001 (when their GDP increased by 5% and 9%, respectively) (see Table 2).

The geopolitics of Kazakhstan's interdependence with other CIS countries should be based on the following principles: equality and responsibility; strict compliance with interstate agreements; mutual recognition of the existing state and political institutions of the CIS countries; recognition of territorial integrity and inviolability of borders; renunciation of economic, political and other forms of pressure in

⁴ See: E. Kochetov, *Globalistika. Teoria, metodologia, praktika*, Moscow, 2002, p. 647.

Table 1

**Main Macroeconomic Indicators
(CIS averages)**

	2002 as % of 2001	2001 as % of 2000	2002 as % of 1991
Population	100.2	99.6	98.8
Gross domestic product*	104.8	106.1	75.1
Industrial output	104	107	68
Agricultural output	102	108	75
Fixed capital investment	106	112	40
Freight transportation by transport companies (excluding pipelines)	104	105	26
Passenger transportation by transport companies	99	99.4	77
Retail turnover (through all sales channels)	110	112	97
Paid services (through established sales channels in the CIS countries)	101	103	33

* This and subsequent indicators are given in constant prices.
S o u r c e: Express Report of the CIS Statistical Committee, 2003.

Table 2

**Real GDP Growth
in the CIS Countries**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	Real GDP in 2002 (1993 = 100)
Azerbaijan	-19.7	-11.8	1.3	5.8	10	7.4	11.1	9.9	8.8	62
Armenia	5.4	6.9	5.9	3.3	7.3	3.3	6	9.6	8	74
Belarus	-12.6	-10.4	2.8	11.4	8.4	3.4	5.8	4.1	3	91
Georgia	-11.4	2.4	10.5	10.8	2.9	3	2	4.5	3.5	37
Kazakhstan	-12.6	-8.2	0.5	1.7	-1.9	2.7	9.8	13.2	7.6	84
Kyrgyzstan	-20.1	-5.4	7.1	9.9	2.1	3.7	5.1	5.3	2	71
Moldova	-31.2	-1.4	-5.9	1.6	-6.5	-3.4	2.1	6.1	3.5	37

Table 2 (continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	Real GDP in 2002 (1993 = 100)
Russia	-13.5	-4.1	-3.4	0.9	-4.9	5.4	8.3	4.9	4.1	64
Tajikistan	-18.9	-12.5	-4.4	1.7	5.3	3.7	8.3	10.3	7	56
Turkmenistan	-17.3	-7.2	-6.7	-11.3	5	16	17.6	12	13.5	96
Uzbekistan	-4.2	-0.9	1.6	2.5	4.4	4.1	4	4.5	2.5	105
Ukraine	-22.9	-12.2	-10	-3	-1.9	-0.2	5.9	9.1	4.5	46
Total	-14.1	-4.9	-3.4	1	-3.7	4.5	7.9	5.9	4.4	64

Source: European Bank for Reconstruction and Development, 2002.

interstate relations, etc. In accordance with these principles, the geo-economic horizons of these countries should correspond to their national goals, strategies and tasks projected onto the geo-economic atlas of the world.

Barriers to Economic Integration

From the standpoint of geo-economics, integration and disintegration are effective instruments of the state. Theoretically speaking, these processes are rooted in the problem of behavior of complex systems (communities), in the search for optimal control units, etc. Sluggish integration in the CIS area is in large part due to the indistinctly market character of this process and excessive orientation toward the development of interstate contacts. Current problems of cooperation between producers, trade associations and business companies are often resolved not by the market players involved, but by ministries and departments. However, real integration between market-oriented national economies can develop successfully only based on direct business links between enterprises and organizations in the CIS countries. Cooperation between them can take different forms: production, financial and trade associations of the holding company type, joint ventures, financial and industrial groups, and consortia of enterprises from different countries. A liberalization of the integration process should also help to invigorate contacts between small and medium-sized firms.

There is a danger of domination by Russia as an imperial state. Russia's policy toward the Central Asian countries is of a specific nature. One should note that geopolitically this region is at a disadvantage, because it has no outlets to the sea. Moreover, it is the world's largest continental mass which depends on other states in access to world trade routes. Geostrategically, however, Central Asia lies within the zone of priority interests of the leading world powers. The military potential of its states cannot pose a threat to neighboring countries, and economically this region, at least in the medium term, will remain on the periphery of the world economy: implementation of the plans for socioeconomic and sociopolitical modernization is held back by the lack of an appropriate base. In addition, there are significant differences and contradictions between the Central Asian states themselves in a number of economic and political indicators: competition in the distribution of water resources and attraction of foreign investment, different vectors of political regimes, etc.

The impact of disintegration policy was evident in the erosion of the CIS countries' single customs territory and single currency area (1992-1994) caused by their different levels and development specifics, by the peculiarities of organization and implementation (or non-implementation) of economic reforms. This led to significant differences in price levels in the Commonwealth countries, which encouraged speculation and export of key material resources. A peculiar kind of link between the Western markets, Russia, Kazakhstan and other Central Asian republics was provided by the Baltic states, which were a staging post for uncontrolled export of valuable raw materials, including copper, zinc, lead and other goods from Kazakhstan. These processes also eroded the common currency area based on the free circulation of the old ruble as the single means of payment in the CIS countries.

In the solution of Kazakhstan's geopolitical and geo-economic problems, an important role is played by the process of gradual reintegration, an advance from the current state of mostly bilateral economic relations between the CIS countries to an orderly system of multilateral cooperation and coalescence within the framework of an economic union. But on the way to such a union the FSU states are confronted with a number of medium and long-term obstacles. In the medium term, four barriers are obviously of particular importance.

The first of these is the economic mechanism inherited from the U.S.S.R. As we know, this mechanism was based on rigidly centralized planning from top to bottom, with a concentration of all material and financial resources in the hands of the Center, which was fully empowered to redistribute them among the various regions and industries. The political breakup of the U.S.S.R. occurred at the very beginning of the transition from the command-and-distribution economic model to a market model. That is why the economic space of the former Soviet Union divided among 15 newly independent states was no longer run through a single centralized mechanism, but through a host of smaller, fragmented mechanisms of the same type as the old one. A large part of industry, transport and other infrastructure facilities, and even a certain part of agriculture in the CIS republics remain in state ownership.

The second medium-term obstacle is the massive decline in production characteristic of any transition economy, which was recorded, in particular, in Hungary, Bulgaria, Poland, Slovakia and other countries. In the CIS area, the decline is exacerbated by the disruption of economic ties.

The third obstacle is engendered by the fact that for a number of historical and current political reasons the CIS countries are going over to a market economy model at a different pace. This means that for some time now the post-Soviet economic space has been a patchwork of diverse transitional economic models. But apart from everything else this asynchrony in transition generates an outflow of goods to countries with higher domestic prices. With the introduction of national currencies, this process was spurred by factors connected with different market exchange rates.

The fourth medium-term obstacle is associated with changes in the price structure after the lifting of government price controls. As domestic prices approach world prices, this reveals the irrationality of some interrepublican commodity flows. These have to be reduced, and economic agents are often obliged to look for new partners outside the CIS, which leads to a relative reduction in trade within the Commonwealth. In the future this trend will be maintained by the demand for resource and energy-efficient technologies due to the rise in the prices of energy resources and raw materials, which in the days of the U.S.S.R. were artificially underpriced. In order to purchase such technologies, the CIS countries will have to partly reorient their foreign trade relations toward the West, a process which will indirectly prevent their reintegration for quite a long time. This will continue until a new balanced structure of trade relations takes shape between the Commonwealth countries, with a new country-specific model of international export specialization. For the time being, integration between the CIS countries is proceeding at different speeds (a phenomenon known as multi-speed integration). This has resulted in the establishment of a number of subregional groupings based on different cooperation principles (see Table 3).

Unfortunately, in the years of their existence none of these subregional integration groupings have achieved any tangible successes, while the Commonwealth itself, according to many experts, is about to be abolished, since it has long since turned into a representative and lobbying body for those of its member countries which are still hoping to get something from Moscow. The existence of

Table 3

Agreements between CIS Countries

Organization	Member countries	Year of signing
CIS Economic Union	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	1994
Eurasian Economic Union	Kazakhstan, Russia, Belarus, Kyrgyzstan, Tajikistan	1995 (Customs Union) 2000 (Eurasian Economic Community)
Central Asian Economic Union	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan	1995
GUUAM	Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova	1996
Agreement on a Common Agrarian Market	Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, Uzbekistan	1998

numerous problems in these groupings is due to the fact that they are still in the process of forming institutional, legal, social and political conditions characteristic of the market economy, without which interstate integration cannot develop successfully. Integration processes can take an active turn only if all their participants start performing the obligations they have assumed in the trade and economic sphere.

In view of the technological similarity of production in the CIS countries and transportation links between them going back to the Soviet era, the main line of integration among them should be a high degree of economic interdependence.

Kazakhstan's striving for regional economic integration is an objective and natural process. Along with globalization of the world economy, such integration is an ever more pronounced trend of world development. Economic integration with other countries of the world provides our republic with ample opportunities for resolving a whole complex of economic and social problems. The initial period of independence created an urge to establish an integration union on a fundamentally new basis, and this urge was embodied in the Commonwealth of Independent States. Geopolitical position, historical roots, common borders, abundant natural resources, transportation routes and other communications linking the CIS states—such are the factors that create prerequisites for economic integration, cooperation of industrial production, establishment of joint ventures and interaction in the agroindustrial sector.

Historical Common Features and Peculiarities

In analyzing the geopolitics of Kazakhstan's interdependence with other CIS countries, let us note the following.

- First, the disruption of economic ties between the FSU republics led to a decline in production levels in all the newly independent post-Soviet states. Industrial regions with a concentration of highly specialized lines of production and enterprises of the military-industrial complex met with the greatest difficulties. At the same time, economic relations began to be reoriented toward Russian suppliers and consumers, which objectively served to strengthen the single economic space. In 1995, the negative potential of the disintegration process was largely exhausted.
- Second, while being an economically justified step, price liberalization put an end to the long years of suppressed inflation, bringing it out into the open. Inflation triggered a number of negative processes in the economy of the republics, resulting, among other things, in serious price distortions and widening interregional differences in living standards. Poorly controlled price rises led to recurrent outbreaks of the currency crisis. In some republics, the authorities used inflation as a pretext for conserving elements of the old economic system (goods rationing, stringent price controls, etc.). One can assume that in this context the tough anti-inflationary measures taken by the governments of the CIS countries were perfectly justified.
- Third, inflationary processes undermined the incentives to long-term investment, exacerbating the difficulties experienced by large industrial regions in the CIS in the absence of such investment.
- Fourth, in the conditions of market reform in the inflationary economy of the CIS countries, still burdened with a large state sector, there are no effective bankruptcy procedures and the banking system has many deficiencies, which causes non-payments crises.
- Fifth, the positive process of involvement of the Commonwealth countries in the system of international division of labor has further sharpened the existing interregional socioeconomic contrasts. On the one hand, resource-rich countries with a high export potential find themselves in an advantageous position. On the other hand, the situation in some areas with many enterprises which cannot compete against imported manufactures has worsened.

Consequently, in the current geopolitical conditions the importance of traditional evaluation factors (geo-economic position, availability of mineral resources, peculiarities of terrain, climate, hydrographic network, etc.) keeps changing, but they always have a role to play. An analysis of geopolitical interdependence between the CIS countries shows that in the transition period it is conditioned by geo-economic factors. However, reintegration processes in the post-Soviet space, the gravitation of the newly sovereign states toward different geopolitical partners, and their different approaches to economic reform testify to the growing role of foreign direct investment in the system of geopolitical relations.

The prospects of CIS advance toward economic integration depend on the member countries' readiness to curtail their sovereignty, since real integration between them will only be possible if they curb their ethnopolitical aspirations and bring their geopolitical priorities closer together.

M a i n C o n c l u s i o n s

The current geopolitical situation is characterized by a transformation of national economies into economic populations of a new kind in accordance with geo-economic conditions, national strategic interests and priorities. With the breakup of the U.S.S.R. and the gradual involvement of the newly independent states in world economic ties, it is not only the mechanism of mutual relations that undergoes a change, but also the main economic, political, geographical and historical concepts. It is quite obvious that a new conceptual and terminological apparatus is taking shape. In this context, it is only natural that since 1991 we have witnessed a radical change in the main geopolitical constants of the Commonwealth

countries: geo-economic position, distance and geospace, territorial alignment of political and strategic military forces in the world community. Hence the need to study the interaction between the elements of territorial systems through the prism of geopolitical realities, and not only based on the distinctions between them.

A priority task here is to investigate the geopolitical significance of the existing pattern of resource, commodity, financial and human flows and global governance systems such as transnational corporations. As I see it, first, the interdependence of Kazakhstan and other CIS countries should become increasingly multidimensional, because political or economic indicators alone or even their combination will not suffice. As current dynamic shifts are superimposed on inertial social structures, this contributes to the increasingly mosaic character of the CIS countries. Second, assuming the interdependence of the Commonwealth republics, it is necessary to study the activities of new political entities emerging in the world arena. The existing nation-state system of social organization is in the midst of a serious crisis, sending us in search of new institutional forms of states. In this context, geopolitics is faced with the important problem of correlating changes in the territorial and political organization of society at different levels. Some CIS countries cannot cope with domestic problems which acquire a global dimension, while conflicts between them are ever more difficult to resolve solely on the basis of interstate relations. The growing interdependence of states has strengthened the new political forces (transnational business, international nongovernmental organizations, opposition movements, etc.) whose sphere of activity goes far beyond the framework even of the largest countries. This fact does not bear witness to a crisis of the states, but they are obliged to look for opportunities to delegate some of their functions to international institutions (both with broad powers and specialized) and for new rational forms of dispute resolution.

Effective integration of market-oriented national economies can take place only on the basis of direct economic ties between enterprises and organizations in different countries. Hence the need for a thorough and objective study of geopolitical and geo-economic approaches, for a realistic assessment of the prospects of integration within the CIS, and for the development of constructive approaches to upgrading cooperation between independent states.

All things considered, the geopolitics of interdependence between the CIS countries should be regarded as a tool for the solution of numerous problems arising in the practice of mutual relations both between and within the CIS states.

KYRGYZSTAN: A GEOPOLITICAL PORTRAIT

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An analysis of Kyrgyzstan's geopolitical orientation requires first taking a look at its geopolitical portrait from the perspective initially understood by the founders of geopolitics.

Our country is located in the center of Eurasia a long way from the World Ocean (from 1,700 to 6,530 km), it is 453.9 km long from north to south, 925 km wide from east to west, and 199,900 sq km

in area. But the latter would be more if the folds of the Earth's crust, which form mountains, were smoothed out. The territory of Kyrgyzstan is approximately equal to the area of Portugal, Holland, Belgium, and Switzerland put together. Nevertheless, it constitutes only 5% of the territory of Central Asia, and 0.1478% of the planet's total area. The republic's population amounts to no more than 9% of the region's population and 0.08% of the Earth's population, and 6.5% and 0.0051% of the GDP, respectively. Forests cover 4.2% of our country's territory, water 4.4%, farmland 53.5%, and its border is 4,104 km long, 1,084 km of which it shares with China, 1,051 with Kazakhstan, 870 with Tajikistan, and 1,099 with Uzbekistan.

Kyrgyzstan occupies part of western ("Soviet") Tien Shan, and the eastern (larger) part of Tien Shan belongs to China. The highest elevation above sea level in Kyrgyzstan (Victory Peak) is 7,439 m, the lowest is 401 m (in the Liayliaksk District of the Batken Region), creating a difference in height of 7,038 m between the highest and lowest points, and an average elevation above sea level of 2,750 m. So 94.2% of the republic's territory is 1,000 m, and 40.8% is 3,000 m above sea level. More than 50% of the population settlements are located at elevations between 1,000 m and 2,000 m, in which 1,745,000 people live (36% of the population), while 240,000 people live at elevations above 2,000 m (approximately 5% of the population).

The territory of mountainous states does not form an integrated whole (as it does on flatland), it is characterized by intermittency and fragmentation. These gaps in space create gaps in time, which means backwardness. And time is money, so it can be said that for Kyrgyzstan, space is money.

Internal and external communication isolation is a factor of disintegration (also backwardness). The internal obstacles formed by the mountains are greater than the external, since toward the edges of the mountain systems they become lower in height. And indeed, it is more difficult to travel through Tyeye-Ashuu and Dolon than through Torugart or Santash. By the way, the Tyeye-Ashuu pass is located at 73°45' longitude and forms part of the "planet's scar." Due to its internal physical and geographical fragmentation, the dimensions of the republic's administrative territorial units (regions and districts) are smaller than optimal, which makes their management less efficient.

Whereas feudal fragmentation was a factor in leading to medieval Europe's backwardness, present-day Kyrgyzstan is held back by geographical fragmentation, and it was this that prevented it from creating a contemporary state in the 17th-19th centuries.

The centers of cordilleras are mountain plexuses (like Khan-Tengri), that is, by definition they are places least fit for habitation. The center of Kyrgyzstan (the village of Kochkorka) is not mountainous, but situated on flatland, since Kyrgyzstan occupies only part of western ("Soviet") Tien Shan.

The distance from Bishkek to Islamabad is 1,000 km. It is the same distance to Urumchi (the administrative center of the Xinjiang-Uighur Autonomous Region of China), which is one-and-a-half times less than the distance to Ashghabad. The distance from the town of Karakol to the Xinjiang town of Aksu (XUAR) is a little more than 200 km, but getting there in a straight line is nigh impossible. This is an indication of Kyrgyzstan's extreme external isolation. The cost of 90% of transport operations in the republic (by road) is 60-80-fold higher than most world (sea) shipments. Kyrgyzstan lies mid-way along the shortest air route between London and Singapore. The shortest route from Japan to Europe also passes through our country.

If supply lines (mainly by sea) are the center of the world economy, Kyrgyzstan is on the geo-economic outskirts. As we have already noted, 94% of the republic is occupied by mountains, only less than 6% is flatland, and the proportions of economic density and population density are essentially mirror opposites. A little more than 6% of the population lives in areas located at elevations higher than 3,000 m. The Naryn Region (approximately 1/4 of the country's territory) is composed entirely of high mountains, more than 80% of its population lives in rural areas, and the population density amounts to 1-5 people/sq km.

All natural zones inherent in the Northern Hemisphere can be found in the republic, apart from tropical. The countryside is characterized by fragmentation: not one of its elements occupies an area of more than 1% of the country's territory. (That is, we know nothing of endless desert, hummocky topography, etc.)

Szyrts (*szyrt* in Turkish means raised platform, level or slightly undulating territory in the

mountains) are the high-mountain analog of the tundra. The cold climate makes them (and anything higher) of little use and expensive (due to the funds required to prevent natural disasters) from the geo-economic point of view.

In terms of natural and climatic conditions, no more than 30% of the republic is fit for permanent habitation, and only about 20% (plains and lowland) can be considered suitable or relatively suitable for living, which is where most of the country's population resides. And about 50% of its territory is occupied by mountains with elevations between 1,500 and 7,000 meters.

In West European countries, one square kilometer of territory provides 600-fold more GDP than in Kyrgyzstan. The following factors have a retarding effect on the republic's economic density: high transportation costs; low territorial efficiency; low and inconsistent levels of precipitation; extreme temperatures (high in the summer and low in the winter, average duration of the cold season is 188 days), which limit natural biological productivity; steepness of the mountain slopes, making farming difficult, and the risk of soil degradation is higher than in other places; high risk of damage from natural disasters.

Geo-economic Situation

All the regions and 34 districts (out of 40) of the republic are border areas. We border on the most developed part of Kazakhstan and on the backward regions of Uzbekistan, Tajikistan, and China. This is one of the reasons why the Chu Region is the most developed area of Kyrgyzstan. And Central Eurasia (CEA) largely borders on the most backward areas of Russia, China, Iran, and Afghanistan. It stands to reason that wealth does not come easy when surrounded by poverty.

Due to the climatic conditions, some enterprises, for example in Naryn, can only operate four months out of the year, which is how long the warmer season lasts and mineral water can be bottled without needing to heat the facilities. But above 2,700-2,800 m, there are no warm seasons. The per capita land quota has been decreasing in recent years due to the rise in number of people. For example, whereas in 1965, each person had 4.06 ha of farmland, 0.48 ha of which was tillable land, in 1995, this amount dropped to 2.4 and 0.32 ha, and in 2004, to 2.15 and 0.28 ha, respectively. What is more, our republic, which is located in one of the largest mountain systems on the planet, plays a key role in maintaining environmental stability in Central Eurasia. Kyrgyzstan accounts for more than 1/3 of the 120 cubic km of water that gathers in the Aral Basin, that is, the fate of its mountain ecosystems influences the life of the population not only in our republic, but in neighboring countries as well. The glaciers hold enough water to last for 13 years. This is capital, the value of which is higher than the riches of mineral ores. In this way, in terms of water, biodiversity, and emission of greenhouse gases, Kyrgyzstan is an international environmental donor. And in terms of per capita supply of local river runoff per year, it is way ahead of other states in the region.

But horizontally, the country's territory is caught between the dry deserts of Moinkum, Kyzylkum, and Takla-Makan; and vertically between flat dry and high mountain glacier deserts. Our highland can be likened to polar deserts, flatlands analogous to them are located 3,500 km further north, and our szyrts are tundra, whereby similar flatlands can be found 3,000 km further north (on Taimyr). Such deserts and tundra do not have many investment-attractive production units (and even the ones that do exist are concentrated close to sea ports).

The Mountain Economy: Nomadic Livestock Breeding, High-Risk Farming

The mountains are a source of water, that is, "raw material" for hydropower plants and irrigable farming, and create unique opportunities for developing tourism and alpinism (including of international

significance). Geopolitical factors predetermine the nomadic economy, and nomadic livestock breeding is not conducive to raising labor productivity. Today, for a stock-keeper, this index is essentially the same as it was two thousand years ago. For nomadic livestock breeding, in contrast to other spheres of activity, essentially does not lend itself to mechanization, chemicalization, and so on. It was only at the end of the 1930s that the republic underwent a mass transfer to the sedentary way of life.

As we have already noted, Kyrgyzstan is characterized by internal communication isolation. This is related to the fact that in mountain systems, not only rivers, but also roads radiate out from the center, and centrifugal routes make it impossible to create an integrated economic space. So the importance of the Bishkek-Osh highway is phenomenal, the North-South railroad currently being planned will also play a similar role. It is only 100 km as the crow flies from Bishkek to the center of the Jumgal Region, as well as from Talas to the center of the Chatkal Valley, and from Osh to the center of the Alai Valley, but covering this “short” distance of 100 km is an essentially impossible task.

In the past, Kyrgyzstan’s economy and transportation network was not planned or developed with the thought in mind that one day it would become an independent state. Whereas at present the country’s economy is largely a “fragment” of the Soviet military-industrial complex, the supply line infrastructure is a “fragment” of the transportation networks of the Great Silk Road. There are no contemporary high-speed routes between the capital and the main regional centers of the republic, roads pass mainly around the periphery of the country, or form its borders.

The mountains make most of Kyrgyzstan’s state borders impassable for commerce. The mountainous nature of the territory makes it difficult to develop, requires larger amounts of capital and current investments, and significantly raises the cost of imported and exported merchandise. The country’s internal isolation (again due to the mountainous conditions) is one of the reasons for its poverty, and poverty results from the absence of jobs, and unemployment results from the absence of investments. There are no investments because there are no roads for bringing in equipment and materials and for taking out the finished product; there are no means of communication for receiving commercial information, carrying out payments, and so on.

Tax on Neighbors

Apart from the official duties levied on the borders, there are also illegal charges, essentially “tax on neighbors.” For example, the cost of 1 kg of freight sent to Siberia includes 0.15-0.3 dollars in transit fees through Kazakhstan. Goods and services which are not transport-intensive are conducive to export, as well as goods which have competitive advantages over a similar product manufactured in the CEA states, Caucasus, and South Caucasus. (Transport-intensity is that percentage of transport outlays incorporated into the cost of 1 kg of freight.)

We do not have merchandise in volumes high enough to make an impact on the regional and world economy, such as oil, metals, grain in Kazakhstan, or gas, cotton, and gold in Uzbekistan. However, Kyrgyzstan’s diverse natural conditions make it possible to organize the manufacture of products that enjoy demand on the world market. Only individual unique production units in the republic are capable of competing on this market, while the others can only compete on the regional market. But the regional market (including in the XUAR) is also primarily agrarian, and the economic structure of our state has not any relative advantages here either.

If transportation routes are developed, Kyrgyzstan will be able to make an appearance on the markets of the Central Eurasian countries and China and will be able (if other conditions are favorable) to produce goods and sell them to its neighbors. By helping to shift the “center of gravity” of the region’s economic relations toward the East, the republic has the chance of transforming itself from a periphery of the region and the CIS into a CEA center. But the world market has essentially no idea of where Kyrgyzstan is situated. As we have already noted, the information gap (isolation) is leading to a time gap—backwardness. Kyrgyzstan’s commercial cooperation with a few other geographically distant republics

of the Commonwealth is largely determined by the inherited information factor (although it is already becoming weaker).

Kyrgyzstan is a depressed region of CEA, which is due to the republic's physical, political, transportation, and customs isolation, as well as the backwardness of the territories of China, Tajikistan, and Uzbekistan on which it borders, and the similarities among our economic structures. Since CEA itself is a depressed region of Eurasia, Kyrgyzstan is a depressed part of Eurasia squared, and its high mountain and remote regions cubed.

In this way, Kyrgyzstan has to define its external priorities based on the country's geopolitical and geo-economic insufficiency.

Geopolitical Aspects of Foreign Policy and Foreign Economic Orientation

Whereas at the beginning of the 18th century, Russia needed a "window" to Europe, at the beginning of the 21st century, Kyrgyzstan needs a "window" to the Asia Pacific Region. In this respect (by replacing several sea basins with "dry" ones), we will permit ourselves a few free comparisons.

Russia of the 18th century	Kyrgyzstan of the 21st century
St. Petersburg	Naryn-Torugart
Finnish Gulf	Kashgaria
Baltic Sea	China
Atlantic Ocean	Pacific Ocean

So the Torugart pass is our "uncut window" to the APR. To the north of our country is politically friendly Kazakhstan; to the south—unstable Tajikistan, Afghanistan, Kashmir, and Xinjiang (Kashgaria); to the east we border on China, which has immense military and demographic potential; and to the west on overpopulated and unstable Uzbekistan.

Some neighbors have an image which puts our republic's people on the alert, or with whom past relations have been negative, or with whom there are unresolved interstate problems. Uzbekistan, Kazakhstan and China are among those states of the "near abroad" which have a direct influence on life in Kyrgyzstan. Russia, Tajikistan, and Afghanistan have an indirect influence. Our nearest neighbors are the reasons for some of our problems, including territorial disputes, reduction in goods turnover, and conflict situations in border regions.

The ambitions complicit in rich natural resources (oil and gas) can make the behavior of certain states in the region dangerous for Kyrgyzstan. Here we need to take a closer look at the attitude toward Uighur separatism. It will be very difficult for Bishkek to live through another civil war in "our regional communal apartment." Nor should we forget that while China does not have any territorial claims against Kyrgyzstan, the Uighur separatist (nationalist) organizations do ... the Kyrgyzstan mouse should not be fearing the Eurasia lions—the RF and PRC, or the "small dragons," but the "cats."

Insufficient water for its cotton plantations is one of the problems which will influence the development of Uzbekistan and its relations with Kyrgyzstan and Tajikistan. Bishkek has still not made full use of the water trump card in resolving its economic trade problems with Tashkent, but this does not mean that it will never use it. Uzbekistan-phobia is widespread among the national elites of the region's countries. But Uzbekistan's might is small compared with such regional powers as Pakistan and Iran.

Tashkent's striving to resolve significant territorial problems unilaterally and in violation of international law (in particular we will note the setting up of mines on several border sections) is making relations between the two countries tense. Procrastination in resolving delimitation and demarcation border issues is allowing the Uzbek economic entities to carry out expansion in the southern regions of our country where a large number of ethnic Uzbeks live. (But many of them clearly do not want to join forces with their blood brothers.) Unemployment and land shortage in the Ferghana Valley could provoke social upheavals. Uzbekistan's unresolved problems in national policy are also aggravating the situation in the country. And the borders are becoming all the more reminiscent of the Berlin wall.

As for Kazakhstan, it does not have any territorial claims against Kyrgyzstan, and there are close kinship ties between the Kazakhs and the Kyrgyz. Kazakhstan has rich natural resources and vast territorial expanses, but the shortage of electric power and water in the country's southern regions could make Kyrgyzstan of use to it in the future. The Kazakhs have been our allies in the past on more than one occasion. This alliance could be an integrating factor for all of CEA.

Cooperation with Dushanbe is not developing because Tajikistan has still not overcome the serious consequences of the civil war and its economy is in ruins. Its mountainous topography and proximity to Uzbekistan and Afghanistan are the Achilles' heel of this country. Nevertheless, it has long been maintaining economic trade relations with the southern regions of Kyrgyzstan. But unfortunately Tajikistan is currently delivering drugs to the southern regions of Kyrgyzstan. There are certain disputes between our countries on border issues and water use. They are still not urgent, but this is no guarantee that they will be resolved in Kyrgyzstan's favor (if stability in Tajikistan is strengthened).

Investors from the "far abroad" were scared off by the civil war in Tajikistan and the terrorist acts in Uzbekistan, so even from afar Kyrgyzstan, Uzbekistan, Tajikistan, and Afghanistan look threateningly close.

The Russian Federation is expecting an economic revival, its military-political return to the region, and the luxury of conducting an independent policy in it. At one time, Russia put a halt to British, and then Chinese, Kokand, and American expansion to Central Asia. Due to Kyrgyzstan and Russia's relatively identical socioeconomic development, they will long be economic partners, although for the same reason Russia will not be able to ensure a sufficient inflow of new technology and large investments into our republic. What is more, Moscow will long remain Bishkek's strategic partner in maintaining security. In recent years, however, Russia has been activating its military cooperation with Uzbekistan. Taking into account Tashkent's regional influence and Moscow's worries about Kabul, this trend will continue. Implementing the Great Silk Road and TRACECA projects will mean Russia losing its foothold in the region, and it will not be able to guarantee Kyrgyzstan's interests here on its own.

Central Asia is the least important area for Russia in the entire space of the former U.S.S.R. So the post-Soviet period is dictating the need to incorporate all of CEA into the sphere of Russia's trade and other relations, that is, not only Central Asia, but the XUAR as well. The centripetal development trends on this market, high transportation costs, and relatively high salary level in the Russian Federation are bringing about a gradual decrease in the percentage of Russia's traditional goods on the Kyrgyz market compared with the Soviet period.

By supporting economic development in CEA, Moscow and Beijing will maintain stability on both sides of the spheres of their interests, as well as strengthen their influence. The Russian Federation in Tajikistan and Uzbekistan on the border with Afghanistan, and the PRC in Kashgaria (politically the most unstable part of the XUAR) contiguous to Kyrgyzstan.

At one time, Russia made a very significant contribution to Kyrgyzstan's modernization, to the development of its culture, and to raising the level of education of the republic's population, that is, it did more in these spheres than a border country might expect. The Islamic model of development is unpromising and unacceptable to Kyrgyzstan, while incorporation into China's sphere is tantamount to being swallowed up in a human ocean.

The PRC is an economic giant trying to execute a smooth transition of its economic reforms into political transformations. At one time, China helped Kyrgyzstan to deal with the Arabs, Mongols, and

Jungars, while today the Celestial Kingdom needs Kyrgyzstan as a buffer to shelter the Chinese from Islamic extremism. But Beijing is still a “bronze prize winner” among Bishkek’s trade partners (at different times Uzbekistan, the FRG, and Switzerland were also in this category), after Russia and Kazakhstan. In 2003, the GDP of the XUAR was almost 20-fold higher than Kyrgyzstan’s GDP, and the goods turnover between Kyrgyzstan and the PRC in the same year amounted to more than 100 million dollars, 23 million dollars of which constituted our country’s export, mainly raw leather, wool (21 million dollars), metals, and items made from them.

The U.S. is showing a strategic interest in the CEA countries as a whole and in Kyrgyzstan in particular. At the moment, our country is the most dependent on the IMF, where the United States plays a leading role, and Washington could put pressure on regional leaders. But Russian and Chinese interests are not permitting an increase in American influence in the region.

Cooperation with the EU has several strategic advantages. For example, Germany is our largest trade partner outside the CIS. If the Great Silk Road and TRACECA projects are implemented, the European Union and China will become even more interested in the sovereignty and development of the region’s countries. The very concept of a “Europe-Asia corridor” reflects the idea of an advance in European economic interests into the Asian continent, including into our region.

Tokyo is Bishkek’s largest individual sponsor. Japan and Germany are the largest shareholders of the Asian Development Bank (ADB). Most grants and loans received from the ADB and World Bank are essentially Japanese money.

India is a member of the WTO and a nuclear power. By 2050, it will tear ahead in terms of population and become world market No. 1. The radical prerequisite for economic cooperation between Delhi and Bishkek—the Kyrgyzstan’s membership in the WTO—has been created, which makes it possible to lower the tariff barriers Kyrgyzstan encounters and turn it into the WTO’s outpost in Central Eurasia.

In this way, if we imagine the Earth as a high-rise apartment block in which we all live, our republic resides on the same floor as China, Kazakhstan, Uzbekistan, and Tajikistan. (We used to live in the same apartment with the last three.) We live in the same entrance as Russia only on different floors, but in an entrance at a vast distance from the U.S., even in apartment buildings owned by different housing associations.

CEA is a buffer zone between the CIS and the APR. As part of this zone, Kyrgyzstan should have a flexible response to the trends on both sides, and it has to find an optimal balance between the northwest (CIS) and southeast (APR, and so on). Our state currently faces a choice: either to use Russia’s opportunities, by orientating itself toward developing diverse relations with other members of the CIS, or to cultivate the potential of the southern regions, by orientating itself both toward other Commonwealth republics and the APR countries. The second alternative is more difficult, its implementation requires a lot of time, and a comprehensive program of domestic and foreign policy will have to be drawn up, including keeping in mind the development of the XUAR. But the first path does not have a great future.

CEA may be the result of post-Soviet Central Asia’s self-identification. What is more, in all likelihood, “small integration” will be insufficient for the region, and the prospects for its “great integration” (identity) are being drawn up within the framework of the SCO. But “great integration” is made more difficult by the fact that Russian and Chinese territory is located next to CEA—Siberia and Xinjiang—respectively. The main vectors of economic activity of the latter are not directed toward Central Eurasia. What is more, the opportunity is arising for China to integrate not so much with the CEA economy as with its drug traffic and terrorism.

The future of the region’s long-term integration is seen in the framework of interaction with the EU (where Germany dominates) and ASEAN and the APR (where Japan dominates). But on the world arena, the political clout of these two major regional sponsors does not compare with their economic potential. However, in order for the region’s long-term integration to be effective, the CEA countries, including Kyrgyzstan, must make their contribution to reorganizing the U.N. As we know, Germany and Japan are not standing members of the U.N. Security Council, and the Central Eurasian states could help them to

gain this status, that is, support a corresponding resolution draft when it is put up for a vote. This will be just a small show of gratitude from the region's countries for the assistance they have received in their development. It seems that 60 years is long enough to close the political outcome of World War II.

Today, Central Eurasia is like a kindergarten without caregivers, in which the children want to, but cannot come to terms on a code of conduct. And the CEA countries need to enter a "kindergarten" where precise rules have been established, the WTO.

TAJIKISTAN'S GEOPOLITICAL LANDMARKS

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Foreign policy of any state is designed to protect its national interests with the help of instruments ranging from military-political and economic to cultural and ideological. At the same time, there is any number of states unable or unwilling to create or to apply such instruments. While pursuing their strategic interests they prefer to coordinate their foreign policies with the policies of the world's centers of power. Tajikistan belongs to this latter group. Having paid dearly for its newly acquired independence, it is actively developing its contacts with the rest of the world.

In the early 1990s, the country's leaders regarded cooperation with the CIS, the Russian Federation in the first place, as their absolute priority. Later, however, in the last few years of the 20th century Tajikistan's foreign policy acquired many more vectors. Before going into details, let's look at the young Tajik state. It is a small country that covers 143,100 sq km (93 percent of its territory being mountains). Tajikistan is found in the south-eastern corner of Central Asia and borders on Kyr-

gyzstan, Uzbekistan, Afghanistan, and China. The country is rich in coal, marble, gold, silver (its deposits come second in the world after Mexico), tungsten, lead, uranium, zinc, etc. Sixty-five percent of the Central Asian water resources are also found in Tajikistan.

From time immemorial, its territory was part of the Great Silk Road that stitched together the major Eurasian cultural and economic areas: China, Central Asia, India, the Middle and Near East, the Mediterranean, and Europe. This was why all world empires (the Persian Empire, the Arabian Caliphate, the Russian Empire and its heir the Soviet Union) never let the country out of sight. At different periods the territory saw all great conquerors: Alexander the Great, Genghis Khan and Tamerlane.

Today, one can discern traces of Aryan, Buddhist, Islamic, and Orthodox Christian civilizations in Tajikistan, which helps our republic cooperate with the nations belonging to these civilizations.

Relations with China

Diplomatic relations between Beijing and Dushanbe date from 4 January, 1992; since that time the two countries have signed over 40 intergovernmental agreements related to all aspects of their bilateral relations. They are not marred by serious political disagreements on either regional or global issues. Still, the trade and economic relations between them leave much to be desired: their level is much below that of trade turnover between China and Kazakhstan that has already reached the figure of \$2 billion.

In 1992, the volume of bilateral trade between China and Tajikistan was \$2,757,000 (export from China accounted for \$1,953,000). In 1993, the figure went up to \$12,350,000, to drop in the next year to \$3,177,000. In 1995, trade turnover went up once more to \$23,859,000; in 1996, it dropped to \$11,115,000; the figure for 1997 was \$20,230,000. By that time the countries had reached a certain import-export balance. The figure for 1998 was \$19,230,000; for 1999, \$8,040,000; in 2000, turnover somewhat revived to reach \$17,170,000; in 2001, it dropped to \$10,760,000; in 2002, it was 12,390,000 (Chinese export accounted for \$6,500,000, while Tajik export to China, for 5,890,000).¹

While trade and economic cooperation is developing on the bilateral basis, the cooperation in the security sphere is developing within the Shanghai Cooperation Organization (set up as the Shanghai Five on 26 April, 1996). At the early stages it included China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. It was set up to deal with the territorial disagreements between China and the former Soviet republics that bordered on it. The border issues settled, the Shanghai Five extended its activities to other vitally important spheres. It was transformed into the SCO when Uzbekistan, with no common border with China, joined it.

China, the main player in this structure, does its best to use it as a vehicle of its stronger influence in each of the countries. In fact, the SCO can be interpreted as a statement of Beijing's strategic interests in Central Asia as a whole and in Tajikistan, in particular. This has made cooperation with China one of Tajikistan's foreign policy priorities.

According to all existing criteria (territorial, military, economic, demographic, etc.), China is the strongest neighbor. It is much more powerful than all our neighbors (Uzbekistan, Kyrgyzstan and Afghanistan) taken together. We are convinced that none of the states the world over can afford to ignore the Chinese factor.

Contacts with Central Asian States (Uzbekistan and Kyrgyzstan)

Our country is involved in active cooperation with the regional countries (Uzbekistan, Kyrgyzstan, Kazakhstan, and Turkmenistan). It has a stretch of common border with the former two; on top of this, up to 15 percent of Tajikistan's population are ethnic Uzbeks; 1-1.5 percent is ethnic Kyrgyz living in the mountains.

It seems that the relations between Tajikistan and Uzbekistan are somewhat strained. Uzbekistan unilaterally placed landmines along its border with Tajikistan. Even though it explained this by the national security considerations the mines have not yet claimed lives of militants. It was Tajik civilians who died.

- The relations between the two countries are marred by several factors, territorial issues being one of them.

The Central Asian republics appeared on the maps as a result of a rather crude delimitation carried out in the 1920s. The Soviet leaders did not bother about the region's historical, cultural, and ethnic aspects. As a result, in post-Soviet times territorial disputes flare up

¹ See: S. Zhuangzhi, "Torgovo-ekonomicheskoe sotrudnichestvo mezhdru Kitaem i Tajikistanom: sovremennoe sostoianie, problemy i perspektivy," in: *Izmeniaiushechaitasia Tsentral'naia Azia i regional'noe sotrudnichestvo*, Dushanbe, 2003, p. 90.

at the non-official level in all Central Asian countries. This strains, to a certain extent, their relationships.

- Ethnic relations are the second important factor. There is a large Tajik diaspora living compactly in Uzbekistan (mainly in the Surkhandaria, Samarkand, and Bukhara regions). According to the Uzbek official statistics, there are slightly over 1 million Tajiks living in Uzbekistan (about 4 percent of its population). The unofficial figure is over 6 million, the Tajik diaspora coming second after the titular nation where its numerical strength is concerned.
- The jointly used communication lines are the third factor of the two countries' bilateral relations. Central Asia inherited its infrastructure from the Soviet Union where it had been set up as part of the entire country's communication system. The system that fell apart together with the great empire developed into another destabilizing factor.
- The influence of third countries is the fourth destabilizing factor. As a strategically important region that boasts of favorable geographic location and vast natural resources (hydrocarbons, ferrous and non-ferrous metals) and cotton Central Asia attracted close attention of all leading centers of power: China, Russia, the EU, and the United States. Each of the local countries and its leaders guided themselves by national interests when pursuing their foreign policy strategies and siding with one of the key players.
- Finally, the fifth factor that betrayed itself early in the 1990s is Tashkent's desire to establish its preeminence in Central Asia. These claims are supported by the demographic factor (Uzbekistan is the region's most densely populated state with the strongest army) and by the fact that nearly all communication lines go across its territory.

The bilateral contacts between Tajikistan and Kyrgyzstan do not match their potentials even though the countries have a stretch of common border and no political disagreements. We believe that their bilateral mutually advantageous cooperation is slowed down because all transportation and communication lines starting in Dushanbe go to Tashkent. This adds to the price of commodities moved from Kyrgyzstan and Tajikistan. The problem is being successfully tackled: in addition to the Osh-Khorog highway that functions seasonally the republics will receive (with the help of foreign investments) a shorter highway between them.

The two countries are brought together by the factor of water resources. They are, in fact, the region's "water donors." The problem of water, an acute one in the arid region, will boost their status. The two countries should obviously coordinate their actions.

Cooperation with Russia

It was more that 150 years ago that czarist Russia conquered the territory of contemporary Tajikistan and established its military-political and cultural presence there. During this period Russia fully dominated in Central Asia and drove away all rivals. In the post-Soviet period, however, Russia has been facing a qualitatively new problem in Tajikistan.

Today the relations revolve, to a greater extent than before, around military-political cooperation: a fairly great number of Russian troops are stationed in Tajikistan. There are 201st motor rifle division, the 670th aviation group, 92nd motor rifle regiment, a separate tank battalion, and regiments of self-propelled artillery and anti-aircraft missiles deployed in Tajikistan's capital alone. There is the 149th motor rifle regiment in Kulob, 191st motor rifle regiment in Kurgan-Tiube and a separate rocket launcher battalion. There are also units of the RF Federal Border Service deployed in Tajikistan. Military cooperation is also carried out within the interstate structures (the SCO and the Collective Security Treaty, CST). The very fact of Russia's military presence will remain a decisive factor in the near future and will limit military-political presence of all other countries.

Economic cooperation with Russia is overshadowed by the military-political cooperation despite numerous bilateral agreements and the documents signed within the CIS. Recently, however, economic cooperation with Russia has been picking up. Russia has come into Tajikistan's leading branches (hydro-power engineering, agriculture, construction, etc.). There are several JVs working in these fields.

The dynamics of Russia-Tajikistan cooperation is illustrated by the following figures: in 1999 Russia exported to our republic \$92.5 million-worth of goods, the figures for 2000 and 2002 being \$105 and \$129.4 million, respectively. In 2001, the volume of trade between the two countries reached \$234 million and accounted for 17.5 percent of Tajikistan's foreign trade. By that time about 100 enterprises with Russian capital had been functioning in the republic. Russian firms helped Tajikistan prepare feasibility studies for the stage-by-stage construction of the Rogun Hydropower Station and a JV based on the Adramanskiy Ore Dressing Works, the Vostochniy i Zapadnyy Kanimansur mines and (at a later stage) of the Bol'shoy Kanimansur mines.²

Cooperation in the sphere of education is going ahead. Since 1996 the Russian-Tajik Slavic University has been functioning in the republic. Within a very short period it developed into one of the leading research centers.

Labor migration is another highly important side of our bilateral relations. According to experts, there are from 500,000 to 1 million Tajiks now working in the Russian Federation (mainly in Moscow, Petersburg, Ekaterinburg, Novosibirsk, Samara, Kazan, Irkutsk, and some other cities). They work at construction sites, in agriculture and trade at city markets. These people send back home from \$700 million to \$1 billion every year—the money playing an important role in Tajikistan's national economy. In Russia Tajiks and migrants from other Asian countries have to bear persecution of the law enforcement bodies and attacks by all sorts of neo-fascist and nationalist organizations that claim lives of dozens of people every year.

Contacts with Iran, Pakistan, and India

In antiquity the Hindustani Peninsular and Iran were the seats of the world (Aryan) civilization from where it spread far and wide and reached Tajikistan. The ancient states that flourished there contributed to the cultural heritage of the vast Asian continent and to the life style of the people living in India, Iran, Pakistan, and Tajikistan in the first place.

This explains why our contacts with Iran, Pakistan, and India are important for us. Dushanbe is doing its best to maintain contacts with all the three countries. Iran was the first country to recognize Tajikistan as an independent state; it was at that time that the sides agreed to deepen their cooperation by setting up a joint commission for trade, economic, technological, and cultural cooperation. In 2003, trade turnover between Iran and Tajikistan reached \$77 million; according to preliminary estimates, the figure for 2004 was even higher. Today, Tajikistan exports aluminum, cotton and other raw materials to Iran and imports food, equipment, clothes, etc.³

Pakistan is one of the states that never wavers when it comes to defending its national interests; this fully applies to its relations with the Central Asian republics. It was early in the 1990s, during the period of the "parade of sovereignties" across the post-Soviet expanse that Islamabad made public its strategic interests in the region. There is the opinion that the bilateral relations between Pakistan and Tajikistan have not yet reached their maximum—still, Pakistan values high its relations with Tajikistan. Production of hydropower is obviously its priority: Islamabad wants to be involved in

² See: M.S. Ashimbaev, N.T. Laumulín, L.Iu. Guseva, *Tsentrál'naia Azia do i posle 11 sentiabria*. [http://www.kisi.kz], 12 December, 2003.

³ See: G.R. Rasulov, "Pakistan i Iran—strategicheskie partnery Tajikistana," *Ekonomika Tajikistana: strategiya razvitiia*, No. 2, 2004, p. 186.

the construction of hydropower stations in Tajikistan; it is also interested in the chemical industry, transport, and agriculture.

Tehran and Islamabad are Dushanbe's partners in many international structures, the Organization of the Islamic Conference and the Economic Cooperation Organization among them.

Recently, India has come out as an important member of the world community whose opinions are heeded in Asia. Its opinion is especially important in the regional security sphere: the large country may prove a counterweight to Islam that is gaining momentum and China.

Relations between Tajikistan and India are smoothly developing in many directions. We believe that processing precious and semi-precious stones mined in Tajikistan should become one of the priority branches. Indeed, while Tajikistan has huge resources India has vast experience in this sphere going back many centuries and coupled today with the latest technologies. Today, India is engaged in several projects in Tajikistan (reconstruction of a military airfield to the southwest of Dushanbe being one of them). There are several construction projects in the Tajik capital as well where India plans to build a five-star hotel.

Contacts with the West

Even before its independence Tajikistan maintained close economic, cultural, and academic ties with European countries. Some of them were directly involved in building certain large objects in the republic.

In recent years the contacts became even wider. European states came to the mining sector (a Tajik-British JVs—Zaravshon and Darvoz—are mining gold). There are Tajik-Italian JVs—Abreshim, Javoni, and Todini—the latter being engaged in building a road between Dushanbe and Kulob, etc.

Economic cooperation was launched by the Agreement on Trade and Textile Products between Tajikistan and the EU signed back on 16 July, 1993 in Brussels. Accreditation of the permanent representative of the Republic of Tajikistan at the EU was another step in the right direction. This strengthened our ties with the EU and with each of its members on the bilateral basis.⁴ In the last ten years the EU has extended its aid to Tajikistan in the form of grants to the sum of 350 million Euros.⁵

Political cooperation with Europe is developing within the OSCE, which made an important contribution to the inter-Tajik talks. From the very beginning this organization has been playing a leading role in developing democratic institutions in Tajikistan. The OSCE Paris Charter adopted in 1990 said that Central Asia (including Tajikistan) was an inalienable part of the European security system.⁶

Even though Dushanbe is far removed from Washington, American influence is more and more strongly felt. At the first stage of our bilateral relations the U.S. focused on the human rights issue, humanitarian aid, support of the NGOs and education of young men and specialists in the United States.

This went on until 9/11. Our republic was one of the first to offer its support for the Operation Enduring Freedom; it opened its airspace for the aircraft engaged in the counter-terrorist campaign in Afghanistan. In November 2001 Dushanbe agreed to stationing troops of the U.S.-led counter-terrorist coalition on its territory and offered its airfields in Kulob (that can receive 60 planes) and in Kurgan-Tiube, 80 km to the south of Dushanbe with the capacity of 70 planes. Even though the airfields' operational capacity was small, their tactically favorable location (and the use of airfields in Kyrgyzstan, Uzbekistan, and Kazakhstan) made it possible to control the entire Central Asian region.⁷

The United States has been contributing to guarding stretches of the Tajik-Afghan border controlled by the military of Tajikistan (gradually, the republic is gaining control of all stretches of its state border).

⁴ See: G.M. Maytdinova, "Sostoianie i perspektivy sotrudnichestva Evrosoiuza i RT," in: *Evropeyskiy Soiuz i Tajikistan—sostoianie i perspektivy sotrudnichestva*, Dushanbe, 2003, p. 22.

⁵ TIA Khovar [<http://www.kabar.kg/04/Mar/17/65.htm>], 17 March, 2004.

⁶ See: G.M. Maytdinova, op. cit., p. 23.

⁷ See: M.S. Ashimbaev, N.T. Laumulin, L.Iu. Guseva, op. cit.

Washington extends financial aid and helps train border guards. It should be added that in view of Russia's exceptionally great military-political influence (in the Central Asian context) Dushanbe (as distinct from Bishkek and Tashkent) shows more cautious when it comes to greater American presence in the republic.

C o n c l u s i o n

Tajikistan is actively developing its contacts with the world, which helps strengthen its sovereignty and independence.

Foreign policy results depend, as a rule, on the state's ability to use all instruments: demographic, natural and natural resources, economic, military, etc. Each state strives to protect its national interests, therefore they should be clearly outlined. Tajikistan not only protects its interests but also takes into account the interests of other states. This trend is especially obvious in the China-Pakistan-India triangle in which Delhi remains isolated. This fact did not prevent our republic from establishing close relations with the three countries.

We believe that our republic will establish closer cooperation with China in some areas. Bilateral trade will flourish when the strategically important Kulob-Khorog-Kul'ma-Karakorum highway connects Tajikistan with China. Today, Chinese goods can be bought in every shop across Tajikistan. The highway will also connect our republic with Pakistan and provide an outlet to the Indian Ocean. It will let Tajikistan out of its geographical impasse and make it less dependent on the routes leading to Uzbekistan and further on across its territory.

While pursuing its foreign policy course our republic is primarily concerned with Central Asian security; its closer ties with the EU help it integrate into the world community. One can expect that under favorable conditions large European companies will invest in our economy. Today, there are 13 draft intergovernmental agreements with Italy, the Netherlands, France, the U.K., the FRG, Switzerland, and Austria. These documents relate to many spheres, including cooperation in fighting organized crime and drug trafficking, encouragement and mutual protection of investments, closer trade, economic, scientific and technological contacts, avoidance of dual taxation of incomes and properties, development of air communication, etc.⁸

For the first time in the last 2,400 years (after Alexander the Great's invasion) western troops appeared in Central Asia. This changed the balance of forces in the region and allowed Tajikistan to strengthen its relations with the United States and other Western countries.

If it turns out well Tajikistan will get more financial aid from them and the United States in the first place in the form of loans, investments, etc. There is certain progress in this. In 2002, Tajikistan came second after Uzbekistan where American financial aid to the Central Asian republics was concerned (\$85.3 million). At the same time, we cannot expect considerable American investments in our economy.

Thus, Tajikistan is pursuing a multi-vector policy by maintaining partnerships with the world leaders, regional powers and its Central Asian neighbors.

⁸ See: G.M. Maytdinova, *op. cit.*, p. 26.

REGIONAL ECONOMIES

**RUSSIA AND THE SOUTHERN CAUCASUS:
REALITY AND ECONOMIC
COOPERATION STRATEGIES**

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The Southern Caucasus is one of the most important geopolitical and geo-economic CIS zones in Russia's sphere of vitally important interests. One of the main reasons for this is Russia's close historical, geographical, economic, political, and strategic ties with this region's countries—Azerbaijan, Armenia, and Georgia. However, the instability in this potentially conflict-intensive region is having a strong impact on the situation in the Northern Caucasus and on the security of the Russian Federation as a whole. The South Caucasian vector is the "hottest" area of Russian foreign policy. It is characterized by dynamic, complicated, and urgent problems, which have geostrategic dimensions.

The geo-economic significance of the Southern Caucasus for Russia is defined by many factors. The region has large promising supplies of hydrocarbons (in the neighboring Caspian zone), as well as deposits of polymetallic ores (manganese, copper and molybdenum concentrates, and so on). Its strategic value as a transit territory is also growing,

through which gas and oil pipelines linking Europe and Asia are beginning to be built.

The South Caucasian states are also interested in close cooperation with Russia. They are tied to their northern neighbor by a common history, as well as cultural and human relations. What is more, these countries are very economically dependent on the Russian Federation. They depend on Russian deliveries of energy resources, metals, lumber, and products of the machine-building and chemical industries, as well as foodstuffs for ensuring their normal functioning, on the one hand. While on the other, Russia is an attractive and receptive sales market for the traditional products of the agroindustrial sector of these countries: tea, tobacco, vegetables, citrus fruit, cotton, wines, as well as industrial commodities and raw materials. What is more, the tension which arose on the labor market due to the lingering conflicts, economic crisis, unemployment, and social instability in these countries has largely been defused by labor migration to the Rus-

sian Federation. In the past ten years, labor migration alone has resulted in the departure of an average of 20-25% of the titular nation from the South Caucasian republics.¹ According to the available assessments, the amount of foreign currency legally exported from Russia by the South Caucasian diasporas amounts to approximately 5-7 billion dollars a year. It is these transfers that fill the family budgets of much of the South Caucasian population and prevent a drop in the standard of living below the mark conducive to political destabilization.²

But despite the favorable prerequisites, in the post-Soviet period, relations between Russia and

these states have developed laboriously and contradictorily, which was due to the ambiguous and inconsistent policy of the leaders of these newly independent states, as well as to the severe socio-economic situation in the region, the unresolved ethnopolitical conflicts, and the opposition of some Western states to rapprochement among the former Soviet republics.

The difficult economic situation of the latter compelled them to look for solutions to the economic crisis in the "far abroad." The situation was aggravated by the Russian Federation's economic weakness, due to which it could not render the necessary economic assistance to its South Caucasian partners or become a driving force propelling them out of their quagmire. The faux-pas made by the Russian leadership in its relations with these governments also played a negative role.

¹ See: *Rossia i Zakavkazie: realii nezavisimosti i novoe partnerstvo*, Finstatinform, Moscow, 2000, p. 124.

² See: *Luzhny flang SNG. Tsentral'naiia Azia-Kaspii-Kavkaz: vozmozhnosti i vyzovy dlia Rossii*, Logos, Moscow, 2003, p. 18.

Foreign Economic Potential of the Region's Countries

The South Caucasian republics established their sovereignty while profound changes were going on in their economies. The transition to a market economy aggravated the breakdown in economic ties with the former Soviet republics, which manifested itself in an abrupt reduction in industrial and agricultural production and a drop in the standard of living among most of the population. Several specific circumstances had a negative effect on these changes: the ethnic confrontation in Georgia, the Karabakh conflict in Azerbaijan, and the economic and transport blockade in Armenia, which caused political instability in Azerbaijan and Georgia. What is more, the South Caucasian states differ immensely from each other in terms of production potential.

By 1995, Azerbaijan's GDP abruptly fell to 42.1% of the 1991 level, Armenia's to 59.8%, and Georgia's to 35.8%. In subsequent years, the economies of these countries gradually recovered. But the 1998 financial crisis had a negative effect on the situation in Russia, as a result of which in 2000, Azerbaijan's GDP amounted to 59.3% of the 1991 level, Armenia's to 76.9%, and Georgia's to 47.5%.³

The situation in the production sphere in these countries shows the virtual loss of their industrial and agrarian status. The drop in production in the key branches of industry is having a particularly negative effect on the prospects for economic revival. The industrial production volume in 1995 amounted to 33% of the 1991 level in Azerbaijan, 50% in Armenia, and 18% in Georgia. By 2000, the situation had not changed much. The industrial production volume amounted to 35% in Azerbaijan, 56% in Armenia, and 24% in Georgia.⁴ Large foreign investments were the only thing that saved Azerbaijan from a slump in the oil industry (oil production even increased from 11.7 million tons in 1991 to 14.1 million tons in 2000). In contrast to Azerbaijan, Armenia does not have large supplies of energy resources. Oil deposits were found in Georgia, on the Black Sea shelf, but their prospects have not yet been determined, and the fields currently under development (annual production exceeds 100,000 tons) are not enough to cover the country's domestic needs. So in the foreseeable future, Armenia and Georgia will feel an acute shortage of energy resources.

³ See: *10 let SNG (1991-2000). Statsbornik (Statistics Reference)*, Moscow, 2001, p. 18.

⁴ *Ibid.*, p. 46.

The ruling circles of the South Caucasian republics tried to avoid an abrupt drop in agricultural production, understanding that this could lead to food shortages in the cities. In 2000, the indices in these spheres (in terms of the 1991 level) amounted to 64% in Azerbaijan, 112% in Armenia, and 90% in Georgia,⁵ which were largely achieved due to the significant increase in the number of people employed in agriculture. On the whole, over a span of ten years, grain production grew by 16% in Azerbaijan, while it dropped by 22% in Armenia, and by 13% in Georgia, which shows a tendency toward increased dependence of the latter two countries on import. During the same period, grape harvesting significantly decreased: in Azerbaijan 15-fold, in Georgia 2.5-fold, and in Armenia almost 2-fold. In these countries, grapes are the raw material for producing traditional wines, which are largely exported. What is more, the cotton harvest dropped almost six-fold in Azerbaijan.

The crisis situation in the economy also predetermined the reduction in the foreign trade potential of these countries. For example, compared with the 1991 level, the volume of export-import transactions in 2000 amounted to 25% and 20% in Azerbaijan, 11% and 21% in Armenia, and 10% and 18% in Georgia, respectively.⁶ Their commercial operations with CIS countries have dropped dramatically, falling to 3-10% during the indicated period. In 2000, the percentage of reciprocal trade among these countries amounted to 20.9% of the total foreign trade turnover volume in Azerbaijan, 20.8% in Armenia, and 36.7% in Georgia.⁷ At the same time, the export-import operations with third countries increased.

In international labor division, the states of the region act as exporters of raw goods, unprocessed and semi-processed materials, a few foodstuffs, and raw agricultural products. The percentage of equipment, machinery, and transportation means in the total volume of deliveries to the foreign market is not high, but these products constitute a significant part of their import, mainly from the West. In this respect, in the near future, the foreign currency revenue received by the South Caucasian states from export of their products will lag behind their import expenses. And only Azerbaijan will be able to balance commerce with its Western partners (by means of an increase in oil deliveries), while there is a negative balance in trade exchange with CIS countries.

The positive economic dynamics designated in the region's republics on the threshold of the new century indicated that the initial stage in the transition to a market economy was over and that they had affirmed themselves as independent states after the collapse of the U.S.S.R. (see the table).

The relatively high GDP and other macroeconomic index growth rates in recent years are largely explained by the low base for comparison and are still not enough to fully compensate for the severe economic drop noted at the beginning of the 1990s. Only Armenia managed to raise its GDP to 108.2% (of the 1991 level) in 2003, in Azerbaijan this index was 80.1%, and in Georgia, 57.1%. But enormous resources are needed to bring the industrial production volume back up to the level of the beginning of the 1990s. (In 2003, the industrial production volume in Armenia amounted to 77% of the 1991 level, in Azerbaijan to 40%, and in Georgia to 27%.)

In recent years, the investment growth rates in basic capital surpassed the GDP growth rates. But the volume is still insufficient to ensure a stable upswing in the economy. While the possibilities for raising production using morally and physically outmoded and worn-out fixed assets have essentially been exhausted.

The diversification of foreign economic ties achieved in the South Caucasian countries is creating certain prerequisites for expanding their participation in international labor division, but due to their limited foreign trade potential, they do not have sufficient conditions either for comprehensive production modernization, or for creating competitive high-tech systems. In 2002, the ratio of export and import to the GDP amounted to 43.8% and 51.2% in Azerbaijan, 29.6% and 47.2% in Armenia, and 27.4% and 39.1% in Georgia.⁸

The improvement in the macroeconomic situation helped to increase the foreign trade turnover of these states. But in the mid-term, their overall economic situation is unlikely to seriously change (with

⁵ See: *10 let SNG (1991-2000). Statsbornik (Statistics Reference)*, Moscow, 2001, p. 46.

⁶ *Ibid.*, p. 8.

⁷ See: *Vneshniaia trgovlia stran SNG*, Moscow, 2003, p. 25.

⁸ See: *Vneshniaia trgovlia stran SNG*, p. 25.

Macroeconomic Indices of the South Caucasian Countries
(in % of the previous year)

	2000	2001	2002	2003	2003 (1991=100)
Gross Domestic Product					
Azerbaijan	111.1	109.9	110.6	111.2	80.1
Armenia	105.9	109.6	112.9	113.9	108.2
Georgia	101.8	104.8	105.5	108.6	57.1
Industrial Production Volume					
Azerbaijan	107	105	104	106	40
Armenia	106	105	115	115	77
Georgia	111	95	107	111	27
Investments in Basic Capital					
Azerbaijan	103	121	184	171	790
Armenia	127	106	145	141	—
Georgia	97	111	118	168	54
<i>Source: CIS in 2003. Statistics Reference, Moscow, 2004, pp. 25, 36, 47.</i>					

respect to a qualitative improvement in production and foreign trade potential), unless the leaders of these countries make radical adjustments to the economic development strategy.

State of Reciprocal Trade

Despite the increase in foreign trade of the region's countries in recent years, their percentage in the total volume of Russia's goods turnover is extremely modest. In 2003, it amounted to a mere 0.5%, and to 3.1% in the Russian Federation's total volume with the CIS countries. In Russia's trade with the South Caucasian countries in 2003, Azerbaijan accounted for 50.2%, Armenia for 28.5%, and Georgia for 21.3%, while bilateral goods exchange was not balanced. In 2003, Russia's positive trade balance with Azerbaijan amounted to 235.7 million, with Armenia to 113.2 million, and with Georgia to 74.2 million dollars.

In the foreseeable future, the region's countries will urgently need to maintain a high level of goods exchange with their northern neighbor, since Russia is still their most important trade partner. In 2003, goods turnover with Russia in the total trade volume amounted to 10.2% in Azerbaijan (in exchange with all the CIS countries—44.9%), to 15.5% and 69.3% in Armenia, and to 15.0% and 39.3% in Georgia, respectively. Although the economy of the South Caucasian republics is still closely tied to the Russian economy, they are not nearly as interdependent as they were at the beginning of the 1990s.

The economic trade ties between Russia and Azerbaijan developed under conditions of an acute economic crisis and negative factors in bilateral political and economic relations. In particular, the latter included the Baku leadership's displeasure with official Moscow's stance on the Karabakh problem and with the close cooperation between Russia and Armenia, the closing of the Russian Federation's border

with Azerbaijan during the Chechen war, and Baku's striving to expand ties with Western countries and establish strategic partnership with the U.S., the EU countries, and Turkey. This had a negative effect on economic cooperation between Russia and Azerbaijan and on goods exchange between them.

In 2003, Russia's percentage in Azerbaijan's export amounted to 10.2% and to 14.6% in its import. Approximately 40% of Russia's deliveries to Azerbaijan consist of foodstuffs and the raw material for their production (grain, flour, and cereals), 16% of machinery and equipment, 12% of lumber and lumber products, and 9% of ferrous and nonferrous metals.

Foodstuffs predominated in Russia's import from Azerbaijan: tobacco, fruit, alcoholic beverages—52%, cotton, cotton fiber, and yarn—8%, and petroleum products—12%. In compliance with a bilateral contract on oil transit (signed on 18 January, 1996), Azerbaijan is pumping oil via the Baku-Novorossiisk route (in 2003, 2.7 million tons). The Russian Itera and Transneft companies deliver natural gas to Azerbaijan (in 2003, around 5.5 billion cubic m, in 2004, according to preliminary data, 4.5 billion cubic m).

The transport factor is having a negative effect on the development of trade between Armenia and Russia, as a result of which even traditional ties are at times economically inexpedient. The Karabakh conflict has deprived Armenia of its rail communication with Turkey and Azerbaijan. At present, almost 90% of Erevan's foreign freight is transported by Georgian railroad, as well as via its Black Sea ports of Poti and Batumi. High transportation costs make many Armenian goods uncompetitive on the foreign markets. In 2003, Russia's percentage in Armenia's export amounted to 13.9% and to 16.4% in import.

Machinery and equipment occupy 38.4% in Russia's deliveries to Armenia, metals and metal products to 19.1%, foodstuffs and raw agricultural products to 12.0%, and chemical industry products to 9%. What is more, energy resources, raw diamonds, and equipment for the Armenian nuclear power plant constitute the lion's share. Foodstuffs and raw agricultural products account for 70% of Armenia's deliveries to Russia, including 62.1% in hard liquor, 10.8% in unprocessed aluminum, 5% in machinery, equipment, and transportation means, and 3.7% in mineral products.

Moscow managed to settle the problem of Erevan's state debt taking over five of the country's enterprises. But debts on gas delivered by the Itera Company (23.8 million dollars at the beginning of 2004), goods from the Roskontrakt Company amounting to 28.28 million dollars, and products from the Almazvelirexport Company of 1.6 million dollars have still not been settled.

The development of cooperation between these countries is promoted by the favorable political climate and the largely homogeneous economic environment. But their economic trade relations lag behind the high level of political cooperation between the partners.

Georgia's trade with Russia is seriously aggravated by the absence of direct transportation routes, which is explained by the unsettled conflicts in Abkhazia and South Ossetia. The only railroad and the one highway which link these countries pass through Abkhazia and are not currently open, while cargo is shipped by means of the Batumi-Poti-Novorossiisk ferry or by rail through Azerbaijan. This raises transportation costs and ultimately leads to an increase in the price of the exported goods. Russia's percentage in Georgia's export in 2003 amounted to 17.2%, and in import to 14.6%. The following goods form the basis of Russian deliveries: natural gas—around 1 billion cubic m a year, electricity—around 110 million kW/h, wheat and flour—33%, chemical industry products—12%, machinery, equipment, and transportation means—14%, and ferrous metals and their products—5%. Import from Georgia consists of 39% in wines, 21% in mineral water, 11% in hard liquor, 6% in machinery, equipment, and transportation means, 5% in citrus fruit, 3% in ores, including manganese concentrates, and 3% in ferrous alloys.

Tbilisi's debt to Moscow under state loans was 156.8 million dollars in 2003. At Georgia's request, Russia agreed to restructure this debt within the framework of the Paris Club. What is more, Georgian consumers owed Russia around 170 million dollars for natural gas and electric energy.

The cutback in reciprocal trade is leading to a decline in Russia's economic presence in the region. This trend is especially dangerous at present, when new economic structures and markets are intensively forming in the Southern Caucasus, as a result of which the vacant production and commercial niches are passing into the hands of foreign companies. And while competition on these markets is still rather feeble, it will soon toughen up, so Moscow should take the initiative now before it is too late.

Production and Investment Cooperation

An important factor of economic cooperation between Russia and the South Caucasian countries is the production and investment relations with industrial associations and companies. But the investment activity of Russian capital in the Southern Caucasus is much lower than in other countries. It is mainly manifested in the economic trade complex. For example, LUKoil is exploring and developing oil fields on the Azerbaijani shelf of the Caspian, Gazprom is the main supplier of natural gas, and RAO "EES Rossii" is not only exporting electric energy, but is generating and operating the energy networks of these states. Unsettled conflicts, transportation, trade, and legal barriers, the breakdown and reorientation of economic ties, the growing competition from Western companies, and the weakness of Russian companies due to their limited investment potential are preventing the development of production cooperation.

Around 300 companies with a share of Russian capital operate in Azerbaijan today. By the beginning of 2001, the Russian Federation occupied fifth place in investment volume in the Azerbaijan economy (229 million dollars), behind the U.S. with 1,248.2 million, Turkey with 691.6 million, Great Britain with 678.8 million, and Norway with 275 million dollars.⁹ With the intention to continue in his father's footsteps, the country's president, Ilkham Aliev, is in favor of preserving and strengthening ties with Russia. Baku's striving to modernize its industry will make cooperation with Moscow all the more important, whereby not only in producing and transporting Azerbaijani oil. Cooperation in machine-building, building the North-South rail transportation corridor, and expanding agricultural export in the Russian Federation are also significant factors. Azerbaijan is willing to meet Russia half way in defining the status of the Caspian Sea and is delivering oil via the Baku-Novorossiisk pipeline.

As we have already noted, Azerbaijan's largest Russian partner is LUKoil, which is exploring and developing offshore oil fields on the Caspian shelf (the percentage of its share in the Shakh Deniz project is 5%). Along with the State Oil Company of the Azerbaijan Republic, this concern began geological survey work in 1997 on the D-222 unit, which is part of the Ialama-Samur structure. (In 2003, LUKoil increased its share in this project from 60% to 80%.)

Gazprom is supplying natural gas. Azerbaijan has this commodity, but there is still a long way to go before serious development of the shelf fields begins, while the country's annual demands amount to 12-14 billion cubic m, half of which are delivered by the RF. Cooperation between RAO "EES Rossii" and the AO Azerenerzhi Company only takes the form of energy exchange and parallel operation of the energy systems of both countries. Baku is still not ready to take this further, fearing for its energy safety.¹⁰

Economic ties are being restored between individual industrial structures in both countries. Russian enterprises have begun building ships and train carriages (for the Baku metro) for Azerbaijan. Joint production of freight trucks has been organized. The KamAZ and GAZ automobile companies are operating successfully in Azerbaijan.

Within the framework of the North-South international transportation corridor (ITC) (India-Persian Gulf-Iran-Russia-Europe), Russia, Azerbaijan, and Iran have created a consortium for building a new railway branch passing through Iran and Azerbaijan with access to Russia. The project for building the Anzali-Astara railroad is evaluated at 350 million dollars. In so doing, Moscow has expressed its willingness to invest half of this amount.¹¹ Implementation of this project will strengthen Russia's economic and geopolitical position and its relations with the Persian Gulf and Indian Ocean countries.

In compliance with an agreement between Rostelekom and Aztelekom, optical fiber communications between Russia and Azerbaijan are being established, which is laying the foundation for creating a ring circuit around the entire Caucasus. And the Russian Metal Pipe Company (MPC) has come to terms with the Western Targol Company, which owns the Azerbaijani Azerbor pipe-rolling plant, on manufac-

⁹ See: M.E. Guliev, *Ekonomicheskie sviazi Azerbajdžana s Rossiei: problemy, prioritety, perspektivy*, St. Petersburg, 2002, p. 13.

¹⁰ See: *Nezavisimaia gazeta*, 25 May, 2004.

¹¹ See: *Zerkalo* (Azerbaijan), 13 April, 2004.

turing pipes from the steel delivered by Russia (based on joint investments of 30 million dollars). This will make it possible to raise their output to 150-200,000 tons a year. Azerbor's products will not only meet the demands of the domestic market. They will be exported to Iran, Iraq, Turkmenistan, and the Arabian countries.¹²

Broader participation of Russian capital in the Azerbaijan economy is needed to further develop economic cooperation based on creating financial industrial groups and assisting in the construction, modernization, and operation of the republic's enterprises. Implementation of the measures envisaged in the Program of Bilateral Economic Cooperation until 2010, which stipulates cooperation in specific industries, as well as systemic measures relating to the establishment of customs regulations and procedures, the harmonization of legislation, the creation of free trade conditions, and the expansion of interregional and border relations will help to achieve the designated goal of increasing reciprocal goods turnover from 513.9 million dollars in 2003 to 1 billion dollars annually.

As for investments, Russia still occupies one of the leading places in the Armenian economy. In terms of volume, its share exceeds 30% of the accumulated foreign investments. Between 1992 and 2002, they amounted to 217 million dollars, about 30 million of them were invested in 2002. In terms of this index, the Russian Federation yields only to Greece (245.4 million dollars). Today, there are 2,608 enterprises with a share of foreign capital in Armenia, 625 of which have Russian capital (around 24%).¹³ These funds were invested primarily in the fuel and energy complex, ferrous metallurgy, the chemical, food flavoring, and confectionary industry, and in the banking sector.

While implementing its policy, the Armenian leadership is manifesting complementariness, pragmatism, and flexibility, and is combining integration processes within the framework of the CIS with cooperation with Western structures. In relations with NATO, official Erevan is demonstrating equilibrium and trying to build them taking into account its strategic partnership with Moscow.

The most promising sphere of bilateral economic ties is the fuel and energy complex. The main target of cooperation is the Armenian nuclear power plant, which produces more than 40% of the republic's electric energy. In September 2003, the plant was transferred to the trust management of the INTER RAO EES Company for five years with the right of extension. An agreement was also reached on the purchase by RAO "EES Rossii" of the Sevano-Razdan hydropower cascade (costing 25 million dollars) by way of settling part of Erevan's debt on the nuclear fuel delivered.

Around 40% of Armenia's electric power is produced by thermal power plants which operate on natural gas supplied by Gazprom and the Itera Company. The Russian-Armenian ZAO ArmRosgazprom Company created in 1997 is the main seller of blue fuel on the Armenian domestic market (in 2002, deliveries amounted to 1.4 billion cubic m). This enterprise owns the republic's entire gas transportation system, which in future is to be used to transit natural gas to third countries. Along with the Armenian side, Gazprom is reviewing the conditions of its participation in building the Iran-Armenia pipeline, with its possible use for pumping natural gas from Turkmenistan to Armenia.

The Armenal joint venture, created in 2000 on the basis of the Kanaker Aluminum Plant, is also operating efficiently. In 2000-2002, the Russian RusAl Company invested 41.3 million dollars in Armenal, thanks to which this enterprise produced 5,372 tons of aluminum foil in 2002, almost twice as much as in 2001. The percentage of Armenal production amounted to 7-8% of the country's export (46 million dollars). In 2003, the entire enterprise was transferred to the Russian Aluminum Company, the directors of which began its modernization, planning to spend up to 32 million dollars on this.

Around 70% of the shares of the Armavia structure belong to the Russian Siberian Airline Company. On the decision of official Erevan, the routes of the Armenian Airline state structure were also transferred under its management, as a result of which it became the first Russian company to be a national air shipper for another country.

ZAO Rosaviaspetskomplekt, which belongs to the RASKO concern, purchased 100% of the shares in the Armenian ZAO Orbit plant in 2003, which puts out night vision equipment and other special tech-

¹² See: *Zerkalo*, 9 April, 2004.

¹³ See: *Nezavisimaya gazeta*, 5 March, 2004.

nology. RASKO is the main founder of the ZAO International Business Center (IBC) joint venture, and the owner of the Armenian Almaz and Aragats plants (producers of synthetic diamonds). Also in 2003, IBC became owner of the Erevan Araks plant, on the basis of which the manufacture of new types of instruments made from synthetic diamond powder is being organized, as well as the Karatmeken plant in Giumry, which supplies stone-cutting lathes.

Russian banks are becoming more active in Armenia's banking sphere. Their share in the authorized capital of the republic's banking system is approaching 20%. Among them are Unibank (authorized capital of 5 million dollars), Areximbank (3.8 million dollars), and Ardshininvestbank (5 million dollars). Russia's Runabank invested 2 million dollars in restoring synthetic rubber production at the ZAO Nairit-1 chemical plant. Renaissance Capital investment bank is also showing an interest in the Armenian financial market. In order to assist the work of large Russian companies, Russia's Vneshtorgbank (ATB) purchased 70% of the shares of Armenia's Armsberbank in 2004. It intends to increase its authorized capital five-fold and expand the range of services offered, primarily for stimulating investment programs, intensifying bilateral economic trade ties, and improving its services to the population.

The advance of Russian capital onto the Armenian market depends on settlement of the Nagorny Karabakh conflict and normalization of Georgian-Abkhazian relations. Failure to resolve these questions has led to a breakdown in communications and an increase in the influence of the transportation factor on the foreign economic ties between Moscow and Erevan. Difficulties in this sphere have also been caused by insufficient harmonization of regulatory acts, particularly those affecting the protection of investments, tax and customs legislation.

The low level of investment cooperation between Russia and Georgia is largely explained by the political-economic and financial situation of the latter, which in terms of many indices is viewed as a high risk zone for large investments. So until recently, Russian capital has not been particularly active with respect to the industrial facilities privatized in Georgia either, since many of them have accumulated debts and the state of their fixed assets requires significant financial outlays. On the whole, the volume of Russian business lags behind the funds offered by investors from the "far abroad." For example, it accounts for 1.5-2% of the total volume of investments in the republic (in third countries this index is almost 34%). More than 200 joint enterprises with a share of Russian capital operate in Georgia, but most of them are small intermediary and trade companies.

The development of bilateral economic relations is promoted by cooperation in power engineering and the gas industry. The INTER RAO EES Company mentioned above delivers electric energy to Georgia, and the GruzRosenergo joint venture ensures the operation of power transmission lines in the border regions. After purchasing 75% of the shares of the Tbilisi Telasi Electric Company, two energy units of the Tbilisi State Regional Power Plant with a capacity of 300 MW each and the right to manage (for 25 years) the Khrami-1 and Khrami-2 hydropower plants with a capacity of 100 MW each, RAO "EES Rossii" controls about 30% of the generation and approximately 60% of the sales of electric power in the country. The agreements reached at a trilateral meeting of the presidents of Russia and Georgia, along with a delegation from Abkhazia (Sochi on 6-7 March, 2003), will further increase this Russian structure's niche on the electric power market. This meeting focused particular attention on the problems of modernizing the Ingur hydropower plant cascade. The energy holding company is planning to invest enormous funds in restoring and developing Georgia's energy system. Joining the energy networks of the Caucasian countries into an integrated system will greatly promote the further development of cooperation in this sphere, as well as an increase in export of electric energy to Turkey and Iran.

In 2003, an agreement between Gazprom and the Georgian Ministry of Fuel and Energy on strategic cooperation (for 25 years) came into force, which reinforced position of this Russian company. In correspondence with this document, Gazprom will export natural gas to the republic, participate in its sale to end consumers, engage in the operation, reconstruction, and expansion of Georgia's gas pipelines, and develop joint projects on the use of the gas transportation system's transit capacities and the delivery of the necessary equipment. It intends to enlist the help of its branch institutes to resolve the problems in this industry. There are also plans to form the GruzRosgazprom joint venture, which will be entrusted with creating capacities for transporting blue fuel through Georgia to the consumers of other South Cau-

casian states and to countries further away, as well as with operating this system. But these plans are being hindered by the failure to introduce addenda into Georgia's legislation permitting the privatization of major gas pipelines.

The percentage of natural gas in the republic's energy balance is around 24%. In 2003, its deliveries amounted to approximately 1 billion cubic m, including 257 million cubic m under contracts with Gazexport, and 752 million cubic m with Itera. In 2004, the Gazexport Company, a subsidiary of the Gazprom structure, met the full demand (almost 1 billion cubic m).

Quite a number of problems have accumulated between Moscow and Tbilisi. Among them are the procedure and deadlines for withdrawing Russian military bases from Georgia, the visa regime, and the status of the Georgian autonomies. Due to the slump and stagnation in the republic's industry, the collapse in its agriculture, its total dependence on deliveries of energy resources, and corruption, there is little hope for a rapid solution to the crisis. The country's new president, Mikhail Saakashvili, is taking steps to restore friendly relations with Russia. His willingness to turn a new leaf was met with understanding in Moscow. It agrees to guarantee deliveries of energy resources, restructure debts, and help rebuild the economy by making investments and participating in the privatization of Georgian enterprises.

Russian investors, who have long had their eye on Georgian enterprises, were given ironclad guarantees by the new Georgian leadership that their capital would be protected. The Russian Federation was inclined to believe these assurances after K. Bendukidze, a prominent Russian businessman became head of the republic's Ministry of Economics, and the country's prime minister, Z. Zhvania, offered the Russian side a set of investment projects costing several billion dollars. The main investment areas in the republic are power engineering, agriculture, the food and processing industry, tourism, and the development of the transportation infrastructure.¹⁴ Along with this, there are plans to create a joint Russian-Georgian enterprise for exporting gas to Turkey.

Russian businessmen assess all of these proposals as promising. In particular, the Industrial Investors Holding intends to invest up to 200 million dollars in the republic's economy over the next three years and take part in privatizing the Georgian ports, Poti and Batumi. The holding also acquired blocking parcel of shares of the Zestafon Ferro ferroalloy plant and is conducting talks with the country's government on the purchase of the Chiaturmanganets enterprise, which supplies manganese concentrate to the Ferro plant.¹⁵ Aeroflot bought the Air Zena—Georgian Airline company. The question of creating a production unit in the republic for assembling Russia's sport-utility vehicle, the Niva, is being actively discussed. This make of car is very popular in the country due to the state of most local roads. The possibility is also being reviewed of incorporating Russia's Vneshtorgbank into the capital of Georgia's Joint Bank.

The country's new leadership is hoping that the radical reforms and attracted investments will revive the national economy. Minister of Economics K. Bendukidze, mentioned above, believes that a three-fold increase the republic's GDP in ten years is a realistic goal, but this will require ultra-liberal reforms. Official Tbilisi decided not to object to Russia joining the WTO, both sides signed a protocol (on 28 May, 2004) on completing negotiations on the conditions for the Russian Federation's membership in this organization. Tbilisi hopes that in response Moscow will agree to restructure Georgia's debt, which has reached 320 million dollars. Further development of bilateral economic cooperation largely depends on settlement of the Abkhazian and South Ossetian conflicts and on creating a climate of trust and good neighborly relations.

Possible Cooperation Strategies

At the turn of the century, the geopolitical situation in the post-Soviet space as a whole, and in the South Caucasian countries in particular, radically changed. The newly independent states in the region

¹⁴ See: *Svobodnaia Gruzia*, 29 May, 2004.

¹⁵ See: *Nezavisimaia gazeta*, 9 June, 2004.

became a “bone of contention” and an arena of world strategic rivalry among the main international economic centers and geopolitical blocs interested in taking control over raw materials and energy resources, as well as over the transportation routes.

Today, actors whose intentions do not coincide with Russia’s historically developed geopolitical interests are making concerted efforts to gain a lever of influence on the South Caucasian countries. For example, the U.S. considers this region a zone of Washington’s strategic interests, the European Union is interested in acquiring its own influence on it, and Turkey also wishes to have levers of influence on these states. So it is trying to make maximum use of its transit geographical location, while Iran, which has significant supplies of hydrocarbons in the Caspian, is attempting to gain access to the world energy resource market through the Southern Caucasus.

On the whole, the policy of the western states in the region is aimed at ousting Russia from the scene. This is particularly obvious in the struggle for access to Caspian oil and for control over its transportation routes. The situation is aggravated by the fact that the leaders of the South Caucasian states are strategically oriented toward the United States and NATO, hoping that they will help them to resolve their security problems and revive their economies.

All of these factors have perceptibly changed the situation in the Southern Caucasus and led to a decrease in Russia’s influence in the political, economic, and military sphere with a simultaneous increase in the presence of the U.S., the NATO countries, the EU, Turkey, and Iran. The long-term influence of these factors on development of the situation in the South Caucasian countries is forcing official Moscow to reconsider its strategy regarding the South Caucasian segment of the post-Soviet space. Russia’s “withdrawal” from the Southern Caucasus is fraught with serious future complications.

In terms of globalization, the Russian Federation must analyze those development aspects which will allow it to gain a better understanding of the available opportunities and challenges. The matter concerns the development of a new strategy based on the principle of viewing the Southern Caucasus as an integrated geo-economic zone with Russia’s Northern Caucasus. On the one hand, this approach will allow the Russian Federation to concentrate its efforts on implementing large transborder projects which have something in common with and are of key significance for the South Caucasian countries, as well as ever-growing significance for Russia. This includes, for example, the international energy resource production and transportation projects on the Caspian shelf and building the North-South and TRACECA Eurasian transportation corridors. Implementation of these plans could significantly change the geopolitical situation in the region, turning it into a communication junction of global significance. On the other, it will promote a rise in the efficiency of bilateral relations between Russia and each of the South Caucasian countries, as well as the use of a differentiated approach reflecting the specifics of the political and economic interrelations in order to resolve specific questions. Thanks to Russian companies, including banks, pooling their efforts, common development problems in the economies of the South Caucasian republics can be efficiently overcome, which the Russian Federation is also interested in.

The necessary prerequisites for carrying out these tasks have already come to a head, and the conditions for cooperation have significantly changed. Trends have been designated in the South Caucasian countries toward an improvement in the situation and a solution to the crisis. The governments of these states are designating programs aimed at further economic development. Their implementation requires not only material resources, but also a sales market for their products. After encountering serious difficulties in attracting investments and barriers on the way to reorienting economic relations toward the Western markets, these countries are convinced of the practical need to expand export beyond the CIS, since their products are largely non-competitive. They all admit that there is great potential for promoting the development of relations with other republics of the Commonwealth, primarily with Russia. This largely explains the noticeable increase in their trade volumes with Russia in recent years.

In order to gain a stronger economic foothold in the Southern Caucasus, Russia should take more advantage of the potential of the Chamber of Commerce and Industry, and unions and associations of industrialists and businessmen. In order to coordinate the work of these structures, it would be useful to create a Business Council for the Caucasus, within the framework of which it would be possible not only to discuss, but also to draw up alternatives for uniting efforts and resources to participate on this region’s

market, in particular regarding projects to coordinate and develop a raw material base and production capacities and to privatize industrial facilities. To support the most significant projects for developing cooperation in these and other spheres, a special Investment Fund should be formed on the basis of state and private financial resources, primarily of Russia's South Federal District, the South Caucasian countries, and neighboring states. Contacts with South Caucasian partners should be encouraged by creating business cooperation associations and holding economic forums and conferences at the regional level. In order to carry out these tasks, favorable international and legal conditions should be created, national legislation harmonized (particularly in terms of investment protection, tax, customs, and banking activity), information support rendered, and the development of interregional and border relations promoted.

Efforts should be made to remove the barriers hindering economic cooperation, as well as the formation of a free trade zone and ultimately a common Caucasian market. All of this will promote an upswing in the economies of the region's republics, an increase in their mutual trust, and strengthening of good neighborly relations.

So Moscow's long-term strategy regarding the South Caucasian states should focus on their close cooperation ties with the Russian Northern Caucasus. In the future, this approach will facilitate a stable strategic partnership for forming an integrated economic and, especially, defense space, which is extremely important for ensuring security on the CIS's southern borders.

Only this will help to make the geopolitical and geo-economic situation in the Caucasus more predictable and mutually controllable both in relations among the South Caucasian states themselves and between each them and Russia. This also applies to their relations with the U.S., NATO, the European Union, Turkey, Iran, and other countries of the world. Russia's task is to find a common language, primarily with the leaders of the South Caucasian states.

COMMONWEALTH OF INDEPENDENT STATES: TRANS-ASIAN DEVELOPMENT CORRIDOR

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The current importance of developing investment activity in the economic space of the CIS states is determined by the complicated problems that have arisen in mutual economic relations in connection with the breakup of the U.S.S.R. and the establishment of a Commonwealth of Independent States by 12 FSU republics. The disruption of their former technological-cooperation, infrastructural, trade, social and technological-information ties has led to the emergence of totally new political and economic realities in the post-Soviet space.

The establishment of the CIS resulted from an awareness of the need to continue cooperation in order to preserve at the transition stage the economic, technological and infrastructural potentials of the newly independent states. The development of interstate (cross-border) investment activity could become a key aspect of their effective interaction designed to end the economic crisis and to stabilize and boost their national economies.

The protracted investment crisis in the CIS is the main obstacle in the way of transition to a new

stage, the stage of economic growth and fundamental structural changes in the Commonwealth countries.

Investment activity in each CIS state crucially depends on the possibilities and behavior of domestic investors. At the same time, the potential annual demand for foreign direct investment in these countries is estimated at over \$45 billion.

The attempts to pull out of the deep and systemic economic crisis by means of a policy of financial stabilization alone as pursued in some CIS republics for a number of years did not lead to any

positive results. The decline in production and investment activity continued. In the current situation, it is necessary to change the conceptual approach to the methods required to overcome this crisis. The main line of effective economic policy should be investment support for pilot sectors and projects of the real economy aimed at a general stabilization and revival of industry and agriculture. These problems are strategic and common to all the CIS countries, even though each of them has its own peculiarities requiring different tactical approaches and adjustment to concrete conditions.

The CIS Economy in 1991-2004

In the 1990s, the economic situation in the Commonwealth countries was nonuniform. At the initial stage, the similarities and dissimilarities in their socioeconomic conditions gave a multipolar shape to market reforms in the CIS. The staggered start and inconsistent implementation of these reforms very quickly fragmented the single economic mechanism of the planned economy into national economic mechanisms. Socioeconomic transformations assumed a sovereign character. The CIS countries took different-level paths of economic reform and creation of market-based economic mechanisms, and this was the decisive factor behind the sluggish economic integration of these states and a serious obstacle in the way of active multilateral cooperation between them.

At the initial stage of economic reforms (1991-1994), proper institutional conditions for a market economy did not take shape in any Commonwealth country, although these reforms were modeled on the best world standards. Their efforts proved to be insufficient to destroy overnight the decades-old system of state administration of socioeconomic processes and to introduce market relations. In effect, the systemic reforms projected for that stage did not materialize. The newly created market institutions were unable to assume regulatory functions or provide an adequate alternative to the state economic agencies of the CIS countries.

The second stage of reforms (1995-1997) was characterized by anti-recession measures in the real economy and monetary relations, by attempts to curb inflation. A specific feature of macroeconomic stabilization was that the decisions being taken at that stage introduced new, market rules and conditions into society's economic practice and life in general. The governments of most Commonwealth states concentrated their efforts on adapting their national economies to the scaled-down of the systemic interrepublican economic ties that had existed in the U.S.S.R. and on a go-it-alone push into world financial and commodity markets. There was evidence of a trend toward a general stabilization and an incipient recovery in the real sector of the economy. Among the positive results of that stage of reforms and integration development one should include a convergence of the main lines of market transformations and socioeconomic policy under the impact of similar approaches to the anti-recession challenges. Virtually all the Commonwealth countries were gradually going over to reforms based on indicative planning of socioeconomic development and implementation of medium-term government programs.

Toward the end of 1997, inflation in the CIS countries was virtually suppressed, and this gave them a chance to move on to economic growth and expanded reproduction. The priorities in economic reform began to shift to the sphere of institutional transformations, reform of the market infrastructure, structural adjustment of production and reorganization of enterprises, an expansion of the export potential and an increase in foreign investment sources. The idea was to compensate the inadequate inter-

nal capacity for economic growth by attracting large-scale and targeted foreign investment for the development and implementation of strategic government programs and projects designed to modernize traditional sectors and to create new industries and innovative technologies oriented toward integration into the world economy.

In Russia, the new-found economic stabilization was overshadowed by indirect signs of an impending crisis, and in 1998 the situation erupted in a financial collapse entailing a crash of the securities market, a paralysis of the banking system, a steep plunge in the exchange rate of the ruble, a jump in inflation, a fall in the purchasing power of households, and a withdrawal of many foreign investors from the Russian market. In 1997-1998, Russian foreign trade suffered from a sharp drop in world energy prices. All these negative processes in the country had an adverse effect on the economy of a number of other CIS states, primarily those most closely connected with Russia: Belarus, Kazakhstan and Ukraine. At the same time, the financial crisis of the fall of 1998 was a turning point in the decade of reforms, creating favorable conditions for national producers.

The differences between the CIS countries in the scale and structure of investment are most significant, but there are common features as well: insufficient financial savings, a scaling down of capital renewal, and minimization of national investment programs and projects. Investments in agriculture and light industry have declined in virtually all the Commonwealth countries, while an investment recovery has been recorded mostly in the oil, gas and electric power industries. Investment activity is shifting from life-supporting sectors of the economy such as agriculture, the medical and light industry, and also from innovative areas to oil and gas production and development of natural resources with a distinct export orientation.

The present stage of economic reforms, which began in 1999, is characterized by some degree of stability, economic growth and restructuring of the real sector of the economy in the CIS. The development of most Commonwealth countries is determined by the goals and purposes of medium and long-term government programs of macroeconomic stabilization and deepening economic transformations. According to analysts' forecasts, the results for 2004 in most of these countries could be the best for the entire period of reform.

However, cross-border investment in the CIS economy is still at the initial stage and is very inadequate. For example, investments in the Russian economy from other CIS countries in 2003 amounted to \$890 million (the largest inflows from the countries of Central Asia were \$195 million from Kazakhstan and \$89 million from Uzbekistan), compared to \$29,699 million from non-CIS countries (33 times more). Similarly, Russian investments in the economy of other CIS republics (primarily Kazakhstan) in 2003 totaled \$544 million, or just over half of their investments in Russia, whereas Russian investments in non-CIS countries added up to \$23,264 million, or 43 times more than in its Commonwealth partners. Evidently, real integration within the CIS can only be activated by large cross-border investment projects.

Trans-Asian Development Corridor Project

On 19 November, 2004, an international conference "On the Development of International Scientific and Technical Cooperation under the Trans-Asian Development Corridor Project" was held at the City Hall in Moscow. Its main organizers were the Moscow government headed by Mayor Yuri Luzhkov and the government of the Khanty-Mansi Autonomous Area (Yugra) headed by Governor Alexander Filippenko. The conference was attended by representatives of legislative and executive bodies, economic and scientific organizations of Russia and the Central Asian countries of the CIS.

Considering that investment cooperation between Russia and other CIS republics is in a critical state, what we need is a breakthrough in this area. The first real and most significant step in this direction could be the Trans-Asian Development Corridor, an international investment project with the participation of

Russia, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan. Preliminary studies have shown a real need for socioeconomic cooperation between the Central Asian countries of the CIS and the Urals Federal District of Russia based on a pooling of key resources.

In accordance with the new geopolitical realities, Russia's sustainable development in the future can hardly be ensured without cooperation throughout this territory. The meridian corridor (55 to 65 degrees east) running from the Kara Sea to the Arabian Sea has a vast and largely untapped natural and human potential. The economic development of these resources, including the establishment of joint ventures and a social infrastructure, is to begin with the creation of an economic activity zone. When this "vertical" development corridor is duly settled and provided with the necessary infrastructure facilities, it will eventually turn into a single socioeconomic area of free enterprise, ensuring safe and effective functioning within the framework of international global cooperation.

The material and technical basis for the development corridor is to be provided by territorial benchmark projects: transport, construction, industrial, agroindustrial, fuel and energy, and water supply. Evidently, the best way to launch this strategically important project is to set up an international consortium in the form of a transnational corporation in which the Commonwealth states would have a controlling interest.

The investment attractiveness of this project consists in the following: a significant reduction in transportation costs throughout the Eurasian continent; better utilization of the Northern Sea Route and the Trans-Siberian Railway; access to new markets earlier inaccessible because of transport limitations; a reduction in dependence on the ports of the Baltic countries, Finland and the Far East; the eventual establishment of a free economic zone and a free trade area within the boundaries of the development corridor stretching from the Northern Sea Route to Iran.

The Mayor of Moscow, Yuri Luzhkov, emphasized in his report: "Our analysis shows that if the potential of this region is used with due regard for the interests of all the countries that are interested in one way or another in settling and developing these lands, this will undoubtedly result in powerful synergistic effects which can never be achieved by these countries if each of them continues to lie in its own 'manger.'

"This philosophy and these preliminary estimates have convinced us that in this region it is possible to launch a socioeconomic and political process similar to that initiated in Europe over 50 years ago, at the time of the establishment of the European Coal and Steel Community. As the world knows from practical experience, the synergy of mutually beneficial, good faith cooperation between the European countries has gone far beyond the framework of concerted use of iron ore and coal deposits. It is quite reasonable to suppose that the Trans-Asian Project, having started, so to speak, as a Russo-Central Asian water and sunlight community, will be the driving force behind similar socioeconomic and political processes for the benefit of our peoples. With this aim in view, we should display foresight and statesmanship so that at least in this area the long-term interests of our countries and peoples would take precedence over short-term political or commercial gain. We have to initiate a socioeconomic process that would steadily, albeit slowly, carry us toward this noble goal.

"We are convinced that the promotion of the Trans-Asian Development Corridor project will serve as a strategic bridge from the difficult present to a decent future and will make a tangible contribution to the development of the productive forces of all the countries taking part in the project. We hope that the reports and speeches at the conference will reflect a general recognition of the importance of developing equitable and mutually beneficial cooperation. This will undoubtedly help to get adequate answers to many questions connected with the efforts to overcome development barriers."

It is very important that RF President Vladimir Putin regards the following as the most promising areas of economic contacts in Central Asia: development of industrial production, creation of a common transport space, promotion of border trade, water use and hydropower engineering.

First of all, we have to address the strategic problem of joint formation of legal and economic cooperation mechanisms. The effective performance of any national economy today depends in large part on the scale and nature of its involvement in globalization processes. The central idea of economic integration between Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan under the Trans-

Asian Project is to ensure a balance of interests of all parties with due regard for the synergistic effects of the development of mutual ties. A solution of this problem implies the need to create an adequate institutional framework for the optimal interaction of national economic systems.

Unfortunately, the policy pursued in this region by international financial institutions is geared to support survival and not development. Many experts working in the region openly admit that their aim is to teach people how to live in poverty instead of teaching them to overcome poverty. Naturally, this creates additional security threats, primarily social instability, criminalization of the economy, corruption, drug trafficking and high migration, mostly illegal and unorganized.

Moscow's contribution to promoting the package of business projects at the pre-investment stage is most significant. This includes the preparation of analytical-information and conceptual documents, institutional and intellectual support for the creation of a management structure, business relations, public opinion monitoring, contacts with the mass media, and arrangement of public meetings and discussions.

A working group set up by the Moscow government will analyze all constructive proposals within a short period in order to use this material at subsequent, joint stages of research and project planning.

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This project will obviously be of interest not only to domestic, but also to foreign investors from Europe and Asia, primarily from Iran and India.

Special mention should be made of our West European partners. On 11 November, 2004, a day of the economy of Frankfurt am Main was held in Moscow. Its Mayor Petra Roth said that in view of an investment slowdown in Germany the business community of Frankfurt am Main and of the Rhine-Main region is particularly interested in investment and cooperation ties with Moscow.

One of the main investors in the project is to be the CIS Interstate Bank, set up by the Commonwealth countries primarily for the purpose of implementing interstate investment projects.

Work on the Trans-Asian Development Corridor project can help the CIS states to regain self-confidence and to pull out of the prolonged economic crisis, a crisis as deep as the Great Depression in America.

When that depression raised the question of a choice between the well-being of the individual and free market dogmas, U.S. President Franklin D. Roosevelt chose the individual, shattering numerous dogmas previously believed to be inviolable. Within a very short period Roosevelt convinced his nation that the crisis could be overcome and formulated the task of mobilizing as many people as possible in order to bring them back to constructive activity, to help them find a new ideal and invest their life with meaning and purpose.

The president of the United States said: "Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men."

The main elements of Roosevelt's New Deal policies aimed at intensifying investment activity in the crisis period included the government's greater role in creating new jobs; an increase in government planning and control over various kinds of transport, communications and other public services; measures to stimulate and reorganize the use of natural resources through industrial employment; control over the national currency in order to ensure its recovery; aid to those hardest hit by the depression and the collapse of the banking system; and tight control over bank lending and investment.

Clearly, we should borrow some useful elements of the mechanism that enabled the Americans to overcome their troubles within a fairly short time. The Trans-Asian Development Corridor project is one of the basic elements of this kind.

Legal Framework for Investment and Construction Activities in the CIS

The implementation of this project will be greatly facilitated by the legal framework for cross-border investment, leasing and construction activities that already exists in the CIS. The main documents here are as follows:

- Agreement on Cooperation in the Field of Investment Activity (24 December, 1993), which provides for cooperation in the development and implementation of investment policy and which specifies, among other things, the forms and methods of capital investment in the territory of the Commonwealth countries.
- Convention on the Protection of Investor Rights (28 March, 1997), whose purpose is the creation of a common guaranteed investment area, free attraction of capital and protection of investors putting their money in the economy of these states.
- Convention on Cross-Border Leasing (25 November, 1998), which is a code of rules and regulations for the development of cross-border leasing activities in the CIS countries. It is designed to assist producers in the real sector of the economy, enabling them to reduce to a fraction the amount of startup capital required to launch a business, and also to involve the financial sector in constructive work. The vital necessity of this document is evident from the fact that within the legal framework of cross-border leasing the respective national associations of Belarus (BelLeasing), Russia (RosLeasing) and Ukraine (UkrLeasing) jointly with the CIS Executive Committee have established a Leasing Confederation of the Commonwealth of Independent States (CIS Leasing).
- Agreement on Cooperation in Construction Activity (9 September, 1994), designed to promote mutually beneficial integration in the use of raw material resources and industrial facilities in construction, and investment cooperation in this area.
- Agreement on Mutual Recognition of Licenses to Engage in Construction Activity Issued by Licensing Agencies of the CIS Member States (27 March, 1997).
- Agreement on Interstate Expert Review of Construction Projects of Mutual Interest to the CIS Member States (13 January, 1999).
- Convention on Transnational Corporations in the CIS (6 March, 1998).

CIS and MERCOSUR

In the context of world analogies, Russia and other CIS states could benefit from the experience of the regional association MERCOSUR, which includes Latin American and Caribbean countries: Argentina, Brazil, Paraguay and Uruguay, with Chile and Bolivia as associate members. This integration grouping is also known as the Southern Cone Common Market.

MERCOSUR is one of the biggest regional economic groupings in the world. Today it is a large integrated market in Latin America with 45% of its population (over 200 million), 50% of its total GDP (over \$1 trillion) and 40% of foreign direct investment. On a global scale, MERCOSUR ranks second behind the EU as a customs union (in terms of size and potential) and third behind the EU and NAFTA (North American Free Trade Agreement) as an economic structure.

MERCOSUR is of interest to us in that its establishment (by the Asuncion Treaty in 1991) coincided with the establishment of the CIS and that the starting conditions were in large part identical. In January 1994, the MERCOSUR states adopted a Protocol on the Reciprocal Protection and Promotion of

Investments, which gave a powerful impetus to processes of “physical” integration between the Southern Cone countries. The importance and feasibility of the Trans-Asian Development Corridor project is borne out by the parallel implementation by MERCOSUR of interstate strategic projects in the real economy. For example, several large-scale investment projects in the field of the infrastructure, energy and transport are at different stages of implementation. These include such major projects as the construction of a 2,100 km superhighway between São Paulo and Buenos Aires (the cost of the first stage is \$3 billion) and the construction of a 51 km bridge linking Colonia and Buenos Aires (at a cost of around \$1 billion).

Of special interest is a project known as the Paraguay-Parana Waterway stretching over 3,440 km at a cost of \$1.3 billion. Its correspondence to the Trans-Asian Development Corridor project is so close that its implementation should be studied and put to use.

The governments of the MERCOSUR countries regard integration as a strategic national development priority that stimulates technological modernization and economic restructuring, enabling them to adapt to the international division of labor, to compete successfully with other regional groupings and to find a fitting place in the world economy.

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Investment has been and remains the only factor that can guarantee the economy’s ability to operate in the mode of expanded reproduction. The economic crisis in the CIS can be overcome based on the development and implementation of a doctrine pivoted on a strategy for rationalizing the use of available resources through an intensification of intellectual and innovative investment activities.

The Trans-Asian Development Corridor happily combines the efficiency of its initiators, who can rely on actually implemented projects, organizational structures, high prestige and a solid industrial base, with the financial resources of leading Russian regions headed by Moscow and its Mayor Yuri Luzhkov. All of this turns the Trans-Asian Development Corridor into a credible project that could become a connecting, coupling link in the CIS economic space.

The project will help to create optimal conditions for enhancing the investment image of Russia and other Commonwealth countries in the eyes of domestic and foreign investors and to intensify cross-country investment and leasing activities in order to promote real integration in the CIS, ensure effective economic development and raise living standards in the Commonwealth countries.

KAZAKHSTAN-CHINESE COOPERATION IN THE ENERGY SPHERE

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Relations with the PRC is a priority area in our republic’s foreign policy. This is not just because we are neighbors, but also because Beijing has enormous economic potential, as well as

immense influence on the international arena. China was among the first states to recognize Kazakhstan’s sovereignty. These countries began to develop multifaceted bilateral cooperation from the mo-

ment diplomatic ties were established in January 1992. Cooperation in the energy sphere began in 1997, when the Chinese National Petroleum Company (CNPC) became a shareholder of the Aktobemunaigaz Company (60.3%). (An agreement on cooperation in the oil and gas sphere was signed by the governments of both countries in September. At that time, the Kazakhstan Ministry of Energy and Mineral Resources and the CNPC signed a general agreement on developing fields in Kazakhstan and building an oil pipeline from Kazakhstan to China.)

Today, cooperation in the energy sphere is developing successfully and becoming the pivot of Kazakhstani-Chinese relations, which was emphasized in particular during Kazakhstan President Nursultan Nazarbaev's visit to the PRC in May 2004. But joint work in this area did not get off to a smooth start. Delays in laying the West Kazakhstan-West China oil pipeline kept economists and political scientists in a state of tension. Many forecasts of its prospects have been made over the years, but they were all very pessimistic, no one believed the route would ever come to fruition. Mainly because it is economically inefficient, and the Kazakhstan side will not be able to fully load the pipeline, which is too long anyway. The low quality of Kazakhstani oil, which requires additional refining, thus raising its net cost, was also among these pessimistic arguments. So many experts decided that the intentions to build this pipeline were merely a political step and Beijing's arrival on Astana's oil and gas market was dictated to a certain extent by geopolitical considerations. At that time, many believed that the main stimulus behind transporting oil was not economic expediency, but exerting influence in the region.

However, the decisive steps taken by both sides in 2004 to implement this project, as well as the fact that construction of the Atasu-Alashankou line actually began, refuted all these arguments. Now political scientists are looking for the true reasons for the keen attention being shown what would seem to be an already frozen project and which many called unrealistic. In our opinion, it was revived for several reasons, including those not related to Kazakhstani, but to Russian oil, or to be more precise, to pumping it along the Angarsk-Daqin pipeline, which would be more economically preferable for the Chinese. First, because the Russian side is always putting off its construction, second, partly due to the recent events involving YUKOS,

and third, due to failure of the transaction between the PRC and the Slavneft Company. The anti-Chinese moods in the RF State Duma and among ordinary Russians also had an important role to play here. The "theory of the Chinese threat" is currently very popular in Russia, and Moscow does not want the Chinese economy to become any stronger. Nor is Kazakhstan entirely free of Sinophobia, although now it has subsided, whereby it was never as rampant in our country as it was in Russia. Even in the Kazakhstan mass media, where it was a hot topic for a while, it has now essentially disappeared into oblivion. Incidentally, Beijing is also very concerned about the "theory of the Chinese threat," with respect to which Deputy PRC Foreign Minister Liu Guchang particularly stressed the need to raise political trust between the countries.

Another reason for reviving the pipeline project from Kazakhstan to China is the PRC's concern about the U.S.'s actions in the Middle East. Speaking at an international forum on China's economic strategy (Beijing, 21-23 May, 2004), Professor Fang Zhangping, an employee of the Research Center of International Energy Strategy, stated: "The events in Iraq graphically show that the United States, as the first oil importer in the world, will try to ensure its direct presence in the regions where oil is produced, which could pose a threat to China's increase in oil import."¹ That is, the PRC's serious concern about its oil security was probably one of the reasons the Celestial Kingdom decided to create strategic oil supplies. Of course, since its accelerated economic growth rates require increasingly larger amounts of energy resources, creating these supplies becomes extremely problematic. This is probably why China decided to step up its cooperation with Kazakhstan and Russia in order to safeguard against any possible boycott on deliveries of Middle Eastern oil. In this context, Beijing's desire to begin building the "forgotten" pipeline as soon as possible does not look so sudden and strange.

What is more, according to some researchers, an important component of the oil security strategy for China is the "go abroad" (*zouchuqu*) slogan, which implies, among other things, participating in the development of foreign oil fields using Chinese technology and Chinese capital. As Ya. Berger believes, this slogan is aimed primarily at the countries neighboring on the PRC. In his book *On Chi-*

¹ Interfax-China, 25 May, 2004.

na's Energy Strategy, he presents the following quote from an article by Xia Yishan, "The Situation in China's Energy Sector and its Development Strategy," published in the newspaper *Renmin ribao*: "Russia, Kazakhstan, and the Central Asian states have rich oil and gas resources, are friendly neighbors, and have relative political stability, so, from the viewpoint of long-term prospects, the center of gravity should be here."²

Based on this, the actions of the Celestial Kingdom on the Kazakhstan energy market look entirely logical. (For starters, let's list several measures taken by Beijing in 2003.) For example, in August, the CNPC bought 35% of the shares of the North Buzachi field and created a powerful infrastructure in the Aktiubinsk Region, which fully ensures the production and refining of oil, as well as its transportation to China. At the end of December, the Chinese Sinopec Company purchased 50% of three large fields close to Tengiz, and actively developed the Zhanazhol and Kenkiak fields.

What is more, Beijing does not intend to limit itself to only transporting this oil, it also plans to sell petroleum products at the site, in Kazakhstan. This is shown by the network of Sinoil fill-up stations (China owns 67% of the shares) which appeared in Almaty. In other words, China is acting "on all fronts." The seriousness of its intentions is also shown by the fact the CNPC is generously financing projects which envisage training young Kazakhstani specialists in the oil and gas business in the PRC. It is possible that this was prompted by the fact that Beijing is hoping to have its "own Kazakhstani" specialists in the future in our country's oil and gas sector. If anyone who studied in China eventually occupies a leading position in this sphere, the PRC will be able to rely on their, to put it mildly, loyalty, which is very natural, and what is more in the Chinese spirit.

Cooperation between the PRC and RK in the energy sphere, particularly in building the West Kazakhstan-West China main pipeline, is playing an important role in the policy declared by the PRC toward developing the country's economically backward western regions, including the explosive Xinjiang-Uighur Autonomous Region. As these regions begin to prosper economically and the standard of

living of the local population rises, the threat of so-called "Uighur separatism" should subside. But no matter how much Beijing wants the Uighurs to feel part of the "great Chinese nation" (*zhonghua minju*), the Uighur question will always be one of the West's potential levers of pressure on the Celestial Kingdom. What is more, cooperation in the energy sphere is also important for developing China's economic relations with the Central Asian countries.

In our opinion, close interaction with Beijing in this sphere is beneficial to Astana not only politically, but also economically. But there are a lot of nuances here. Kazakhstan's economy depends directly on oil and gas export. What is more, our republic is rich in hydrocarbon resources, does not have access to the open sea, and at least for this reason should uphold the principle of diversity in its export routes. China is a kind of "window" for Kazakhstan's penetration into the Asia Pacific Region, which, according to the forecasts, will occupy a predominant position this century in the economic and technological development of today's world. In other words, the pipeline to China is opening up broad opportunities for exporting Kazakhstani oil. What is more, Chinese oil corporations have begun investing money not only in the Kazakhstan oil and gas infrastructure, but also in the development of Kazakhstan's education and culture.

But the pipeline aspect of cooperation harbors a number of risks. Among them is the project's orientation only toward the Chinese market, which is strictly controlled and regulated by the state, on the one hand, and the instability of the resource base, on the other. What is more, with the aid of this oil pipeline, Beijing will be able to dictate the price it is willing to pay for Kazakhstani oil, which Astana will have to accept. It is possible that this will turn the RK into a target of Chinese political manipulation. What is more, as Klara Khafizova rightly believes, "cultural policy and demographic pressure are part of China's energy policy."³ And for our young state, which has still not been entirely shaped and strengthened by a unifying national idea, this could be fraught with danger. It is highly likely that Chinese restaurants, casinos, hotels, hairdressing salons, medical centers, and so on, will soon appear in Aktiubinsk and Aktau. Based on what we see in Almaty, it is obvious that the Hans prefer to use their

² Ya. Berger. Ob energeticheskoi strategii Kitaia [http://obzor.ava.ru/news/economic/2004/10/12/5459_1097565874], 12 May, 2004.

³ *Modernizatsionnye protsessy v Tsentral'noi Azii: modeli budushchego*, Almaty, 2004, pp. 51-52.

own service facilities and their own banks. This will increase the number of Chinese employed in this sphere. The Hans are inclined in general toward cultural and everyday isolation in a foreign environment, and despite their show of friendliness and amenability, they are loath to permit outsiders into their inner circle. The ubiquitous China towns are a case in point, that is, control over migration will become more difficult. On 27 September, 2004, the RK Ministry of Education and Science and the Chinese National Petroleum Company signed an agreement in Astana on cooperation in education, based on which young people from our republic will be able to obtain an education in the PRC. If we keep in mind that Beijing is steering a course toward promulgating and spreading the Chinese language and culture, the CNPC is acting as an indirect conductor of this course.

Kazakhstani-Chinese relations in the energy sphere go far beyond the framework of regional relations, since in this context not only the interests of the Central Asian and Caspian Region countries are affected, but also the interests of such world powers as the U.S. and Russia. A graphic example of this is the objections raised by some representatives of the Agip KCO Company to transactions between a participant in the BG Group consortium, which has decided to leave the project, on the one hand, and the Sinopec Group and the China National Offshore Oil Corporation (CNOOC), on the other.

A preliminary agreement was reached that the BG Group would sell 16.67% of its shares in the Chinese Sinopec Company and the CNOOC. The U.S. and EU countries have essentially refused to allow the Chinese near the Kashagan field (on the Caspian shelf), even though the Kazakhstan government approved the transaction. Politics has a significant role to play here. Probably China's recent activity on the Kazakhstani oil market sent a warning signal to the United States and European Union countries. For the U.S. dominates on this market and is unlikely to feel kindly toward losing this choice niche. But nevertheless, as K. Khafizova believes, "the U.S. is encouraging China's energy advancement as compensation for Iraq, otherwise its incredibly high level of activity in Kazakhstan in 2003-2004 would not have been possible."⁴ Russia also occupies a prominent position on the Kazakhstani oil market. It does not find the appearance of such a major player as China, which is claiming the role of world superpower, to its advantage either. But no matter what, Beijing, despite the obstacles, is slowly but surely beginning to establish itself on this market and will most likely soon claim a leading role. And this will have a direct influence on the political situation not only of Kazakhstan itself, but also of the entire region.

⁴ *Modernizatsionnye protsessy v Tsentral'noi Azii: modeli budushchego*, Almaty, 2004, pp. 51-52.

Description of the Stages in Kazakhstan-Chinese Energy Cooperation

As noted above, in September 1997, the Kazakhstan and Chinese governments signed an Agreement on Cooperation in the Oil and Gas Sphere. At the same time, the RK Ministry of Energy and Mineral Resources and the CNPC signed a general agreement on developing fields in Kazakhstan and building an oil pipeline to the PRC.

Following the dynamics of this cooperation, two main stages can be singled out: the first (1997-2003) is characterized by the "cautious" entry of the Chinese onto the Kazakhstan energy market; and the second (which began in 2003) is characterized by the abrupt and tempestuous activation of bilateral ties.

The arrival of the Celestial Kingdom on this market aroused an unequivocal reaction in Kazakhstan society. Despite the fact that Astana is demonstrating a friendly policy toward Beijing on the state market, public opinion in our country is fraught with mistrust toward this partner. Therefore, the first steps of the CNPC in Kazakhstan fell under the "discriminating eye" of society. From this viewpoint, the PRC's failure to fulfill its obligations to reactivate the Uzen field and conflicts with the work collective of Ak-tobemunaigaz confirmed the "hostile intentions" of the Chinese. But here we must give their patience and

endurance their due, as well as their ability to “smooth out the sharp corners,” as a result of which mistrust of them perceptibly abated. Even the violations harboring an enormous threat to the surrounding environment, which were revealed during a special inspection organized on 23 April, 2004 at the oil pipeline (30 km in length) construction site related to the Kenkiak and Zhanazhol fields belonging to the CNPC, did not arouse any particular public uproar.

The CNPC created active extraction, production, and infrastructure groups at the Aktiubinsk fields it owns. For example, in addition to the Zhanazhol and Kenkiak fields being fitted out with equipment manufactured in China, a factory was put into operation for manufacturing and repairing this equipment. In 1998, the company laid the Zhanazhol-Aktobe gas pipeline, and since 2001, the production of hydrocarbons has been rising annually. During an official visit by then deputy chairman of the PRC Hu Jintao to Kazakhstan (July 2000), our president, Nursultan Nazarbaev, confirmed the country’s intention to render political support to implementing the West Kazakhstan-West China oil export project. On the instructions of the RK prime minister, a working group was formed for preparing technical documentation. (Building the pipeline, which will have a throughput capacity of 20 million tonnes of oil a year, was to begin in 2001.) In December 2001, the Kazakhstan-Chinese joint venture MunaiTas was created, the main task of which is to equip the Atyrau-Kenkiak branch of the pipeline. In 2002, the CNPC fulfilled the five-year program of its investment obligations. At this time, along with KazTransOil, a feasibility study of building the oil pipeline was carried out and the problems of filling it were reviewed. In April 2002, Zhang Cheng-wu, assistant to general director of OAO CNPC-Aktobemunaigaz, said the feasibility study had been approved and assured that China was not backing down from this project, the implementation of which would be more realistic due to confirmation of the oil supplies on the Caspian shelf. These questions were discussed during a visit by Kazakhstan Foreign Minister K. Tokaev to the PRC in May 2002. At that time, Astana confirmed its interest in delivering oil to the PRC. Nevertheless, building the pipeline was put off. But Beijing did not get a bee in its bonnet, in fact it appeared to be content with the Aktiubinsk fields, making it seem that the “pipeline of the century” was only a lofty declaration and the CNPC did not have any far-reaching plans in Kazakhstan. But the field was prepared for the increased activity of the Chinese oilers in 2003-2004. It can be presumed that the CNPC carefully studied the Kazakhstan energy market for more than five years and analyzed the breakdown in forces on this market, that is, this period can be characterized as “cautious,” “analytical,” and “biding one’s time.”

However, some negative aspects of cooperation during these years should also be noted. Since 1997, the CNPC-Aktobemunaigaz Company has been exporting approximately 2 million tonnes of oil a year to China (through Russia), delivering it via direct pipeline to the Orsk oil refinery. A special order of the RF government exempted this oil from customs fees as transit. In January 2001, this privilege expired, but the CNPC did not reregister the agreement or its export license. So the Orsk refinery refused to accept Kazakhstani oil, halted the operation of dozens of oil wells, did not supply the associated petroleum gas to homes in Aktiubinsk, and operation of the Aktiubinsk thermal heat station was under threat. The CNPC had great difficulty reaching an agreement with the owner of the Orsk refinery, the Tiumen Oil Company. What is more, the Kazakhstani side noted that the CNPC had not fulfilled its obligation when purchasing shares of the AMG company to build a pipeline from Kazakhstan to West China (oil is still delivered there by rail) and was not keeping to the investment schedule set forth in the contract. In 1999, it was fulfilled by only 59%.

But in 2003, the tactics of this company in Kazakhstan changed, which was manifested in particular by the PRC’s attempt to participate in the Production Sharing Agreement (PSA) at Kashagan. However, as mentioned above, joint actions between the CNPC and Sinopec were blocked by other participants in the international consortium. In May, the CNPC purchased a governmental set of shares (20.12%) in Aktobemunaigaz, thanks to which it obtained more than 80% of this enterprise’s shares. The Atyrau-Kenkiak pipeline was put into operation, the first section of the entire route. In August of the same year, the company bought up the entire set of shares of the North Buzachi field (the Mangistau Region), but then transferred some of these shares to the Canadian-Kazakhstan company, Nelson Resources Ltd. (Apparently, with the help of such measures, the Kazakhstan authorities were trying to stem the Chinese encroachment.) In June 2003, Kazakhstan President Nursultan Nazarbaev and PRC Chairman Hu Jintao

signed several important documents, which also included aspects of cooperation in the energy sphere. Among them were the oil pipeline project, development of oil fields, and the possibility of building a gas pipeline from Kazakhstan to China. Apart from this, the RK supported the PRC's participation in surveying and developing oil fields on the Kazakhstan shelf of the Caspian Sea. At the interdepartmental level, a protocol on joint research and stage-wise building of an oil pipeline from Kazakhstan to China, as well as an agreement on a further increase in investments in Kazakhstan's oil and gas sphere were signed. In June, the National KazMunaiGaz Company and CNPC signed an agreement on joint research to justify investment necessary for implementing the stage-wise construction project of the Atasu-Alashankou section of the oil pipeline to China, including adjustment of the feasibility study of the West Kazakhstan-West China oil pipeline project. In August, a memorandum on accelerating the construction of this section of the pipeline and on the possibility of building a gas pipeline to the PRC was signed. In September, at a meeting with RK Prime Minister D. Akhmetov, chairman of the board of OAO CNPC-Aktobemunaigaz Wu Yaowen said that the Chinese corporation was willing to complete the joint projects already begun.

Great achievements were also made in 2004. For example, in February, it became clear that the pipeline would indeed become a reality: at a press conference in Astana, president of KazMunaiGaz U. Karabalin said that with the approval of the Kazakhstan government, construction of the oil pipeline Atasu-Alashankou-Dushanji (1,300 km) would begin in July-August and be completed in 2006, whereby Astana and Beijing would share the financing equally between them. The cost of this work is estimated at 700-800 million dollars, and the pipeline capacity at the first stage is assessed at approximately 10 million tonnes of oil a year with a subsequent increase.

On 1 April, Kazakhstan President Nursultan Nazarbaev met with first vice president of CNPC, who is also chairman of the board of OAO CNPC-Aktobemunaigaz, Wu Yaowen. The latter informed the Kazakhstan president of completion of the planning and exploration work on construction of the Atasu-Alashankou section with a capacity of up to 50 million tonnes of oil a year. But in April, Sinopec bought up the head company of the American First International Oil Corporation group. This shows that the Chinese "have got at" Caspian oil, since the subsidiary companies of the mentioned company own several fields located in the Caspian Region. And on 13 April, talks were held in Beijing between RK Minister of Energy and Mineral Resources V. Shkolnik and Chairman of the PRC State Committee on Development and Reform Ma Kai, during which it was stated that the project for building the straight part of the Atasu-Alashankou oil pipeline will be ready by 15 May. Then during the visit by President Nursultan Nazarbaev to China (17 June), several important documents were signed, including a Framework Agreement between the RK and PRC governments on the development of comprehensive cooperation in the oil and gas sphere, as well as an agreement on the main principles for building the Atasu - Alashankou oil pipeline. In October, U. Karabalin made a sensational statement about plans to build a Kazakhstan-China gas pipeline. As can be seen from the above-mentioned, the second period of cooperation is characterized by intense activity of the Chinese oil and gas companies in Kazakhstan.

The latest events in the Middle East are sounding new notes of anxiety in Beijing's activity in this sphere. "The U.S.'s current policy in the Middle East is arousing concern about ensuring China's energy, primarily oil, security," said employee of the Research Center of International Energy Strategy Professor Fang Zhangping in a speech at the international forum on questions of China's economic strategy. In particular, he noted: "...events in Iraq clearly show that the U.S., as the first oil importer in the world, is trying to ensure its direct presence in the regions where oil is produced, which could pose a threat to China's increase in oil import."⁵

Now the Celestial Kingdom is looking at ways to prevent this threat. For example, along with activity to attract foreign capital into its economy announced at the beginning of the reforms, the PRC government has adopted "a strategy of entering the world" (or "go abroad"). This strategy is part of the country's policy of integration into the world economy, which is also being applied in the energy sphere. So China has begun to invest in the oil and gas industries of the Sudan, Venezuela, Indonesia, Burma, Kazakhstan,

⁵ See: Interfax-China, 21 May, 2003.

and other states, including purchasing shares in their oil and gas companies. For example, the Sinopec Company was able to penetrate into Iran and Saudi Arabia. But the steps taken by the PRC are being complicated by the fact that many oil-bearing regions of the sphere of influence have already been divided among the U.S., the EU countries, and Canada. So China is perceptibly activating its energy diplomacy. In particular, to resolve its energy supply problems, it is trying to make maximum use of regional cooperation organizations, such as the SCO.

Beijing's energy policy in the Central Asian countries differs from similar activity in other regions. Of course, the PRC is worried about providing industry with energy resources, and Central Asia occupies third place in the world in terms of oil supplies. But the political aspect stands side by side with the economic component here. It is very important for China to be able to wield its clout in the region, which directly borders on the Celestial Kingdom. The looming presence of the U.S. on the Central Asian energy market is a noticeable thorn in the side for the Celestial Kingdom, which is gaining in significance and is used to calling this region its "backyard." But "...Western monopolies, using their capital and technological advantages, are carrying out an active battle for the oil resource markets in the states of the former Soviet Union surrounding our territory, creating forceful pressure in the process."⁶ The steps taken by the Chinese in Kazakhstan show that China intends to oppose this. Its decision to take full responsibility for financing construction of the Atasu-Alashankou section of the pipeline speaks volumes. Investing funds in this very expensive and risky project confirms that Beijing has long-term and serious plans in Kazakhstan, and it is unlikely going to be happy taking the back seat. All the same, the Celestial Kingdom will try to expand its energy cooperation with the Central Asian countries within the SCO and, in so doing, reduce any threat to its energy security from the United States to the minimum. The energy market of the region's republics will become a kind of unofficial battle ground between the U.S. and the PRC. Nor can we forget about Russia, since it is used to considering Central Asia a traditional zone of its "legal" interests. But the RF's careless and inconsistent energy policy and incessant redistribution of property on its own oil and gas market makes us think that Moscow's position in this battle could be perceptibly shaken. As for the EU countries, they do not have an integrated energy policy in the region and will most likely act on the side of the United States.

⁶ Xia Yishan, "Zhongguo nenyuan xingshi ji qi fazhan zhanliue (Situation in China's Energy Sphere and its Development Strategy)," *Renmin ribao*, 1 February, 2004. Ya. Berger refers to this in his article "On China's Energy Strategy."