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WORLD AND REGIONAL CENTERS OF POWER AND THEIR IMPACT ON THE SITUATION IN CENTRAL ASIA AND THE CAUCASUS

CENTRAL EURASIA: GLOBALIZATION AND GEOPOLITICAL EVOLUTION

Parvin DARABADI

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The profound changes going on in the geopolitical and geo-economic structures of the world community, as well as the transformation of sociopolitical systems are evidence that the world is entering a qualitatively new geopolitical era—the era of globalization.

A new planetary “polycivilization” is arising on the basis of an intrinsic combination of unity and indivisibility of the world community, on the one hand, and diversification and pluralism of centers, nations, and religious-cultural communities, on the other. The information and

telecommunication revolution in the industrially developed part of the world is gradually turning the post-industrial society into a high-tech information community. By making use of the latest achievements in science and technology, globalization is bringing countries and entire civilizations closer together in real time and is encouraging them to find a joint and adequate response to urgent global problems.

Globalization is not only changing the development and appearance of the world economy, but also its structure, since it is creating global

interdependence, whereby communities are integrating into a single whole.

But globalization is manifesting itself in different ways in each state and region—in some it is encompassing the economic sphere more, while in others, new technologies are being introduced faster. What is more, different countries and regions are ready and willing to become incorporated into the globalization processes at different

times. For certain historical reasons—political isolation or self-isolation, technological and economic potential, inbred traditions of autarchy—some countries remain on the periphery of globalization. Moreover, globalization today is accelerating at such a rate that the gap between the countries and regions spearheading this process and the rest of the world, that is, the biggest chunk, is widening with every passing year.

The West's Geohistorical Leap and the Appearance of the North-South Geopolitical Factor

From the geopolitical viewpoint, the rich North, the so-called Golden Billion, and the developing poor South have already taken shape on a global scale, whereby polarization along the geopolitical North-South line is becoming increasingly manifest. Here we are seeing the inevitable results of the gigantic geohistorical leap, when during the era of great geographic discoveries, the West, in the aftermath of the industrial revolution, took giant strides along the path of scientific and technological progress. At first, in the 17th-20th centuries, Spain and Portugal, followed by England, France, Germany, and Holland, acquired maritime power in the form of commercial and naval fleets, which allowed them to establish their hegemony in the World Ocean. And in the second half of the 20th century, the West, in the form of the U.S., also achieved substantial supremacy in the air and outer space. All of this made it possible for the West to exercise military and political control over almost the entire South and East for a long period of time. Only the ominous growls of the two world wars woke up the hopelessly lagging and largely colonized countries of the Third World. Beginning their independent development for the most part in the second half of the 20th century, these countries are also being incorporated into the globalization processes today. At the same time, until the mid-21st century, the East's numerical predominance over the West and the South's over the North will continue to grow, whereby in inverse correlation to their economic strength and wealth. This, as Russian scientist Yu.V. Iakovets believes, may be the root of the main inter-civilizational contradiction of the current century.¹

For these states, globalization has objective and subjective sides, both positive and negative. Whereas the first is a natural and historical consequence of the world's growing interdependence due to the increasing financial flows between countries and regions, the second is revealed in the concept of the geopolitics of globalism. Here the objective process of globalization acts as one of the main geostrategic mechanisms of the West's hegemony—primarily of the U.S.'s in cooperation with the European Union—over the rest of the world in order to establish a new one polar world order. Along with economic and military-political ways of putting pressure on disobedient outcasts, the West is attempting to impose its system of values on other civilizations of the South and East, which is largely alien to their deep-rooted cultural and historical traditions.

¹ See: Yu.V. Iakovets, *Globalizatsiia i vzaimodeistvie tsivilizatsiy*, Moscow, 2003, p. 31.

On the whole, in the present era, globalization according to the Western understanding means the formation of a homogeneous economic and sociopolitical environment on the planet controlled for all intents and purposes by several hundred transnational mega corporations.

The main driving forces of globalization²—transnational corporations (TNC) and nongovernmental organizations, which in fact are skillfully and unobtrusively controlled by corresponding government structures—are crossing state borders with unprecedented ease and interfering both in the economic and sociopolitical life of countries and societies, motivating this by claiming to be helping resolve the problems generated by the growing interdependence. Whereby, all the states, particularly those with a transitional economy, are obliged to unwaveringly observe the so-called Golden Corset rule drawn up by the West. The thing about this corset is that it comes in one size for all, which is giving rise to an equivocal reaction in several countries, particularly in those trying to find their own development path.³

It should be noted that the principles of a free world market and general democratic values are being applied selectively, depending on the West's geopolitical and geo-economic interests. Globalization in its current form is only intensifying the inequality between the rich North and the poor South. It is in no way resolving the problem of the current blatant global inequality between the dozen leading nations and the hundreds of the South and East only just beginning to modernize their economies and even then wallowing somewhere between the late feudalism and developed capitalism. These countries, which are frequently weak economically, are going through a torturous process, falling under the pressure of globalization like a patient undergoing surgery without anesthetics. What is more, national governments are sometimes compelled to and are beginning to divvy up power—political, socioeconomic, and even military—with big business circles concentrated in TNCs and in influential shadow, as well as entirely legal international organizations.

In the current century, it appears entirely futile to hope that the poles of wealth and poverty in the world as a whole, never mind in individual countries and regions, will draw closer together, since this gap is only becoming wider. And the prospects for the coming decades give little reason to hope that the poor countries will come closer to the level of the rich states. What is more, in some countries, several negative phenomena are observed: de-industrialization of the economy and mass unemployment, loss of economic independence and dollarization of the financial system, a brain and capital drain, degradation of national cultures, a breakdown in the moral foundations of society, mass starvation, and so on.

Under conditions when the world has entered a qualitatively new stage in its evolutionary development—the globalization era—traditional geopolitical processes have acquired entirely new forms. Along with the multi-century traditional and severe military-political confrontation between the telurocratic East and the talassocratic West, a new geopolitical factor—North-South—has appeared, whereby it has no clearly marked boundaries.

Central Eurasia as an Entity of the West-East Geopolitical Confrontation

The Central Eurasian mega region, which includes the Black Sea, Caucasian, Caspian, and Central Asian regions, is one of the main theaters of operation in this confrontation. There are three differ-

² A.I. Utkin, *Globalizatsiia: protsess i osmyslenie*, Logos Publishers, Moscow, 2002, p. 56.

³ *Ibid.*, p. 21.

ent racial-civilizational and religious areas with common geohistorical destinies in this geopolitical space: the Christian Orthodox Slavic, the Islamic Turkic, and the Arian Iranian (partially Judaism and Buddhism).

The geopolitical center of this mega region is the Caspian Region (*Heart of Central Eurasia*) located at the crossroads between Europe and Asia on the boundary between two mega civilizations—Christian and Islamic—which for dozens of centuries have played an important role in the military-political and socioeconomic processes going on in the vast Central Eurasian geopolitical space. In so doing, this region, which includes Southern Russia, the Caucasus, the western part of Central Asia, and Northern Iran, synthesizes four different physical-geographical elements: mountain (the Caucasus), sea (the Caspian), steppe (Southern Russia), and desert (Central Asia). What is more, the Caspian states have common continental features of national history, statehood traditions, and economic interests which differ dramatically from the Western, Atlantic civilization.

For dozens of centuries, an essentially ongoing process of expansion and retraction of this gigantic monolith has been going on throughout the Central Eurasian geopolitical space. The fight of the West's and East's geopolitical forces went on with varying degrees of success. World history has already seen the experience of the West's military-civilizational encroachment into this mega region. In the last centuries of the first millennium B.C., the talassocratic West tried to break the ethnic and religious insularity of the tellurocratic East by means of its Hellenization. But the czars and people of Asia joined together against the mighty and arrogant West (T. Mommsen), and as a result Hellenization was "digested" by the East. In the Middle Ages, particularly in the 13th-16th centuries, during the peak of the Mongol and then Ottoman Empire, the East managed to break through to the borders of Europe, thus threatening the very existence of West European civilization. Later, during the Crimean (1853-1856), First (1914-1918), and Second (1939-1945) World Wars, and the Cold War (1946-1991), the West's geopolitical attack was pulled up short at the gates of Central Eurasia—in the Caucasus.

The zone of combat on the borders of the continents between the Caspian and Black seas—the Caucasus⁴—still plays an important geostrategic role, since control over it opens the way to penetration into the depths of the Middle and Near East, access to the Persian Gulf and the Eastern Mediterranean, as well as to the flat expanses of Southern Russia in the south.

What is more, as a geopolitical key to Central Eurasia, the Caucasus, due to the extremely mottled ethnic and confessional composition of its population, was and continues to be one of the most conflict-prone hot spots on the planet. In turn, the same picture can also be seen in the desert expanses of Central Asia bordering on the Caspian, where ethnic and drug trafficking problems are still extremely urgent. At the same time, as a Russian expert in geopolitics A. Dugin points out, control over the entire Caspian-Black Sea expanse—the Caucasus—which opens up access to the warm seas is a strategic task of the global confrontation between Atlanticism and Eurasianism.⁵

As for the Caspian region, during the past three centuries it has been a target of acute geopolitical rivalry between the great and regional powers striving to establish their control over this geostrategically important region of Central Eurasia. But whereas this region was not considered one of the main areas of geopolitical upheaval at that time (these were Eastern Europe, the Balkans, the Near and Middle East), in the 20th century, particularly at the turn of the past and present centuries, it has become one of the most important geostrategic factors capable of changing the entire traditional configuration of Central Eurasia's geopolitical landscape.

⁴ K. Haushofer, *O geopolitike*, Mysl Publishers, Moscow, 2001, p. 128.

⁵ A.G. Dugin, *Osnovy geopolitiki. Geopoliticheskoe budushchee Rossii. Myslit' prostranstvom*, ARKTOGEIA Publishers, Moscow, 1999, p. 349.

Central Eurasia in the New Big Geopolitical Game

The Caspian Region was and continues to be the most convenient springboard for a geopolitical leap from the north through Central Asia to the Indian Ocean. Geostrategically linked to the Mediterranean Sea (the Turkish factor), the Black Sea (the Azerbaijani-Georgian factor), the Indian Ocean (the Iranian factor), and Europe (the Russian factor), the Caspian Region is one of the epicenters of the geopolitical contradictions of the contemporary world and a confrontation between Atlanticism and Eurasianism, which is still latent in nature. The significant increase in the number of countries which have geopolitical and geo-economic interests here is an important external factor with a strong influence on the region.

On the whole, this region is a geopolitical space in which not only the national economic interests of the South Caucasian and Central Asian states meet, but also those of several leading Western and Eastern nations. The geostrategic imperatives of the only superpower of the contemporary world—the U.S. (and NATO as a whole)—are also designated here. Along with the traditional geopolitical players—Russia, the U.S., Great Britain, Turkey, and Iran—France, Germany, China, Japan, Pakistan, Saudi Arabia, and several other countries are carrying out increasingly greater economic activity in the Caspian, which in turn is creating a kind of geopolitical puzzle and significantly complicating the geopolitical situation in this region.

With respect to participation in developing the Caspian's oil and gas resources and in their transportation to the world markets, the problem of delimiting the sea is attracting special attention and causing both latent and open competition not only among the coastal countries, but also among the leading nations, as well as among several regional states for control over these energy resources. Oil, which is the "blood of war" in wartime and without which development of the economy is inconceivable in peacetime, became the most important geostrategic factor in world policy as early as the First and Second World Wars. The Cold War was followed by the era of "oil diplomacy," which under the conditions of nascent globalization and the formation of a new world order will long remain a powerful tool of influence on international relations. The existing and planned oil-and-gas-pipeline and supply configurations (the Baku-Supsa, Baku-Tbilisi-Ceyhan, Baku-Novorossiisk, Tengiz-Novorossiisk, West Kazakhstan-West China oil pipelines, the Trans-Caspian Kazakhstan-Turkmenistan-Iran pipeline, the Baku-Erzurum, Turkmenistan-Iran gas pipelines, the Trans-Caspian gas pipeline, as well as TRACECA, the North-South transport system, and so on) traced out by competing geopolitical forces, as well as the foreign military bases in several South Caucasian and Central Asian states, are significant geostrategic factors which can help the region's countries to gain a firmer foothold.

A continuous link is observed between the Caspian oil factor and the geopolitical processes going on in the current century in the main oil-producing region of the Eastern hemisphere—the Greater Middle East. At the same time, the intense interest in the Caspian Region is related not only, and at times not so much, to the presence of large hydrocarbon reserves (a mere 4-7% of the world reserves), as to its key position in the geopolitical breakdown of world forces competing for control over Central Eurasia.

Located in the center of the geopolitical split in the post-Soviet expanse, the Caspian region became an integral part in the 1990s of the new Big Game in world politics being played according to the classical rules of geopolitics. This was when Atlanticism began putting pressure on the Caspian Region, applying it from three main directions: from the west—from the Mediterranean Sea (via Turkey), from the south—from Arabia (via Iraq), and from the east—from Pakistan (via Afghanistan and Central Asia).

According to A.S. Panarin, the Caspian has currently become the epicenter of pirate games. From the geopolitical viewpoint, “the discovery of deposits of oil there is attracting forces which have never before been able to penetrate so far into interior of the Continent. The idea of an oil route from the Caspian to the West and to the East and joining two oceans—the Atlantic and the Pacific—is nothing more than an attempt by the Sea Powers to lop off an unprecedented large chunk of the Continent. There is already no helping those who do not understand that we are talking about the unprecedented aggression of the Sea, which intends to chop the Continent up into pieces. The initiators of this project want not simply to draw a new communication line between the Atlantic and Pacific oceans and in so doing reinforce the achievements of Westernization. They want to prevent the possibility of a new consolidation of the Continent along the Indo-European vertical, since the Caspian project is directly aimed at cutting through this vertical, intercepting it.”⁶

Under contemporary conditions, when ideology finally gave way to the geopolitical imperatives of the leading Western and Eastern nations in the system of international relations which developed at the beginning of the 21st century, their real geopolitical presence in Central Eurasia can only be ensured by establishing control over this region. In order to resolve this geostrategic task, various competing geopolitical forces are taking advantage of the forces of separatism and international terrorism gaining strength today.

The past decades are characterized by significant activation of militant separatism and international terrorism, which are extremely dangerous for the whole of mankind. It is the sovereign state that is a victim of priority of the principle of national self-determination. Several countries of Central Eurasia, particularly the South Caucasian states which have recently gained their independence, i.e. Azerbaijan and Georgia, have already fully experienced all the “delights” of forced implementation of the principle of “self-determination of national minorities.” The increase in number of new marginal state formations caused by the fragmentation of sovereign states could in the near future lead to even more chaos in the world community.

On the whole, religious fundamentalism, unbridled nationalism and racism, ethnic intolerance, the formation of centers of international terrorism and organized crime, economic inequality, the demographic explosion, uncontrollable migration processes, environmental collisions, and the exhaustion of natural resources could lead to world chaos. Whereby there is no guarantee that even supposedly prosperous regions of the world which uphold globalization will escape outbursts of conflict situations in their various modifications. It is enough to recall the dramatic events of recent years in the U.S., Great Britain, France, Spain, Russia, and other countries relating to international terrorist attacks and outbreaks of ethnic and inter-confessional conflicts.

The contemporary political map of the world is becoming increasingly reminiscent of an extremely colorful mosaic, where global and regional nations are living next to small states also affected to one extent or another by globalization and inter-civilizational problems. They are being manifested under qualitatively new geopolitical conditions, when after the collapse of the world socialist system and its main support structure, the Soviet Union, the U.S. made its claim to a monocentrist world by declaring almost the entire world a zone of its strategic interests.

This is particularly obvious in the expansive Central Eurasian geopolitical space, which is rich in natural resources. Here the West has already designated several states which it plans to turn and in fact has already turned into its geostrategic outposts for further penetration into and fragmentation of the entire Greater Eurasian geopolitical space. This trend was given a new and powerful boost in terms of concentrating the West’s geopolitical strength in the form of the U.S. and NATO after the tragic and, as it turned out, fatal events for several countries of 11 September, 2001 in the United States. The

⁶ A.S. Panarin, *Global'noe politicheskoe prognozirovanie*, Algorithm Publishers, Moscow, 2000, p. 275.

wars in Afghanistan and Iraq, along with the U.S.'s and NATO's real military presence in several countries of Central Eurasia, are helping to slowly but surely enclose this mega region geopolitically from the west, south, and east. Iran is the last link, control over which could close the "Anaconda coil" around Central Eurasia.

As an alternative to a one-polar world, the conception of a global geosystem of a multipolar world is being put forward, that is, a re-partition of spheres of influence on the planet between the newly forming geopolitical centers, one of which might be Central Eurasia. At the same time, not a single country or geopolitical center is currently capable of independently fully defining and resolving its geostrategic and geo-economic problems on the international arena without taking into account the diversity and specifics of the largest civilizational communities. In the end, all of this might lead to the formation of civilizational unions, and in the most diverse and unexpected combinations, for not a single of the currently existing large civilizations, be it Slavic-Orthodox, Islamic, Confucian, Hindu, or another, can independently counteract the onslaught of all-out Westernization based on the principle of "*The West and the Rest*."

We should also take account of the important fact that if peaceful ways to raise the standard of living in the non-Western "rest" of the world do not yield the anticipated results, mass disillusionment may soon take place, not only in globalization, but in the existing world order as a whole, which is still largely supported by the U.N. This disillusionment could escalate into bitterness, thus stimulating an increase in militarization right down to poor countries acquiring weapons of mass destruction. If those who have nothing to lose decide to use violence, this could pose the greatest threat to the whole of mankind and not only to its prosperous Golden Billion. This is even more important in light of the all-out onslaught of the forces of international terrorism, which is increasingly acquiring the beastly features of an entirely new sociopolitical phenomenon of global dimensions—geoterrorism, the brain-child of geopolitics of the 21st century.

In Lieu of a Summary

It is possible that if the geopolitical processes in Central Eurasia evolve according to a negative scenario, the split between the civilizations, that is, the line of future fronts during the imminent clashes of civilizations, according to Samuel Huntington's conception, which are equally dangerous for the West and for the East, will occur precisely in this region.⁷ After saying farewell to the Era of the Beast in the past 20th century, currently globalizing mankind could meet with an even more sinister era, the Era of the Devil.

Only harmonious diversity of a multipolar world in which each civilizational community is an integral part of the whole global expanse can ensure all-embracing international security and an adequate response to the real threats to the world community posed by international terrorism and by possible imminent inter-civilizational clashes.

⁷ S. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster Ltd, New York, 1996.

CENTRAL ASIA AND THE SOUTHERN CAUCASUS: GEOPOLITICAL VALUE FOR RUSSIA

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The world has been moving toward the regionalization of international economic and political relations for some time now. This is manifested in two ways:

- In a shift toward a multipolar world, which seems quite probable and will most likely be realized through cooperation; this will divide the world into clearly discernable zones of influence of the world powers within which regional contacts will rapidly develop;
- In the emergence of “gray zones” for which the world centers will not take (or will be unable to take) responsibility.

Central Asia and the Southern Caucasus form one of such vast regions in the post-Soviet expanse. Their development trends are very similar, while the differences between them can be described as “general,” “particular,” and “singular.” Very soon these regions, or at least their larger part,¹ will be regarded as sub-regions of the Greater Middle East.

The southern part of the Soviet Union developed into a geopolitical region in its own right when the socialist system of statehood (which kept together ethnic groups never on the best terms with each other for long periods) became a thing of the past. The Soviet Union’s disintegration brought the old contradictions among ethnic groups and the former Soviet republics or their sub-regions into the open.

Across the post-Soviet expanse, the Caucasus was a place with the greatest ethnic problems, which drove Russians away from many parts of the region, the Northern Caucasus included. Russians no longer live in many places, while elsewhere the remaining Russians are actively driven away. Today, there are less than 10,000 Russians living in Armenia, which means that sooner or later the Russian diaspora will disappear. A few Russians are still living in Georgia. Azerbaijan is the only republic that still preserves its Russian community of about 150,000, which is much fewer than before.

The ethnic boundaries in the Caucasus mostly coincide with religious borders. There is a great share of the secular population in Muslim areas. So far, the danger of Islamic fundamentalism taking the upper hand in Azerbaijan is still negligible. Today, Islam has greatly increased its influence in the Lezghian (neighboring on the Northern Caucasus) and Talysh (neighboring on Iran) districts.

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¹ Soviet science placed Kazakhstan outside Central Asia.

Central Asia is religiously more homogeneous, yet ethnic conflicts there are very acute in the areas where state borders do not coincide with ethnic boundaries. This may, and does, cause ethnic conflicts in the south of Kazakhstan, between the Kazakhs and Uzbeks; in Osh and Uzgen, between the Kyrgyz and Uzbeks; in Samarqand, Bukhara, and the Sogd Region of Tajikistan, between Uzbeks and Tajiks; in Karakalpakiya, between the Uzbeks and Karakalpaks; in the Amudaria oases, between the Uzbeks and Turkmen, as well as between Russians and Kazakhs in Northern Kazakhstan. None of the Central Asian states is ethnically homogeneous. In the last years of Soviet power, only Turkmenistan and Uzbekistan could boast of the titular nations' prevalence (about 70 percent in each of them). The figure for Tajikistan was about 60 percent, for Kyrgyzstan about 50 percent, and for Kazakhstan about 40 percent. The outflow of Russian speakers increased the share of the titular nations: from the very beginning migrants have been moving from Central Asia mainly to Russia. At the turn of the century, the flow subsided, but it did not stop altogether. The gradual, but steady and rapid decrease in the numerical strength of the Russian diasporas in Uzbekistan, Turkmenistan, and Tajikistan will go on unabated because of obvious discrimination (much crueller at the everyday level than in the Baltic countries).

Uzbeks are playing an increasingly greater role in all the Central Asian states. In the Ferghana Valley, for example, there are about 1 million Uzbeks living in the Sogd Region of Tajikistan and 500,000, in the Osh Region of Kyrgyzstan (on the whole, the Uzbeks comprise about a quarter of the population in both countries). So far, the number of Uzbeks in Kazakhstan is not large, yet it is steadily increasing in the country's south. Today, Uzbekistan itself is home to 45 percent of the region's total population.

There are the following ethnic and political conflicts in the Caucasus and Central Asia (some of them in full swing, others reaching this stage, while still others are potential):

- a) conflicts inside the region's countries:
 - between South Ossetia, Abkhazia, and Georgia,
 - between Chechnia and Russia;
 - between Ossetia and Ingushetia;
 - between the north and south of Kazakhstan;
 - between the north and south of Kyrgyzstan;
 - between regions of Tajikistan;
- b) conflicts inside regions:
 - between Armenia and Azerbaijan;
 - between Tajikistan and Uzbekistan;
 - between Kyrgyzstan and Uzbekistan;
 - between Turkmenistan and Uzbekistan;
- c) conflicts between states:
 - between Russia and Georgia over the support certain Russian circles extend to the separatists in Abkhazia and South Ossetia;
 - between Russia and Armenia and Azerbaijan over Russia's alleged support of the opposite side;
 - between Kazakhstan and Russia over the northern districts of Kazakhstan and the Russian southern districts with Russian and Kazakh populations, respectively;

- between Kazakhstan and China over the Kazakh population of the Xinjiang Uighur Autonomous Region and China's claims to Kazakhstan's eastern regions;
- between Tajikistan and Uzbekistan, on the one side, and Afghanistan, on the other.

The Soviet Union disappeared leaving its former southern republics in economic disarray. In Soviet times, Central Asia and the Caucasus were two separate economic regions that belonged to the country's united national economic complex. First, they had niches of their own in the regional division of labor: raw materials and agricultural product supplies; second, they received much of what they badly needed from Russia, which explains the present transportation network; third, economic ties ignored administrative boundaries, which later became state borders. The current status of the Central Asian and South Caucasian countries as independent states cannot be brought into harmony with the above circumstances.

The Soviet southern republics lived mainly on subsidies. According to the International Monetary Fund, in 1991, between one fourth and nearly half of the republics' budgets were based on subsidies from the center. There is the opinion that the actual figures were even higher. According to former president of Kyrgyzstan Askar Akaev, in the 1970s-1980s, the total amount of subsidies reached 30 percent of the GDP.² The gap between the world and domestic prices made the subsidies even larger: in 1991, trade with Russia added 6.5 percent to Uzbekistan's GDP.³ As soon as Russia radically cut down its open and latent subsidies, the region could no longer invest in industry and keep the social sphere afloat. Weaker economic ties between the Soviet successor states contributed to their industrial decline.

It should be said that in the first half of the 1990s, large-scale "hot" conflicts, political instability, lack of skilled jobs, etc. drove Russians and Russian speakers away from the region in great numbers. The autochthonous population who, as a result of the outflow, acquired real estate and other property for a song and moved up the career ladder was on the winning side, yet industrial enterprises began malfunctioning, the teaching level at schools and universities dropped, health services deteriorated, etc.

The hopes pinned on wide-scale international support and foreign investments proved futile. On its side, Russia extended relatively small amounts of economic aid when the Caucasian and Central Asian republics became independent states, while foreign investors were frightened away by political instability, vague development prospects, geographic location (only Georgia has a sea coast, while it is coastal areas that attract foreign money), undeveloped market infrastructure, etc. In 2003, the share of foreign direct investments in percent of GDP was 8.5 percent in Georgia, 7 percent in Kazakhstan, 4.6 percent in Azerbaijan, and 4.3 percent in Armenia.⁴

The economic weight of Central Asia and the Caucasus is small: even in 1991 Central Asia accounted for 0.4 percent of the world GDP and for 0.97 percent of the world's population.⁵ The share of the Southern Caucasus is even smaller: today it accounts for less than 0.1 percent of the world's GDP (even if GDP is calculated on the basis of purchasing power parity).

In the first half of the 1990s, GDP of all the southern republics dropped dramatically (from 15 to 20 percent in Uzbekistan to 50-70 percent in Kyrgyzstan). Tajikistan and all the South Caucasian republics experienced a catastrophic landslide caused by civil wars and ethnopolitical conflicts that cost them tens of billions of dollars. Not only industrial production in these countries dropped (in Kazakhstan in 1995 it was half of the 1990 level; in Uzbekistan, one quarter),⁶

² See: *Nezavisimaia gazeta*, 21 April, 1998, p. 1.

³ See: A. Kurtov, "Potentsial'nyi garant stabil'nosti," *Sodruzhestvo NG*, No. 2, 1999, p. 4.

⁴ See: *Human Development Report 2005. International Cooperation at a Crossroads*, UNDP, New York, 2005, p. 281.

⁵ See: A.V. Akimov, "Poisk mesta v mirovom khoziaystve," *Tsentral'naia Azia: puti integratsii v mirovoe soobshchestvo*, Moscow, 1995, p. 91.

⁶ See: G. Starchenkov, "Blesk i nishcheta suverennoego Uzbekistana," *Azia i Afrika segodnia*, No. 6, 1995, p. 10.

agricultural production also decreased (by almost half in Kazakhstan and Kyrgyzstan).⁷ Real incomes shrank (according to experts, two- or three-fold in Kazakhstan).⁸

In the latter half of the 1990s, the Central Asian and South Caucasian countries managed to halt the decline. According to the European Bank for Reconstruction and Development, in 1998, GDP in Turkmenistan increased by 5 percent; in Kyrgyzstan by 4 percent; in Tajikistan by 3 percent, in Uzbekistan by 2 percent, and in Kazakhstan by 1 percent.⁹ The new millennium marked considerable growth of GDP in all the republics of Central Asia and the Southern Caucasus. At the same time, only two of them (Kazakhstan and Armenia) reached the 1990 GDP level; in 1990-2003, all the other countries experienced a negative annual economic growth: minus 6.5 percent in Tajikistan, minus 2.7 percent in Georgia; minus 2.6 percent in Azerbaijan; minus 2.4 percent in Kyrgyzstan; minus 1.3 percent in Turkmenistan, and minus 0.5 percent in Uzbekistan.¹⁰

The socioeconomic situation in the region has deteriorated. The level of poverty and unemployment is very high in Turkmenistan where the dramatic increase in hydrocarbon prices in the context of the gas monopoly in its economy allowed the country to reach acceptable per capita GDP figures. This, however, did not bring economic stability. Poverty, which has been and remains the main plight since the early 1990s, is appalling. According to the U.N. Development Program, which uses unreliable national statistics, the gap between the 10 percent richest and the 10 percent poorest is 12.3.¹¹ According to the UNDP human development index, Turkmenistan dropped to 97th place in the world. The living standards of the republic's average citizen have deteriorated. Turkmenistan's state incomes are nearly 6 times higher than those in Uzbekistan, yet they are squandered on non-productive construction and other dubious projects. The situation in culture is catastrophic: all unions of creative workers were disbanded together with the Academy of Sciences¹² and libraries¹³; theater buildings are razed to the ground, this has already happened to the Russian Theater.

In Uzbekistan, where per capita income is three times lower than in Turkmenistan (this places it in the 111th slot in the UNDP rating), the socioeconomic situation is also tense, but not as desperate. Officially there is practically no unemployment there. The gap between the 10 percent richest and the 10 percent poorest is a mere 6.1.¹⁴ The share of the poor (28 percent) is even higher than the share of the undernourished (26 percent); the body weight of 19 percent of children under 5 is inadequate; 31 percent of them are too small for their age.¹⁵ Together with Kyrgyzstan, Uzbekistan is the only CIS member in which the human development index dropped compared with 1995.

Kazakhstan enjoys the best situation in the southern region: it holds 80th place according to the human development index, which has grown from 0.738 in 1994 to 0.761 in 2003.¹⁶ The situation with poverty (19 percent) and unemployment (8 percent) is much better there. There is a positive trend too: in the last 7 years, the share of the poor noticeably dropped (in 1998, 31.2 percent of the repub-

⁷ See: S. Zhukov, "Kazakhstan, Kyrgyzstan, Uzbekistan v sotsial'no-ekonomicheskikh strukturakh sovremennogo mira," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 36, 1997, pp. 47-48.

⁸ See: *Rossia i Kazakhstan, Stenogramma nauchno-prakticheskoi konferentsii*, Rossiskiy tsentr strategicheskikh i mezhdunarodnykh issledovaniy, Moscow, 1995, p. 58.

⁹ See: *BIKI* (Moscow), 5 January, 1999.

¹⁰ See: *Human Development Report 2005...*, pp. 267-268.

¹¹ See: *Doklad o razvitiu cheloveka. 2004*, UNDP, Ves' Mir Publishers, Moscow, 2004, p. 211.

¹² See: V. Panfilova, "Polozhit' konets 'zamorozhennoy' diktature Niyazova," *Nezavisimaia gazeta*, 14 March, 2005.

¹³ See: V. Panfilova, "Opasaias' repressiy, mestnye revoliutsionery bol'she trekh ne sobiraiutsia," *Nezavisimaia gazeta*, 22 April, 2005.

¹⁴ See: *Doklad o razvitiu cheloveka. 2004*, p. 212.

¹⁵ *Ibid.*, p. 184.

¹⁶ See: *Human Development Report. Kazakhstan. 2004. Education for All: the Key Goal for a New Millennium*, UNDP, New York, 2004, p. 103; *Human Development Report 2005...*, p. 220.

lic's population were poor);¹⁷ unemployment likewise dropped from 12.8 percent in 2000 to 8 percent in 2004.¹⁸

In other republics, the share of the poor is between 40 and 60 percent. Some of them have no middle class to speak of. In 1996-1999, 88 percent of those who worked in Kyrgyzstan earned no more than \$4 per day.¹⁹ While poverty and related problems are a new phenomenon in Georgia and Armenia, such former republics as Kyrgyzstan, Tajikistan, and Azerbaijan had a taste of them during Soviet times as well. In 1989, the poor constituted 11.1 percent of the population in the Soviet Union as a whole (in Russia, the share was 5 percent), while in Azerbaijan, a third of the population was poor. Today refugees from the conflict zones are widening the zone of poverty in the Caucasus.²⁰ The persistent conflicts add to the intensity of the socioeconomic crisis. In 2005, Armenia was 83rd in the world according to the human development index; Georgia, 100th; Azerbaijan, 101st; Kyrgyzstan, 109th; and Tajikistan, 122nd.

Table 1

Statistical Data for Central Asia (2005—estimate)²¹

	Kazakh- stan	Uzbeki- stan	Turkmeni- stan	Kyrgyz- stan	Tajiki- stan
Population	15,185,844	26,851,195	4,952,081	5,146,281	7,163,506
GDP at PPP	\$132.7 bn	\$52.21 bn	\$29.4 bn	\$9.32 bn	\$8.8 bn
GDP per capita	\$8,700	\$1,900	\$5,900	\$1,800	\$1,200
Budget	\$12.19 bn	\$2.815 bn	\$1.4 bn	\$0.56 bn	\$0.442 bn
Share of poor	19%	28%*	58%**	40%*	60%*
Share of unemployed	8%	20%	60%*	18%*	50%**
*2004. **2003.					

The Central Asian and South Caucasian countries may either find their niches in the international division of labor, or they may follow the lot of the developing countries without close ties with international economic centers—countries that have already become “gray zones.” There is the possibility of criminalized foreign economic ties if the Central Asian and South Caucasian production and trade (in drugs, among other things) move into the shade.

¹⁷ See: *Human Development Report. Kazakhstan, 2004...*, p. 108.

¹⁸ *Ibid.*, p. 22.

¹⁹ See: *Human Development Report 2005*, p. 231.

²⁰ Experts agree that the authorities overstate the number of refugees to increase international aid, yet the real figures are not small either.

²¹ The CIA site [<http://www.cia.gov/cia/publications/factbook/geos/kz.html>]; <http://www.cia.gov/cia/publications/factbook/geos/tx.html>; <http://www.cia.gov/cia/publications/factbook/geos/uz.html>; <http://www.cia.gov/cia/publications/factbook/geos/kg.html>; <http://www.cia.gov/cia/publications/factbook/geos/ti.html>].

Table 2

Statistical Data for Southern Caucasus (2005—estimate)²²

	Armenia	Georgia	Azerbaijan
Population	2,982,904	4,677,401	7,911,974
GDP at PPP	\$15.27 bn	\$16.13 bn	\$36.53 bn
GDP per capita	\$5,100	\$3,400	\$4,600
Budget	\$0.79 bn	\$0.87 bn	\$3.18 bn
Share of poor	43*	54%***	49%**
Share of unemployed	30*	17%***	—

*2003.
**2002.
***2001.

The possibility of finding their own niches is limited by the landlocked status of nearly all the local countries, the low competitiveness of the basic stratum of the workforce, etc. The traditional industrial road is therefore virtually closed to them. The “city” (main industries) has already moved over to East and South Asia and Latin America. In fact, only Armenia and Georgia, which in Soviet times had fairly developed intellectual potential, could probably break through into the post-industrial era, that is, become science-intensive economies. However, the brain drain and lack of money needed to develop science and technology will not allow them to realize this potential and join the road that the developed states have been following for some time. The strategy of developing human potential and technologically complex and science-intensive branches and increasing the role of science in industrial production will remain beyond their reach.

To achieve positive and sustainable economic and social development, the Central Asian and South Caucasian countries must rely on their own resources.

In fact, Central Asia as a new claimant to an independent role in the world economy is not in a bad position. Kazakhstan, with the widest range of natural resources and mining volume, is in the best position among its neighbors. It has the region’s widest choice of fuel, ore, and non-metal resources, the level of mining of the majority of them being relatively high. Other Central Asian countries are also rich enough: Uzbekistan has gas and gold; Turkmenistan has gas; and Kyrgyzstan and Tajikistan have gold and uranium.²³

The Southern Caucasus was not as lucky; only Azerbaijan has a certain amount of energy resources; other natural riches are scarce.

The present economic situation relies on hydrocarbons; this calls for a more or less accurate assessment of the oil and gas reserves in the region, in the Caspian Sea in the first place. The estimates are highly contradictory. Late in the last century American experts assessed their value at \$ 4 trillion;²⁴

²² The CIA site [<http://www.cia.gov/cia/publications/factbook/geos/am.html>]; <http://www.cia.gov/cia/publications/factbook/geos/gg.html>; <http://www.cia.gov/cia/publications/factbook/geos/aj.html>].

²³ For more detail, see: S. Lounev, G. Shirokov, “Central Asia as a New Region of World Politics,” in: *Central Asia. Conflict, Resolution, and Change*, ed. by R.Z. Sagdeev and S. Eisenhower, CPSS Press, Washington, 1995, pp. 293- 310.

²⁴ See: M. Nesterova, “Bol’shaia igra v neft’,” *Sodruzhestvo NG*, No. 7, 1998, p. 1.

Russian experts operated with smaller figures, while Central Asian and South Caucasian experts preferred higher figures.

Kazakhstan's potential oil reserves are between 3.5 and 15 billion tons (according to Russian analysts and the U.S. Energy Information Administration); Turkmenistan can count on 1.5 billion tons of oil (according to Russian experts), or on 5 billion tons²⁵ (American assessments).

National statistics offers an even more striking picture. S. Niyazov, for example, assessed his country's gas reserves differently in different years: from 22 Tcm (before 2002 and 2004) to 44 Tcm (2002).²⁶ It has been always stressed that only a third of Turkmenistan's territory underwent geological survey, while 80 percent of its territory looked promising as far as hydrocarbon reserves were concerned.²⁷ According to Uzbekneftgaz, the republic's possible gas reserves are 5,429 Bcm.²⁸ These figures, however, need confirmation.

It seems that we should take into account only the explored and proven reserves. By 1991, it was discovered that the Azeri sector of the Caspian shelf contained 150 million tons of oil; the Turkmenian sector 79 million tons; and the Kazakhstani sector 673 million tons.²⁹ The Turkmenian and Russian sectors remained relatively unexplored. The world's high level of Soviet geological survey suggests that by the 1990s the most profitable fields have already been discovered; the oil reserves discovered in the post-Soviet period lay too deep to cause a stir in Soviet times. The oil fields in Kazakhstan explored back in the 1970s remained undeveloped for ecological considerations, among other reasons. By the late 1990s, the explored oil and gas reserves in the Caspian basin (the Russian and Iranian sectors included) were estimated at 4 Bcm and 7 Tcm, respectively.³⁰ Calculated in terms of standard fuel, the reserves are about 3 percent of the world's total. There were no new stunning discoveries there. For example, Persian Gulf oil and gas are estimated at 90 Bcm and 44.1 Tcm, respectively.³¹ The Caspian basin has no chance of developing into another Gulf. Russia's potential is higher than the figures quoted above: according to the Paris-based International Energy Agency, Russia accounts for 30.5 percent of the world's gas reserves (1,680 Tñft), while Turkmenistan's share is 1.3 percent.³²

Table 3 gives an idea of the proven Central Asian and South Caucasian gas and oil reserves and their export by the middle of the current decade.

We should bear other things in mind as well. For example, oil in Kazakhstan contains resin asphalt matter and requires special purification installations. Active hydrogen sulfide calls for anti-corrosion pipes.

Some states tend to overestimate their ability to deliberately mislead their people by creating the illusion of future prosperity and detracting attention from the sad social and economic reality. This strengthens their rulers' grip on power and attracts foreign investments. They supply no exact information about the real reserves, about the largest companies folding up, their business activity, and their failure to fulfill their obligations.

The real figures are not particularly impressive, yet the region's main oil and gas producers are steadily stepping up production. In 1996, Kazakhstan produced 26 million tons of oil³³; in 2001,

²⁵ See: E. Baykova, "Nazarbaev and Niyazov namereny konkurirovat' s OPEK," *Nezavisimaia gazeta*, 28 March, 2005.

²⁶ See: S. Kamenev, "Iushchenko prishlos' postupit'sia printsipami," *Nezavisimaia gazeta*, 28 March, 2005.

²⁷ See: V. Mikhaylov, G. Smol'nikov, "Gazovye reki, neftianye berega," *Nezavisimaia gazeta*, 19 March, 1997, p. 3.

²⁸ See: A. Vladimirov, "Stavka na inostrannykh investorov," *Nezavisimaia gazeta*, 17 February, 1999, p. 4.

²⁹ See: A.A. Arbatov, I.Sh. Amirov, "Rossia v mirovoy sisteme neftegazoobespechenia," *Mineral'nye resursy Rossii. Ekonomika i upravlenie* (Moscow), No. 2, 1993, p. 19.

³⁰ See: A. Gromyko, "Novaia 'velikaia igra'," *Nezavisimaia gazeta*, 20 August, 1998, p. 8.

³¹ See: Iu. Fedorov, *Kaspiyskaia neft' i mezhdunarodnaia bezopasnost'*, Issue 1, Federatsia mira i soglasia, Moscow, 1996, p. 17.

³² See: *International Energy Outlook 2003*, International Energy Agency, Paris, 2003.

³³ See: M. Gafarly, "Neft' Kaspiia—problema i politiki i ekonomiki," *Sodruzhestvo NG*, No. 4, 1998, p. 1.

Table 3

Hydrocarbons of the Major Central Asian and South Caucasian Oil and Gas Producers³⁴

	Kazakhstan	Uzbeki- stan	Turkmeni- stan	Azerbai- jan
Oil production	65m t	7.6m t*	1m t**	23.8m t
Gas production	18.5 Bcm*	55.8 Bcm*	54.6 Bcm*	5.7 Bcm
Oil export	44.5m t**	—	—	—
Gas export	4.1 Bcm (import — 4.1 Bcm)*	6.5 Bcm	38.6 Bcm	—
Proven oil reserves	3.38 bn t*	70m t	36.9m t***	80m t***
Proven gas reserves	3 Tcm*	1.86 Tcm	2.9 Tcm***	62 Tcm
*2004. **2003.				

36 million tons; and in 2002, about 42 million tons.³⁵ According to the presidential administration of Kazakhstan, in 2003, the country produced 51.3 million tons of oil and gas condensate; and in 2004, 59.2 million tons.³⁶ Azerbaijan also increased oil production from 14 to 24 million tons.

The above suggests that the commotion caused by the Caspian and Central Asian hydrocarbon reserves was prompted by political rather than economically substantiated reasons.

The conflict between the individual and society is the main domestic contradiction in countries that started moving from the “patrimonial” to an “organic” social order (all the Central Asian and South Caucasian countries belong to this group). Social conflicts have already betrayed themselves and will continue unfolding in the form of social clashes between clans, regional groups, ethnic and religious communities.

The local elite mostly relies on the patriarchal-clan system. The region is living amid permanent struggle between the old and the new elite for the redistribution of political influence and economic control, carried out within traditional forms. Armenia is the only country where the new and old elite did not succeed each other; this was somehow softened by the war already going on by the time the republic became independent. The Central Asian elite has a very peculiar shape of pyramid, its share in the total population being greater than in the European Soviet successor states. It is fairly homogeneous, therefore changes at the top will inevitably go down to the grass-roots level. Clan interests in Central Asia are all-important—any attempt at ignoring them lead to national calamities like the civil war in Tajikistan.

³⁴ The CIA site [<http://www.cia.gov/cia/publications/factbook/geos/kz.html>; <http://www.cia.gov/cia/publications/factbook/geos/tx.html>; <http://www.cia.gov/cia/publications/factbook/geos/uz.html>; <http://www.cia.gov/cia/publications/factbook/geos/aj.html>].

³⁵ [<http://www.mineral.ru/Chapters/News/7387.html>].

³⁶ [<http://www.my.perm.ru/news/view/?id=13562>].

Today, the Central Asian and South Caucasian republics have not yet achieved internal stability. The democratic institutions of power remain undeveloped; the regimes are authoritarian to one extent or another; some of them smack of totalitarianism. Popular involvement in political life is illusory: although theoretically involved in the political process in the context of pseudo-democratic rhetoric and certain democratic institutions, the people are not actually in a position to affect it. The legislatures cannot control and coordinate national politics; in some countries this is the president's privilege. Nearly everywhere election results are shamelessly falsified.

For a long time Kyrgyzstan remained the only Central Asian country that tried to move toward a civil society, market relations, and an absence of national discrimination, at least at the official level. By the mid-1990s, however, the country was displaying sad signs of a deepening crisis between the more modern north and more traditional south. Kyrgyzstan began a reverse movement away from the democratization processes. So far the 2005 revolution has not brought changes for the better. Today, Kazakhstan leads the democratization process in Central Asia.

The South Caucasian republics are likewise far from true democracy. There is a widely shared opinion in the West that post-Shevardnadze Georgia is a democratic state—the conviction is rooted in the false idea that a pro-Western and anti-Russian course means democracy. In actual fact, Georgia has not fortified its democratic institutions and values; what is more, it is moving toward a regime of personal power.³⁷

It should be said that socioeconomic backwardness and genuine democracy are unlikely bedfellows. The post-Soviet nations paid dearly in social terms for the market economy and badly needed technological and structural modernization. This is probably one of the reasons why liberal values and an effective economic system were not fully accepted. The democratization process will inevitably slow down in any country with a huge number of poor people and a pitifully small middle class. In other words, democracy and economic prosperity are, in fact, synonyms. In Europe, the cradle of democracy, it developed along with social and economic progress. However, even in the context of fairly sustainable and gradual process, regress led to authoritarianism, dictatorship, and even totalitarianism.

While in Central Asia, the conflicts between states became latent (largely thanks to the local leaders' willingness to consolidate regionalism and their membership in organizations going beyond sub-regional boundaries—the SCO and EurAsEC), the Southern Caucasus is torn apart by all kinds of conflicts: domestic, external, mixed, ethnic, religious, clan, regional, territorial, etc.

All three South Caucasian republics are obviously fed up with wars, but not with conflicts, which means that the public and political forces are unwilling to carry on "hot wars," but are not seeking compromises with the opposite side. While expecting concessions from the opposite side, they will not put pressure on their own government to bring a settlement closer. It seems that this is especially dangerous for Georgia, the leaders of which, euphoric over the West's obvious and all-round support and driven by the nation's vicious disappointment in the Rose Revolution's results, might resort to the use of force once more to settle the ethnic conflicts. This will push the South Caucasian societies back.

Russia's policies toward the southern CIS members have already passed through three major stages: its complete refusal to maintain contacts with the region, which prevailed in the early 1990s, was replaced with the absence of a clear strategy, random responses to local developments rather than forecasting them, and voluntarism. On the whole, Russia's policy toward the Central Asian and South Caucasian countries in the last decade of the 20th century can be described as a complete failure. The Russian Federation had no clear and balanced conception of its relations with the former Soviet re-

³⁷ See: Ch.A. Kupchan, "Is Georgia Reverting to Tyranny? Wilted Rose," *The New Republic Online*, 30 January, 2006 [<http://ssl.tnr.com/p/docsub.mhtml?i=20060206&s=kupchan020606>].

publics. It was generally believed that they should either be forced back, that they were nothing more than a “civilizational burden,” or that they should be left to their own devices for some time until they realized there was no alternative to a new alliance with Russia. In this way Russia itself created unfriendly neighbors in the south.

The situation began to gradually improve when Vladimir Putin came to power: Russia noticeably stepped up its diplomatic activity in the south. It started acting more pragmatically—a wise choice for a still weak country. Regional cooperation, especially with Central Asia, became much more active in all spheres. The Collective Security Treaty Organization and the Antiterrorist Center in Bishkek were set up. In 2000, the Eurasian Economic Community appeared, which formulated the task of creating a free market among the member states by 2010. In 2000, the Russian leaders began changing their attitude toward the problem of compatriots. The training programs for teachers from Central Asia in Russia and textbook supplies were fulfilled. The volume of financial support for Russian speakers was increased, even if it remained inadequate.

I regret to say that the Russian leaders still lack a clear idea about the future of the post-Soviet expanse as a whole and Central Asia and the Southern Caucasus in particular. When working on its strategy in the south, Russia should be clearly aware that, first, the Soviet Union cannot be restored for economic, political, ideological, and other reasons; and second, that the dynamics of the political and economic processes in the region differs from country to country, which creates differences among the CIS countries and calls for an individual approach to each of them.

It seems that closer integration with Kazakhstan (and Kyrgyzstan connected with it) is in Russia’s national interests in Central Asia. Only these two countries have a chance of preserving their Russian diasporas. The economic reforms accomplished in the three countries have brought them closer together: both Kazakhstan and Kyrgyzstan have close economic ties with Russia while the religious situation in them is much better than elsewhere. In the absence of clear ideologies and with the presence of “model” conflict regions (of which the Ferghana Valley is one) and sharp increase in the number of young people deprived of access to education, Islamization is almost inevitable in Uzbekistan, Tajikistan, and Turkmenistan, where the radical elements will consolidate their positions, while most of the local people will grow poorer.

It is in the interests of Kazakhstan and Kyrgyzstan to integrate with Russia: this will weaken separatist sentiments and alleviate China’s pressure. Kazakhstan will find it easier to develop its huge economic potential in close cooperation with Russia. Russia’s all-round integration with these republics will not prevent it from cooperating with other countries in individual sectors.

To contain Islamic radicalism, Russia should go on developing close cooperation with the Central Asian countries, particularly with Uzbekistan as the most resolute and able ally in this sphere. On the international level, it would be advisable to cooperate with China, India, and probably the United States. The latter has certain tools for putting pressure on Pakistan and Saudi Arabia, two patron states of Muslim extremists. Russia should develop its economic cooperation with the Central Asian states, in particular with Turkmenistan and Uzbekistan, in producing, transporting, and marketing hydrocarbon fuels.

Today, certain countries are demonstrating their intention to oust Russia from the Central Asian economic expanse. At the same time, any attempts to interfere in the CIS countries’ economic cooperation with third countries by applying political levers of pressure are counterproductive; they will do nothing but create cooler relations with the region and the Far Abroad. Talks are advisable; it is wise to achieve a consensus (especially with Western companies) and become involved in economic activities there through equipment deliveries, supplying skilled workers, etc. At the same time, Russia should not remain passive when its rights are threatened by the deteriorating ecological situation in the neighboring territories, encroachments on its property, etc.

Today, drug trafficking threatens Russia's national security. Since the 1990s, drug abuse has become Russia's number one and most painful problem. In the mid-1990s, Russia was mainly a transit country—by the end of the decade it became a drug consumer. The bulk arrives in Russia from Afghanistan and Pakistan via Central Asia. It is obviously impossible to reliably control the flow and to stem it in the future without stronger regulatory functions by the state at the national level and its greater role in combating crime. At the level of interstate relations, effective cooperation is needed to control and discontinue criminal economic activities. It should be taken into account, however, that this problem cannot be resolved through political, legal, and information measures alone. The social and economic situation in Central Asia must be improved. Russia has only three alternatives at its disposal to at least contain the drug flow: it should properly equip the border with Kazakhstan (which is expensive and will cause displeasure in its neighbor and its Russian diaspora); establish effective border control on the Afghan border in cooperation with local border guards and customs officers (which can hardly be achieved), or properly equip the southern borders of Kazakhstan and, probably, Kyrgyzstan.

We must admit that Russia's prospects in the Southern Caucasus look bleak. Economically, the sub-region presents little interest for the Russian Federation: the economic importance of Armenia and Georgia for Russia is minimal; Azerbaijan's importance is relative and is limited to cooperation in hydrocarbon production and transportation. It is very hard to devise mutually advantageous Russian-Armenian projects while constant concessions to Armenia and the resultant cooler relations with or even alienation from Azerbaijan have generated economic losses (in the mid-1990s Russia was deprived of Azeri-produced cheap oil processing and oil production equipment). Russia's "disinterested" help to Georgia costs it even more, since the RF receives no dividends from its sponsorship.

The strategic importance of the Southern Caucasus is overestimated: NATO, which has bases along the Black Sea coast, particularly in Turkey, hardly needs them in Poti or Batumi. The West will have to cope with many difficult problems, particularly in infrastructure. Iran is sure to respond resolutely and harshly to its attempts to move toward the Caspian shore, which will probably be aimed against it.

There are no Russian speakers in the region. Millions of members of the titular nations have also moved to Russia. Georgia can be considered lost for Russia. Since the end of the 1980s, the Georgians' mentality and political behavior have changed: people have adjusted themselves to the changing social and political conditions, and new patterns and norms. To survive among their Muslim neighbors and unwilling to work hard (for all that, the nation's creative potential in the sphere of culture is fairly high), for many centuries the Georgians had to seek the protection of patron countries. Since Russia can no longer be Georgia's patron (like the Russian Empire and the Soviet Union were before it), the Georgians became completely disenchanted with the Russian Federation, they refuse to see anything positive in Georgia's history as part of Russia, and are busy looking for Russia's "invisible hand" everywhere. Both the elite and the public pin their hopes on the West (the U.S. and Europe).

Armenia is Russia's objective partner; even those political leaders who look at Russia without much sympathy speak about partnership with it at the official level. There are, however, serious limitations on wider military-political contacts: the Russian troops stationed in Armenia might find themselves isolated. Indeed, continued stationing of Russian troops in Armenia in the absence of Russian bases in Azerbaijan today and in Georgia in the future will separate them from Russia; they might find themselves trapped.

Russia should restore its essentially severed cultural ties with Central Asia and the Southern Caucasus for the sake of the Russian diasporas there and the fairly large numbers of local people oriented toward Russian culture (some of them were educated in Russia, others have relatives living there,

while still others were educated in the spirit of Russian culture). This is especially important in the case of Central Asia where they are the most consistent opponents of Islamic radicalism and well aware that there will be no place for them in their own country if the regimes turn Islamic. Foreign policy activity should take into account the rights of Russian speakers, which means that the principles applied to the Baltic states should be extended to Central Asia.

TURKEY'S NEW GEOPOLITICAL NARRATIVE

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

Turkish studies have long been dominated by geopolitical analyses. Regardless of the subject under investigation, Turkey's geopolitical value is taken into consideration as an important methodological concern. Further, it is believed that this geopolitical difference is immune from any major changes. This paper suggests that the traditional geopolitical narrative in Turkey which depends on a classical organic approach can no longer be defended on factual evidences. As an

organic approach, the old narrative of Turkish geopolitics depends on an *aprioristic* logic which is believed to exist between location and state. Therefore, many assumptions of the old narrative, such as Turkey is located between *x* and *y*, stand as simple hypothetical argumentations. This paper attempts to criticize the old, geopolitical narrative on several theoretical levels. In this vein, Turkey's policy of pipelines is studied as a case study in order to analyze the new geopolitical narrative.

Theorizing Geopolitics

Geopolitics analyzes politics with reference to geography. Geopolitics indicates the causal relationships between political power and geographical space.¹ Nevertheless, it is not very clear how this complex relationship between geography and politics is formed. Like other disciplines, different approaches identify the link between geography and politics in different ways because geopolitical stud-

¹ See: O. Osterud, "The Uses and Abuses of Geopolitics," *Journal of Peace Research*, Vol. 25, No. 2, June 1988, p. 192.

ies have evolved in time. In order to analyze the nature of the link between geography and politics and the evolution of geopolitical method, a short comparison between organic and critical views is required. Also, the findings of this comparison would theoretically be practical in explaining the rise of a new, Turkish, geopolitical narrative.

In the past geopolitical scholars such as Nicholas Spykman, Halford Mackinder and Alfred Mahan were the champions of the organic state view. This view asserts that state is studied as an anthropomorphic organism which grows and survives like a human being.² Their approach depended on certain predetermined principles which were believed to change gradually. How Nicholas Spykman defined the correlation between geography and foreign policy is, for example, apt to summarize the message of this early tradition: "Geography is the most fundamental factor in foreign policy because it is the most permanent."³ Similarly, Mackinder advocated the organic view. He developed the concept of the "pivot area" which was the northern and interior parts of the Eurasian continent where the rivers flow to the Arctic or to salt seas and lakes. He believed that this area would be pivotal as it would be easy to defend and hard to conquer.⁴ However, these scholars did not witness the unprecedented developments of later generations. Thus, geographical facts were perceived as unchangeable or fixed determinants for them. Because of their anthropomorphic paradigm, the works of these scholars tacitly argue that there is a hierarchy among world lands in terms of strategic importance. The spatial distribution of strategic opportunities in the world was unequal for them.

The organic view was later strongly criticized by recent scholars. The critical school argued that the basic mind-set of the organic school was invalid. In view of that, organic narratives are not based on the groundwork of natural social, cultural, or spatial differences but are woven from the networks of language. In other words, geopolitics is not a fixed phenomenon but varies historically with governmentalized geographical discourse. Geopolitics is a form of political discourse rather than simply a descriptive term.⁵ Thus, the concept of geopolitics needs to be conceptualized anew as the twenty first century approaches. Based on this need, critical geopolitics is presented as follows: "Critical geopolitics has emerged from the work of a number of scholars in the fields of geography and international relations who, over the last decade, have sought to investigate *geopolitics as a cultural and political practice, rather than as a manifest reality of world politics*" (italics mine.—G.B.).⁶

Essentially, the critical school rejects the organic view for its dependence on pure metaphysical argument.⁷ Critical geography analyzes the case from a relativist perspective in suggesting that cultural and political practices affect the idea of geopolitical value. Thus, a search for a "manifest reality" is illogical. First, certain innovations in different fields such as military, communication and transport certainly affect the relative strategic importance of geographical areas.⁸ Secondly, no rigid geographic determination is applicable in geopolitics.⁹ Because different political models have emerged in the same geographical location, geopolitics cannot be taken as a fixed set of facts. Thirdly, one should

² For a good summary of the organic view see: Ch.B. Hagan, "Geopolitics," *The Journal of Politics*, Vol. 4, No. 4, November 1942.

³ N.J. Spykman, *The Geography of the Peace*, Harcourt, Brace, New York, 1944, p. 41.

⁴ See: H.J. Mackinder, *Democratic Ideals and Reality*, Henry Holt and Company, New York, 1919, pp. 12-28.

⁵ See: G. Ó Tuathail and J. Agnew, "Geopolitics and Discourse: Practical Geopolitical Reasoning in American Foreign Policy," *Political Geography*, Vol. 11, No. 2, March 1992, pp. 190-204.

⁶ See: G. Ó Tuathail and S. Dalby, "Rethinking Geopolitics," in: *Rethinking Geopolitics*, ed. by G. Ó Tuathail and S. Dalby, Routledge, London and New York, 1998, p. 2.

⁷ See: L. Alexander, "The New Geopolitics: A Critique," *The Journal of Conflict Resolution*, Vol. 5, No. 4, December 1961, p. 409.

⁸ See: O. Osterud, *op. cit.*, p. 191.

⁹ See: W. J. Cahnman, "Concepts of Geopolitics," *American Sociological Review*, Vol. 8, No. 1, February 1943, p. 56.

differentiate geopolitics from geographical imagination. The critical school asserts that the organic approach ignores this difference. Geographical imagination is a value-based perception of the world. It is like a declaration of a national idea to inculcate citizens. Such organic views are linguistic games which are far from practical evidences. Political imaginations may be important for national unity or propaganda, but in terms of *realpolitik*, they are of no value. Consequently, no geographical set of definitions based on unique conditions or special locations can be respected because such claims can similarly be presented for any piece of land. Each country is in fact under the influence of its special conditions. In sum, geopolitical imaginations are pure tautological sentences, which derive their value again from themselves. On the other hand, an all-compassing geopolitical conceptualization is not possible. Geopolitical meaning is issue-oriented. Thus, it can be defended on the factual basis of an issue such as technology or economy. Independent of such issue-oriented basis, an overall evaluation is also metaphysical.

Turkey's Organic Geopolitical Narrative

Turkey's classical narrative of geopolitics aptly fits to the organic framework. Turkey has always been presented as a country that has a unique geopolitical importance merely for its location: Turkey is located between East and West,¹⁰ Turkey is part of many different cultural zones and is considered a Balkan state, Turkey is a Middle Eastern state, Turkey is a Caucasian state, Turkey is Asian, and Turkey is a European or Mesopotamian state. One may extend the list even further by suggesting that Turkey is located between Islamic and Christian worlds and that it is located between democratic and non-democratic regimes or that Turkey is located in the midst of three historical conflict-producing zones i.e., the Balkans, the Middle East, and the Caucasus¹¹ and is located between secular and non-secular cultures.

The common point of these views is very apparent: Regardless of its capability or incapability in various fields, Turkey is depicted strategically as one of the most important states in world politics. The organic view, however, does not present any rational or factual verification. Instead, as a typical reflection of organic logic, several aprioristic theses are used. However, similar theses can be proposed for any other state. Surprisingly, this approach is also adopted by various international actors without any further critical considerations. Recall, for example, Igor Torbakov: "Turkey's location right in the middle of the Southern Caucasus/Northern Mesopotamia region makes it a key player in several overlapping regions: Western Europe, the Balkans, the Aegean and Eastern Mediterranean, the Middle East, the oil and gas deposits in the Caspian Sea and northern Iraq."¹²

Meanwhile, this orthodox narrative has become part of official language. For example, when one analyzes how the Defense Ministry defines Turkey's geopolitical importance, similar points are easily seen.¹³ Here, the ministry again refers to very typical points such as Turkey's strategic location

¹⁰ According to the Turkish Defense Ministry, "Turkey has successfully practiced the duty of being a *bridge* between East and West on different perspectives." Available at [<http://www.msb.gov.tr/Birimler/GnPPD/GnPPDBeyazKBol1Kis2.htm>].

¹¹ For example, according to Emre Kongar, a Turkish sociologist, Turkey is indispensable (*vazgeçilmez*), since it is in the midst of four crisis regions (the Balkans, the Caucasus, the Middle East and the Gulf) (see: E. Kongar, "Türkiye'nin Önemi" [http://www.kongar.org/makaleler/mak_tuo.php]).

¹² I. Torbakov, "The Turkish Factor in the Geopolitics of the Post-Soviet Space." Available at [<http://www.fpri.org/enotes/20030110.balkansturkey.torbakov.turkeypostsovietspace.html>].

¹³ See the Turkish Defense Ministry Homepage on the website [<http://www.msb.gov.tr/Birimler/GnPPD/GnPPDBeyazKBol1Kis2.htm>].

between very important centers such as the Caspian Sea and the Middle East. Very similarly, an official document, by the Foreign Affairs Ministry follows the organic view: “In the post-Cold War period, Turkey found herself at the center of a large landscape, Eurasia, stretching from Europe to Central Asia. This area is *destined to gain* increasing geopolitical significance in the new millennium” (italics mine.—*G.B.*).¹⁴

In the text, a part of the globe is depicted as being “destined to gain increasing geopolitical significance.” The organic reasoning is very apparent. This approach is built on a very rigid deterministic logic between geography and politics which accepts a kind of hierarchy among world territories. But as a typical reflection of the organic view, this is nothing but a tautological statement because what makes Turkey a “destined” place in order “to gain increasingly geopolitical significance” is not answered.

Equally important is the various consequences of organic geopolitics. The organic narrative is predominantly security oriented which creates a defensive approach. When some parts of the globe are taken as naturally important, such geopolitics does expect foreign actors to claim this geopolitical value. Consequently, organic narrative enhances sovereignty-mania. This theoretical explanation aptly fits with the Turkish case. The nationalist discourse has always argued that foreign actors envy Turkey’s precious lands for its geopolitical uniqueness.¹⁵ For example, Russia has long been blamed for having the ultimate aim of reaching lower seas through invading the Turkish straits. Interestingly, this debate, i.e. blaming other states for having secret agendas against Turkey, has become part of different official texts. Similarly, when geopolitical definitions are purely made through geographical imaginations, this approach naturally hinders the rise of new liberal and functionalist horizons. Instead, a simple and static perspective based on geopolitical causality may dominate the actor’s behaviors at a foreign or domestic level. Thus, a stagnant foreign policy behavior is expected to emerge because an organic narrative freezes the related actors’ foreign policy behaviors.

The organic geopolitical narrative has dominated Turkish elites for decades. Concurrently, this land-centric organic view has prevented the rise of pragmatic, functionalistic and flexible political behaviors. The metaphysical belief that accepts Turkey with a special location on the world map has been the major point of departure. On the other hand, the lack of economic or technological competence may also be accepted as another reason in explaining the hegemony of the organic geopolitical narrative. As a country that had long been relatively underdeveloped, it might have been pragmatic for Turkey to recognize the organic view at least in the domestic realm. Lacking comparative advantages in industrial and economic fields, Turkey tried to counterbalance its position through marketing cultural and geopolitical narratives.

Energy Politics

Developments in the Eurasian region can be seen as the major reason for discursive change in Turkish geopolitical narrative. In this vein, the issue of pipelines deserves distinctive attention as it has emerged as a new factor in determining the new geopolitics. Turkey has relatively been successful in realizing certain concrete projects of pipelines. But more important is Turkey’s integration with different economies and markets through energy politics. This process by changing the classical perceptions of land and neighborhood has created a new approach in foreign policy, which has also chal-

¹⁴ “Synopsis of the Turkish Foreign Policy.” Available at [<http://www.mfa.gov.tr/MFA/ForeignPolicy/Synopsis/>].

¹⁵ For example, a title of a homework written by a Turkish student is “Türkiye’nin Jeopolitik Önemi ve Yabancı Ülkelerin Ülkemiz Üzerindeki Emelleri ” (The Geopolitical Importance of Turkey and the Agendas of Foreign States on Our Country). Available at [http://odev.gençbilim.com/odev_tez/odev_tez.php?id=20815].

lenged the traditional organic geopolitical view. Instead of former all-encompassing organic assumptions, Turkey has gained issue-oriented geopolitical assets, such as the construction of certain pipelines through Turkish territories or energy based agreements with different states. Equally, the rise of mutual dependence through several pipeline projects has given way to a kind of paradigmatic shift in Turkish foreign policy. Thanks to this materialistic ground, a new narrative is produced based on objective and material realities. Also the former sovereignty-prone paradigm which perceived the land as precious to protect from others was almost replaced by a new collaborative paradigm which appreciates the role of foreign actors. However, several facts should be considered, which would aid in understanding the political setting in which energy-based concerns and priorities materialize.

1. To begin with, Turkey's increasing energy demand is a major issue. Its expanding economy has necessitated new energy resources. In order to prevent dependency on one state, Turkey seeks to diversify its resources, which, in return, forces Ankara to be in alliance with several energy-producing countries. Therefore, Turkey's acute energy needs and growing appetite for natural gas should first be underlined in analyzing the role of pipelines. Projections for 2010 cite domestic demand at 55.2 billion cubic meters and at 82.7 billion cubic meters by 2020. Such an acute need for energy necessitates certain patterns in foreign policy, such as pragmatism, flexibility, and overcoming normative concerns. However, Turkey needs different resources and markets which would require a flexible foreign policy, allowing it to cooperate with different states.
2. Another very important subject is the European energy market. A massive energy regime is growing close to Turkey. It is extremely practical to be connected with this energy regime. In addition, this may enable Turkey to achieve new leverage in EU politics. It is well-known that matters such as democratization, human rights, and the Cyprus issue have dominated the Turkish-EU relations. Energy-related issues are important opportunities for Turkey to enhance its leverage in the European context. Briefly, the European energy system depends on three important principles: security of supply, competitiveness of the energy industry, and protection of the environment. Once this complex European energy system is considered, it will be clear that many legal and technical reforms are needed.

The energy dependence of the EU on energy imports will increase steadily in the period from 2010 to 2020. The Union's dependency is growing daily.¹⁶ The EU as a whole does not have the resources needed to cover its domestic demand for energy. As a result, Europe is forced to import fossil energies from outside the Union. Given these conditions, the EU has defined four political targets: managing demand, diversifying European sources, a streamlined internal energy market, and controlling external supply.¹⁷ In this vein, under the rubric of controlling external supply, the Union confirms that the EU must enter into strategic partnerships with major potential suppliers.¹⁸ In May 2003, the Union declared its support for modernizing energy supply systems through large-scale infrastructure projects. Due to its dependency on external energy resources, the EU imports 36 percent of its total gas consumption. It is, therefore, necessary to discover other resources. In this vein, the Union has made contacts with many states in the Gulf region and in Africa. The EU is also in contact with many other states in regions such as Russia/Northern Europe/Baltic area and Algeria/North Africa. In

¹⁶ See: *The Green Paper towards a European Strategy for the Security of Energy Supply*, European Commission (Com (2000) 769 Final), Accepted on 29 November, 2000. Available at [http://europa.eu.int/comm/energy_transport/en/lpi_en.html], p. 1.

¹⁷ See: *The Green Paper*, p. 4.

¹⁸ Ibidem.

sum, the rise of energy consumption in European countries now requires new routes. Likewise, the Barcelona Declaration, within the context of the Euro-Mediterranean Partnership, has paid attention to energy-based cooperation. The Barcelona Declaration, adopted at the Euro-Mediterranean Conference on 27-28 October, 1995, points out a special section on energy: “[The states] acknowledge the pivotal role of the energy sector in the economic Euro/Mediterranean partnership and decide to strengthen cooperation and intensify dialogue in the field of energy policies. They also decide to create the appropriate framework conditions for investments and the activities of energy companies, cooperating in creating the conditions enabling such companies to extend energy networks and promote link-ups.”¹⁹

The EU has tried to enhance its energy-based cooperation with peripheral states in other meetings. For example, an important conference was held in Tunisia in 1995 with a follow-up meeting in Athens and an Energy Conference in Madrid on November 20, 1995. Through such meetings, the Union basically has been trying to foster the association of Mediterranean countries with the Treaty on the European Energy Charter. The charter aims to create an international regime on energy by promoting east-west cooperation through legal frameworks in areas such as investment, transit, and trade.²⁰ Given the intense need for energy resources and the potential conflicts between consuming and producing states, the Union has attempted to create an international regime in which there would be certain norms and principles. Thus, the aim of the treaty is to establish a legal framework in order to promote long-term cooperation in the energy field in accordance with the principles of the European Energy charter. Therefore, the charter includes several important normative rules, such as “the Contracting Parties must encourage and create stable, favorable and transparent conditions for foreign investors” or “trade in energy materials and products between Contracting Parties is governed by GATT rules.”²¹ More precisely, the charter adds emphasis on several issues such as transportation, competition, transparency, and sovereignty.

To conclude, the European energy system is a nascent regime whereby certain principles and norms are sought to be formed. Rather than becoming tangled in the bilateral quarrels among different states, the EU prefers a regime-based solution. Thus, the Union has from the very beginning tried to impose a functional energy regime based on certain principles in order to guarantee safe and stable energy transactions. Though a complex situation, Turkey also stands as an alternative. The Turkish option is defined by Priority Axes (see Map 1) as decided in the TEN-E Guidelines: “The EU will need to be connected to the Turkish network by 2010 to receive gas from the Caspian Sea region and/or the Middle East. As Turkish corridor is expected to become a major transit route in the following decade, the possible construction of two Balkan routes, to Austria via Southeast Europe, and the pipeline connection from Turkey to Greece and Italy are foreseen.”²²

The issue of connecting the European and the Turkish energy systems is critical. This is perceived as an essential step by the EU in order to be connected with the energy resource in the Caspian Sea region and the Middle East. Another very important program from Turkey’s perspective is the European pipeline system project (INOGATE). The INOGATE (Interstate Oil and Gas Transport to Europe) Program is an international cooperation program aimed at promoting the regional integration of the pipeline systems and facilitating the transportation of oil and gas both within the greater New Independent States region and toward the export markets of Europe. The program is also intended to draw private investors and international financial institutions to these pipeline projects.²³ The INOGATE project enhances the security of supply of both the EU and the INOGATE participat-

¹⁹ [http://europa.eu.int/comm/external_relations/euromed/bd.htm].

²⁰ [<http://europa.eu.int/scadplus/leg/en/lvb/l27028.htm>].

²¹ The European Energy Charter. Available at [<http://europa.eu.int/scadplus/leg/en/lvb/l27028.htm>].

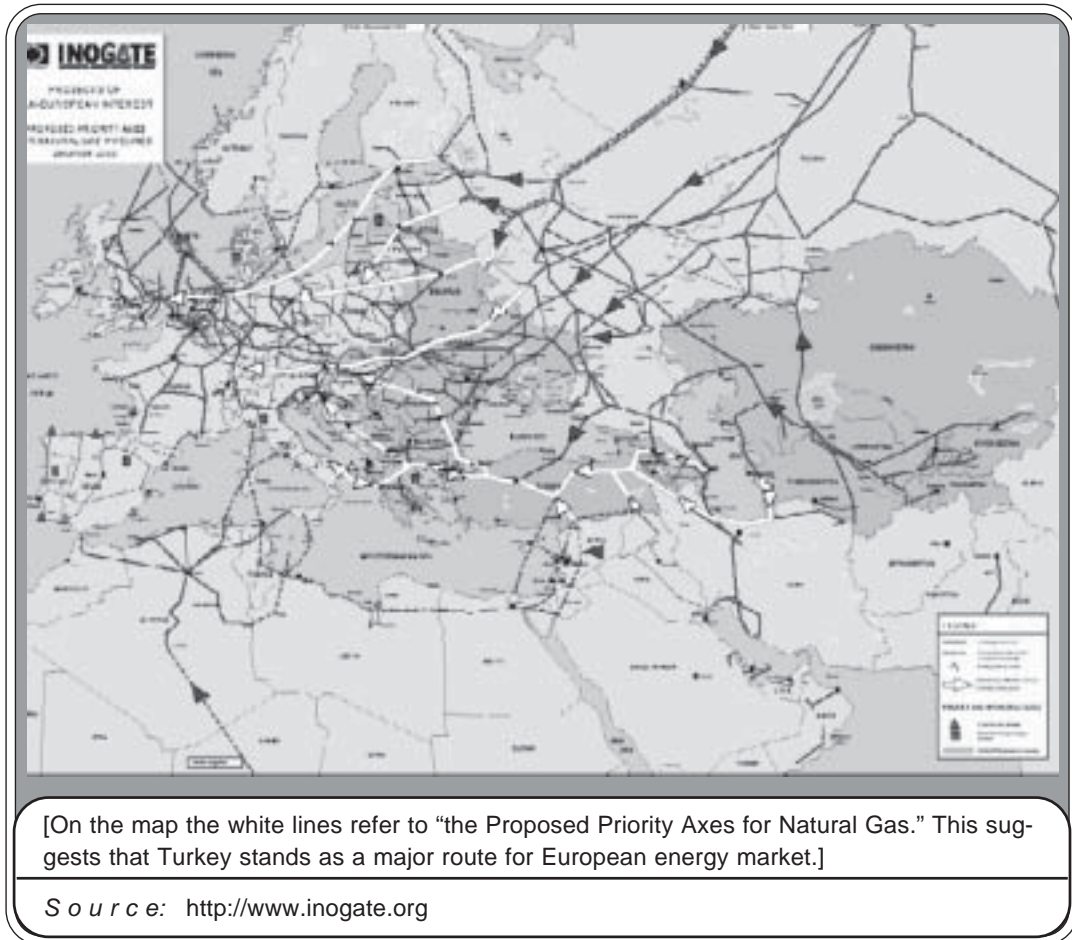
²² [http://www.europa.eu.int/comm/ten/energy/legislation/guidelines_en.htm].

²³ [<http://www.inogate.org/html/brief/brief2.htm>].

ing countries by mainly enhancing the safety and security of the existing network. Turkey officially joined the INOGATE Program on 30 March, 2000.

Map 1

The Proposed Priority Axes for Natural Gas Pipelines of Europe according to INOGATE



As stated above, the European energy market clearly requires the fulfillment of certain prerequisites. The European energy system is not only focused on bilateral economic relations, but also on a complex systemic structure based on norms, principles, and regulations. Thus, countries are normally expected to harmonize their legal structure with the European legal system. An ultimate consequence of this progress for Turkey is to harmonize its national systems according to the European regime. To realize this prerequisite, Turkey so far has fulfilled many requirements. For instance, on 18 May, 2001, a new law on natural gas was put into action.²⁴ This new regulation mostly aims to privatize the gas market on the basis of transparency in Turkey. Another prerequisite is the construction of a pipeline system, another essential step which could assist

²⁴ [<http://www.pmo.org.tr/kanun/dogalgazkanun/1-1.htm>].

Turkey's integration into the European energy system. The construction of various international pipelines necessitates a new legal framework in which there would be fewer legal, economic, and political restrictions.

3. In understanding the political conditions under which energy based concerns emerge, another important issue is the competition over energy resources. The parties involved have quickly found themselves in hard competition over energy resources. Therefore, many energy projects have come to the fore as an alternatives. The competition between the states is extended to the competition of the states' projects. Larger parties such as the United States, the EU, and Russia and middle regional powers such as Iran and Turkey are all part of this clash. Energy cannot be isolated from politics. For example, a pipeline, which was designated to go from Turkmenistan through Afghanistan to Pakistan and India was cancelled in 1998 because of the rise of the Taliban regime in Kabul. Political concerns have always been of importance when building new pipelines and establishing new trade relations. When all competing parties are considered, one can see that Turkey's policy regarding the energy politics problem is closely related to the post-Soviet rivalry between certain states such as Turkey, Russia, the United States, the EU, and Iran.²⁵ Yet despite the withdrawal of its dominant political presence, Russia continues to play a very significant role in the energy market. From the very beginning, Russia has been against the involvement of external actors in the region such as the United States and has even opposed the construction of several pipeline projects. In the absence of an energy regime in the region, each state perceives energy cooperation from its national perspective. For instance, Russia was initially against the Baku-Ceyhan Pipeline because it wanted to control all Caspian oil flow through Russia.²⁶ Similarly, the so-called "contract of the century" that assigned 6.75 percent of Azeri oil to Turkey was strongly criticized by Russia. The Russian Ministry of Foreign Affairs declared that Russia would not recognize the agreement.²⁷ In a similar case, a note from the Russian Ministry of Foreign Affairs to the British Embassy in Moscow in April 1994 stated that without Russian approval, any oil deals in the Caspian Sea "cannot be recognized."²⁸

The United States similarly wants to dominate energy-related political developments. For example, the United States has been critical of any project in which Iran has a major role.²⁹ From the very beginning, the chief aims of U.S. energy policy have been to tap the region's energy resources in order to diversify world energy suppliers, to provide an opportunity for U.S. trade and investment, and to limit the influence of Central Asia's neighbors—particularly Russia and Iran.³⁰ Thus, the United States supported several projects while attempting to prevent others. For instance, the Baku-Ceyhan project has been supported by the United States.³¹ The United States organized a meeting in 1999 with Turkey, Georgia, Azerbaijan, and Turkmenistan in Istanbul, where a package of legal agreements

²⁵ See: S. Bölükbaşı, "The Controversy over the Caspian Sea Mineral Resources: Conflicting Perceptions, Clashing Interests," *Europe-Asia Studies*, Vol. 50, No. 3, May 1998, p. 397.

²⁶ See: R. Hotelet, "Tangled Web of an Oil Pipeline," *Christian Science Monitor*, Vol. 90, No. 109, 5 January, 1998, p. 23.

²⁷ See: A. Spatharou, "The Political Role of Oil in Azerbaijan, 1989-1994," *Journal of Southern Europe and the Balkans*, Vol. 4, No. 1, 2002, p. 34.

²⁸ St. Blank, "Energy and Security in Transcaucasia," *Problems of Post-Communism*, Vol. 42, No. 4, July/August 1995, p. 13.

²⁹ The U.S. interest dates even back to the early decades of the last century (see: Ph.S. Gillette, "American Capital in the Contest for Soviet Oil, 1920-1923," *Soviet Studies*, Vol. 24, No. 4, April 1973, pp. 477-490).

³⁰ See: N. Lubin, "Pipe Dreams Potential Impacts of Energy Exploitation," *Harvard International Review*, Winter/Spring 2000, p. 68.

³¹ See: A. Begoyan, "United States Policy in the South Caucasus: Securitization of the Baku-Ceyhan Project," *Iran and the Caucasus*, Vol. 8, No. 1, 2004, p. 141.

was signed under American auspices. The objective was twofold: to reduce Russia's political influence in the Caucasus and to further isolate Iran, and to create a quasi energy regime based on American perspectives.³² Such steps were considered hostile by Russia. For example, a Major General of Russian Army in North Caucasian Military District wrote that the U.S.-backed Baku-Ceyhan project is against Russian interests. He asserted: "For the U.S. and its allies, crucial geostrategic importance attaches to the Baku-Tbilisi-Ceyhan oil pipeline project. *First*, as an alternative project it can markedly reduce the significance of Russian pipelines and deprive Russia of the possibility of serving as the only transportation corridor for Caspian oil to the West; and *second*, it will help to squeeze Russia out of Caspian oil projects and then out of the Transcaucasian region in general."³³

The issues summarized so far are all relevant and influence Turkey's standing in energy politics. They have forced Turkey to create a functional and complex energy system in order to realize what is needed so as to maximize its national interest. Undoubtedly, such a complex picture has required a structural change in Ankara's foreign policy. However, within this framework, what is of importance is that from the beginning, Turkey has been willing to play an active role in the competition over energy resources. Despite the early and short-lived romantic approach, Turkey has to a great extent quickly adapted itself to the political realities. The nature of energy politics has played a major role in the adoption of a pragmatist and functionalist standpoint.

In general, Turkey's energy politics can be summarized as follows: Turkey has tried to increase its share in international projects, and it has tried to increase its role in international energy routes. Also, the integration of the Turkish system into neighboring energy systems, such as the European energy system, has been the main goal of Turkish energy politics. With limited economic and political capacity, Turkey has been relatively successful in accomplishing those goals. When Turkey's position in reference to energy politics issues is analyzed, it is clear that Turkish decision-makers are now far more pragmatic and less preoccupied with moralistic concerns. It was mainly new opportunities, such as those in the energy arena that brought about a need for a new foreign policy perception. In fact, the nature of energy politics requires a different framework, as it is a highly market-oriented issue. Thus, economic concerns dominate political concerns. Energy politics is a rational process, because objective facts such as market figures dominate the process; therefore, incalculable facts such as morality and identity are expected to be limited. Furthermore, since a variety of actors and causes are at work, states are in a complex bargaining process. As a result, there has been an increased mutual interdependence among different actors. Because energy resources are limited and states need energy resources, the diversification of resources is a general policy, and states are forced to cooperate with other states. As part of this framework, Turkey has also carried out many reforms in order to harmonize itself with the political, technical, and legal conditions of the energy market. These reforms and activities have developed a new pragmatic standing in foreign policy.

The Turkish Pipeline System

The construction of different energy routes through Turkey has become a fundamental parameter for Ankara's foreign policy. It has also changed the traditional understanding of foreign policy. A functionalist approach emerges as a dominating paradigm in the decision-making process. What follows is a short description of various pipeline projects at different stages. The aim of the following

³² See: A. Rasizade, "The Bush Administration and the Caspian Oil Pipeline," *Contemporary Review*, Vol. 279, July 2001, p. 22.

³³ Yu.Ye. Ivanov, "Russia's National Security Problems in Transcaucasia and the Era of Globalization," *Military Thought*, Vol. 14, No. 1, 2005, p. 52.

list is to present the complex picture of energy politics that has generated structural requirements and changes for Turkey.

Projects to be Realized or those under Construction

1. Azerbaijan-Turkey (Shah Deniz) Project: The aim of the project is to bring Azeri gas through Georgia to Turkey. The Turkish section of the pipeline is 225 km. The gas trade contract between Turkey and Azerbaijan, which envisages a 15-year gas trade between two states, was signed on 12 March, 2001. According to the contract, the gas trade began in 2004 with two billion cubic meters. It is also anticipated in the contract that Turkey will buy 6.6 billion cubic meters from Azerbaijan by 2007.
2. Turkey-Egypt Natural Gas Pipeline Project: This project aims to bring Egyptian natural gas to Turkey. Once finalized, the pipeline is expected to bring four billion cubic meters of Egyptian natural gas to Turkey. The contract was signed on 31 March, 2001 between the Egyptian Eastern Mediterranean Gas Company and BOTAŞ.³⁴ The first political agreement was signed between the energy ministers of Turkey and Egypt on February 2, 2000 in Ankara. This protocol included both gas and oil trade between the two countries. In addition, a press communiqué from the Turkish Energy Ministry stated that Syria could also be included in the project. According to the Ministry, the Turkish-Egypt pipeline was designed to bring Middle Eastern gas to Europe via Turkey. Hence, a pipeline could also be constructed in Syria. According to the communiqué, official meetings were held between Turkish and Syrian officials. In fact, on 30 June, 2003, Syrian and Turkish energy ministers signed an agreement for energy cooperation, especially in terms of gas and oil. A similar agreement was also signed also during the Turkish Minister's visit to Syria on 1 November, 2003.³⁵
3. Turkey-Greece Natural Gas Pipeline Project: This project involves natural gas trade between Turkey and Greece. Originally, the project was also designed within the context of the South Europe Natural Gas System, a related document signed between two sides on 28 March, 2002. Related items were also finalized on 25 March, 2003. This project's significance is that it originated with European states and it is, therefore, especially favored and supported in EU-TEN.³⁶ According to the project, by 2012, the capacity of the energy trade will reach 11 billion cubic meters. Also, it is planned to bring eight billion cubic meters of this gas to Italy. The pipeline is planned as a 209 km to 300 km pipeline on Turkish territory. Concerning the Italian part of the mission, official deals were made between the Greek and Italian governments. That part of the project was also included in the EU-TEN framework. In other words, the Turkish-Greek pipeline may be completed as the Turkish-Greek-Italian pipeline. The construction of the gas pipeline began on 3 July, 2005.
4. Turkmenistan-Turkey-Europe Natural Gas Pipeline Project: The aim of the project is to bring Turkmen gas from the Caspian Sea to Turkey and to Europe. This project was designed in response to both Turkish and European needs and also envisages the transportation of Russian gas via Georgian territory. In the first year, five cubic meters out of 15 billion cubic meters of gas are expected to be transported from Russia. It is important to note that five billion cubic meters of this gas is Russian gas.

³⁴ The official Turkish company responsible for constructing pipelines.

³⁵ See: *T.C. Enerji ve Tabii Kaynaklar Bakanlığı Basın Bülteni*, 21 December, 2004 [www.enerji.tr/belge/suriye.doc].

³⁶ EU-TEN is the acronym for TransEuropean Network for Transport.

5. Russia-Turkey-Israel Natural Gas Pipeline Project: Even though this project was officially suspended, BOTAŞ still includes it on its homepage. According to BOTAŞ this project may be renewed in the future.
6. Turkey-Iraq Natural Gas Pipeline: The aim of this project is to bring Iraqi natural gas to Turkey and to export it to other markets via Turkey. Two countries signed the first official agreement on this project on 26 December, 1996. According to the agreement, the pipeline will bring ten billion cubic meters a year. Several important Western firms, such as Gaz de France, (GDF) are also interested in the project.

The Existing Pipelines

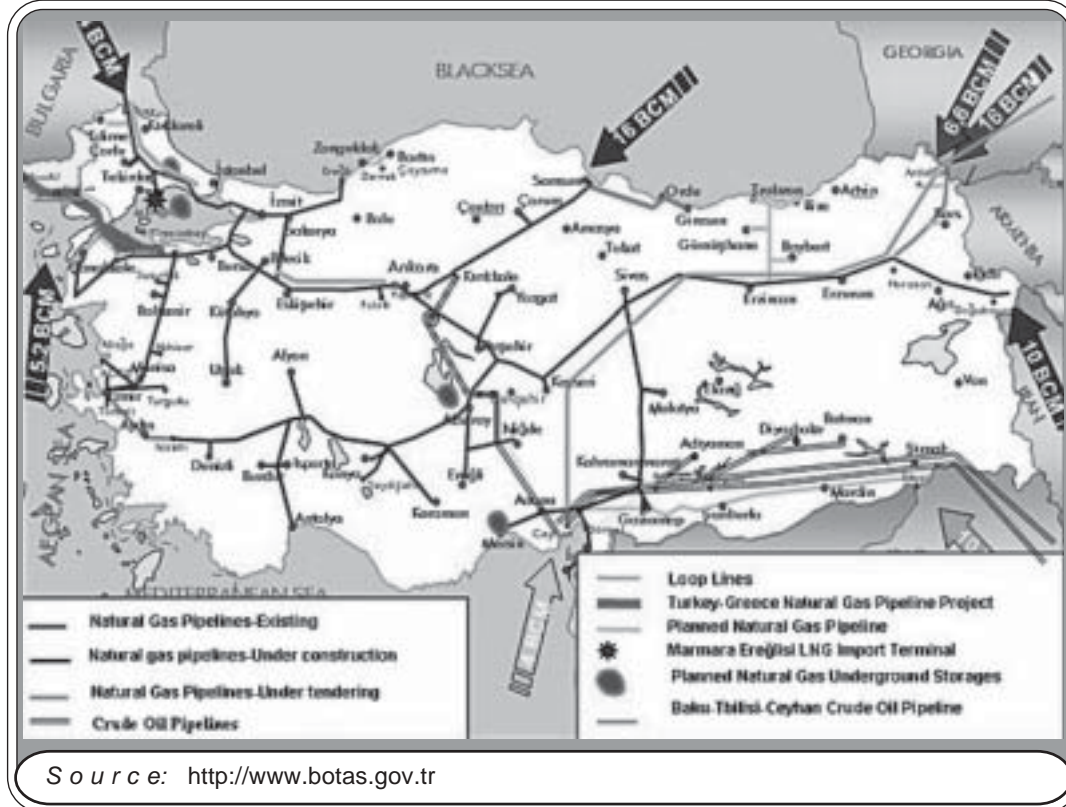
7. Russian Federation-Europe-Turkey Natural Gas Pipeline: This project brings Russian gas to Turkey via the Bulgarian borders. The total length of the Turkish sector is 842 km. After various alternatives, an agreement between Turkey and Soviet Russia was signed on 18 September, 1984. According to the agreement, both sides initiated a natural gas trade. In 1987, the first part of the pipeline was finished and the gas brought from Russia was used to produce electricity in the Turkish Hamitabat plant in Kirklareli. In 1988, the pipeline was extended to Ankara. According to the 1986 agreement, the pipeline was designed for six billion cubic meters of natural gas per year. The agreement was signed for a 25-year period. However, another agreement extended the project for another 25-year period on the basis of 14 billion cubic meters natural gas.
8. Iran-Turkey Natural Gas Pipeline: This project was designed to satisfy Turkish market demands from Iranian resources. The project was initially designed to extend to Europe. An agreement between Turkey and Iran was signed in 1996 for a 22-year gas trade. Since 10 December, 2001, the route has been active.
9. The Blue Stream Pipeline: The Blue Stream pipeline was designed for the transportation of Russian gas to Turkey from the Black Sea to Samsun Port up to Ankara for a duration of 25 years in volumes reaching 16 billion cubic meters.³⁷ Its construction, undertaken by Russia, Turkey, and Italy—involving a joint venture between Russia's gas giant Gazprom and Italy's major energy provider ENI—began in 1997.
10. The Baku-Tbilisi-Ceyhan Oil Pipeline: The Baku-Tbilisi-Ceyhan (BTC) pipeline, 1,750 km long and designed to carry one million barrels of oil per day from the Caucasus to the Mediterranean when it reaches full capacity (scheduled for 2009), has been built by a consortium of Western oil companies led by BP, which also includes the American oil giant Halliburton. Its construction begun in 1998, and on 25 May, 2005, the pipeline was inaugurated at a ceremony at the Sangachal Oil Terminal south of Baku. Even though the BTC project is constructed for oil transportation, its huge volume makes it worth mentioning here. The BTC was mainly proposed to save the West from relying on Middle Eastern oil. Once the pipeline is fully operational—expected to happen in five years—it will be capable of carrying one percent of the world's daily oil requirements.³⁸ Since the pipeline is supposed to reach one million barrels a day, it is believed to have the potential to change the global oil market.³⁹

³⁷ See: G. Bacık, "The Blue Stream Project, Energy Cooperation and Conflicting Interests," *Turkish Studies*, Vol. 2, No. 2, Autumn 2001, pp. 85-93.

³⁸ See: I. Siddiqui, "The Baku-Tbilisi-Ceyhan Pipeline and the Politics of Oil," *Media Monitors Network*, 14 June, 2005 [<http://usa.mediamonitors.net>].

³⁹ See: D. Howden and Ph. Thornton, "The Pipeline That Will Change the World," *The Independent*, 25 May, 2005.

The Turkish Pipeline System



As analyzed in the above-presented cases, the issue of energy cooperation involves many different actors. Energy-based collaboration among a number of states increases mutual interdependence between actors. Turkey has gradually adopted its foreign policy in order to cope with the energy-oriented requirements in the international field. Energy-based cooperation has enhanced Turkey's bilateral relations with many different countries, such as Iran, Greece, and Russia. Even the idea of cooperation with Armenia, though it is still the hardliners who dominate the power corridors, has become a common idea on the basis of energy cooperation.

The Role of the Justice and Development Party

Different political actors have to some degree succeeded at rescuing themselves from ideological inclinations in energy politics. For example, despite the heavy value-loaded discourse, even the Turkish ultra nationalist party (the Nationalist Action Party—*Milliyetçi Hareket Partisi*) did not abort energy cooperation with Russia. However, special attention should be given to the ruling Justice and Development Party (*Adalet ve Kalkınma Partisi*) in analyzing Turkey's pragmatic agenda of energy politics. The Justice and Development Party (JDP) government has followed a new stance especially in foreign policy, which can be defined as new functionalism. Pragmatism and flexibility are keywords in understanding the JDP's position. In contrast to the former normative discourse, the JDP has pre-

ferred a materialistic and functionalist approach. The JDP, for example, has in a relatively short period made unprecedented changes in several traditional problems of Turkish foreign policy, such as the Cyprus issue. In the past, functionalist discourse has been part of previous reformist conservative parties, such as the Motherland Party (*Anavatan Partisi*) of the 1980s and the Democrat Party (*Demokrat Partisi*) of the 1950s. The JDP brand of functionalism can be explained as follows: The JDP perceives several traditional problems of Turkish foreign policy as structural obstacles that isolate Turkey from the international system. The JDP rulers also are well aware that this isolated structure enhances the status of several domestic actors, such as the army and the bureaucracy. Therefore, the JDP pragmatically wants to overcome these problems.

On the other hand, the JDP follows a strict economic liberal ideology in terms of political economy. This policy does, of course, have certain implications such as privatization and foreign investment. The JDP government has implemented an unprecedented privatization program in the past three years. Many important state corporations, such as the National Petroleum Refineries, were sold despite the traditional nationalist opposition which declared such units as strategic in terms of national security. Similarly, the JDP has managed to attract an unprecedented level of foreign investment in Turkey. As expected, the JDP's unprecedented liberal agenda is strongly criticized by nationalist parties. Facing criticism from both the left and right about his party's economic policies, Prime Minister Tayyip Erdoğan stated that one of his duties was to market Turkey. Similarly, when he was criticized about foreign investment, Erdoğan blamed his critics of being "economic racists."⁴⁰ In a popularly debated speech he said, "We invite the Jewish capital, but it is criticized. We also invite the Arab capital, it is also criticized. That means the real problem is possessed by the critics."⁴¹ In a conference on foreign investment organized in Istanbul Erdoğan stated, "I don't care whether it is Jewish, Arab or Western money. I appreciate all."⁴² Meanwhile, Prime Minister Erdoğan meets investors from Israel and different Arab states, and he regularly visits the rich Arab Gulf States. According to Erdoğan, those who still defend a kind of state-centered economic paradigm are behind the times. He also blames the bureaucratic oligarchy for being a great obstacle to reform.⁴³

In sum, the JDP brand of liberalism depends on two pillars: the intellectual pillar and the pragmatic pillar. In reference to the intellectual pillar, the JDP believes that Turkey should harmonize itself to the realities of the liberal world economic system. In this sense, the JDP, despite its religious identity, shares the liberal paradigm. As expected, certain policies of this paradigm, such as privatization, minimizing the role of state, and opening the national market for foreign investment, are implemented in an unprecedented way. Certain liberal policies such as privatization or foreign investment both limit the leverage of non-elected actors in a political system and contribute to long-term stability.

The JDP's functionalist perspective is also influential in energy politics. First, the government has realized many reforms aimed at the liberalization of the energy market. The Turkish energy system has been reorganized to comply with international, and especially European, conditions. Such prerequisites are realized through the liberal agenda of government in the domestic market. The JDP government has realized many liberal reforms. Energy Minister Güler declared that the Turkish energy regime would be organized in parallel with the European energy regime, mainly the European Energy Charter. "We are organizing the energy sector in Turkey according to the free market principles."⁴⁴ Second, the government has not hesitated to cooperate with other states in terms of ener-

⁴⁰ "Sermaye Polemiği," *Milliyet*, 12 October, 2005.

⁴¹ M. Aşık, "Sermaye İrkçiliği," *Milliyet*, 13 October, 2005 (see also: F. Özkan, "Arap Sermayesini İstiyor muyuz?" *Radikal*, 10 November, 2005).

⁴² "Yabancı Sermayeyi Öpüp Başımın Üstüne Koyarım," *Sabah*, 10 November, 2005.

⁴³ See: N. Karataş, "Erdoğan: Türkiye imajını topyekün pazarlıyorum," *Hürriyet*, 10 November, 2005.

⁴⁴ M. Yetkin, "Enerji, Türkiye'nin en büyük kozlarından biri," *Radikal*, 8 April, 2005.

gy cooperation. Turkey, in spite of several problems with countries such as Iran, Greece, and Russia, has been successful in realizing energy-based cooperation with them. The materialistic paradigm has so far dominated normative concerns in the energy context. Third, and most important, the government also takes energy as important leverage in other fields such as in Turkish-European relations. Energy is recontextualized in different fields. Along with well-known goals such as the diversification of energy resources, Turkey wants to use energy as an instrument through which to enhance its role with regard to the European Union. Turkish Energy Minister Hilmi Güler summarized these objectives as follow: “Forty percent oil and 65 percent of the natural gas is produced in our region. Turkey is an important bridge between energy consumers and producers. If we consider China, India and great consumer states like the EU and the U.S. the complexity of the picture will be much clearer. Turkey’s importance lies here.”⁴⁵

Thus, one of the principal goals of Turkish energy politics is integration with the EU. The minister of energy once formulated it as follows: “We are entering into the European Union with pipelines.” For example, referring to the Turkey-Greece pipeline, Minister Güler clarified their vision as follows: “This pipeline will extend to reach Italy. In other words, we will embrace Europe in the south which means that this project can be extended so as to include Spain. Through another pipeline system we can reach Central Europe: Bulgaria, Romania, Hungary and Austria.”⁴⁶

According to Güler, energy is a great advantage for Turkey in the process of becoming an EU member. As Turkey stands both as a terminal and corridor state, its importance to the European market is very clear. This strategy is valid both for oil and gas. With new projects such as the Turkish-Greek pipeline and the Nabucco project (Bulgaria-Romania-Hungary-Austria route), Minister Güler predicts that by 2020 the amount of gas for the European market through the Turkish pipeline system may even reach 35 billion cubic meters. Minister Güler formulated recent developments in Turkey as a paradigm shift.⁴⁷ Similarly, Prime Minister Erdoğan underlined many times that Turkey’s position and potential is important for Turkey’s integration into the European Union.⁴⁸

Due to systemic and pragmatic reasons, the JDP has accelerated the course of liberalization which has indeed facilitated energy-based cooperation with different states. Former nationalistic concerns were almost completely eliminated. A materialistic logic, which focuses on benefit-cost analysis, has come to the fore.

C o n c l u s i o n

It is likely that Turkey will employ a new framework in foreign policy with such a complex pipeline system. Such changes are important in evaluating the rise of a new narrative on geopolitics. In a sharp contrast to the former tautological debates, Turkey’s geopolitics is now defined on the basis of tangible facts regarding pipelines. The rise of pipeline politics increases Turkey’s leverage in other fields as well. Turkey’s complex cooperation with many states (Turkmenistan, Kazakhstan, Nigeria, Azerbaijan, Greece, Syria, Iran, Italy, Romania, Bulgaria, Austria, Russia, Georgia, Egypt, India, Yemen etc.) may create similar spillover effects.⁴⁹ A functionalist paradigm is expected to dominate Turkish view toward those states as energy deals and contracts with various states increase complex interdependency.

⁴⁵ *Dünya*, 29 June, 2005, p. 4.

⁴⁶ M. Yetkin, op. cit.

⁴⁷ See: “Türkmen elektriği gazdan önce geldi,” *Zaman*, 23 December, 2003.

⁴⁸ See: “Erdoğan’dan Enerji Açığı Uyarısı,” *Garanti Dergisi*, March 2004. Available at [http://www.garanti.com.tr/anasayfa/garanti_dergisi/mart2004/ic_ekonomi.html].

⁴⁹ See: “Yemen’de Dostluk Rüzgarı,” *Yeni Safak*, 27 October, 2005.

Simultaneously, a new functional link between domestic and foreign domains emerges which is expected to transform Turkish foreign policy. In this manner, the issue of pipelines renders Turkish foreign policy less value-oriented. Certainly, such material facts create a more pragmatic and flexible tendency in Turkish foreign policy. Thus, the rise of economic rationality should be emphasized. Energy politics helps Turkey in rescuing itself from certain traditional value-based discourses. Today, Turkey is open to energy-based relations with any neighbor. In theory, countries are more open to energy diplomacy with those states with whom they have some value-based problems. Also, the rise of such material concerns has enhanced the concept of continuity in Turkish foreign policy. Because energy constructs are long term and complex integration projects, foreign policy become a long-term plan. It may bring stability on a regional scale.

To conclude, the classical geopolitical narrative of Turkey was an organic one. Instead of rational causality, it depends on pure metaphysical or tautological logic. This article has suggested that the rise of energy politics through many pipeline contracts truly produced a change in the Turkish narrative of geopolitics. A new narrative is emerging which depends on solid and rational causality. Several changes such as technology and the infusion of capital can modify the strategic meaning of a particular geographic space. Similarly, the construction of pipelines through Turkish territories has modified the Turkish geopolitical vocabulary. The most apparent and tangible proof of this important change is obviously the Turkish pipeline system.

INFLUENCE OF THE WORLD CENTERS OF POWER ON KAZAKHSTAN AND NEW GEOPOLITICAL TRENDS IN CENTRAL ASIA

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Foreign Political Orientations of the Kazakhstani Elites and Western Strategies

The republic is a natural geopolitical core of Central Asia, therefore the game the world centers of power are playing around Kazakhstan is very important for Central Asian politics. This is especially true in a situation where the number of challenges to regional stability is growing and the threats are becoming increasingly dangerous.

Kazakhstan is located deep inside Eurasia; it is a large state (five times larger than France and four times the size of Ukraine); it is ninth in the world in terms of size (2,724,900 sq km). With the largest territorial production complexes found along its frontiers, the country is fairly vulnerable.

Conventionally speaking, described in geographic, economic, and climatic terms, the geopolitical heartland of the Republic of Kazakhstan, a purely continental country, can be identified as a triangle: Almaty-Semipalatinsk-Aktiubinsk. Its eastern flank touches on the geographic center of Eurasia (the 78th meridian and 50th parallel); it includes vast expanses of hummocky topography (Sary Arka), parts of the Turgay Plateau, and the Turgay Lowland. The heartland is economically undeveloped, its poor transport and information infrastructure being hugely overloaded. The central geopolitical space of the Republic of Kazakhstan faces serious environmental problems, while its natural and climatic conditions are adverse. The heartland is depopulated: with an average population density of 5.8 people per 1 sq km across the country, there are 0.3-0.5 people per 1 sq km in the country's center.¹

Objectively, the North and the South, divided by the depopulated geopolitical Center, might move apart as they are attracted by stronger neighbors. The "void" of the heartland interfered with state development as such, and stimulated regional separatism among the local elites that belong to different tribal unions and pursue different foreign economic aims. Most of the Kazakhs of the Elder Zhuz are closely connected with Uzbekistan (with the South in the wider sense); the Middle Zhuz with Russia and partly (the Naymans and Kereis) with China. The Younger Zhuz looks at Russia, yet wants more independence than the other Kazakh alliances.

When it comes to international preferences, the Kazakhstani elite is clearly (albeit conventionally) divided into the "pragmatists" and the "idealists." The first group includes nearly all top bureaucrats and clan leaders; the second consists of the absolute minority either from the opposition or petty civil servants. The "pragmatists" are lobbyists and/or partners of large foreign economic structures working in Kazakhstan and leaders of practically all the elite groups. They are guided by fairly primitive common sense: we should cooperate with the countries present on the Kazakhstani market; as soon as they leave, we turn to other companies and, consequently, to other centers of power. This is how most of the top local bureaucrats and leaders of the largest clans think.

The very fact that lobbyists of foreign companies are present in the government together with members of various clans shows that foreign, mainly transnational, capital is playing an increasingly important role in the system of political governance. TNCs, for that matter, play an extremely important role in the world today, yet not all experts hail them as a positive phenomenon. There is the opinion that TNCs are exploiters on a worldwide scale that have doomed nations to backwardness and poverty. Those who disagree with it look at TNCs as a vehicle of progress that brings the undeveloped countries into the civilized world. This positive role notwithstanding, experts agree that the cost is high: TNCs wield too much political influence; they breed corruption, apply transfer prices, take profits away from the host country, ignore its economic interests, and make it more economically vulnerable and dependent.

Worldwide TNCs have come to the Kazakhstani market and struck root there. Having promptly mastered the local unofficial business laws, they perfectly adjusted themselves to the "tribalist" economic structure completely dependent on relations among the elite groups. As owners of the key enterprises, they play an important role in Kazakhstan. Less influential than the local clans, they are actively seeking the support of the leaders of the national establishment, which has already caused many of the TNC-related scandals that received lavish media coverage.

¹ See: Sob.inf. "Za poslednie piat' let iz Kazakhstana vyekhlo 1 mln 652,7 tys. chelovek," *Karavan*, 13 March, 1998.

So far the “idealists” cannot boast great influence on the elite; their foreign policy orientations are dominated not only, and not so much, by personal considerations as by their desire to match their ideological convictions with their country’s international image. The so-called Young Kazakhs—a group of Western-oriented young bourgeoisie—belong to the “idealists” camp.

They closed ranks around two parties—the Democratic Choice of Kazakhstan (DCK) and Ak Zhol—in the hope of acquiring a new role on the international scene and were stirred up to activity by the government’s inadequate moves. For example, the “old leaders” never expected the opposition ranks to swell with new “irreconcilable” leaders: former akim of the Pavlodar Region Galymzhan Zhakianov and former minister Mukhtar Abliazov. By instituting court proceedings against them, the government created “martyrs at the hands of the authorities.”

The group’s strategy and foreign policy priorities are greatly affected by the constantly increasing attention the Western human rights activists are paying to the country’s domestic developments. The corruption-related scandals, the sluggish Kazakh-gate in particular, which revealed that the government had stored away over \$1 billion of oil money in Swiss banks, make President Nazarbaev potentially vulnerable.²

The independence years have shown that integration with Russia and other CIS countries attracts both the Russian speakers and a large part of the Kazakhs. In this respect, the government and the opposition are at one. The country’s leaders, however, in control of real power in the country, could easily outplay their opponents by demonstrating an urge toward integration at all levels. The “Eurasian idea Kazakhstani style” was a godsend. The fact that the integration initiatives were mostly mere declarations, which could not be realized for many reasons, was of secondary importance. The opposition was left training behind, repeating that there was no alternative to the country’s strategic orientation toward the Russian Federation.

While the leaders were indulging in integration rhetoric, the opposition, especially its liberal-democratic wing, survived on foreign money supplied by international NGOs through absolutely legal channels.

The West, the United States in particular, is showing a lot of interest in Kazakhstan and pays lip service, through the State Department, to the cause of the opposition. Yet no real steps have been taken in this direction so far. At the same time, in view of Washington’s latest initiatives (the establishment of new state structures designed to promote democracy in the countries that America considers not democratic enough, and the adoption of corresponding laws³), the collapse of Akaev’s regime in Kyrgyzstan may add vigor to Western support of the local opposition.

Until 2001, the United States and the West as a whole paid little attention to the newly independent Central Asian states. They concentrated on the region’s energy potential and did nothing to help the few local dissidents. For a long time, America treated the area with caution as a potential stronghold of Islamic radicalism. However, the republics demonstrated their ability to cooperate with the world powers in all spheres, while Islamic radicalism failed to strengthen its position in Central Asia.

America’s current strategy in the region is basically a multi-level system: the United States flirts with the leaders and promises to resolve all domestic problems; through all kinds of NGOs it supports the Western-oriented opposition as a potential “reserve,” and builds up its economic presence. The American military presence in the region accelerated some of the negative processes there. In March 2005, President Akaev was removed from his post after a week of disorder and shop-plundering in Bishkek, the Kyrgyz capital, and in the country’s south. The recent events there have demonstrated that the situation is becoming rapidly aggravated.

² See: M. Adilov, “Perekhodit’ li ‘rubikon’... Revolutsia v Kyrgyzstane snova postavila kazakhstanskuiu vlast’ i oppozitsiiu pered vyborom,” *Respublika*, 1 April, 2005.

³ “Kongress SShA podderzhivaet Zakon o demokratii v Tsentral’noy Azii,” RIA Novosti, 5 March, 2006.

The Western media responded to the suppressed riots in Andijan (Uzbekistan) with even more insistent demands to put economic and political pressure on the regime. Tashkent retaliated by achieving the withdrawal of the American military base from its territory, re-orientation of its foreign policy toward Moscow and Beijing, and membership in the EurAsEC.⁴

After losing its foothold in Uzbekistan, the United States has been hastily drawing up a new Central Asian strategy; it is trying to entice Kazakhstan into the role of its “strategic regional partner.” There is the opinion that the “American leadership decided to place its stakes on Kazakhstan not only in the economic, but also in the military sphere.”⁵ Indeed, for some time Washington has been lavishing compliments on Astana. It is lobbying the idea the republic’s leaders formulated on the eve of the presidential election in December 2005 about Kazakhstan’s special role as the Central Asian and Caspian leader. In March 2006, U.S. Secretary of Energy Samuel W. Bodman said in Astana that the United States wanted Kazakhstan to join the Baku-Tbilisi-Ceyhan oil pipeline as soon as possible. Kazakhstan was advised to complete its talks with Azerbaijan on transporting Kazakhstan’s energy resources via the BTC pipeline. He also said that Kazakhstan should assume the role of a regional leader to develop the energy sector’s infrastructure and create more transit routes for energy resources.⁶

Having disrupted relations with Uzbekistan, the White House was left with the only alternative of supporting and encouraging Kazakhstan as a potential regional leader: none of the other Central Asian republics could claim this role.

Washington is nervous: signing the agreement on joining the BTC has been already postponed several times. Kazakhstan’s potential regional domination, seen in America as a step toward its own domination in Central Asia, is gift-wrapped: Secretary Bodman explained in so many words that the transparent, stable, and predictable investment climate would not only attract investments—it would also create new jobs; in the next five years, the volume of capital investments might double, he promised.

Astana never tires of repeating that in ten years’ time Kazakhstan will join the world’s ten largest oil producers and that, therefore, it should stick to its policy of maneuvering between the world’s centers of power that brings success.

We should always bear in mind that after launching a series of regime changes across the post-Soviet expanse late in 2003, known as the “velvet revolutions,” the West stepped up its efforts to seize control over the Soviet successor states. This, in turn, dramatized the confrontation among the local elites. Talk of “strategic partnership” and the promises of a “deluge of dollar investments” notwithstanding, the West is still aiming to change the elites in the post-Soviet countries.

Cooperation with Russia

Russia and Kazakhstan remain closely connected for many objective and subjective reasons. Kazakhstan looks at Russian territory as the main transit corridor; Russia is one of the major consumers of Kazakhstani products and Kazakhstan’s main economic partner. For Moscow, Kazakhstan is much more than one of the key economic partners in the post-Soviet territory and the place where its key military space structures are situated. It is also a geostrategic outpost that protects Russia against the challenges from the south. There is another, non-material factor: the two nations lived side by side

⁴ See: A. Asrorov, “Vozvrashchenie bludnogo syna. Kak Uzbekistan ‘vstroitsia’ v EvrAsES,” *Gazeta.kz.*, 3 March, 2006.

⁵ P. Sviatenkov, “Kazakhstan sdelaet liderom,” APN-Kazakhstan, 7 November, 2005.

⁶ See: A. Grozin, “Novaia strategiya SShA v Tsentral’noy Azii,” RIA Novosti, 24 March, 2006.

for many centuries and shared many joys and many tragedies in the past. There are numerous personal ties among the citizens of both countries. Both Russia and Kazakhstan are members of the same organizations: the CIS, EurAsEC, SCO, and the Common Economic Space that is being formed. They are actively contributing to the functioning of the Antiterrorist Center of the Collective Security Treaty Organization.

Russia's political and economic influence in Kazakhstan is still strong: the two countries are technologically interconnected. Kazakhstan depends on Russia in the transport and commodity spheres, there is a large share of Russian speakers among its population, etc. Moscow still controls Kazakhstan's export of raw materials and import of commodities. Naturally enough, Russia wants to perpetrate the situation for material (tariff and tax allocations, control over raw material supplies to the Russian traditional export markets, etc.) and, more important still, geopolitical considerations. The two countries are tied together by the long-term agreements on oil transit. Since 2003, the CTC has been moving over 19 million tons of Kazakh oil annually.⁷ The KazRosGaz JV has very good prospects in the gas sphere.

All efforts to weaken its dependence on Russia notwithstanding, Kazakhstan, according to its statistics, is still economically very much Russia-oriented. The Russian Federation is the world's largest importer of Kazakhstani products.⁸ Up to 40 percent of Kazakhstan's import comes from Russia; 9 percent of its import comes from Germany; 4-6 percent from China; 4-5 percent from the U.S., followed by the U.K., Italy, Turkey, Ukraine, the Republic of Korea, France, the Netherlands, Uzbekistan, Japan, etc. Kazakhstan is one of Russia's 10 major trade partners and one of the major partners of the CIS countries. In 2002, bilateral trade turnover reached about \$4.4 billion; in 2003, \$5.5 billion⁹; in 2004, over \$6 billion, in 2005, according to Astana, \$8 billion.

Kazakhstan will not be able to become involved with other centers of power or take an active part in forming new geopolitical blocs inside and outside the CIS until it becomes relatively economically independent; this will take at least 10 to 15 years.

More active military-technical and military-political contacts add strength to the two countries' bilateral relations, the process being greatly affected by the situation in Central Asia, which suffers from terrorist inroads and the growing threat of the Taliban. This explains why in 2000-early 2001 the leaders of Kazakhstan accelerated the pace of military cooperation with Russia, while President Nazarbaev was one of those who initiated the Antiterrorist CIS Center.

Russia's military influence is underpinned by its real military presence in Kazakhstan (the Baikonur spaceport and two test ranges), the absolute majority of foreign-trained Kazakhstani officers receive their instruction in Russia; it is from this country that Kazakhstan gets military hardware, weapons, etc.

So far, however, the relations between the two countries have fallen short of the cooperation demands of both states and nations. The two presidents discussed this several times: in Omsk in the spring of 2003, in Moscow a year later, and in 2005, during their numerous meetings.

According to the latest population census in the Republic of Kazakhstan (2001), the share of Russians and Russian speakers remains high (about 40 percent), despite a considerable outflow of these groups from Kazakhstan. Those who stayed behind are still grappling with the old problems: inadequate representation in the higher echelons of power and business; inadequate access to education in the native tongue; and the narrowing field of the Russian language in the republic. Today, however, they feel less pressure than in the 1990s.

⁷ See: R. Streshnev, "Na novyi uroven' integratsii," *Krasnaia zvezda*, 21 April, 2004.

⁸ See: "Itogi sotsial'no-ekonomicheskogo razvitiia Respubliki Kazakhstan za 2003 god i zadachi na 2004 god" [www.minplan.kz].

⁹ See: R. Streshnev, op. cit.

While Russia's domination in the cultural and information spheres is gradually disappearing in the countries of the region, it will obviously be preserved in Kazakhstan because of the large Russian and Russian-speaking diasporas, which painfully respond to all attempts to squeeze them from the Russian cultural field. Russia should treat support for the Russian language, Russian culture, and education in Russian in Kazakhstan as one of its objective priorities. It should work harder to tap the momentum that Russian culture, art, and science will preserve, even in the most adverse conditions, in the next 15 to 20 years. This is especially important in view of the world competition unfolding in the Central Asian cultural and education expanse.

Russia can neutralize America's efforts to extend its strategic influence at Russia's expense: Moscow should increase weapon deliveries and extend educational programs for the military from the Central Asian countries.¹⁰ These countries will find the transfer to NATO's military standards too costly and unrealizable in the foreseeable future.

The Russia-Kazakhstan summits, which have become a regular and frequent feature of their policies in the last three years, discuss bilateral relations, regional developments, counterterrorist efforts, and the performance of the collective security regional structures. Public information is normally scarce, while the experts of both countries insist that "press releases are used to detract attention from the problems discussed at closed meetings."¹¹

The rapidly changing situation is forcing the two countries to strengthen their contacts: the prospects of destabilization of the situation in Uzbekistan, which became real after the series of terrorist acts in Tashkent and Ferghana in March-April 2004 and especially the failed riot in Andijan in May 2005, threaten to isolate the Russian military contingent in Tajikistan and cut off the line of supplies. Moscow and especially Astana should plan preventive measures to stabilize the situation in Uzbekistan—the country has come too close to boiling point.¹² If worst comes to worst, the two countries should be prepared to minimize the destructive effects. On the other hand, despite the counterterrorist operation, Afghanistan has developed into an international drug-producing center threatening both close neighbors and distant countries alike.¹³

Russia and Kazakhstan should arrive at mutually acceptable bilateral and multilateral patterns of relations to be able to face the alarming trends in Central Asia and the new threats evident across the post-Soviet expanse.

In January 2004, the presidents of Russia and Kazakhstan signed a package of bilateral agreements on the Baikonur spaceport (among other objects), under which Russia will continue using it until 2050 for the same annual rent of \$115 million. In addition, Moscow and Astana reached an agreement on the environmentally save Bayterek (Topol) space missile complex in the spaceport based on the Russian space-missile complex in Angara.¹⁴

"The nuclear sphere is one of the few in which Kazakhstan is absolutely competitive with many of the world powers: Kazatomprom is one of the world's four leading uranium-producing companies. Kazakhstan mines and processes uranium into nuclear fuel for nuclear power stations. In 30 years, the republic will mine over 15,000 tons of uranium every year.¹⁵ The atomic industry is expected to create an impetus for a "big technological leap" to prevent Kazakhstan's degeneration into a "raw material appendage."

¹⁰ See: *Nezavisimaia gazeta*, 29 September, 2003.

¹¹ M. Chernov, "Kazakhstan tianetsia k Rossii, pered litsom amerikanskoy ekspansii v Sredney Azii Astana vynuzhdena poyti na sblizhenie s Moskvoy," *RBC daily*, 21 April, 2004.

¹² See: Michael Hall: "Uzbekistan is Experiencing Calm Before the Storm," *EurasiaNet.org*, 2 March, 2006.

¹³ See: R. Ushakov, "Amerike nuzhen Kazakhstan," *Liter*, 30 December, 2005.

¹⁴ See: R. Streshnev, *op. cit.*

¹⁵ See: Iu. Zolina, "Urana—zavalis'," *Ekspress-K*, 6 April, 2004.

The changes on the world markets might force the Russian Federation to start importing uranium instead of exporting it. This may happen in the relatively near future. For this reason, the uranium of Kazakhstan and its products are of special interest for Russia, while bilateral cooperation in the atomic, space research, and other high tech applied spheres might pull all the other branches along with them. Russia does not profit financially from its relations with Kazakhstan, which has nothing to do with altruism: financial input is accepted as payment for Russia's geopolitical interests and national security. This is a long-term strategy that allows the Republic of Kazakhstan to adjust its nearly entire scientific and technical potential to Russia: Kazakhstan and Uzbekistan are two key Central Asian states. This strategy also applies to the military-technical sphere—Moscow sells its resources for “allied” prices, not only to strengthen military and foreign policy contacts with Kazakhstan, but also tie it, for many years to come, to Russia's military-industrial complex and standards.¹⁶

Recently Russia has been paying more attention to educating Kazakhstani officers in Russia's military colleges and academies. In December 2003, the RF president announced that Russia would offer free military education to the officers of the member states of the Collective Security Treaty Organization. This will undoubtedly strengthen cooperation between the Kazakhstani and Russian power-wielding structures. Whereas in 2002, 150 representatives of the higher command corps, officers, and officer cadets from the Republic of Kazakhstan were sent to Russia, in 2003, the quota was increased to 250 people; and Russian experts give lectures at the Kazakhstani military higher educational establishments.¹⁷ Other joint projects in the same sphere are no less important.

Moscow and Astana share the same approach to the legal status of the Caspian Sea. Back in 1998, the two countries signed an agreement on the delimitation of the seabed in its northern part to ensure their sovereign rights of the use of the sea's natural resources. In May 2002, they signed a protocol to the agreement that specifies the coordinates of the dividing line on the seabed.¹⁸ Russia and Kazakhstan reached an agreement on the debatable parts of the Caspian shelf (the Khvalynskoe, Tsentral'noe, and Kurmangazy fields) that would be developed together on a 50/50 basis.

Both countries are concerned about the international aggravations in South Asia and the Middle East. Since some of the local countries have WMD and means of its delivery (or are very close to acquiring such), Russia and Kazakhstan should at least upgrade their early missile attack warning systems.

The special political orientations of the Kazakhstani political elite should not interfere with the two countries' economic cooperation. An extension of mutually advantageous contacts in this sphere and effective promotion of bilateral integration projects should make political relations more effective and more confidential. We should never forget that the politics of Kazakhstan is the product of its ruling elites. Public opinion has a certain role to play in the country's politics, yet political decision-making belongs to those in power. Kazakhstan has a rigidly arranged vertical of power; all-important initiatives belong to the president and his closest circle.

The chain of the Color Revolutions awakened the post-communist elites of Kazakhstan to the U.S.'s intention to replace President Nazarbaev with a young, pro-Western, and (more important) pliable politician. This forced the elites to seek support anywhere, in Moscow, in the first place. It goes without saying that Russia is not in the least interested in the realization of such American plans. The top crust of the Republic of Kazakhstan has recognized that it needs “Moscow's standby” in case of force majeure circumstances. So far, Moscow's support is realized in the form of closer cooperation in the sphere of defense and high technologies.

¹⁶ See: A. Matveev, “Kontaktam voennykh vedomstv Rossii i Kazakhstana net al'ternativy,” *Voенно-promyshlennyi kur'er*, No. 45, 30 November-6 December, 2005.

¹⁷ See: T. Koroleva, “Kazakhstan i Rossia narashchivaiut voennoe sotrudnichestvo,” *Panorama*, No. 46, November 2002.

¹⁸ See: R. Streshnev, op. cit.

It seems that Russia, on the whole, is interested in supporting the present regime in Kazakhstan and the Kazakhstani president's models of a possible transformation of power (up to and including the appointment of a possible "successor"). If the situation spirals out of control, if the republic becomes part of the zone of direct American influence, most of the Russian-Kazakhstani projects will lose all meaning and be discontinued. Astana is aware of this—it regularly offers integration initiatives. So far, only economic integration is on the agenda. During the period of relative stability, Nursultan Nazarbaev showed no interest in integration projects. He will agree to political integration only when the pressure of the West reaches its absolute maximum and Russia's umbrella becomes the only way out.

Problems of Contacts with China

Cooperation with China, Kazakhstan's great eastern neighbor, is of great importance for its national security. The countries have common approaches to many international issues. China is actively supporting Kazakhstan's intention to join the WTO. Astana and Beijing reached full agreement on many fundamental issues and the future of SCO. This was registered in the Treaty on Good-Neighborly Relations, Friendship, and Cooperation between the RK and the PRC signed in December 2002.

The treaty and the fairly high level of their bilateral relations notwithstanding, mutual mistrust between the two countries still lingers. In the last five years, the Chinese factor has developed into an important domestic issue in Kazakhstan. The large Chinese enterprises in Kazakhstan are plagued by social conflicts while Kazakhstani and Chinese petty merchants at the markets find it hard to work side by side. The fact that the Chinese employers at the Aktiubemunaygaz JV (the Zhanazhol gas fields in the Aktiubinsk Region) forced the Kazakhstani workers to sing China's national anthem every morning and fired those who refused to obey echoed across the country. No matter how hard they tried, the workers failed to overturn the practice in court.¹⁹ Many expected the Chinese to apply this rule at the RK-PRC pipeline construction site²⁰ and at many other joint projects (the Northern Corridor, etc.).

It would be no exaggeration to say that the Kazakhs have already formed a set of fears, imagined and real, related to China, the most nagging of them being the fear of a "flood of Chinese" ready to inundate the republic. If it continues, it might transform into a geopolitical nightmare.²¹

In the 1990s, the border issue loomed high on Kazakhstan's domestic scene. It was successfully resolved, yet the drawoff of the border rivers, another big issue, remains unresolved. No one knows why Kazakhstan failed to settle it along with the border issue. Today, Astana has to face the results of its own mistakes: the Chinese are trying to bring the drawoff of the Cherny Irtysh and Ili, two large rivers with the riverheads in China, to the maximum.

Said B. Turarbekov, counselor to the Foreign Ministry of Kazakhstan, who personally supervised the border rivers issue: "From the very first days of Kazakhstan's independence, we have been aware of the issue's importance; throughout these years, we have been working on its settlement. Today, we are forcing China to pay adequate attention to it. ...Before that, no matter how hard we tried, the Chinese side preferred to totally ignore the issue."²² Today, China is completing the Cherny Irtysh-

¹⁹ See: O. Petrova, A. Klimonov, "'Airanguli' dlia kitaytsa. Obratnaia storona inostrannykh investitsiy," *Respublika*, 19 November, 2004.

²⁰ See: M. Auezov, "Boytes' kitaytsev, v Khorgos prikhodiashchikh. Zakhlestnuvshiy nash rynek potok kitayskikh tovarov zastavliaet vs'er'ioz zadumat'sia ob ekspansii," *Respublika*, 12 November, 2004.

²¹ See: O. Zhylykbaev, "Kitayskiy aysberg," *Kazakhstanskaia pravda*, 10 November, 2004.

²² *Panorama*, No. 35, August 2000.

Karamay canal that will deprive Pavlodar and Ust-Kamenogorsk in Kazakhstan and Omsk in Russia of water from the Irtysh.

When trying to answer the question of why China is seen as a serious potential threat in Kazakhstan, we would do better to avoid deliberations about the hegemonic Maoist ideology or imagined Han chauvinism. The answer is much simpler: according to the most optimistic Chinese forecasts, China's natural and economic potential within the present borders will feed only 1.5 billion.²³ Today, there are about 1.25 billion Chinese; by 2010, their numbers will probably be slightly over 1.5 billion. The question is: What is to be done? According to official figures, there is about a 130 million-strong unoccupied agricultural population; 17 million have no industrial jobs.²⁴ Different sources cite different, even larger figures. No matter how effective, the Chinese economy cannot support everyone. The answer is that the country should extend its territory. Indeed, "the demographic situation in China is a headache for all its neighbors."²⁵

In their book *China after Deng Xiaoping: 10 Most Outstanding Issues* published in early 1994, two prominent Chinese scholars, Wu Guoguang and Wang Zhaojun, openly spoke about the "contradiction between the narrow natural base, on the one hand, and the numerical strength of China's population and its growth rates, on the other," and pointed out: "The contradiction is glaring to the extent that we cannot exclude a situation of spontaneous 'demographic imperialism'." They justified this by the following: China has 3.3-fold less arable land per capita than the world's average; 7.5-fold less forests, and 3-fold less meadows. Of 32 megapolises, 30 "are experiencing an acute water shortage;" "over half of the Chinese cities and towns" live under conditions of a water shortage.²⁶

In the past, the population outflow from China was caused by the military factor. Today people leave China mainly for economic and demographic reasons: the Chinese diaspora in 164 countries is nearly 50 million strong.²⁷ Chinese commercial capital and Chinese migrants prefer poly-ethnic countries engaged in accelerated modernization. In 1960s-1980s, Southeast Asia, which was living through several stages of catch-up modernization, was the main attraction for the Chinese.²⁸ Today, the post-Soviet expanse has become especially attractive. The Russian media write a lot about the "China-ization" of the Russian Far East. Similar processes can be observed in Kazakhstan and Kyrgyzstan. In the former, the situation is aggravated by the absence of a well-oiled mechanism of migration control. Inadequate migration policies have already created primitive Sino-phobia. To forecast and defuse the situation, migration patterns must be studied to separate commercial from labor migration and identify those who come to stay from those who come to earn, etc. This has not been done yet.

It seems that public concern is mostly caused by the lack of comprehensible information about Chinese migration rather than by the migration itself. People are absolutely convinced that China is deliberately moving its surplus population to neighboring territories in general and Kazakhstan in particular. In the absence of reliable information, people turn to rumors. In the winter of 2004, *China Daily* carried information about an agreement between Kazakhstan and China, under which the latter leased 7,000 hectares of arable land in the Alakol District to be tilled by 3,000 Chinese peasants. The response was negative.²⁹ The repeated official refutations were accepted with a grain of salt. So far there are no Chinatowns in Kazakhstani towns and cities, but Chinese citizens are rapidly settling in abandoned hostels, which could serve as the cores of future Chinatowns.³⁰

²³ See: *Polis*, No. 6, 1992, p. 30.

²⁴ See: *Azia-kur'er*, 24 October, 1994.

²⁵ *Panorama*, No. 45, November 1994.

²⁶ V. Gel'bras, "Rossia i Kitay: voprosy sobirania geoekonomicheskikh prostranstv," *Polis*, No. 6, 1995, pp. 44-45.

²⁷ See: N. Mustafaev, "Kitayskie immigranty v Kazakhstane: mify i real'nost'," *API*, 22 July, 2002.

²⁸ See: *Kitayskie etnicheskie grupy v stranakh Iugo-Vostochnoy Azii*, Moscow, 1986, p. 75.

²⁹ See: O. Zhylykbaev, op. cit.

³⁰ See: N. Mustafaev, op. cit.

Kazakhstani authors engaged in studying the “Chinese question” in-depth come up with vague deliberations. O. Kviatkovskiy, a journalist close to power, for example, insists: “In the U.S.S.R., the mentality of any borders with the Chinese was at all times rigid and lacking confidence.” The same person went on to write: “Kazakhstan has its own methods of ‘quenching’ all possible ambitions of the Chinese right-left: China is turning into one of the world’s major consumers of oil, gas, coal, electricity, ferrous metals, wool, and mineral fertilizers.”³¹ There are indications that the country’s leaders agree with the above.

Today, Kazakhstan exports its raw materials to China on a grand scale: this creates mutual trade advantages and ensures Kazakhstan’s national security in the Chinese sector. The Druzhba border checkpoint is of strategic importance for Kazakhstan: it will serve as the key point of future transit traffic between the Far Eastern and West European countries. In the years of independence, the volume of transit through the checkpoint has been on the rise as follows: 0.2 million tons in 1991; 1.2 million tons in 1995; 4.3 million tons in 2000; 5.8 million tons in 2002; and by 2014 the figure will reach 14 million tons.³²

Kazakhstan’s export is profiled as follows: non-ferrous metals, 9 percent; ferrous metals, 26 percent; oil, 15 percent; pellets, 9 percent; chemicals, 1 percent; timber, 2 percent; consumer goods, 5 percent; scrap metal, 27 percent; and fertilizers, 4 percent.³³ Today, Caspian oil has become one of the major factors drawing China into the “Big Game” around Central Asia. China’s unprecedented economic growth has created a growing demand for energy resources. According to certain sources, by 2010 the APR countries will import 1.5 billion tons of oil, while the figure for China is forecasted at 200 million tons.³⁴ In China, domestic oil production is sluggish. Beijing created an ambitious program of gaining access to Central Asia’s oil and gas fields and is working on it. This makes it an obvious rival for Russia, the U.S., India, and some other countries in the region.

It looks as if Murat Auezov, one of the best Sinologists of Kazakhstan and its former ambassador to China, has provided the best substantiated picture of China’s future influence on Kazakhstan: “I know Chinese culture. We should not trust Chinese politicians no matter what they say. As a historian I can tell you that China of the 19th century, China of the 20th century, and China of the 21st century are three different countries. They have only one thing in common—the desire to extend their territory.”³⁵ Six years later he offered the following: “Everything that is going on in Xinjiang means gaining a toehold for a leap into Central Asia and Kazakhstan... This is a multidimensional process that is state-regulated in certain respects; in other respects, the question of which merchants and which companies will move northwest is objectively stimulated.”³⁶

The economic ties between the two countries cannot be reduced to “surreptitious expansion.” Some Kazakhstani experts and politicians are alarmed by the flow of Chinese goods, yet Kazakhstan is just one of the countries on the receiving end. In 2004, when its trade turnover exceeded \$1 trillion, China became the world’s leader in this respect, therefore we should not look at Kazakhstan as a unique case of China’s relations with the outside world.

Meanwhile the establishment of Western or rather American military bases in Central Asia affects the relations between Astana and Beijing; they may even affect China’s position on certain problems related to the Central Asian republics. The bases can be used to “project force” onto neighboring territories, China’s western provinces in particular. The radically changing geopolitical situ-

³¹ O. Kviatkovskiy, “...I linia granitsy—kak linia sud’by,” *Karavan*, 3 May, 1996.

³² See: B. Antsiferov, “‘Druzhba’—druzhboy, a chto v budushchem?” *Gazeta.kz*, 24 September, 2003.

³³ *Ibidem*.

³⁴ See: O. Sidorov, “Neftianye interesy Kitaia v Tsentral’noy Azii,” *Gazeta.kz*, 16 October, 2003.

³⁵ M. Auezov, “Kitaisko-kazakhstanskoe otnosheniya,” *Vremia po*, 30 April, 1999.

³⁶ M. Auezov, “Boytes’ kitaytsev...”

ation has forced China to add more vigor to its relations with the Central Asian countries, not only in the economic, but also in the defense sphere. Obviously concerned with the American presence in the region, which China regarded as a sphere of its direct national interests, it spared no effort to transform the SCO set up in 2001 from the Five into a regional counterweight to extra-regional forces.

The 2005 summit in Astana demonstrated that the SCO countries are concerned with Washington's rising involvement in the region in the military sphere, as well as with America's efforts to change the political regimes in the region under the pretext of their democratization.

The SCO members exercise different approaches to Central Asia than the United States. America is striving to "disseminate democracy" in the region, because of its ideological obsession and remnants of neo-conservatism and because of America's profound and sincere belief in democracy as a panacea for all social and geopolitical evils. Obviously, any attempt at fast democratization will turn these countries into "failed states."

Moscow and Beijing are less obsessed with democratic messianism. They know the region much better to be convinced that without economic and social modernization democratization in these republics will be impossible and counterproductive. Democratization as part of modernization should not outstrip it.

For objective reasons, Russia and China, two large Eurasian powers with huge military potentials, are playing the leading role in the SCO. This is quite justified since, unfortunately, in the near future the military-political situation in Central Asia might significantly deteriorate.

So far the SCO is oriented toward "counteracting terrorism and creating an effective mechanism to deal with this task."³⁷ There are numerous signs though that with the active involvement of Beijing and Moscow, the SCO might develop into a powerful regulatory and attractive factor. In June 2004, at the Tashkent summit, the heads of state of the SCO members issued a statement about the beginning of the full-scale work of the SCO permanent structures (the Secretariat in Beijing and the Antiterrorist Center Headquarters in Tashkent). At the same summit, China displayed more activity than before. It bears the main financial burden within the SCO and decided to give its SCO partners trade credits totaling \$900 million.³⁸ China made it public at the Astana summit.

The SCO founders obviously intended it to become one of the "poles" of the multipolar world; the structure has every opportunity to achieve this since in future it may serve as the link in the "arc of stability" as opposed to the "arc of instability" stretching from Western Europe to South-east Asia.

The above should not be taken to mean that the SCO has an exclusive advantage over other mechanisms when it comes to ensuring regional security. It looks as if the Central Asian republics have no concrete and well-planned strategy in relation to the SCO and to all the other regional military-political projects. One feels that Erlan Karim, a Kazakhstani expert, was right when he wrote that when tracing their own foreign policy, the new independent states are guided by short-term rather than long-term interests.³⁹

³⁷ K. Kosachev, "ShOS kak al'ternativa amerikanskomu vliianiu v Tsentral'noy Azii," *Dipkur'er-NG*, 29 September, 2003.

³⁸ See: T. Stanovaia, "Iz ShOS v ODKB pereletaia," *Politkom.Ru*, 21 June, 2004.

³⁹ See: E. Karim, "ShOS i ee znachenie dlia Tsentral'noy Azii. Gosudarstva TsA posle 11 sentiabria," *Assandi Times*, 25 June, 2004.

U.S.-KYRGYZSTAN: PARTNERS IN DIFFERENT WEIGHT DIVISIONS

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The Military-Political Sphere

As soon as Kyrgyzstan became an independent state, its relations with the United States in the military-political sphere moved ahead at a slack pace mainly because the “island of democracy,” as the country was perceived in Central Asia, was too small and too poor economically to be contemplated as a strategic partner first by the Clinton and later by the George W. Bush Administration.

However, the Kyrgyz Republic’s consistent and positive foreign policy with respect to the U.S. contributed to the positive dynamics of their bilateral relations in all spheres. Thus, in the military-political sphere, all related government structures, the Defense Ministry in particular, invariably took part (with Washington’s support) in all of the West’s military-political events and profited from all types of military-technical aid extended by the U.S. and/or the EU.

Bilateral military-political contacts developed within NATO as well: as soon as Kyrgyzstan and NATO signed the Partnership for Peace Program with the White House’s direct support on 1 June, 1994, Kyrgyzstan had the opportunity to take part in NATO’s other important programs. The U.S. strengthened its position across the post-Soviet expanse when Kyrgyzstan (in December 1997), as well as other CIS countries, joined the Euro-Atlantic Partnership Council (EAPC). This was highly conducive to its effective cooperation with NATO members, the U.S. in particular, in the international and regional security sphere. America pays the lion’s share to the two countries’ joint military planning and Kyrgyzstan’s defense budget. By the end of 2005, annual foreign military aid to Kyrgyzstan’s security system topped \$8 million.

NATO and the United States as its member initiated other measures within the Partnership for Peace Program. A peacekeeping battalion Centrazbat was set up; its activities included annual training exercises and multi-national non-military projects. The latter included the Virtual Silk Highway, which would give all academic and educational establishments Internet access, and Coping with Ecological Problems for the Sake of the Central Asian Countries Sustainable Development. Since 1999, the Defense Ministry of the Kyrgyz Republic has been involved in two purely American programs (Military Activities in Mountains and Special Purpose Forces) implemented outside NATO.

The 9/11 events began another phase of American foreign policy and military activities in relation to the Taliban, which Washington accused of being directly involved in the terrorist act. Central Asia found itself in the center of new developments which launched another and probably qualitatively new stage of political relations between Central Asia and the United States. In other words,

9/11 and the counterterrorist operation of the international coalition forced the George W. Bush Administration to revise its former foreign policy ideas about Afghanistan's Central Asian neighbors. They became part of America's geopolitical priorities.

This changed the balance of power in the region, which previously had been the sphere of Russian and Chinese political interests. Kyrgyzstan, which in the past was much more willing than its neighbors to embrace Western democratic standards, became one of the most likely candidates for the role of America's regional outpost.

In the wake of 9/11, the military component came to the fore in the relations between the two countries. On 14 December, 2001, the coalition forces set up an auxiliary military base to support its counterterrorist operation—one of the most important factors in this sphere. Under the original agreement signed in December 2001, the annual rent the United State paid for the territory used for military purposes was about \$52 million. Prolongation and ratification by Bishkek and Washington of the agreements on the Gansi military base stationed at Manas civilian airport aroused a lot of concern in Moscow and Beijing and triggered a series of practical military-political measures in Central Asia within the Collective Security Treaty Organization and the SCO.

Several years later, on 5 July, 2005 at the Astana SCO summit, the rest of the members of the Shanghai Six staunchly demanded that Kyrgyzstan and Uzbekistan should set precise dates for the withdrawal of U.S. military bases from their territories. This meant an end to America's military presence in the region. The demands were prompted by the end of the active phase of the counterterrorist operation.

To counterbalance the political pressure on Kyrgyzstan, U.S. Defense Secretary Donald Rumsfeld came to Bishkek on 25 July, twenty days after the Astana summit. The sides signed an agreement under which Kyrgyzstan received another \$200 million in nonrefundable aid from the United States; in February 2006, Bishkek offered new conditions for use of the Gansi airbase and raised the rent.

Today, Kyrgyzstan's foreign policy, based on the principles of multi-vector diplomacy, has acquired special importance in the Kyrgyzstan-U.S.-SCO triangle.

On the whole, the military-political relations between the Kyrgyz Republic and the United States are the best possible model of relations between partners in different weight divisions working together for regional security. Each of the sides pursues its own strategic interests. This is a system of disinterested material-technical, financial, consultative, information, educational, etc. aid extended to the junior partner. The United States, acting as Kyrgyzstan's donor, has voluntarily shouldered responsibility for the country's and region's security.

Development of a Democratic Society

America's greater geopolitical involvement in Central Asia caused by the counterterrorist campaign in Afghanistan has forced the United States to more actively contribute to the domestic policies of the local states and the protection of democratic rights and freedoms in them. The U.S. Administration was especially concerned with authoritarianism and corruption, political and legal persecution of independent media and human rights organizations, obvious irregularities, and abuse of the administrative resource during election campaigns, in short, with everything that kept the local presidents in their posts for many years.

The U.S. is doing its best on a grand scale to plant and develop democratic standards in the new Central Asian states. Late in 2002, Washington expressed its profound displeasure, based on the re-

ports supplied by the OSCE Election Observation Mission, with the numerous flagrant violations of the election process initiated by the republican authorities during the parliamentary and presidential elections in Kyrgyzstan. The United States, together with other countries and international institutions, repeatedly spoke out in support of Kyrgyzstan's independent media as a victim of unjustified political and legal persecution. Starting in the mid-1990s, Kyrgyzstan gradually lost its prestige as "an island of democracy" in Central Asia.

On the whole, during the years of independence Kyrgyzstan has acquired considerable (most) aid from the United States in the form of easy loans, grants, and humanitarian goods. According to the U.S. Department of State, between 1992 and late 2005 the country received \$792.2 million in American aid; \$120.7 million in the form of grants for NGOs, and independent media were used to support the democratic changes in the republic. The White House mostly concentrated on NGOs engaged in the protection of human rights, the environment, and social aid to the disabled, pensioners, and children.

This aid is distributed by USAID through American NGOs which won tenders to carry out U.S. government programs. Today, there are over 40 American NGOs and business structures, some of them well known throughout the world (the Counterpart Consortium, the Eurasia Foundation, the National Democratic Institute, the National Republican Institute, the U.S. Embassy Democracy Commission), engaged in promoting democratic standards through grants to local NGOs. The Soros Foundation or, rather, Soros-Kyrgyzstan, its republican branch, is one of the largest and most efficient among all similar structures. It has done a lot to support the local educational system by publishing textbooks and teaching aids for schools and higher educational establishments, as well as definitive works by local academics.

The year 2005 marked the highest point in the country's domestic policies when massive power-inspired violations of the election procedure in February and March triggered serious conflicts between the opposition and the country's leaders. The international community, the American Embassy in particular, was forced to respond to the numerous incidents of unprecedented violations which came to light during the election campaign and on election day. Wide-scale falsifications of the election results everywhere caused an open conflict between the leaders of Kyrgyzstan and the United States.

It was then president of Kyrgyzstan Askar Akaev who initiated the conflict: on 2 February, speaking at the opening session of the pro-presidential youth action Men-Kyrgyzstan, he openly accused U.S. Ambassador Stephen Young of interfering in Kyrgyzstan's domestic affairs. The president accused the White House, without much evidence, of staging the Color Revolutions in Georgia and Ukraine. It was President Akaev's closest circle that published false, allegedly classified, information about the American Embassy's attempt to stage (and pay for) a Color Revolution in Kyrgyzstan.

Still, the United States allocated \$650,000 for the parliamentary election in the Republic of Kyrgyzstan to fund training programs for the local election commissions and finger marking equipment; about \$150,000 was spent on training independent observers. Between January and March 2005, NGOs and independent media received over \$1 million for these purposes; throughout 2005, the U.S. Department of State and other American agencies spent over \$2.5 million on supporting democracy in Kyrgyzstan.

In addition, the White House helped to publish the new Election Code, supply the Central Election Commission with new equipment, and extend its material and consultative support to other spheres of national legislation, such as human rights, including the rights of ethnic minorities, freedom of speech and the press, and freedom of conscience. More than 80 activists from Kyrgyz NGOs, headed by the Coalition for Democracy and Civil Society NGO, went to Ukraine as international observers of the

presidential election in November-December 2004 on money supplied by the U.S. National Democratic Institute and the ENEMO.

By late 2004, the conflict between the government and independent media had reached boiling point. President Akaev's personal efforts to close down or suspend publication of two independent newspapers, *Respublika* and *MSN*, printed in the print shop set up by Freedom House, a well-known American human rights organization, negatively affected the relations between the two countries.

In his interview, U.S. Ambassador S. Young said that the Tulip Revolution was openly welcomed. "What happened today (on 24 March.—*M.K.*) concerns the Kyrgyz people and their decisions, yet the United States is proud to have assisted the process."

Washington's efforts to plant democracy, promote the democratic changes, and bring to light violations in the countries to which it extended financial aid played an important yet indirect role in the regime change in the Republic of Kyrgyzstan. Throughout the years of its independence, the republic has acquired over 6,000 NGOs actively contributing to the emergence of a civil society. On the other hand, they obviously depend on foreign, including American, money. There is the opinion that many of them are engaged in issues that have the promise of foreign grants, rather than in issues of national importance.

On 25 March, 2006, the U.S. Embassy issued a statement in which it expressed its serious concern over the internal developments in Kyrgyzstan, in particular, more active involvement of the criminal community in the political processes and the efforts of its members to legalize themselves by joining the power structures. The embassy pointed out that the president and the government should take urgent, but legal preventive measures.

Humanitarian Initiatives and Support of the Economic Reforms

On the whole, by late 2005, the United States had extended a total of \$286.7 million in humanitarian aid to Kyrgyzstan.

Since mid-1992, Kyrgyzstan has been and remains one of the recipients of humanitarian aid within the Food for Progress and Government to Government programs of the U.S. Department of Agriculture. This aid consists of grain (rice included), oil, and soybean deliveries. The money earned from selling them is spent on developing local agriculture. The same department is engaged in the Kohran Scholarship program designed to upgrade the skills of those engaged in agriculture.

The current humanitarian programs are realized through the Humanitarian Transportation Program of the U.S. government, while the U.S. Department of Agriculture is cooperating with Merri Corps International which distributes the foodstuff the department supplies to schools, hospitals, and orphanages.

USAID and the U.S. ambassador are working together within a program to support the economic reforms in Kyrgyzstan; since 1992, Washington, acting through USAID, endorsed and realized financial and economic aid and reform programs for a total of \$201.3 million.

It should be said though that bilateral relations have not reached the desired level because of Kyrgyzstan's geographic location and low export potential. America, in turn, sends food, medicine, grain produce, and processing equipment to Kyrgyzstan.

In May 2000, the U.S. Congress annulled the discriminatory Jackson-Vanik amendment of 1974; in 1998, Kyrgyzstan joined the WTO. This is expected to promote its bilateral trade contacts with the United States still further.

Conclusions

Under the conditions of geopolitical rivalry between the United States, on the one hand, and Russia and China, on the other, Kyrgyzstan as participant with much less weight is out to preserve a common cooperation field both within the emerging Western security model in Central Asia and the SCO. American aid, which covers all spheres, is helping to maintain long-term military and political cooperation between Bishkek and Washington, in which the Gansi military base is the main compromise.

The United States greatly influenced the developments which reached their climax in March 2005 through its numerous grants to the local NGOs during the parliamentary election. It forced and will continue to force the elite to heed American initiatives and advice related to democratic standards. The NGOs and media, as well as American money will play an active role in the process.

At the same time, the republic's geographic location, the large distances that separate the two countries, as well as Kyrgyzstan's low economic potential will not promote bilateral trade or economic and humanitarian contacts, at least in the near future. At the same time, a better financial and credit infrastructure will undoubtedly attract more American investments, yet so far and in future this sphere will be dominated by humanitarian aid.

INFLUENCE OF THE WORLD CENTERS OF POWER IN CENTRAL ASIA AND TAJIKISTAN: DYNAMICS AND OUTLOOK

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The current geopolitical situation in the Central Asian republics is much more diverse and complicated than it was ten years ago. Today, several countries—geopolitical players—ranging from Russia and the United States to Turkey and Iran are simultaneously exerting their influence on the political and socio-economic development of the region's states. But this influence is far from even, it is mainly di-

vided between the Russian Federation and the U.S. (the West), while China is expected to play a much greater role in the future. On the other hand, the geopolitical situation in the region is extremely unstable. Over the past few years, the role of one or another of the centers of power here now increases, now dwindles away to almost nothing. In other words, Central Asia is still an arena of geopolitical struggle, the dynamics

and outcome of which in the future are still rather difficult to predict.

In this context, two groups of questions arise. The first—to what extent is the geopolitical situation in the region still unstable and how is the influence of the main centers of power distributed within it, that is, are the changes that have occurred in the past two years in the geopolitical situation (particularly with respect to Russia's stronger position in Central Asia) permanent, or is this a temporary phenomenon likely to change again in the future? The second—to what extent and how does the orientation of the region's coun-

tries toward a particular center of power influence the nature of their development? For example, what will a particular country or region gain from being oriented toward Russia or toward the U.S.? And can the Central Asian republics carry out the multi-vector policy they are declaring today, whereby avoiding a biased orientation toward only one nation or center of power?

In this article, we will try to answer, if not all the questions asked, at least the most important of them by analyzing the dynamics and outlook of the influence of the main geopolitical players in the region—Russia and the U.S.

Period of Geopolitical Uncertainty

In the fall of 2001, when, after the tragic events of 9/11, the American government made a decision to launch a military operation in Afghanistan, a period of geopolitical uncertainty began in Central Asia. At that time, no one knew in advance just how complicated and successful the military action in this country would be. So in order to provide air support for its troops, the U.S. needed to create military air bases in the direct proximity of the Afghani borders, primarily in Tajikistan, Uzbekistan, and Kyrgyzstan.

But the former Soviet republics were in the zone of Russia's geopolitical influence at that time. Right up until 2001, the United States did not call the existence of this "zone of Russian interests" in question. What is more, since the collapse of the Soviet Union at the beginning of the 1990s, the Russian Federation, as its legal successor, has always been considered the country capable of ensuring stability in the post-Soviet space and preventing uncontrolled squandering of Soviet nuclear potential (which the West was particularly concerned about at that time). The situation changed when George Bush's administration came to power, the leading representatives of which upheld a new geopolitical doctrine which proposed significant changes in the White House's foreign policy. This doctrine was drawn up as early as the beginning of the 1990s by a group of conservatives within George Bush, Sr.'s administration. It envisaged making maximum use of the geopolitical potential arising as a result of the Soviet Union's disintegration. It was based on the assertion that under current conditions, the U.S.'s national interests were more a matter of warning against new threats than of responding to them. In other words, it was a question of strengthening the one-polar world structure which unexpectedly appeared and preventing the appearance of new superpowers like the Soviet empire in the future. But this doctrine was not put into effect, since George Bush, Sr. was defeated by Bill Clinton at the presidential election.

Nevertheless, by 2001, a few of the authors of this doctrine ended up in U.S. President George Bush, Jr.'s closest entourage, one of whom was Paul Wulfowitz, thanks to whose efforts this doctrine formed the basis of U.S. foreign policy.¹ Central Asia's significance was also reconsidered from the viewpoint of this doctrine, since control over the region would permit China or transformed

¹ See: N. Lemann, "The Next World Order," *The New Yorker*, 1 April, 2002, pp. 42-48.

Russia to become new poles of big politics at a faster rate. The events of 9/11, which, in the words of Condoleezza Rice, were “one of those great earthquakes that clarify and sharpen,”² propelled this doctrine into action.

All the same, American diplomats initially showed respect for Russia’s “zone of influence.” For example, in 2001, U.S. Secretary of State Colin Powell first turned to the Russian leadership for permission to “use several military air bases for carrying out military operations against the Taliban movement.”³ Official Moscow denied this request. Then Washington sent a corresponding request directly to the local regimes. Tajikistan did not rush to respond, while Uzbekistan and Kyrgyzstan consented almost immediately.⁴ In this way, the “red line,” which unofficially marks the zone of Russia’s influence since as early as Yeltsin’s time, was crossed for the first time.

This fact shows the extent to which Russia’s position had weakened in the region by this time. This was because it could no longer ensure the primary needs of the local regimes both in terms of large-scale economic investments and in terms of security, especially in the face of the threat looming from the Taliban movement in the south.

In this light, the Americans looked to be a preferable option, they were more decisive and had the means for resolving many problems of the Central Asian republics. What is more, at first, the United States made the local regimes generous offers and was indulgent with its promises. For example, numerous reports appeared in the press about the large infusions of funds to be pumped into the Uzbek economy (there was talk about almost 8 billion dollars over the span of several years). As a result, U.S. military bases appeared in Kyrgyzstan and Uzbekistan (the Khanabad base), and Tajikistan consented to NATO air contingents using its territory for maintaining the military operation in Afghanistan. The military presence of the U.S. and the North Atlantic Alliance on the territory of these former Soviet republics meant significant changes in the geopolitical situation in the region. Thus, new geopolitical players—Western bloc countries, the United States in particular—appeared in the post-Soviet space. Russia’s geopolitical monopoly in Central Asia was given a jolt. The arrival of the Americans in the region made it possible for the local regimes to carry out a more flexible, multi-vector foreign policy aimed not only at the Russian Federation and other CIS states (and the Commonwealth as a whole), but also at the West and countries of the Islamic world.

It was precisely this latter circumstance that introduced uncertainty into the geopolitical situation in Central Asia—most of its regimes were faced with a new alternative, that is, the possibility of reorienting their foreign policy, shifting it from a traditionally unilateral (pro-Russian) into a more multi-vector and pro-Western channel. There was frequent talk in the Russian mass media of that time about Russia being gradually ousted from the region and even losing all its interests there in the future. Official Moscow’s concern grew in particular after the series of so-called Color Revolutions which spread through several post-Soviet republics in 2004-2005—first the Rose Revolution in Georgia, then the Orange Revolution in Ukraine, and in February 2005, President Askar Akaev was overthrown in Kyrgyzstan. The Russian political establishment and the country’s public as a whole evaluated the color revolution phenomenon in very unequivocal terms—it was an attempt by anti-Russian forces to change the geopolitical situation in the post-Soviet space. A prominent Russian politician noted that the events in Ukraine were only the first stage in a large-scale operation launched by the united West to change the local regimes by organizing revolutions.⁵

² Quoted from: N. Lemann, *op. cit.*

³ See: A. Alexandrov, “Amerikantsy obzhivaiut Tsentral’nuu Aziyu,” in: *Bulletin Russia and the Muslim World*, No. 6 (120), RAS, Moscow, 2002, pp. 102-112.

⁴ See: *Ibidem.*

⁵ See: M. Meyer, “Domino Theory,” *Newsweek*, 11 January, 2005, Foreign mass media [<http://www.CentrAsia.org/newsA.php4?st=1105606620>].

Russia's Return

The period of geopolitical uncertainty lasted for about four years and ended in Russia significantly strengthening its position in the region, which the mass media even called its return to or new breakthrough in Central Asia. The turning point in the alignment of forces in the region came at the end of 2004 when Russia, in the form of two of its largest companies—Russian Aluminum (RusAL) and RAO UES—assumed the obligation of investing almost two billion dollars in Tajikistan and almost 1 billion in Kyrgyzstan in the next few years. When the treaty was signed in Dushanbe in October 2004, Russian President Vladimir Putin said: “I don’t think that anyone has invested this amount of money in the past 12-13 years or even spoken about their intention of investing this amount of money in Tajikistan.”⁶

Along with the economic component, which is of great significance for official Dushanbe, the Russian-Tajik agreements also encompassed several military-strategic issues which expressed many of Moscow’s interests. An agreement was reached on creating a Russian military base in Tajikistan, as well as transferring the Nurek electronic-optical station to Russian ownership. This facility is of special importance for the Russian army, since it makes it possible to keep track of missile launches essentially everywhere on the globe.

A series of similar agreements was also entered with Kyrgyzstan, where Russia, in exchange for its promised economic and financial injections into the country’s energy complex, received permission to set up a military air base in Kant.

But the series of agreements with Uzbekistan entered during the second half of 2005 can be considered Russia’s biggest success. Its main result was essentially complete geopolitical reorientation of this 25-million-strong republic toward Russia. Just recently, official Tashkent was a major headache for Russian diplomacy: its significant supplies of energy resources made it possible for it to carry out an independent foreign policy which often openly challenged Russia’s interests. Uzbekistan was frequently called the West’s and U.S.’s anchor state, particularly right after the 2001 events, and the main potential conveyer of American interests in the region. It was the only Central Asian state, along with Ukraine and Georgia, to join GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova). Russia always related to this structure, as to a pro-Western organization, with a large dose of caution. But in 2005, Uzbekistan made a show of withdrawing from GUUAM, by preliminarily denouncing all the former agreements it signed during its membership in this organization. On 14 November, 2005, Russian and Uzbek Presidents Vladimir Putin and Islam Karimov signed a union agreement between the two countries, which they characterized as “unprecedented.” It envisages, in particular, mutual assistance in the event of aggression against one of the sides. In this respect, Islam Karimov said: “I believe that certain sides will have to draw conclusions based on other realities. In general, by threatening us, they are threatening Russia.”⁷ The treaty also envisages the possibility of opening military bases on each other’s territory. Since it is difficult even to imagine an Uzbek military base being set up somewhere in the Russian Federation in the future, the matter probably concerns additional opportunities for Russian servicemen. In particular, with respect to the withdrawal of U.S. troops from the air base in Khanabad, it is possible that a Russian military base will be deployed there in the relatively near future.

In this way, by the second half of the 2005, Russia significantly strengthened its foothold in Central Asia. Most countries of the region are members of international associations and treaties where Russia plays a leading role. Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan are members of the SCO

⁶ V. Mukhin, “Podvodnye kamni na puti rossiisko-tadzhikskogo sblizheniia,” *Ferhana.ru*, 22 October, 2004.

⁷ P. Bologov, “Dvuglavyi oriol v tiubeteike” [<http://lenta.ru/articles/2005/11/15/uzbek/>].

and EurAsEC (Uzbekistan joined this structure in the fall of 2005). What is more, the first three countries mentioned belong to the Collective Security Treaty Organization (CSTO). And now Islam Karimov is talking about Central Asia as “a region in which no one can call Russia’s presence into question.”⁸ Uzbekistan has essentially now become an anchor state of Russian interests in Central Asia. At the same time, the governments of other countries of the region are openly expressing their pro-Russian sentiments today. For example, at the last SCO summit on 5 July, 2005 in Astana, the Organization’s member states asked the U.S. to set the deadlines for withdrawing its bases from the Central Asian states.

New Geopolitical Situation—Main Reasons

In our opinion, there are several reasons for such rapid and major changes in the geopolitical situation in the region.

The main one was the color revolution phenomenon. As in 2001, the most important issues for the local regimes are related to security (both at the regional level and within each country). But whereas several years ago, the local ruling elites believed that the main danger for them came from without, primarily from the Islamic Taliban movement and the potential increase in international extremism, now the situation has changed. The Afghan threat has retreated into the background. And the Color Revolutions which swept several post-Soviet republics showed the local elites that the main threat to their future peaceful prosperity now comes not from Afghanistan, but from the West. In the region’s states, as in Russia, people believe that the Color Revolutions were inspired by the West and the U.S. in order to bring pro-Western political forces to power, the local opposition “specially prepared and nurtured on Western grants.” So today, the leaders of the countries of the Central Asian region are vying with each other to criticize the West and the Color Revolutions: “If we take a closer look at these ‘flower revolutions,’ we see that the people who have come to power are trying to redistribute the economy again, re-privatize, and grab a large chunk of the pie for themselves,” said Nursultan Nazarbaev at the above-mentioned SCO summit.

A turning point for Uzbekistan was the events in Andijan in May 2005, when protest outbursts and demonstrations of the local population were suppressed by government troops. The West considered such use of force inappropriate and sharply criticized the domestic policy of the Uzbek authorities. But for Islam Karimov, this only served as grounds for reorienting his foreign policy toward Russia, which he had apparently already been planning to do anyway.

Under the threat of a Color Revolution, Russia looked much more preferable for the local regimes, particularly for Uzbekistan. Indeed, official Moscow ignores violations of human rights in the region’s countries and does not ask a lot of questions as soon as the local elites carry out a pro-Russian foreign policy. In this respect, the countries of Western democracy proved much more demanding, hinging economic and political assistance on the need for relative adherence to freedom of speech, human rights, and so on. Countries like Uzbekistan found the observance of these demands unacceptable, since it ultimately created opportunities for developing and strengthening political opposition to the ruling regime, so turning to Moscow was quite a logical and largely compulsory step for Tashkent.

Second, there were economic reasons for such rapid changes, primarily the ever-growing need of the region’s countries for large-scale investments. Most of the local elites mainly counted on investments in the macro economy, which in the West are again contingent on the observance of human rights. On the other hand, the investment climate is still unfavorable in all the Central Asian republics

⁸ P. Bologov, “Amerikantsev prosiat potesnitsia” [<http://lenta.ru/articles/2005/07/06/shos/>].

(the best example today is only Kazakhstan), and this applies in particular to the development of small and medium business. Western countries and international organizations are making some of their investments precisely in the micro economy, which the local elites are not particularly interested in. So it stands to reason that the hope that Western companies and organizations would make large investments in the region was not exactly justified.

Against this background, the investment projects proposed by Russia were extremely intriguing for Tajikistan, Kyrgyzstan and Uzbekistan. They are particularly advantageous for Tajikistan: in 2003, the republic's GDP amounted to only \$1.5 billion, so the \$2 billion in investments promised by the Russian leadership is a huge amount. According to estimates, the Tajik budget should increase almost three-fold over the next few years thanks to bilateral macroeconomic projects.

Third, there were political reasons for the changes generated primarily by the shift in the U.S.'s position. Today, we are seeing rather significant changes in the U.S.'s plans regarding the degree of its further involvement in the region. Apparently, the American leadership was indeed hatching plans initially to completely oust Russia from Central Asia, or at least to take its place in the region. But now Washington does not have the resources for serious involvement. Under the current conditions, the American leadership is having to deal with two of its main threats—the prolonged military operations in Iraq and Afghanistan, as well as the financial expenses related to them, primarily the double deficit (of the federal budget and the payment balance). If the George Bush administration cannot deal with them, the entire structure ensuring the United States the role of the only superpower in a one-polar world will tumble. Today, almost 80% of the American army is engaged in Iraq alone, absorbing more than half of the U.S. military budget. Additional spending on Iraq, Afghanistan, and other purposes related to the war on terrorism constitutes approximately \$85 billion a year. Under these conditions, the White House has been playing a less active role in the Central Asian region recently. Apparently, in the future, the U.S. will be limited to creating a network of small and relatively inexpensive bases in Central Asia, which if absolutely necessary can be expanded into a larger military presence. This approach significantly restricts the U.S.'s ability to influence the situation in the region, which greatly assists Russia's return to its previous position in it.

Prospects

In Tajikistan (as in most of the region's countries), the enthusiasm of the local elites regarding the new rapprochement with Russia is fully shared by society, most of the republic's political parties (including the opposition), and broad strata of the population.

Nevertheless, if we look closer at the situation, several questions arise for which it is still difficult to find answers.

First, to what extent can the Russian Federation fulfill its investment obligations? The thing is that investment projects can only be implemented by involving big Russian business in them, that is, the above-mentioned companies, RusAL and RAO UES. All the Kremlin's previous attempts to involve the domestic business elite in its geopolitical plans did not create the necessary response. This only became possible today due to a favorable contingency of events, primarily, the price of aluminum has risen in the world. In September 2004 (by the time the Russian-Tajik treaty was entered), aluminum quotations on the world raw material market were the highest during the past nine years. On the London Metal Exchange, corresponding futures (with delivery of the goods in three months) immediately rose in price by \$42 for one ton, to \$1,850. For comparison's sake, in 2001-2002, when NATO and the U.S. began deploying their bases in Central Asia and Moscow was trying to legalize the stay of the 201st division in Tajikistan, the cost of one ton of aluminum on the world's exchanges

amounted on average to \$1,300. "At that time, the expansion of aluminum production was not profitable for Russian businessmen, and they simply did not support the Kremlin's military-economic projects—investments in exchange for bases, which, beginning in 1999, official Dushanbe tried to get from Moscow."⁹ Now the annual demand for aluminum has increased by almost 15% in China alone. Against this background, just one power station in Tajikistan (in Rogun) will be able to generate more than 800 million dollars in profit a year.

But the question is whether Russian companies will be able to observe the agreements they entered if the price of aluminum drops again in the future. After all, a drop in quotations to even the 2001 level could make investments in the republic's aluminum business much less profitable, if not entirely unprofitable. On the other hand, will the Russian leadership be able to hold responsibility in this case for the obligations of its business structures, for example, RusAL? The financial opportunities of both companies are also pertinent here—statements circulated in the Russian press that RAO UES is hoping to receive subsidies from the country's Stabilization Fund, while RusAL became involved in multi-million court cases with several companies at once, including Ansol, the former supplier of TajAz (Tajik Aluminum Plant).

The next question is related to the special features of the investment policy of both Russian companies. Serious worries are being expressed in the local press about the potential detriment to the country's economy and ecology. It is noted "that the conditions RusAL intends to work under in Tajikistan do not envisage comprehensive development of production, but are oriented only toward using cheap electric power from the Vakhsh cascade. RusAL is looking at building hydropower stations only through the prism of smelting aluminum, and RAO UES only through the prism of re-selling energy to Tajikistan's neighbors. This approach is very characteristic of these companies, this is precisely how they work in Russia too."¹⁰ Will official Dushanbe be able to prevent the republic's economy (and politics) from becoming overly dependent on mono-profile transnational companies? After all, if it implements its investment projects in Tajikistan, RusAL will have the country's entire aluminum production process concentrated in its hands—from extraction and delivery of raw material under the toll system to the manufacture of both electric power and aluminum itself, including the sale of its products on the world market. This Russian company will essentially become the main monopolist in the country where even now funds from the sale of aluminum constitute most of the currency revenue into the state budget.

But the main question is related to resolving the urgent problem of providing the population with employment. Today, the republic is in need of at least several hundred thousand new jobs, whereas RusAL in its most optimistic forecasts is promising to provide no more than 10,000, and only over the span of a few years. But the social and demographic circumstances in the country require jobs to be provided for as many people as possible in the shortest time. This problem is particularly urgent in Tajikistan (as well as in Uzbekistan and Kyrgyzstan). If significant strides are not made toward resolving it in the next few years, the accumulated social and economic problems could take on political hues and become explosive.

On the whole, aluminum production and the construction and operation of hydropower plants have never been considered labor-intensive spheres of the economy (like most investment projects in the macroeconomic sphere). Although they have a favorable influence on macroeconomic and budget aspects, such long-term mega projects are of very little assistance to the development of the micro economy and small and medium businesses, on which the level of the population's employment depends.

Just how long-term the strengthening of Russia's foothold will be in the region will depend on finding a solution to these problems.

⁹ V. Mukhin, *op. cit.*

¹⁰ D. Verkhoturov, "Tajikistan vprave trebovat' ot Rossii bol'shei otvetstvennosti," *Avesta*, 25 September, 2005.

C o n c l u s i o n s

For Tajikistan, as for the other countries of Central Asia, a biased orientation toward Russia is rather traditional. For many decades (before and after the Soviet era), the nations of the region have been in the habit of looking at the world around them, primarily the West, from the perspective of Russia and its culture, as well as through the prism of its national perception.

The independence achieved at the beginning of the 1990s made it possible for the Central Asian countries to communicate with the world around them without going through Russia. In foreign policy, this meant being able to carry out multi-vector diplomacy and make direct contact with the rest of the world. What is more, Russia's influence in the region was never restricted to policy, most of the local population still has ties with the Russian culture and Russian language, and has a similar mentality. It seems that this is precisely one of the main resources of Russia's influence in the region.

Today we have to recognize that an entirely multi-vector foreign policy is still impossible for most of the Central Asian countries. The reason for this is that these states have still not resolved their economic and social problems, which means they are still too vulnerable to influence from the outside. Even Kazakhstan, Turkmenistan, and Uzbekistan, which have significant reserves of energy resources, are compelled to orient themselves toward one specific center of power or another. Of course, under the new conditions, there is greater freedom for maneuver, and each country can make a geopolitical choice which best suits its national interests. Of course, in this context too, the Central Asian countries do not have the same opportunities for maneuver and choice, for example, Kazakhstan (with its relatively developed economy) has many more than neighboring Kyrgyzstan.

Today, the main vector of their foreign policy is oriented toward Russia. It appears that the new geopolitical choice of these states will introduce certain specifics into their further development.

- First, emphasis will be placed on the development of the macro economy. Essentially all the investment plans initiated by the Russian side in Central Asia are large long-term projects with a clear raw material and energy component. Correspondingly, the problems of employment and job placement of the local population related to the development of small and medium business remain in the background.
- Second, in the foreseeable future, the status quo will be retained in domestic policy and in the alignment of forces in the region. Essentially all the current ruling elites of these countries are members of the former Soviet and party establishment, that is, they have a corresponding mentality, their own way of understanding the economy, specific methods of political activity, and so on. In this respect, many of them cannot or simply do not wish to carry out serious reforms in their countries. As natives of the Soviet system, they are largely pro-Russian in their orientation, particularly when it comes to the threats posed by the color revolution phenomenon. Their orientation toward Russia will help them to retain their position for quite a long time to come, to which Russia's exclusively pragmatic involvement will also help. Russian politicians are ready to be friendly with and support any leader in the post-Soviet space, from Lukashenko to Karimov, as long as they uphold a pro-Russian orientation. In this respect, the U.S. had much less freedom for maneuver, which led to its current defeat in the region. The thing is not that the American establishment is not as pragmatic as the Russian. But in contrast to the Kremlin, the White House was forced to look back over its shoulder at its own country's public opinion and act within the framework of that ideology (democracy and human rights) which the United States declares as its state ideology. And when the Uzbekistan authorities openly violated human rights, official Washington was forced to at least criticize these authorities.

- Third, in most countries of the region, the role and influence of the Third Sector and of civil society as a whole will gradually decline. Unfortunately, it is civil society and nongovernmental organizations that are viewed in many post-Soviet countries, primarily in Russia, as the main instigators of the Color Revolutions and the conveyers of Western influence. So in many CIS countries there are plans to take specific steps, or they are already being taken, to restrict the activity of NGOs, independent mass media, and public associations. In 2005, the Russian parliament adopted a law on nongovernmental organizations, which placed stricter control on their activity. It is likely that most of the Central Asian republics will follow the same path. Of course, in every country, this process is acquiring different forms and dimensions, but on the whole the trend will be similar.

Of course, there is no point in shifting the blame for the Color Revolutions onto public organizations and NGOs, but apparently the matter here concerns the clinging Soviet “class instinct” of the former party leaders and Komsomol heads, many of whom are in power today in most of the CIS countries. And the activity of the Third Sector and civil society is based on a diametrically opposite ideology, which is still largely alien to the local elites and, unfortunately, to a significant part of the population.

But, no matter what, in the next few years, most Central Asian countries will develop along sufficiently similar lines and under the influence of the Russian center of power.

REGIONAL POLITICS

**AFGHANISTAN:
SETTLEMENT STAGES AND AFTERMATH OF
THE POST-CONFLICT SITUATION**

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Afghanistan is living through a protracted stage of the so-called postwar settlement process and the growing threat of further deterioration. It has become obvious that the United States and its allies are unable to maintain stability in Afghanistan in the context of the mounting political tension around Iran and Pakistan.

An analysis of the current situation in Afghanistan must inevitably take into account two key events: President George W. Bush's visit to Afghanistan and the London Donor Conference on Afghanistan. These events have determined the course of Washington's and the world community's Afghan policy and symbolize its evolution.

**President George W. Bush's Surprise
Visit to Kabul**

On 1 March, 2006, the U.S. president visited Kabul under conditions of the worsening military and political situation in Afghanistan.¹ According to Western media, "the confidential stopover that

¹ See: "Neob'iavlenniy vizit prezidenta SShA v Afghanistan, 2 marta 2006 goda," Xinhua News Agency, *Renmin ribao* [<http://russian.people.com.cn/>].

lasted four hours” was part of the president’s planned visit to India and Pakistan. It was his first visit to Afghanistan since the launching of the U.S.-led counterterrorist operation. State Secretary Condoleezza Rice accompanied the president.

The Washington administration did its best to conceal the visit; under the original plan, President Bush was to visit India and Pakistan first and then travel to Afghanistan. It seems that the mass anti-American demonstration in Delhi forced a change in the schedule.

Mounting resistance to the coalition, which has been going on in Afghanistan for the last 18 months, made the unprecedented security measures that accompanied the U.S. president inevitable. By the time Air Force One touched down, the air space over the Afghan capital and its region had been reliably blocked off. According to the official version, the president arrived in Afghanistan to support President Karzai and his administration, which “had recently been confronted with a new wave of violence raised by Taliban fighters and al-Qa’eda terrorists.”² To confirm its dedication to Washington’s security-related policy, Pakistan demonstratively launched large-scale military operations against the Taliban and al-Qa’eda in North Waziristan while the American president was visiting the country.

During his stopover in Afghanistan, President George W. Bush met President Karzai for talks and visited the Bagram base to meet the American military stationed there. At a press conference in Kabul, he said that the American troops together with the Afghan and Pakistani military were still hunting the terrorist leaders. “It’s not a matter of if they are brought to justice, but when,” said the American president.

The worsening conditions in the Islamic Republic of Afghanistan notwithstanding, President Bush pointed out with satisfaction: “We’re making progress in dismantling al-Qa’eda.” He also said: “You are inspiring others” and expressed his appreciation of the significant changes that have taken place in Afghanistan under Hamid Karzai’s presidency. President Bush went on to say: “It’s our country’s pleasure and honor to be involved in the future of this country.” America cherished freedom of the press, said the president, and it would like to see further democratization in Afghanistan.

President George W. Bush risked a lot by coming to Afghanistan to support President Karzai, who has recently been looking increasingly disoriented. The situation is going from bad to worse, even though the head of the White House repeats that Afghanistan has triumphed over terrorism. In fact, America’s mild refusal to set up a permanent military base in Afghanistan undermined the Kabul administration’s political vigor and confidence.

The visit was probably intended to demonstrate the United States’ “active involvement” in Afghanistan; it was made under pressure of the world community’s mounting criticism of America’s antiterrorist strategy. On top of this, the official circles in Kabul have been increasingly displeased about the imminent withdrawal of part of the American military contingent in Afghanistan.

The New, Post-Bonn Stage of Afghan Settlement

On 31 January-1 February, 2006, the donor states of Afghan settlement met in London for an international conference under the U.N.’s aegis. Chaired by U.N. Secretary General Kofi Annan, U.K. Premier Tony Blair, and President of the Islamic Republic of Afghanistan Hamid Karzai, the

² “Bush verit, chto Ben Ladena poymaiut, 2 marta 2006 goda,” BBC [<http://news.bbc.co.uk/hi/russian/>].

conference discussed the post-Bonn stage of Afghan rehabilitation. The London meeting produced the Afghanistan Compact between the Afghan Government and the international community that formulated the principles and outlined the mechanisms of reconstruction and development of Afghanistan for 2006-2010. According to preliminary information, between 2006 and 2010, Afghanistan will receive \$10.5 billion in foreign aid.

An analysis of the Bonn Process and the current situation in Afghanistan has demonstrated that the United States and its allies in the counterterrorist coalition are especially active in promoting the post-conflict rehabilitation of Afghanistan, probably because they are convinced that success in Afghanistan will "positively affect" their policies in the world, especially in Central and Southern Asia and in the Islamic countries.

For this reason, the West, whose presence in Afghanistan is absolutely legitimate, while the cabinet of President Karzai is obviously pro-Western, is realizing its long-term strategy under the U.N.'s aegis. Thus, on the eve of the conference, Tom Koenigs, Federal Government Commissioner for Human Rights Policy and Humanitarian Aid (shortly before that appointed U.N. Special Representative for Afghanistan), said that the country's consistent stability required the international community's long-term and reliable support. The Western generals, who at different times commanded the International Security Assistance Force in Afghanistan, agree that the present situation in the country demands the continued presence of this military contingent for at least another 10 to 20 years.³

The West described the parliamentary election in Afghanistan, which completed the Bonn Process and created the country's highest legislature, as a "great victory of the international community and the Afghan nation in promoting democracy in the Islamic world and in the region." The London conference, attended by about 70 countries and international organizations, was aimed at consolidating the legitimacy of the "international presence" in Afghanistan. The final document drafted by Hamid Karzai's administration jointly with the Western experts working at the U.N. and the World Bank will make the "international presence" in Afghanistan legitimate.

The diverse political and other interests of the world's largest states have added to the discrepancies in the international approaches to the Afghan problem. Some of them (Russia, China, and France, in particular) are very skeptical about the so-called Anglo-Saxon post-conflict rehabilitation strategy.

This will most probably affect the implementation of the London decisions. The RF delegation, for example, expressed its concern over the fact that "former warlords and other odious figures connected with the Taliban were elected to the parliament." According to RF Foreign Ministry's spokesman Mikhail Kamynin, "these conciliatory gestures will prove futile and will never force the Taliban to halt its anti-government activities."⁴ He also pointed out that the noticeably smaller areas growing drug-bearing plants in Afghanistan, which the West regarded as an important achievement, "never affected the volume of drugs produced; drug-related incomes have even increased." The Kremlin is convinced that the never-ending drug flow from Afghanistan is equally threatening Russia and the rest of the world.

I. Khokhlov of the Institute of World Economy and International Relations of the Russian Academy of Sciences has pointed out: "When the 'counterterrorist operation' that overthrew the Taliban regime was launched in Afghanistan in October 2001, the country regained first place as producer of opium-based drugs, heroin in particular."⁵ In 2002, the country produced 1,400 percent of raw opium

³ See: J. Kucera, "Counter-Insurgency in Afghanistan—Paving the Way to Peace," *Jane's Defense Weekly*, 15 December, 2004.

⁴ "Interview M. Kamynina v svyazi s Londonskoy konferentsiyey po Afghanistanu," RIA "Novosti," 27 January, 2006 [<http://www.afghanistan.ru/doc.xhtml?id=5018>].

⁵ I. Khokhlov, "Proizvodstvo opiynykh narkotikov (geroina) v Afghanistane: infrastruktura narkobiznesa" [<http://www.nationalsecurity.ru/library/00021/>].

and, consequently, heroin and caught up with the mid-1990s volume when Afghan territory was covered by about 70 percent of the world's opium poppy plantations. In 2001, it produced 185 tons; in 2002, 1,900-2,700 tons; in 2003, over 7,000 tons, or 87 percent of the world's consumption and nearly 100 percent of Europe's consumption; in 2004, 12,000 tons; the expected figure for 2006 being over 15,000 tons. (The discrepancy in the figures supplied by the United Nations Drug Control Program and the U.S. Drug Enforcement Administration (DEA) is negligible and caused by different methods of calculating the areas where opium poppy is grown and its yield per hectare.)

Different approaches are best illustrated by the way different countries treat the security-related issue, the "stumbling block" of the Afghan rehabilitation process. Russia, France, and China believe that the U.N. should remain the main coordinator of international efforts in Afghanistan. In London, Moscow, Paris, and Beijing argued that the U.N. Assistance Mission for Afghanistan should strengthen its leading role.

These countries obviously want the "international community" present in Afghanistan and Karzai's pro-Western administration to remain accountable to the U.N. Security Council in which Russia, France, and China have equal rights with the U.S. and U.K. Today, only the ISAF peacekeeping forces are U.N.-accountable, while the contingents of the counterterrorist coalition are stationed on the strength of the "war on terror" as part of the Operation Enduring Freedom. If the "Three" manage to insist on their principles, the counterterrorist force in Afghanistan should be re-registered within the U.N. Security Council, but this time after consultations with Moscow, Paris, and Beijing.

At the London conference, Foreign Minister of Iran Manouchehr Mottaki suggested that the terms for the withdrawal of foreign troops from Afghanistan should be agreed upon because, he argued, "instability and lack of security in the country are caused, to a great extent, by the foreign military presence on its territory."

At the same time, the ISAF NATO-headed contingent acting under the U.N.'s aegis is engaged in purely peacekeeping activities and stays away from counterterrorist operations in which the troops of the counterterrorist coalition are mostly engaged. In this context, France, as a NATO member, objects to America's desire to blend the ISAF peacekeeping forces and the troops of the counterterrorist coalition. In 2005, French Defense Minister Michèle Alliot-Marie announced that her country was not engaged in hunting down Osama bin Laden—it was fulfilling the obligations it had shouldered in the Bonn and Tokyo processes.

American experts have pointed out that Beijing and Moscow, acting in the bilateral format and within the SCO, are putting political pressure on the Central Asian states to force them to minimize their military-technical support for the counterterrorist coalition in Afghanistan, in which neither Russia nor China are involved. A. Cohen of the Heritage Foundation has pointed out that the George W. Bush Administration underestimated the "negative factor" of the SCO, which called on the prompt withdrawal of NATO's military contingents from the Central Asian countries.⁶ He added that as soon as the American units left the Khanabad base, Bishkek raised the rent for the Manas military base.⁷

The above, domestic pressure, and the heavy burden of two military operations in Iraq and Afghanistan are forcing the United States to trim its military presence in these countries and try to convince its trans-Atlantic allies (the U.K., Germany, and Canada in particular) to increase their military contingents instead. London, which in May 2006 assumed command over ISAF, decided

⁶ See: A. Cohen, John J. Tkacik Jr., "Sino-Russian Military Maneuvers: A Threat to U.S. Interests in Eurasia," 30 September, 2005 [<http://www.heritage.org/Research/RussiaandEurasia/bg1883.cfm>].

⁷ See also: "Kyrgyzstan predstavil SShA novye uslovia prebyvania aviabazy koalitsionnykh sil v Bishkeke, 2 fevralia 2006 goda, Moskva, 25 ianvaria," Xinhuanet [<http://www.russian.xinhuanet.com/russian>].

to dispatch another 3,300 servicemen to Afghanistan; according to J. Reid, this will cost Great Britain 1 million pounds.⁸ To win the public over to its side, London announced that after he graduates from the military academy, the crown prince will join a unit to be dispatched either to Afghanistan or Iraq.

The donor states are not averse to exchanging their aid for economic and political dividends; they announced in London that they were prepared to donate large sums to Afghanistan's rehabilitation. U.S. State Secretary Condoleezza Rice, for example, announced that in the coming year Washington intended to allocate \$1.1 billion for this purpose; Premier Blair of Great Britain, in turn, made public his country's intention to donate 500 million pounds (about \$900 million) in the next three years.

Together with America and Germany, Russia intends to settle the problem of Afghanistan's foreign debt within the normal Paris Club procedures. Deputy Finance Minister of Russia S. Storchak said in particular: "The Russian side estimates Afghanistan's debt at about \$10 billion and is prepared to annul it completely."⁹

There is the opinion that by doing this Moscow hopes to convince Kabul to cooperate on Russia's investments in the country's postwar revival. Russia wants involvement in some of the infrastructure projects: development of oil and gas fields in the country's north, in the Jowzjan Province, construction of an oil refinery in Hyraton (on the border with Uzbekistan), which will probably work on Kazakh and Turkmen oil; development of the huge copper deposits at Aynak to be funded jointly with China; and gold mining in Samti.

Russian companies also intend to restore and privatize two cement works in Puli-Humri and Jabalus-Seraj, the country's only works of this type. RAO UES and Tekhnopromeksport have already shown their interest in the Sarubi and Darunta hydropower stations. It has been said that "today Russia can allocate about \$100 million in Afghanistan in the form of investments and easy loans."

Speaking at the London conference, Foreign Minister of China Li Zhaoxing said that in 2006 China would give Afghanistan 80 million yuans (about \$10 million) in the form of nonrefundable aid.¹⁰ He also announced that his country was prepared to help Afghanistan on a long-term basis and cooperate with it to the sides' mutual advantage and development. The minister promised that in 2006 the larger part of the Afghan commodities exported to China would be exempt from customs dues. He also said that Beijing supported the efforts of its Afghan partners to oppose terrorism and intended to more actively help Afghanistan train its military and the police. The People's Republic of China also supported the SCO efforts designed to create an anti-drug belt around Afghanistan and to step up its cooperation with neighbors in anti-drug efforts. China's government encouraged Chinese investors involved in the Afghan infrastructure projects, energy production, and mining and transport in Afghanistan, said the Chinese foreign minister.

India, on its part, decided to allocate another \$50 million to be invested in construction of the Afghan parliament building in Kabul; this will bring India's financial aid to Afghanistan up to \$600 million.

The Iranian foreign minister promised to help Afghanistan cope with its energy shortage as soon as the nuclear power station in Boucher was commissioned in 2007, probably in an effort to win the public of Afghanistan over to its side to gain another argument in its favor at the international talks on "Iran's nuclear problem."

⁸ See: Velikobritaniya otpravit v Afghanistan dopolnitel'nye voennye sily, 2 fevralia 2006 goda, London [<http://www.russian.xinhuanet.com/russian>].

⁹ "Rossia gotova uskorit' reshenie problemy afghanskogo dolga, 2 fevralia 2006 goda, Moskva," Xinhuanet [<http://www.russian.xinhuanet.com/russian>].

¹⁰ See: "Kitai obeshchal Afghanistanu bezvozmezdnuu pomoshch v 80 mln yuaney, 2 fevralia 2006 goda," Xinhua Agency [<http://www.russian.xinhuanet.com/russian>].

Kazakhstan volunteered to “supply the Afghan peasants with seeds of traditional crops, agricultural equipment, and mineral fertilizers to reduce the areas where opium poppy is grown.” Kyrgyzstan and Tajikistan offered the international community their logistic support in Afghanistan’s postwar rehabilitation. Dushanbe believes that it might provide the north of Afghanistan with more energy and help to build highways. In this Tajikistan expects the cooperation and assistance of Iran, Russia, and America, as well as of international financial structures, the Aga Khan Fund in particular.

Ashghabad insists on its willingness to extend the potential of the border checkpoints to help deliver humanitarian aid to Afghanistan. It is doing its best to use the gas factor to become involved in post-conflict rehabilitation and to supply part of Afghanistan with electric power produced by gas turbine generators.

According to Turkmen experts, the country’s huge gas reserves allow it to play the most prominent role on the energy scene of Afghanistan and other states of the region. The trans-Afghan gas pipeline is another trump card Ashghabad is using to insist on its involvement in the postwar rehabilitation. Together with Kabul and Islamabad, Ashghabad is trying to enlist the cooperation of the West and international financial structures. Today Afghanistan and the adjacent areas are too unstable to set any dates. The issue is kept afloat for political purposes to be used in negotiations with Russia and other countries on alternative export routes of Central Asian gas.

It seems that the clash of geostrategic interests of the country’s leaders is developing into a hindrance that is slowing down postwar rehabilitation. For this reason, no stabilization in Afghanistan and around it can be forecast in the mid term: the conflict nature of the geostrategic confrontation is too obvious.

Meanwhile, relative stability in Afghanistan and continued international aid make Uzbekistan’s active involvement in postwar rehabilitation possible. If rationally organized this involvement would bring political and economic dividends. To strengthen its position in the unfolding rehabilitation process, Uzbekistan can and should attract the political and other resources of the SCO and EurAsEC. In particular, Tashkent can initiate cooperation between them and Kabul to make their members’ contribution to Afghanistan’s postwar rehabilitation more efficient.

Post-Conflict Situation is Worsening

On the whole, the military-political situation in Afghanistan remains unstable. The hostilities on its territory are damaging the infrastructure and causing long-term economic and social problems. The opposition is still armed and active elsewhere, especially in the well-guarded capital: acts of terror, abductions, and hostage-taking are normal occurrences which negatively affect the morale of the locals and foreigners involved in the rehabilitation process.

The economic collapse and lawlessness are driving the people into the ranks of extremists. In fact, the military operation of the United States and its allies did nothing to improve the situation: together with Iraq, the country remains the main source of fighter conscripts and a training base for all kinds of criminal groups and terrorist organizations, al Qa’eda included.

The White House meanwhile continues issuing statements to the effect that starting in 2006 the United States plans to cut down its military contingents in Iraq and Afghanistan, which have scored success in ensuring domestic stability. However, most of the expert community is convinced that these statements are prompted by the political situation in Washington.

The steadily rising military spending on Iraq and Afghanistan and the number of killed and wounded among the American military have caused a barrage of criticism and increased the antiwar

sentiments back home, in America. According to the Pentagon, every month the country pays an average of \$5.9 billion and \$900 million to carry on the military operations in Iraq and Afghanistan, respectively. There is information that the sum the United States has been spending on military operations since 9/11 will soon top \$400 billion; by late 2007, it will reach \$500 billion.

Recently the White House asked Congress to allocate an additional \$75 billion for the continued operations in Iraq and Afghanistan (three times more than the sum needed to restore the areas damaged by Hurricane Katrina in 2004 of \$19.8 billion).

In an effort to bring the situation under control, the White House decided to trim the American contingents stationed in these two countries. In order to more actively involve the human potential of the Afghan power-wielding structures, the United States is playing the main role in setting up a new army for Afghanistan and developing its military infrastructure. America is busy setting up light anti-guerrilla forces strong enough to control the situation, but not strong enough to defend the country's sovereignty: Washington plans to remain its guarantor for a long time to come.

On the whole, the Afghan security forces and the troops of the Internal Affairs Ministry are staffed with inadequately trained people and infected with corruption and opposition sentiments popular among the policemen. The army and police are losing many people to desertion.

The mounting wave of criticism of President George W. Bush's counterterrorist policies has forced his administration to gradually cut down the number of American military in Iraq and Afghanistan to improve the Republican Party's chances at the congressional election late in 2006. At the same time, a lot is being said about the local security forces of both countries being able to preserve stability on their own.

On 4 January, 2006, the president confirmed in the Pentagon that in 2006 the size of the American troops in Afghanistan would drop from 19,000 to 16,500 men; and in Iraq, from 17 to 15 brigades. This decision was based on information supplied by the American commanders in these countries.

The diminished size of the American troops in Afghanistan will be compensated for by the expected extension of the NATO contingent. In fact, the American leaders are convinced that NATO will be able to close the security gap left by the departing American troops. Washington plans to station, as before, the main part of its military contingent in the country's southeastern corner, from which Taliban and al-Qa'eda fighters penetrate Afghanistan, even though it would rather replace its troops in this area with NATO forces as well. It has been unable to do this so far: the Afghan leaders strongly object to this on the grounds that the country's political institutions and its security forces are not strong enough, while NATO is not always ready to fight. According to foreign analysts, as distinct from the Iraqis, the majority of Afghanistan's population is still convinced that America's military presence ensures the country's security and testifies that the international community is remaining true to the task of Afghan rehabilitation. According to Afghani experts, NATO is perceived as an inadequate substitution for the American forces—the NATO units “are halfhearted and do not want to fight.” Most of the NATO members (with the exception of the U.K., Australia, and Canada) do not permit their military to be involved in operations against the fighters.

Moreover, NATO's greater involvement in Afghanistan is not guaranteed: on 8 December, 2005, it announced the movement of 6,000 military (including 4,000 Brits) to Southern Afghanistan, an area of the fighters' greatest activity. The next day, however, this information was doubted on the strength of a Dutch statement that the 1,000-strong Dutch contingent would only be moved if the parliament approved it (the opposition parties in Holland were dead set against it).¹¹

¹¹ See: “Kofi Annan za napravavenie v Afghanistan voinskogo kontingenta Niderlandov, 2 fevralia 2006 goda, Brius-sel, 30 ianvaria,” Xinhuanet [<http://www.russian.xinhuanet.com/russian>].

Local experts in Afghanistan do not exclude the possibility that the international coalition members will become even more hesitant to extend NATO's presence in Afghanistan. They are convinced that the stepped up activities of the Taliban and al-Qa'eda in the last twelve months in the country's southeast pursued precisely this goal. In 2005, their attacks killed about 1,500 Afghans and 90 Americans; since late 2005, the fighters have been using the suicide bomber tactics widely used by Islamic radicals in Iraq.

In an effort to somehow diminish its military presence in Afghanistan, the United States has stepped up its efforts to convince the allies to shoulder more responsibility for the settlement process. This is primarily addressed to Great Britain and Germany. The new German leaders, in particular, should demonstrate their loyalty to the trans-Atlantic partnership they themselves described as a priority.

By way of practical involvement in the America-led antiterrorist effort, the NATO Council decided to assume command of the ISAF as of 11 August, 2003.

Its spokesmen did their best to defuse the decision's obvious importance by saying that theoretically the peacekeeping operation in Afghanistan would be carried out very much as usual under the U.N.'s aegis and command of the volunteer states. The military uniforms of the Western peacekeepers bear neither the flag nor the emblem of the North Atlantic Alliance, which is only providing structure. However, Timur Shaymergenov, research associate of the department of foreign policy studies, the Kazakhstani Institute of Strategic Research (KISI), has concluded that the United States invited the NATO forces to Afghanistan to be able to concentrate on Iraq.¹²

This is the first time that NATO has been supervising an operation far away from its responsibility zone in a situation where the government that replaced the Taliban in Kabul is confronted with a crisis of confidence among the local people and mounting activity of the pro-Taliban forces. The headquarters of the coalition members are no longer changed on a six-month basis; the contingent is under the command of the NATO Allied Forces of Northern Europe. The commander of the armed forces in Kabul is appointed by the Supreme Allied Commander of NATO in Europe, while the coordinating center of the Afghan operation is stationed at NATO's Allied Command Operations at Mons in Belgium.

It should be said that NATO sees conditions conducive to lasting peace and stability, in which a representative government will operate, as its final aim in Afghanistan. The ISAF is gradually promoting the required Afghan institutions, in particular, by its involvement in training the National Armed Forces and the police.

Neither the ISAF, nor NATO has the political situation under control—even though relative stability has been achieved. Positive developments notwithstanding, the military-political situation in Afghanistan remains responsive to all sorts of risks originating inside and outside the country. While tension is preserved, no one can say that NATO is playing a key role in achieving stability. Whether the country has embarked on a road leading to peace, domestic stability, and economic resurrection remains to be seen.

On the whole, the military-political situation in Uzbekistan is unpredictable. The protracted period of "postwar" settlement has already developed into a structural factor of regional instability. Unexpectedly, the political situation in the Middle East has changed: Ariel Sharon left the political scene; Ahmadinejad came to power in Tehran, Palestine brought HAMAS to power; and tension in Syria and Iran is mounting. All this adds to destabilization in Afghanistan. The military-political situation is worsening under the impact of the deteriorating relations between Iran and Israel, the recent notorious statements on Israel made by the Iranian president, his country's nuclear problem, and the victory of HAMAS in Palestine. This inevitably affects America's policy in Afghanistan.

¹² See: T. Shaymergenov, "Sovremennyye podkhody NATO k bor'be s mezhdunarodnym terrorizmom: afganskiy opyt," *Analytic*, No. 6, 2005 (see also KIRI web-site, Archive (Security) 17 February, 2006).

President of Uzbekistan Islam Karimov has pointed out: "The situation in Afghanistan clearly demonstrates that the conflicts and their aftermath have pushed the country back by decades."¹³ He went on to say: "The military-political crisis in Afghanistan cannot but have a negative effect on regional stability in Central Asia as a whole and on Uzbekistan's national security in particular."¹⁴ "For example, the war in Afghanistan, which almost completely destroyed the country's economy, which was underdeveloped at best of the times, today is the main obstacle to laying new transport communication routes to connect the Central Asian states with the 'warm seas' and allowing them join the system of world economic relations."¹⁵ What is going on in Afghanistan at present "makes it possible to simulate potential transfer of terrorist activities beyond the country's national borders... This is facilitated by the porous frontiers between the Central Asian states, while Afghanistan, its territory, and its borders have been turned into uncontrolled weapon stockpiles."¹⁶

¹³ I. Karimov, *Uzbekistan na poroge XXI veka: ugrozy bezopasnosti, usloviia i garantia progressa*, Drofa Publishers, Moscow, 1997, p. 22.

¹⁴ *Ibid.*, p. 25.

¹⁵ *Ibid.*, p. 29.

¹⁶ *Ibid.*, p. 31.

THE REPUBLIC OF TAJIKISTAN IN THE REGIONAL DIMENSION

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The collapse of the Soviet Union and the formation of the newly independent states in Central Asia have revived the rest of the world's interest in this region. Its countries were viewed primarily through the prism of their relations with the leading world and regional nations, particularly with Russia, China, Iran, and Turkey, without giving interstate contacts in this region

their due attention. However, it is the regional problems of the Central Asian republics that have largely determined their foreign policy.

On the whole, a paradoxical situation is being observed in this sphere. We are witnesses to endless statements by the regional leaders about friendship, fraternity, and cooperation for the good of all the residents of Central Asia, on the

one hand, and to various processes hindering cooperation and favoring the appearance of local conflicts, on the other. Some governments lack logic in their decisions. For example, air communication has still not been restored between the cities of Tajikistan and Uzbekistan, although at one time flights between these countries were very popular among the population, and the need for them is obvious. Protection “in the name of state security” has become absurd, the peoples and

countries of the region are becoming increasingly alienated, even to the point of isolation. It is impossible to establish strong regional ties without openness and mutual trust. Today, regional cooperation is the only way the Central Asian countries can deal with the negative manifestations of globalization, which will have a direct impact on the economic development both of the region as a whole, and of each of its states individually.

Republic of Tajikistan- Republic of Uzbekistan

As an inalienable part of Central Asia, Tajikistan is actively cooperating with the region's countries and shares an extensive state border with two of them. Since it appeared on the political map of the world, the region has been in the focus of attention of many states, the influence of which largely determined the relations of the Central Asian republics among themselves. In contrast to the other republics of Central Asia, Tajikistan is not a Turkic state, but the ideas of Pan-Turkism are a cause for natural concern in the neighboring states. Tajikistan is particularly interested in Uzbekistan, which, since it gained its independence, has assumed the role of regional leader, motivating this by its unique geographic location in Central Asia. Uzbekistan is the only country that shares a border with all the region's states, while also possessing significant natural resources, an industrial complex, and a strong army by Central Asian standards. In addition to these factors, Uzbekistan is considered the most urbanized state in the region. Not only is its capital, Tashkent, one of the largest cities in the republic, it also has Samarqand, Bukhara, Andijan, Namangan, Ferghana, and Kokand. It is worth noting that the Uzbek diaspora comprises up to 15% of Tajikistan's population.

Diplomatic relations between these two states were established on 22 October, 1992, and on 4 January, 1993, Tajikistan and Uzbekistan signed a Treaty on Friendship and Mutual Assistance. But the first official summit meeting did not take place until five years later. On 4 January, 1998, on the invitation of Uzbek President Islam Karimov, the head of Tajikistan paid an official visit to Tashkent. During this visit, intergovernmental agreements were signed on mutual payments for cargo transportation and the delivery of Uzbek gas to Tajikistan. During Uzbek President Islam Karimov's return visit to the Tajikistan capital in June 2000, several mutually advantageous agreements were signed. Among them, we should single out the Treaty on Eternal Friendship, which launched a new stage in Tajik-Uzbek relations.

The most propitious was Tajikistan President Emomali Rakhmonov's visit to Uzbekistan on 27 December, 2001. For example, the Uzbekistan President said that his country was ready to hold a constructive dialog to resolve the problems between the two states. They include creating conditions for the unhampered movement of transportation means, citizens, goods, and services; liberalizing the conditions for passing through 26 checkpoints on the Tajik-Uzbek border; restructuring Tajikistan's debt and reducing it by 10% (\$12 million); and lowering the price and fees of cargo transportation, the gas delivered to Tajikistan, and several other commodities. The leaders of the two countries agreed that the work of the Intergovernmental Commission on Economic Trade Cooperation should be revived (and subsequently stepped up) to further develop bilateral economic relations. Its first meeting

was held in Dushanbe on 23 August, 2002, at which the sides outlined problems in bilateral relations and drew up prospective ways to resolve them.

When analyzing the dynamics of Tajikistan's and Uzbekistan's foreign trade circulation, we should note the slump that is having a negative effect on the foreign economic relations of the two countries. The highest foreign trade turnover index was registered in 1999 at \$445.4 million, followed in subsequent years in descending order as follows: \$283.4 million in 2000, \$237.9 million in 2001, \$205.3 million in 2002, and \$199.8 million in 2003, while trade turnover rose by \$34.9 million in 2004, reaching \$234.7 million.¹ In so doing, gas deliveries account for the lion's share of Uzbek export in Tajikistan.

When looking at Tajik-Uzbek relations, we see a paradoxical situation. For example, a broad regulatory-legal base has been created in this sphere, and dozens of treaties and agreements have been signed. But on the initiative of the Uzbek side, cooperation has been curtailed unilaterally in essentially every direction, and in the economic sphere it has been reduced to a minimum.

The tough conditions created for protecting the Tajik-Uzbek state borders de facto verged on the transportation-communication blockade of Tajikistan. The actions of official Tashkent in this area not only made it difficult to implement the signed bilateral documents, but frequently directly and deliberately violated their provisions, including the Treaty on Friendship, Good Neighborly Relations, and Cooperation.

Official Dushanbe, in turn, guided by its intentions to preserve and strengthen the historical ties of friendship and good neighborly relations between the Tajik and Uzbek peoples, the treaty obligations it has assumed, as well as by the interests of ensuring security in the region, systematically took measures to neutralize negative phenomena in bilateral relations along diplomatic channels.²

The picture of mutual relations of the two states would not be complete without taking a look at several aspects which de facto influence bilateral relations and determine them.

1. Territorial Disputes

In the historical sense, the state formations in Central Asia—the Bukhara emirate, and the Kokand and Khiva khanates—were essentially not the national states of a particular people. All the current countries in the region appeared on the political map of the world as a result of the “axing” in 1920. The Soviet leaders of that time did not take into account many historical, cultural, and ethnic factors, as a result of which from time to time the question is raised at the unofficial level in all the Central Asian countries of to whom particular territories belong, which of course creates a certain amount of tension in the interrelations of these states. And although there is little likelihood of provoking an armed border conflict, the unresolved nature of the problem of disputed sections could become a factor of dissension. It should be noted that until now such sections exist along the entire Tajik-Uzbek border. The country's leaders are resorting to extreme measures, right down to setting mines, in order to reinforce the state borders. Along with introducing a visa system, this “concern” is creating tension on both sides of the border since it is preventing border trade, which in turn is having an effect on personal prosperity.

2. Ethnic Problems

There is a large and compact Tajik diaspora living in Uzbekistan, which is concentrated primarily in the Surkhandaria, Samarqand, and Bukhara regions. According to Tashkent's official statistics,

¹ See: *Statistical Yearbook of the Republic of Tajikistan-2005*, p. 255.

² See: Z.Sh. Saidov, *Vneshniaia politika Tadjikistana v usloviakh globalizatsii*, Avasto, Dushanbe, 2004, p. 562.

there are more than one million Tajiks in the country (approximately 4% of its population), and according to unofficial data, more than 6 million, that is, in size this diaspora is inferior only to the titular nation. What is more, the Tajik diaspora is distinguished by intense sociopolitical activity, making a positive contribution to Uzbekistan's development.

At the same time, it should be kept in mind that the Tajik language, as we have already noted, is the only one in the region that does not belong to the Turkic group of languages. Linguistically, Tajiks are representatives of the Iranian group of languages. Tajikistan has declared 2006 the Year of the Aryan Civilization, the history of the Tajik people being part of its history.

If Tajik-Uzbek relations are viewed in the context of a dialog and confrontation of civilizations, the trend toward an attempt to strengthen the Turkic civilization is evident, which the presence of Iran in the region actively opposes. The intercivilizational dialog, like the political dialog, is a broad concept which includes various forms of socialization. In this case, the matter concerns not only discussions and talks: this kind of dialog includes many consultations and agreements, as well as coordinating action on specific questions. The goal of an intercivilizational dialog should be overcoming phobias, forming tolerant relations between nations, and ensuring their peaceful coexistence.³

3. Joint Use of Communication Lines

The Central Asian states are located within a vast Asian continent far from the ports of the Pacific and Indian oceans. The countries of the region have a limited domestic market, as a result of which they simply have to use their communication potential to the maximum extent possible.

The independent republics of Central Asia inherited the region's entire transportation-communication infrastructure from the Soviet era. At one time it was built taking into account the unity of all the Soviet Union's communication lines. When the U.S.S.R. collapsed, the unified system of transport network control was also destroyed, which became another destabilizing factor in relations within the region.

The problem was intensified even more for Tajikistan by the fact that most of the republic's land routes were oriented toward Uzbekistan, which the latter used as an important lever of pressure in bilateral relations. In order to change the situation which developed, official Dushanbe began building roads that joined Tajikistan with China, Kyrgyzstan, and Afghanistan. This made it possible for the republic to withdraw from its transportation impasse.

4. Influence of Other Countries

As we have already noted, after the collapse of the Soviet Union, the leading power centers—China, Russia, the European Union, and the United States—focused their attention on Central Asia as a strategically important region of the world with a convenient geographic location and enormous raw material resources, including hydrocarbons, ferrous and non-ferrous metals, and cotton.

Guided by its own national interests, each Central Asian state made a geostrategic choice in its foreign policy in favor of different leading players of world policy. Whereas in this respect some repub-

³ See: V. Niiatbekov, "Mezhtsilizatsionnyi dialog na Srednem Vostoke," Documents of the international scientific conference "The Middle East in the System of Geopolitical Coordinates: Past, Present, Future," 16 March, 2005, p. 301.

lics of the region defined their priority as strengthening relations with the CIS countries headed by Russia, the Uzbekistan leadership steered a course from the very beginning toward developing ties with the Western states, primarily the U.S. The years 2002-2003, when Tashkent offered its military infrastructure to Washington for conducting the antiterrorist operation in Afghanistan, can be considered the peak of American-Uzbek relations. But after the tragic events in Uzbek Andijan in May 2005, their relations abruptly deteriorated to the extent that Uzbekistan demanded that the United States withdraw its military bases, which caused a dramatic change in Tashkent's foreign policy. It should be added that prior to this, Uzbekistan's participation in all the integration processes in the region was usually negative in nature.

5. Uzbekistan's Striving for Leadership in the Region

Since it first acquired its state independence, official Tashkent has been striving to become the leader in Central Asia, which, incidentally, is also characteristic of Astana, in contrast to Bishkek, Dushanbe, and Ashghabad. Uzbekistan justifies its efforts by the fact that it is the largest state in the region, possesses the strongest army within its framework, and all the transportation routes of the Central Asian republics cross its territory to one extent or another. Of course, this policy did not meet with any enthusiasm in the neighboring countries and ultimately led to the deterioration in Uzbekistan's relations with them. What is more, if we are objective, not a single Central Asian state, including Uzbekistan, is able for several reasons at the moment to impose its policy on the other countries of the region. In Uzbekistan's case, these factors include social instability, which has recently acquired a political nature; the economic situation, which does not allow Tashkent to become a large investor in the neighboring countries; and the significant involvement of several leading world and regional nations in the region's life, which is not giving Tashkent the opportunity to enforce its role of leader in Central Asia.

6. Environmental Issues

The environmental problems between the two states are largely caused by the Tajik Aluminum Plant (TadAZ) which is located next to the Uzbek border. It should be noted that the giant plant went into operation during the Soviet era, and the site of its construction was entirely in keeping with the Soviet Union's unified national economic complex. According to official Tashkent, the plant is detrimental to Uzbekistan's environment and to the health of its citizens. But these statements are mainly declarative and aimed at forming a negative opinion among the population.

It might be more expedient to come up with a solution to the environmental component of the problem. In order to do this, the generally accepted environmental demands had to be taken into account when TadAZ was expanded and a new plant built in the Khatlon Region. Modernization of the equipment at these enterprises to meet world standards could very likely reduce toxic discharges to a minimum. What is more, according to Deputy General Director of RusAl Sergei Annenkov, equipment will be installed in two new workshops at TadAZ which meets all the international environmental standards (this equipment was installed at all eight of RusAl's enterprises in operation in many countries of the world). What is more, according to Sergei Annenkov, for RusAl, environmental issues are of top priority, so the company intends to introduce environmental innovations at TadAZ too.

The environmental component of the problem is not unilateral in the interrelations between the two countries: several combines that pollute the environment of the neighboring regions of Tajikistan operate in Uzbekistan itself. For example, toxic discharges from the Bekabad Metallurgical Plant and Almalyk Mining-Metallurgical Combine have already been having a negative impact on both the health of the residents of northern Tajikistan, and on its environment for decades now. In other words, environmental problems are urgent in both states, and a common approach is needed to resolve them.

7. Transborder Rivers

Recently, when the talk turns to factors capable of provoking a conflict in the region, for some reason the water problem, which has become more aggravated than ever before, is hushed up. Central Asia has been a farming center from time immemorial, and the nations of the region are well aware of the price of water. When Soviet power was being established, not simply land, but land-water reform was carried out in Central Asia, that is, a common water system was created, which automatically ceased to exist when the Soviet Union collapsed. Rivers, lakes, and other reservoirs changed their status in the twinkling of an eye, becoming a bone of contention between the new entities of interstate law. It should be added that approximately 30% of all the rivers on the planet are transborder rivers and pass through the territory of 68 countries.

Tajikistan and Kyrgyzstan possess the largest water supplies in Central Asia (66% and 18%, respectively). Kazakhstan, Uzbekistan, and Turkmenistan, the territory of which equals a total of 3,600,400 sq km and the total population of which reaches 45 million people, account for 16% of the water, that is, these three countries suffer from a water shortage. In Uzbekistan, the problem is aggravated by the drying up of the Aral Sea. The country has been inflicted by drought and is essentially an environmental disaster zone.

Water could become the same tool of interstate relations as oil and gas, and the assertion that God created water and it belongs to everyone is a thing of the past (for according to this logic, oil and gas should also belong to everyone). The current situation requires a new approach to the resolution of this problem, that is, some general model must be developed that can optimally be applied to all the Central Asian countries.

History shows that largely local and short-lived clashes and conflicts frequently arose in the region over water. Only mutually acceptable conditions will make it possible to avoid a conflict on these grounds in the future. Today, Tajikistan is drawing up large projects, including those which envisage building the Sangtuda-1, Sangtuda-2, and Rogun hydropower plants with the participation of big investors from the Russian Federation and Iran. Introducing these facilities into operation will significantly change the situation regarding water use and allow Tajikistan to take single-handed control over use of the water in the Amudaria River. This in turn will have a negative effect on the countries located further downstream. For Uzbekistan, the problem is aggravated by the fact that according to the treaty signed in 1946 between Moscow and Kabul, the Islamic state of Afghanistan also has legal rights to use the resources of this river. Achieving peace and stability in this country will make it possible to raise the demand for the Amudaria's water. Tajikistan's hydropower plants, which regulate water supply, are currently working more for Uzbekistan. When they switch from the irrigation to energy-related mode, these facilities will mainly operate not under summer, but under winter conditions, that is Tajikistan will feel a real increase in electricity manufacture, which will resolve the problem of the republic's energy shortage. The current situation does not meet Tajikistan's interests, but it is very convenient for Uzbekistan, which continues to receive a large amount of water essentially free.

A change in the current situation can be brought about by forming a new approach with the subsequent creation of a water market which is, in our opinion, in keeping with the times. But a constructive political and economic dialog between the two states is only possible with a more careful and scrupulous analysis of the factors reviewed above.

Uzbekistan, which is just one of the four countries bordering on Tajikistan, nevertheless occupies a key position in Dushanbe's foreign policy. Since diplomatic relations were first established, Tajikistan has tried to create a friendly atmosphere in Tajik-Uzbek relations. But, while giving the practical side of bilateral relations their due, these relations are still vague and contradictory due to Tashkent's striving to be the leader in the region.

The political-economic aspects reviewed are prompting both sides to look for an optimal compromise in bilateral relations, for which a broad regulatory-legal base could serve as a guarantee: international treaties (interstate, intergovernmental, and interdepartmental); documents on delimitation and demarcation of the state border; other documents, including the joint presidential statements, minutes from government delegation talks, and so on.

As already mentioned, since it first gained its independence, Uzbekistan has accented its attention on creating strong ties with the industrial states of the West. But recently, these contacts have been characterized by confrontation rather than a constructive dialog. In 2005, Tashkent's foreign policy underwent significant changes expressed in the choice of its new priorities. These priorities reoriented the vector of diplomacy from the West to the East and gave preference to the countries of the former Soviet Union, which could to a significant extent also promote an improvement in Tajik-Uzbek relations.

Republic of Tajikistan- Kyrgyz Republic

Kyrgyzstan declared its state independence on 31 August, 1991. The change in the republic's political status meant drawing up a new foreign policy, the goal of which was to protect national interests both in the post-Soviet space and in relations with states of the Far Abroad.

The Kyrgyz Republic is located in the interior of the Asian continent, far from sea ports, and the total length of its borders is equal to 4,104 km, 1,051 km of them it shares with Kazakhstan, 1,084 km with China, 870 km with Tajikistan, and 1,099 km with Uzbekistan.

Tajikistan established diplomatic relations with neighboring Kyrgyzstan on 14 January, 1993. These states have many things in common. For example, Kyrgyzstan's natural relief is also made up of mountains, which occupy a significant part of its territory, and it is second in the region after Tajikistan in terms of water resources, whereby rural residents comprise two thirds of the population.

From the very beginning, the political dialog between Dushanbe and Bishkek has been constructive. Dozens of agreements were signed within a short period of time. They formed a solid foundation for successful bilateral cooperation, the priorities of which took shape within the framework of frequent official visits by Tajik and Kyrgyz delegations and which was also promoted by the political will of the leaders of both countries to engage in cooperation.

The official visit by Kyrgyz President Askar Akaev to Tajikistan in 1996 was an important milestone in the recent history of the two nations. As a result of this visit, a Treaty on the Foundations of Interstate Relations between the Republic of Tajikistan and the Kyrgyz Republic was signed, as well as several other documents relating to the economy and culture. In order to further develop trade and economic ties, the same year the Tajik government adopted a decision to open its trade representative office in the Kyrgyz capital of Bishkek. What is more, based on the signed documents, as early

as February 1997, a Tajik-Kyrgyz intergovernmental commission was created for carrying out a comprehensive review of bilateral issues. In October of the same year, its first session was held in the Kyrgyz city of Osh, during which six working groups were formed on border, financial, socioeconomic, communication, transportation, roads, and migration issues, as well as on fighting organized crime and terrorism.

The Tajik President made a return visit to the Kyrgyz Republic on 6-7 May, 1998. The heads of the two states discussed a broad range of cooperation issues in the socioeconomic, cultural, transportation, migration, and security spheres, primarily the problem of drug trafficking.

It should be noted that Kyrgyzstan fully supported Tajikistan joining the Customs Union made up of four CIS states and its full-fledged membership in the Central Asian Economic Community. On the whole, 1998 was a fruitful year designating a new stage in bilateral relations. The Kyrgyz Republic is the only neighboring country with which Tajikistan does not have visa requirements.

During the EurAsEC session on 27 April, 2003, a meeting was held between the Tajik and Kyrgyz leaders, at which they discussed the current state and prospects for Tajik-Kyrgyz relations, the potential of which is much higher than the present situation manifests.

During this time, the main list of mutually advantageous commodities was compiled. For example, electricity, building materials, asbestos slate, glass, consumer goods, including textiles, are sent from Kyrgyzstan to Tajikistan. In order to further develop trade between the two states, a decision was made to open the Guliston market in Isfara, a town which borders on the Batken District of the Osh Region in Kyrgyzstan, which helped to create a favorable climate in strengthening ties between our states. Despite the decline in certain years, the dynamics of Tajik-Kyrgyz trade relations is generally heading upward. For example, whereas in 1991, trade turnover amounted to \$5.1 million, in 1998 and 1999, it increased to \$11.1 million. In 2000, a decline was noted to \$10.2 million, in 2001 to \$7.7 million, but in 2002, trade turnover rose slightly to \$8.9 million, and in 2003, an abrupt upswing was observed to \$31.2 million, but in 2004, trade turnover again dropped to \$22 million.⁴

During a meeting in Dushanbe held on 26-27 May, 2004, the heads of the two states discussed questions of further developing and strengthening ties in bilateral and multilateral formats, and expressed their viewpoints on problems relating to international and regional policy.

On 18 May, 2005, Kurmanbek Bakiev, who was acting president of the Kyrgyz Republic at that time, arrived in Dushanbe on a one-day working visit. Although it was short, this visit was propitious, in particular, a bilateral intergovernmental agreement was signed On Mutual Allotment of Land Plots.

It is gratifying to know that cooperation also affects strategic spheres. For example, during Kurmanbek Bakiev's visit to Tajikistan in May 2005, the Kanibadam-Batken power transmission line was opened, which made it possible to eliminate the shortage of electricity to the Sogd Region of Tajikistan.

Cooperation in the humanitarian sphere is also developing very productively; one good tradition is a cultural dialog in which theatrical groups from Tajikistan and Kyrgyzstan are playing a prominent role. Regular festivals in which the creative workers of both countries participate are helping to strengthen tolerance as well as decrease negative potential in the region. The theater reacts faster and with greater understanding to problems relating to globalization, be it the environment, labor migration, or transborder crime.

One of the main aspects of Kyrgyz President Askar Akaev's visit to Tajikistan on 26-27 May, 2004 was to participate in the ceremony of the official opening of Kyrgyz Culture Days in Tajikistan, within the framework of which the cultural treasures of the Kyrgyz people, and their achievements in art, music, sculpture, applied art, literature, and cinema were exhibited.

⁴ See: *Statistical Yearbook of the Republic of Tajikistan-2005*, p. 255.

The Kyrgyz education system attracts young Tajik people. At present more than 650 Tajik citizens are studying in Kyrgyz universities, and there are secondary schools in Tajikistan which teach in the Kyrgyz language.

Certain characteristics can be traced in relations between Tajikistan and Kyrgyzstan which define the position of the two states. An adequate attitude toward them will make it possible to raise the political dialog between Dushanbe and Bishkek. In order to reach this goal, it is expedient to organize comprehensive, detailed, and objective research of the following factors, which will help to form a Tajik-Kyrgyz tandem in the region with clearly designated bilateral priorities.

1. Territorial Disputes

Since Tajikistan and Kyrgyzstan are geographically located in Central Asia, any tension could lead to destabilization of the entire region.

There are approximately 70 disputed sections on the Tajik-Kyrgyz state borders, primarily in the Isfara District of the Sogd Region and the Jirgital Region of Tajikistan bordering on the Osh and Batken regions of Kyrgyzstan, respectively.

When talking about the settlement of ethnic groups in both states, it should be noted that it is not homogeneous: the Kyrgyz primarily live in the mountainous border regions of Tajikistan and their numbers reach a little more than 1% of the republic's total population of approximately 65 thousand people.

A special feature of the territorial issue is the enclave factor. For example, there is a large Tajik enclave in Kyrgyzstan called Vorukh with a population of 28-30 thousand people, 95% of whom are Tajiks, and 5% are Kyrgyz, which administratively belongs to the Isfara District of the Sogd Region in Tajikistan. The density of the population in the Batken District of the Batken Region in Kyrgyzstan surrounding it is much less.

The uneven use of resources had led to occasional clashes between the Kyrgyz and the Tajik; in particular, conflicts on these grounds occurred at the beginning of the 1980s and in 1989 (in the latter case, a major incident took place).

The penetration of armed contingents of the Islamic Movement of Uzbekistan into the Batken District of the Kyrgyz Republic in 1999 and 2000 propelled the resolution of border safety issues into the foreground.

Reviewing these territorial and ethnic problems, it should be noted that they require increased attention, a rational approach, and the search for joint solutions that meet the national interests of both states.

But on the whole, instability and explosiveness are not characteristic of Tajik-Kyrgyz relations (unlike Kyrgyz-Uzbek), which inspires hope for their positive settlement.

2. Joint Use of Communication Lines

One of the main factors hindering the development of mutually advantageous cooperation, in our opinion, is that the main transportation-communication lines of Tajikistan are oriented toward Uzbekistan and the transit of cargo along them between Kyrgyzstan and Tajikistan increases the cost of the goods. But this problem is currently being resolved. For example, a shorter motorway between the two republics will be restored with the help of foreign investors in the next few years, which will supplement the current Osh-Khorog route that functions seasonally.

What is more, restoration of the Dushanbe-Vakhdat-Nurabad-Tajikabad motorway has begun in the Osh direction, which will go to the border with Kyrgyzstan. The first stage of the project also

envisages the building of four new bridges (these construction projects should be finished by 2007). The total cost of the project amounts to \$23.6 million. Its main creditors were the Asian Development Bank, which allotted \$15 million to this purpose, the Organization of Petroleum Exporting Countries (OPEC), which allotted \$6 million, and the Tajik government, which allotted \$2.6 million.

As for the near future, a project for building an Isfara-Osh motorway that bypasses the Uzbek enclave of Sokh is being considered. Its successful implementation will alleviate many problems for the residents in the border areas of both states, which will primarily be expressed in a minimum decrease in border conflicts with Uzbekistan. Incidentally, after the Kanibadam-Batken power transmission line, this is the second largest transborder project between Tajikistan and Kyrgyzstan.

Increased cooperation in the transportation-communication sector is helping to develop the periphery regions of both republics.

3. Influence of Other Countries

Kyrgyzstan's geographic location predetermined Bishkek's foreign policy, which is distinguished by predictability and stability. Along with other factors, Bishkek must take into account its contiguousness with vast China, on the one hand, and with Kazakhstan, on the other, as well as Russia's 200 years of ongoing influence. Kyrgyz diplomacy's recent history can provisionally be divided into three stages.

- The first stage—from the day Kyrgyzstan gained its independence to 2001, when Bishkek initially defined the other CIS countries as its priority partners and began actively cooperating with them in the bilateral format and within the framework of the Commonwealth, EurAsEC, CST, SCO, and other post-Soviet integration structures.
- The second stage—from 2001 to 2005. At that time, “western accents” were more acutely felt in Bishkek's foreign policy, including the landing of American paratroopers in the republic. There were two reasons for these changes.
 1. The inefficiency of the integration formations within the framework of the CIS, the economic component of which was declarative without shifting to a practical plane.
 2. Kyrgyzstan's active participation in the antiterrorist campaign headed by the U.S. and its allies in the coalition. Interest in obtaining economic dividends from having a corresponding infrastructure in the country.

The third stage began in 2005 when Kurmanbek Bakiev came to power in Kyrgyzstan, who is trying to maneuver between the states of the West and the republics of the former Soviet Union, including Tajikistan.

4. Transborder Rivers

There is a large number of lakes in Kyrgyzstan, including Issyk Kul, and there are rivers and glaciers providing inexhaustible sources of fresh water. In so doing, the country uses no more than 20% of their supplies for its own needs. The largest rivers are the Naryn, 535 km in length; the Chu, 221 km in length; and the Chatkal, 205 km in length. Tajikistan and Kyrgyzstan essentially play the role of the region's water donors.

Recently, the problem of water has been becoming increasingly politicized because the states consuming the largest amounts of water are downstream of the transborder rivers and do not wish to take the

interests of the water donors into account. This matter is going as far as speculation around the Aral Sea, which has unfortunately been essentially lost. The current water situation requires a different approach based on transforming the structure of agriculture, as well as on changing the operating conditions of the irrigation system. But the water-consuming states are sticking to their guns. It is infringing on the vitally important interests of Kyrgyzstan and Tajikistan, the water and energy complex of which operates for the good of the economies of neighboring countries and in detriment to their own.

International law regulating water problems recognizes full sovereignty of each country with respect to the rivers running through its territory, which presumes that other states of the same region of the basin have no legal rights to limit the use of the river of the particular country within its borders. This problem will only get worse with each passing year, which in the near future will reinforce the status of Tajikistan and Kyrgyzstan in the region. It would be logical for Dushanbe and Bishkek to coordinate their actions in order to form and legalize a water market in Central Asia.

In order to improve the situation that has developed in this sphere both in the region as a whole, and in Tajikistan and Kyrgyzstan in particular, bilateral relations should be reviewed taking into account the real potential of Tajikistan and Kyrgyzstan, which will be an important political and economic step. The first initiatives in this direction have already been taken: the construction of a new motorway and reconstruction of the old road between Tajikistan and Kyrgyzstan will promote the economic development of these republics. Another favorable factor of bilateral cooperation is its reliability, stability, and predictability.

Republic of Tajikistan- Republic of Kazakhstan

Thanks to its vast territory (Kazakhstan accounts for 2,724,900 sq km of Central Asia's four million sq km), this country is one of the ten largest countries in the world. Kazakhstan was one of the last Soviet republics to declare its state independence (on 16 December, 1991). Nevertheless, by 1995, their statehood was recognized by 111 countries, with 92 of which they established diplomatic relations.

The first initiatives of the Republic of Kazakhstan demonstrated the peaceful nature of its diplomacy. The country voluntarily rejected the enormous nuclear arsenal it inherited from the Soviet Union, as a result of which the region became a zone free from weapons of mass destruction. The main achievement of Kazakhstani diplomacy is the initiative put forward at the 47th session of the U.N. General Assembly in October 1992 on convocation of the Conference on Interaction and Confidence-Building Measures in Asia (CICA), the first summit of which was held 10 years later on 4 June, 2002.

Astana's foreign policy is largely determined by Kazakhstan's geographical location. It is the only country in the world which borders on two nuclear nations: on the Russian Federation in the east, north, and northwest (the length of their common frontiers is equal to 6,467 km) and on China in the southeast (their common border is 1,460 km in length). Of the Central Asian states, Kazakhstan has the longest border (2,300 km in length) with Uzbekistan. It is followed by Kyrgyzstan with 980 km and Turkmenistan with 380 km. The country is washed by the Caspian Sea in the west. Tajikistan is one of the region's republics which does not have a state border with Kazakhstan. In this respect, our states do not have the problems characteristic of several border states, in particular, those existing in Uzbek-Kyrgyz relations.

A key place in Kazakhstan's multi-vector foreign policy is occupied by relations with the Central Asian countries. Diplomatic relations between Tajikistan and Kazakhstan were established on 7 January, 1993, and as early as 13 January, Tajik President Emomali Rakhmonov paid a working visit to Kazakhstan. In the same year, the foundation was laid for a regulatory legal base, which included the Treaty on the Fundamental Principles of Interrelations between the Republic of Tajikistan

and the Republic of Kazakhstan, the Agreement on Principles of Economic Trade Cooperation, as well as several other important documents. The signing of them began a new phase in bilateral relations, which also predetermined the further development of mutually advantageous ties.

In November 1995, Tajik President Emomali Rakhmonov visited Kazakhstan again. During this visit, several mutually advantageous agreements were signed that regulate bilateral contacts in the economic sphere.

When looking at this period, it is important to mention that Kazakhstan made its contribution to strengthening peace in Tajikistan by becoming one of the guarantors of the General Agreement on the Establishment of Peace and National Consent in Tajikistan.

On 2 September, 1998, Kazakhstan Minister of Foreign Affairs Kassymzhomart Tokaev paid an official visit to Dushanbe. As a result of this visit, several documents of mutual interest were also signed.

On 3 October, 1998, the first meeting of the Tajik-Kazakh Intergovernmental Commission on Economic Trade Cooperation was held in Astana, the purpose of which was to identify priority areas in bilateral cooperation. In particular, questions were raised regarding the regulation of mutual debt obligations. In the same year, measures were adopted for transferring the resolution of labor migrant problems to a higher quality level, including their legal settlement, as well as resolving issues regarding transit from Tajikistan through Kazakhstan to other CIS countries.

The most outstanding event in bilateral relations was Kazakhstan President Nursultan Nazarbaev's visit to Tajikistan on 13 June, 2000. It ended in the signing of agreements defining the further development of relations between the two countries. They included the Agreement on Cooperation in Education; the Agreement on Cooperation in Science, Technology, and Information; and the Agreement on Cooperation in the Fight Against the Illicit Circulation of Drugs, Psychotropic Substances, and Precursors.

On 22 February, 2001, the second meeting of the Tajik-Kazakh Intergovernmental Commission on Trade and Economic Cooperation was held. Now Kazakhstan is one of Tajikistan's main partners in this sphere, and trade turnover between the two countries is on the constant rise. Whereas in 1991, it amounted to \$12.7 million, in 1998 it was \$61.9 million, in 1999, \$82.4 million, in 2000, \$88.1 million, in 2001, \$92.2 million, in 2002 up to \$75.7 million, by 2003 it has increased to \$100.4 million, and in 2004 to \$156.1 million.⁵

On 25 March, 2004, a business forum was held in Almaty, in which businessmen of both countries took part.

On the whole, economic cooperation is gaining momentum. There is an agreement on using the resources of the Kazakhstan Investment Fund for carrying out Tajikistan's most important projects. The building of several hydropower facilities, surveying and operating oil fields, developing the mining industry, financing several coal fields in Tajikistan, enhancing agriculture, and reconstructing available capacities and building new factories for producing cement, concrete, and reinforced concrete items could be promising areas of mutually advantageous cooperation.

At present, a joint Tajik-Kazakh venture called Andrasmon (the volume of investments is equal to \$500,000) is operating in the north of Tajikistan, in the Sogd Region. The money is intended for repair and restoration work at mineral fields, at the plant, and also for developing ores. The Kazinvest-Mineral Company acted as investor in the project on the Kazakh side.

A trend was noted toward strengthening cooperation in the banking sphere, which is necessary for improving the Kazakh investment climate with subsequent involvement of Kazakhstan capital in the Tajik economy. One of the largest banks of Kazakhstan, TuranAlem, opened its representative office in Tajikistan, which could also promote the development of bilateral ties. The formation of a streamlined interbanking system based on the existing contract-legal base will make it possible to reinforce economic trade contacts and insure investments in the priority sector of the national econo-

⁵ See: *Statistical Yearbook of the Republic of Tajikistan-2005*, p. 255.

my. There is a wealth of promising areas in the economic sector: agriculture, the textile industry, hydropower engineering, ferrous metallurgy, and so on.

During the civil uprising in Tajikistan, many citizens of the republic found refuge in Kazakhstan. A small but quite mobile Tajik diaspora lives in its former capital of Almaty, which is engaged mainly in small business and construction.

Humanitarian ties are also strengthening; the Society of Tajikistan-Kazakhstan Friendship is giving a new boost to cooperation in the cultural sphere.

We already noted above that Kazakhstan (like Uzbekistan) is claiming the role of regional leader, but Astana (in contrast to Tashkent) is actively carrying out a more constructive foreign policy with regard to the Central Asian states. Kazakhstan objectively has more opportunity to strengthen its regional status than Uzbekistan. This includes its dynamically developing economy underpinned with continuous investment flows; political stability in society; and Kazakhstan's authority in Central Asia.

The future prospects for Tajik-Kazakh cooperation will largely be determined by a whole set of measures that together comprise the national interests of both states.

Republic of Tajikistan- Republic of Turkmenistan

The Republic of Turkmenistan is mainly a state of contrasts, a combination of large area and relatively small population (the share of urban dwellers constitutes approximately 40%). The country is rich in natural resources, including hydrocarbons, and their significance is growing with each passing year.

Turkmenistan is the only republic in the post-Soviet space that has officially declared its neutrality, and this also predetermined Ashgabad's foreign policy (endorsed by a special resolution of the U.N. General Assembly on 12 December, 1995).

The republic's diplomacy is distinguished by tranquility unusual for an Eastern state: official Ashgabad did not go into hysterics over the crisis in Afghanistan during the time the Taliban was in power in this country. What is more, it even established close contacts with its leadership. For example, as early as 1994, the Kushka (Turkmenistan)-Turgundi (Afghanistan) railroad went into operation, which raised the dynamics of bilateral cooperation.

Turkmenistan's interest in this southern neighbor is largely aroused by Ashgabad's desire to create new export routes for its hydrocarbon resources to the promising markets of the Asian states through Afghanistan.

The alliance between Turkmenistan and the Taliban movement aroused open displeasure among the other Central Asian countries. On the whole, official Ashgabad is carrying out a very cautious foreign policy with respect to the region's states, and did not become a member of the Central Asian Community that existed at one time, nor has it expressed an opinion about the Shanghai Cooperation Organization. However, neighboring Uzbekistan has already joined the SCO, while strong neighboring Iran has also announced its interest in this organization. At the same time, Turkmenistan is developing extremely dynamic relations with China.

In contrast to other Turkic-speaking states, Turkmenistan is carrying out an active policy with all the countries of the Persian world, including with Tajikistan. Diplomatic relations were established between Dushanbe and Ashgabad on 27 January, 1993. Since the two states gained their independence, contacts between them have been conducted at the ministerial and departmental level, but the Turkmen leader has not yet paid an official visit to Tajikistan, nor has the head of Tajikistan been to Turkmenistan. Admittedly, in 1995, Emomali Rakhmonov stopped in Ashgabad on his way home from the Islamic Republic of Iran. The same year, Turkmen Foreign Minister Boris Shikhmuradov

visited Dushanbe twice, and it should be mentioned that the contacts between the foreign ministries of the two countries are very intense.

1998 was memorable for its talks at the governmental level, according to the results of which an act was compiled on verifying the debts of the economic entities of both countries.

When the new ambassador of the Republic of Tajikistan to Turkmenistan, Kozidavlat Koimdodov, presented his credentials, the head of the Turkmen state noted: "Turkmenistan and Tajikistan have vast potential for cooperation based on the principles of good neighborly relations, mutual understanding, and trust." With respect to the prospects for developing Turkmen-Tajik relations, the sides talked in favor of further expanding and strengthening propitious partnership in all spheres, which meets the interests not only of the people of these countries, but also of the region as a whole.

Nevertheless, economic cooperation is unstable. For example, in 1999, bilateral trade turnover amounted to \$16.5 million, in 2000 to \$34 million, in 2001 to \$72 million, in 2002 to \$57.1 million, in 2003 to \$33.8 million, and in 2004 to \$41.3 million.⁶

Many industries are not operating actively, although Tajikistan is in great need of energy resources, and Turkmenistan, as we already noted, is rich in hydrocarbon deposits. Turkmenistan was a traditional supplier of glass to Tajikistan, and products manufactured by the Vakhsh nitrogen-fertilizer plant, the Yavan chemical plant, the Dushanbe refrigerator plant, as well as enterprises of the textile industry were delivered to the Turkmen market from Tajikistan.

There is a compact Turkmen diaspora residing in the south of Tajikistan, in the Julikul District of the Khatlon Region, the size of which, according to the latest population census, is more than 20,000 people. There are secondary schools in the country which teach in the Turkmen language, and a Turkmen Society has been created. At the beginning of the 1990s, Tajik citizens lived in Turkmenistan, but now they have all returned to their homeland. During the civil uprising in Tajikistan, one of the rounds of the inter-Tajik settlement talks was held in Ashgabad.

Turkmenistan occupies a unique geographical location, which has defined the great influence of border countries. Official Ashgabad gives immense importance to cooperation with the Persian-speaking states, since two of the four countries bordering on Turkmenistan are part of the Turkic world (Uzbekistan and Kazakhstan), and the other two (Iran and Afghanistan) are Persian-speaking.

In summary, a paradoxical situation has developed: countries usually form a solid legal basis of bilateral relations, but there is no real economic cooperation between them. However, Tajik-Turkmen relations are the opposite—stable economic contacts are combined with the absence of official visits by the leaders of these states. The objective political and economic development of the region is compelling Dushanbe and Ashgabad to look for new ways of bilateral interaction that meet their national interests.

C o n c l u s i o n

The role and place of the Central Asian states in Tajikistan's foreign policy are determined by a set of interests, the most important of which are in the economic, political, and security spheres.

Economic cooperation implies expanding contacts on the existing basis. The economy of the region's states, despite all the statements of their leaders, is dependent. What is more, this dependence is mutual, for until recently the national economy of these republics was a part of the single Soviet economy, the collapse of which, including the single transport and energy system, had a most negative effect on the Central Asian countries. This situation may play a low-down trick on the region's states in the near future by relegating them to the backyard of globalization. In this respect, raising the level of economic cooperation is vitally important. Tajikistan is looking for a way out of this situation, in particular, it is trying to strengthen comprehensive cooperation with the Central Asian countries.

⁶ See: *Statistical Yearbook of the Republic of Tajikistan-2005*, p. 255.

The republic's political interests were laid down as early as the Soviet era and were ultimately formed at the initial stage of independence. They are based on preventing the ideas of religious extremism from penetrating the country. The second urgent problem is Pan-Turkism. Tajiks have the experience of many centuries of coexistence with the Turkic-speaking peoples. Nevertheless, the re-animated ideas of Pan-Turkism are radical and extremist in nature, and the Turkic-speaking countries themselves are ambiguous about the idea of uniting the Turks.

Interests in the security sphere revolve around the problem of self-preservation of statehood. The main threats in this sphere are the ongoing drug trafficking from neighboring Afghanistan and international terrorism, which has become aggravated recently. Tajikistan is among the top five states on the planet in terms of drug confiscation. The world community's perception of Central Asia as one of the largest drug terminals is of enormous detriment to official Dushanbe's prestige. This problem can be resolved by taking a new approach expressed in the coordinated actions of all the region's states.

During the past 15 years, Central Asia has significantly changed, a new world, new reality, and new threats have arisen here, but some features of the not-so-distant common past still remain. Today the region is going through one of the most important periods in its recent history. This coincides with the new stage in human development—globalization, which is perceived ambiguously in scientific circles, from neo-colonialism to the highest degree of human development. But whatever the case, Central Asia must occupy a worthy place in the world community by relying on its available resources, the use of which will only be effective when each state of the region defines its interests based on the real state of affairs.

The current situation is prompting the region to draw up new forms of regional cooperation that can promote the stable development of all the states in Central Asia.

POWER, REVOLUTION, AND BUSINESS IN POST-REVOLUTIONARY GEORGIA¹ (Part Two)

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Business and Revolution

The United National Movement declared the development of small and medium businesses as one of its main aims and promised to remove the taxation issue, the main irritant, from the agenda. Under Eduard Shevardnadze tax evasion was easy: businessmen and bureaucrats established unofficial relations regarded at the top as a natural development pattern of capitalism and primary ac-

¹ For the beginning see No. 2, 2006.

cumulation. Businessmen were free to break the law, while bureaucrats seized the moment to grow rich by using their official positions to raise their personal prosperity. Even though the country's leaders alleviated state economic pressure on business, they increased their political and bureaucratic pressure by the same token, making the business community a hostage of the state and its bureaucracy. The latter was not only growing rich on bribes, it wanted large chunks of the businesses as well. Corrupt politicians and top bureaucrats protected the lawbreakers. In other words, while economic coercion was alleviated, pressure from the country's political leaders and corrupt bureaucrats was doubled.

Businessmen were naturally displeased: they wanted to wriggle out of the double pressure. At one time, Eduard Shevardnadze used this to tighten his control over the business community and strengthen the social base of his power. After coming to power through a coup that toppled the regime of legitimately elected president Zviad Gamsakhurdia, he badly needed all the support he could master. The deposed president's allies stood opposed to him, while most of the population badly hit by the economic devastation and sliding standard of living posed a serious threat to his political system. To strengthen the regime's economic and social basis, President Shevardnadze assembled a business community out of his friends and political allies and enlisted new allies from among the businessmen connected with his regime.

This explains how the National Bank of Georgia squandered credits and damaged the state's interests: advised by highly placed and influential people, its chairman was issuing credits in hard currency to be repaid in depreciated Georgian coupons. Huge capital formed in this way. Being aware that sooner or later he would be called to account, the chairman kept a list of all those who recommended the credit seekers. He shot himself under dubious circumstances during the interrogations. Naturally enough, society refused to accept the official version as true.

The members of the top crust were not the only ones to exploit the permissiveness of Shevardnadze's regime: ordinary people who lost their jobs when the Soviet Union fell apart found themselves at the very bottom. Some became petty merchants, others took to smuggling; still others tried to set up small and medium businesses by violating the laws. Permissiveness relieved the state's pressure and let them live.

The democratic procedures of the power struggle cost a lot under conditions where private property predominates, therefore power needs a lot of money from non-state sources, business being one of them. This explains why the ruling political forces are trying to preserve their control over business, while the business community, in turn, wants the ruling political forces to protect its interests. For this reason, business was, before the revolution, and is still, after the revolution, controlled by the bureaucracy and political power. Today, this control has become stricter than ever. The business community is much more afraid than before; it shoots much fewer critical salvos at the government than before. This, however, is not the whole picture. Deputy to the Georgian parliament David Zurabishvili says in particular: "The government counted a much better business climate as its achievement, yet businessmen are as oppressed as ever. Even the British ambassador said that foreign investors had problems with the financial police. I don't know how long businessmen are prepared to be content with the power-orchestrated extortions. They are afraid to talk openly, yet among friends any of them will paint the real picture."² According to Business Federation Executive Director G. Isakadze, businessmen were much bolder under Shevardnadze than they were after the Rose Revolution when it became hard to draw the truth out of them.³

Taxes are still a major headache for Georgian business. The congress of the Industry Will Save Georgia Party pointed out that the economic situation is going from bad to worse; business-

² *Kviris palitra*, 28 November-4 December, 2005 (in Georgian).

³ See: *Akhali taoba*, 15-16 November, 2005 (in Georgian).

men are oppressed by the very negative taxation climate; members of the old rule in various business spheres are being replaced with new bosses, while more and more businessmen are falling victim to blackmailing and intimidation.⁴ Business is powerless, while the state machine is still functioning in the interests of the people on top and the ruling party. The public is losing its control instruments. Businessmen prefer to keep away from politics to preserve their businesses. Leader of the Industry Will Save Georgia Party G. Topadze, a well-known businessman, has pointed out: “Developing our economy is the only answer to the huge number of problems, but you all know only too well the conditions under which our colleagues are functioning in the regions. Those of their friends and relatives who have businesses of their own experience immense pressure from above and have to live in awful conditions. Despite all this, we are the only successful political party whose ideas are absolutely acceptable to the nation. Everything under the sun has its limits—we have reached ours.”⁵

Before the revolution, the opponents of Eduard Shevardnadze and his regime promised tax amnesty for small and medium businesses. They held forth about the unfair taxes that confiscated profits in the interests of extortionists and official racket rather than the state.⁶ The post-revolutionary Taxation Code contained 7 taxes instead of 21.⁷ This did nothing to improve the business climate. In July 2005, a shopkeeper from Zestafoni told me in an interview: “If I start working according to the new Taxation Code, I shall be forced to close my shop, since it created unequal conditions for the state and businesses by placing the latter under the bureaucrats’ command.”⁸ Businessmen are afraid of speaking up—they present their claims collectively and anonymously as members of the Business Federation.⁹ It has already transferred about 100 comments from the expert and business communities to the parliamentary Finance and Budget Committee. Businessmen are not satisfied with their present situation: fewer taxes did nothing to improve the state of affairs for them—on the contrary, they are much worse off than before. Indeed, today they pay all official taxes, so now they have to pay more officially and unofficially than they did under Shevardnadze.¹⁰

On 14 November, 2005, the presidential administration initiated a meeting with the business community represented by members and non-members of the Business Federation—150 people in all. It showed that the revolution failed to justify the hopes of Georgian business: it expected a lighter tax burden (at least regarding the part that was paid officially and unofficially under Shevardnadze).¹¹ Tax-paying discipline has improved, but the government has not yet completely mastered the situation in this sphere. Speaking at the meeting, the president pointed out that businessmen are evading social tax—20 percent of the wages of hired workers—by never signing contracts with the people they employed. They do this to be able to keep their businesses going—if they fail, their workers would have no jobs.¹²

Influential politicians use their own secret levers and political and administrative resource to penetrate businesses they fancied and exert pressure on the owners to appropriate the entire business or at least part of it to increase their economic influence and grow rich. To camouflage their true aims they use friends or relatives or party comrades as front men. The Rose Revolution bred rumors about the coming redistribution of businesses in favor of the ruling political forces. G. Topadze quoted above confirmed this at the third congress of the Industry Will Save Georgia Party. A parliamentary inves-

⁴ See: *Akhali taoba*, 7 November, 2005.

⁵ Ibidem.

⁶ See: *Politicheskie partii Gruzii. Spravochnik*, Tbilisi, 2003, p. 70.

⁷ See: *Alia*, 15-16 November, 2005 (in Georgian).

⁸ *Rezonansi*, 25 July, 2004 (in Georgian).

⁹ See: *Alia*, 15-16 November, 2005.

¹⁰ See: Ibidem.

¹¹ See: *Akhali taoba*, 7 November, 2005.

¹² See: Ibidem.

tigation of the case of deputy K. Bekauri connected with the Opiza customs terminal revealed the secret mechanisms used by the ruling elite to penetrate the business sphere—something it tried to keep from the public without much success.

The Opiza Case

In 2005, a well-known journalist Sh. Ramishvili, owner and head of the 202 TV company, who intended to show a film about the business activity of K. Bekauri, a popular member of the ruling majority, was arrested on accusations of extortions. When the deputy learned about Ramishvili's plans, he tried to bribe the journalist into silence. The arrest triggered a chain of events. The parliament formed an investigation commission to reveal Bekauri's interests in the Opiza customs terminal. The commission members were flooded with information about the deputy and his cabinet allies.¹³ The witnesses revealed that the former owner of the customs terminal had sold it to Bekauri on easy terms. While the privately owned terminal flourished, the state-owned Lilo-1 terminal rapidly declined. Its employees were doing their best to ward off its bankruptcy, into which they were artificially manipulated. They sent a letter to the premier and met him personally without much success. Opiza enjoyed the most favored treatment. The administration of the Vostochnaia customs office was moved from Lilo-1 to Opiza. The importers were forced to clear their goods in Opiza, which appropriated 70 percent of customs dues and let the state take the rest. The man connected with the ruling party and its leaders was also the director of the two rivaling facilities—Lilo-1 and Opiza.¹⁴

The owner of Amagleba, one of the main shareholders of Opiza, planned to privatize Lilo-1, hence the efforts to bankrupt the state enterprise—a method only too familiar to those well aware of post-Soviet privatization patterns in Georgia. The commission stopped the process and brought to light Bekauri's close ties with the Opiza heads and owners, as well as the latter's other contacts in parliament. For example, Usaneishvili, who owned 19 percent of Opiza shares, was acquainted with Bekauri for a long time; he also had other friends among the deputies. Djavakhadze, Opiza's director, was Bekauri's close friend. The commission became interested in his finances: several years of service in the taxation structures and the financial police brought him enough money to acquire a customs terminal. The commission wanted to know why and according to which law the Vostochnaia administration had been transferred to Opiza, a private structure. When asked, the top bureaucrats directly involved in the scheme insisted that this was done to improve the working conditions. The commission, however, failed to find out which of the laws was used to justify the transfer. The heads of the Customs Committee and the Finance Ministry supplied no convincing explanations either.

The opposition, which is well aware of the secret mechanisms used by the executive structures, tried to locate the initiators among the top people who ordered around the interrogated bureaucrats. The commission's secretary, Tsagareishvili, for example, said: "It looks as if V. Chechelashvili (former finance minister who signed the relevant document.—*V.D.*) was merely a formal initiator, while everything was started by Nogaideli (the prime minister.—*V.D.*)."¹⁵ According to another deputy, member of the Conservative Party Kukava, "there is not much sense in the commission's meetings. Everyone guessed what happened, but publicly they agree that Opiza offered good conditions, therefore the customs structures were moved into its building. This is a theater of the

¹³ See: *Alia*, 1-2 December, 2005.

¹⁴ See: *Rezonansi*, 1 February, 2006; *Akhali taoba*, 26 January, 2006.

¹⁵ *Alia*, 1-2 December, 2005.

absurd. At the last meeting, Opiza's former owner openly admitted that Bekauri acquired the facility on easy terms, yet everyone believes that the Finance Ministry preferred Opiza because of its better conditions. Everyone knows that the customs administration was moved under political pressure. Witnesses are scared."¹⁶

After four months of painstaking investigation the commission decided to go on for another month, yet under pressure from certain influential members of the parliamentary majority, who preferred to remain anonymous, the commission was forced to suspend its activities. At a meeting of the parliament's bureau, D. Kirkitadze, a well-known member of the parliamentary majority, insisted that the commission should drop the case. The meeting had to proceed under closed conditions.¹⁷ Later, when talking to the press, Kirkitadze vehemently denied his involvement, yet information had already reached the public. In an effort to disband the commission and keep secret the instruments used to achieve this, the parliamentary majority tried to convince everyone that the commission had stopped functioning of its own free will. Later the parliamentary bureau was presented with a draft document supplied by the commission refuting Bekauri's involvement in the Opiza case. An approved draft would have made the commission's continued functioning unnecessary. Its three members—Tsagareishvili, Kukava, and Chikhradze—left the meeting to demonstrate their disagreement; they announced that they would start their private investigation. Kukava added that by disbanding the commission the top leaders and their political team were merely protecting its corrupt members.¹⁸

Political Struggle in the Post-Revolutionary Period

The defeated opposition structures that lost the Rose Revolution are gradually reviving, while the social base of the United National Movement is shrinking. The disappointed populace is withdrawing its support. In addition, some of the political forces that gained political weight in the course of the Rose Revolution and won support of at least part of society have moved away from the ruling party. However, compared to Mikhail Saakashvili, their leaders are political lightweights—so far the president and his party are enjoying wide popularity across the country. The majority of the United National Party deputies, the president's political base in the parliament, cannot act independently—they need a popular political figure to continue their political careers and preserve the related privileges. As soon as the rating of the president and his party drops below that of the opposition, the ruling political monolith will crumble even faster. There are many signs of this. According to World Bank experts, Georgia is the poorest South Caucasian country; moreover, it is the only country in Eastern Europe, including the CIS members, where the poverty index remains the same: over 50 percent of its population lives below the poverty line.¹⁹ The revolution did nothing to bridle unemployment: according to the ILO, in 2000 its level was 10.3 percent; in 2001, 11.6 percent; in 2002, 12.6 percent; in 2003, 11.5 percent; in 2004, 12.6 percent; and in the first nine months of 2005, it reached 13.8 percent. These figures do not offer the full picture: they do not cover the agricultural unemployed, the majority of whom produce marketable output for their own consumption alone. The relatively low share of unemployed in the countryside—5.1 percent—against 26 percent in cities and towns confirms that huge masses of people work for themselves. According to official figures, the share of the agriculturally

¹⁶ *Akhali taoba*, 25 January, 2006.

¹⁷ See: *Akhali taoba*, 14 February, 2006.

¹⁸ *Ibidem*.

¹⁹ See: *Rezonansi*, 16 February, 2006.

employed population is 64 percent, two times higher than in cities (36 percent). In 2005, the country's economy gave jobs to 1,737,700 people, only 23 percent of whom worked in the public sector.²⁰

Before the revolution, President Shevardnadze was seen as the main culprit, without whom private lives and the situation in the country would improve overnight. According to a public opinion poll conducted by the Scientific Center for National Strategy Studies of Tbilisi State University, only 7.2 percent of the respondents were satisfied with what they gained from the revolution; 37.6 percent believed themselves cheated out of their hopes; 19.9 percent believed that the revolution justified, rather than dampened, their hopes; 14.8 percent said that the revolution did not justify, rather than justified, their hopes; and 22.2 percent remained undecided. On the whole, people feel that the general situation has improved. The majority of those polled (44.5 percent) described the improvement as slight; 16.9 percent believed that the situation has improved; 12.2 percent that the improvement was considerable; 10.3 percent believed that the situation worsened, while 16.1 percent were convinced that it remained the same. There is a large share of optimism as well: 25.4 percent said that the country's situation would improve in five years' time; 2.6 percent expected considerable improvement; 17.8 percent some improvement. Only 3.6 percent expected no improvement; 21.6 percent believed that things would get even worse; 24.5 percent were undecided, while 4.5 percent offered other opinions.

To a large extent public optimism is fed by the anti-corruption efforts and by fighting crime and smuggling; to an even larger extent people are inspired by the extensive TV coverage of these efforts. The opposition reproaches the ruling elite for abusing PR technologies employed to fan real, and much more modest, achievements. The use of the media to preserve and improve the image of the ruling party and the opposition's obvious inability to formulate and promote alternative development programs is slowing the downward movement of the president and his party's rating. The authorities are unable, however, to halt the process altogether—the social and economic conditions are driving the majority to despair. The poll conducted by the Gorbi public opinion center revealed that Saakashvili has lost some of his support even if his rating (40 percent) remains fairly high.²¹ It is much higher than the ratings of the opposition parties and their leaders. Another poll organized by the Institute of Public Opinion and Social Feelings revealed that Saakashvili still enjoys much wider support than his political rivals, even though it has diminished. As distinct from the Gorbi figures, this poll presented 15.5 percent as the share of Saakashvili supporters (Tables 1 and 2).²²

The figures are up for debate, yet the picture they supply is very close to political reality. Despite the fact that the United National Movement has lost some of its supporters, it is still the leader. Nearly 25 percent of the respondents did not want to vote for anyone (24.2 percent for the parties and 24.9 percent for their leaders). At the same time, we are witnessing processes that bring to mind the pre-revolutionary period when the rating of the then ruling Union of Georgian Citizens and its parliamentary faction plummeted. It was a time when its deputies rushed to the opposition to secure their political future. Today, the processes are just beginning, yet two prominent politicians—K. Davitashvili and Z. Dzidziguri—have already left the ruling party to set up a Conservative Party. They objected to the constitutional amendments, which gave the president too much power, removed him from parliamentary control, and increased his control over the legislature. By the time they decided to leave, the two politicians had already accumulated enough political weight to become less dependent on the president. Mounting popular discontent, meanwhile, offers an excellent opportunity for winning more points, especially among the old-age pensioners who think of K. Davitashvili as an ardent defender of their interests.

²⁰ See: *Rezonansi*, 16 February, 2006.

²¹ See: *Akhali taoba*, 20 December, 2005.

²² See: *The Georgian Times*, 14-21 December, 2005.

Table 1

**How Are You Prepared to Vote
if a Presidential Election Were Held Tomorrow?**

M. Saakashvili	—15.5 percent	Sh. Natelashvili	—12.7 percent
S. Zurabishvili	—11.5 percent	K. Davitashvili	—8.8 percent
N. Burjanadze	—4.4 percent	I. Giorgadze	—3.9 percent
G. Topadze	—2.9 percent	D. Gamkrelidze	—2.6 percent
K. Gamsakhurdia	—2.6 percent	D. Patiashvili	—1.8 percent
G. Maisashvili	—1.6 percent	Undecided	—6.2 percent
No one	—24.9 percent		

Table 2

**Which Party Are You Prepared to Vote for
if a Parliamentary Election Were Held Tomorrow?**

United National Movement	—16.4 percent	Labor	—13.7 percent
Conservative	—10.4 percent	Salome Zurabishvili Movement	—10 percent
Samartlianoba Party	—3.6 percent	Industry Will Save Georgia	—3.3 percent
Tavisupleba	—3.1 percent	Republican	—2.5 percent
The New Right	—1.6 percent	Momavlis Mtavroba	—1.6 percent
Tsin Sakartvelo	—0.9 percent	Undecided	—6.4 percent
No one	—24.2 percent		

Source: Poll of the Institute of Public Opinion and Social Feelings.²³

Members of the Republican Party with a strong position in Batumi, where it was instrumental in restoring Georgia's jurisdiction in Ajaria and removing its government together with Aslan Abashidze, followed in the steps of Davitashvili and Dzidziguri. David Zurabishvili, one of the most prominent members of the ruling political force, also moved to the opposition's side. Together they set up an opposition parliamentary Democratic Front faction. Before that the only opposition faction consisted of the right. There were 17 of them—10 deputies represented the New Right Party, and seven the Industry Will Save Georgia Party. They both represent the business community, while their leaders are known as prominent businessmen. Early in 2006, though, the faction split: the Industrialists

²³ Ibidem.

left it; the New Right leaders explained the move by the ruling party's intrigues. It should be said here that owning a business is the weak spot of some politicians, which the ruling forces can take advantage of to control them. This means that what D. Gamkrelidze, the New Right leader, says about commercial interests figuring prominently in the split is partly true. Yet Tkemaladze, who leads the Industrialists in the parliament, flatly refused, as was expected, to admit that the ruling party was putting pressure on them. His explanation is purely pragmatic: one more faction will create more seats for the opposition in the parliamentary bureau, committees, and commissions. He also said that the Industrialists would preserve the bloc with the New Right.

The split, however, was not a result of pressure alone: the two parties do not see eye to eye on several political issues. The New Right looks to the West—they are pro-American and pro-NATO; the Industrialists are anti-American, are against the Western financial institutions, and criticize the IMF and the WB. In his book *V petle kolonializma* (In the Noose of Colonialism), their leader Topadze accused the United States and the Western financial institutions of turning Georgia into a colony. Even before the split, the faction's two parts could not agree on many things. The New Right accused Minister of Economics Kakha Bendukidze of pro-Russian orientation, while the Industrialists defended him. The minister has big business interests in Russia; he is well known for his anti-American and anti-Western pronouncements; he supports the idea of transferring the main gas pipeline to Gazprom of Russia. He arrived in Georgia after the Rose Revolution to join Zurab Zhvania's cabinet. The New Right interpreted this as a step toward Russia's stronger influence in Georgia. As distinct from them, the Industrialists see no harm in transferring the gas pipeline to Gazprom. In fact, their bloc was suggested for pragmatic considerations—together they managed to get seats in the post-revolutionary parliament, a feat impossible for each of the parties acting separately.

Foreign Minister, citizen of France, Salome Zurabishvili created a political sensation when she left the cabinet and started her own movement. She banks on the issues that are looming high in the post-revolution climate and undermining the ruling party's influence: massive redundancies among professionals and skilled workers, violations of the supremacy of law principle, formal democracy, secret contacts with Russia, etc.

The post-revolutionary amendments to the election laws that decreased the chance of the opposition parties, the low ratings of their leaders, and their barely noticeable influence inside the country force them to look for allies. The main left (the Labor Party) and right center parties (Republican, Conservative, New Right, and Industry Will Save Georgia) have launched consultations that revealed numerous tactical contradictions: the Laborites want to boycott the coming local elections, while the New Right are still undecided. The choice is between nominating candidates from the opposition at the primaries and siding with the Labor Party. The Republicans and the Conservatives favor an alliance with Salome Zurabishvili. The Industrialists object to this; they argue that it will upset the balance and will let one of the parties dominate the coalition. Salome Zurabishvili believes that instead of boycotting the elections the opposition should fight for changes in the election laws conducive to a one-party regime in the country that kills democracy.²⁴

If the ruling elite manages to set up a one-party cabinet (and it seems that it wants precisely this), authoritarianism will win and democratization will be over.

C o n c l u s i o n

After the revolution, authoritarian trends in Georgia became even more pronounced while the democratic institutions grew weaker. The onslaught on democracy is growing more aggressive, while

²⁴ See: *Rezonansi*, 16 February, 2006.

business is being placed under control of the people on top. The widespread fear in the business community is doing the country's democratization no good; it is slowing down democratic processes, promoting authoritarianism, depriving the opposition of economic sources of influence, and narrowing down the possibility of developing a civil society. Economic and political dependence on the West prevents open attacks on the Georgian democratic institutions—the powers that be are busy building up a democratic façade to conceal what is going behind it. All sorts of secret levels are moved to transform the institutions into obedient, harmless, or even impotent elements of the “democratic shop window.” The democratic structures, in turn, are out using the Western public and the Western organizations and their influence on the country's leaders to stem the process. This is the only chance to place power under public control.

EARLY WARNING MECHANISMS AND CONFLICT PREVENTION

*(With a Reference to the OSCE Economic and
Environmental Dimension)*

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

International organizations are increasingly realizing the significance of information collection and early warning for conflict prevention. High-quality and continuous information gathering is “the nervous system of the humanitarian enterprise; without it, any form of

The views are those of the authors only and do not necessarily reflect an official position. The authors would particularly like to thank Ms. Jolanda Profos of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA's) Early Warning Unit in New York for her meticulous revision of the final draft. Her attention to detail and content is highly appreciated. All remaining errors are of course ours and ours alone. A preliminary version of this paper was prepared for an OSCE “Workshop on Early Warning in the OSCE Economic Dimension.”

principled action—whether now or in the future—is paralyzed.”¹ Early warning analysis and early response thus lie at the heart of conflict prevention.

This article addresses the design and deployment of early warning mechanisms, with a reference to the context of the OSCE economic and environmental dimension. Specifically, three parts are distinguished. The first one addresses the meaning and the importance of early warning for conflict prevention. Part two overviews major early warning mechanisms that have been considered and, for some of them, that are currently used. The OSCE is considered in the third part.

The OSCE case is particularly important because the OSCE is presently the world’s main regional security organization that, to a large extent, complements the U.N. system. Furthermore, after the adoption of the OSCE Strategy Docu-

ment for the Economic and Environmental Dimension on 2 December, 2003, there is a growing emphasis on economic and environmental roots of threats and challenges to security. The (2006) Belgian Chairmanship of the OSCE is giving a high importance to economic matters in its work, in addition to the human, political and military aspects of security. Considering OSCE regions, that include the Balkans, Caucasus and Central Asia, early warning should be seen as essential. These regions and others have been confronted with open conflicts—most often separatism—among ethnic communities that had enormous costs in terms of lost lives and displacement of entire populations. The negative tendencies observed in some OSCE participating states might also have economic roots, namely the combination of mass poverty with wealth and power accumulated in a few hands. The outcomes of past conflicts and, for some countries, prevailing economic and social conditions can be a source of tensions that should not lead to unnecessary turbulences.

¹ *World Disaster Report: Focus on Ethics in Aid* 135, International Federation of the Red Cross and Red Crescent Societies, 2003, p. 158.

1. The Importance of Early Warning for Conflict Prevention

Conflict prevention is generally understood as encompassing operational prevention and structural prevention.² The former comprises early warning analysis and preventive diplomacy while the latter typically draws on capacity building and development. It is well recognized that an integral component in the process of conflict prevention is early warning.³

Early warning is generally defined as laying the ground for proactive engagement in the early stages of a potential conflict or crisis, to prevent or at least mitigate violent and deadly conflict.⁴ Evidently, “early warning is not simply the sharing of information about an impending crisis, let alone the wail of a siren announcing the immanence of such a crisis.”⁵ Early warning goes beyond the continuous collecting and sharing of information to include both continuous analysis of the information and the formulation of appropriate response strategies for which promptness is essential.⁶

² See: *Carnegie Commission Report on Preventing Deadly Conflict* 16, New York, 1997.

³ *Ibidem*.

⁴ See: M. Siegfried, *Patterns in the Escalation of Armed Conflict: A Comparison of Conflict-Tension Barometers*, Universitat Freiburg, Schweiz, 2001.

⁵ H. Adelman, “Defining Humanitarian Early Warning,” in: *Synergy in Early Warning Conference Proceedings*, ed. by S. Schmeidl, H. Adelman, Toronto, Canada, 15-18 March, 1997, pp. 1-9.

⁶ *Ibidem*.

Formulating early response options necessarily ties into the understanding and monitoring of the causes of tension and cooperation. Scholars designate some causes as structural and others as behavioral. Structural causes are typically “deeply rooted, underlying causes of conflict that may not always develop into violence.”⁷ In contrast, behavioral factors are “proximate” and arise from immediate group and/or individual interactions—hence the term “events-data analysis” for early warning. Scholars and practitioners alike maintain that “prevention should address underlying factors with long-run prevention strategies, including for instance development aid, and proximate causes with short-run prevention strategies such as sending peacekeeping forces and humanitarian relief.”⁸ Both strategies are complementary.

The purpose of early warning mechanisms is therefore to collect and analyze information in order to present decision makers with credible early response options in the medium and short term. In this sense, early warning mechanisms are a must for conflict prevention. There is thus a pressing need to actively engage in crisis prevention where the first step is the prognosis of when, why and where tensions are likely to escalate and become threats to peace and security, within or between countries.⁹

Early warning analysis requires the development of structural and/or events-data baselines in order to reliably monitor changes in tension and integrate these into early response options. The lack of adequate responses generally worsens conditions and raises the humanitarian and financial costs of future actions. Such changes or inflexions in baselines may signify a deviation from the “norm” which, if undesirable, may indicate a need for early response to prevent tensions from escalating. Baselines are developed by monitoring a pre-defined set of carefully formulated indicators within a specified domain such as economics and/or the environment.¹⁰

Baseline analyses enable the Situation Room to integrate early warning analysis with early response and thus conflict prevention. For example, when the level of tension within a specified domain passes a pre-defined threshold or limit, the Situation Room is automatically notified and presented with a host of pre-defined response options based on prior contingency planning exercises.

The Carnegie Commission on Preventing Deadly Conflict explains that dangerous circumstances seldom degenerate into violence without warning. Indeed, “early warning signals appear most clearly to those immediately around the disputants.”¹¹ The Commission stresses the importance for *not* more information, “but rather the right kind of information and a reliable interpretation of its meaning.” Early warning experts argue that there is an urgent need for the field monitoring of indicators with reliable predictive models.¹² In that context, the lack of early response can be the problem (see Fig. 1).

A topology of early warning methodologies is proposed in Fig. 2.

Our study will focus broadly on Module types A and B given that only these provide baseline analyses. The first module, Module A, is a situation and incident reporting-based early warning mechanism that draws on existing networks of local reporters to collect information that is processed downstream by the Situation Room to produce baseline analyses. The information is collected in a struc-

⁷ F. Hampson, D. Malone, *From Reaction to Conflict Prevention*, International Peace Academy (IPA), 2002, p. 16.

⁸ Ibidem.

⁹ See: A. Austin, *Early Warning and the Field: A Cargo Cult Science?* Berghof Handbook for Conflict Transformation, 2001.

¹⁰ See: P. Meier, D. Bond, *Integrating Risk Assessment and Early Warning*, Columbia University, 2004 (unpublished).

¹¹ Harvard Global Program on Negotiation (PON), The Third Side [www.thirdside.org].

¹² P. Meier, *From Early Warning to Early Response: Bridging the Policy Gap*, Columbia University, 2003 (unpublished).

Figure 1

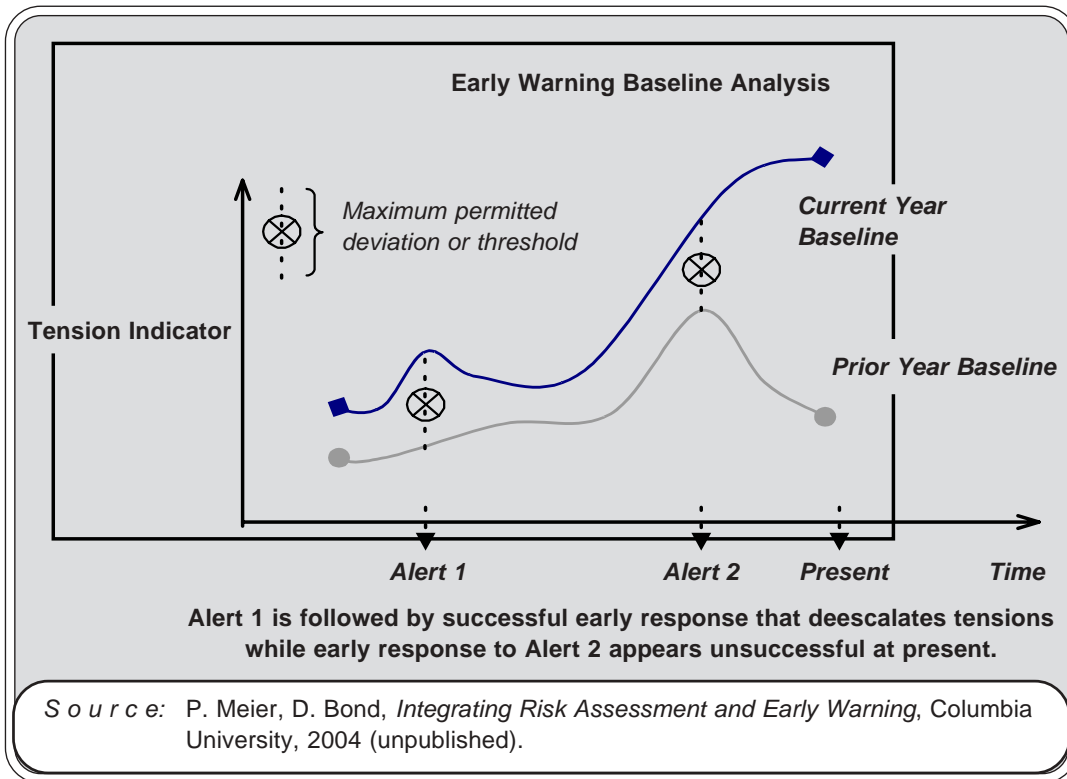


Figure 2

		Source of Information Collected	
		Internally controlled	Externally controlled
Type of Information Collected	More Structured	A Field Reporting 1) Incidents 2) Situations	B News Tracking 1) Actors 2) Interactions
	Less Structured	Information Exchange 1) Bulletin boards C 2) Web logs (blogs)	D Data Mining 1) Message traffic 2) Web documents

Modules A and B are particularly useful for conflict early warning as they draw on baseline analyses over time.

Source: P. Meier, D. Bond, op. cit.

tured format based on jointly developed pre-defined conflict indicators. The process of refining indicators is an iterative procedure that employs a multi-stakeholder approach. Field reports are then used to produce integrated field report baselines that communicate timely early warnings and response options to the Situation Room.

The second module, Module B, is an automated news report-based early warning mechanism. This module draws on Reuters (and other respected 24-hour news providers) news reports, and extracts key information from them to produce systematic baselines that track the ebb and flow of conflict situations in near real-time. The mechanism automatically “reads” (parses and codes) news reports, and whenever possible, identifies the basic “events data” parameters of *who did what to/with whom, when, where, why and how* for early warning purposes.

The **Situation Room** would use these events data, based on news reports, that become immediately available for distribution. Taken together the field and news reports baselines allow the Situation Room to “triangulate” the various reports and to gain a visual and geospatial “understanding at a glance” of evolving conflict behavior before they escalate into violence.

2. Overview of Existing Early Warning Mechanisms

The following early warning mechanisms were selected for review based on their “methodological proximity” to Module types A and B. Thematically, the reviewed mechanisms were also selected based on their likely contribution to the possible operationalization of the OSCE Strategy Document for the Economic and Environmental Dimension adopted by the 2003 OSCE Ministerial Council. The single most important criterion in their selection focused on the mechanisms’ ability to produce relevant baselines for comparative analysis over time and space—a prerequisite for early warning analysis.

The reviewed early warning mechanisms fall into one of three categories: (1) structural risk assessments, (2) dynamic event analyses and (3) consultative processes. Structural risk assessments use structural indicators as inputs while dynamic event analyses draw on behavioral indicators. Consultative processes draw on consensus among/between area experts who evaluate quantitative and qualitative information with the aim of identifying, implementing, and/or monitoring intervention strategies¹³ (see Table A for more detailed categorization).

Table A

Early Warning System VS Category Type	Structural	Behavioral	Consultative
Political Instability Task Force	Primary	n/a	Primary
Country Indicators for Foreign Policy	Primary	n/a	Secondary
World Bank Conflict Analysis Framework	Primary	n/a	Secondary

¹³ See: M. Levy, Th. Parris, *Toward a USAID WatchList*, A Report Prepared for the U.S. Agency for International Development, 2004, p. 1.

Table A (continued)

Early Warning System VS Category Type	Structural	Behavioral	Consultative
IMF Currency Crisis Early Warning	<i>Primary</i>	n/a	<i>Primary</i>
Swisspeace FAST Early Warning	<i>Tertiary</i>	<i>Secondary: Event-logging</i>	<i>Primary</i>
Virtual Research Associates GeoMonitor	<i>Tertiary</i>	<i>Primary: Situation/Incide Event reporting & Event monitoring</i>	<i>Tertiary</i>
World Markets Research Center	<i>Primary</i>	<i>Secondary: News tracking</i>	<i>Primary</i>
Control Risks Group	<i>Primary</i>	<i>Secondary: News tracking</i>	<i>Primary</i>

We first review existing structural risk assessments and then consider dynamic event analyses. Lastly, we focus our attention on consultative processes as defined above. The purpose of Section 2 is thus to provide an overview of existing mechanisms based on the project requirements articulated above. Section 3 will consider how to bridge the gap between existing mechanisms and the needs of an early warning mechanism in the OSCE context.

2.1. Structural: Political Instability Task Force (PITF)¹⁴

Funded by the CIA and originally developed by a research team directed by Professor Ted Robert Gurr of the University of Maryland, the Task Force now comprises a consortium of academic institutions interested in State failure. State failure is a relatively new label that encompasses a range of severe political conflicts and regime crises exemplified by macro-societal events such as those that occurred in Somalia, Bosnia, Liberia, and Democratic Republic of Congo in the 1990s. The PITF web site lists comparative information on cases of total and partial state failure that began in 1955. Events included are revolutionary wars, ethnic/separatist wars, adverse regime changes, and genocides and politicides. The PITF attempts to predict the onset of conflicts at least two years in advance, relying on probability estimates.

This data is the most complete and carefully collected data on state failure. It covers more than 190 distinct countries and tracks over 1,000 variables compiled from a plethora of available sources. It codifies numerous qualitative insights and knowledge from a diverse variety of area studies and other experts are brought in to add their expertise to individual variables. The result is that the PITF dataset permits the testing of numerous theories, many for the first time, and better understand the root-causes

¹⁴ See [www.cidcm.umd.edu/inscr/stfail/].

of conflicts.¹⁵ One aspect of the statistical approaches used is that it provides estimates about the probabilities for future conflicts that seem to be accurate in light of the rarity of events (see Table B for indicator samples).

Table B

Early Warning System VS Indicators	Sample Indicator List (general)	Sample Indicator List (economic relevance)
Political Instability Task Force	Infant mortality, regime type, trade openness, total population, population density, conflict contagion	Trading partner concentration, GDP, change in GDP, change in inflation rate, cropland and irrigated area
Country Indicators for Foreign Policy	Refugees produced, level of democracy, corruption score, military expenditure, ethnic diversity, youth bulge, life expectancy, deforestation	GDP, inflation, exchange rate, foreign direct investment, net inflows, total debt service, trade openness, inequality score
World Bank Conflict Analysis Framework	Ethnic cleavages, weakening democratic system, politicized media, resource scarcity, unequal access to resources, refugees, diaspora, external assistance, availability of small arms	Negative economic growth, increasing debt and inflation trend, dependency on primary commodities, employment discrimination, development programs favor one group, lack of market access
IMF Currency Crisis Early Warning	n/a	n/a
Swisspeace FAST Early Warning	Defy norms, accuse, threaten, sanction, expel, use of force, riot, crowd control; improve relations, assure, agree, propose, consult, endorse, reward	n/a* <i>*FAST economic indicators are inactive, that is, they are holding categories and are not being monitored and collected</i>
Virtual Research Associates GeoMonitor	Defy norms, accuse, threaten, sanction, expel, use of force, riot, crowd control; improve relations, assure, agree, propose, consult, endorse, reward	Government and private economic transactions, default on payment, balance of payments, currency reserves, exchange rates, equity prices, corporate earnings, commodity prices, interest rates

¹⁵ See: G. King, L. Zang, *Improving Forecasts of State Failure*, Harvard Burden of Disease Unit, 2001.

Table B (continued)

Early Warning System VS Indicators	Sample Indicator List (general)	Sample Indicator List (economic relevance)
World Markets Research Center	Political, Economic, Legal, Tax, Operational and Security <i>nb: these are clusters or aggregate indicators</i>	GDP, inflation, budget balance, interest rate, unemployment, stock exchange index, exports, imports, current account balance, reserves, foreign direct investment, debt
Control Risks Group	n/a	n/a

However, the PITF dataset has several methodological pitfalls.¹⁶ The Task Force's forecasts and causal inferences are biased. The project uses list-wise deletion, which is known to produce bias when dealing with missing data. In addition, the explanatory variables (infant mortality, partial democracy, and so on) are in fact indirect indicators that the state has *already* failed, whereas their heterogeneous dependent variables (genocide, revolutionary wars and so on) are not really measures of state failure but instead are indicators of some of the disastrous *consequences* of state failure. One final point worth noting is the possibility of the fragmentation of states, which produces backward comparability problems regarding the dataset.

2.2. Structural: Country Indicators for Foreign Policy (CIFP)¹⁷

This Carleton University (Canada) project provides comparative demographic and development geopolitical data for countries. The website contains risk assessment reports and maps and tables showing country indicators, including political, conflict, military, economic, and environmental data. Individual country or comparative data in the database can be visualized. The CIFP database currently includes statistical data in the form of over one hundred open source performance indicators for 196 countries, spanning sixteen years (1985 to 2000) for most indicators. The indicators include economic performance as an issue area (see Table B). The project thus monitors indicators of relevance to the OSCE's work.

The visualizing of the data and the project's global coverage are two important advantages of Carleton University's initiative. There are some gaps in the database (macro data, lack of sub-national figures) and long time lags in data updates.

2.3. Structural: World Bank Conflict Analysis Framework (CAF)¹⁸

The Conflict Prevention and Reconstruction Unit has developed a Conflict Analysis Framework (CAF) to enhance conflict sensitivity and conflict prevention potential of World Bank (WB) assist-

¹⁶ The pitfalls outlined here are drawn directly from G. King, L. Zang, op. cit.

¹⁷ See [<http://www.carleton.ca/cifp/about.htm>].

¹⁸ See [[Inweb18.worldbank.org/essd/essd.nsf/CPR/ConflictAnalysis](http://web18.worldbank.org/essd/essd.nsf/CPR/ConflictAnalysis)].

ance. The CAF first analyzes key “pre-risk” factors influencing conflict, focusing on six areas: social and ethnic relations; governance and political institutions; human rights and security; economic structure and performance; environment and natural resources; and external factors. The pre-risk analysis is carried out to identify countries for further analysis.

The methodology uses a risk screening process to assess if a country needs to undertake the CAF. The risk screening process consists of nine main indicators, which aim to capture the deteriorating environment in a country (see Table B). The WB has also taken steps to differentiate between conflict escalating indicators and conflict-mitigating indicators; that is, pre-conflict and post-conflict analyses.

CAF’s sub-indicators used for CAF’s in-depth analyses are biased toward macro-economic variables that in turn pre-bias the outcome of the Bank’s conflict analyses. CAF does not systematically repeat its analyses in the same country. This renders cross-country comparisons difficult and temporal analyses a challenge at best.

2.4. Structural: International Monetary Fund Currency Crisis Early Warning

The IMF is systematically tracking several early warning system models of currency crisis for emerging markets, both in-house and from private institutions, as part of its broader, forward-looking vulnerability assessments.¹⁹ The IMF has drawn on the following models: the Kaminsky, Lizondon and Reinhart model, the Goldman Sachs model, the Credit Suisse First Boston model, and the Deutsche Bank model. The IMF’s work draws on econometric and market models that use financial data (credit ratings, asset prices, stock exchange) to produce probabilities of external debts repayment default for countries with emerging markets.

The IMF produces quarterly reports that feed into the broader and more qualitative vulnerability assessments. The methodology is being refined to draw more substantially on information embedded in asset prices to model probabilities of debt/financial crises.

The results have been mixed and the quarterly reports are highly restricted in dissemination. Financial markets did not anticipate crises in most cases. It is worth observing that IMF recommendations regarding exchange rate and convertibility regimes have also changed over time.

2.5. Dynamic Analysis: Swisspeace FAST Early Warning Project²⁰

Originally developed in collaboration with Virtual Research Associates (VRA), FAST’s objective is the early recognition of tension for the purpose of early action and prevention of violent conflict. FAST’s methodology includes both quantitative and qualitative analysis. The project’s early warning methodology is based on the Integrated Data Event Analysis (IDEA) approach, an open source framework developed by VRA (see section 2.6). For each country a “unique” set of events are logged mainly from local media sources and FAST’s own local information networks (LIN) of field monitors. LINs typically include one country coordinator based in a country’s capital and 3-5 field moni-

¹⁹ This section is based on a phone conference with Jorge Roldos, Research Department, International Monetary Fund, 20 October, 2004 (see also: IMF Working Paper, “Assessing Early Warning Systems: How Have They Worked in Practice?” March 2004).

²⁰ See [<http://www.swisspeace.org/fast/default.htm>].

tors based in other locations, including rural areas. FAST presently monitors 22 countries worldwide and has recently launched FAST International, a consortium of like-minded international development organizations, to finance and extend FAST's geographical network.

A distinguishing characteristic of FAST's approach is that field monitors document both conflict and cooperation events. These are then logged and visualized in the form of graphs, or tension barometers, the accessibility of which may appeal to policy/decision makers. These graphs form the basis of FAST's quarterly risk assessments which are publicly available on the Swisspeace website and readily available in hardcopy.

Some limitations of FAST include the expense of maintaining LINs and the substantial investments in time and resources for quality control and regular (re-) training due in part to turn over in field staff. The latter also face security risks when collecting local data. This has shut down some LINs such as in Eritrea, interrupting what needs to be continuous reporting if the data is to be used for forecasting purposes.

There are inter-coder reliability problems given that FAST's 60+ indigenous field monitors may perceive and code a "similar" event differently—especially when coding rules require that each decides whether or not to code an event based on the event's likely national significance.²¹ The use of hand coding thus introduces a non-random error in the data collection and limits the cross-country comparisons.²² The national-significance threshold requirement may also lead to an underreporting of salient incidents since more localized contentious events could eventually translate into an event of national significance.

The point of early warning is to prevent incidents of national significance. Solely monitoring them is a reactive exercise, not necessarily preventive. On the other hand, this type of macro-data when collected systematically over many years may enable statisticians to identify interesting patterns using econometric analysis. Whether the calculus can be trusted and convince policy makers is another question.

2.6. Dynamic Analysis: *Virtual Research Associates GeoMonitor*²³

VRA developed the Integrated Data for Events Analysis (IDEA) topology, a conceptual framework for use in coding social, economic and political events data.²⁴ VRA's GeoMonitor (branded FORECITE for the army) illuminates countries' vulnerabilities to social hazards by monitoring global news wire service reports, assessing them and presenting up-to-the-minute intelligence in graphs, maps and tables. Drawing on an electronic archive of reports spanning more than fifteen years and a continuous news feed from Reuters and Agence France Presse, VRA makes it possible for analysts to identify and assess trends reported in large volumes of text using Hidden Markov Models, and still drill down to any specific report for reference.

Owing to the large costs and logistic problems of human coding, most risk and needs assessment datasets are not continuously updated. This often produces long time lags between information collection, decision-making and project implementation. However, information that once took months or years to code can now be processed in a matter of days or weeks with coding reliability that is

²¹ See: G. King, W. Lowe, *An Automated Information Extraction Tool for International Conflict Data with Performance as Good as Human Coders: A Rare Events Evaluation Design*, Harvard University, 2002.

²² Ibidem.

²³ See [<http://www.vranet.com>].

²⁴ See [<http://www.vranet.com/idea>].

comparable to human coders.²⁵ Given this capability for automated monitoring of an ongoing situation from global news feeds, custom datasets can now be generated at will. VRA software leverages the tasks that professionals already do by offering a 100% transparent and 100% consistent automated system of processing reports. By its technological leadership in natural language processing and events data analysis, VRA can support a number of risk management applications in a growing field of industries and professions, via a global, real-time system that is flexible, user customizable, intuitive, and low-cost to operate. GeoMonitor indicators include Economic Activity as a pre-defined indicator category (please see Table B).

Like the FAST project, GeoMonitor is also prone to serious limitations. The system presently relies on only two newswires as sources of input. Recent empirical studies in media bias suggest reliance on two sources is quite insufficient for reliability in analysis.²⁶ This limits the triangulation of baselines and forecasts. An important weakness of GeoMonitor is the graphical-user-interface which makes using GeoMonitor particularly difficult. Finally, the main constraint of GeoMonitor is that the system is only available at prohibitive prices that few, bar the Center for Army Analysis (CAA), can afford.

2.7. Consultative: World Markets Research Center (WMRC)²⁷

WMRC is a country intelligence research firm that publishes comprehensive same-day analysis of the main news, events and trends as they occur. Written by in-house economists, political analysts and industry specialists, "Same-day Analysis" is made available each working day to tens of thousands of corporate, financial, government and academic users. The Political and Economic Forecasting Unit draws on open source information, e.g., public risk rating companies, *Factiva* and about 10,000 book-marked Internet sources to carry out their analysis. The Unit uses a filtering program to flag articles/reports of interest for analysts to use in their "Same-day Analyses".

WMRC systematically covers 202 countries worldwide on a daily basis (or as required by clients). The Political and Forecasting Unit has developed a risk rating methodology (scaled from 1 to 100) that draws on an analytical framework of six clusters: Political, Economic, Legal, Tax, Operational and Security (or "PELTOS"). WMRC is moving toward developing sub-risk clusters to further refine their daily analyses. The added value of this work stems from the professional analysis carried out on a daily basis by WMRC's expert analysts. The Political and Forecasting Unit integrates the econometric modeling and forecasting produced by WMRC's sister company, Global Insight. WMRC produces global, regional and national scenarios based on the analysis. The integration of risk ratings and scenarios is the added value brought to bear by WMRC's work on political and economic forecasting.

Despite Global Insights econometric contribution to the integrated risk ratings and scenarios, WMRC's core methodology is predominantly qualitative and may therefore not be fully conducive to the development of baseline analysis for early warning.

²⁵ See: G. King, W. Lowe, "An Automated Information Extraction Tool for International Conflict Data with Performance as Good as Human Coders: A Rare Events Evaluation Design," *International Organization*, Vol. 57, No. 03, July 2003, pp. 617-642.

²⁶ See: St. Shellman, B. Stewart, *Media Generated Data: The Effects of Source Bias on Event Data Analysis*, Paper presented at International Studies Association (ISA), San Diego, March 2006.

²⁷ This section draws on a phone conference with Guy Dunn, Director Political and Economic Forecasting Unit, 19 October, 2004 (see also: [<http://www.wmrc.com/>]).

2.8. Consultative: Control Risks Group Political Risk Analysis²⁸

Control Risks Group (CRG) is a private company that produces risk analyses for Top 500 Fortune companies. CRG's RiskMap is an annual forecast of the worldwide political and security situation. Corporations and government bodies use this product to assess political, security risks and travel risks. CRG has a team of 23 analysts and editors who work on the Country Risk Forecast and Risk-Map. The analysts use their judgment and consensus for determining the risk ratings: insignificant, low, medium, high, extreme.²⁹

In addition to commentary on key issues of global significance, the political and security trends in more than 200 countries for the year ahead are discussed and a critical assessment of global business issues is also provided. CRG's Country Risk Forecast provides independent analysis of the latest international political, security and travel situation in some 150 countries worldwide. It assesses the impact on business and forecasts changes—providing an early warning of deteriorating conditions or reassurance that improvements are ahead.

The City and Country Risk Forecasts are available on-line through subscription. City and Country Risk Ratings are visualized and updated on a daily basis. The forecasts draw on local news coverage in country and globally, as well as on-the-ground resources in the form of contracted "stringers" (local suppliers of information and consultancy). However, The methodology employed is predominantly qualitative and may therefore not be conducive to the development of baseline analysis for early warning.

3. Early Warning in the OSCE Economic and Environmental Dimension

As already mentioned, the OSCE is the world's major regional security and cooperation organization. It has 55 participating States (from Europe, CIS countries and North America). Security is seen as a multi-dimensional issue that is addressed through cooperation with different institutions covering human rights, minorities, democracy, the media, the military, gender, and the economic and environmental spheres. The OSCE has missions in some countries—mainly in the Balkans, Southern Caucasus and Central Asia—to support field activities, often with the participation of local NGOs and voluntary contributions from OSCE participating states, and promote the OSCE core values.

Considering the economic dimension of the OSCE, a specific relationship exists between the organization and the Economic Commission for Europe of the United Nations (UNECE). This section assesses existing early warning mechanisms (i.e., advantages and disadvantages) vis-à-vis possible UNECE-OSCE aims and expectations and provides some recommendations for establishing and maintaining an Early Warning Mechanism in the context of the OSCE economic dimension.

²⁸ See [http://www.crg.com/html/service_level3.php?id=363].

²⁹ Insignificant: environment for business is favorable and likely to remain so; Low: business can operate with few problems; Medium: foreign business is likely to face some disruption from state or non-state actors / long-term investment security cannot be guaranteed; High: business is possible but conditions are difficult or likely to become so in the near future; Extreme: conditions are hostile to/untenable for business.

3.1. The OSCE “Strategy Document” and Early Warning

Any OSCE Early Warning Mechanism should be mandated to address threats to security stemming from economic factors in accordance with the OSCE Strategy Document for the Economic and Environmental Dimension adopted by the 2003 OSCE Ministerial Council (see Box 1).

Box 1: Early Warning in the OSCE “Strategy Document”

“We [the OSCE participating States] task the OCEEA [Office of the Co-ordinator of OSCE Economic and Environmental Activities] to continue cooperation with the UNECE and other partner organizations on developing early-warning mechanisms and indicators for the assessment of implementation of commitments, and to present a report on the progress achieved to the Economic and Environmental Subcommittee by the end of 2004.”

(OSCE Strategy Document for the Economic and Environmental Dimension, December 2003, para 3.2.4)

3.2. Findings

The early warning mechanisms reviewed in this study are generally biased toward structural indicators at the expense of other factors known to be important; such as behavioral monitoring (see Table A). Setting a strategy to operationalize an OSCE early warning mechanism requires a needs assessment to identify existing structural deficiencies *and* a means to monitor how these deficiencies evolve as delivery services are deployed. Structural deficiencies in at-risk countries typically decrease over the long-term; however, the process of change can be quite volatile and violent given that it is the product of human agency and is thus susceptible to individual and collective behavior.

Because human behavior is an intervening variable in any development process, tracking relevant behavioral indicators can provide reliable baselines to complement the initial needs assessments that draw predominantly on structural indicators. These dynamic baselines can be used to identify in real-time situations in which progress toward development goals is being undermined or enhanced, both before and after the prescribed interventions.

3.3. Cautions and Opportunities³⁰

Structural assessments are by definition limited to macro-level analyses. This level of analysis does not adequately capture local facets such as food security.³¹ In addition, the overall aggregation of macro-level statistics is too blunt an instrument when used in structural risk assessments. Moreover, there is a pressing concern that the mentality of international organizations continues to be: “if we can’t measure potentially important indicators, we simply ignore them.”³² Indeed, the emphasis of

³⁰ See: P. Meier, *The Role of Conflict Analysis in Preventing Complex Emergencies*, Columbia University, 2003 (unpublished).

³¹ The following is based on personal discussions with Alex de Waal at Columbia University, 1 December, 2003.

³² P. Collier ignores the trafficking of small arms as potential indicator for armed conflict due to the difficulty in measurement.

most conflict and risk assessments on “quantitative data for a large number of countries and, for statistical models, long time series, biases them toward existing datasets at the expense of other factors known to be important.”³³ The Inter-Agency Standing Committee’s sub-working group on early warning is following a similar approach at the United Nations.

Conflict and risk assessments by themselves cannot “be expected to provide precise points at which events are likely to occur.”³⁴ They generally record slowly changing variables such as demographic and socioeconomic indicators, gross domestic product per capita, infant mortality and ethnic fractionalization.³⁵ “As a result, some countries to which structural assessments assign high probabilities of conflict actually experience it, while others are capable of avoiding it.”³⁶ Early warning analysis and adequate response may explain the variance. Indeed, events generally provide the final push toward violent conflict or just the opposite.³⁷ Therein lies the added value in supplementing conflict assessments and structural data with early warning and behavioral data. Monitoring and preventing adverse patterns of behavior before they impede structural development is a noteworthy prevention-oriented approach.

While the causes of conflict, poverty, and violence are important to understand, so are the causes of peace. Focusing on one of the two dynamics will only provide half the “picture.” Although conflicts may tend toward total war in the abstract, this remains a theoretical extreme even in the direst of violent conflicts. “Amid every war and genocide, there are people who are nonviolent, opposed to hatred and revenge [...]. Some of them are called saints. Most are ordinary people.”³⁸

Getting the full picture requires that specific indicators be developed to adequately capture cooperative behavior in addition to conflictive behavior. Simply negating escalating indicators may be misleading and may even lead to skewed analyses and harmful policy recommendations. Delineating the locus of peace-generating factors would provide policy makers with a better understanding of indigenous conflict coping mechanisms (and entry points for peace building), thus strengthening the self-help potential and indigenous conflict-coping strategies existent in all at-risk communities. This approach may be more sustainable in the long run than solutions “made at headquarters”.

Collaborating on peace-generating factors builds trust between the international community and local at-risk communities. In return, affected groups are more likely to confide sensitive information relevant to early warning. Local stakeholders would also benefit from conflict prevention strategies that adopt a more participatory approach by recognizing the worth of all stakeholders in decision-making processes. At the end of the day, it is the stakeholders, the victims, who deserve the necessary support and information to address and mitigate the vulnerabilities that exist in their own communities.

3.4. Recommendations

No single approach is likely to meet all of the OSCE’s requirements for early warning. Therefore we recommend that the OSCE design a strategy that combines the most reliable conflict early warning mechanisms by continually monitoring, evaluating and synthesizing risk assessments that

³³ M. Levy, Th. Parris, op. cit., p. 6.

³⁴ [<http://www.carleton.ca/cifp/others/methodsreview.pdf>]

³⁵ See: M. Levy, Th. Parris, op. cit., p. 3.

³⁶ Ibid., p. 2.

³⁷ Ibidem.

³⁸ P. Meier, *Towards an Ethical Foundation of the Third Side: A Case for Genocide Prevention*, Columbia University, 2004 (unpublished).

integrate *both* structural and behavioral monitoring. This effort would produce a synthetic “watch list of watch lists.”³⁹

This type of integration is not without precedents. The IMF’s approach to early warning takes a similar approach, as does the World Bank’s and Transparency International’s. In addition, the United States Agency for International Development (USAID) is well underway in operationalizing a synthetic “watch list of watch lists” to help “identify priority countries for conflict analyses and conflict or transition programs.”⁴⁰ USAID’s list of lists is expected to be produced on “an annual basis with quarterly updates that would evaluate the outputs from multiple structural risk assessments, examining areas of agreement and disagreement to serve as points of departure for subsequent analysis.”⁴¹

More recently, the Early Warning Working Group of the Consortium for International Conflict Prevention (CICP) is leading the development of a Watch List. Swisspeace is leading this initiative in collaboration with the International Security Network (ISN), the International Crisis Group (ICG) and International Alert. The Watch List will include a few questions about conflict trends and opportunities for peace building that can be quantified and graphed. This questionnaire will be submitted to local Nongovernmental Organizations (NGOs) in developing countries and counterparts at international NGOs on a monthly basis. The project is to focus on West Africa as the first pilot region.

Unlike the aforementioned efforts, however, we recommend that the OSCE integrate behavioral assessments into the multiple risk assessments as our findings clearly indicate the pressing need and added value of integrating structural data with dynamic data. We propose to follow-up this paper with a preliminary “list of lists” that will integrate the early warning mechanisms identified by participants of the UNECE-OSCE Expert Meeting on a Joint Early Warning Mechanism. Our goal in presenting this as a follow-up is to illustrate how the UNECE-OSCE might go about constructing a synthetic “watch list of watch lists” to operationalize an early warning mechanism in the OSCE context.

C o n c l u s i o n s

The next generation early warning mechanisms are expected to share several attributes as they continue to evolve. They will integrate quantitative and qualitative analysis, macro and micro level parameters, structural and behavioral indicators and geographical information systems (GIS). The use of GIS in policy circles adds considerable value. “A picture speaks a thousand words” and policy makers are more likely to respond to maps than tables, charts and/or textual analysis if only because maps “personalize” an otherwise abstract rendering of data. Indeed, country maps are easily recognizable and identified—this process alone creates a “personal tie” between the policy maker and the map in question, particularly when the policy maker recognizes the outline of her/his own country.

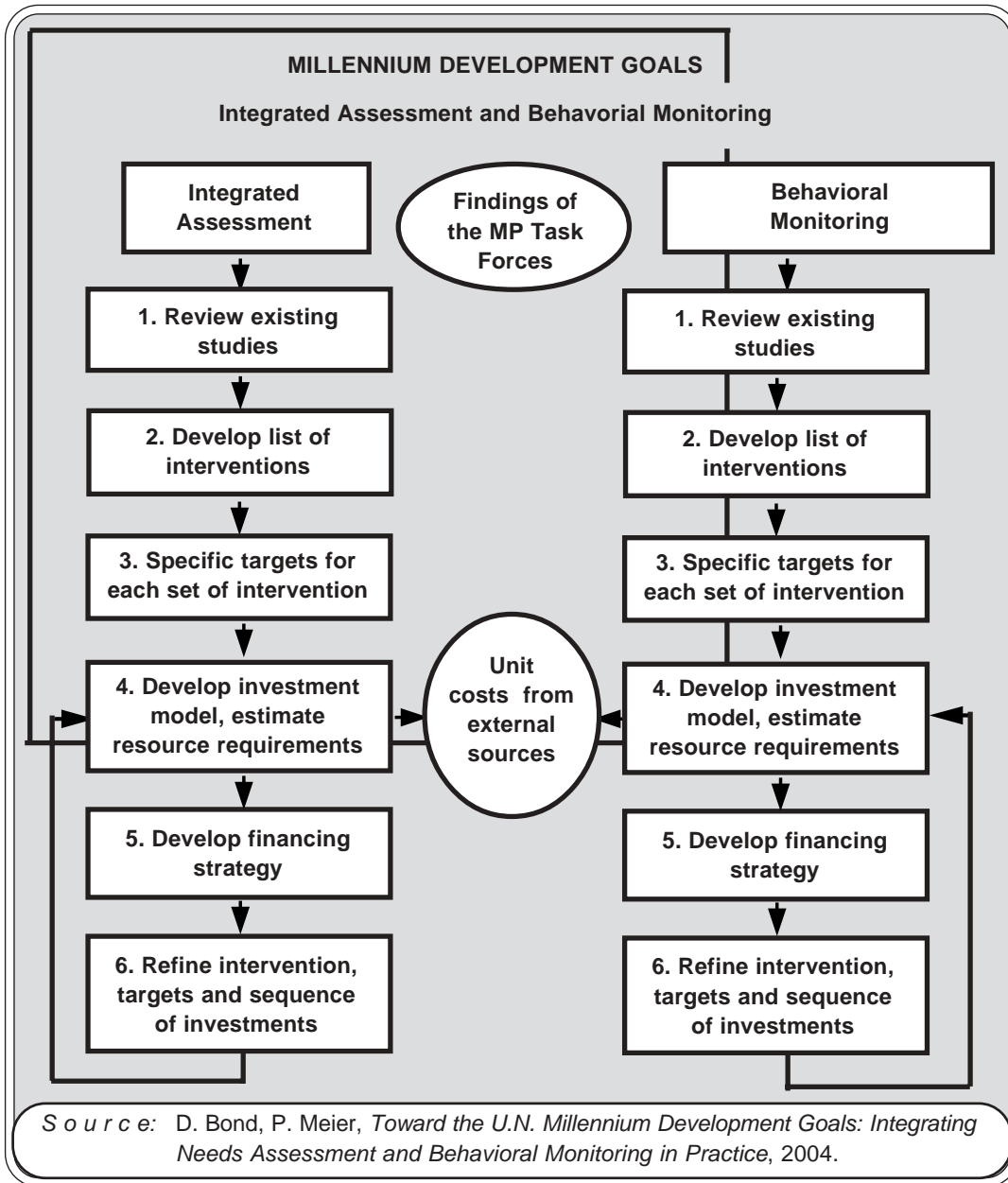
Another major advantage of geographic displays is that they are easily understood by anyone, regardless of language, background or training. Maps can therefore be shared among local communities and discussed in a more intuitive manner than tables and graphs. Maps also facilitate the local ownership and formulation of response options based on traditional, indigenous response mechanisms. This serves to empower at-risk communities through enhanced capacity building efforts at the local level.

³⁹ This section draws in part from M. Levy, Th. Parris, *op. cit.*

⁴⁰ M. Levy, Th. Parris, *op. cit.*, p. ii.

⁴¹ *Ibidem.*

Figure 3



Our policy recommendations for the integration of early warning systems can be summarized more generally in the above scheme (Fig. 3) adapted from the “Millennium Development Goals Needs Assessments” (17 January, 2004).

LABOR MIGRANT REMITTANCES AND THEIR ROLE IN THE MIGRANT HOUSEHOLDS OF CENTRAL ASIAN COUNTRIES

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

Contemporary labor migration in the region's countries is being increasingly influenced by global trends: it is becoming more diversified with an increasing shift toward developed Western countries; it is becoming incorporated into the world labor markets; its secondary markets are forming in the host countries with the help of unofficial migrant networks; and it is acquiring other universal features. One of these global trends is the increase in labor migrant remittances and their more prominent role in raising the standard of living in migrant households.

The study of remittances and their significance in the life of migrant households and

communities is being actively carried out abroad. For example, the global reports and other documents put out by international organizations (the IOM, ILO, World Bank, and others) in recent years have sections which emphasize the role of migrant remittances in national economies.

In recent years, the role of labor migration and migrant earnings has also been analyzed in several CIS countries, but representative comparative studies on this subject have not been conducted yet in the Central Asian republics. This is primarily explained by the fact that international labor migration is a new phenomenon, is unregulated, and is not properly registered. No one even

knows precisely how many illegally employed workers there are, this number is currently defined on the basis of sociological methods or an incremental assessment of official statistics. Weak interstate cooperation, including in the scientific sphere, is the main stumbling block to carrying out this kind of interstate project.

As isolated studies show, in migrant households, remittances are primarily used for purchasing consumer goods. Since labor migration flows in the Central Asian countries are swelling and the amounts of remittances are growing, the use of remittances for development, and not only consumption, is becoming all the more pertinent.

1. Labor Migrant Remittances and Their Role in the Developing Countries of the World

During the past 30-40 years, the number of labor migrants in the world increased 2.5-fold, and at the beginning of 2005, according to the International Organization for Migration (IOM), it amounted to 185-192 million people (2.9% of the planet's population).¹ Correspondingly, the amount of their remittances has also grown. According to the assessments of the World Bank, such funds sent to developing countries through official channels reached \$126 billion in 2004, that is, they occupy second place after foreign direct investments in the economy of these states, amounting to \$165 billion the same year and greatly exceeding the annual volumes of international development assistance. According to 2004 data, the leading recipients of migrant remittances are India with \$23 billion, Mexico with \$17 billion, and the Philippines with \$8 billion.²

Labor migrants are sending money home via two channels: official and unofficial. Specialized international and national wiring systems are most often resorted to as official channels. The most popular among the first are Western Union, Money Gram, Travelex Worldwide Money Ltd. (TWML), VIP Money Transfer, and several others which have already been operating independently for many decades worldwide. Each country also has corresponding national systems—banks and other financial organizations which wire money from and to a country.

Unofficial ways of transferring money include migrants taking the money home themselves, sending it with acquaintances, relatives, or couriers, purchasing expensive commodities to be resold, and sending it via other channels.

According to the U.N., the percentage of unofficial transfers amounts to more than 40% of the world volume of remittances, while until recently official transfers amounted to no more than 20% in Pakistan, for example, and between 10% and 50% in other countries (Nepal, Mexico, the African countries).³ In Afghanistan, Tajikistan, and, according to some data, Uzbekistan, many migrants transfer their earnings through unofficial channels. Incidentally, such channels attracted the attention of the world community after the terrorist acts of 11 September, 2001 in the U.S. as ways of transferring financial resources for insurgent and terrorist activity.

According to the Central Bank of the Russian Federation, the total amounts of official remittances transferred by physical persons through Russian banks and wiring systems in the Russian Fed-

¹ See: *World Migration 2005. Costs and Benefits of International Migration*, IOM, Geneva, 2005. Vol. 3, IOM World Migration Report Series, p. 13.

² *Ibid.*, p. 269.

³ See: G.I. Glushchenko, "Denezhnye perevody—faktor innovatsionnogo razvitiya mirovoi finansovoi infrastruktury," *Voprosy statistiki*, No. 8, 2004, p. 37.

eration in 2003 amounted to \$3,233 billion, \$1,306 billion of this amount being wired by workers.⁴ At the same time, according to a statement by the Russian minister of finance, "...\$12 billion were exported [from Russia], whereby most of this amount was the remittances of migrant workers, mainly from the Near Abroad countries ... in Georgia they reach 25% of its GDP, in Moldova, this index is even higher—30%."⁵

According to a World Bank study, migrant remittances defined as a percentage of the funds in the gross national product (GNP) of developing countries play a statistically significant role in reducing poverty. On average, a 10% increase in the percentage of international remittances in the GNP leads to a 1.6% reduction in the size of the local population living in poverty. According to scientists, a 10% increase in international migrants defined as a percentage of the country's population living abroad leads to a 1.9% reduction in the number of people living in poverty in their home country.⁶

2. Kazakhstan—a Regional Host Center for Labor Migrants from Other Central Asian States

In the 2000s, a regional migration system has been forming in the Central Asian countries in which the Republic of Kazakhstan is a state receiving labor migrants, and the other countries of the region—the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan, and the Republic of Uzbekistan—are supplying labor migrants. But the Russian Federation is still the main host country of all the CIS countries, the center of the post-Soviet migration system.

A regional migration subsystem is forming in the Central Asian states due to their unequal economic development, the imbalance on the regional labor market, the differences in demographic potential, the liberalization of migration conditions, their geographical proximity, and other factors. Migrants are drawn to Kazakhstan because of the improved socioeconomic situation in the republic, the higher wage level, and the growing need for manpower. Along with the reasons workers are leaving the Central Asian republics—surplus labor resources, low salaries, unemployment, and poverty—the above reasons have made Kazakhstan the regional host center for labor migrants.

Since Kazakhstan does not require the citizens of any of the Commonwealth republics (apart from Turkmenistan) to have visas, migrants arrive legally, but they are hired without labor contracts, that is, they become illegally employed or, as defined by the IOM and ILO, persons with an "unregulated status." Labor migration to Kazakhstan and Central Asia as a whole is mainly unregulated and, according to different expert assessments, amounted to between 300,000-500,000 and one million annually in 2004-2005. For example, in his Address to the Nation in September 2004, President of Kazakhstan Nursultan Nazarbaev noted that "every year, approximately 1 million illegal labor migrants come to Kazakhstan from neighboring countries."⁷

The number of labor migrants from Kyrgyzstan, according to experts from that republic, amounts to between 500,000-700,000 and one million, while according to its Ministry of Internal Affairs, this number is approximately 500,000, 350,000 of whom go to Russia, and 120,000 to Kazakhstan.⁸ Ex-

⁴ See: *Nezavisimaia gazeta*, 8 August, 2005.

⁵ G.I. Glushchenko, *op. cit.*

⁶ See: R.H. Adams, Jr., J. Page, "International Migration, Remittances, and Poverty in Developing Countries," *World Bank Working Paper*, No. 3179, 19 December, 2003.

⁷ *Kazakhstanskaia pravda*, 8 September, 2004.

⁸ See: [<http://www.irinnews.org>], 17 September, 2004; source: *IOM TCC Bulletin*, 17 September, 2004.

perts estimate that between 600,000-700,000 and one million people were involved in this process in 2003-2005 in Uzbekistan,⁹ while in Tajikistan they amounted to approximately 500,000 people, about 85-90% of whom go to Russia and the rest to Kazakhstan (apart from a small number who go to other CIS countries). The number of labor migrants who left Kyrgyzstan and Tajikistan amounts to 25-35% of their economically active population.¹⁰

3. Systems and Legal Regulation of Remittances in Kazakhstan and Other Countries of the Region

As in all the CIS countries, there are several remittance systems in Kazakhstan and the other Central Asian republics. These include the above-mentioned specialized international systems, Russian banking systems, and national systems. As for the Russian Federation, Anelik, Contact, MIGOM, Bystraia pochta (Express Mail), UNISTREAM, PrivatMoney, and others offer money wiring services. They enter a contract with the country's banking and non-banking credit organizations and specialize in transfers to CIS republics. Among such large structures and their branches which carry out transborder transfers to the Central Asian countries, we will note the Bank of Moscow, Vnesh-torgbank, European Trust Bank, IMPEXBANK, Rosbiznesbank, Rosbank, Promsvyazbank, and so on. For example, Rosbiznesbank has opened 740 service bureaus in Russia, 166 in Kazakhstan, 121 in Kyrgyzstan, and 75 in Tajikistan, and wires money via two systems: Contact and MIGOM. Alfabank entered contracts with Western Union and Anelik, and also has a network of service bureaus: 65 in Kazakhstan, 123 in Kyrgyzstan, 125 in Tajikistan, as well as in other CIS countries. What is more, GLOBEXBANK, MDMbank, Moskomprivatbank, Promsvyazbank, Rosbank, and others wire money to Tajikistan via Western Union, Anelik, Contact, MIGOM, and others.

National wiring systems include banks, other financial organizations, and state postal systems which send remittances from and into a country. Banks organize these systems themselves, or they enter contracts with corresponding international structures. Organizations of the Russian Federal Mail Service also provide transborder wiring services.

The activity of banks and the international wiring system is regulated by national regulatory legal acts: laws on currency regulation and currency control, as well as on the national banking system, government resolutions, and the orders and instructions of national banks.

In each country, the rules for carrying out currency operations, including the procedure for making payments and money transfers, according to which currency operations cannot be carried out through the bank accounts of physical persons (residents/non-residents) related to business activity, making investments, or acquiring rights to real estate, are set forth by basic legal acts. Physical persons-residents (and non-residents) have the right to carry out current FX operations with or without opening a bank account in authorized banks as one-time remittances. Each state independently regulates the maximum amount of money physical residents and non-residents may pay and/or transfer. In Kazakhstan, for example, no more than the equivalent of \$10,000 can be paid and/or transferred from a bank account or wired without opening an account. In Russia, residents have the

⁹ See: L.P. Maksakova, "Eksport rabochei sily iz Uzbekistana," in: *Trudovaia migratsiia v SNG: sotsial'nye i ekonomicheskie efekty*, ed. by Zh.A. Zaionchkovskaia, Moscow, 2003, p. 148.

¹⁰ See: E.Y. Sadovskaya, "Labour Migration and Its Impact on Social Stability in Central Asia," in: *Towards Social Stability and Democratic Governance in Central Eurasia. Challenges to Regional Security*, ed. by I. Morozova. NATO Science Series, IIAS, Leiden, The Netherlands, 2005, pp. 206-228.

right to transfer foreign currency and Russian currency out of and into Russia without opening a bank account if the sum is no higher than the equivalent of \$5,000, and in Tajikistan, this amount should be no higher than \$2,000.

In 2005, transborder remittances in Kyrgyzstan were carried out by 16 commercial banks, and in Tajikistan by 10 authorized banks. Uzbek national banks—Khamkorbank, Uzzhilsberbank, National Bank, Uzbekistan National Bank VED, Trustbank, Biznesbank, and others—carry out transfers into and out of Uzbekistan in cooperation with Western Union. Incidentally, international wiring systems operate in Uzbekistan along with Russian banking systems (Anelik, Contact, and others).

In Kazakhstan, approximately 30 secondary level banks offer wiring services. They include ATFBank, Alfabank, Currency-Transit Bank, Eurasian Bank, KazCommerzbank, Caspian Bank, the Bank of China in Kazakhstan, National Savings Bank of Kazakhstan, Neftebank, Texakabank, TuranAl-em Bank, HSBC Bank of Kazakhstan, and others. They organize money wiring systems themselves or enter corresponding agreements with international wiring systems (see above) and Russian banking transfer systems. According to mass media reports, there are 870 Western Union bureaus operating in Kazakhstan (2005).

As in other CIS countries, in compliance with the currency operation regulations, currency operations relating to investments, business activity, and acquiring real estate rights cannot be carried out in Kazakhstan via the bank accounts of physical persons (residents/non-residents). Payments and/or money transfers by physical persons can also be carried out without opening a bank account.

The increase in the number of wiring systems is raising competition, promoting an improvement in the quality of services, and lowering wiring fees. Among specialized international wiring systems, fees are generally standardized (on average 1.5-3% and higher depending on the amount being wired) and the time required to carry out the operation ranges from between 10-15 minutes to 3-24 hours.

4. Dynamics and Volumes

As we have already noted, Russia is the main host country for labor migrants from all the region's republics, since the largest volumes of remittances come precisely from it. According to the RF Central Bank, in 2005, their total volume increased by 71.4% (to \$3,549 billion) from Russia and by 34% (to \$1,041 billion) into Russia. The average amount of one transfer from the Russian Federation via different wiring systems and the Russian Mail Service to the CIS countries amounted to \$392 in April-December 2004 and to \$498 in the fourth quarter of 2005.¹¹

According to the wiring systems and the Russian Mail Service, Ukraine, Uzbekistan, Tajikistan, Armenia, Azerbaijan, Georgia, and Moldova account for the bulk of the transfers from the Russian Federation, followed by Kyrgyzstan and Kazakhstan (in eighth and ninth place, respectively)¹² (see Figure 1).

As we see from Fig. 1, all the CIS countries, apart from Turkmenistan, are the recipients of remittances. The fact that Turkmenistan is missing from this list is most likely due not to the absence of remittances themselves, but to the underdevelopment of the remittance systems and the information dearth in this country.

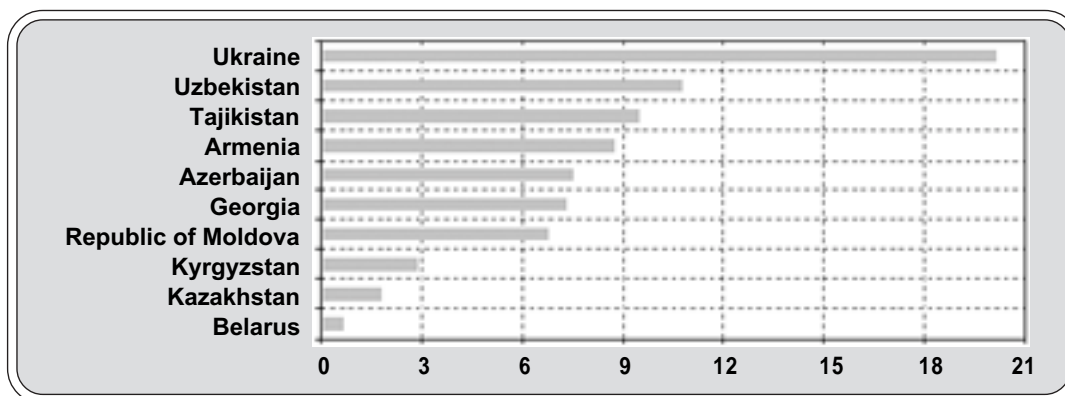
Among the ten main countries sending money to Russia, such countries as Ukraine, Kazakhstan, Armenia, and Georgia occupy fifth, sixth, seventh, and ninth places, respectively (in terms of percent-

¹¹ See: *Nezavisimaia gazeta*, 8 August, 2005; Prime-TASS, 27 February, 2006.

¹² Available at [<http://www.cbr.ru>].

Figure 1

**The Ten Main Countries Receiving Remittances
from the Russian Federation in 2004
(in % of the total amount of transfers sent)**



age), in the total volume of remittances to the Russian Federation. The fact that there are ten CIS countries which receive transfers from Russia and four which send transfers to Russia shows that the Commonwealth states form a post-Soviet migration system united by bi- and multilateral flows of labor, capital, goods, and services.

At the same time, the “social” and “migrant” networks formed from previously migrating Soviet citizens are becoming increasingly active and permitting the further development and spread of migration not only within the post-Soviet space. Russian migrants are sending money from the U.S., Germany, Italy, and Israel, which are the top four countries among those sending remittances to the Russian Federation.

The diversification of migrant flows and remittances, which also manifests globalization trends, can be seen using the example of Kazakhstan: China, Russia, Germany, Turkey, and the U.S. comprise the top five country-recipients of remittances from physical persons in Kazakhstan.

Calculations of the volumes of remittances in our republic have been carried out since 2000-2001. Calculating the amounts of migrant remittances is made difficult due to the different types of labor migration to Kazakhstan (as to the CIS as a whole), the most popular being commercial (shuttle) migration. Commercial migrants (shuttle migrants) do not send money from another country; on the contrary, they export huge sums, buy goods with them, and then import them for sale and the receipt of profit, that is, they do not always need to send remittances. If, on the other hand, shuttle migrants use a wiring system in their business, this violates Kazakhstan legislation.

According to the Kazakhstan National Bank, in the mid-1990s, shuttle migrants exported an average of \$5,000-6,000 from the country per trip, and in 2000, this amount reached \$10,000.

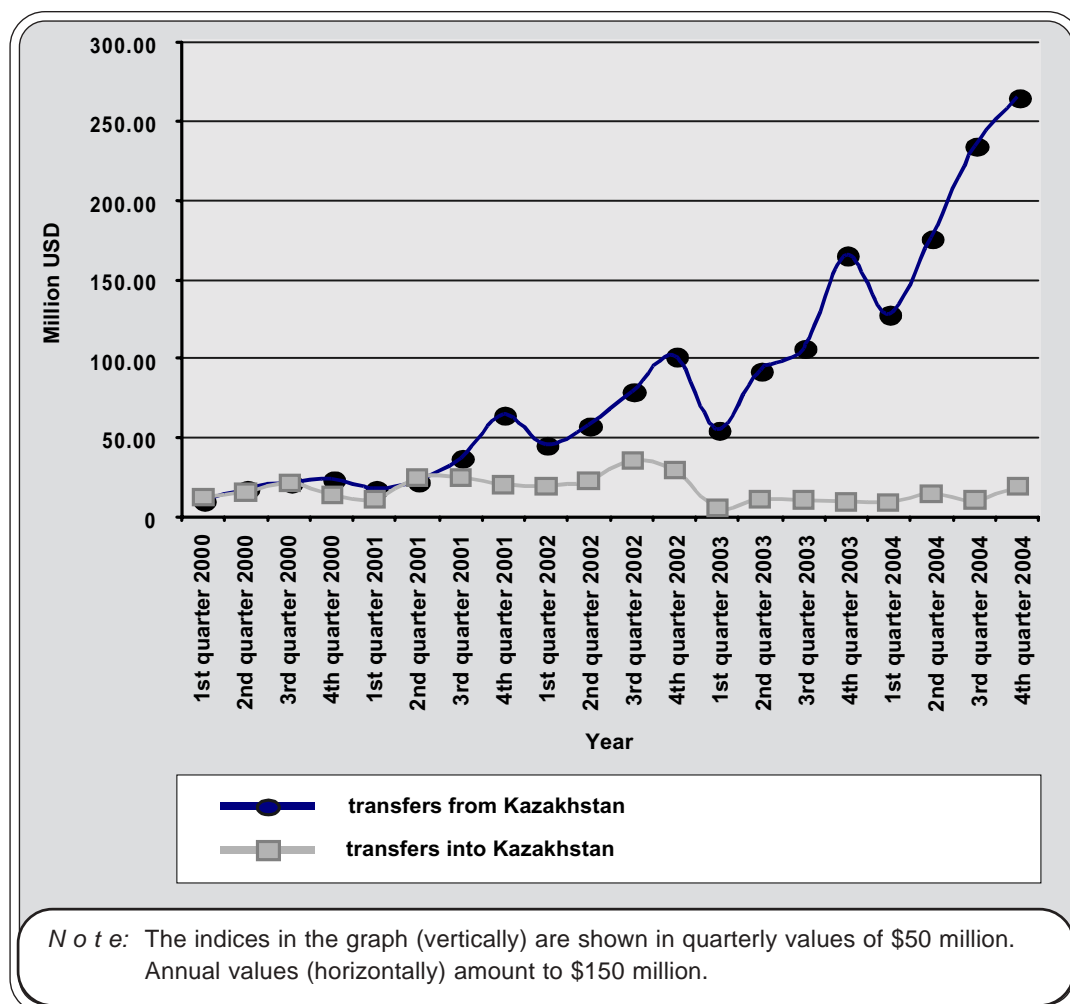
In 2003, shuttle export was evaluated at \$301 million, since commercial migrants sold goods in Uzbekistan, Kyrgyzstan, and Russia for approximately this amount. According to some data, the cost of merchandise imported into Kazakhstan by shuttle migrants from China, Turkey, and other countries is equal to \$1,567 million.

As we see from the graph, the quarterly dynamics of remittances from abroad did not change very much. According to National Bank data, transfers to Kazakhstan amounted to \$63.9 million in 2000, and to \$53.5 million in 2004, with a total of \$344.5 million for 2000-2004.¹³ This indirectly

¹³ Available at [<http://www.nationalbank.kz>].

Graph 1

Transfers of Residents and Non-Residents
in the Republic of Kazakhstan in 2000-2004



confirms the opinion of experts that in the first half of the 2000s, there were not many labor emigrants from the country, although there was still commercial migration. The remittances of residents/non-residents from Kazakhstan in 2000 amounted to \$74.3 million and increased over the span of five years by 1.5-2-fold compared to the previous year. In 2004, they reached \$805.8 million, that is, they increased by 10.8-fold between 2000 and 2004.

Physical persons send a large amount of money (approximately 58%) from Kazakhstan to China, Russia, and Germany. According to National Bank experts, some of the remittances to China and Germany might be to pay for goods exported from these countries to Kazakhstan through unorganized trade channels, although according to the legislation of our republic, currency operations which relate to investments, business activity, and similar purposes are prohibited.

Among those who send remittances are Kazakhstan citizens who periodically send money to their student children or elderly parents, businessmen and specialists (on business trips), tourists, and other

Kazakhstani and foreign citizens living temporarily in Kazakhstan and making remittances for personal reasons. For example, according to the National Bank, approximately 500,000 dollars in transfers are sent from Kazakhstan to the Russian Federation to pay for educational and medical services in Russia.

Representative republic-wide studies have not been carried out in Kazakhstan to calculate the amount of remittances made by foreign workers and specialists coming to Kazakhstan to earn a living. Nevertheless, the annual dynamics of transfers via official channels show that a significant percentage of transfers are made precisely by these people. The dynamics of remittances to the CIS countries and beyond the Commonwealth demonstrates seasonal fluctuations, increasing in the third quarter and reaching a peak in the fourth, that is, when the work season ends and people receive their wages, and declining in the first quarter after the work migrant returns to his country of origin (see Graph 1).

According to the National Bank, in 2004, residents and non-residents sent \$774,000 to Kyrgyzstan from Kazakhstan, \$791,000 to Uzbekistan, and \$312,000 to Tajikistan. Approximately, \$3.875 million were sent to Azerbaijan, Armenia, and Georgia, and almost \$3.3 million to Ukraine, but a much higher amount was sent to the U.S. and Turkey (\$78.2 million and \$91.9 million, respectively).

When estimating the amount of remittances sent by labor migrants to Kazakhstan, the following parameters must be taken into account: the number of labor migrants and their spheres of employment, length of time on the job, average salary, periodicity of remittances and average amount of each, geographic proximity/remoteness of the country of origin, the existence of a diaspora and migrant networks via which wages can be transferred, and many other factors.

We will take a look at only one of these parameters—transfer channels. According to the data of a sociological survey on labor migration conducted by the author of this article in 2005, migrants use different ways to send money home (see Table 1).

Table 1

How Do You Transfer Your Earnings?

	Total	%
I take them myself	105	41.2
I send them with friends	61	23.9
I send them with relatives	38	14.9
Remittance using Western Union	24	9.4
Remittance by mail	21	8.2
I don't send anything	12	4.7
I buy goods with the money and take them myself	4	1.6
I have not sent any yet, since I am here for the first time	4	1.6
I send them with a special courier	3	1.2
Don't know/no answer	37	14.5
Sampling	255	100

Note: The respondents could choose several answers, so the total responses come to more than 100%.

A large number of migrants (41.2%) take their earnings home themselves, or send them with friends (23.9%) and relatives (14.9%). Only 17.6% use postal services for these purposes, which shows the vast potential of the remittance system into and out of Kazakhstan.

According to the National Bank, in 2005, physical persons—residents and non-residents—sent \$1,158 billion from Kazakhstan. Taking into account all the factors listed above, a cautious preliminary estimate of the volumes of annual migrant worker remittances in 2004-2005 amounted to as much as one billion dollars.

As mentioned above, a large number of migrants come to Kazakhstan from Kyrgyzstan where remittance statistics is still not streamlined, but according to the first estimates (2003), they topped \$120 million.¹⁴ Member of the Kyrgyzstan Parliament K. Isabekov, who visited Russian cities where many of his fellow countrymen work, thinks that the Kyrgyz migrant sends his family an average of 100 dollars a month, and some send more. This is an extremely large sum if we keep in mind that the average monthly salary in the republic is around 50 dollars, and in rural areas even less. In this way, according to K. Isabekov, the total sum of remittances from Russia, Kazakhstan, and other countries could be as much as \$384-420 million a year. According to the published data, \$160 million were sent from Russia to Kyrgyzstan in 2004 via Western Union alone, and \$124 million in the first six months of 2005. It can be presumed that in 2005 this sum amounted to approximately \$200 million, which is almost equal to Kyrgyzstan's annual state budget. Four million dollars were transferred in 2004 via the Russian banking system UNISTREAM, and 100 million dollars in 2005.¹⁵ Between 2001 and 2004, remittances to Kyrgyzstan increased by more than four-fold.

According to the Kyrgyzstan National Bank, in 2004, residents and non-residents sent \$774,000 from Kazakhstan to Kyrgyzstan. But according to the data of the author's field study, even unskilled workers from Kyrgyzstan earn between \$800 and \$1,500 and more a season in tobacco factories. In so doing, most migrants send their earnings through unofficial channels, that is, they either take them home themselves or send them with acquaintances, relatives, or train conductors.

On the whole, based on the data on remittances sent via official channels and on the amounts sent unofficially, migrants sent at least \$500 million to Kyrgyzstan in 2005. By way of comparison, in 2004-2005, the country's GDP amounted to approximately \$2 billion. So, migrant remittances could account for 25% of Kyrgyzstan's GDP. The dynamics of the increase in remittances to the republic in recent years has greatly exceeded the dynamics of annual foreign direct investments and official international development assistance (see Graph 2).

According to the National Bank of Tajikistan, in 2001 remittances to the republic amounted to \$300,000. A reduction in interest on this service from 30% to 2-3% in 2003 promoted an increase in remittances from \$78.3 million in 2002 to \$256 million in 2003. On the whole, experts evaluated revenue from migrants in 2002 at \$200-230 million, which includes remittances, the independent import of currency and goods, mainly expensive household appliances, clothing, and so on. What is more, significant sums come into the country via unofficial channels. According to the data of a study in 2003, 83.6% of labor migrants sent money to their families in the following way: 54.8% via the banking system, 33.2% with relatives and acquaintances, 5.2% made use of courier services, and the rest took the money themselves.

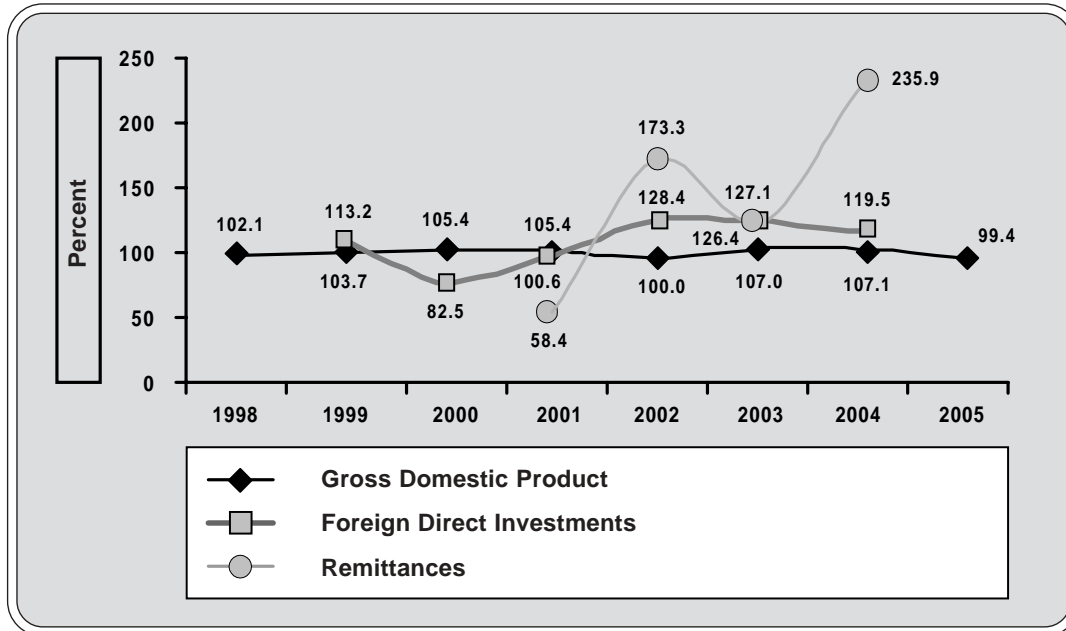
According to the data of the Tajikistan State Statistics Board, in 2003, the average monthly nominal wage of employees at enterprises and organizations in the republic amounted to 44.61 somoni (\$5.4; 1 dollar = 2.9 somoni), whereby in industry—114.66 somoni, and in agriculture—27 somoni, while the country's GDP, according to official data, was equal to 3.205 million somoni (1.105 billion

¹⁴ See: *Slovo Kyrgyzstana*, 27 January, 2004.

¹⁵ Available at [<http://www.kabar.kg>], 14 February, 2006.

Graph 2

Dynamics of GDP, Foreign Direct Investments,
and Remittances in Kyrgyzstan in 1999-2005
(in % of the previous year)



dollars).¹⁶ In this way, in 2003, remittances sent to Tajikistan via official channels only amounted to 23.2% of the GDP. According to the National Bank, in 2004, \$260 million were transferred to Tajikistan. If we use the U.N. estimate, according to which the percentage of unofficial transfers in the world is more than 40% of the total amount of funds transferred by migrants, and take into account the results of surveys showing that more than 50% of Tajik migrants make use of bank services, we can presume that the actual percentage of remittances to the republic's GDP is much higher than the official estimates. But these data require careful verification, that is, further studies are needed.

According to experts, it is very difficult to calculate the total amount of remittances to Uzbekistan. According to the estimates, in 2003, revenue from migration, including remittances and the independent transfer of money and goods, amounted to at least \$400 million.¹⁷

According to the results of a sociological poll carried out by Russian specialists in Moscow in 2001-2002, labor migrants from the CIS countries working in the Russian capital usually sent between \$50 and \$150 home every month. In so doing, the migrant worker from Uzbekistan sent an average of \$62, and the Tajik migrant \$50. However, the latest statistics shows that the Uzbek migrant sent \$682 home, and the Tajik \$803. By way of comparison, the Georgian migrant sent \$2,731 home, the Ukrainian \$1,423, and the Moldovan \$1,403.¹⁸

¹⁶ See: *Trud i zaniatost' v Respublike Tadjikistan*, Tajikistan State Statistics Board, Dushanbe, 2004, p. 69.

¹⁷ See: *Uzbekistan: problemy trudovoi migratsii i vozmozhnye podkhody k formirovaniu politiki. Analiticheskiy dokument*, Tashkent, 2004, p. 31.

¹⁸ See: E. Tiuriukanova, "Migranty na neformal'nom rynke truda v Moskve," in: *Problema nezakonnoi migratsii v Rossii: realii i poisk resheniy (po itogam sotsiologicheskogo obsledovaniia)*, International Organization for Migration (IOM), IOM Bureau in Russia, Moscow: Gendalf, 2004, p. 187.

According to the study conducted in the south of Kazakhstan in 2004, earnings by Uzbek labor migrants in Kazakhstan at that time amounted to an average of \$152 a month, whereby construction workers received \$202, and agricultural workers around \$82, which even in the second case was much higher than the official minimum in Uzbekistan of 7,400 soums (7 dollars).

5. The Role of Remittances in Raising the Standard of Living in Migrant Households

The results of isolated sociological studies conducted in Central Asian countries in the 2000s show the important role migrant earnings play in the lives of their households.

In the 1990s, when Kazakhstan was a country supplying migrants, the earnings of those who left the republic to work abroad (so-called migrant dollars) made it possible not only for the families they left behind to resolve their financial problems, but also to provide them with a higher standard of living, particularly with respect to medical services, education, and recreation. According to the author's sociological study, 56% of the respondents in Almaty and 66.5% in the Karaganda Region noted that these earnings helped to improve the financial situation of their households, 57% and approximately 45%, respectively, that they regularly or occasionally helped their relatives, whereby approximately 10% of all the respondents essentially provided for their relatives' total upkeep. What is more, 16% of those surveyed in Almaty and 14.5% in the Karaganda Region opened their own businesses using the money earned from their migrant jobs, or helped their children and other relatives to do this.

During the first half of the 2000s, Kazakhstan became a host country. The results of the poll of labor immigrants from the region's republics showed that the migrant dollars earned in Kazakhstan are mainly spent on food (this was the response of 55.7% of the respondents) and to buy new clothes (47.2%). While 30.3% of the respondents said that this money helps them only to provide themselves with the basic necessities, 22.5% pay for medical treatment and buy medication, and 25.5% help their parents and children financially (see Fig. 2).

In this context, the country's specifics must be kept in mind. For example, poorer migrants from Uzbekistan and Kyrgyzstan mainly spend their earnings on basic daily needs: food, 56.7% and 63.3%, respectively, and clothing, 46.5% and 54.1%, respectively. Migrants from Tajikistan who have been working for many years in Kazakhstan (according to the study, 71% of the respondents have been working abroad for more than five years) send their earnings home to help their relatives financially (47.1%), to pay for medical treatment (35.3%), and to purchase more expensive commodities.

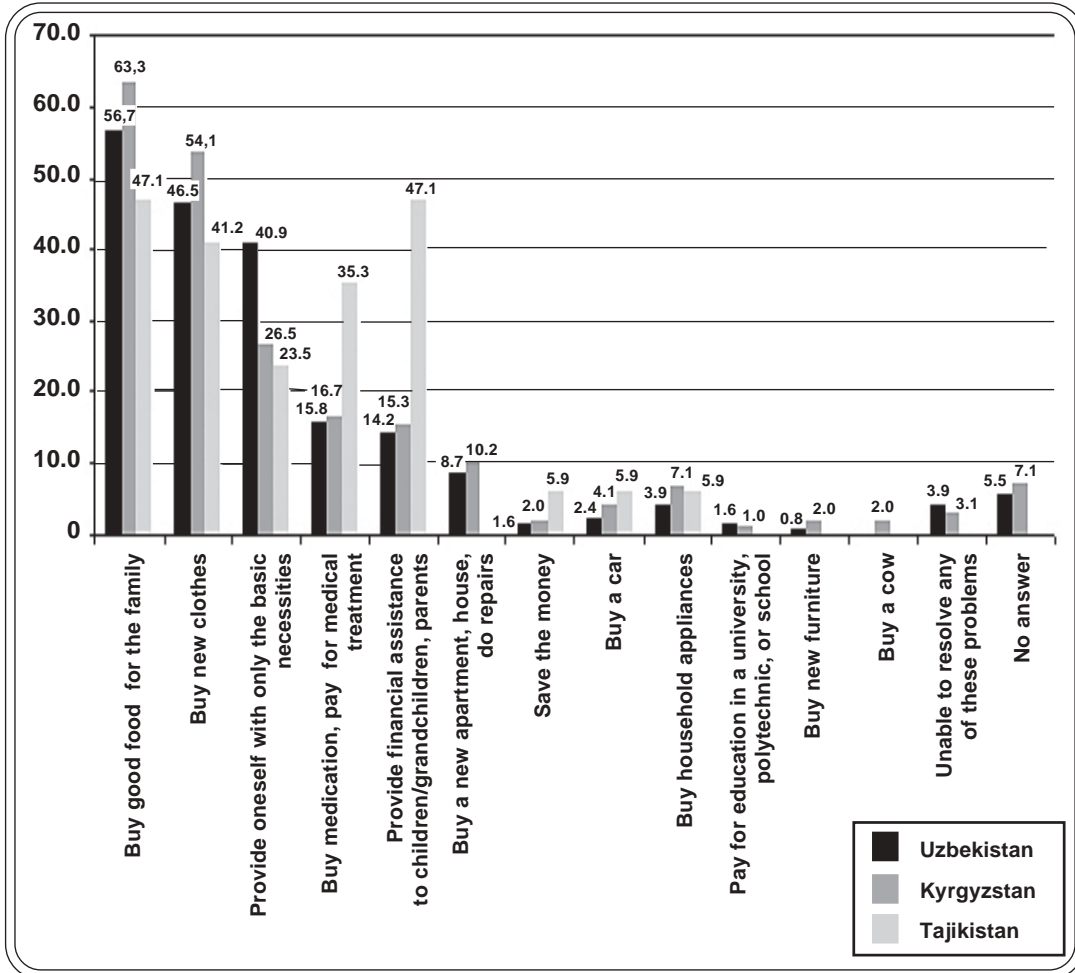
On the whole, thanks to the emigration of Kyrgyzstan citizens, the country's leadership is partially resolving the problem of surplus labor resources and alleviating unemployment, particularly in the republic's south (the Osh and Dzhalsal-Abad regions), from where most migrants are leaving to find work abroad. Their remittances are raising the standard of living of the families they leave behind and helping to accumulate initial capital to start their own businesses, or raise their qualifications, that is, to form new work skills under market conditions which can be used after they return home.

According to the data of a study conducted in Kyrgyzstan, the owners of 111 companies used to be labor migrants, thanks to which they accumulated initial capital and created more than 3,700 jobs, that is, an average of 33 jobs per company.¹⁹

¹⁹ See: L.P. Maksakova, A. Elebaeva, "Vyezdnye zarabotki kak istochnik razvitiia biznesa i predprinimatel'stva: primer Kyrgyzstana i Uzbekistana," in: *Trudovaia migratsiia i zashchita prav gastarbaiterov. Praktika postkommunisticheskikh stran*, ed. by Zh.A. Zaionchkovskaia, Kishinev, 2003, p. 93.

Figure 2

**How Migrant Earnings are Used
in the Households of the Countries of Origin:
Kyrgyzstan, Tajikistan, and Uzbekistan (2005)**



According to the data of a labor migration study in 2004 of Uzbekistan citizens in south Kazakhstan, 75.8% of the respondents noted that before they left to earn money abroad, they did not make enough to buy basic necessities, even normal food. But after they began working abroad, their spending on food increased and they were able to buy not only basic necessities, but 17.8% were able to make expensive purchases, 4.9% to save money to buy a car or their own home. In this way, labor migration in Uzbekistan plays a positive stabilizing role and alleviates the tense situation on the local job markets. However, mass labor emigration can only be prevented by creating jobs and developing small and medium businesses in the republic itself.

What is more, this migration also has negative consequences for the host and origin countries. For example, it is advantageous for employers in Kazakhstan to use cheap labor which does not require social outlays, while the migrants themselves benefit from even small wages which help them to

maintain a decent standard of living back home. But these migrants do not pay taxes to the Kazakhstan budget (if all labor migrants are taken into account, this is a significant amount of revenue), which is economically detrimental at the macro level, since capital and manpower are leaking into the unofficial economy. There is also a criminal component in labor migration: according to experts' assessments, approximately 10% of revenue from migrant activity in Tajikistan goes into the drug business.

A brain drain always has negative medium- and long-term consequences for the national economies of the supply countries. What is more, there are negative demographic consequences during the time male migrants leave their families for long bouts of work abroad.

6. Remittances in the Region's Republics: Globalization or "Glocalization?"

The phenomenon of international labor migration itself and the increase in migrant remittances are globalization trends. At the same time, we are seeing a "glocalization" trend. This term coined by British sociologist R. Robertson designates the phenomenon of the continuity and complementarity of the outwardly contradictory processes of globalization and localization.²⁰ In 1990, this problem was discussed at the World Sociological Congress in Madrid where the need was emphasized when discussing the global processes for taking into account the intrinsic relation between the local and the global dimensions.

A graphic example of glocalization is the Central Asian republics. On the one hand, capital, technology, services, and goods are penetrating at accelerated rates into their most remote corners, while on the other, emigration of the workforce is increasing, which in turn is stimulating a spread in the communication system, including the Internet. The development of the international electronic money wiring system makes it possible for these migrants to help their families financially back home.

In the poorest households of the Central Asian countries, migrant dollars are being used to purchase foodstuffs, clothing, and medication, to provide financial assistance to parents and children, and to meet other daily needs. Remittances help families to save money for weddings, since in rural areas such undertakings often cost the parents of young couples as much as they earn in several years: according to tradition, not only do people give expensive gifts at weddings, but all relatives and neighbors from the village (*aul*, *kishlak*) are invited.

If a migrant is able to save larger amounts of money, he uses it to do repairs or buy a house or apartment, or to pay for his children to study at university, college, or school. But the percentage of such investments is very small (see Fig. 2). Most of all, those polled said they use the money they earn abroad to help their relatives financially back home. This was the response of 47.1% of the migrants polled from Tajikistan, 15.3% from Kyrgyzstan, and 14.2% from Uzbekistan.

These data correlate with the results of a study carried out in 2002-2003 in Tajikistan. Most of the remittances to the republic go to help relatives—25.8% of the respondents help them on a permanent basis, and 46.3% occasionally. According to experts, the current nature of labor migration correlates with the kin and family structures of Tajik society: those who leave to work abroad use their earnings to help several households of relatives. Labor migration has become a survival strategy and is playing a stabilizing role in the country. Due to the long absence of men, the heads of the household, the role of women has increased in the family economy.

²⁰ Available at [<http://www.idelo.ru/347/15.html>].

A change in gender roles as women become incorporated into labor migration is characteristic of Uzbekistan. According to the study data, in 1999, less than 2% of women labor migrants in the republic considered themselves the heads of the household, whereas by 2004, as many as 57.6% said that they were the ones who “feed their relatives,” so they consider themselves the heads of the family.

C o n c l u s i o n s a n d P r o p o s a l s

In some republics of Central Asia, remittances comprise a significant part (25% and more) of the GDP, and, according to some estimates, in recent years they have topped the annual amounts of official international aid allotted for development, as well as foreign investments.

Remittances play a significant part in reducing poverty in the countries of origin, particularly in Kyrgyzstan and Tajikistan, where, according to UNDP data, at the beginning of the 2000s, the poor comprised 44.4% and 60% of the entire population, respectively, that is, this money plays a positive sociopolitical role, helping to strengthen stability in the Central Asian states and in the region as a whole.

The author’s research showed that at the moment labor migration and migrant earnings in the Central Asian republics constitute the primary survival, but not development, strategy. But most labor migrants plan to continue this activity, which means that their remittances will also grow. So there is need for a more in-depth study of the role of remittances and for drawing up of a program of their efficient use for development purposes. But Kazakhstan still has no state programs aimed at ensuring the optimal use of remittances, for example, to develop small businesses, since our republic is a host country and the money is sent out of Kazakhstan and not into it.

But this does not downplay the role of migrant labor activity either for the host country, or for the country of origin. The contribution migrants make to the host country should be analyzed and econometric models created for assessing the economic effect. This is important for understanding the role of migration and could perhaps be a component of business development programs in Kazakhstan itself. It will also help to form a tolerant attitude toward immigrants.

The current level of banking services with respect to remittances, primarily the decrease in wiring fees, the speed of such operations, the possibility of wiring money without opening a bank account, and the increase in number of service bureaus has raised labor migrants’ trust in these services. This is helping to decrease “shadow” money flows and increase the transparency of the banking service sector.

In Kazakhstan, only a few labor migrants are using this method at the moment since most of them are unskilled workers with a general secondary or incomplete secondary education who have never used the services of commercial banks before. So the wiring system should be improved by increasing the number of wiring bureaus, lowering wiring fees, and raising the awareness level of migrants and the population as a whole, including by means of wide-scale advertising campaigns.

Since remittances comprise a large percentage of the GDP, the leaders of the countries of origin should regulate labor migration, in particular, by developing a system of efficient use of remittances for development purposes; encouraging migrants to invest in business; granting loans for creating enterprises; and offering lower interest rates for introducing social and economic projects in local communities. One way to stimulate investments for development purposes might be to organize not cash remittances, but transfers to migrants’ bank accounts, and to encourage medical insurance, education, mortgage, and other payments.²¹

²¹ See: *World Migration 2005. Costs and Benefits...*, p. 273.

In 2005, the International Organization for Migration (IOM) along with the UNDP began a pilot program in Tajikistan on the use of remittances for developing not only individual households, but also communities. The IOM is co-financing projects for investing these funds in the repair of schools and bridges and in the building of a telephone station. But we feel that programs stimulating investments in local business would be more effective. This is something for the structures authorized in the Central Asian republics for these purposes to work on.

ADDRESSING THE PROBLEM OF TAJIKISTAN'S ECONOMIC DEVELOPMENT STRATEGY

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World historical experience shows that successful development of any state largely depends on correctly selected strategic goals and priorities. In fact, there are plenty of examples showing that the choice of true directions has led to the successful and sustainable development of different countries, both large and small. However, there are reverse examples as well. A particularly representative example here is the experience of the U.S.S.R.—a country with huge material and human resources which, due to its poorly chosen development strategy, has ended up with economic degradation and disintegration.

Tajikistan, one of the union republics of that state, was the least advanced territory even in those days, and during the civil war in Tajikistan, its national economy slumped to a crisis level by 1995. It was not until the beginning of the 21st century that slight (and very slow) economic recovery was outlined. Under these conditions, efficient economic development (even if it was only catching up) is seen not just as an urgent, but as a vitally crucial task for Tajikistan. And elaboration and implementation of an appropriate development program is becoming of top priority.

Unfortunately, both the strategy and the programs adopted in this sphere are in many respects immature and underdeveloped, and they actually fail to meet the challenges the republic is currently facing, which first of all concerns its choice of basic priorities and ranking. Today, agriculture and the hydropower industry have been formally approved as the main areas in Tajikistan's economic development strategy. However, their priority is actually only declared, since no sufficient grounds for them currently exist.

The thing is that in the countries which have chosen agriculture as a primary vector of their economic development strategy, even under the most favorable natural and climatic conditions, effi-

cient development is hardly possible, not to mention a technological breakthrough. At best, such countries are attributed to the category of the so-called “banana republics.” However, as we have already noted, there are quite a number of examples showing that the states which tend to enhance their power industries by primarily relying on available raw product resources can be developed rather successfully.

In present-day Tajikistan, the choice of agriculture as a strategic priority is a tribute to the traditions retained from the Soviet era. At that time, it was associated with the policy aimed at maintaining the cotton independence of the huge state. Besides, the rural economy of the Soviet Union comprised the entire cycle: from cultivation to complete processing. Therefore, although Tajikistan was a raw

Table 1

Key Assets of the Multipurpose Water Utilization System

Facility (Asset) Categories			Length (Quantity)
Channels:	Main	In earthen channels (km)	9.934
		In encasements (km)	9.206
	Inter-farm	In earthen channels (km)	2.806
		In encasements (km)	9.06
	Intra-farm	In earthen channels (km)	18.029
		In encasements (km)	1.012
	Chutes (km)		2.755
Pipelines (km)		6.153	
Pump stations:	Large, with water discharge of more than 10 m ³ /sec (quantity)		39
	Inter-farm (quantity)		306
	Intra-farm (quantity)		709
Collectors and drainage systems	Main collectors (km)		0
	Inter-farm collectors (km)		2.301
	Intra-farm	Open drains and collectors (km)	5.061
		Closed drains (km)	4.041
		Vertical drains (quantity)	1.573
Irrigating wells (quantity)			1.03
Water basins:	More than 10 million m ³ (quantity)		3
	Inter-farm (quantity)		2
Key Asset Total Cost			1,364
<i>Source:</i> GEF MFSA Agency. Aral Sea Basin Development Program. “Integrated Water and Environment Management” Project. Tashkent, 2001 (MFSA: International Fund for Saving the Aral Sea).			

product-oriented republic, it would receive funds from the national budget needed to maintain the proper development of all its sectors, including agriculture. And these funds were formed at the final stage of processing, which was basically carried out in other republics of the U.S.S.R.

However, under present-day market conditions, this agricultural orientation of independent Tajikistan, which is still (even increasingly) focused on production, but not on processing, has lost the above opportunities. This is best shown by the eventual result “achieved” in the production of cotton—the country’s basic agricultural export crop. This sector has been consistently unprofitable since 1992, and by 2006, the total debt to investors reached \$300 million, with an average volume of raw cotton production of 300–400 thou tons per year during that period.

The state of affairs in other rural economy branches is hardly better. They are free of such huge debts, but there are no real incomes. In fact, today the whole agriculture sector is functioning at best in the “survival mode.” Besides, Tajikistan’s territory is located in an arid zone, which requires irrigation to ensure agricultural production. However, the irrigation and water utilization systems are divorced from the country’s agricultural sector (as was customary in the U.S.S.R.). And though the water utilization system is for the most part financed by the state, including by foreign investments, the situation here is far from the best.

Today, Tajikistan’s water utilization system represents a huge complex of various installations and facilities (Table 1) erected in Soviet times. Their average age is 38 years, which means that practically all of them have considerably exhausted their service lives.

What is more, over the last 15 years, Tajikistan’s water utilization system has not only failed to receive the investments needed for reconstructing and modernizing its water facilities, it does not have the money for their operation and maintenance (apart from the funds appropriated by the government for emergency response measures). However, the total sum of investments required today to bring this entire system up to a suitable level amounts to \$746 million. Actually, this figure corresponds to the funding shortfall in the previous year, which, to a certain degree, can be regarded as a loss. Hence, the total amount of rural system losses (including cotton-growing debts) and water utilization system losses (underfinancing of the water resource sector) exceed \$1 billion, which is comparable to the republic’s gross domestic product (GDP) (Table 2).

Table 2

GDP Dynamics and Forecast

Year	In fact			Forecast	
	1991	1995	2000	2010	2015
GDP, \$ million	13,800	120.3	1,259.0	2,465.7	4,365.6

Source: GEF MFSA Agency. Aral Sea Basin Development Program. “Integrated Water and Environment Management” Project. National Report No. 2. Republic of Tajikistan, Dushanbe, 2003.

Tajikistan’s economy is certainly developing today, and the country’s GDP is increasing from year to year. However, the water utilization system’s debts are also growing. According to the most conservative estimates, the country’s annual expenses on operation and maintenance of its water utilization system amount to \$53 million, and the total amount of real investments is several times less (Table 3).

Such is the present-day state of affairs in Tajikistan’s water utilization system. Meanwhile, one of the government policy goals involves maintaining the country’s agricultural independence. This

Table 3

**Government Expenditures on Water Consumption and
Water Supply Fees in 2000-2002**

Source	Years	Million Somoni/Million USD		
		Plan	In fact	%
Deductions from republican budget on operational expenses	2000	3.0/1.363	2.964/1.347	98.8
	2001	3.6/1.636	3.6/1.636	100
	2002	4.6/1.703	4.6/1.703	100
	2003	5.2/1.733		
Water supply fees	2000	18.8/8.545	7.5/3.418	40
	2001	18.8/8.545	7.9/3.589	42
	2002	26.3/9.74	11.57/4.286	44
	2003	43.8/14.6	—	—
Local budget funds	2000	1.0/0.455	0.39/0.177	39
	2001	1.0/0.455	0.508/0.231	51
	2002	0.661/0.245	0.628/0.233	
	2003	0.8/0.266		
Funds from land tax arrears	2000	1.5/0.682	0.10/0.045	6.6
	2001	—	—	—
	2002	—	—	—
	2003	—	—	—
Funds for disaster clean-up operations	2000	0.10/0.045	0.084/0.038	84
	2001	0.70/0.318	0.70/0.318	100
	2002	1.2/0.44	1.2/0.44	100
	2003	—	—	—
Centralized capital investments	2000	1.0/0.455	0.97/0.44	97
	2001	1.3/0.59	1.3/0.59	100
	2002	1.64/0.607	1.64/0.607	100
	2003	1.5/0.500		
Total	2000	25.4/11.545	12.008/5.465	47
	2001	25.4/11.544	14.008/6.364	55.1

Source: GEF MFSA Agency. Aral Sea Basin Development Program. "Integrated Water and Environment Management" Project. National Report No. 2.

primarily concerns food supply independence, but at the same time the country is increasingly focused on cotton-growing exports. In fact, these tasks can be solved only if new irrigated areas are developed, since the republic's land endowment level (per capita) is the lowest in the Central Asian states: 0.13 ha of total areas and 0.08 ha of irrigated areas. The projected irrigation development program in Tajikistan is shown in Table 4 below.

Table 4

**Prospects of Irrigated Areas Development
in the Republic (thou ha)**

Zones	2000, in fact	Growth potential, total	Until 2025		After 2025	
			Area growth	Total	Area growth	Total
Sogd Region	271.0	611	140	411	200	611
Khatlon Region	321.8	712	200	522	190	712
RSD*	101.6	225	123	225	0	225
Gorno-Badakhshan Autonomous Region (GBAR)	23.9	31	0	31	0	31
Republic in total	718.3	1,578	293	1,188	390	1,578
*Republic Subordination Districts.						
<i>Source:</i> GEF MFSA Agency. Aral Sea Basin Development Program. "Integrated Water and Environment Management" Project. National Report No. 2.						

Thus, the overall growth in irrigated land is expected to increase to 683,000 ha (95% of the currently available areas). If we assume that the specific cost of the irrigation of new lands is equal to that of the old lands, the required expenses will constitute 95% of the water utilization system key assets value, i.e. $1,364 \times 0.95 \approx \1.3 billion.

However, in reality this sum should be even higher since today's value of the country's water utilization system key assets represents their residual cost, i.e. the initial cost reduced by the depreciation amount. Besides, it is much more difficult to develop new lands, since the most convenient lands have already been developed. And finally, today's land development costs are higher than the previous land development expenses due to inflation of all the expense-related items. According to a number of estimates, land development costs in Tajikistan currently amount to \$5,000 per ha, and about \$3.5 billion will be required to develop 683,000 ha of new irrigated lands. This means that \$2.5-4.5 billion will be required just to bring the country's agriculture and water utilization system up to a normal level (repair old lands and develop new ones), which is more than the republic's GDP (see Table 2). What is more, no one can guarantee that the agricultural sector will start making profits, with annual expenses for its operation and maintenance being as high as \$103 million (53×1.95), i.e. almost 50% of the country's budget.

However, the most unpleasant thing here is that even if the republic manages to raise such funds, this problem will never be solved fundamentally. First of all, the entire gains from developing the new

irrigated lands could come to naught due to inevitable growth of the population¹ (Table 5). And besides, even temporary growth in the average provision of the republic's population with land is hardly possible since the development of new land requires a lot of time (dozens of years), and it will either "keep step" with the population growth rates or lag behind. Secondly, the development of new land will increase the need for water resources. But they are very limited in the region, and practically all of them are already being used (Table 5). Moreover, in view of the increasing demand for water to maintain restoration of the Aral Sea (~ 20 km³ per year), serious water shortages are already anticipated in Central Asia. Certainly, Tajikistan is located in the streamflow generation zone: 65 km³ of its surface waters are generated on its territory (55.4% of those are regional), but only 11 ÷ 14 km³ are being used. However, under present-day political conditions, redistribution of the region's water resources for the benefit of Tajikistan will only lead to a conflict between the Central Asian countries, which could even develop into a "water war" as predicted by some Western political scientists.

Indeed, the water deficiency problem could be solved if the country's rural economy switches over to modern water saving technologies. But this will require an additional several billion dollars, which is absolutely unreal for today's Tajikistan. This gives rise to the following question: why, with all this rural sector inefficiency, was agriculture included on the top priority list of the country's economic development program? One of the explanations is that today (as well as in the past) this sector

Table 5

Population in 1989-2000 and
Expected Population Growth Rates for 2010-2025

Planning zones	Population		Expected growth rate, % for 10 years	Expected population, thousand people		
	1989	2000		2002	2010	2025
Entire Tajikistan	5,092.6	6,127.5	20	6,647.5	8,452,6	10,000.0
Including in Dushanbe	590.6	561.9	7	604.9	769,1	910.0
Sogd Region	1,554.2	1,872.0	20	2,027.4	2,578,0	3,050.0
Khatlon Region	1,700.2	2,150.1	26	2,333.2	2,966,8	3,510.0
GBAR	160.9	206.0	28	219.3	278,9	330.0
RSD	1,086.7	1,337.5	23	1,462.7	1,859,8	2,200
Including in towns and settlements	1,655.1	1,626.3	8	1,761.6	2,240	2,650
In villages	3,437.5	4,01.2	27	4,885.9	6,212,6	7,350

Source: Agency GEF MFSA. Aral Sea Basin Development Program. "Integrated Water and Environment Management" Project. National Report No. 2.

¹ This is inevitable in the foreseeable future since the state is not even considering the question of birth reduction, and in a traditional Muslim society family planning is not provided for.

Table 6

**Actual Water Consumption Level and
Its Forecast in Central Asia
(million m³)**

Country	Years		
	1990	1994	2010
Kazakhstan	10,136	9,718	9,390
Kyrgyzstan	4,910	4,940	7,820
Tajikistan	11,221	10,338	10,380
Turkmenistan	24,054	23,291	25,225
Uzbekistan	58,388	53,416	48,020
TOTAL consumption	108,654	101,703	100,835
Water resources	112,700	121,500	115,600

S o u r c e: Interstate Council on the Aral Sea Basin Problems. Main Provisions of Aral Sea Basin Water Strategy, Alma-Ata, Bishkek, Dushanbe, Ashghabad, Tashkent, 1996.

employs 70% of Tajikistan's population. And under the present severe social and economic conditions (especially taking into consideration the recent civil war, which split society) not only politicians, but also serious economists simply fear to openly admit that this sector is inefficient and to announce that its further extensive development should be given up. Especially since agriculture serves today as a real life-supporting sector not only for the farmers, but also for the other (30%) inhabitants of the republic, since it provides them with agricultural products at prices much lower than the world prices.

On the other hand, however, this is only affirmation of the situation that has developed in the country. Indeed, the people of Tajikistan should be grateful for their rural economy system, since it allowed them to survive in the most difficult years of 1992-1998. But after that, the political and socioeconomic situation in the republic essentially improved, and—what is more important—the economic development strategy should be aimed not so much at assessing the current situation, but at defining new, perspective goals. So it is detrimental to focus on agriculture, as this will preserve and retain the situation of 1991-1998, i.e. the situation of survival, not the situation of efficient development.

Moreover, the fear that the population will be strongly against agriculture being rejected as the main development priority is highly exaggerated. In fact, the population has already understood what is going on in reality and is now voting against agriculture in the most democratic way: the people are tending to leave their land, which cannot provide them with a worthy existence, and look for new jobs and employment. The number of labor migrants from Tajikistan to other countries (basically to Russia) amounts today, according to different estimations, to 0.5-1.2 million people. What is more, internal migration from rural districts to towns and cities, where employment conditions are a little better (for instance, in the sphere of trade and services) involves several hundred thousand people. And this is a very significant portion of the active population. According to national

statistics, in 1996, the able-bodied population amounted to 1,043,300 people, with the total population of 5,860,500.²

There is another reason why agriculture is considered one of the top priorities. This stems from the actual approach to compiling the priority list. And the main policy-making principle, which is currently applied in the republic, has been retained from Soviet times. In fact, this principle is based on the development level that has already been achieved. Technically, this approach works in the most primitive way: after receiving respective orders from the government, all the ministries, agencies, and major institutions (which, naturally enough, lobby departmental interests) develop and submit their perspective plans. In this situation, however, the concept of the strategy loses its meaning since it is replaced with a plan, the defectiveness of which had been proven by the entire history of Soviet development.

Let us dwell on this problem a while. The concept of the strategy itself can be considered based on two aspects. From the conceptual point of view, it serves as a guiding idea which defines both the general concept and the common plan aimed at achieving ultimate goals and objectives. In this sense, a strategy can define basic problems and areas of activity without specifying possible methods for their achievement. This is a so-called “strategy conception,” which is primarily based on an arrangement-type approach and provides for more freedom and more uncertainty in actions. On the other hand, a strategy can be viewed in a more specific way—as a certain sequence of actions promoting the achievement of specific goals and objectives. This kind of strategy represents a so-called “program-oriented strategy,” which is based on a systematic (programmed) approach involving all its respective attributes and, accordingly, a high degree of previously arranged actions.

In the latter case, a *linear strategy* is considered the most simple. In fact, it represents a certain chain of successive actions, each of them being either prearranged or dependent on the results of previous actions, not on subsequent ones. The potential of this kind of strategy is rather limited. Therefore it is only used when the whole process can be prearranged, subdivided into separate elements, and thoroughly analyzed. For example, it could be applied in a standard civil construction scheme. And there is another strategy type which occurs more frequently—when after receiving unsatisfactory results at a certain stage there is the possibility of returning to one of its previous stages. In this case, there is a sort of feedback between the strategy and its results, and what is more, it is possible to maneuver (although to a very limited extent) at this stage. This kind of strategy poses the danger of an endless loop or a vicious circle.

However, a *branched strategy* does not have this disadvantage. This type of strategy is originally based on parallel, even competing trends, which makes it possible to adjust it “while in progress.” There is also an *adaptive strategy*, where only the first step (the first action) is defined. It is considered one of the most reasonable strategies, since each stage of such a strategy is selected on the basis of the most comprehensive information. Unfortunately, this kind of strategy does not make it possible to run and control the whole process—first of all, to manage the strategy-related terms and expenses, i.e. there is the danger of just “drifting with the current.”

As far as its ideology is concerned, the adaptive strategy borders on an *increment strategy*, which is based on the following continuous process: current situation assessment → decision-making → adjustment → new situation assessment, etc. This is a rather prudent, almost errorless situation, but, unfortunately, such a strategy cannot be used when quick results are needed, since its implementation requires an unlimited time frame. Finally, there is a *random search strategy*, which lacks an original plan. However, it could be useful in situations with a high decision-making uncertainty level. One of its effective methods is “brainstorming.”

² According to national statistics, after 1997 the size of the republic’s able-bodied population increased to 2,000 thousand people due to the inclusion of women engaged in housekeeping in this category and due to expansion of borders of the economically active population age group. At the same time, however, from 1996 the population of Tajikistan increased insignificantly: in 2006 it totaled 6,400,000.

The choice of one of the above strategies depends on specific conditions. In situations where a number of difficult problems should be solved, a combination of several strategy types is frequently used. For example, the task of Tajikistan's water utilization system rehabilitation (which represents a well-defined goal) corresponds to the linear strategy. But this correspondence only exists in the relationship between the initial stage (task setting) and the final stage (goal). All the intermediate stages should be made more specific. In this situation, only the first stage is initially clear, i.e. the need for asset inventory and their restoration cost evaluation. But this is already an element of an adaptive strategy. However, both at this given stage, and at all the subsequent value determination-related stages, the need may arise to reassess the capabilities and, accordingly, the tasks (this is typical of a cyclic strategy). As for the investments required to implement the strategy, today they can be raised either by combining the funds taken from different sources (a branched strategy), or by attracting external, previously unknown investors (a random search strategy). It is quite clear that to implement such a strategy, its constant adjustment and updating could be required during the whole process. The same concerns other tasks as well. For example, it is hardly possible that even such a "simple" task as water resource monitoring arrangement (as far as quantities and qualities of these resources are concerned) could be entirely solved based on a linear strategy alone. In reality, there are some nuances requiring wider approaches. They could involve such issues as investments, instrumentation, specification of the required number of checkpoints, sample volumes, analyses, result interpretation and distribution, etc. Hence, it appears that in such a complex undertaking, real success in achieving the goals can only be possible if the strategy is constantly managed and controlled through the arrangement of some kind of a self-organizing process and systems approach. Therefore in practice, strategy development cannot be separated from strategy implementation since it is a coherent process. This especially concerns such a complex strategy as national economic development.

Unfortunately, the above approach shows that Tajikistan's development strategy ultimately represents not even a simplified linear strategy, but an administrative-command plan. However, no one can guarantee that it will be implemented. As an example, we have used the economic development strategy adopted by the Tajikistan government in 2002 (see Table 7).

Table 7

Economic Development Parameters

Parameters	Measurement units	2000	2005	2010	2015
GDP	million somoni	1,806.8	4,360	8,219	14,552
Agricultural products	million somoni	693.2	1,744	2,368	2,871
Industrial products	million somoni	1,374.4	4,050	7,565.6	11,281.3
including power industry	million somoni	98.9	486.8	1,088.1	1,815.1
Domestic investments	million somoni	83	380.5	1,952.2	2,454.4
Foreign investments	million USD	20.1	322	1,156.5	1,170

S o u r c e: Medium-term Program for Social and Economic Development of Tajikistan for the Period until 2015.

Such a state of affairs with elaboration and implementation of development strategies is actually observed today in all the national economy branches. Each department tends to develop only one type of strategy—a linear strategy which, in fact, is merely degenerating into an unsubstantiated plan. Such strategies can be called “desire strategies.” In fact, they are based on desired requirements only, and not at all on real financial and resource potential. The financial element of such strategies is also presented in the form of investment requirements. And the lack of own resources is compensated by foreign investments (the sources of such investments are unknown). Naturally enough, such an approach does not charge strategy developers with performance commitments. Besides, there is no responsibility either: the projected plans are never fulfilled due to the lack of foreign investments.

It is practically impossible to update such formal, scientifically unsubstantiated plans on time and ensure their adaptation to the constantly changing conditions. Therefore, they are not even monitored. In the course of time, they are rescheduled, but the result is the same. An example of such an approach is Tajikistan coal sector development strategies adopted by the government over the past few years (see Table 8).

Table 8

**Tajikistan's Coal Sector
Development Strategies**

Coal production, thou tons	1990	1996	2001	2004	2010	2015
1997 program			1,140	1,335	1,925	
In fact	433.2	7.48	25.8	92.2		
2002 Conception				300	500	800

Source: Approved Resolutions of Tajikistan Government.

This table shows that (in spite of the fact that the coal sector's extensive development program adopted in 1997 was fulfilled by less than 7% by 2004) the Conception approved in 2002 did in fact provide for some unsubstantiated growth. Naturally enough, it is not being implemented.

With such an approach to development strategies, the priorities are defined automatically—based on the total amount of products manufactured by the industry branches. Therefore, priority ranking has little to do with economic efficiency. Another disadvantage of this approach is that all the industrial sectors, irrespective of their efficiency, should be developed in parallel. And not only are none of them excluded from the general development program, they are not even transferred to a later term.

The republic's environment preservation strategy could serve as a typical example here. In spite of the fact that this strategy has always been insignificantly influenced by economic activity, and after the crisis of the 1990s it became almost imperceptible (see Table 9), the state budget still provides for special resources and a number of specific measures aimed at reducing the load on the environment from economic activity, including measures on decreasing greenhouse gas emissions.

This state of affairs still exists, despite the fact that the entire world experience has been demonstrating a completely different approach. Raising the question of launching an environmental program or a strategy, let alone its implementation, depends on many factors, first of all on the level of the country's economic, industrial, and social development. This level determines both the degree (vol-

Table 9

**Summary Direct Greenhouse Gas Emissions
(Gg CO₂ equivalent)**

Greenhouse gases	CO ₂ equivalent	1990	1991	1992	1993	1994	1995	1996	1997	1998
Carbon dioxide	1.0	21,942	24,877	18,923	13,238	6,449	4,089	3,073	3,128	1,736
Methane	21	273	273	315	42	21	0	0	0	0
Nitrogen monoxide	310	12.4	9.3	12.4	6.2	3.1	3.1	3.1	3.1	3.1
Total*		22,227.4	25,159.3	19,250.4	13,286.2	6,473.1	4,092.1	3,749.1	2,036.1	2,290.3
* Total: for 1999—1,843.8; for 2000—2,036.1; for 2001—2,290.3.										
Source: <i>Tajikistan. Greenhouse Gas Inventory Summary</i> , United Nations Development Program, Dushanbe, 2001.										

ume) of technological environmental impact, particularly the pollution of nature, and economic (and material) opportunities for respective nature protection measures aimed at its reduction or elimination, which is expressly shown by the experience of many Western countries. For example, the U.S. initially essentially ruined its unique Great Lakes; and only later, after raising its economy and ensuring high living standards for the population, did it launch specific measures aimed at their rehabilitation. Some time ago, a similar situation developed in European countries as well. During the period of their economic and industrial development, one of the main waterways of the Continent—the river Rhine—turned into a runoff ditch. Its purification process started only after these states had achieved a rather high economic level. Nowadays, all the developing states, including Tajikistan, are inevitably facing the same problem: insufficient funds to simultaneously maintain economic development and preserve the environment. The only thing they can do under present conditions is to try and attract funds from the entire world community for these purposes. Primarily funds from the most advanced states.

Now let us consider another priority of Tajikistan's economic development—the hydropower industry. In the course of elaborating the country's economic development strategy, the approach to this sector is actually the same as for agriculture and the water utilization system. The hydropower industry was chosen as a priority based on the same principle: by taking into account the gross output volume. However, the economic aspect of the problem has never been analyzed as well, i.e. its losses for agriculture and its profits for the hydropower industry. And they can be rather significant. Tajikistan possesses huge hydropower resources³—their potential reserves are estimated at 527 billion kWh, with its own needs (even in the long-term perspective) being no more than 30 billion kWh. And the hydropower industry remains an environmentally pure and extremely effective source of energy from the economic point of view.⁴

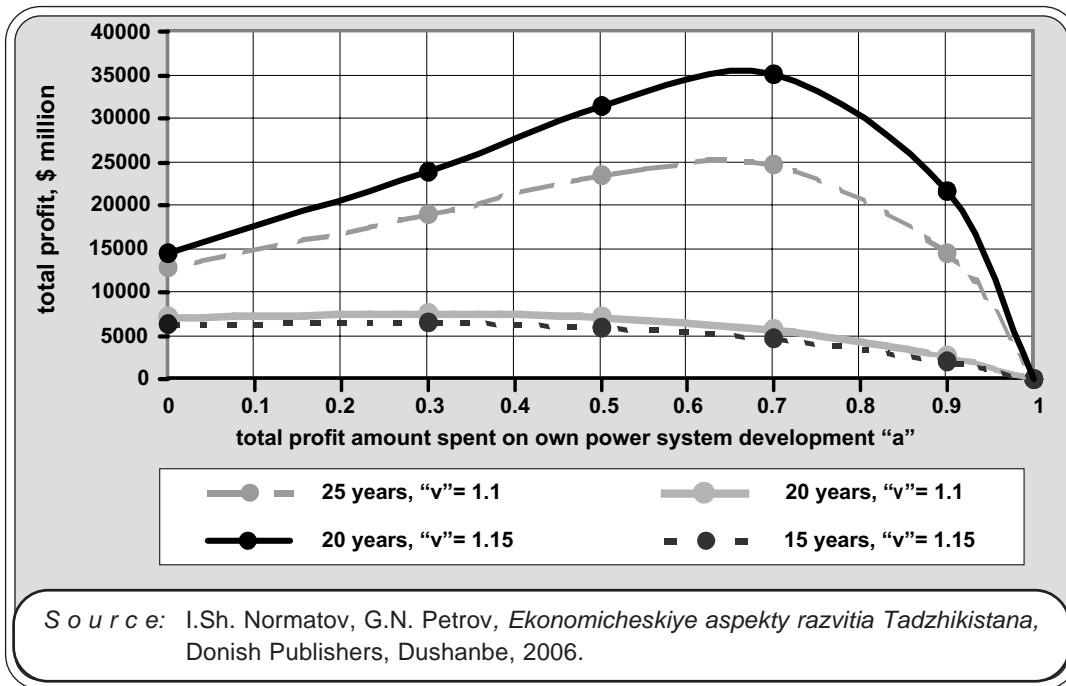
³ See G. Petrov, "Tajikistan's Energy Projects: Past, Present, and Future," *Central Asia and the Caucasus*, No. 5 (29), 2004.

⁴ See G. Petrov, "Tajikistan's Hydropower Resources," *Central Asia and the Caucasus*, No. 3 (21), 2003.

Figure 1 below shows calculations of the total profit the state could receive by developing its hydropower industry assets.

Figure 1

Total Profit of the State for a Different Number of Years, at Different Annual Tariff Growth Rates “v”



This figure shows that by developing its hydropower industry, Tajikistan will not only be able to provide itself and other countries of the region with electric power, but it will also gain profits—about \$1 billion per annum. And apart from agricultural development, which—due to scarce water demand growth—could constrain the republic’s relations with neighboring states, hydropower industry enhancement (by building new water basins) will contribute to solving the irrigation-related problems in the entire region. Therefore, the following unequivocal conclusion can be drawn: at this point, only by expanding its hydropower industry will Tajikistan be able to boost its economy and develop the country in general.

Unfortunately, with such opportunities available, Tajikistan is classified today among the poorest countries of the world. For many years Tajikistan has occupied 103rd÷107th place (out of 174) in the human development index. One of the main reasons is the country’s poorly chosen economic development strategy. Tajikistan’s example shows that irrespective of the good opportunities existing in the country, an erroneous economic development strategy could not only slow, but also halt the country’s development for many years ahead.

ADDRESSING THE PROBLEM OF UZBEKISTAN'S NEW ENERGY POLICY FORMULATION

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Elaboration of a long-term energy policy is one of the state's main strategic goals in its efforts to maintain the country's socioeconomic development. Such a policy can be formed first by examining and analyzing the recent trends in the country's fuel and energy complex (FEC) evolution, and then by defining and evaluating the tasks to be solved in the near future. As for scientific investigations in this sphere, we strongly believe that at the present stage of economic development they should primarily address the problems the industry is currently facing and should focus on searching for appropriate ways for resolving them. Therefore, in this paper we shall try to designate the most urgent problems the country's FEC will have to deal with in the next few years.

When elaborating Uzbekistan's new energy policy for the period until 2020, the following factors should be taken into consideration:

- reduction in gross domestic product (GDP) energy intensity;
- FEC technical modernization and priority development as compared to the national economy in general;
- creation of conditions facilitating full transition from command and administrative management methods to a system of market relations;
- protection of socially vulnerable strata of the population during FEC restructuring;
- reduction of thermal contamination of the environment.

GDP Energy Intensity Reduction

Energy intensity of the national economy and specific energy consumption are normally viewed as universal indicators showing the level of development of this or that state. First of all, they reflect the maturity and completeness of the legal acts regulating generation, transmission, and use of energy. They also define the degree of perfection of the power-generating and technological equipment used both for manufacturing purposes and in private life.

According to per capita energy consumption figures, Uzbekistan surpasses the average world level by 23%, while in per capita electricity consumption we are 20% below the average world level. Hence, Uzbekistan occupies a somewhat average position in the world as far as these parameters are concerned. However, in energy efficiency the situation is completely different. Tables 1-3 below contain some statistical data (they have been calculated by the author based on International Energy Agency

data)¹ describing fuel and energy efficiency in Uzbekistan. From these tables we can see that the energy efficiency ratio in our country is extremely low. By the way, a similar situation has developed in practically all the republics of the former U.S.S.R. For reference: in such technically advanced countries as Austria, Switzerland, and Japan, 136-170 kg of oil equivalent is used (based on purchasing power parity) to manufacture products worth 1,000 USD, and the amount of energy required to manufacture the same amount of products varies from between 280 and 340 kWh.

Table 1

**General Information
on the Power System of Uzbekistan
in 2002**

Population	25.27 million people
GDP at the current exchange rate	17.51 billion dollars
GDP at the purchasing power parity	36.57 billion dollars
Primary energy resource consumption	51.74 million tons of oil equivalent
Energy consumption	46,570 billion kWh

Thus, the energy intensity of Uzbekistan's national economy is almost 8-9-fold higher than the highest world level, and its specific energy consumption per GDP unit surpasses the highest world level 3.7-4.5-fold. Such an adverse situation is the result of underestimated domestic prices for energy resources in the U.S.S.R., which has been hampering the development of energy saving technologies. At the same time, Western countries have succeeded in reducing energy intensity in their economies, which was caused by the energy crisis of 1973-1974. In this regard, particular mention should be made of the success achieved by Austria, Denmark, Germany, Norway, Sweden, Switzerland, and Japan. Not one of these countries produced considerable volumes of oil and gas at that time, and even today nearly all of them (except for Norway) still depend entirely on energy resource imports.

Table 2

Specific Energy Consumption in 2002

Ranking in the world	Country	Specific energy consumption per GDP unit at purchasing power parity, toe/\$1,000
1	Uzbekistan	1.41
2	Iraq	1.00
3	Nigeria	0.94
4	Zambia	0.84
5	Trinidad and Tobago	0.82

¹ See: *Key World Energy Statistics from IEA*, 2004 Edition, International Energy Agency, Paris, 2004, 74 pp.

Table 3

**Specific Electricity Consumption
in 2002**

Ranking in the world	Country	Specific energy consumption per GDP unit at purchasing power parity, kWh/\$
1	Tajikistan	9.58
2	Taiwan	1.83
3	Uzbekistan	1.27
4	Kuwait	1.14
5	Iceland	1.04

The national economy energy intensity level could be lowered through wide application of energy-saving technologies, on the one hand, and through priority development of small-capacity plants and factories with low energy consumption and high surplus value (the pharmaceutical industry, instrument-making industry, machine-building industry, etc.), on the other. However, extensive introduction of energy-saving technologies is hardly possible in the short-term perspective unless domestic prices for energy resources are brought into conformity with world prices.

FEC Technical Modernization and Priority Development as Compared to the National Economy in General

Now, taking into account the above-stated factors, we shall forecast the electric power industry growth rates for the period until 2020. World experience has shown that gross domestic product (GDP) growth rates directly depend on electricity consumption growth rates. As an illustration, let us have a look at Fig. 1, which shows the dynamics of the said indicators in Turkey² over the last 50 years. Similar causalities are also typical of some other countries where there were no economic or political crises. For instance, Table 4 shows energy consumption growth rates and GDP growth rates for several states of the world. From these figures it expressly follows that energy consumption growth rates must surpass GDP growth rates by at least 1-2%.

While planning the development of Uzbekistan's electric power industry for the period until 2020, several scenarios of the country's socio-economic evolution during this period should be taken into consideration. In our opinion, it would be expedient to consider three possible evolution scenarios:

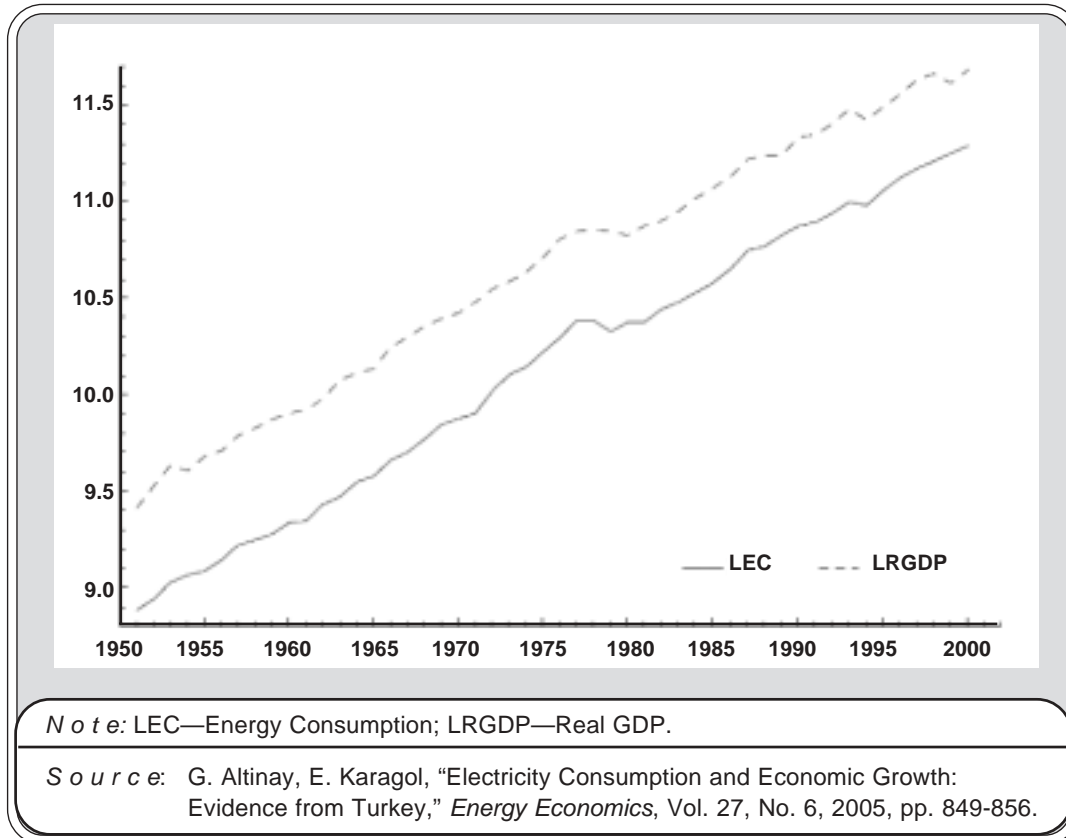
- Scenario A—moderate growth of real GDP by 4% per annum on average;

² See: G. Altınay, E. Karagol, "Electricity Consumption and Economic Growth: Evidence from Turkey," *Energy Economics*, Vol. 27, No. 6, 2005, pp. 849-856; *idem*, "Structural Break, Unit Root, and the Causality between Energy Consumption and GDP in Turkey," *Energy Economics*, Vol. 26, No. 6, 2004, pp. 985-994.

- Scenario B—medium growth of real GDP by 6% per annum on average;
- Scenario C—high growth of real GDP by 8% per annum on average.

Figure 1

Causalities between Energy Consumption and GDP Dynamics in Turkey



Based on the assumption that electricity consumption growth rates must surpass GDP growth rates by 1.5%, we obtain electricity generation growth rates of 5.5%, 7.55%, and 9.55%, respectively, for the three above scenarios during the period under consideration.

Electricity generation dynamics in Uzbekistan for the last 20 years is shown in Table 5 below. The overall installed capacity of the country's power stations amounts to 11,750 MW, with only 8,380 MW being currently enabled. In fact, this table shows that the U.S.S.R. disintegration-related energy sector crisis has never been overcome. According to the available information,³ by 2010 it is planned to commission 1,748 MW of new capacities and to modernize 905 MW of the old ones with simultaneous retirement of 1,274 MW. Hence, the expected gain will amount to 1,379 MW.

Thus, even if the national economy continues to develop at moderate rates (Scenario A—real GDP average growth of 4% per annum) and its current capacity factor is retained, the overall incre-

³ See: R. Sharma, L. Brefort, M. Isakov, P. Thomson, *Uzbekistan Energy Sector: Issues, Analysis, and Agenda for Reform*, The World Bank, New York, 2003, 43 pp.

Table 4

Electricity Consumption and GDP Dynamics in Some States of the World

Country	Index	1960	2000	Average annual growth, %	Electricity consumption average annual increase surplus as compared to GDP growth, %
Turkey	Electricity consumption, TWh	2.54	104.52	9.7	4.10
	GDP, \$ billion	69.05	420.95	4.6	
Japan	Electricity consumption, TWh	102.70	1,057.33	6.0	1.0
	GDP, \$ billion	790.25	5,680.57	5.0	
Australia	Electricity consumption, TWh	18.76	192.58	6.0	2.3
	GDP, \$ billion	104.52	451.61	3.7	
U.S.S.R.	Electricity consumption, TWh			6.9	1.5
	GDP, \$ billion			5.4	
France	Electricity consumption, TWh	68.19	441.25	4.8	1.5
	GDP, \$ billion	484.74	1,755.62	3.3	
Italy	Electricity consumption, TWh	48.95	301.79	4.7	1.4
	GDP, \$ billion	333.65	1,204.87	3.3	
Canada	Electricity consumption, TWh	100.84	521.75	4.2	0.5
	GDP, \$ billion	164.11	704.88	3.7	
Germany	Electricity consumption, TWh	115.54	549.21	4.0	1.2
	GDP, \$ billion	906.21	2,686.5	2.8	
U.S.	Electricity consumption, TWh				
	GDP, \$ billion				

Note: The calculation is based on 1955 and 1990 data, respectively.

Source: E.P. Volkov, V.A. Barinov, A.S. Manevich, *Problemy i perspektivy razvitiya elektro-energetiki Rossii*, Energoatomizdat Publishers, Moscow, 2001, 432 pp.

Table 5

**Electric Power Generation in the Republic,
billion kWh**

Year	1980	1985	1990	1995	2000	2004
Electric Power Generation	33.6	47.9	56.3	47.5	46.8	49.6

Table 6

**Required Increase in Generating Capacities
in Various Scenarios of National Economy Development,
MW**

2004	Development Scenario	2010	2015	2020
8,380	A—5.5% per annum	3,176	6,721	11,355
8,380	B—7.5% per annum	4,550	10,190	18,277
8,380	C—9.5% per annum	6,067	14,355	27,419

ment of newly commissioned capacities will produce 3,176 MW by 2010, which is equal to the total capacity of two power stations like TashGRES. However, even if the plans developed by the UZBEKENERGO State Joint-Stock Company are implemented by that time, the country's generating capacities will increase by only 1,379 MW. In this case, the average annual growth of the capacities will amount to about 2.6%, which is equivalent to real GDP average growth of 1-1.5% per annum. And with the existing population growth of 1.5-1.6% per year, there will be no real GDP per capita growth. In fact, this course of events in the national economy is unlikely to suit anyone in the country.

Now we shall calculate the amount of required capital expenses for generating capacity build-up only. According to international experts, construction of a new power station is estimated at \$1 million per 1 MW on average. This means that to secure a 3,176 MW increase, at least \$3.176 billion will be required. During the same period, no less than 2,000 MW of the existing capacities should be modernized. Modernization-oriented efforts will presumably cost half of what it would take to construct new capacities. So this means that we need another \$1 billion.

Along with the construction of new generating capacities and the modernization of old ones, we also need to transmit the produced capacities to the consumer. It means that certain capital investments will be required to build new backbone high-voltage transmission lines and substations and to modernize the old ones. We also need investments in the regional distribution networks providing electric power supplies to the consumer. In view of prospective growth in electricity capacities, all these capital investments are at any rate estimated at 50% of the cost of the expenses required to ensure growth and retention of the existing capacities, which comes to approximately \$2 billion.

In the event that capacity growth is achieved by building power stations fueled by natural gas, we should provide its production increase in a volume sufficient to ensure full loading of these capaci-

ties. According to the data presented by IEA, in 2000, thermal stations fueled by natural gas (they account for 72%) consumed about 12.5 Bcm of blue fuel (i.e. 2.17 Bcm per 1,000 MW of generating capacities). Full loading of the newly commissioned capacities will require an additional $2.17 \times 3.76 = 6.89$ Bcm. Based on the assumption that \$200 million must be invested to increase gas production by 1 Bcm, we will receive \$1.4 billion. Thus, to ensure a 4% GDP annual increase, we will have to invest $3.176 + 1.0 + 2.0 + 1.4 = \7.576 billion in FEC until 2010. To obtain more accurate figures, we will need to conduct a more detailed study regarding each block of the fuel and energy complex. What is more, it would be appropriate to perform feasibility studies regarding the possible use of such alternative kinds of fuel as coal, atomic energy, or hydro-resources of the neighboring countries—Kyrgyzstan and Tajikistan.

If we consider other desirable scenarios of national economy development for the period until 2020, more substantial figures could be obtained. Disclaiming absolute accuracy of the above calculations (as compared to potential real capital investments), we can expressly define the dramatic challenges the country's fuel and energy complex is currently facing, and to what extent real economic growth of the state depends on the FEC development level. During the years of independence, hardly any power unit of a large power station was put into operation, and the total volume of foreign direct investments as of 1 January 2003 equaled as little as \$1.331 billion.⁴ It is quite obvious that the required amount of investments to maintain sustainable development of FEC cannot be provided using the country's domestic resources alone. Therefore, when elaborating a new energy policy, it is essential that the above factors should be taken into consideration.

Full Transition from Command and Administrative Management Methods to the Market Relations System

The experience of the industrialized countries of Europe, the U.S., Japan, etc. shows that state ownership retention in the fuel and energy sector of the economy makes it impossible to attract sufficient investments to ensure the development and expansion of this branch (here we are referring to large long-term investments). In this connection, over the last 20 years, many countries have started restructuring their FEC management systems.

Analysis of the existing management mechanisms and control systems in Uzbekistan and foreign countries is a subject of separate research. The limited scope of this article makes it impossible for the author to dwell upon this problem. Nevertheless, there are some basic conclusions that can be made in this respect:

1. Despite the numerous transformations within various public management structures in the fuel and energy sector, the existing public administration system fails to meet their goals and objectives to be able to operate under market conditions. Based on the experience of previous years, it can be said for sure that the present-day administration system is incapable of developing and pursuing an energy sector development program in market economy circumstances. Under these conditions, a government agency, such as the Ministry of Energy and Mineral Resources, should implement the following measures:

⁴ See: *World Investment Report 2005*, UNCTAD. New York, 366 pp.

- ensure the formation of a long-term national policy in the given area, develop its strategic and tactical restructuring-related guidelines, work out different laws covering such areas as oil and gas, electric power industry, oil-product market, thermal energy, as well as second-tier legislative acts regulating the activities of power companies and organizations;
 - abandon immediate interference in the economic activities of state-owned and private companies operating in the electric power sphere;
 - ensure transparency in the activities of the government body itself, including transparency in financial and economic activities of all the energy companies participating in stock market operations;
 - provide for the gathering, primary processing, and publication of statistical data at all stages of electricity generation, transmission, distribution, and consumption under standards accepted in industrialized countries, in the European Union in particular;
 - reorganize the energy sector and accomplish corporatization and privatization of the business entities operating in the energy sphere;
 - maintain constant examination and propagation of foreign experience in order to attract foreign direct investments and create appropriate conditions promoting their attraction into the energy sector;
 - develop a well-defined policy aimed at eliminating situations where national economy and population are subsidized at the expense of the fuel and energy complex;
 - organize efficient and credible international cooperation with industrialized countries aimed at rapid energy sector restructuring and stimulating energy-saving technologies.
 - ensure the use of scientific expertise to elaborate and implement national policy on fuel and energy complex development. Nowadays, scientific potential in this sphere is frequently used to solve local tasks and objectives which cannot have a serious impact on the problems discussed herein.
2. It is highly important that a government regulating body independent of state executive bodies should be established. This government regulating body could be represented, for example, by the National Energy Agency. It could develop energy rate regulation principles and process technical norms and standards regulating energy generation, transmission, distribution, and consumption. This agency would be primarily focused on asserting the interests of energy generators and consumers based on a transparent mechanism providing the development and adoption of statutory acts and its annual progress reports and statements open to the public. Its independence could be provided by arranging for certain deductions to be made by the business entities supervised by this agency. And issues related to its management nominations and dismissals could be handled by the parliament of the Republic. For instance, its management could be nominated for a 5-6 year term with possible extension of its functions for another term.
 3. The pressing need to further increase electricity tariffs will lead to aggravation of the problem related to non-payments both by the population and by budgetary organizations. In this connection the government will have to establish social protection mechanisms to be targeted at the population with the lowest incomes. At the same time, the government should develop a program aimed at cutting state budget spending on energy resource consumption. This can be achieved by privatizing a certain number of state-owned infant schools, secondary schools, colleges, high schools, medical institutions so that in the foreseeable future their share can be

brought into conformity with the level existing in many countries with market economies. Another way to reduce these expenses involves regulating and rationing the floor space appropriated to each employee of state budgetary organizations depending on his activity status. The third way to reduce energy consumption-related expenses involves systematic enhancement of the efficiency of energy used in the buildings and facilities of budgetary organizations. In addition to the above-stated measures, respective changes should also be made in the country's criminal code. Such changes should contemplate consumers' criminal responsibility or material liability for non-authorized connection to electric, gas, and other pipeline networks. What is more, the consumers and employees of distribution and sales enterprises should be brought to account for unauthorized changes in indications, for switching off meters, or using bypass line connections.

4. To establish a real energy market in the country, all power stations should be removed from SJSC UZBEKENERGO, and the state-owned stake should be transferred to the State Property Committee. All generating enterprises should enjoy full economic freedom and be free of any direct interference by government bodies. Thus, the state will only possess backbone transmission lines and a uniform dispatch center. The latter will provide equal access conditions for generating enterprises, ensure day-to-day management of the entire power system, and maintain synchronized operations with the power systems of neighboring states. All the regional distribution and sales energy companies should also gain full independence, and large electricity consumers should be able to make contracts directly with the power stations.
5. To ensure a competitive environment in the sphere of petrochemicals and natural gas production and distribution, it would be expedient to set up a couple of vertically integrated companies competing both between themselves and with foreign firms that have expressed their desire to operate in Uzbekistan's oil and gas sector. These companies should be economically independent and they should not be controlled by executive bodies, apart from their founders. The state-owned stake should also belong to the State Property Committee. The country's gas main pipelines should be under the government's control. This will ensure equal and free access of gas companies and consumers to the pipelines. All the regional gas supply enterprises should also have full economic independence, and their activities should not depend on higher-level authorities.
6. To stimulate foreign direct investments in the country's fuel and energy sector, it is necessary (along with other measures) to develop relevant legislative instruments authorizing full sale of companies and control stocks to foreign investors. This practice has allowed Hungary, China, and Kazakhstan to attract significant foreign direct investments into their energy sectors. Another crucial issue for the investors consists of bringing energy tariffs into conformity with a level that would provide full coverage of long-term production costs. In this respect, the most significant are tariffs for products manufactured by oil, gas, and coal-mining companies. Gradual and consistent increase of these tariffs up to the average world level will allow the producers to receive sufficient profits to sophisticate and maintain their extraction technologies, on the one hand, and to increase rent payments to the budget, on the other. Bringing hydrocarbon prices into conformity with the world level prices will undoubtedly increase the appeal of this branch for foreign investments.
7. The most immediate and effective measures should be taken so that reliable measurement and control devices can be applied at all stages related to production, transmission, distribution, and consumption of energy resources. In addition to the above, a legislative amendment should be adopted so that obligatory energy audit of the largest energy consumers can be brought into practice.

Protection of Socially Vulnerable Strata of the Population during FEC Restructuring

During the transition period, it is highly important to prevent a situation where the national economy and population are subsidized by the country's fuel and energy complex. Under these circumstances, the state will have to apply its best efforts to protect the socially vulnerable strata of the population. First of all, these population strata must be defined from legislative point of view in order to arrange their registration, maintain constant monitoring, and outline possible protection mechanisms.

Over the last 10 years, the country's leadership has repeatedly raised the minimum subsistence wage and pension taking the account of the change in prices for goods and services. However, in budgetary institutions and organizations, salaries have been increased by essentially the same amount (about 20%) in relation to the tariff scale. What is more, a rather small group of high-paid employees in the budgetary sphere has the possibility of receiving monthly premiums which tend to exceed the tariff itself. All this has led to significant stratification of a large part of the population with fixed low incomes. At the same time, the increase in prices for consumer goods and public services (in absolute values) was equal for all the inhabitants of the country, which directly promotes the absolute growth of non-payments for electric and thermal energy, hot and cold water, public services, etc.

In connection with the above-said, the country's leadership should establish (on a legislative basis) a subsistence minimum and develop a government program for bringing the minimum wage into conformity with the subsistence level through a priority increase in the incomes of the underpaid part of the population compared with the well-paid part. In addition to this, it is necessary to determine (on a legislative basis) the maximum share of a family's expenses on housing and public services, and to create mechanisms for subsidizing all the expenses of the socially vulnerable part of population exceeding the maximum share, as is done in Russia today.

The measures described above will undoubtedly contribute to solving the problems of non-payments by the population for FEC services.

Reduction of Thermal Contamination of the Environment

In the last century, there was dramatic growth in energy resource consumption: whereas in 1900, the Earth's population used 560 million tons of oil equivalent, in 2000, approximately 10 billion tons were used.⁵ The world population has reached 6 billion. According to the latest research, during the last century, the average air temperature near the Earth's surface increased by 0.6°C. According to other researchers, if current trends in energy resource use are retained, in the 21st century global warming of 1.4-5.8°C is expected. The main reason for this is the increase in greenhouse gases in the atmosphere, especially carbonic gas (CO₂), which is generated by fossil fuel combustion.

In view of the catastrophic consequences of the current trends in the use of traditional combustible minerals and thermal contamination of the environment, in December 1997, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) was signed. According to this document, each signatory country shall take adequate measures to reduce greenhouse gas emis-

⁵ See: R. Zakhidov, "Energetika stran mira i Uzbekistana v XX veke," *Problemy informatiki i energetiki* (Uzbekistan), Nos. 5-6, 2001, pp. 27-37.

sions and make more efficient use of energy in all the sectors of the national economy in the established volumes and at the stated time. By its decree of 20 August, 1999, Oli Majlis of the Republic of Uzbekistan ratified the Kyoto Protocol.

In this century, Uzbekistan's sustainable social and economic development, as well as of other countries of the world, will depend on its ability to adapt to the rigid restrictions in volumes of fossil fuels to be used. Keeping all the above in mind, the following measures appear to be required: comprehensive study of the energy consumption situation in all the branches of the national economy; constant supervision and tracking of energy consumption levels, study of the impact of national tax and price policies on power engineering and energy consumption long-term development programs; and forecasting the impact of a further rise in the environmental temperature on energy consumption in the country in 20, 30, and 50 years.

RELIGION IN SOCIETY

**THE ISLAMIST MOVEMENT
IN THE NORTHERN CAUCASUS:
TRENDS, POSSIBLE DEVELOPMENTS,
AND HOW TO OPPOSE IT**

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Unfolding in the late 1980s and early 1990s, the religious revival that involved all the traditional confessions, including Islam, existing in Russia spread to the Northern Caucasus. In fact, it added a political dimension to the local forms of Islam and, by the same token, made it more radical.

Centrifugal factors caused disunity in North Caucasian Islam on the institutional level when seven independent spiritual administrations replaced the single Spiritual Administration of the North Caucasian Muslims in the early 1990s. On top of this, new actors appeared on the formerly homogeneous Muslim field. I have in mind numerous “Islamic” political parties and movements, as well as national/nationalist organizations fond of Islamic rhetoric and symbols. After reaching their peak in the mid-1990s, they went downhill—today they are practically invisible.

At the same time, Salafi groups (wrongly called Wahhabi in academic publications and the press), aided and encouraged from abroad, appeared in the Northern Caucasus and became the major opponent of traditional and official Islam. Practically until the end of the decade, they were locally (as elsewhere in the Islamic world) represented by two wings: moderate radical and ultra-radical or extremist. The events of 1994-1996 in Chechnia added an international dimension to the local Salafi

movement. The interval between the first and second Chechen campaigns (1996-1999) turned Chechnia into a testing ground of international terrorism, which sheltered killers and criminals who traded in people, drugs, and weapons. At that time, an extremist movement dressed in Islamic garbs reached its maturity and tried to prove its force by invading Daghestan in August 1999. The federal forces and local people pooled forces to rebuff the extremists. The second Chechen war began.

Regrettably, the positive results remained untapped. Federal and republican authorities subjected all Salafi groups without discrimination to harsh pressure. Nearly all the North Caucasian federation entities passed the so-called anti-Wahhabi laws that drove away nearly all moderate radical groups. Religious-political extremists came to the fore. Followers of traditional Islam, representatives of "official Islam" in particular, were called upon to fight the "Wahhabis," a step that added political bias and radicalism to those who followed traditional Islam. Their opposition against the Salafi is mounting.

The defeat the separatists suffered in Chechnia and the spread of the Salafi movement to other North Caucasian republics transformed "resistance" into guerilla warfare of sorts, or mobile and unconnected groups of terrorists. The extremist jihad spread across the region, created a lot of tension in Daghestan, Chechnia, and Ingushetia, and predetermined the negative developments in Kabardino-Balkaria, Karachaevo-Cherkessia, and North Ossetia-Alania.

It is highly important, therefore, to monitor and analyze the Salafi radicalization process in the Northern Caucasus. In fact, it should be interpreted in academic terms to gain a better understanding of radical political practices.

It seems that today the Islamist movement in the region demonstrates the following trends:

- In the last two or three years the predominantly traditionalist type of religious beliefs (mainly obvious in the North Caucasian republics' piedmont and mountainous parts, first and foremost in Daghestan and Chechnia, as well as in Ingushetia, Kabardino-Balkaria, and Karachaevo-Cherkessia) has been displaying fundamentalist features. According to sociological polls, the increasing number of ethnic Muslims would prefer to live in a Muslim state ruled by the Shari'a;
- The systemic crisis turned elements of fundamentalist worldview into fertile soil on which radical Islamic (Salafi or neo-Wahhabi) ideas flourished;
- Neo-Wahhabism is a novel phenomenon in the Northern Caucasus, yet the systemic elements of radical Islam—taqfir (accusation of faithlessness) and jihad—born from the Caucasian War of 1818-1864 are still applied in their immutable form;
- As distinct from the Caucasian War, today the rising opposition among some of the North Caucasian Muslims and their resistance are unfolding against the background of the hazardous military-political Islamic upsurge all over the world. The external factor is playing an important role in regional developments;
- Until the end of the 1990s, the North Caucasian Salafi had two wings: the moderate radical and the ultra-radical (extremist), which were observed elsewhere in the world. Later, for subjective and objective reasons the Islamist movement in the Northern Caucasus leaned toward extremism;
- The official Islamic structures (the Muslim spiritual administrations) are largely responsible for these unwelcome developments. The faithful became more radically minded and moved away from the classical traditionalist principles because the administrations were carried away by their struggle against the neo-Wahhabis and were bogged down in squabbles. They have acquired political biases and lost their contact with the grass-roots base, which cost them the

remnants of their authority among the faithful. By becoming involved in the anti-Salafi struggle, the traditionalists and representatives of “official Islam” are inevitably pushing traditional Islam toward political games and radicalism;

- With a new generation replacing the old one, the recent stakes on traditional, or even “official” Islam are wearing thin. Educated abroad and trained in Islamist centers, the newcomers have their own ideas: the “young imams” in Adigey and “young Muslims” in Kabardino-Balkaria are two relevant examples. At the recent Seventh Congress of the Muslims of Karachaevo-Cherkessia, the heads of the RF Southern Federal Okrug and the republic’s leaders stood firm against Rector of the Islamic Institute Bostanov (well-known for his radical ideas) who was nearly elected mufti of the republic’s Spiritual Administration of the Muslims. It is wiser to shift support from the traditional institutions (spiritual administrations) to the pro-Russian clerics;
- In the absence of a modernist reformist process in the Northern Caucasus, the religious biases among the mountain dwellers are represented by two types: traditional, which tends toward fundamentalism, and extremist Salafi (Wahhabi). The latter developed into a base of terrorist movements that brandish Islamic slogans;
- Today terrorism in the South of Russia is mainly represented by radical Islamist structures—the so-called Wahhabi jamaats.

Nearly all of them are small bands or groups acting in their own territories, which, in turn, consist of even smaller legal or illegal (semi-legal) groups. The members are divided into three categories: the mujahedin, “students,” and “audience.” The former are fully trained for acts of subversion and terror; the two latter, not “mature enough” as Islamists, are subjected to ideological indoctrination.

- Jamaats function under amirs (normally local people) and instructors (normally foreigners) who serve as liaison men; there are also active fighters who, for various reasons, cannot go back to their native villages. It is their task to look after the weapons and other equipment; they accumulate food and medicine supplies and replenish them; reconnaissance and recruiting are also their task. Amnestied fighters or those carrying forged documents go back home. They are many such people in each jamaat who form stand-by reserves ready to join the amir and fulfill his orders. It is their duty to disseminate Islamist values by all means and methods, a practice known as “Islamic call-up;”
- The recent Chechen wars, the second one especially, brought to the region the latest Islamist ideological schemes used to brainwash the local people and forge a stratum of ideologically irreconcilable Islamists hostile to Russia. While the law-enforcement and other power-related structures report nearly every week about the killing of leaders of illegal armed formations and their most active members, the Islamic separatist ideologists go on with their task of enlisting more and more young men from Chechnia and other North Caucasian republics. It should be said that young men are especially susceptible to quasi-Wahhabism—this ideology has come to stay. The time has come to recognize this. Recently, the terrorist movement experienced a generation change: the young Chechens and young men from other republics (all of them separatists who hate Russia) are even crueler and bolder than their predecessors. Some are prepared to take up arms to wage all forms of warfare against the authorities;
- There is another obvious and very important trend: everything that has taken and is taking place in the Northern Caucasus during the last decade is no longer ethnic Chechen. The local developments are attracting crowds of discontented people from all the neighboring Federa-

tion entities; there are still foreigners from other Islamic countries fighting in the Northern Caucasus (their number, but not their political influence, has lately decreased). In each of the North Caucasian republics there are Salafi-trained people ready to join the terrorist movement and fight together with the veterans;

- It should be said that the nature of local terrorism changed along with its area: it has spread beyond its original region. Many of the recent terrorist acts are unrelated to Chechnia, where terrorist activities are gradually subsiding. (According to the Ministry of Internal Affairs, in 2004, there were 214 terrorist acts, compared to 492 in 2003.) The situation is different in other places: after the Beslan tragedy (September 2004), the terrorist war engulfed the entire Northern Caucasus with Daghestan and Ingushetia, two of Chechnia's neighbors, being in the worst position;
- Significantly, the terrorist groups' social composition also changed to a great extent. At the early stages, it was social outcasts and even criminals who never hesitated to exploit Islamic slogans and appeal to the Koran and the Prophet's pronouncements after each of the terrorist acts for which they claimed responsibility. Starting in the latter half of 2005, the ranks of the extremist underground swelled with young Muslim intellectuals. Quite a few students, post-graduate students, academics, etc. became active terrorists. One of them, Abuzagir Mantaev, fighter of the so-called Shari'a jamaat, killed on 9 October, 2005 in Makhachkala, defended a candidate thesis in Moscow in 2002 on the subject "Wahhabism and the Political Situation in Daghestan." Before going back to Daghestan in 2005, where he joined the Shari'a terrorists, he worked at the Spiritual Administration of the Muslims of European Russia under Mufti Ravil Gaynutdin. There are many others like him;
- The ultra-radical ideas of the Salafi authors who say that jihad (armed resistance and subversive acts) is the only weapon that can defeat the system of *qufr* (faithlessness) and its abettors (apostates, or *murtaddun*, and hypocrites, or *munafiqun*) have greatly impressed North Caucasian terrorists. The apostates are ethnic Muslims, especially those employed by the power-related structures, which explains why terrorists hunt them with more zeal than others. The hypocrites are representatives of official Islam. The fact that young intellectuals are willing to join the terrorist movement and do this in great numbers means that, unlike in the past when radical ideologies were borrowed from abroad, today they will be locally produced by young North Caucasian intellectual Islamists. The trend will obviously survive. Rooted in local specifics, these ideologies, their principles probably borrowed from Hizb ut-Tahrir's radical wing, might prove to be ever crueler and more destructive;
- Today, groups of Wahhabi fighters are organized on an absolutely new ideological basis imported from Islamist centers in other countries. To improve their fighting tactics and strategy, they have moved away from frontal attacks to arm themselves with the "swarm" tactics carried out by small mobile semi-autonomous groups of the Jennet, Shari'a, Caliphate, and Yarmuk type operating in Chechnia and some other North Caucasian republics. They are extremely maneuverable and can promptly pool forces with other similar groups. The groups and bases are in constant contact; they coordinate their actions. In other words, the neo-Wahhabi terrorist groups have become an Islamist terrorist movement organized according to the network principle (spider's web);
- Terrorist organizations can easily adapt themselves to the current realities, which means that they can either operate as hierarchical structures or as organizations without a commanding core; there are structures organized on the spider's web principle and completely independ-

ent structures. The extremist groups that belong to one terrorist network are normally kept together by shared ideologies and aims. They are present in almost all the constituents of the Southern Federal Okrug, including the Stavropol Area, Astrakhan, and Volgograd regions.¹ It is wrong to think that all terrorist organizations are united into one hierarchical and ramified structure under a single command;

- The means and methods of such struggle are changing all the time: the local terrorists look at the international terrorist movement for better methods of subversion, terrorism, and secrecy. Members of several terrorist cells are kept strictly apart—they obey their immediate commanders and are not supposed to know rank-and-file members. Subordination is absolute—this is confirmed by prisoners and computer archives captured in Chechnia, Ingushetia, and Kabardino-Balkaria. Terrorist leaders seek contacts in power-related and administrative structures where they plant their agents—activities amply testified to by the June 2004 attack on the Ministry of Internal Affairs of Ingushetia. The Shari'a terrorist group that operated in Daghestan compiled an execution list of 140 law-enforcement officers complete with their home addresses and phone numbers. According to official sources, several scores of employees of the power-related structures have been identified as terrorist agents in the last five years. Some of them were killed during arrests—others were brought to court²;
- Worldwide experience has demonstrated that the radical Islamist structures can easily regenerate themselves: there is an unending supply of new members. *The New York Times* Internet site carries information extracted from the computers of the Islamists Americans captured in Pakistan: it looks as if al-Qa'eda has acquired a new generation of leaders to replace the killed and arrested ones. American experts concluded that those who started in al-Qa'eda at the bottom of the hierarchical ladder have moved up to commanding positions. Today, even recent members can count on speedy promotion. This contradicts President George W. Bush's statement that, deprived of nearly all the old leaders, the worldwide terrorist network was bled white. Members of the American special services agree that al-Qa'eda has preserved its centralized structure to a certain extent. The victory over the Taliban gave the American special services the wrong idea that al-Qa'eda had been decentralized and fallen apart into several independent terrorist groups³;
- The same applies to the situation in the Northern Caucasus: the local terrorist movement can restore and self-reproduce itself without outside help. Nobody doubts that its leaders should be hunted down and exterminated even if the positive effect is short-term. Today, Ahmad Fayruz Sheikh Abdulhalim Saydulaev, one of the leaders of the Chechen Wahhabi underground who spent much time training suicide bombers, has replaced Aslan Maskhadov⁴;
- Money comes from abroad and from local sympathizers. In recent years, however, there has been much less money from abroad than before, which forced the bandits to switch to self-support by trading in drugs, weapons, and people, and racketeering. Hostage-taking has become less frequent and less lucrative, while racketeering has moved to the fore as the main source of money.

It is wrong to believe that funding and terrorist activities are directly interconnected. Stemming the money flow brings tactical victories, yet it cannot check religious-political extremism or wipe

¹ See: N. Shepel, "Terroristy ispol'zuiut opyt revoliutsionerov i shpionov," *Izvestia*, 10 January, 2006.

² *Ibidem*.

³ Al-Qa'eda otrashchivaet novye golovy vzamen otrublennykh [<http://www.lenta.ru/terror/2004/08/10/new>], 11 August, 2004.

⁴ In June 2006 Saydulaev was killed.—*Ed.*

it out altogether. There are absolutely autonomous mobile terrorist groups preaching radical ideologies that do not need much money or consistent funding;

- Thus, an analysis of the key trends of North Caucasian Islamist terrorism suggests that the jihad of terror and subversion is steadily spreading across the region and spilling beyond it;
- This is a sure sign that Russia's strategy in the Northern Caucasus is wrong. It seems that it should be corrected with an eye to the specific features of the local Islamic factor.

Today, the key terror-breeding factors—social, economic, and political—should be neutralized. We should never forget that the Islamic revival is primarily an objective process. This means that use of force should be avoided as useless at best and harmful at worst. Islamists are exploiting the Islamic revival together with other factors (demographic, migration, and ethno-confessional), therefore everything should be done to deprive radical Islamist organizations and movements of funding; this is especially important in the case of extremist organizations. The still smoldering political conflicts should be settled, new conflicts should be prevented, and the social and economic situation should be improved. The latter is especially important: better living will narrow down the Islamists' social base and help settle political conflicts, many of which are fed by economic contradictions.

Seen in the narrower context as a crime, terrorism can be stemmed with the help of efforts in four directions: improving the legal basis; strengthening and upgrading the efficiency of the special services; stemming the money flow; and more active propaganda among the local people. Other countries have already tried this. In Russia much has been accomplished in the first three directions, while no victories have been scored in promoting the right ideas among the people.

The forces hostile to Russia are doing their best to revive the idea of detaching the Northern Caucasus from Russia. They are urging the local people to take up arms against the Russian state and its institutions. The events of 13-14 October, 2005 in Nalchik confirmed that these forces are placing their stakes on the younger generation. Russia is pushed toward rivalry over the hearts and minds of the generation on the threshold of active life. If Russia fails, peace in the Northern Caucasus will be destroyed.

Today, the country's leaders, as well as religious and public organizations should think hard about how to protect the younger generation from this threat. The state, aided by secular academics alone, is impotent: it needs the support of Muslim clerics and people respected in traditional North Caucasian society. The interests of the state and religious organizations are absolutely identical when it comes to opposing the extremist forces that exploit religious feelings to achieve their criminal aims.

Today it is very important not only to make law enforcement more effective, but also to train clerics able to actively protect the traditional religious values. I have in mind a system of professional education, not merely teaching the principles of religion in secondary schools. Those who decide to become religious leaders should be prepared to create new spiritual and moral principles in our society and teach religious values. The vacuum left by Marxism and its Leninist interpretation should be filled in.

This problem is especially acute in Russia's Muslim community, which is in fact a confessional minority related to both Russia and the world Muslim ummah. In the post-bipolar world, Islam and its Salafi interpretation are responsible for many political conflicts across the former Soviet territory and elsewhere. This is clearly seen in the Northern Caucasus where fundamentalist missionaries from the Far Abroad, the so-called Wahhabis, played a negative role. Religiously unsophisticated, the local people readily accepted the extremist ideas presented as true Islam, while the traditional Muslim clergy of Russia proved unable to oppose the extremist propaganda.

Some of the Muslim countries and NGOs, including terrorist organizations, are out to exploit the situation to achieve their own aims. They are trying to put pressure on Islamic communities abroad

to interfere in the domestic affairs of their home countries. Religious education is used to plant false values and ideological ideas in people's minds. Technological progress, which has already created a global information society, makes such efforts even easier than before. Alien and radical ideas are another mechanism of outside pressure, which threatens Russia's national security.

The above suggests that we should discuss the possible development trends of Islam in Russia. It would be wise to concentrate on religious education, which can determine, together with other factors, the future of Islam in Russia.

The time has come to invite traditional religious organizations to help sort out the educational establishments that have been mushrooming in recent years and identify those that correspond to the interests of society. The state should support them in one way or another, even though in Russia religious organizations are separate from the state. At the same time, the state cannot remain indifferent to those structures that cause ethnic and religious tension and the graduates of which are engaged in recruiting fighters.

ETHNIC RELATIONS

**NUMERICALLY
SMALL NORTH CAUCASIAN PEOPLES
IN THE GLOBALIZED WORLD****Kadirbech DELOKAROV**

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As a highly complicated social and cultural process brimming with contradictions, globalization affects the lives of both large nations and numerically small peoples. Today, the globalization phenomenon reflects first and foremost the scientific and technological development level of human civilization, since information and technology are objective factors that bring the nations of all countries and continents closer in the sphere of economics, politics, finances, etc. For this reason, any nation or people, irrespective of its numerical strength, is involved in the budding global conscience to the extent its scientific and technological advancement allows. I have in mind not only any country's involvement in the worldwide information space, which allows it to promptly receive, process, and translate information, but also its ability to create exclusive information and to be involved in interpreting world processes. Globalization has offered every nation new, and fairly contradictory, possibilities. On the one hand, numerically small peoples have acquired at least a theoretical chance of joining the world network to learn from the achievements of others in various fields and to familiarize themselves with the cultural traditions of other nations. The Internet has offered all numerically small peoples a new vehicle of self-representation: they have an opportunity to present their best achievements in literature, music, fine arts, and other spheres and to bring their cultural ideas and the dynamics of civilizational transformations within the reach of the world community.

The Internet offers another, no less important, opportunity to learn more about expatriates scattered across the world and to establish virtual contacts with at least some of them. This makes it possible to restore a single cultural field, which in the final analysis promotes cultural developments. So far, such opportunities are more theoretical than practical, yet they may develop in the right direction some time in the future.

On the other hand, globalization has created far from simple problems for all peoples and nations, numerically small peoples in particular. It accelerates migration processes throughout the world, causes different nationalities to mix, and blends cultures and tongues—processes that test the viability of all cultures, especially of those, which, for various reasons, cannot protect their identities.

Development is a contradictory process: any nation strives to preserve its most important features and, at the same time, master the achievements of others. This is especially true of nations and peoples closely cooperating in economics, culture, and other spheres. In this way, the identity base becomes broader.

On the whole, closer cooperation encourages mutual penetration of cultures and actualizes the identity issue. The ever-accelerating interpenetration of cultures and traditions suggests that in real history homogeneous national identity is an abstraction rather than reality. Social development is not so much self-reproduction of a nation identical to itself as reproduction of a nation with an ever-developing identity. The factors conducive to this identity are varied and numerous: they range from a dialog of cultures, cooperation aimed at overcoming regional contradictions, conflicts, and wars, and reaching peace accords that bring nations closer together to wider ideas about the nation's identity. The reality of this identity—be it an individual, nation, state, etc.—results from the instinct of self-preservation and the ever-increasing diversity.

An individual or nation with a culture of its own lives and functions in the context of increasingly diverse contacts and dialogs that help to develop identity bases. This is true of the North Caucasian nations as well. Two prominent students of the sociocultural dimensions there, A. Shadje and E. Sheudjen, have written: “The fairly specific sociocultural North Caucasian expanse is a result of historical processes deeply rooted in the time when the Caucasian ethnoses were formed. Each of them has a cultural model of its existence—an idea about the world that conditions man's perception of the world around him.”¹ As part of fluid and changing reality, this world view functions according to its inner laws, yet is open to external factors. This is extremely important for the North Caucasian ethnoses, which are living and creating history in the very specific conditions. For many of them, the years of Soviet power turned out to be difficult ones. Without going into details of this trying period of their history, I would like to say that during the same period they became part of the world culture, and, therefore, of the global world, through the Russian language. Not at all times were they given a chance to develop their own tongues and cultural traditions; not always were they prepared to do this. This caused numerous problems, some of which created tension because of miscalculations by the authorities during the perestroika years and the early stage of the social and economic reforms of the early 1990s.

Today, the situation is still far from simple: the regions are involved in political squabbles at the federal level. The leading political forces of the Russian Federation have not yet reached a consensus; they cannot reach compromises for the sake of Russia's unity and are unwilling to do this. This negatively affects the situation in the regions and endangers the country's future, something what politicians are not always fully aware of. Globalization inevitably leaves its imprint on Russia, a country of abundant natural resources and significant political influence in the region and the world built up during the course of history. The key political structures that seek stronger economic positions in Russia can affect the outcome of the struggle among varied forces along numerous channels ranging from the IMF to immediate support (information, money, etc.) from all sorts of political figures.

¹ A. Shadje, E. Sheudjen, *Severokavkazskoe obshchestvo: opyt systemnogo analiza*, Moscow, Maikop, 2004, p. 165.

The North Caucasian nations have found themselves in a quandary created by the chain of complex social and political transformations of the late 1980s and the first half of the 1990s in the Soviet Union and elsewhere in the world. These changes proved to be a hard test: the local people had to cope with problems at the national, regional, and local levels. Strictly speaking, the way that large nations treat small nations dependent on them shows whether a country's culture is mature enough. After becoming part of a large cultural area (the Russian area in our case), the numerically small North Caucasian peoples, like all other numerically small ethnic groups scattered across the globe, have to share the changing fortunes of the Russian Empire, the Soviet Union and, finally, the Russian Federation. The deep-cutting social and political changes that took place in Russia caused a lot of pain in the Northern Caucasus: amid crises and political storms, the federal authorities tended to ignore the region. In some way, the North Caucasian republics were used as political instruments, which added vehemence to the local religious, ethnic, and political processes.

Today, the country as a whole and the North Caucasian republics in particular have to cope with problems newly created by the fact that Russia has emerged on the global scene and thus attracted the attention of the globalization architects. The problems in Chechnia turned out to be the hardest to resolve. A more or less detailed analysis of them is beyond the scope of my article. Here I shall limit myself to saying that stability in the Northern Caucasus largely depends on stability in Russia as a whole, its advance in the economy and all the other key spheres.

The intelligentsia has at all times served as a link that brought the local cultures together. Aware of many shared features, it helped ethnoses reach mutual understanding and overcome their ethnic limits. It was the intelligentsia that broadened the national culture sphere. At the same time, urban dwellers, the elite of the North Caucasian peoples, left the confines of their traditional culture to function not so much according to its rules as according to the laws of the market and business ethics. For this reason, intellectuals from different republics respond in a similar way, and in line with corporate interests, to the global challenges of the time; they are little concerned with the echo their responses produce among their ethnic groups. This is the entrance price the region has to pay to join the globalized economic expanse. The North Caucasian leaders see globalization not so much as "Americanization" or "Westernization." They perceive it as the highest form of modernization and the triumph of worldwide market rules under local conditions. The language of the market and pursuit of profit are the inevitable companions of modernization all over the world, the Northern Caucasus being no exception.

The results are identical in all republics: more obvious social stratification into the new rich and the destitute, which causes corruption, crime, and builds up social tension. In this respect, the Northern Caucasus differs little from all other regions of the Russian Federation. The social evils, however, are much more pronounced in this part of Russia, since unemployment and unresolved social problems exceed those elsewhere.

The Soviet system brought together the individual and the collective, innovations and traditions in a very strange way. The Soviet educational system and the science and technology based on it made individualism an imperative and stressed the importance of the individual, while the social relations and social institutions that dominated in the cultural sphere insisted on the collective "We." This fairly peculiar "I" and "We" combination is still present in the nation's mentality and the way it interprets the global changes. In fact, it is the contradictory combination of the individual and the collective, innovation and tradition that does not allow the nation to either accept or fully reject the market reforms intimately associated with the ideology of utilitarianism and individualism. While agreeing that "I" as an individual should be respected, the majority, the older generation in particular, cannot accept pragmatic values as moral values of the highest order.

While part of society accepts the market, another part rejects the morality of individualism inherent in market relations. So far, many have not yet discarded the idea of fairness, rather than equal-

ity, as the paradigm of moral preferences. There should be fairness even in inequality. This scale of moral preferences can hardly be called rational, yet it exists and must be reckoned with. It explains why many cultures reject the ideas of “profit” and “gain” as the ultimate goal: they do not correlate well with traditional morality and philosophy.

The above directly or indirectly affects the development dynamics of the North Caucasian peoples. For this reason the numerically small peoples treat globalization as a problem rather than a completely negative or a completely positive factor. Any analysis of the globalization process and the way it affects the fates of numerically small peoples should take account of what is being globalized. Otherwise it will be hard, if this is possible at all, to understand the mutual dependence between globalization and worldwide civilizational dynamics. This analysis should also take account of the way the globalized phenomenon correlates with the values and philosophies of the numerically small peoples of the region and their mentality. Globalization is in fact an attempt to spread neo-liberal ideas and their basic principles—the market, competition, etc.—across the world. This means that anyone wishing to analyze how globalization affects the dynamics of the processes underway in the Northern Caucasus should compare the values of neo-liberalism with the axiological values of the local peoples. Globalization is promoted by American capitalism, which George Soros called “market fundamentalism,” rather than by traditional capitalism. This has given rise to the question: Does contemporary civilization profit from the universal nature of the idea of market fundamentalism? As a universal phenomenon globalization is deprived of national features.

By becoming global, values are inevitably influenced by the cultural traditions within which ideas are adapted to the globalization processes. This creates a contradiction between the urge displayed by TNCs to unify the rules of economic, financial, technological, and other games played in various countries and the nation-states’ desire to protect their interests by resolving all sorts of problems as they see it fit. TNCs prevail in the spheres of information technology and finances and find it much harder to dominate in the economic, political, legal, educational, and cultural spheres. Since the dynamics of creating and disseminating information outstrips man’s ability to grasp information and probe deeper into its most profound meanings and possible effects, the situation becomes far from simple. This is true of contemporary culture as a whole. The trend is fraught with many dangers for the numerically small peoples expected to accept the already broad and broadening information flow as part of their culture, to adapt it to their traditions while preserving their national cultures’ fundamental features.

Fast social, economic, and technological transformations that shift the basic principles on which national identities rest put the identities of the numerically small peoples to a severe test. Globalization intensifies interaction with other, more resilient structures, which give rise to competition and not always adequate conceptions about the meaning of the national, social, and cultural identity.

The fairly complicated social processes underway in the region and external impact make it hard to look for and find new, more general norms. It is equally problematic to go back to national origins, because, first, this involves immense difficulties and, second, because it is interpreted as conservative traditionalism.

For this reason, numerically small nations, in their quest for self-realization, have to navigate between the Scylla of preserving their basic values and the Charybdis of their modernization so as to keep pace with the times and not lose their identity. On the whole, today the identity problem has come to the fore for several reasons. First, the basic values of the nations drawn into intensive globalization are changing. Samuel Huntington is convinced that the crisis of national identity is a common phenomenon of a nationwide nature.² He says that modernization, breakthroughs in economic development, urbanization, and globalization have forced people to re-appraise their identities, to narrow their

² See: S. Huntington, *Kto my? Vyzovy amerikanskoy natsional'noy identichnosti*, Moscow, 2004, p. 36 (S. Huntington, *Who Are We? The Challenges to America's National Identity*, Simon & Schuster, New York, 2004).

limits, and to turn them into something much more intimate. National identity has given way to sub-national, group, and religious identities.³

Second, rapid civilizational development and accelerating informatization, which are transforming the world into a global and open entity, have given an edge to the identity problem. The changed roles of space and time and the world that is growing more virtual and dependent on the Internet not only bring peoples closer together, but also pose them difficult questions about their identities. This is quite natural, since more and more often people organize the meanings not around what they do, but around what they are or their own ideas about themselves.⁴

In the case of the former Soviet nations, these problems proved to be especially acute: perestroika launched in the mid-1980s and the radical social and political processes it caused destroyed a great country and put its peoples to a severe test. The authoritarian and mainly closed society, with no historical experience of democratic discussion of fundamental religious, national, and other problems, suddenly found itself absolutely open.

The resultant “draft” caused a shock still felt today. To overcome the negative effects produced by the country’s extreme self-abasement, Russia’s peoples need strategic goals while the country must find its own niche in the globalized world. The “information laundry” destroyed something more than the Soviet symbols—it destroyed a larger part of the fundamental values on which the nation’s self-awareness rested. This led to confusion among people: the radical social and political changes devalued the old identity in the eyes of the majority, but failed to offer a substitute.

This is especially dangerous for the Northern Caucasus with its very specific history, geographic location, and polyethnic and polyconfessional nature. Political squabbles at the federal level, which left the North Caucasian republics to themselves or drew them into a power struggle in the upper echelons, made the situation in one the most difficult and problem-ridden regions of Russia even worse. The separatist forces in the Northern Caucasus, in Chechnia in particular, and abroad seized the chance to build up their influence in the region. The results are well known: the war in Chechnia, the ruined economic potential, the highest unemployment in Russia, and growing nationalist and separatist sentiments. There is another, no less important, side to the process: the people’s growing lack of confidence in the local and regional authorities. This means that most people no longer associate themselves with the state, their confidence in which is being crippled by unfair privatization and corruption.

Extreme stratification has almost destroyed national identity. In the North Caucasian republics, the crisis of individual identity manifested itself as a combined crisis of state, national, and institutional identity. This is the logical outcome expected in any traditional society: once removed from the system of cultural relations that used to provide the individual with his social status, he loses his identity. By the same token, the future of such people as individuals capable of self-expression and self-realization becomes vague. In a traditional society, the individual is firmly tied to his native land and the people around him. He realizes himself through the community, kindred relationships, etc. In other words, the specifics of social existence are formed not so much by the individual “I” as by the collective “We.” To demonstrate their individual characteristics, people need certain social structures, without which they become culturally disoriented and alienated. This explains why people forced to change their ideas about the individual “I” under external pressure, rather than through natural and gradual process, are confronted with numerous difficulties. This process is a contradictory and painful one.

The numerically small nations contribute on a large scale to human culture. I am primarily referring to nations, the numerical strength of which does not allow them to determine civilizational devel-

³ Ibid., p. 37.

⁴ See: M. Castels, “Informatsionnaia epokha,” in: *Ekonomika, obshchestvo i kul'tura*, Moscow, 2000, p. 27. (M. Castels, *The Information Age: Economy, Society and Culture*, Vols. 1-3, Blackwell, Oxford, 1998.)

opment; they are able, however, to affect world developments through their cultural contributions, which add many specific features to worldwide culture. Their role and status attract the close attention of large nations busy competing for influence on a large scale. Throughout their histories the numerically small people have had to reconcile themselves to being objects over which large geostrategic entities fight. They should not only work to preserve their specific and unique nature, but also be aware of the dangers. They can succeed only if they are allowed to develop without losing their uniqueness, culture, language, and traditions.

In fact, smaller nations have certain advantages over large ones. First, they keep away from open or latent rivalry for domination in the world and can concentrate on developing their cultures and resolving their problems. Hendrik Lorentz, Dutch Nobel prize-winner in physics, said at one time that he was happy to belong to a nation too small to blunder grossly.⁵ Victor Hugo was of the same opinion: "The greatness of a people is no more determined by their numbers than the greatness of a man by his height."

In fact, any assessment is ambivalent and relative; it is methodologically incorrect to compare large and small peoples. Their roles depend on their real contributions to the world's cultural development.

While analyzing the fates of numerically small nations in the globalization context, we should bear in mind that today the industrially developed and numerically strong nations with advanced science and technology set the globalization rules to promote their own interests. They pay attention to the numerically small nations only as they become objects of transformation or part of global projects. Globalization threatens the future of the numerically small nations in many respects, when they turn out to be a borderland between two or more worlds that have come into contact.

The situation becomes even more complicated when the worlds in contact are burdened with their far from simple past and blunders and still open wounds. The dynamically globalizing world creates less consistent, yet universally imposed rules; traditional moral values and corresponding social institutions lose at least part of their authority. Mobility of ideas and people is increasing; the importance of the state as the foundation of society is decreasing; the state is forced to recognize the growing role of TNCs (IMF, WB, etc.). This limits nation-states when it comes to protecting national interests and, in the final analysis, adds urgency to the national identity issue in the globalization context. Indeed, since everyone is born in one state or another, people come to identify themselves with that state, that nation, and the prevailing cultural values. People live to different extents by the interests of their states, their defeats and victories. The state's altered role and the fundamental changes of its status cannot but create certain psychological problems for its citizens.

One of the greatest delusions of our day, or perhaps it is a deliberately promoted thesis, ascribes the destruction of the Berlin Wall and the socialist system's defeat to the West's superiority not only in economics, science and technology, but also in the cultural sphere. In this context, globalization can be described as "universalization" of the Western cultural values kept together by the ideas of liberal democracy as the final form of human governance.⁶ Francis Fukuyama, who voiced this idea, says that this is leading to the end of history. It seems that globalization is understood as globalization of capitalist relationships based on market fundamentalism, division of powers, and the rule of law. At the same time, the majority of these principles are unrealizable—this is the main problem of the current stage of world history. Indeed, normal democratic governance needs conditions in which society's material requirements are satisfied, yet we all know that this is increasingly harder to achieve on a global scale. An analysis of the current social and political processes clearly shows that human rights are violated more and more often, and that the state invades private, religious, and other spheres.

⁵ See: H.A. Lorentz, *Starye i novye problemy fiziki*, Moscow, 1970, p. 266.

⁶ See, for example: S. Skirbekk, *Neadekvatnaia kul'tura*, Moscow, 2003.

Obviously, the basic values of liberalism are being distorted as the sphere of globalization widens. Finally, the leading industrialized countries, the principal movers of globalization, are out to overcome the opposition of those who are not ready to embrace the global liberal ideals; in the process they are unceremoniously violating the rights of countries and nations, using force, and unleashing wars. By doing this, they are depriving nations of the right to shape their own future (not to mention violating human rights) and are moving away from the basic liberal principles. The world is obviously entering a new development stage that no longer fits the traditional theoretical constructs. We are watching how a new world is being molded with the help of ad hoc rules.

The concepts of democracy, human rights, open society, etc. that are used to create the new, global world belong to the old categorical system. Obviously, radically changing reality (social, political, and economic relations included) requires new basic concepts and values. The process is not over, which means that the new basic values must receive their finishing touch. We shall have to wait and see what this global world will look like and according to what rules it will function.

The future of the numerically small peoples will depend on the nations themselves, the historical memory of which should be mobilized to oppose the globalization flow, on the one hand, and on a new configuration of the global world, on the other. No matter how things develop, the smaller nations will be always pestered by the question of what conditions are conducive to their survival in the contemporary world?

It seems that a multipolar world in which the forces of all the leading countries are well balanced, which guides itself by international law, and which takes the rights of all nations into account is best suited to the interests of all nations, the numerically small nations included.

THE ASSYRIANS OF GEORGIA: ETHNIC SPECIFICS SHOULD BE PRESERVED

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Migration and Settlement Patterns

As early as the 1st millennium B.C., Assyrian sources mentioned an ancient Georgian state. Much later, when Christianity reached the Southern Caucasus, Assyrians and Georgians established much closer ties. In fact, the Assyrian monks, known as the 13 Assyrian Fathers, who arrived in the 6th century from Mesopotamia, played a great role in promoting Christianity in Georgia.¹

¹ See: A.K. Matveev, K.P. Matveev, *Istoria i etnografia assiryitsev*, U.S.S.R. Academy of Sciences, Moscow, 1990, pp. 35-38.

The first Assyrian community appeared in Georgia thanks to King of Kartli and Kakheti Iraklii II, who secretly corresponded with Patriarch of the Assyrian Church of the East Mar Avraam with the aim of pooling forces against the Ottoman Empire. Their joint march against the common enemy failed; later several Assyrian families settled in Georgia in the Mukhrani district. The resettlement process continued when the Georgian kingdom-principalities became part of the Russian Empire.

The Turkmanchai Peace Treaty of 1828 between Russia and Persia allowed Assyrians (who were Persian subjects) to move to Tbilisi, which offered better employment prospects. By the 1890s, there were about 5,000 Assyrians in Tbilisi. To avoid persecutions in the Ottoman Empire, Assyrians moved in large numbers to Georgia (and Armenia) during and after World War I. To help their compatriots, the Tbilisi Assyrians set up an Aid to Assyrian Refugees Committee and an Assyrian National Council.

Under Soviet power, or to be more exact, in 1947, thousands of Assyrians were deported to Siberia and Kazakhstan—only some of them were able to return to Georgia when the ethnic group was rehabilitated in 1954.² According to the 1959 population census, there were 5,000 Assyrians in Georgia (0.1 percent of the total population); the figure for Tbilisi was 2,600, or 0.4 percent. According to the 1989 population census, there were 5,200 Assyrians in Georgia (0.1 percent)³; according to the 2002 census, their number dropped to 3,299, while their percentage remained the same.⁴

Today, Assyrians live in compact groups in two Tbilisi districts (Vaka and Kukia) and also in other cities and towns (Gardabani, Senaki, Zugdidi, Kutaisi and the village of Dzveli (Staraiia Kanda).

The Assyrian International News Agency estimates the number of Assyrians in the world at about 3,500,000, two-thirds of whom live in places of their historical settlement.⁵ The largest Assyrian community in North America is found in Chicago; there are Assyrians in Europe and Australia, Iraq, Syria, Lebanon, Iran,⁶ and Turkey. In the 1950s, the Assyrian population of Turkey was about 50,000 strong. Since that time, Assyrian emigration to Europe has cut down the number to about 5,000. They are mostly urban dwellers; the Assyrian villages have been practically abandoned.⁷

The largest number of South Caucasian Assyrians is found in Armenia, where they live in several villages. According to the 2004 Armenian population census, there were 3,409 Assyrians (0.1 percent of the total population).⁸ Some of the Assyrians who left Georgia settled in former Soviet republics (Russia, Ukraine, and Kazakhstan).

Assyrians leave Georgia in search of employment and better social and economic conditions. Those who used to live in Tbilisi prefer to emigrate to Russia and other European states. Those who used to live in compact groups in Gardabani prefer Russia (Stavropol and Krasnodar territories) to join relatives⁹ already engaged in trade and handicrafts there.

² See: *Vystuplenie vitse-presidenta Mezhdunarodnogo natsional'nogo kongressa assiriytsev Gruzii Davida Adamova na konferentsii "Gruzia—mnogonatsional'noe gosudarstvo," Tbilisi, 4-5 March, 2002*, pp. 38-40; D. Adamov, *Konferentsia "Istoria i realii etnicheskikh obshchin Gruzii," 9 November, 2001*, pp. 6-7.

³ See: *Gosudarstvenny departament statistiki Gruzii, Statisticheskii ezhegodnik Gruzii-2001*, "National'ny sostav naselenia, 37." According to the statements of the Assyrian organizations in Georgia, these figures are wrong—there are 12,000 Assyrians living in Georgia.

⁴ See: *Rezultaty pervoi natsional'noy perepisi naselenia Gruzii v 2002 g.*, Vol. I, Tbilisi, 2003, p. 110.

⁵ See: *World Assyrian Population* [www.aina.org].

⁶ Significantly, since 2002 a team of Georgian Assyrians has been taking part in the annual International Sport-Cultural Festival of Assyrians that takes place in Iran and brings together teams from various countries: "Assyrians hold international sport-cultural festival in Orumiyeh," *IRNA*, 19 July, 2003; newspaper *Aviuta*, 6 April, 1999.

⁷ See: J. Pacal, "What Happened to the Turkish Assyrians?" *Turkish Daily News*, 29 August, 1996; R. Donef, "Assyrians in Turkey: Ethnic and Religious Recognition Revised" [www.atour.com/government/docs/20030828a.html], 28 August, 2003.

⁸ See: M. Toumajan, "Armenian Census Results," *Armenian News Network/Groong*, 27 February, 2004.

⁹ According to the Assyrian organizations of Georgia, there are about 40 Assyrian families from Georgia living in Novopavlovsk (Stavropol Territory).

Like all other Georgian citizens, the Assyrians are badly hit by unemployment: in Tbilisi they are engaged in petty trade and crafts and live mainly on the money they receive from relatives living and working in other countries. The Assyrians of Gardabani also live on crafts, hunting, fishing, and gardening. Recently, some of them found unskilled jobs at large local energy enterprises.

The Gardabani District is losing more Assyrians than any other place of their compact settlement: half of the 1,500 Assyrians who lived there in 1989 have already left; many of the Assyrian houses are put on the market. Recently, the emigration wave subsided, mainly because those who stayed behind have no money to move out. Some of them found jobs, but if they manage to sell their houses for adequate prices, they will emigrate.

Russian- and Georgian-Speakers

The Assyrians of Georgia, and of the Soviet Union for that matter, were in a very difficult cultural and political position. Their linguistic skills were limited to their native tongue, therefore they could not take part in public and political life. Few people mastered Russian, and there were not that many who were literate in Assyrian. As many as 85 to 90 percent could not read or write; what is more, at the end of the 1920s, nearly everyone in the Dzveli Kanda village was illiterate (90 to 95 percent).

By the second half of the 1920s, there were three Assyrian primary schools (two in Tbilisi and one in Dzveli Kanda) with no premises of their own. They functioned until 1937; today, there are no Assyrian schools in Georgia. Many of the Assyrian children were educated in Polish and Russian schools. Many teenagers willing to study found themselves deprived of an education.¹⁰

The Assyrians (Syrians) use the Assyrian tongue, a term for the modern Eastern Aramaic dialect. The language of the Assyrians abounds in dialects: in one of the Tbilisi districts (Vaka), the Assyrians use the Jilu dialect; in Kukia District, the Van dialect, while the Gardabani Assyrians speak the Bohtan dialect.¹¹ Other dialects (Salamas, Tiar, and Urmi) are also used in Georgia. The latter served as a basis for the literary language created in the 1940s.¹²

Today, the Georgian Assyrians learn the native tongue at home; normally they use the Russian language, with the exception of the Dzveli Kanda Assyrians who have perfectly mastered Georgian and are educated in Georgian villages.

In Gardabani, nearly all the Assyrians are Russian-speakers and are educated at Russian schools. As distinct from the older generation, young people speak adequate Georgian. The Tbilisi Assyrians know the Georgian language, their children attend either Russian or Georgian schools. The Russian schools and the Russian tongue are preferred because of planned emigration to Russia. In recent years, the Assyrian tongue is taught at church Sunday schools.

Problems in the Sphere of Culture

In the past, the Assyrians published their own magazine and a newspaper that carried the writings of local Assyrians, folklore, and translations from the Georgian. In 1913-1914, a bi-weekly

¹⁰ See: A. Songulashvili, *Kul'tura national'nykh men'shinstv v Gruzii*, Tbilisi, Metsniereba, 2002, pp. 29-30.

¹¹ See: D. Bit-Suleyman, "Izuchit', poka ne ischezli," *Aviuta*, No. 7, September 1999.

¹² See: *Gruzinskaia sovetskaia entsiklopedia*, Vol. 1, "Assiriyskiy iazyk," 662, Tbilisi, 1975.

Modinkha (The Orient), intended for the Assyrians of the Southern Caucasus and Russia, came out in Tbilisi.

In 1926-1938, an Assyrian newspaper *Kokhya Madinkha* (Star of the Orient)¹³ was published in Tbilisi; there were all sorts of circles that contributed to educating the Assyrian intelligentsia. The 1937 repressions put an end to these positive developments: schools and the publishing house were closed down, while members of the intelligentsia were persecuted and repressed.

In 1952, an Assyrian Song and Dance Ensemble was founded for the first time in the Soviet Union under the supervision of Angelina Grigolia,¹⁴ there was a club of lovers of Assyrian literature that promoted the native tongue and literature. Assyrian writer Rabi David Iliani, mentioned in the *Georgian Soviet Encyclopedia*, lived and worked in Georgia for many years.¹⁵

In the 1990s, the Ninevia and Daiana¹⁶ dance ensembles functioned in Georgia, although they were pestered by great financial problems. The Assyrians' cultural life still suffers from underfunding: the state cannot support it, while private donations are few and far between.

Recently, a plot of land for a cultural center expected to preserve and develop the culture of the Georgian Assyrians was bought in Tbilisi on the initiative of the Assyrian Chaldean Catholic Mission.

Public Organizations

The Assyrian International Congress of Georgia registered in April 1992 with the Georgian Ministry of Justice is the most influential among the Assyrian organizations. It was set up to preserve the language, culture, and traditions, and to establish and maintain contacts with expatriates; it is maintaining contacts with similar international structures. The 24th Worldwide Congress of the Assyrian Universal Alliance, which took place on 7-10 July, 2005 in London, elected David Adamov, leader of the Assyrian International Congress of Georgia, as a member of the Worldwide Congress' Executive Board. This international organization is resolved to maintain its contacts with the Georgian Assyrians.¹⁷

The Assyrian Beth Nahrain Cultural Center is functioning in Gardabani; the *Aviuta*¹⁸ newspaper published there in Georgian and Russian by the Assyrian International Congress of Georgia cannot appear regularly because of financial problems.

The above-mentioned Assyrian Chaldean Catholic Mission headed by Father Benjamin Bethyadgar was set up in Tbilisi in 1995. It is active in three spheres: the spiritual, humanitarian, and educational. It helps the socially vulnerable Assyrians in many ways. The mission also holds courses in the Neo-Syriac tongue and runs youth groups.¹⁹

¹³ See: A. Songulashvili, op. cit., pp. 55-56.

¹⁴ See: L. Bit-Vardi, "Chast' moey dushi—moia rabota," *Aviuta*, 5 March, 1998.

¹⁵ See: "Vystuplenie Davida Adamova...", pp. 38-40.

¹⁶ See: M. Iukhanova, "Drevnie tantsy vnov' na stsene," *Aviuta*, No. 8, December, 1999.

¹⁷ See: "New AUA Advisors & Committee Chairs Elected in London," *Zinda Magazine*, Saturday, 23 July, 2005.

¹⁸ See: K. Kokoev, G. Svanidze, L. Melikishvili, "Interview with Mr. Gennadi Ivanov, one of the Heads of the International Assyrian Congress in Georgia," *National Minorities in Georgia*, Tbilisi, 1999, pp. 17-18.

¹⁹ See: Father Benny Bethyadgar, *Caucasus, Georgia, Tbilisi—Brief History of Mission*, Detroit, 2002; *The Assyrian-Georgian Relief Fund, 1998 Annual Report*.

Orthodox Christians or Catholics

Throughout their history the Assyrians professed two religions: the earlier of them was Assurism (Assur was the highest god of the Assyrians, hence their ethnic name). In the 3rd century A.D., most of them became Christians. According to the Assyrian International News Agency, Assyrians belong to different churches: 45 percent to the Chaldean Church; 26 percent to the Syriac Orthodox Church (Jacobites); 19 percent to the Church of the East; 4 percent to Syriac Catholic Church; and 6 percent to other churches.²⁰

In Soviet times, the Assyrians found it hard to freely profess their religions and were tacitly patronized by the Christian Orthodox Church. Today, 85 percent of those who attend Assyrian Chaldean liturgies in the Catholic church are Christian Orthodox. The first such service was held in Tbilisi in 1995 in a Catholic church, it was led by Father Benny Bethyadgar,²¹ head of the Assyrian Chaldean Church in the Southern Caucasus. The church runs a Sunday school that teaches the Assyrian language and history of religion. There are Sunday services in Gardabani as well. In the Dzveli Kanda village, most of the population attends Christian Orthodox services; 90 percent of those who attend liturgies in Tbilisi are also Orthodox Christians.

In the past, when the Assyrians came to Georgia, nearly all of them were Catholics. Under Soviet power, there were no Catholic churches in the republic, so the Christian Orthodox Church took them under its wing; as a result, nearly all Assyrians became Orthodox Christians. Liturgies in the Catholic church are conducted in Aramaic. Today there is no church in Tbilisi with a structure and architecture suited to the Assyrian Chaldean canons.²²

Restoration of the Traditional Family Names

Genuine Assyrian family names should begin either with "Bit" (son or daughter) or "Bar" (after). Some of the Assyrians added the Russian-style "-ov" ending to their family names. (The ending appeared in their names when they moved to Georgia, which was part of the Russian Empire.) The traditional family name of any Assyrian called "Ivanov" is Bit Iukhanan (son of Johan), Akopov should be Bit Iaku. In Western Georgia, quite a few Assyrians have Georgian names ending in "-dze:" Ionanidze, Ashkashidze, Badavidze (Bit Badav), etc. The Russian ending was typical of the Greek and Azeri family names as well. In the post-Soviet period, people tended to restore their old names: Ivanov calls himself Bit Iukhanan, Badavidze, Bit Badav, etc.²³

²⁰ See: Assyrian International News Agency [www.aina.org].

²¹ See: Father Benny Bethyadgar, Assyrian Directory of California, 3 July, 2001 [www.atour.com/~people/20010703m].

²² See: I. Chikhladze, "Benjamin Bethyadgar: vse konfessii prizvany zhit' v mire," *Kavkazskiy aktsent*, 1-15 July, 2003.

²³ See: M.K. Kobaidze, *Minority Identity and Identity Maintenance in Georgia*, Lund University, Dept. of Linguistics, Working Papers 47, 1999, pp. 149-168.

C o n c l u s i o n

It looks as if the Assyrian outflow from Georgia will continue. Assyrians are driven away by social and economic problems and lack of bright prospects in Georgia. The number of Assyrians will drop dramatically in the near future.

This is especially true of the Russian-speaking Assyrians from Tbilisi and Gardabani: in the last 10 to 15 years they failed to completely integrate into Georgian society because of the language barrier. The Dzveli Kanda Assyrians have successfully integrated into, or even assimilated with, Georgian society. The socioeconomic problems and the task of maintaining their identity are the two main concerns. It is becoming an uphill job for the people in a small village—they should certainly be helped by Assyrian organizations.
