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**IN THIS ISSUE:**

**ETHNIC RELATIONS AND  
MIGRATION PROBLEMS**

- Murad Esenov.** THE ROLE OF THE MEDIA  
IN COVERING ETHNIC ISSUES:  
A *CENTRAL ASIA AND THE CAUCASUS*  
CASE STUDY ..... 7
- Irina Babich.** MOBILIZATION OF THE CIRCASSIANS  
IN VIEW OF THE 2014 OLYMPIC GAMES ..... 22
- Hanna Shelest.** INSTITUTIONAL MEDIATION OF THE CONFLICTS  
IN THE CAUCASUS ..... 37
- Sergey Minasian.** ARMENIA AND GEORGIA:  
PROBLEMS AND PROSPECTS ..... 45
- Mustafa Bilalov.** ON THE PROSPECTS  
FOR SHAPING A CIVIL NATION  
IN DAGHESTAN ..... 54

- Asiat Buttaeva.** ETHNIC RELATIONS IN DAGHESTAN:  
SPECIAL FEATURES AND  
CURRENT PROBLEMS ..... 63

## ENERGY POLICY

- Azamat Zokhidov.** THE TRANS-AFGHAN  
TRANSPORT CORRIDOR:  
STATE INTERESTS AND  
DEVELOPMENT PROSPECTS ..... 74
- Abdol Reza Faraji Rad, Heydar Moradi.** EXAMINING THE TAPI PIPELINE AND  
ITS IMPACT ON REGIONAL AND  
CROSS-REGIONAL RIVALRY ..... 83

## REGIONAL SECURITY

- Inomjon Bobokulov.** STRATEGIC FUNCTIONS OF  
AND PROSPECTS FOR THE FOREIGN  
MILITARY PRESENCE IN CENTRAL ASIA ..... 98

## REGIONAL STUDIES

- Murat Laumulin.** CENTRAL ASIA AS VIEWED  
BY CONTEMPORARY POLITICAL ANALYSTS  
(2011-2012) ..... 107

## REGIONAL ECONOMIES

- Viktor Budkin.** THE CIS COUNTRIES:  
SOME PECULIARITIES OF  
ECONOMIC DEVELOPMENT ..... 121
- Nazim Muzaffarli.** "SATIETY DISEASES"  
(REDRESSING THE BALANCE  
BETWEEN ECONOMIC AND  
SOCIAL DEVELOPMENT  
IN AZERBAIJAN) ..... 131

**Munim** EXTERNAL DEBT POSITION OF  
**Hasanov.** THE CENTRAL ASIAN COUNTRIES:  
A RETROSPECTIVE AND  
COMPARATIVE ANALYSIS ..... 147

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**FOR YOUR INFORMATION**

***The Special Feature section in the next issue will discuss:***

- Conflicts in Central Eurasia: Past and Present
- Regional and World Centers of Power and Conflicts in Central Eurasia
- Conflict Settlement in Central Eurasia: Mechanisms and Prospects

**ETHNIC RELATIONS AND  
MIGRATION PROBLEMS****THE ROLE OF THE MEDIA  
IN COVERING ETHNIC ISSUES:  
A CENTRAL ASIA AND  
THE CAUCASUS CASE STUDY****Murad ESENOV***Editor-in-Chief of Central Asia and the Caucasus  
(Luleå, Sweden)**Introduction*

**E**thnic conflicts are one of the most problematic and sensitive issues known to the world today. Since World War II, for example, more than 100 armed conflicts have broken out in different parts of the world, most of which are ethnic in nature.<sup>1</sup> These conflicts pose a threat to state security and territorial integrity and, in their extreme form, are accompanied by violence, bloodshed, mass violations of human rights, huge

numbers of refugees, significant material losses, and so on.

So it stands to reason that the media pay a great deal of attention to covering different aspects of ethnic issues. By offering the broad public information on this subject, the media not only inform people, but also generate mass ideas and moods with respect to ethnic relations. This makes the way the media presents and interprets the ethnic life of different peoples extremely important. For example, V.K. Malkova expressed the following thought on this count: “The ideas, views, and attitudes of people toward peaceful coexistence and ethnic conflicts largely, although not entirely, depend on how toler-

<sup>1</sup> See: A.G. Bolshakov, “Etnicheskie vooruzhennye konflikty v postkommunisticheskikh gosudarstvakh evropeyskoy periferii”: author’s dissertation for a degree in political science: 23.00.02, Moscow, 2009, available at [[http://dibase.ru/article/31082009\\_bolshakovag](http://dibase.ru/article/31082009_bolshakovag)], [[http://dibase.ru/article/31082009\\_bolshakovag](http://dibase.ru/article/31082009_bolshakovag)], 9 March, 2012.

antly or intolerantly information is presented in the press.”<sup>2</sup>

So the information about ethnic issues conveyed to the mass consciousness through the media can either be conducive to tolerance or evoke hostility. It is a well-known fact that ethnic information conveyed in a tolerant light promotes the emergence of positive images of the members of a particular ethnic group in the public consciousness and arouses a keen interest in and respectful attitude toward their way of life, customs, traditions, achievements, and ethnic history. This information is aimed at creating postures of ethnic consent in society, consolidating a polyethnic population, and so on. Intolerant ethnic information, on the other hand, has the dangerous tendency to disunite people. It generates racial and ethnic differences in society, exaggerating ideas about the ethnic incompatibility of different groups of the population, instilling thoughts about the threat posed by members of a particular ethnicity, and giving rise to hostile feelings toward “outsiders,” etc.

Many countries have laws and regulations governing the operation of the media. They prohibit propaganda and agitation aimed at stirring up social, religious, and ethnic discord and hatred, as well as use of the media for this purpose. It would seem that such regulations should warn journalists against being tempted to present information in the media in a way that might plant intolerant ethnic viewpoints in the public consciousness. But in practice, things are always far from ideal.

Unfortunately, history knows many examples of how such information has unleashed ethnic rancor and intensified hostile moods in society. For example, the Rwandan ethnic slaughter—a horrific example of genocide of the 20th century—that began in April 1994 and took the lives of at least half a million people. A book called *The Media and the Rwanda Genocide* edited by A. Thompson relates how the local media played a

<sup>2</sup> V.K. Malkova, “Rossiyskaia pressa i problemy etnicheskoy tolerantnosti i konfliktnosti,” available at [http://www.mdn.ru/cntnt/blocksleft/menu\_left/nacionalny/publikacii2/stati/vk\_malkova.html], 9 March, 2012.

critical role in escalating this conflict and in forming misanthropic moods.<sup>3</sup> Let’s take another example. In his article on the role of the media in covering the Chechen conflict, A. Putintsev claims that this conflict was largely generated by the partisan media.<sup>4</sup> He notes in particular that when covering this conflict the media placed special emphasis on the difference between the Chechens and other ethnicities of Russia, ascribing a particular mindset to the first, making heroes out of them, and generating new myths; while the Chechen national radicals quickly took up these ideas and began using them to recruit supporters. This example shows that if they engage in biased coverage of ethnic issues, the media could become a dangerous weapon.

This same thought is confirmed in the observations of media expert D. Atykanova, who analyzed the articles that came out in the printed media during the ethnic conflict between the Uzbeks and Kyrgyz in Kyrgyzstan in 2010. She comes to the conclusion that many articles on ethnic issues published during this period were of an outraged and accusatory nature with respect to a particular ethnicity and so promoted aggravation of the conflict.<sup>5</sup> She also believes that journalists writing about ethnic events should be well-versed in the ethnic topic. Otherwise, thinks the author, there might be lamentable consequences. All of the aforesaid makes it vital that the journalist exercise professionalism and uphold a high level of civil responsibility when covering ethnic issues, adhering in so doing to international standards and regulations of journalism, as well as to ethnic decorum.

Central Asia and the Caucasus is a multiethnic region populated by members of the most diverse ethnic groups. So when covering different

<sup>3</sup> See: *The Media and the Rwanda Genocide*, ed. by A. Thompson, Pluto Press, London, 2007.

<sup>4</sup> See: A. Putintsev, “Tolerantnost, multikulturalizm, mezhetnicheskie konflikty i rol SMI v ikh osveshchenii,” available at [http://www.prpc.ru/gazeta/70/overview.shtml], 10 March, 2012.

<sup>5</sup> See: B. Ibragimov, “Zhurnalistov Kyrgyzstana prizyvaiut sodeystvovat tolerantnosti,” available at [http://centralasiaonline.com/ru/articles/caii/features/main/2011/05/11/feature-02].



aspects of the life of the region's population, our authors also examine ethnic relations and the problem of ethnic conflicts. I would like to emphasize that our publishing house is particularly mindful of tolerance and ethical principles when

covering ethnic issues and upholds high international standards of journalism. This review presents a brief analysis of several articles on ethnic issues in order to show the way our authors cover ethnic information.

## The Role of the Media in Covering Ethnic Issues

In recent years, many publications have appeared about the role the media plays in covering ethnic issues. They present the main theoretical conclusions on the problem being studied and analyze the approaches and techniques used by the media when describing various aspects of society's ethnic life. Since an in-depth look at all the studies on this topic is beyond the scope of this article, we will examine only a few of them.

For example, the ethnic problem is discussed in a book by V.K. Malkova and V.A. Tishkov called "*Etnichnost i tolerantnost v sredstvakh massovoy informatsii*" (Ethnicity and Tolerance in the Media)<sup>6</sup>; in V.K. Malkova's work "*Ne dopuskaetsia razzhiganie mezhnatsionalnoy rozni*" (Preventing the Fanning of Ethnic Strife),<sup>7</sup> as well as in several more of her studies; it is also addressed in a digest edited by I.V. Sledzevsky called "*Etnichnost, tolerantnost i SMI*" (Ethnicity, Tolerance, and the Media)<sup>8</sup>; in a digest edited by A. Verkhovsky entitled "*Iazyk vrazhdy protiv obshchestva* (The Language of Hostility against Society)<sup>9</sup>; in a book edited by M. Melnikov called "*Prikladnaia konfliktologiya dlia zhurnalistov*" (Applied Conflict Studies for Journalists)<sup>10</sup>; as well as in an analytical report on research results prepared by I.V. Sledzevsky, V.P. Filippov, and E.O. Khabenskaia entitled "*Preodolenie ksenofobii v SMI*" (Overcoming Xenophobia in the Media).<sup>11</sup> It also features in dissertations by Z.Zh. Gakaev<sup>12</sup> and A.V. Grishina,<sup>13</sup> as well as in articles by V.N. Titov,<sup>14</sup> L.V. Sagitova,<sup>15</sup> and T.A. Titova and D.M. Garaev<sup>16</sup>; in a digest edited by S. Cottle called *Ethnic Minorities and the Me-*

<sup>6</sup> See: V.K. Malkova, V.A. Tishkov, *Etnichnost i tolerantnost v sredstvakh massovoy informatsii*, RAS Institute of Ethnology and Anthropology, Moscow, 2002, 348 pp.

<sup>7</sup> See: V.K. Malkova, "'Ne dopuskaetsia razzhiganie mezhnatsionalnoy rozni...'" From an analysis of the Russian press," RAS Institute of Ethnology and Anthropology, Moscow, 2005, 225 pp.

<sup>8</sup> See: *Etnichnost, tolerantnost i SMI*, ed. by I.V. Sledzevsky, RAS Center of Civilizational and Regional Studies, Moscow, 2006, 224 pp.

<sup>9</sup> See: *Iazyk vrazhdy protiv obshchestva*, Comp. by A.M. Verkhovsky, Sova Center Publishers, Moscow, 2007, 259 pp.

<sup>10</sup> See: *Prikladnaia konfliktologiya dlia zhurnalistov*, Comp. by M. Melnikov, Prava cheloveka Publishers, Moscow, 2006, 158 pp.

<sup>11</sup> See: I.V. Sledzevsky, V.R. Filippov, E.O. Khabenskaia, *Analytical Report on Research Results "Preodolenie ksenofobii v SMI"*, RAS Center of Civilizational and Regional Studies, Moscow, 2004, available at [www.igpi.ru/bibl/!other\_articl/1101820840.html].

<sup>12</sup> See: Z.Zh. Gakaev, "Etnicheskie steriotipy v presse (na primere osveshcheniia konflikta v Chechne)," Dissertation for a Ph.D. in Historical Science, Moscow, 2003, 219 pp.

<sup>13</sup> See: A.V. Grishina, "Osobennosti vospriiatiia obraza trudovogo migranta v SMI studentami razlichnoy professionalnoy napravlenosti": Dissertation for a Ph.D. in Psychological Sciences, Rostov-on-Don, 2011, 166 pp.

<sup>14</sup> See: V.N. Titov, "O formirovaniu pressy obraza etnicheskogo migranta (vzgliad sotsiologa)," *Sociological Studies*, No. 11, 2003, pp. 41-50.

<sup>15</sup> See: L.V. Sagitova, "Regionalnaia identichnost: sotsialnye determinanty i konstruktivistskaia deiatelnost SMI (na primere respubliky Tatarstan)," in: *Tsentri i regionalnye identichnosti v Rossii*, ed. by V. Gelman, T. Khopf, European University Publishers in St. Petersburg, Summer Garden, St. Petersburg; Moscow, 2003, pp. 77-124.

<sup>16</sup> See: T.A. Titova, D.M. Garaev, "Problemy etnicheskikh menshinstv v regionalnykh SMI," *Etnozhurnal*, No. 20, May 2004, available at [http://www.ethnonet.ru/lib/Problems.html].

dia<sup>17</sup>; in a dissertation by B. Löwander<sup>18</sup>; in the above-mentioned book edited by A. Thompson,<sup>19</sup> in research articles by T.A. van Dijk,<sup>20</sup> K. Horsti,<sup>21</sup> M. Hussain,<sup>22</sup> and so on.

For example, in the work entitled *Rekomendatsii po provedeniiu kontent-analiza "Tolerantnaia diagnostika sredstv massovoy informatsii"* (Recommendations for Carrying out a Content Analysis on "Tolerant Diagnosis of the Media"),<sup>23</sup> the authors single out three structural elements of the text by means of which ethnicity can be conveyed to the mass consciousness:

- specially selected facts from the life of the members of different ethnicities and entire ethnic groups (and sometimes even entire countries);
- ethnic stereotypes;
- ethnic ideas and ideologemes.

Further, it follows from the document that ethnic stereotypes might be associated with the physical appearance of people of different ethnicities and with the behavior and actions of individual members of an ethnicity or of the entire group. The document also points out several ridiculing ethnic stereotypes. It goes on to note that ethnic stereotypes can be associated with the ethnic-psychological characteristics of individual members of an ethnicity or of the entire group and that the ethnic stereotypes given in newspapers can also include a description of territory, and so on.

According to the document, there is also a large group of ethnic ideas and ideologemes that guide public consciousness in a tolerant or intolerant direction. Here are a few of them:

- integrating and consolidating ideologemes;
- ideologemes of positive polyethnicity;
- ideologemes of open tolerance;
- ideologemes of ethnic individualization or incorrect division of citizens into ethnicities;
- ideologemes that exaggerate historical denunciations;
- ideologemes of denunciation and defamation;
- ideologemes associated with insults.

T.A. van Dijk carries out a critical analysis of how the image of the "other" is presented in the media as a whole and in news reports in particular in the multicultural communities of Western Europe and North America.<sup>24</sup> His work is based on an analysis of the discourse structures of news reports. According to the author, the discourse he is studying is characterized by a systematic negative depiction of "others" and this is carried out with the help of certain instruments. For example, he shows that the negative image of "other" can be constructed with the help of a metaphor, as in the following

<sup>17</sup> See: *Ethnic Minorities and the Media: Changing Cultural Boundaries*, ed. by S. Cottle, Open University Press, Buckingham, 2000.

<sup>18</sup> B. Löwander, *Rasism och antirasism på dagordningen — studier av televisionens nyhetsrapportering i början av 1990-talet*, Umeå University, Umeå, 1997.

<sup>19</sup> See: *The Media and the Rwanda Genocide*.

<sup>20</sup> See: T.A. Van Dijk, "New(s) Racism: A Discourse Analytical Approach," in: *Ethnic Minorities and the Media: Changing Cultural Boundaries*, pp. 33-49.

<sup>21</sup> See: K. Horsti, "Finland (SU)," in: *Racism and Cultural Diversity in the Mass Media. An Overview of Research and Examples of Good Practice in the EU Member States, 1995-2000*, ed. by J. ter Wal, EUMC, Vienna, 2002, pp. 351-371.

<sup>22</sup> See: M. Hussain, "Islam, Media and Minorities in Denmark," *Current Sociology*, No. 48 (4), 2000, pp. 95-116.

<sup>23</sup> See: *Rekomendatsii po provedeniiu kontent-analiza "Tolerantnaia diagnostika sredstv massovoy informatsii (based on V.K. Malkova's method)"*, available at [<http://journ.usu.ru/library-faculty/rekomendaciy-po-provedeniyu-kontent-analiza.pdf>], 3 April, 2012.

<sup>24</sup> See: T.A. van Dijk, op. cit.

newspaper heading: Britain Invaded by An Army of Illegals. According to the author, the arrival of immigrants in Britain is conveyed as a military invasion, while the immigrants themselves are conceptualized as an army. The author believes that such metaphors are far from inoffensive: the use of a military metaphor in this context implies that immigrants are inclined toward violence and that they pose a threat. The author's analysis suggests the following conclusions: it is not individual immigrants who are the source of violence and threat in this metaphor; it is implied that violence and threat are of a mass and organized nature, as associated with an army. Invasion is understood as a mass threat coming from abroad. The target of this threat is Great Britain, which was identified in the title-metaphor being discussed as the victim of this invasion. The only characteristic used to describe the immigrants is their illegality. And this gives rise to an associative link between immigrants and violation of the law, and, indirectly, crime. Moreover, the author also points to other negative metaphors used in the discourse about immigrants; for example, water-swamp metaphors, and so on. He believes that such methods create negative mental models, stereotypes, prejudices, and ideologies about "others," and in so doing help to legalize and reproduce racism.

It should be emphasized that several other studies included in a digest edited by S. Cottle also present different aspects of representing an image of ethnic minorities in the British and American media.<sup>25</sup>

Furthermore, ways of presenting ethnic issues in the media of the post-Soviet states have their special features and so deserve particular examination. As we know, the formation of the newly independent countries after the collapse of the Soviet Union was accompanied by their search for a new identity. At this time, the topic of the ethnic history of the peoples of the region acquired extraordinary popularity in the Central Asian republics. Articles on this topic regularly appeared not only in specialized publications and history books, but also on the pages of newspapers and magazines. Not only professional historians participated in its discussion, but also a wide range of public figures, intellectuals, politicians, and so on. According to specialists, these discussions at times presented ideas that were extremely dangerous for the ethnic world. For example, in 2006, a work came out by academics E. Rtveladze and A. Sagdullaev that aroused a wide public response. In it, the authors noted the domination of the following trends in covering the ethnic history of the region's countries:

- creating myths and using stories and legends as historical sources;
- propagandizing the grandeur of the Golden Age of one's ethnicity in Antiquity and the Middle Ages and making unfounded claims to the fact that its ethnonym (self-name), as well as statehood, is older than it actually is;
- denying the reality that all peoples have made an equal contribution to the development of the region's historical and cultural heritage;
- promoting the theory that a particular ethnicity is a "phenomenon," emphasizing its ethnic selectness and cultural superiority;
- taking a comparative-competitive approach based on the principle of which ethnicity is older, who founded the earliest states and cities, who invented the first wheel and cart, and so on;
- using history for purposes of political expediency.<sup>26</sup>

As we know, Central Asia is a region with a polyethnic population and so the above-mentioned ideas and concepts harbor the danger of stirring up ethnic strife. Researchers note that similar coverage of historical events is also characteristic of other post-Soviet republics.<sup>27</sup>

<sup>25</sup> See: *Ethnic Minorities and the Media: Changing Cultural Boundaries*.

<sup>26</sup> See: E.V. Rtveladze, A.S. Sagdullaev, "Sovremennye mify o dalekom proshlom narodov Tsentralnoy Azii," Chulpan, Tashkent, 2007, available at [www.bilim.kz/Docum/Libs%5Crtveladze.\_mifotvorchestvo.doc], 2 April, 2012.

<sup>27</sup> See: N.S. Mukhametshina, "Osnovnye elementy natsionalisticheskoy ideologii," *Vestnik Samarskogo universiteta* (Samara), No. 1, 2004, available at [http://vestnik-samgu.samsu.ru/gum/2004web1/soci/200410702.html], 2 April, 2012.

Further, academics claim that ethnicity in itself cannot be the cause of a conflict, while the real cause lies in the interests of the elites, which take advantage of the ethnic factor to their own ends. For example, it has been established that, at the instigation of the elites, the media might exaggerate topics that are distressing for a particular ethnicity, placing particular emphasis on its suffering and deprivations. According to V.A. Tishkov, at one time deportation was such a topic for the Chechens. The author believes that the image of a victim nation was gradually created in the mass consciousness on this basis, which was needed to validate the lawlessness and justify the armed struggle of those who personally did not experience this deportation.<sup>28</sup> Another academic, Z.Zh. Gakaev, states that at the turn of the 1980s-1990s, the topic of the oppression of the Chechen people in Russia was popular in all the newspapers of the Chechen Republic, while the topic of the deportation of the Chechens and Ingush did not leave the pages of the Chechen press. As we know, the existence of a victim presumes the existence of an aggressor who caused the victim suffering. And Gakaev shows how at that time the Russian state (although not the Russian people) was presented as a “source of evil.”<sup>29</sup> According to the observations of academics, at the end of the last century, the media of other post-Soviet republics also harked on the image of victim nation and the image of enemy.<sup>30</sup>

Further, there are several works in the academic literature that analyze the special features of covering ethnic issues in the mass media of individual countries. For example, an article by R. Karymsakova is devoted to studying Kazakhstan’s media.<sup>31</sup> In particular, the author lists several ethnic clashes that occurred in the country in 2006 and 2007 and notes that most publications on these events attempted to create an objective picture of the conflict. She also gives examples of publications that cover ethnic conflicts in an intolerant light. According to the author, they do not present precise or complete information about the causes of the ethnic standoff, the opponents are presented as enemies, and the tension in relations as hostility; they are looking for external enemies and espouse the idea that the national minorities live better than the Kazakhs. These publications also exaggerate the belief that one nationality dominates over another, which could lead to the idea that the members of the indigenous nationality require benefits and privileges. The author critically evaluates the trend established in the Kazakhstan media of passing over acute ethnic issues, which, in her opinion, can only exacerbate the existing problems.

K. Horsti carried out an analytical review of the Finnish media for 1995-2000 in order to study the main ways ethnicity is represented in them.<sup>32</sup> According to the author, when covering the topic of ethnic minorities, the media often refers to the opinion of ethnic Finns and not to the opinion of members of the ethnic minorities. The author goes on to state that ethnic minorities are frequently mentioned in the context of “problems”; the media constantly emphasize the ethnic origin of the people featured in their reports when the matter concerns crime, regularly using such expressions as “the Russian mafia” and “Estonian drug gangs” for designating organized crime. The author also tells us about the measures being undertaken by different organizations to ensure balanced coverage of the topic of ethnic minorities in Finland.

Further, B. Löwander’s dissertation is devoted to a study of the ideas about immigrants, racism, and the struggle against racism in Swedish news journalism of the beginning of the 1990s.<sup>33</sup> Its main conclusions boil down to the following: in the news, racism is often identified with racist and Nazi

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<sup>28</sup> See: V.A. Tishkov, Chapter 16: Chechnia kak stsena i kak rol, in: *Obshchestvo v vooruzhennom konflikte*, Nauka Publishers, Moscow, 2001, 552 pp.

<sup>29</sup> Z.Zh. Gakaev, op. cit.

<sup>30</sup> See: N.S. Mukhametshina, op. cit.; L.V. Sagitova, op. cit.

<sup>31</sup> See: R. Karymsakova, “Osveshchay, no ne razzhigay: Posobie dlia zhurnalistov,” Almaty, 2007, available at [<http://www.zonakz.net/blogs-respect.php>], 4 April, 2012.

<sup>32</sup> See: K. Horsti, op. cit.

<sup>33</sup> See: B. Löwander, op. cit.

organizations that use violent methods; they also point to the relation between racism and the pathological defects of the offender; racism is becoming an expression that designates a lone madman, and the possible existence of wider-spread structural racism is ignored.

A book by E. Poole<sup>34</sup> is devoted to studying the image of Muslim immigrants in the British media, and a work by M. Hussain analyzes the image of Muslim migrants in Denmark.<sup>35</sup>

As we see, the conclusions set forth in the works examined above clearly show that coverage of ethnic issues is an extremely sensitive subject and requires that the journalist exercise immense prudence and responsibility. The recommendations in these works can help journalists find the correct approach to covering ethnic issues and avoid many mistakes.

## Articles in *Central Asia and the Caucasus*

The articles in this journal covering ethnic topics are distinguished by great diversity both in terms of thematic scope and content. In terms of thematic scope, they can be divided into five main groups (I use M. Melnikov's classification here with some modifications<sup>36</sup>):

- (a) studies about the role of history in forming national, ethnic, and regional identity;
- (b) articles relating the life and activity of ethnic minorities that traditionally live in a particular republic of Central Asia and the Caucasus;
- (c) articles on the problems of recent ethnic migrants and the ethnicities that receive them;
- (d) studies covering ethnopolitical conflicts in the region; and
- (e) articles that examine the traditions and culture of particular ethnicities populating the countries of the region.

An article by V. Voropaeva belongs to the first group of articles.<sup>37</sup> The author draws our attention to the fact that for over two hundred years of their common history, the Russian and Kyrgyz people have developed indissoluble spiritual and cultural ties. V. Voropaeva calls for further strengthening of Kyrgyz-Russian relations since history itself requires that the strong century-long ties that have developed between the two peoples be preserved and enhanced. Presenting the idea of historical communality of the Kyrgyz and Russian peoples, the author uses a metaphor coined by Chinghiz Aitmatov. In the previous section, we also noted that ethnic images can be construed through metaphors. So the indicated metaphor is another confirmation of this idea: "The Turkic-Slavic shared existence is a fertile soil for two branches—the Kyrgyz and the Russians stemming from one common root. Roots should not be torn up..."

In this discourse, Turkic-Slavic unity is conceptualized as a plant, while the Kyrgyz and Russian people are two branches of the same plant. It should be noted that use of the plant metaphor is not accidental here. In the minds of many ethnic groups, it stands for kinship and unity. For example, in Ozhegov's dictionary, one of the meanings of the word *branch* is "a line of kinship."<sup>38</sup> On

<sup>34</sup> See: E. Poole, *Reporting Islam: Media Representations of British Muslims*, I.B. Tauris, London, 2002.

<sup>35</sup> See: M. Hussain, op. cit.

<sup>36</sup> See: *Prikladnaia konfliktologiya dlia zhurnalistov*.

<sup>37</sup> See: V. Voropaeva, "Kyrgyzstan and Russia: Past and Present," *Central Asia and the Caucasus*, No. 3, 2000, pp. 28-35.

<sup>38</sup> *Mir slov Ozhegova*, available at [[http://www.mirslvozhegova.ru/show\\_termin/48314/](http://www.mirslvozhegova.ru/show_termin/48314/)].



the strength of the aforesaid, the metaphor being discussed is a unifying symbol. It conveys in very laconic terms the author's main view of how ethnic relations between the Kyrgyz and Russian ethnicities should be built.

As we see, in Voropaeva's research study, history is an argument in favor of strengthening ethnic relations between two peoples. But the results of the studies of some other authors show that there are often cases when history is used in the regional discourse for entirely different purposes.

For example, F. Muminova<sup>39</sup> notes that, on the instigation of leaders and academics, journalists select the most convenient period from the ethnic history of a nation and, on its basis, begin to create a new ideology as an expression of national identity. She goes on to write that for Kazakhstan, this was the era of Farabi and the enlighteners of the 19th century; for Kyrgyzstan, it was Manas and the enlighteners; for Uzbekistan, Amir Timur and the Jadids, and so on. The author demonstrates that this is a far from innocuous trend, since ethnic history is used by leaders to justify their political claims (to leadership in the region, among other things). S. Horák<sup>40</sup> explains the need for ancient and epic history in the new states of Central Asia as follows: the existence of ancient history aggrandizes one nation over others (as a rule, over neighboring ethnicities); "great" states are considered predecessors of the current territorial formations, while the heroes are associated with leaders of the most recent times. The author illustrates these ideas using Tajikistan as an example.

According to S. Kamenev,<sup>41</sup> several articles by Turkmen academics claim that there are more than 60 countries in history that have either been created by the Turkmen or have been headed by them; the history of the Turkmen state is presented as an unprecedented phenomenon in world history, and the thought is being implanted in the humanitarian sphere about the exclusivity of the Turkmen nation and its enormous contribution to the development of world culture. But S. Kamenev's conclusions must be qualified with the following important remark: all of this occurred in Turkmenistan against the background of denial of the contribution made by non-Turkmen peoples to the development of the country and its culture. So it is not surprising that the author concludes that the course steered by the country's leaders toward "Turkmenization" of all spheres of public life led to the Russian-speaking citizens of Turkmenistan being squeezed out of these spheres, as well as to their mass dismissal from their jobs and discrimination.

The author also emphasizes that one newspaper article claims that Saparmurat Niyazov "has given the Turkmen people back their language, religion, culture, customs, traditions, literature, and art." Here Niyazov is presented as a "returner" of lost national values, which according to the logic of the aphorism being discussed, were *taken away* from the Turkmen people during the Soviet period. The danger of this approach to recent history, in our view, is that the ordinary person will begin blaming people of a specific ethnicity for the imaginary losses.

Many conclusions drawn in M. Kirchanov's work<sup>42</sup> confirm the main ideas expressed by S. Kamenev. P. Kokaisl<sup>43</sup> also draws attention to the intolerant nature of the discourse in the Turkmen media, believing that by using the expression "my dear black-eyed children" when addressing the Turkmen, Saparmurat Niyazov related his people to a specific racial type.

<sup>39</sup> F. Muminova, "National Identity, National Mentality, and the Media," *Central Asia and the Caucasus*, No. 5 (17), 2002, pp. 132-138.

<sup>40</sup> See: S. Horák, "Leader Ideology in Post-Soviet Tajikistan," *Central Asia and the Caucasus*, No. 6 (60), 2009, available at [<http://www.ca-c.org/journal/2009-06-eng/11.shtml>].

<sup>41</sup> See: S. Kamenev, "The Current Sociopolitical Situation in Turkmenistan," *Central Asia and the Caucasus*, No. 2 (14), 2002, available at [<http://www.ca-c.org/journal/eng-02-2002/05.kamprimen.shtml>].

<sup>42</sup> M. Kirchanov, "Turkmen Nationalism Today: Political and Intellectual Mythologemes," *Central Asia and the Caucasus*, Volume 11, Issue 1, 2010, available at [<http://www.ca-c.org/journal/2010-01-eng/05.shtml>].

<sup>43</sup> See: P. Kokaisl, "Democracy in Post-Soviet Kyrgyzstan and Turkmenistan," *Central Asia and the Caucasus*, No. 6 (54), 2008, pp. 154-164.

It is important to note that some of our authors think that historical mythology is also actively used to justify the territorial claims of the sides in ethnoterritorial conflicts. For example, R. Garagozov<sup>44</sup> is of the opinion that “wars of historians” were associated with many ethnic conflicts in the Caucasus. His observations are also confirmed by the data presented by V. Malkova,<sup>45</sup> who states that in Nagorny Karabakh, when defending their territorial claims, both the Armenians and the Azeris assert that they appeared there first, referring to historical sources to prove their claims. And, finally, Zh. Urmanbetova<sup>46</sup> believes that in polyethnic and polycultural societies, such as Kyrgyzstan, national ideology should be built on the basis of civil, and not ethnic identity.

Another group of articles covers the topic of the ethnic minorities who have long populated the region. For example, S. Zeinalova’s article<sup>47</sup> tells about the Germans living in Azerbaijan. In it, the author gives us detailed information about the history of German migration to Azerbaijan and about their present-day economic and cultural life. When describing the labor activity of the Germans, the author uses words and expressions that create an impression of the Germans as diligent, enterprising, and successful people. For example: *the painstaking labor of the German colonists, well-known German industrialists*.

The author also names several professions the Germans who moved to Azerbaijan at the end of the 19th-beginning of the 20th centuries commanded. They were *businessmen, industrialists, engineers, architects, doctors, academics, teachers*, and so on. As we know, these professions require not only diligence, but also a great deal of knowledge. So the author presents us with a picture of the Germans as educated people. She also uses several consolidating and integrating symbols. For example, the symbol of a common Homeland: S. Zeinalova calls Azerbaijan “home to representatives of many different nationalities.” The author goes on to use words and expressions that designate peace-loving relations among the ethnicities. For example: *tolerance, respectful attitude*. She also provides information about the German culture and traditions “zealously preserved far from the historical homeland.” In addition, the author tells us about the churches and schools founded in the country in different years, as well as the national-cultural societies that still function today. All of this makes us think of the Germans as people who were able to preserve their original culture in a new environment. It arouses a keen interest in the reader in their lives and traditions. Addressing the topic of deportation of the Germans, the author claims that this process not only affected the Soviet Germans, but also the members of several other ethnicities of the Soviet Union. That is, deportation is presented as a common tragedy and not as the problem of one particular ethnicity. In our opinion, this is a very responsible approach, since when tragic events of history are taken out of context and presented as the misfortune of a particular ethnic group, this approach often stirs up ethnic passions.

An article by D. Mukanova-Khurshudian and E. Khurshudian<sup>48</sup> acquaints the reader with the history and contemporary life of the Armenian diaspora in Kazakhstan. As in the previous case, the authors tell us of the labor activity of the ethnic group they are studying, of their successes and achievements. We find out from the article, among other things, that one of the members of this ethnic group, Levon Mirzoian, headed Kazakhstan in 1933-1938. The authors go on to place particular emphasis on the existence of extremely human relations between the Kazakhs and Armenians.

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<sup>44</sup> See: R. Garagozov, “Collective Memory and Memory Politics in the Central Caucasian Countries,” *Central Asia and the Caucasus*, No. 6 (36), 2005, pp. 51-60.

<sup>45</sup> See: V. Malkova, “Rossiyskaia pressa i problemy etnicheskoy tolerantnosti i konfliktnosti.”

<sup>46</sup> See: Zh. Urmanbetova, “Kyrgyzstan: Today and Tomorrow,” *Central Asia and the Caucasus*, Volume 11, Issue 3, 2010, pp. 155-161.

<sup>47</sup> See: S. Zeinalova, “Germans in Azerbaijan: A Retrospective Analysis,” *Central Asia and the Caucasus*, No. 6 (36), 2005, pp. 142-149.

<sup>48</sup> See: D. Mukanova-Khurshudian, E. Khurshudian, “Armenians in Kazakhstan: Past and Present,” *Central Asia and the Caucasus*, No. 3 (9), 2001, pp. 185-192.

For example, they tell us about instances when the Armenians adopted children from Kazakh families in order to save them from starvation. In one place, the authors cite the words of national artist of Kazakhstan Kurmanbek Jandarbekov written to Levon Mirzoian. They say, "He will not be forgotten while the cultural centers he founded, beautiful cities, mines, plants, streets, eternal mountains, and my nation remain on Earth. Mirzajan (local pet name for the popular leader.—*D. M.-Kh., E.Kh.*), you will remain in our hearts and our history. When you come back home, please bow to the land that gave my nation Levon."

The change in Mirzoian's name to Mirzajan, in the Kazakh style, draws attention to itself in this excerpt. There is a tradition in the culture of certain Central Asian peoples when a particular ethnic group gives the representative of a different ethnicity a new ethnic name, which often sounds like his own name, for special services he has rendered to that ethnicity. This symbolizes acceptance of that person as "one of us." After all, if a name is part of a person's identity, ethnic names are part of ethnic identity. Whereby this is not simply accepting a person from a different ethnic environment into one's own group, it means giving him a particularly honorable place within the group.

An article by B. Zhanguutin<sup>49</sup> tells of the Slavic population of Kazakhstan. The author emphasizes that after the country acquired state independence a difficult period of adaptation to the new conditions began for the Slavic part of its population and notes that resolving the problem of adaptation largely depends on the country's authorities, who should keep in mind now safe the decisions they make are for the different ethnocultural groups. B. Zhanguutin believes that Kazakhstan is not interested in the mass exodus of the Slavic population, since this would mean the loss of the most qualified specialists and the disappearance of an entire stratum of culture. The author claims that creating real conditions for integration into the new circumstances primarily meets the interests of the republic itself. Ch. Chotaeva<sup>50</sup> expresses a similar opinion about the Slavic population of Kyrgyzstan, stating that mass migration of the Slavs from the country caused the national economy irreparable damage.

It should be noted that in B. Zhanguutin's interpretation, the culture of Kazakhstan is not only the culture of its titular ethnicity. It is a kind of symbiosis, the particles of which comprise the cultures of different ethnicities. Incidentally, P. Shozimov<sup>51</sup> is also of a similar opinion, believing that the purely cultural models constructed by intellectuals often prove unviable when they come face to face with reality. It is important to emphasize that this approach integrates the culture of different ethnicities living in the same space into a single system.

Finally, other studies also belong to the group of articles being discussed: an article by E. Tukumov<sup>52</sup> talks about the Kazakh diaspora in Uzbekistan; O. Sidorov's study<sup>53</sup> is devoted to the German ethnic group in Kazakhstan; G. Svanidze<sup>54</sup> covers the topic of the ethnic minorities living in Georgia, while M. Komakhia's articles<sup>55</sup> discuss the Assyrians, Azeris, Greeks, Slavs, and Yezidi Kurds who

<sup>49</sup> See: B. Zhanguutin, "Kazakhstan's Slavic Population: Demographic Characteristics and Status," *Central Asia and the Caucasus*, No. 4 (16), 2002, pp. 116-120.

<sup>50</sup> See: Ch. Chotaeva, "Language as a Nation-Building Factor in Kyrgyzstan," *Central Asia and the Caucasus*, No. 2 (26), 2004, pp. 177-184.

<sup>51</sup> See: P. Shozimov, "Tajikistan: Cultural Heritage and the Identity Issue," *Central Asia and the Caucasus*, No. 6 (30), 2004, pp. 144-148.

<sup>52</sup> See: E. Tukumov, "The Kazakhs of Uzbekistan," *Central Asia and the Caucasus*, No. 6, 2000, pp. 186-192.

<sup>53</sup> See: O. Sidorov, "Migration Intentions of the Germans of Kazakhstan and Possible Repercussions," *Central Asia and the Caucasus*, No. 4 (22), 2003, pp. 145-149.

<sup>54</sup> See: G. Svanidze, "National Minorities in Georgia: Problems of Definition and Legal Status," *Central Asia and the Caucasus*, No. 6 (42), 2006, pp. 145-152.

<sup>55</sup> See: M. Komakhia, "The Assyrians of Georgia: Ethnic Specifics should be Preserved," *Central Asia and the Caucasus*, No. 3 (39), 2006, pp. 159-164; idem, "The Greeks of Georgia: Migration and Socioeconomic Problems," *Central Asia and the Caucasus*, No. 6 (36), 2005, pp. 150-156; idem, "The Greeks of Georgia: Migration and Socioeconomic Problems," *Central Asia and the Caucasus*, No. 6 (36), 2005, pp. 150-156; idem, "Georgia's Azerbaijanis: Problems of Civilian Integra-



traditionally live in this country. M. Bekker<sup>56</sup> acquaints us with the life and activity of the Jewish community in Azerbaijan; G. Orudzhev<sup>57</sup> tells of the national minorities in Azerbaijan; and S. Iliashenko<sup>58</sup> looks at how Russian and Russian-speaking residents live in Daghestan, and so on.

Several articles in this journal cover the topic of recent ethnic migrants and the ethnicities that receive them. For example, in his study, A. Popov<sup>59</sup> focuses on the status of recent ethnic migrants in the Krasnodar Territory. As we know, the Krasnodar Territory is a border zone and, according to the author's information, since 1988, migrants have been appearing there from those regions of the Soviet Union that suffered from ethnic conflicts, as well as migrants forced to leave their former places of permanent residence due to economic problems. The author criticizes the migration policy of the local authorities, which he describes as discriminatory. This, in his opinion, has been manifested, among other things, in the refusal to register certain groups of ethnic migrants, and so on. A. Popov believes that the tight migration policy of the territorial authorities is a conflict-prone factor capable of having a negative effect on ethnic relations.

The author goes on to inform us that a negative anti-migrant discourse is still going on in the region: statements are being made about "disruption of the ethnodemographic balance" and "cultural incompatibility" of the local population (Cossacks) and the migrants (ethnic minorities); a negative image is being created of non-Slavic ethnic migrants: unconfirmed data has been appearing in the media about the criminal inclinations of the Meskhetian Turks and about the drug addiction, thievery, and sexual perversion that are supposedly widespread among them. The author thinks that the negative assessment of ethnic migration by the territory's officials ignores the fact that migration is becoming the main way to replenish human resources in most regions. The leitmotif of this article is that ethnic minorities should have the same rights as the dominating ethnic group and for this reason infringement of their rights and discrimination of them are impermissible.

Another author, S. Markedonov,<sup>60</sup> notes that conflict situations are also periodically arising in the Rostov Region between the members of Caucasian ethnicities and Russians; but in the slogans and actions of the regional authorities there is neither ethnic alarmism nor exploitation of the myth of a migration threat for Russians, while the local elite is not using ethnonationalism as a resource for political mobilization. The author goes on to point out that ethnonationalist moods and mass xenophobia are increasing in the Stavropol Territory owing to the territory being drawn into the Chechen crisis and to the mass migration of groups of other ethnicities, and so on; but, in contrast to the Kuban region, ethnonationalism has not become the ideology of the territorial elite. The author also formulates several pertinent tasks that designate the ethnopolitical situation in the regions of the Northern Caucasus he is studying. One of them is doing away with the ethnic and migration myths that prevent the establishment of normal ethnic relations.

In her research, E. Sadovskaya<sup>61</sup> addresses the topic of Chinese migration to Kazakhstan. She comes to the general conclusion that since migration from China is temporary, it is still too early

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tion," *Central Asia and the Caucasus*, No. 5 (29), 2004, pp. 166-172; idem, "Georgia's Slavic Population," *Central Asia and the Caucasus*, No. 4 (46), 2007, pp. 132-143; idem, "Yezidi Kurds in Georgia: Ethnic Self-Awareness and Consolidation," *Central Asia and the Caucasus*, No. 2 (32), 2005, pp. 133-139.

<sup>56</sup> See: M. Bekker, "Jews in Azerbaijan: Past and Future," *Central Asia and the Caucasus*, No. 2, 2000, pp. 185-193.

<sup>57</sup> See: G. Orudzhev, "Azerbaijan's National Minorities Today," *Central Asia and the Caucasus*, No. 4 (22), 2003, pp. 139-144.

<sup>58</sup> See: S. Iliashenko, "On the Migration Processes in the Republic of Daghestan," *Central Asia and the Caucasus*, No. 6 (24), 2003, pp. 176-182.

<sup>59</sup> See: A. Popov, "Ethnic Minorities and Migration Processes in Krasnodar Territory," *Central Asia and the Caucasus*, No. 1 (13), 2002, pp. 168-176.

<sup>60</sup> See: S. Markedonov, "Ethnopolitical Processes in the Rostov Region, the Krasnodar and Stavropol Territories: Problems, Contradictions, and Prospects," *Central Asia and the Caucasus*, No. 2 (32), 2005, pp. 139-148.

<sup>61</sup> See: E. Sadovskaya, "Chinese Migration to Kazakhstan: Causes, Key Trends, and Prospects," *Central Asia and the Caucasus*, No. 1 (49), 2008, pp. 160-168.

to talk about its influence on the ethnosocial structure of Kazakhstan. Within the framework of her article on labor migration in Kyrgyzstan, A. Elebaeva<sup>62</sup> analyzes the relations between Kyrgyz labor migrants and the local population in Russia and Kazakhstan. S. Iliashenko's article<sup>63</sup> also looks in part at how ethnic migrants from Daghestan are faring in Russia. A joint article by D. Nikitin and A. Khalmukhamedov,<sup>64</sup> as well as V. Viktorin's study,<sup>65</sup> can also be included in this group of articles.

It is known that ignorance of ethnic traditions, culture, and habits often promotes the emergence of conflict in relations with people from a different ethnic group. So we think it is very important to inform our readers about the ethnic characteristics of the life of the peoples of the region. So the next group of articles acquaints the reader with the traditional way of life and culture of the ethnicities that populate the countries of the region. It includes Z. Arifkhanova's article,<sup>66</sup> for example, in which the author tells us about the *mahalla* community organizations in Uzbekistan and their role and function in the life of this ethnicity. V. Mesamed<sup>67</sup> informs the reader about the development and trends of Uzbek cinematography. A. Fedorovich's article<sup>68</sup> is devoted to a study of teip and religious relations in Chechen society. M. Vachagaev<sup>69</sup> analyzes the internal structure of contemporary Chechen society in his article. Going on, N. Amrekulov<sup>70</sup> looks at the role of the Zhuze (tribe unions) in the social and political life of Kazakhstan; D. Dzhunushaliev<sup>71</sup> and V. Ploskikh analyze the problem of tribalism in Kyrgyzstan; while D. Gullette<sup>72</sup> also expresses his viewpoint on tribalism in Kyrgyzstan. I. Babich's article<sup>73</sup> can also be placed in this group.

The journal has also published many articles that cover the ethnopolitical conflicts in the region. They express the viewpoint of the different sides involved in a particular conflict. Moreover, specialists from different countries studying the conflicts being discussed also publish their articles in the journal. For example, in their research, D. Linotte and M. Yoshii<sup>74</sup> analyze, among other things, the reasons for civil wars in general and the reasons for the war in Chechnia in particular. They state that contrary to the popular opinion that an uprising is a protest evoked by insult, it is often also generated by greed. The authors think that the leaders of the uprising might go for a compromise if they were offered material benefits, for example, in the form of income from the production and export of raw materials and minerals. They also note that such things as inequality, ethnic and religious disagreements, political repressions, and the absence of democracy play an insignificant role in explaining civil

<sup>62</sup> See: A. Elebaeva, "Labor Migration in Kyrgyzstan," *Central Asia and the Caucasus*, No. 3 (27), 2004, pp. 78-86.

<sup>63</sup> See: S. Iliashenko, op. cit.

<sup>64</sup> See: D. Nikitin, A. Khalmukhamedov, "Migration as a Destabilization Factor in the Northern Caucasus," *Central Asia and the Caucasus*, No. 2 (14), 2002, pp. 163-171.

<sup>65</sup> See: V. Viktorin, "The Lower Reaches of the Volga and the Northern Caspian at the Crossroads: Time and People, Past and Present," *Central Asia and the Caucasus*, No. 3 (27), 2004, pp. 90-97.

<sup>66</sup> See: Z. Arifkhanova, "Traditional Communities in Modern Uzbekistan," *Central Asia and the Caucasus*, No. 4, 2000, pp. 56-63.

<sup>67</sup> See: V. Mesamed, "Uzbek Cinema and Slow Revival," *Central Asia and the Caucasus*, No. 5 (29), 2004, pp. 180-184.

<sup>68</sup> See: A. Fedorovich, "Clans and Religion in Chechnia," *Central Asia and the Caucasus*, No. 2 (8), 2001, pp. 108-113.

<sup>69</sup> See: M. Vachagaev, "Chechen Society Today: Myth and Reality," *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 14-21.

<sup>70</sup> See: N. Amrekulov, "Zhuzes and Kazakhstan's Social and Political Development," *Central Asia and the Caucasus*, No. 3, 2000, pp. 100-115.

<sup>71</sup> See: D. Dzhunushaliev, V. Ploskikh, "Tribalism and Nation-Building in Kyrgyzstan," *Central Asia and the Caucasus*, No. 3, 2000, pp. 115-123.

<sup>72</sup> See: D. Gullette, "Tribalism in Kyrgyzstan Examined," *Central Asia and the Caucasus*, No. 2 (14), 2002, pp. 31-37.

<sup>73</sup> See: I. Babich, "The Clan Structure and its Impact on the Political Situation (A Case-Study of Northwestern and Central Caucasus)," *Central Asia and the Caucasus*, No. 1 (19), 2003, pp. 32-39.

<sup>74</sup> See: D. Linotte, M. Yoshii, "The Reconstruction of Chechnia. A Long-Term and Daunting Task," *Central Asia and the Caucasus*, No. 5 (23), 2003, pp. 85-98.

wars. Moreover, they emphasize that “the Russian Federation is a huge country characterized by unique multiethnic, cultural, and religious diversity, where tolerance and mutual respect are essential for peace and prosperity.”

In his article, V. Petukhov<sup>75</sup> analyzes, among other things, the publications of several pro-terrorist websites covering the terrorist acts in Chechnia. According to his data, such websites are characterized by the abundant use of military vocabulary: *frontline*, *checkpoint*, *sharpshooter*, *military operation*, and so on; the articles published are also liberally sprinkled with emotional and judgmental phrases: *pitiless and cruel battle*; *cold-blooded murder*, *annihilated*, *ruined*, and so on. According to V. Petukhov, these modes of expression conjure up an atmosphere of military hysteria aimed at:

- (a) instigating feelings of revenge among the population; and
- (b) creating an image of Russia as a “sinister and blood-thirsty monster.”

The author believes that focusing website users’ attention on war is aimed at spreading aggressive and bellicose moods among the population and an image of Russia as the main enemy and source of terrorist threat for the Caucasus.

Among the publications analyzed by the author are also articles that espouse the opposite sentiments, presenting Chechens as ferocious and blood-thirsty enemies. The author believes that such publications can only lead to an increase in tension in ethnic relations and, as a result, to an increase in pro-terrorist moods. The author also refers to the existence of another type of article that suggests that the essence of terrorism is not in the national or religious characteristics of those who commit terrorist acts but in the political ambitions of terrorist leaders who use national and religious slogans to their own ends.

And finally, the group of articles we are looking at also includes M. Roshchin’s report,<sup>76</sup> which briefly presents the results of a seminar held at the Moscow Carnegie Center on 19 January, 2000 on the topic being discussed and articles by M. Basnukaev,<sup>77</sup> S. Shermatova,<sup>78</sup> M. Iusupov,<sup>79</sup> E. Pain,<sup>80</sup> S. Berezhnoy,<sup>81</sup> V. Avioutskii and H. Mili,<sup>82</sup> R.B. Ware,<sup>83</sup> Ia. Akhmadov,<sup>84</sup> S. Markedonov,<sup>85</sup> O. Alissoultanov,<sup>86</sup> and others.

<sup>75</sup> See: V. Petukhov, “The North Caucasian Press about Terrorism,” *Central Asia and the Caucasus*, No. 6 (36), 2005, pp. 93-98.

<sup>76</sup> See: M. Roshchin, “Who Holds the Key to the Chechen Problem? Summary of a Seminar Held at the Moscow Carnegie Center,” *Central Asia and the Caucasus*, No. 1, 2000, pp. 8-11.

<sup>77</sup> See: M. Basnukaev, “Chechnia’s Constituency—the Problem of Russian Federalism,” *Central Asia and the Caucasus*, No. 1 (7), 2001, pp. 173-181.

<sup>78</sup> See: S. Shermatova, “The Oil Factor in the Chechen Conflict,” *Central Asia and the Caucasus*, No. 5 (11), 2001, pp. 71-77.

<sup>79</sup> See: M. Iusupov, “Islam v sotsialno-politicheskoy zhizni Chechni,” *Tsentralnaia Aziia i Kavkaz*, No. 2 (8), 2000, available at [<http://www.ca-c.org/journal/cac-08-2000/16.iusupov.shtml>].

<sup>80</sup> See: E. Pain, “The Second Chechen War: Possible Variants,” *Central Asia and the Caucasus*, No. 4, 2000, pp. 97-103.

<sup>81</sup> See: S. Berezhnoy, “The Role of Islamic Factor in Crisis Settlement in Chechnia,” *Central Asia and the Caucasus*, No. 1 (19), 2003, pp. 169-176.

<sup>82</sup> See: V. Avioutskii, H. Mili, “The Geopolitics of Separatism: Genesis of Chechen Field Commanders,” *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 7-14.

<sup>83</sup> See: R.B. Ware, “Prospects for Peace in Chechnia,” *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 21-28.

<sup>84</sup> See: Ia. Akhmadov, “Russia and Chechnia: From a Fief to a Federation Subject,” *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 28-36.

<sup>85</sup> See: S. Markedonov, “Polemical Notes about the Constitutional Referendum in Chechnia: Was It Another Khasaviurt?” *Central Asia and the Caucasus*, No. 3 (21), 2003, pp. 109-119.

<sup>86</sup> See: O. Alissoultanov, “The Chechen Crisis: Genesis, Dynamics, and Recent Trends,” *Central Asia and the Caucasus*, No. 2 (26), 2004, pp. 13-23.

The journal's contributors also cover the Armenian-Azerbaijani conflict. For example, in his article, A. Dashdamirov<sup>87</sup> regretfully notes that such unique elements of the Caucasian social experience as close ethnic coexistence and co-creativity, a tolerant and respectful attitude toward the interests and special features of other nationalities, and so on, have proven not to be highly sought after in this conflict, while the centuries-long experience of internecine war and ethnic enmity is very much in demand. He also shows that opportunist and politically motivated interpretations of ethnic history used in territorial disputes only stir up ethnic hostility. The author is convinced that the political elites have exerted great efforts to reanimate the old and time-tested means of ethnic hostility: ethnophobia, negative images of neighbors, and skillfully cultivated ideas about ethnic and interconfessional incompatibility. The author looks at the Karabakh conflict as a tragedy for both Azerbaijan and Armenia. He states that for centuries both countries have gone through difficult trials and have been able to preserve their ethnicity and culture at the expense of enormous sacrifices, while in the current conditions poisoned by hostility they have become the hostages of their own historical memory. As we see, the author depicts ethnic enmity here as poison and the two nations as patients poisoned by it. The metaphor of poison and poisoning/illness is of course a negative metaphor. It, like nothing else, reflects the author's attitude toward ethnic hostility. Another metaphor is also used here: the author describes the Armenians and Azeris as *hostages* of their historical memory. So in this case, negative historical memory is described as a kidnapper and the two peoples as hostages who have been taken prisoner.

Further, O. Geukjian<sup>88</sup> analyzes the mediating activity of the OSCE in the Nagorno-Karabakh conflict in 1992-1996. The different aspects of the Karabakh conflict are also discussed in articles by A. Allakhveranov,<sup>89</sup> V. Priakhin,<sup>90</sup> D. Babaian,<sup>91</sup> E. Nuriev and K. Salimov,<sup>92</sup> L. Shirinian,<sup>93</sup> T. Musaev,<sup>94</sup> L. Tchantouridzé,<sup>95</sup> R. Garagozov,<sup>96</sup> and so on.

The first issue of *Central Asia and the Caucasus* in 2009 featured a series of articles on the Georgian-Ossetian conflict that occurred in August 2008. The series was published under the general title "The 'Five-Day War' and Prospects for Peace in the Caucasus." The authors of the articles in this series are L. Tchantouridzé,<sup>97</sup> K. Kakachia,<sup>98</sup> A. Skakov,<sup>99</sup> and S. Genç.<sup>100</sup> This topic was also ana-

<sup>87</sup> See: A. Dashdamirov, "Ideological Contradictions of Ethnic Policies in the Caucasus," *Central Asia and the Caucasus*, No. 5 (11), 2001, pp. 48-55.

<sup>88</sup> See: O. Geukjian, "Limits of International Involvement in the Southern Caucasus: The OSCE Mediation in the Nagorno-Karabakh Conflict (1992-1996)," *Central Asia and the Caucasus*, No. 1 (37), 2006, pp. 61-72.

<sup>89</sup> See: A. Allakhveranov, "The Migration Situation in Azerbaijan," *Central Asia and the Caucasus*, No. 2 (14), 2002, pp. 172-180.

<sup>90</sup> See: V. Priakhin, "The 'Black Garden' of the International Community: Nagorny Karabakh and the Post-Cold War World Order," *Central Asia and the Caucasus*, No. 6 (18), 2002, pp. 14-24.

<sup>91</sup> See: D. Babaian, "The West and the Conflict in Nagorny Karabakh," *Central Asia and the Caucasus*, No. 6 (30), 2004, pp. 18-23.

<sup>92</sup> See: E. Nuriev, K. Salimov, "The Realities and Prospects for Settling the Karabakh Conflict. Could There Be an International Peace Enforcement Operation?" *Central Asia and the Caucasus*, No. 6 (18), 2002, pp. 7-14.

<sup>93</sup> See: L. Shirinian, "Karabakh Settlement: Exchange of Territories Variant," *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 43-47.

<sup>94</sup> See: T. Musaev, "The Legal Aspects of Territorial and Border Settlement Using Armenia's Territorial Claims against Azerbaijan as an Example," *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 37-43.

<sup>95</sup> See: L. Tchantouridzé, "Globalization of Regional Conflicts: A Future War for the Upper Karabakh," *Central Asia and the Caucasus*, No. 6 (60), 2009, pp. 24-31.

<sup>96</sup> See: R. Garagozov, op. cit.

<sup>97</sup> See: L. Tchantouridzé, "It Does Not Take a Prophet: War and Peace in the Caucasus," *Central Asia and the Caucasus*, No. 1 (55), 2009, pp. 7-12.

<sup>98</sup> See: K. Kakachia, "The Russo-Georgian Five-Day War: The Price to Be Paid and its Unintended Consequences," *Central Asia and the Caucasus*, No. 1 (55), 2009, pp. 12-22.

<sup>99</sup> See: A. Skakov, "The August Crisis in the Caucasus and its Consequences," *Central Asia and the Caucasus*, No. 1 (55), 2009, pp. 22-33.

<sup>100</sup> See: S. Genç, "Significance of the Georgian-South Ossetian Conflict for Turkish Foreign Policy," *Central Asia and the Caucasus*, No. 1 (55), 2009, pp. 33-41.

lyzed in articles by the following authors: A. Magomedov,<sup>101</sup> N. Silaev,<sup>102</sup> A. Shelest,<sup>103</sup> M. Volkhonskiy,<sup>104</sup> G. Gogia,<sup>105</sup> R. Dessey and L. Tchantouridzé,<sup>106</sup> and N. Lemay- Hébert.<sup>107</sup> In addition, studies covering different aspects of the Georgian-Ossetian and Georgian-Abkhazian conflicts were published in our journal even before the events of August 2008. They also reflect very different opinions on the ethnic conflicts being examined. They include articles by the following authors: N. Akaba,<sup>108</sup> M. Saldadze,<sup>109</sup> M. Mayorova,<sup>110</sup> R. Gotsiridze,<sup>111</sup> L. Tania,<sup>112</sup> and others.

## *Conclusion*

The ethnic, cultural, and linguistic diversity of Central Asia and the Caucasus is one of its greatest assets. It has evolved from many centuries of coexistence and interaction among different ethnicities. During this interaction, the peoples of the region have developed common spiritual values that unite and bring them together. These values must be preserved and multiplied. When talking about the region's ethnic and cultural diversity, our authors place special emphasis on unifying ideas, such as common history, culture, universal values, and so on. They also inform the reader about the successes and achievements of the members of different ethnic groups and about their contribution to the region's development. All of this is promoting the formation of positive ideas about the ethnic groups living in the region.

Moreover, our authors identify and analyze conflict-prone factors that could promote an escalation of ethnic tension. For example, this article has discussed some of them: an unbalanced national policy, politically charged interpretations of ethnic history, ethnic and migration myths, the discriminatory policy of the authorities in the regions, and so on. The second point is fraught with the greatest danger for the region we are discussing. As we already know, ethnic history can be used to justify territorial claims or armed struggle of the elites, as was the case in the Karabakh and Chechen conflicts; for justifying the political claims of the elites to leadership in a particular region; for substantiating the supremacy and exclusivity of the titular ethnicity, and so on, as was the case in Turkmeni-

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<sup>101</sup> See: A. Magomedov, "The Conflict in South Ossetia and the Frontiers of Struggle for the Greater Caspian's Energy Resources," *Central Asia and the Caucasus*, No. 2 (56), 2009, pp. 32-43.

<sup>102</sup> See: N. Silaev, "How the August War Affected the Caucasus," *Central Asia and the Caucasus*, No. 3 (57), 2009, pp. 7-18.

<sup>103</sup> See: A. Shelest, "The Georgian-Russian Conflict, Energy Projects, and Security of the Black Sea-Caspian Region," *Central Asia and the Caucasus*, No. 4-5 (58-59), 2009.

<sup>104</sup> See: M. Volkhonskiy, "Medvedev-Sarkozy's Six Points: The Diplomatic Aspect of the South Ossetian Settlement," *Central Asia and the Caucasus*, No. 4-5 (58-59), 2009.

<sup>105</sup> See: G. Gogia, "Georgia-South Ossetia: A Prelude to War. Did Economic Assistance Strengthen Competing Spoilers in Georgian-South Ossetian Conflict?" *Central Asia and the Caucasus*, No. 6 (60), 2009, pp. 32-41.

<sup>106</sup> See: R. Dessey, L. Tchantouridzé, "Realpolitik and the Russia-Georgia War: Three Years On," *Central Asia and the Caucasus*, Volume 13, Issue 1, 2012, pp. 111-119.

<sup>107</sup> See: N. Lemay-Hébert, "The 'Frozen Conflict' That Turned Hot: Conflicting State-Building Attempts in South Ossetia," *Central Asia and the Caucasus*, No. 5 (53), 2008, pp. 150-159.

<sup>108</sup> See: N. Akaba, "Georgian-Abkhazian Conflict: Rooted in the Past, Resolved in Future," *Central Asia and the Caucasus*, No. 6, 2000, pp. 117-121.

<sup>109</sup> See: M. Saldadze, "Defrosting the Conflict in Tskhinvali: Is the 'Revolution of Roses' Still Going On," *Central Asia and the Caucasus*, No. 5 (29), 2004, pp. 40-45.

<sup>110</sup> See: M. Mayorov, "South Caucasian Conflicts: Recovery Begins When the Disease is Recognized and There is a Desire to Cure It," *Central Asia and the Caucasus*, No. 2 (26), 2004, pp. 7-13.

<sup>111</sup> See: R. Gotsiridze, "Georgia: Conflict Regions and the Economy," *Central Asia and the Caucasus*, No. 1 (25), 2004, pp. 144-152.

<sup>112</sup> See: L. Tania, "Strategic Variants: How the Conflict between Georgia and Abkhazia Can Be Settled," *Central Asia and the Caucasus*, No. 5 (23), 2003, pp. 43-49.



stan. The danger of this factor lies in its catastrophic consequences: these include the threat of territorial breakdown of the state, mass discrimination of certain ethnic groups, and their departure from the country, etc. Identifying these factors can help to prevent them in the future.

Our authors also put forward the idea that the monoethnic model of development of society that was promulgated in the states of the region during the first years after the collapse of the Union has become entirely irrelevant, since it does not take into consideration the region's polyethnic or poly-cultural aspects. They are in favor of creating a national policy that would take into consideration the interests of all the ethnic groups. In this respect, it is proposed that the political leaders of the region's states concern themselves with how safe the decisions they make are for the ethnic groups.

When covering the problems of ethnic migrants, our authors emphasize that they should have the same rights as the other citizens of the state. Their publications are aimed at helping migrants to realize their civil rights and oppose discrimination of ethnic migrants.

The contributors, who discuss the ethnic traditions, culture, and customs of the individual ethnicities living in the region, have all the necessary knowledge in the sphere they are studying. The value of the information they present lies in the fact that it helps to expand our readers' perspective on the ethnic characteristics of the members of different ethnicities. After all, it is a well-known fact that it is precisely ignorance of such details that can sometimes lead to ethnic conflicts.

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## MOBILIZATION OF THE CIRCASSIANS IN VIEW OF THE 2014 OLYMPIC GAMES

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### *Introduction*

When in Europe, I am often asked about my occupation at home. My answer, "I study the ethnography of the peoples of the Northern Caucasus," baffles people; most of them do not know where to look for the Caucasus on the map, however everyone recognizes the word "Chechens," an echo of the Chechen wars of the 1990s.

At the turn of the 2010s, the world learned about another North Caucasian ethnicity, known abroad as the Circassians; the new ethnic name

came with the decision of the IOC to organize the 2014 Winter Olympic Games in Sochi, the historical home of the Adighe peoples.

Who are the Adighes or Circassians? The latter term was used by the first European travelers who reached the Caucasus several centuries ago. Ethnographers use the blanket term "Adighes" to refer to several kindred ethnic sub-groups and sub-ethnicities who speak the Adighe languages. They are the Kabardins, who live in Kabardino-Balkaria; the Circassians, who live in

Karachaevo-Cherkessia; and the Western Adighes (known in Soviet times as the Adighes from the name of their autonomous region called Adigey). The Adighes are divided into smaller ethnic groups—Shapsugs, Natukhays, Abadzekhs,

Temirgoys, Bjedugs, etc. Some of the Western Adighes live along the Black Sea coast, in the Lazarevskoe and Tuapse districts of the Krasnodar Territory, between the cities of Sochi and Tuapse.

## What is Behind the Mounting Interest in the Past of the Adighes?

The Adighes have lived in the Northern Caucasus for many centuries; their history abounds in squabbles among the Adighe ethnic groups and with other Caucasian ethnicities. By the time the Russians appeared in these lands, some of the local ethnicities (Kabardins) had reached a fairly high level of statehood (radical historians write about the state of Kabarda), while others (Western Adighes) still lingered at the stage of early feudal relations and barely developed statehood.

Early in the 1990s, the academic community and public at large developed a great interest in the history of the Adighes for several reasons:

- *Perestroika freed the academic community from the fetters of the Soviet period; many facts and events in the common history of Russia and the Caucasus were reinterpreted.*

In many respects, Soviet ideological pressure limited historians, and the science of history for that matter: the colonial policy of the Russian Empire was invariably treated as a “civilizational mission.” History as a science has survived, at least partially: some of the aspects existed on the ideological fringes and were thus more or less free from ideological pressure (I have in mind the history of primitive society and feudal relations); there were those who, in defiance of ideological pressure, offered what can be called truthful history.

Early in the 1990s, revision of history reached incredible proportions; historians studying the Caucasus (the present author being no exception) joined the process to shed new light on the history of how the Northern Caucasus became part of the Russian Empire. In 2007, their book was published by Novoe Literaturnoe Obozrenie Publishers.<sup>1</sup>

Many of the events in the common history of Russia and the Caucasus should be revised, yet the frenzy of revision very soon assumed the form of speculations; history became an instrument of political struggle.

- *Use of history as an instrument of political struggle.*

It seems that this spurred the research institutes of the Northern Caucasus into action: *intentionally or unintentionally*, historians allied with different political ideologies and began serving them.

In the early 1990s and during the first half of the 1990s, public movements began mushrooming in the Northern Caucasus; the numerous North Caucasian peoples felt free to express their national feelings. Rejection of Russia, which had allegedly used violence to become entrenched in the Northern Caucasus, and a negative attitude toward “non-kindred” neighbors were the two most prominent feelings. In Chechnia they assumed even sharper forms: the republic wanted independence from the Russian Federation.

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<sup>1</sup> See: *Severny Kavkaz v sostave Rossiiskoy imperii*, Series “Fringes of the Russian Empire” of the Open Society Institute (in co-authorship with V.O. Bobrovnikov and others), NLO, St. Petersburg, 2007.

In the 1990s, a high wave of national movements engulfed all the other North Caucasian republics; organized according to Stalin's principle of "bringing together alien peoples," the republics burst into sharp confrontation: the Ossets could no longer live side by side with the Ingushes in Northern Ossetia; the Circassians and Abazins stood opposed to the Karachays in Karachaevo-Cherkessia; and the same happened to the Kabardins and Balkars in Kabardino-Balkaria.

In the latter case, the public movements of both peoples decided that they needed two states independent from Russia and each other. This was when historians entered the game: they were expected to produce new historical studies the national ideologists could use when building the new independent states.

Very soon the historians of Kabardino-Balkaria found themselves looking at four histories: two histories of Kabarda produced by their Kabardin and Balkarian colleagues and two histories of Balkaria presented by Balkarian and Kabardin historians. This happened in practically all the other North Caucasian republics too.

In 1991, the leaders and supporters of the Balkarian national movement adopted a Declaration of Independence of the Republic of Balkaria and national sovereignty of the Balkarian people. They formulated the Main Provisions of the Conception of National-State Restructuring and Reforms of the Political System of Kabardino-Balkaria.<sup>2</sup>

In 1992, the leaders of the Kabardinian national movement responded with a resolution On the Restoration of the Kabardinian Republic; they were convinced that "in modern history the statehood of the Kabardinian people was restored in 1921."<sup>3</sup>

This was when the first period of writing a new history of the Adighes (the 18th-early 20th centuries) began. The results of the Caucasian War were revised; it brought numerous calamities, including *mass evictions of practically all the North Caucasian peoples*, which started in the late 18th century, went on in the 19th century (especially in its second half), and continued in the first decade of the 20th century. The term "genocide" was first used to define these tragic events in Russian history by the Supreme Soviet of Kabardino-Balkaria in 1992 and the Parliament of Adigey in 1994. They referred to the facts of *mass evictions of the Adighe (Circassian) people and kindred peoples (Abazes, Abkhazes, and Ubykhs) during the Caucasian War and after it*.<sup>4</sup> Soviet historical science used the term "muhajirstvo" to describe the eviction process.

The book mentioned above (*Severny Kavkaz v sostave Rossiiskoy imperii* [The Northern Caucasus as Part of the Russian Empire]) (of which I am one of the authors) deals with this process in a special chapter: after all, evictions were one of the key mechanisms of Russia's imperial policy in the Northern Caucasus in general and of the Caucasian War in particular.

## Stages of Russia's Migration Policy in the Northern Caucasus in the 18th-Early 20th Centuries

As early as the 16th-17th centuries, the Ottoman Empire brought about the first radical changes in the form of gradual Islamization of the Adighes. The situation became even more complicated when

<sup>2</sup> See: *Materailly po deiatelnosti Natsionalnogo soveta Balkarskogo naroda. 1994-1998*, Archives of I.L. Babich.

<sup>3</sup> *Emopoliticheskaia situatsia v Kabardino-Balkarii. Sbornik dokumentov natsionalnykh dvizheniy*, in two volumes, Introduced, compiled, and edited by I.L. Babich, Vol. II, Institute of Ethnology and Anthropology, RAS, Moscow, 1994, p. 13.

<sup>4</sup> For more detail, see: *Ibid.*, Vols. I, II, 1994.



the Russian Empire appeared in the Northern Caucasus as one of the rivals of the Ottoman Turks: eviction of the Caucasian peoples to the Ottoman Empire was one of the main consequences of the Caucasian War between the two rivals.

By the 18th century, Russia had learned to look at the Northern Caucasus as a target of its geopolitical interests; it concentrated on gradually conquering its territory and subjugating the mountain dwellers. Russia's military leaders preferred the term colonization,<sup>5</sup> which went on until the downfall of imperial power in Russia in October 1917. Until the early 20th century, Russia's policy remained practically the same; its mechanisms and methods, however, were readjusted.

In the course of the Caucasian War, Russia relied on the use of force: punitive expeditions in the mountain villages (auls), which amounted to physical extermination of the North Caucasian population.

Russia's migration policy acquired some of its later features in the 17th and 18th centuries when the first military fortresses appeared on the approaches to the mountainous parts of the Northern Caucasus. During the hostilities of the late 18th and first half of the 19th centuries, Russia mastered migration as an instrument of its struggle to gain control over the Northern Caucasus.

In the 18th-first half of the 19th century, the nature of the migration processes in the region largely depended on "political relations" based on the mountain people's voluntary agreement to join Russia or their active (or passive) opposition to this prospect. At that time, only the Ossets and Balkars agreed to join the Russian Empire.

Those peoples who accepted Russian power were less exposed to different forms of migration, while those mountain peoples who violently opposed this prospect bore the brunt of Russia's migration policy.

The late 18th and first half of the 19th centuries were periods of so-called internal migration, during which the mountain people were moved inside the Northern Caucasus.

In the first half of the 19th century, the Russian administration gradually moved the mountain people mainly from the mountains to the valleys and piedmont territories as part of the system of political and military security in the region. This approach was registered in a Special Project for Conquering and Colonizing the Mountainous Lands prepared in 1833 by General Alexey Velyaminov, commander of the troops on the Caucasian Line and in the Black Sea area.

This is clear confirmation that at that time Russia's military command regarded moving the mountain people inside the region as one of the key mechanisms in ultimately conquering the Northern Caucasus.

Resettlement of the mountain people who were taken prisoner during the war was another type of internal forced migration. According to the Rules for Handling Prisoners of War and Volunteer Mountain Dwellers elaborated in 1847 by General-Adjutant Prince Mikhail Vorontsov (in 1844-1854, Caucasian viceroy), Commander of the Separate Caucasian Corps, the mountain prisoners-of-war were moved to the Don or inland gubernias of the Russian Empire.<sup>6</sup>

Internal migration carried out for military purposes helped address purely civilian issues such as setting up a system of administration of the mountain people who recognized the rule of the Russian Empire.

This was when external migration processes emerged.<sup>7</sup> It seems that throughout the 16th and 18th centuries, the Ottoman Turks remained an important factor in the lives of the North Caucasian mountain peoples.<sup>8</sup> The Ottoman Empire (and later the Russian Empire for that matter) relied on migration throughout the centuries as one of its main foreign policy instruments.

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<sup>5</sup> See: *Problemy Kavkazskoy voyny i vyselenie cherkesov v predely Osmanskoy imperii (20-70-e gody XIX v.). Sbornik arkhivnykh dokumentov*, Compiled by T.Kh. Kумыков, Nalchik, 2001, p. 206.

<sup>6</sup> State Archives of the Krasnodar Territory (further GAKK), rec. gr. 389, inv.1, f. 39, sheets 50-51.

<sup>7</sup> See: *Vdali ot Rodiny. Sbornik dokumentov*, Compiled by Kh.M. Dumanov, Nalchik, 1994, p. 10.

<sup>8</sup> See: N.A. Sostavov, *Severny Kavkaz v kavkazskoy politike Rossii, Irana i Turtsii v XVIII v.*, Makhachkala, 1989.

We can identify *six main stages in the history of mass migration of the North Caucasian mountain people* between the 1850s and 1910s, which differed in terms of their motivation, nature, and mechanism of implementation:

- I stage—latter half of the 1850s;
- II stage—first half of the 1860s;
- III stage—latter half of the 1860s-early 1870s;
- IV stage—1870s;
- V stage—the 1880s-early 1890s;
- VI stage—latter half of the 1890s-1910s.

Russia's migration policy was slow to take shape; Russian officials back in the capital and in the Caucasus and military leaders put forward different or even opposite opinions. Around the mid-1850s, the supporters and opponents of the use of migration as a political and military instrument for subjugating the Caucasus could no longer agree on the main points. The opposition extended into the post-Caucasian War period.

As could be expected, the military leaders—Chief of Staff of the Caucasian Army A. Kartsov and Chief of Staff of the Troops of the Terek Region I. Zotov—and several civilian officials—Viceroy of the Caucasus Prince A. Baryatinsky and Head of the Kuban Region Count N. Evdokimov—supported the idea of migration. On the other side, there were military and civilian officials of less extreme opinions: military advisor at the Russian Embassy in Constantinople V. Frankini, General Field-Marshal D. Milyutin; Lieutenant General, Commander of the Right Wing G. Filipson; and Commander of the Kabarda District V. Orbeliani.

In 1860, after prolonged discussions, a Vladikavkaz meeting of the top military commanders stationed in the Caucasus adopted a plan for a more active migration policy in the Northern Caucasus submitted by Nikolai Evdokimov. It envisaged gradually moving the mountain people from the mountainous and piedmont areas to the open water-logged valleys or to the Ottoman Empire; it was planned to move Cossacks into the vacated territories, where they would protect the interests of Russia.

Nikolai Evdokimov supplied his plan with a detailed mechanism for its implementation, the so-called dual standards policy under which the Russian administrators were instructed to condemn migration of the mountain people to the Ottoman Empire and express their peaceable disposition toward them while openly and covertly promoting migration. In one of his secret instructions Nikolai Evdokimov wrote: "When allowing the mountain people to migrate you should pretend that you are doing this contrary to the wishes of the superiors and only because the mountain people asked you to do this."<sup>9</sup>

At the second stage (first half of the 1860s), the Russian administration encouraged migration inside the Northern Caucasus and considerably enlarged the territories earmarked for the new settlers: they stretched not only to the lowland parts of the mountain people's villages, but also to the piedmont and highland areas. This meant that internal migration was used as one of the main instruments at the second stage of conquering the Northern Caucasus.

In the 1860s, the highland and piedmont areas became a strategic object destined to play an important role in setting up a security system along the Russian borders. At this stage, the tactics of internal and external migration of the mountain communities typical of Russia's imperial colonial policy as formulated by Count Evdokimov were fully implemented.

In the first half of the 1860s, migration to the Ottoman Empire increased, the process being initiated solely by the imperial center and the local Russian administrations. This was when several

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<sup>9</sup> *Problemy Kavkazskoy voyny...*, p. 103.

documents related to migration were adopted, On Resettlement of the Mountain People (1862) being one of them.

Money was the main problem; until the early 1860s financial support of migration of the mountain dwellers to the Ottoman Empire had been irregular; in 1862, however, it became clear that all stages of external migration should be funded by the state.

Russia used different methods to encourage migration to the Ottoman Empire, the main one being declaring an ultimatum. People were forced to choose among a number of resettlement alternatives; other methods included:

- (a) latent support of promoting resettlement in an Islamic state conducted throughout the 19th century by the Ottoman leaders;
- (b) promotion of these ideas by local mountain dwellers who served in the Russian army;
- (c) exploitation of the Caucasian traditions (particularly respect for the older generation). The Russian administrators expected that if they convinced the elders, other members of kindred communities would follow their example.

There is any number of archival documents revealing the mechanisms of Russia's migration policy of that period. Here are some of them: the Report of the Commission for Deportation to Turkey (15 February, 1865, Tiflis); the Report by Count Evdokimov on Military Actions in the Kuban Region between 1 July, 1863 and 1 July, 1864; the Survey of Colonization for the Year 1864; the File of the Chancellery of the Head of the Terek Region of the Secret Department on Deportation of the Autochthonous Population of the Terek Region to Turkey (1863-1865); and the File of the Chancellery of the Terek Region and Ad Hoc Commission on the Deportation of the Autochthonous Population of the Terek Region to Turkey (1865-1866).<sup>10</sup>

At the third stage (latter half of the 1860s-first half of the 1870s), Russia launched social, land, administrative, judicial, etc. reforms in the Northern Caucasus, which altered its migration policy. By that time, external migration was no longer an instrument of subjugation, since the Caucasian War had ended. On the other hand, a large group of local people had emerged who, irritated by the reforms (particularly the social and land reforms), wanted to move to the Ottoman Empire of their own free will.

During the fourth stage (the 1870s), the imperial center continued its active internal migration efforts (which had been going on unabated during the third period as well). The vacated lands were distributed among Russian peasants; external voluntary migration to the Ottoman Empire was encouraged; the idea of large-scale deportation to the East was revived.

Head of the Terek Region Count Mikhail Loris-Melikov (1863-1873) was dead set against another round of forced evictions to Turkey; he had never supported the idea of so-called voluntary migration outside the empire and believed that the related propaganda (at that time especially active in Chechnia and the Kuban Region) should be discouraged.

He personally did his best to trim it in the Terek Region, particularly in Kabarda.<sup>11</sup>

He suggested that the desire to move outside the empire should be corrected in two ways:

- first, those who wanted to move to the Ottoman Empire should be moved to Russia's inland gubernias instead.<sup>12</sup>
- Second, those mountain people who had left together with the main wave of migration but returned in the 1870s to lure others should be deported.<sup>13</sup>

<sup>10</sup> See: T.Kh. Kumykov, *Vyselenie Adygov v Turtsiyu—posledstvie Kavkazskoy voyny*, Nalchik, 1994, pp. 21, 47, 76.

<sup>11</sup> See: *Ibid.*, p. 438.

<sup>12</sup> See: *Ibid.*, p. 440.

<sup>13</sup> See: *Tragicheskie posledstviia Kavkazskoy voyny...*, p. 231.

In 1876, the Russian administration summed up the discussions on the migration issue in the Draft Rules for Deportation of the Mountain People to Turkey, which permitted voluntary external migration on a limited scale. The document consisted of thirteen points according to which the Russian authorities resumed deportation of the mountain people to the Ottoman Empire under several fairly pinching conditions.<sup>14</sup>

At the fifth stage (the 1880s-early 1890s), the Russian administration concentrated on two aspects of internal migration and its organization:

- (1) mountain dwellers were moved down to the valleys; and
- (2) peasant colonization became even more active.

At this time, another wave of external migration of the North Caucasian mountain people spurred on by anti-Russian protests gained momentum. By that time Russia had acquired several new laws relating to the military service, including a law on general conscription. As subjects of the Russian Empire, the North Caucasian mountain people feared that the newly adopted laws would apply to them. From that time on, the Islamic factor came to the fore as one of the main causes of voluntary migration.

Land, one of the reasons for migration during the previous stage, remained one of the main factors stimulating the outflow of the North Caucasian mountain people to the Ottoman Empire.

During the sixth stage (latter half of the 1890s-1910s), internal migration (Cossack and especially peasant colonization) acquired even greater dimensions; mountain dwellers were still forced to move inside the region albeit on a smaller scale.

According to archival materials, the Western Adighes moved to lands unsuitable for agriculture preferred to emigrate to the Ottoman Empire. In 1863, in particular, Assistant to Head of the Natukhay District Lieutenant-Colonel D. Manyati pointed out that the Natukhays (by that time there were about 40 thousand of them) had been instructed to settle in swamp territory. He reported: "To facilitate the choice I did my best to encourage those who wanted to go to Turkey by promising certain advantages and even some money to the poorest."<sup>15</sup>

It should be said that Nikolai Evdokimov was very stern when it came to migration. In his order to the head of the Natukhay District he insisted that the mountain people be given an ultimatum; those who refused to vacate their lands and move of their free will elsewhere should immediately be sent to Turkey.<sup>16</sup>

In 1862, this ultimatum also applied to the Bjedugs, Upper Abadzekhs, Temirgoys, and Khatukays; all those who lived high in the mountains were to move down to the territories allocated to them (mainly on the left bank of the Kuban) or move to the Ottoman Empire.<sup>17</sup>

A large number of the Western Adighes chose emigration to the Ottoman Empire; however, during the period of mass external migration (in 1862 and 1863), some of them preferred to remain in their homeland and, pressed by the Russian administration, moved to the poor lands allocated to them.<sup>18</sup>

Archival documents confirm that internal and external migration was actively used in the Russian Empire. T. Kумыkov, for example, relies on documents found in the Central State Archives of Georgia which reveal the nature of the deportation of the mountain people from the Kuban region to the Ottoman Empire and to the lands allocated to them in this region carried out in the early 1860s.<sup>19</sup>

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<sup>14</sup> See: *Tragicheskie posledstviia Kavkazskoy voyny...*, pp. 235-237.

<sup>15</sup> *Ibid.*, p. 204.

<sup>16</sup> See: *Ibid.*, p. 205; Russian State Military-Historical Archives (further RGVIA), rec. gr. VUA, f. 6696, sheet 271.

<sup>17</sup> See: *Problemy Kavkazskoy voyny...*, p. 200.

<sup>18</sup> See: *Ibid.*, p. 192.

<sup>19</sup> See: T.Kh. Kумыkov, *op. cit.*, p. 88.

It should be said that the mountain people were actively removed from the Northern Caucasus at the second stage of mass migration. The Main Staff of the Caucasian Army was entrusted with re-settling the North Caucasian mountain people; for this purpose the top officials maintained direct contacts with the Ottoman government.<sup>20</sup> At the lower level, resettlement was the task of head of the Kuban (N. Evdokimov) and Terek regions, as well as of the Kabarda and Natukhay districts (V. Orbeliani and Major-General P. Babych, respectively), who obeyed their military superiors. To organize resettlement they cooperated with the heads of the Cossack villages and the Odessa Administration of the Russian Steamship Society, as well as with the mayors of Taman and Kerch.<sup>21</sup> All disagreements were referred to the Main Staff.

Let's have a look at what certain mountain people were doing to increase the number of immigrants.

Colonel F. Abdrakhmanov (a Kabardin), who in the late 1830s-1840s served in a unit of Caucasian Mountain people and later filled the post of a law-enforcement officer among several local peoples, was an active supporter of the idea of emigration to the Ottoman Empire.<sup>22</sup>

P. Mogukorov, an Adighe, a staff officer in the Kuban Army (he rose as high as major-general), did a lot to move the mountain people from their homeland in 1861-1863.

In 1863-1864, Lieutenant-General T. Shipshev, a Kabardin, who served in the Russian army (later he was promoted to the head of the Shapsug District), actively promoted the idea of emigration to the Ottoman Empire among the Shapsugs; as a result some 60 thousand of his compatriots moved to Turkey allegedly of their own free will.<sup>23</sup>

In 1865, Kabardin mullah Zh. Varitlov personally assisted in moving 900 Kabardins.

Local Islamic leaders Khut, Chanakhokha, Chelyagashtuka, and petty official T. Kuysy promoted external migration ideas among the Bjedugs.<sup>24</sup>

The Central Caucasian mountain people, likewise, did a lot to encourage external migration; this was done in particular by Shapsug mullah Iskhak and Karachay qadi M. Khubiev.

There was a fairly popular opinion among the North Caucasian mountain people (the most active supporters were Natukhay Konstank-efendi (Kushtano) and Abadzekh Karabatyr-bei (Hajji Batyrbey) that mass external migration to the Ottoman Empire was a mistake because, they argued, the West would soon resume its war with Russia and the mountain people would regain their lands.<sup>25</sup>

In the first half of the 1860s, Kabardins and Western Adighes moved to the Ottoman Empire: in 1860, 450 Kabardin families moved there, followed by 442 families. Nearly half of the population of Great Kabarda moved away, led by Prince P. Zhambotov.<sup>26</sup> In 1862-1863, external migration of the Western Adighes began; in 1864-1865, the movement took on mass proportions. In the same years, Ubykhs and Natukhays joined them.

In 1865, external migration of Kabardins was resumed—families of Anzorovs, Kudenetovs, and Kudaberdokovs, as well as Ossets of Little Kabarda—left the Northern Caucasus.<sup>27</sup>

It should be said that the Turkic-speaking Balkars and Karachays who lived in the Northwestern and Central Caucasus refused to emigrate; according to archival sources, however about 100 Karachay families moved to Turkey.<sup>28</sup>

<sup>20</sup> See: *Problemy Kavkazskoy voyny...*, p. 105.

<sup>21</sup> See: *Ibid.*, p. 107.

<sup>22</sup> RGVIA, rec. gr. 14257, inv. 3, f. 528, sheets 1-6.

<sup>23</sup> See: *Problemy Kavkazskoy voyny...*, p. 187.

<sup>24</sup> See: *Tragicheskie posledstviia Kavkazskoy voyny...*, pp. 204, 207-208.

<sup>25</sup> See: *Problemy Kavkazskoy voyny...*, pp. 197, 204, 219, 229.

<sup>26</sup> See: *Ibid.*, p. 101; *Tragicheskie posledstviya Kavkazskoy voyny...*, p. 316.

<sup>27</sup> See: *Problemy Kavkazskoy voyny...*, pp. 360-370.

<sup>28</sup> Central State Archives of the Kabardino-Balkarian Republic, rec. gr. 454, inv. 2, f. 341, sheets 10-11rev.



The Balkars were less enthusiastic when it came to external migration; some of them, however, left their homeland. The Turkic-speaking peoples who, as distinct from the other Adighe groups, accepted Russian power were considered to be “peaceful.” The Russian administration never urged them to move; these people were actively involved in internal migration: they willingly came down from the mountains to the valley.

The Russian and Turkish statistics on external migration of the North Caucasian mountain people are unreliable and limited. According to Chairman of the Caucasian Archeographic Commission A. Berge, in 1858-1865 only 439,194 mountain people left the Northern Caucasus; these figures look too low to many researchers. A. Kasumov, in turn, quotes a figure of 900 thousand, 57.4% of which were Adighes and 15.5% Ubykhs. The correlation among the Adighes sub-ethnicities was as follows: 33.5% were Shapsugs; 9.1%, Natukhais; 5.54%, Abadzekhs; and 3.4%, Kabardins.

According to a report of the Russian Commission on External Migration of Mountain People to Turkey dated 18 February, 1865, in 1863-1864, 470,703 people from different regions of the Northern Caucasus moved to the Ottoman Empire. The same commission reported that between 1858 and 1865, 494,633 departed for Turkey from the eastern Black Sea ports; there were 169 thousand Shapsugs among them; 67 thousand Natukhais; 43 thousand Abadzekhs; 74,567 Ubykhs; 11,873 Jigets; 10,500 Bjedugs; 30 thousand Abazins; 4 thousand Besleneevs; 15 thousand Temirgoys, Egerukays and Makhoshevs; 30,500 Kuban Nogais; and 17 thousand Kabardins.

At that time, external migration was fairly moderate and limited to the Western Adighes, Kabardins, and Turkic-speaking Karachais and Balkars who moved to the Ottoman Empire.<sup>29</sup> In 1895, 1 thousand families of Kuban mountain people moved<sup>30</sup>; in 1902, 2,601 Kabardins and 781 Balkars emigrated to the Ottoman Empire; in 1905, 115 Kabardin and 13 Balkar families left for Turkey on the initiative of two Kabardin princes.<sup>31</sup>

In the 1880s-1900s, 15,756 Karachais left the Northern Caucasus for the Ottoman Empire; there were 700 families from Mary and Teberda; 500 families from the Duut and Zhazlyk villages among them, etc. Members of the following families moved out: Gazaevs, Eneevs, Gemuevs, Sozaevs, Zhabelovs, Tokhaevs, Goguevs, Salpararovs, Batchaevs, Appaevs, Kipkeevs, Tekeevs, Bayramukovs, Khachirovs, Kochkarovs, Abaevs, Abaykhanovs, Barasbievs, Sunshevs, Shakmanovs, Teppeevs, Dottuevs, Malkonduevs, and others.<sup>32</sup>

During the same period, some of the North Caucasian mountain people actively promoted the idea of external migration among the Ossets. Major-General of the Russian army M. Kundukhov, who was a Muslim Osset, was one of those who in 1864 encouraged external migration of about 5 thousand Chechen families.

Some of the Muslim Ossets left, while the larger part of the Ossets who stayed behind “automatically” became Orthodox Christians. According to the figures quoted for 1897, in the Vladikavkaz District there were 70,317 Orthodox Christians and 19,512 Muslims. In the city of Vladikavkaz, there were 31,435 Orthodox Christians and 2,268 Muslims.

According to the list of settlements of the Terek Region, in 1990, 18% of the Ossets were Muslims and 82% were Orthodox Christians. At that time, only the villages of Elkhotovo, Chikola, Karjin, Lesken, Khaznidon, Zilgi, Zamankul, Beslan, Brut, Nogkau, Dashkovo (Komsomolskoe) and Razdzog remained Muslim. There were villages (Dzuarikau, Lamardon, etc.) with mixed Orthodox and Muslim populations.

In the 1880s-1900s, Ossets continued settling in the valleys; this was when peasant colonization also began. In the latter half of the 19th century, at the insistent request of those Ossets who wanted

<sup>29</sup> See: *Problemy Kavkazskoy voyny...*, p. 402.

<sup>30</sup> See: *Ibid.*, p. 374.

<sup>31</sup> See: A.K. Kasumov, *Raznye sudby*, Nalchik, 1967, p. 26.

<sup>32</sup> See: *Tragicheskie posledstviya Kavkazskoy voyny...*, p. 335.

to move down from the mountains, the Russian administration invigorated its efforts to create new settlements in the valley of Vladikavkaz. It should be said that Ossetia was the only place in the Northern Caucasus where mountain people willingly went down to the valley in great numbers. In Balkaria, on the other hand, only a few new villages were set up in the valley: Gundelen, Chizhok-Kabak (Lower Chegem), Kashkatau, Tyshly-Tala (Temirkhanovskiy), and Khabaz.

New Osset villages appeared in the Ossetian plain and near Mozdok: Novaya Saniba, Novy Uruk, Veseloe, Razbun, and others.

Before the revolution in the Northeastern Caucasus (particularly in Daghestan) there was no enthusiasm about mass migration, although *muhajirstvo* was not completely unknown there. The term itself appeared in Daghestan during the Caucasian War to describe the supporters of the imamat who found refuge in its territory.

In his memoirs, A. Kazikumukhsky, Shamil's son-in-law, offered the following explanation: "Muhajirun is an Arabic word applied to those who move from *dar al-harb*—the area of war (from the lands fighting against the Muslims)—to *dar al-islam*—the adobe of Islam (the territory under Islamic rule). The Prophet Muhammad, peace be with him, was the first to move from Mecca to Medina. Later the word was applied to its (Muslim) community and is realized on the conditions specified by Islamic books."

Numerous researchers have pointed out that as early as the 18th and first half of the 19th centuries, several waves of Daghestani migrants reached the Ottoman Empire. S. Alibekov dates the first wave of Lezghian migration to the 1730s and the second to 1837-1850s.<sup>33</sup>

The migration of the Caucasian War period hit the Vaynakh peoples more than others. In 1817, most of the Ingushes of the Sunzha District were moved from the piedmont to Nazran (to make room for the Sunzha line of fortifications).

The heads of the Northeastern Caucasian District rejected the plan of Russian colonization of the lands acquired between 1858 and 1868 by General Evdokimov in the Kuban Region. In Daghestan, Russian colonization was limited to the valleys; the process was slow. Unlike elsewhere, in these places the mountain dwellers were not driven to the plains in great numbers; those villages that were moved down by way of punishment were later returned to their old places. It was only in Chechnia and Ingushetia that some of the mountain people were moved to Central and Northwestern Caucasus.

*Muhajirstvo* was most pronounced in Chechnia and Northern Daghestan, but it never reached the scope it achieved in the Northwestern Caucasus.

People were driven to the Ottoman Empire by numerous and at times fantastic rumors and fears which reached the Muslim mountain people after the war. People feared being baptized by force, recruited into the army, or being forced to join the Cossacks. The Russian military authorities tried to calm down their recent Muslim subjects.

In 1860, Caucasian Viceroy Prince Baryatinsky published a Proclamation to the Chechen People, but the Chechens preferred to trust the letters they received from the Ottoman Empire in which their relatives tried to convince them that persecution of the Muslims in the Russian Empire was not far off. The Turks, in turn, promised that they would transfer the lands vacated by the Armenians who had moved to Russia to the new settlers from the Northern Caucasus; they also promised tax benefits and financial grants. Russian and Ottoman sources contain ample information about the role of rumors in the emergence of the *muhajir* movement, however the problem remains inadequately studied.

On 10 May, 1862, the Caucasian Committee published its decision On Resettlement of the Mountain People; this is the official date of the beginning of the *muhajir* movement (in fact it began

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<sup>33</sup> See: S.F. Alibekov, "Lezghinskaia diaspora v Turtsii," in: *Emigratsiia severokavkazkikh narodov v Osmanskuuu imperiiu (vtoraia polovina XIX-nachalo XX vv.)*, Collection of articles compiled by S.F. Alibekov, Makhachkala, 2000, p. 115.

after the Crimean War of 1853-1856). A Commission on Deportation of the North Caucasian Mountain People to Turkey was set up to organize migration, distribute money, and talk to the owners of the transport ships needed to move the emigrants.

Chronologically, migration to Turkey from the Northeastern and Northwestern Caucasus more or less coincided, although there was a time gap between them. In the Northeastern Caucasus, the muhajir movement began in 1859 when the hostilities there had finally ended; the number of migrants, direction of migration and, most importantly, the migration policy itself varied. As distinct from the Northwestern and Central Caucasus, the outflow from the Northeastern Caucasus reached its peak in the 1870s, rather than the first half of the 1860s.

In the Northern Caucasus, the number of muhajiruns increased dramatically after the defeat of the 1877 uprising when repressions against the insurgents started on a grand scale.

During the first period (1856-1865), the czarist authorities, in violation of the 1860 agreement, encouraged emigration and prohibited those who went to Turkey from coming back.

During the second period (1865-1877), the scope of forced migration was trimmed, but the potential emigrants used all sorts of tricks to circumvent the law, the trick of "pilgrimage to Mecca" (hajj) being the most popular of them. The muhajir movement continued, albeit with varying intensity, until the mid-1920s.

Its numerical strength is hard to establish: the official Russian pre-revolutionary statistics and the figures supplied by the Ottoman authorities are incomplete. The relevant figures found in the Ottoman archives have not yet been properly studied and, therefore, remain outside academic circulation.

According to the official data supplied by the czarist authorities, between 1858-1865 493,194 people emigrated from the Northern Caucasus to the Ottoman Empire; 440,350 of them belonged to the Adighe peoples of the Northwestern Caucasus (Shapsugs, Ubykhs, Abadzekhs, etc.) and to the linguistically and culturally kindred Abkhazians. Between 1856 and 1925, about 40 thousand Chechens and Ingushes, 39,660 Nogais (including those who lived in the Kuban Region), 8-10 thousand Ossets, and 20-25 thousand Daghestanis left the Northeastern Caucasus.

The migration dynamics can be traced in the annual Reports on the State of Affairs in the Daghestan Region: between 1859 and 1861, 702 people moved; in 1863-1869 the figure was 1,603; in 1872, 120 families, while the following year, 179 families emigrated. An average family consisted of five members, which means that in two years (1872 and 1873) Daghestan lost at least 1,500 people.

Descendants of the North Caucasian muhajiruns supply their own (probably overstated) figures: in the last third of the 19th century, the Circassian diaspora in the Middle East was at least 1.5 million strong.

## History of the Adighes as a Political Instrument of Our Days

Practically all the North Caucasian peoples suffered for many years when the Northern Caucasus became part of the Russian Empire, their suffering being mainly caused by the forced resettlement of those peoples who rejected Russian rule and by the political methods Russia applied in the region.

It has been established beyond a doubt that in the 18th-early 20th centuries there was no voluntary migration to the Ottoman Empire. It should be said that during the previous centuries there were several cases of migration of North Caucasian peoples to the Ottoman Empire, mainly because it ruled



the region (at least partly) or because the people were exposed to Ottoman ideological (religious) pressure. It is an established fact that mass migration was caused by Russia's Caucasian policy.

Why did historians (in the 1990s) prefer to move beyond registering the fact and a very clear and substantiated description of this period of migration to join a new social-national movement for the recognition of what they called the genocide of Adighes?

This happened because at a certain stage the social-national movements were determined to achieve consolidation of their peoples to finally create a contemporary ethnic and political identity. The "history of suffering" of the Adighes proved to be the perfect instrument of national cohesion.

Were there other ideas that could have been used to achieve the same goal? The answer is No: by the early 1990s, the driving force behind the ethnic processes in the Northern Caucasus had been exhausted, while the national cultures of the North Caucasian peoples exposed for many years to the pressure of Soviet ideology had lost much of their previous vitality. Cultural globalization started in the 1990s contributed to the progressing crumbling of the people's national foundation.

Two facts confirm the way the tragic developments in the history of the Adighes were exploited:

- (1) *The Balkars and Kabardins brought together in the same republic by Stalin's whim had very different past histories.* The former kept away from the Caucasian War and never sided with the fighters for independence and, therefore, they were not forced to emigrate. They managed to exploit the Russian presence in the Northern Caucasus to enlarge their settlements and the lands they could use. There was a great shortage of land high in the mountains where they lived; Russian authorities allowed them to move into parts of the landed possessions vacated by the evicted Kabardins.<sup>34</sup>

Early in the 1990s, the Balkars, likewise, were seeking national consolidation; having nothing to do with the "Adighe history" of external migration to the east, they had to use the fact that Balkars were evicted during Stalin's repressions.

This means that in these cases two different historical facts were exploited in a more or less similar way. First, in both cases, public movements were brought together by the fact that their corresponding peoples had been victimized in the past; second, it was not the historical fact but rather its potential usefulness that was tapped to set up an ideological foundation of the state "nation-building."

- (2) *The nature of evolution of the Adighe national movements in the latter half of the 1990s-first half of the 2000s.* In the mid-1990s, all the national movements that relied on the tragic past of the North Caucasian peoples gradually began losing their impact and were replaced by religious, mainly Islamic, movements.

Freedom of consciousness in Russia encouraged the spread of Islam; by the mid-1990s, the religious community had been gradually replacing the national community.

Why had the ideas of "genocide" of the Adighes lost much of their impact by the latter half of the 1990s?

It seems that the public movements unfolding in the Northern Caucasus in the last twenty years can be divided into two types with different ideologies and different leaders. They had one thing in common: powerful anti-Russian sentiments as part of an ideology of the national and Islamic (mainly radical) movements.

The anti-Russian feelings among the North Caucasian peoples rest on several fundamental causes: social dissatisfaction with the standard of living and rejection of Russia as a conqueror and a metropolitan country, etc.

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<sup>34</sup> See: I.L. Babich, V.V. Stepanov, *Istoricheskaia dinamika etnicheskoy karty Kabardino-Balkarii*, Institute of Ethnology, RAS, Moscow, 2009.

This pushed the Islamic factor to the forefront; as a result the national movements were replaced with Islamic movements and anti-Russian sentiments survived, although with different ideological foundations. The Muslim leaders worked toward a common foundation for all nations, while the idea of the genocide of the Adighes did not extend to the Turkic-speaking peoples (who suffered during the Soviet repressions). The Muslim leaders exploited the idea that free religious feelings and services were impossible in a Russian state that was secular in form and Orthodox in nature.<sup>35</sup>

Significantly, the Muslim ideologists, likewise, relied on history, although on slightly different aspects. They urged the academic community to prove to the people that in the past Islam had been widely popular among the Adighes, which is not true. Islam, which began trickling into Adighe communities in the 15th century, was not widely popular at the time the Russians appeared in the region.

## Islamic Movements in the Northern Caucasus Today

In the mid-1990s, the local leaders started looking for new political instruments to confront the local power elites; it appears they selected Islam and Islamic renaissance as one of its forms. This was when the concept of political Islam emerged.

The idea of an Islamic state was an important step forward in the Muslims' political activities; the most radical among them were convinced that proliferation of Islam inevitably includes fighting for political leadership as one of its dimensions. It will lead to a new constitutional law and a new order (loyal to Islam and the Muslim law). The ideas about an Islamic state in some of the republics or in the Northern Caucasus as a whole were promoted by the ideas of a restored Arabian Caliphate that were actively spread around in the 1990s and early 2000s; Chechnia was expected to play the main role in the new state.

In the 1990s and early 2000s, the Northern Caucasus acquired new national and religious leaders. Still, on 13-14 October, 2005, the young Islamic leaders and a huge army of their supporters in Kabardino-Balkaria moved toward open confrontation. The new, "post-October" sociopolitical and ideological situation in Kabardino-Balkaria exhibited two fundamental trends. One of them was related to the pressure the Federal Security Service put on the young Islamic movement (it loses about 100 of its supporters every year). The second stems from the first: the Islamic and national movements (the Adighe movements in particular) are losing momentum.

In the mid-2000s, the national movements began gathering more popularity than the Islamic movements. Today, those youth leaders who supported the Islamic movements are now fighting Russia (I have in mind the national movements of the latter half of the 2000s-early 2010s). In Kabardino-Balkaria, the revived national movements turned once more to the past in which the Adighes were "victims."

It seems that *two circumstances played the key roles in the current revival*:

- (1) The ill-advised idea of the central government in 2007 to celebrate "voluntary unification of Russia and the peoples of the Northern Caucasus" on a great scale. The lavishly funded event caused a lot of well-justified displeasure in the region because the truth was flagrantly violated. The Russian government demonstrated that it refused to treat the Caucasian War and mass resettlement which followed as evidence of the use of force by which the Northern

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<sup>35</sup> For more detail, see: I.L. Babich, *Islamskoe vozrozhdenie v Kabardino-Balkarii*, Moscow, 2003.

Caucasus had been joined to the Russian Empire, events which stirred up the independence struggle and caused tragedies for many North Caucasian peoples.

- (2) The decision of the IOC passed in 2007 to hold the 2014 Winter Olympic Games in Sochi, because this stretch of the Black Sea coast had been the homeland of the Adighes and kindred people before the Russians arrived in the region. I have demonstrated above that the Western Adighes suffered more than the other Caucasian ethnicities.

This raised another wave of national movements for recognition of the genocide of the Adighes, radical groups and the parliament of Georgia joined in the drive to insist on restoration of historical justice. After the 2008 war with Russia in South Ossetia, Georgia became more actively involved in its relations with the North Caucasian peoples and recognized the “genocide” of the Adighes.

Georgian historians and parliamentarians recognized the actions of the Russian authorities as “ethnic cleansing and military punitive expeditions”; this purely political approach cannot be described as a scientifically substantiated definition. The Russian academic community confirms, to an extent, this tragic fact, however it will hardly become “politically accepted.”

## The Problem of Preserving the Adighe Culture

Engrossed in the political dimensions of the national movement of the Adighes, their leaders are paying practically no attention to what is happening to their culture.

The way the Adighe language is taught in Shapsug schools on the Black Sea coast can serve as a pertinent example. I have already supplied details of the Shapsugs’ everyday life in my *Problema sokhraneniia identichnosti shapsugov Prichenomoria v XXI veke* (The Problem of Preserving the Identity of the Shapsugs of the Black Sea Coast in the 21st Century).<sup>36</sup> In the 2000s, I organized several ethnographic expeditions to the Shapsug region.<sup>37</sup>

Today, the Black Sea Shapsugs are one of the numerically smallest Caucasian peoples (there are no more than 8 to 10 thousand of them), who live in the Tuapse and Lazarevskoe regions of the Krasnodar Territory.<sup>38</sup> The economy of a seaside resort has negatively affected the everyday life and traditions of the Shapsugs, but today it is their only means of survival.

In the 1990s, the Shapsugs of the Black Sea coast became actively involved in social and political activities. There is a public organization called Adyghe Khase (Public Parliament) headed by A. Chachukh set up to protect the interests of the Shapsugs-Adighes of the Black Sea coast.

In 1988-1989, the native Adighe language and Adighe literature were introduced into the school curriculum in the Lazarevskoe District thanks to the efforts of N. Bogus, who headed a group of teachers of Adighe in the district. She also organized hobby groups for people interested in traditional Adighe handicrafts and wishing to learn wood carving, sewing, knitting, and how to make folk ornaments.

So far, only a couple of lessons in Adighe are given a week; it is taught as an elective. A 30-year-old Shapsug and director of a village club told me that he had been one of the few boys who stayed on

<sup>36</sup> See: I.L. Babich, *Problema sokhraneniia identichnosti shapsugov Prichenomoria v XXI veke*, Moscow, 2008.

<sup>37</sup> See: Field ethnographic materials gathered by I.L. Babich in the Lazarevskoe and Tuapse districts, Krasnodar Territory, Russia, 2002, 2007.

<sup>38</sup> They live in the mountain villages (auls) of Makopse, Golovinka, Psebe, Shkhafit, Akhintam, Bolshoy Kichmai, Maly Kichmai, Khajiko, Tkhagapsh, Bolshoe Pseushkho, Maloe Pseushkho, Tsipka, Aguy-Shapsug, as well in Lazarevskoe, a large settlement of the urban type, and the cities of Tuapse and Sochi.

at school to attend the Adighe lessons, while the others went home for lunch, and admitted that he would have willingly avoided the lessons.

All sorts of regular events for schoolchildren are organized in Shapsugia with the aim of popularizing the native language. In 1993, Tuapse hosted the first contest of Shapsug schoolchildren who demonstrated their knowledge of the language, culture, and traditions of the Adighes. It was attended by well-known writers, composers, and musicians, including People's Writer of Adigey and Kabardino-Balkaria I. Mashbash. This is an annual event.

N. Bogus is convinced that teaching of the native language leaves much to be desired. In 2000-2001 she drew up a document "On the State of Teaching of the Adighe Language in Shapsugia" to inform the local authorities of the true state of affairs in this sphere.

She has compiled another documents addressed to A. Chachukh, Chairman of the Shapsug Adyghe Khase, and to the head of the Department of Education of the Tuapse District, in which she wrote: "School administrations are doing nothing to preserve and develop the language; they complain of the packed school curriculum, unwillingness of some children or their parents to study the native language, and the absence of teachers of Adighe... In view of the fact that the Shapsugs are a small ethnicity and that their extinction is brought closer because they are losing their language, one of the vehicles of communication, traditions, culture and ethnic specifics, I ask you to:

- "Include the native (Adighe) language on the list of required subjects;
- "Address the problem of the shortage of teachers by involving teachers with higher special education;
- "Introduce 5 hours a week of Adighe language in primary school (1st-4th grade); 3 hours a week for 5th-9th grade; and 2 hours a week for 10th-11th grade."

Early in the 1990s, the Shapsug language became a required subject for all grades 1 through 9; very soon, however, it became an elective. Today, the language is taught twice a week in 7th and 8th grade; as a rule the young children love these lessons, while teenagers are less enthusiastic.

There are several reasons for this:

- (1) there are mixed families in which mother is Russian while father is Shapsug; in such families Russian is used;
- (2) there is a linguistic contradiction—at home people use everyday language while at school children are taught its literary variant;
- (3) the literary language is no longer used in economic and social life, so the children see no reason to study it;
- (4) teenagers prefer dances and sports to lessons in their native language;
- (5) since it is taught as an elective, teachers cannot give grades (which is an important tool of stimulation).

### *In Lieu of a Conclusion*

It seems that the efforts to build a modern ethnic identity on the foundation of "being a victim" and victimization are counterproductive. This approach does not create the new space very much needed for the development of any society; the North Caucasian people acquire nothing and lose the chance of further ethnic development.

While concentrating on “recognition of the genocide of the Adighes,” the leaders are ignoring the present state of culture, which is leading to loss of those national elements that can still be saved and strengthened.

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## INSTITUTIONAL MEDIATION OF THE CONFLICTS IN THE CAUCASUS

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### *Introduction*

The peaceful settlement of international conflicts has gained strong support and recognition as one of the fundamental principles of international relations. Different means and methods of mediation have been used by practitioners over the years. As a form of conflict management and peaceful settlement, mediation is very much in line with contemporary international relations. In the present-day interconnected multi-state system, which includes a lot of broken agreements and unstructured conflicts, prevention or taking only one side may lead to a future struggle, or states may act only in their own interests and not always agree to enter negotiations. In such situations, mediation may be the only viable option the sides are willing to accept.

Conflicting parties usually face two questions: should they accept mediation and, if yes, whose mediation should they accept? Parties agree to mediation, expecting that it will work in their interests. One of the most widespread motives, in our opinion, is the expectation that the mediator can reach a better result than the one that might ensue if the conflict continues.

In this article, we propose a classification of mediation based on the principle of subjectivity. World history and mediation practice have proven that, in most situations, the main factor influencing the decision to accept or not accept mediation is the individuality of the mediator and its subjectivity. We provide a classification based on whether the mediator is an individual, state, or international organization. In this particular article, we will talk only about institutional mediation through the prism of peaceful settlement of the conflicts in Caucasian states—Georgia and Azerbaijan. Institutional mediation is mediation initiated by an international organization or institution.

Nowadays this type of mediation is the most developed for a number of objective and subjective reasons. The subjective reasons include perception of the international organization as an impartial, even neutral side that represents the opinion of many countries and does not follow its own interests, except for the attempt to restore peace and security in the region. The objective reasons are the availability of more instruments

of persuasion, mechanisms of mediation, and resources for fulfilling the mediation mission, as well as international legal and institutional consolidation of the mission. Moreover, as practice has shown, the specific features of the international organization's work do not have a decisive influence on the effectiveness of the mediation efforts.

Indeed, when talking about institutional mediation, we must first consider the United Nations. For a long time it was the only organization that took responsibility for restoring peace in the world. Later, the Organization for Security and Cooperation in Europe began taking responsibility in the respective region. Recently the European Union has begun realizing its capabilities and responsibility in Europe, particularly in the Black Sea region.

In point of fact, mediation by an international organization can take two forms: direct diplomatic mediation and peace operations. At the end of the 20th century, peace operations stopped being purely military operations. With the addition of a civilian component, as well as specific functions, peace missions have begun to act more and more as mediators.

The mediator should be able to explain to the warring parties why it is intervening in peaceful settlement of the conflict. Given the situation, this is much easier for international organizations to do. In many situations, mediation is mostly procedural, helping to establish a framework in which negotiations can take place. In these circumstances, the impartiality of the mediator is a characteristic complimented by all warring par-

ties. Reality confirms that very seldom can the mediator be neutral, but the level of trust of the conflicting sides depends on the mediator's objectivity and equal attitude toward them, which results in whether or not they accept the mediator's proposals and their level of cooperation with it.

The Caucasian sub-region emerged on the international arena after the collapse of the Soviet Union with a series of so-called ethnic conflicts in Abkhazia, South Ossetia, and Nagorno-Karabakh. From the very beginning, they attracted the attention of the world community, provoking various mediation and peacekeeping efforts. Despite the efforts of individual states and international organizations, the prospect of these conflicts being settled cannot yet be seen.

Despite the "frozen" state of the conflicts in the Caucasus and the limited possibilities of the international organizations acting as peacekeepers, they are still perceived as the best candidates for the role of mediators, as most of the countries, such as the Russian Federation, the U.S., and Turkey, have either lost their credibility or are perceived as one of the parties involved.

The recent Russian-Georgian conflict of 2008 and recognition by the Russian Federation of the independence of two former Georgian territories did not lead to any dramatic changes in the security situation in the region. Nevertheless, it revealed the limited possibilities of the international organizations already acting as mediators and peacekeepers in the region (the U.N., the CIS, and the OSCE), as well as the growing potential of the European Union as a peace broker.

## The United Nations

*The Georgian-Abkhazian conflict* escalated into a series of armed confrontations in the summer of 1992. A ceasefire agreement was reached on 3 September, 1992 in Moscow by the Republic of Georgia, the leadership of Abkhazia, and the Russian Federation. The agreement stipulated that "the territorial integrity of the Republic of Georgia shall be ensured." However, the agreement was never fully implemented.

The United Nations sought to revive the peace process by diplomatic means, consulting with the Conference on Security and Cooperation in Europe (CSCE) to ensure effective coordination of activities. In November 1992, a United Nations office opened in the Georgian capital of Tbilisi to provide



an integrated United Nations approach in the region and to assist in the peacemaking efforts of the Secretary-General. In May 1993, the Secretary-General appointed a Special Envoy for Georgia. His first mission to the region reaffirmed that all parties supported the active role of the United Nations in reaching a peaceful resolution to the conflict.

On 14 May, 1994, after several rounds of difficult negotiations chaired by the Secretary-General's Special Envoy, the Georgian and Abkhaz sides signed in Moscow the Agreement on a Ceasefire and Separation of Forces. The parties agreed to the deployment of a peacekeeping force of the Commonwealth of Independent States (CIS) to monitor compliance with the Agreement, with UNOMIG monitoring implementation of the agreement and observing the operation of the CIS forces.<sup>1</sup>

As for the political settlement process, in 1994, the U.N. initiated what came to be known as the Geneva process. After languishing for some years, it was revived in 1997. A new Coordinating Council composed of Georgia, Abkhazia, Russia, and the U.N. was set up to serve as the main forum for negotiations. The "Group of Friends of the U.N. Secretary-General for Georgia" (America, Britain, France, Germany, and Russia) and the OSCE participated as observers. However, little progress was made as the talks were bogged down in "negotiations about negotiations."<sup>2</sup> The 2001 Boden plan—a settlement proposal elaborated by the U.N. Secretary-General's Representative for Georgia and the Group of Friends—was rejected by Sukhumi.<sup>3</sup>

The summer of 2008 became a critical moment for the mediation efforts of the U.N. and the OSCE. Despite the Six-Point Agreement, in June 2009 the Russian Federation vetoed prolongation of the U.N. Mission in Abkhazia and the OSCE Mission in South Ossetia. The Geneva process has remained the only instrument for the mediation efforts of these respected organizations.

*The Nagorno-Karabakh* conflict erupted in 1988 from a decision of the Regional Council of the Nagorno-Karabakh Autonomous Region (NKAR) to appeal to the Supreme Councils of the U.S.S.R., Azerbaijan, and Armenia to authorize the secession of NKAO from Azerbaijan and its attachment to Armenia. By 1990 the conflict had developed into a full-scale confrontation.

The U.N. appeared to be less interested in settlement of the conflict than was expected and limited its role in conflict resolution to political statements by the Security Council. However, the U.N. never elaborated new models and measures to handle the conflict. The actions undertaken by the U.N. were limited to fact-finding missions in Nagorno-Karabakh, serving as the main source for the UNSC political statements regarding the situation. The positions expressed in these political statements were usually seen as favoring one of the conflicting parties and very soon the U.N. as a mediating instance became discredited for all parties—Armenia and Nagorno-Karabakh authorities, and Azerbaijan.<sup>4</sup>

## The Organization for Security and Cooperation in Europe

*The Georgian-South Ossetian* conflict broke out toward the end of 1990. In 1992, Georgia accepted a ceasefire to avoid a large-scale confrontation with Russia, which unofficially supported

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<sup>1</sup> See: "United Nations Mission in Georgia," available at [<http://www.un.org/en/peacekeeping/missions/past/unomig/background.html>].

<sup>2</sup> B. Coppieters, "Introduction," in: Federal Practice, ed. by B. Coppieters, D. Darchiashvili, N. Akaba, VUB Press, Brussels, 2000, p. 16.

<sup>3</sup> See: N. Tocci, *The EU and Conflict Resolution: Promoting Peace in the Backyard*, Routledge, London, 2007, p. 129.

<sup>4</sup> See: K. Barseghyan, Z. Karaev, "Playing the Cat-and-Mouse: Conflict and Third Party Mediation in Post-Soviet Space," *The Online Journal of Peace and Conflict Resolution*, Vol. 6, No. 1, Fall 2004, p. 201, available at [[http://www.trinstitute.org/ojpcr/6\\_1n-k.pdf](http://www.trinstitute.org/ojpcr/6_1n-k.pdf)].

the South Ossetian side. In November 1992, the Conference for Security and Cooperation in Europe (CSCE), later the OSCE, deployed a mission to Georgia. The OSCE Mission promoted negotiations between the conflicting parties in the zone of the Georgian-Ossetian conflict (1992), and supported the U.N.-led peace process in the zone of the Georgian-Abkhaz conflict (1993). Since 1993 the OSCE has been monitoring the security situation, engaging in field diplomacy, encouraging impetus in negotiations between the sides, and working on building confidence between the communities to help prepare the way for peaceful settlement of the conflict.<sup>5</sup>

The reason for the OSCE dealing with Ossetia and the U.N. with Abkhazia was due to the way in which both conflicts ended. The Russian Federation established the Ossetian ceasefire, and a Joint Control Commission (Russia, North Ossetia, South Ossetia, and Georgia) was set up to work out a final settlement. OSCE was invited to act as an observer on the JCC from the beginning. Abkhazia was resolved through mediation by Friends of the U.N. Secretary General (Russia, U.K., France, and Germany) and the U.N. Mission was established to carry forward the negotiating process, including Georgia and Abkhazia. Although both the U.N. and OSCE Missions had different mandates, the cooperation that developed between the two Missions was very helpful in looking at different approaches to conflict settlement and learning from each other's experiences.

To help stabilize the security situation and create a more favorable context for political dialog, the Mission carried forward several initiatives to build confidence between the sides. These included programs on: economic and infrastructure rehabilitation, civic society and human rights development through small grants for nongovernmental organizations, training for journalists reporting on conflict, to promote unbiased media coverage of events. Since 1994, the Mission has liaised with the U.N. operations in Abkhazia to follow events closely.<sup>6</sup>

The OSCE as a mediator tried to mediate not only the warring parties, but also the various mediation and peacekeeping efforts in the region. So the OSCE Mission increased its influence in the JCC over the years and managed to include the European Commission in the meetings. Various settlement proposals were put forward and from 2006 onwards an economic rehabilitation plan was launched involving both sides. In addition to political mediation and conflict resolution, the OSCE dealt with so-called mediation on the ground, discussing possibilities for the implementation of various economic and infrastructural projects. A number of proposals for autonomy within Georgia for South Ossetia were also tabled and discussed, but this has not led to a final settlement.

From 2006 onwards the Georgian Government appeared to be in a hurry to resolve the dispute in its own favor—the creation of a parallel administration, the heightened rhetoric, and the construction of a major military base in Gori were evidence of this. At the same time, the OSCE took a longer-term view and wanted to use the economic program to build confidence between the communities. The Mission curtailed its activity in June 2009 due to the Russian Federation's refusal to prolong its mandate.

*In Nagorno-Karabakh*, the OSCE de facto appeared as the only mediator and peace builder at the early stages of the conflict development. Being itself in the process of transformation from the Conference for Security and Cooperation in Europe to the Organization, as well as its enlargement due to the dissolution of Yugoslavia and the U.S.S.R., the OSCE tried to take on the new role of mediator in a region where it did not have any previous experience or close connections with the parties in the conflict. The Karabakh intervention marked the first time in history that the OSCE committed itself to resolving a conflict as a mediator in a peace conference.

The Helsinki Additional Meeting of the CSCE Council on 24 March, 1992 requested the Chairman in Office to convene a conference on Nagorno-Karabakh as soon as possible under the auspices

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<sup>5</sup> See: "OSCE Mission to Georgia," available at [<http://www.osce.org/georgia/33133.html>].

<sup>6</sup> See: "OSCE Mission to Georgia," available at [<http://www.osce.org/georgia/16289.html>].



of the CSCE to provide an ongoing forum for negotiations toward a peaceful settlement of the crisis on the basis of the principles, commitments, and provisions of the CSCE. The Conference was to take place in Minsk. Although it has not been possible to hold the conference to date, the so-called Minsk Group spearheads the OSCE's efforts to find a political solution to this conflict. Its tasks are: to provide an appropriate framework for conflict resolution in the way of assuring the negotiation process supported by the Minsk Group; to obtain conclusion by the Parties of an agreement on the cessation of the armed conflict in order to permit the convening of the Minsk Conference; and to promote the peace process by deploying OSCE multinational peacekeeping forces.<sup>7</sup> The Minsk Process is supported by the Minsk Group that is co-chaired by France, the Russian Federation, and the United States, which was a compromise between the different views of the conflicting parties.

The OSCE planned measures but almost always failed to implement them. While the main barriers to the UNSC's effective involvement in peacebuilding can be found in its political nature, the main constraints to the OSCE's effective policy can be found in the lack of resources, as well as in its organizational and procedural gaps. It was unable to mobilize any diplomatic, political, or military mechanisms to maintain the cease-fire agreements.<sup>8</sup> From the very beginning, the CSCE's lack of experience with these type of conflicts and reduced solidarity among its members, combined with Russia's regional ambitions and Turkey's advocacy role serve to weaken the intervention.<sup>9</sup>

Also, Russia's special envoy to the Minsk Group started applying shuttle diplomacy between the conflicting parties. However, in contrast to other contributing peace efforts in the region, Russia's role undermined the CSCE's role and caused confusion among the parties and the mediators.<sup>10</sup> An Armenian diplomat said: "It is easier to bring the positions of Baku and Erevan closer to each other than to reach an agreement between the mediators—Russia and the Minsk Group."<sup>11</sup>

Between 1994 and 2008, the Minsk group presented several proposals for a stable peace settlement, which were rejected either by Azerbaijan or by Armenia. The three proposals were; package plan, step by step plan and finally common state proposal. After the rejection of these three main proposals the OSCE changed its negotiation strategy in 1999. It started giving more priority to face-to-face meetings between Azerbaijani and Armenian officials.<sup>12</sup>

## The European Union

In its report in 2006 on the EU's Role in Conflict Resolution in the Southern Caucasus, the International Crisis Group mentioned that "yet, the unresolved Nagorno-Karabakh, Abkhazian and South Ossetian conflicts have the potential to ignite into full-fledged wars in Europe's neighborhood. To guarantee its own security, the EU should become more engaged in efforts to resolve the three disputes. It can do so by strengthening the conflict resolution dimension of the instruments it applies."<sup>13</sup>

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<sup>7</sup> See: "Minsk Process," available at [<http://www.osce.org/item/21979.html>].

<sup>8</sup> See: K. Barseghyan and Z. Karaev, op. cit., p. 202.

<sup>9</sup> See: M. Mooradian, D. Druckman, "Hurting Stalemate or Mediation? The Conflict over Nagorno-Karabakh, 1990-95," *Journal of Peace Research*, Vol. 36, No. 6, 1999, pp. 709-727.

<sup>10</sup> See: B. Başer, "Third Party Mediation in Nagorno-Karabakh: Part of the Cure or Part of the Disease?," *Journal of Central Asian and Caucasian Studies (JCACS)*, Vol. 3, No. 5, 2008, p. 93.

<sup>11</sup> B. Coppeters, "Conclusions: The Caucasus As a Security Complex," in: *Contested Borders in Caucasus*, ed. by B. Coppeters, VUB University Press, Brussels, 1996, p. 202.

<sup>12</sup> See: B. Başer, op. cit., p. 94.

<sup>13</sup> *Conflict Resolution in the South Caucasus: The EU's Role*, International Crisis Group, Europe Report No. 173, 20 March, 2006.

In 2003, the EU appointed the first European Union Special Representative for the Southern Caucasus. Peter Semneby has held this post since 2006 and has managed to raise the profile of the position considerably, notably through his hands-on engagement in Georgia. He was a more visible EU actor in the country than the Commission delegation, even though he was not permanently stationed in the country. The principal objectives of his mandate have been to “prevent conflicts in the region” and to “contribute to the peaceful settlement of conflicts.”<sup>14</sup> However, he has been given few means to achieve these objectives. He has not been authorized to act as mediator between the conflict parties, nor has he been given any strong material leverage to exert influence on them. His main role has been to act as the local relay of EU messages designed to moderate the conflictual behavior of the parties and to persuade them to reinvent their search for a negotiated settlement. He has held political dialog with the parties to the conflict and other interested actors such as the U.N., the OSCE and the U.N. Group of Friends.<sup>15</sup>

The EU member states also played a prominent role in the Group of Friends of the U.N. Secretary-General for Georgia. In 2005, the EU states, Estonia, Latvia, Lithuania, and Poland, as well as applicants Romania and Bulgaria, formed an informal group—the New Friends of Georgia. They acted not as mediators but as policy advocates, making the case for, among other things, a greater EU role in negotiations to resolve the frozen conflicts and in the internationalization of peacekeeping forces in Abkhazia and South Ossetia. Also, they advocated putting pressure on Moscow to constrain it to reduce its military posture.

At the beginning of June 2008, High Representative for the CFSP Javier Solana visited Georgia and Abkhazia in order to signal the Union’s resolve to inject new momentum into the resolution of the conflicts. The Georgian President, in turn, toured the key EU capitals at the end of the same month in an attempt to persuade the EU to put pressure on Moscow to stop undermining Georgia’s territorial integrity. About a week later, it was German Foreign Minister Steinmeier, acting as coordinator of the Group of Friends, who sought to calm the situation. He flew into Tbilisi and Sukhumi to present a peace plan to Georgia and Abkhazia, which had been previously discussed with Moscow.

The EU’s role in conflict resolution and peacebuilding has evolved in response to the changes in the international system, the EU’s own internal political dynamics, and the EU’s capacity and willingness to play a major role in regional and international conflicts.<sup>16</sup> This opinion describes why de facto the European Union was not active in the peace process until 2008, providing mostly confidence-building measures in the region. The EU, generally more comfortable with a post-conflict rehabilitation and peacebuilding role, has been wary of becoming directly involved in conflict resolution. Yet, it could offer added value to the efforts of the U.N. and OSCE.<sup>17</sup>

Nicu Popescu stated that over the years, the EU spent over EUR 30 million before 2008 on post-conflict reconstruction around the conflict zones of Abkhazia and South Ossetia, but failed to develop a political and security strategy vis-à-vis these conflicts. The EU spent money on the conflict zones in the hope of promoting reconciliation between the parties to the conflicts, but also to become more influential in the conflict resolution efforts.<sup>18</sup> Here we can raise a reasonable question as to whether a promoter of peace is a mediator? The breakout of the war demonstrated the inadequacy of EU conflict prevention and management policies in the region. Despite significant fund-

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<sup>14</sup> Council Joint Action 2006/121/CFSP of 20 February, 2006 appointing the EU Special Representative for the South Caucasus, *OJ* 2006 L 49/14.

<sup>15</sup> See: M. Merlingen, R. Ostrauskaite, “EU Peacebuilding in Georgia: Limits and Achievements,” Centre for the Law of EU External Relations, CLEER Working Papers, 2009/6, p. 18.

<sup>16</sup> See: M. Bardakçı, “EU Engagement in Conflict Resolution In Georgia: Towards A More Proactive Role,” *Caucasian Review of International Affairs*, Vol. 4 (3), Summer 2010, available at [[http://cria-online.org/12\\_2.html](http://cria-online.org/12_2.html)] - pp. 214-236].

<sup>17</sup> See: *Conflict Resolution in the South Caucasus: The EU’s Role*, p. 2.

<sup>18</sup> See: N. Popescu, “The EU’s Conflict Prevention Failure in Georgia,” *CACI Analyst*, 14 October, 2009.

ing disbursed to mitigate the consequences of the conflicts, EU assistance could not replace a political and security strategy for conflict prevention. The deterioration of the security situation on the ground quickly invalidated the potentially stabilizing effect of EU financial efforts to promote long-term conflict resolution.<sup>19</sup> In this situation, the main motive of the EU involvement as a mediator in 2008 was restoration of its reputation in the region and gaining back those positions it pretended to have there.

Sometimes we can witness substitution of notions, when other actions classified as peacebuilding or prevention are called mediation. So, before 2008, the EU played the role of a sponsor for peacebuilding, reconstruction, and restoring confidence between the parties. All these indirectly influenced the possible settlement of the conflict, but were not mediation itself, as they mostly dealt with people-to-people relations.

While the U.N. and the OSCE thus have to be counted among the losers of the Russia-Georgia conflict of 2008, the EU, somewhat unexpectedly, was able to impose itself as peacemaker. Due to the policy entrepreneurship of the French Presidency, the EU played the key role in bringing the short war to an end, in monitoring the ceasefire, and in leading the international talks that were convened to deal with the fall-out from the conflict. Since then, Georgia has been the theater with the most EU institutional actors on the ground.<sup>20</sup>

The week of the military actions and mediation of the European Union headed by President of France N. Sarkozy led to the signing of the Six-Point Agreement. At the beginning of September, the EU and Russia agreed that Russian forces would withdraw from the areas adjacent to the break-away republics within 10 days of the deployment of an EU Monitoring Mission in the conflict area.<sup>21</sup> The agreement de facto designated the EU as guarantor of peace in Georgia. With this agreement, the EU first started acting as an official mediator among Tbilisi, Moscow, Tskhinvali, and Sukhumi. Still in the preparatory phase, the EU decided to limit its meditation to issues related to conflict management, as opposed to conflict resolution. This was the result of a realistic assessment on the part of the EU of the dim prospects of a genuine peace conference along the lines of the Dayton negotiations on Bosnia.<sup>22</sup>

Political dialog is one of the main foreign policy instruments of the EU. It used it to incorporate it into the management and resolution of the territorial conflicts in Georgia. It sought to moderate the conflictual behavior of the parties and to change their attitudes and negotiation positions. But in 2008 the overall impact of political dialog on the peace process was marginal. This had to do with the fact that the EU failed to create sufficient leverage over the conflict parties that would have enabled it to broker peace. In particular, it proved incapable of using policies of conditionality. In the opinion of Michael Merlingen, in the case of Abkhazia and South Ossetia, such policies were excluded because the EU did not have official relations with them.<sup>23</sup> It is difficult to agree with this, as absence of official recognition did not stop the EU in the cases of Palestine and Kosovo. At the same time, divisions among Member States made it impossible for the EU to make its relations with Russia conditional on Moscow's willingness to settle the frozen conflicts.

The EU engagement in and around the conflicts involving Georgia is best described as negotiation cum mediation. Broadly speaking, the EU negotiates with Georgia and Russia independently on their bilateral agendas with the EU, including on questions relevant to the conflicts. In addition to this, the EU mediates between the sides to Georgia's conflicts. The negotiation exercise has in a sense framed

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<sup>19</sup> See: *Ibidem*.

<sup>20</sup> See: M. Merlingen, R. Ostrauskaite, *op. cit.*, p. 10.

<sup>21</sup> The 8 September, 2008 agreement, detailing the implementation of the 12 August, 2008 six-point plan, available at [[http://ambafrance-us.org/IMG/pdf/mise\\_en\\_oeuvre\\_plan\\_12\\_aout\\_2008.pdf](http://ambafrance-us.org/IMG/pdf/mise_en_oeuvre_plan_12_aout_2008.pdf)].

<sup>22</sup> See: M. Merlingen, R. Ostrauskaite, *op. cit.*, p. 23.

<sup>23</sup> See: *Ibid.*, p. 13.

the context of these mediation efforts. The EU's strength is in its multiple roles, mandates and engagement on different levels—although the EU has not always been able to capitalize on this.<sup>24</sup>

In the field of international peace mediation, the perceived context of the international system (conflicts, issues, parties) and the identity of the mediator shape the form and character of mediation. It is important to stress the reciprocal influence of each of these factors, which determine the shape of the EU's international peace mediation efforts.<sup>25</sup>

Our main argument is that the peace process in Georgia has failed because third-party interveners such as the EU have allowed a huge gap to open up between their role as “apolitical” peace builders and their role as politically engaged peace brokers.<sup>26</sup> After the Russian-Georgian crisis of 2008, the EU should not only learn the lessons, but also elaborate a clear policy toward other regional conflicts, first of all Nagorno-Karabakh and Transnistria.

## Conclusions

Prior to the 2008 summer war, the main third-party interveners in the Caucasian territorial conflicts were the United Nations and the OSCE. The EU played a secondary role, although it began to increase its contribution to the future peace process. This policy upgrade notwithstanding, Brussels neither had an operational role with regard to peacekeeping forces in the two break-away republics nor was it a member of the principal multilateral negotiation formats dealing with the management and resolution of the conflicts—the JCC and the Geneva process.<sup>27</sup>

However the situation has changed, and it came not only from the external conditions in which the EU appeared after the latest round of enlargement, but also from an internal understanding of the changing role of the EU, the need to take greater responsibility in world affairs, and a certain accommodation of the different national policies toward the crisis regions. A rather general view existed that the practice of mediation is of added value to the EU in its role as a regional actor in conflict resolution. Although international peace and security is to some extent viewed as falling under the remit of the U.N., there is a perceived added value of the EU in peace mediation, as it can act as an alternative player. Other regional organizations see the EU as more their equal than the U.N., for instance, and it provides an alternative to the wider internationalization of a conflict.<sup>28</sup>

At the same time, one of the main challenges to institutional mediation today is that a mandate of the international organization can be stopped at any time and the mission recalled. This happened with the United Nations Mission in Georgia in 2008, when one of the Security Council's permanent members—Russia—vetoed prolongation of the mission, as well as with the OSCE Mission to Georgia in 2009, for the same reason. The second weak point of international organizations as mediators is the everlasting balance that must be maintained between the national interests of the member states and the general mission of the organization, which is a usual problem for the European Union.

Today international organizations can act de facto as mediators in two directions—either as “builders” or “gardeners.” Both create something. However, whereas “builders” creating a structure for future peace very often find themselves blocked in those frames they have created, “gardeners”

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<sup>24</sup> See: M. Frichova Grono, “Georgia's Conflicts: What Role for the EU as Mediator?,” IHP Mediation Cluster, *International Alert*, March 2010, p. 20.

<sup>25</sup> See: A. Herrberg, “Perceptions of International Peace Mediation in the EU,” The Crisis Management Initiative, November 2008, p. 9.

<sup>26</sup> See: M. Merlingen, R. Ostrauskaite, op. cit.

<sup>27</sup> See: Ibid., p. 9.

<sup>28</sup> See: A. Herrberg, op. cit., p. 14.

create conditions in which peace can develop and “grow” constantly, de facto setting conditions for its full-fledged existence. In the conflicts in the Caucasian states, international organizations mostly act as “builders,” creating frames and constructing conditions that do not have a significant influence on the peace process itself, so they cannot go beyond the boundaries they have created themselves.

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## ARMENIA AND GEORGIA: PROBLEMS AND PROSPECTS

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### *Introduction*

**R**elations between Armenia and Georgia go back many centuries into the history of these two neighboring nations. The recent history of their relations as two post-Soviet newly independent states is only two decades old, which means that certain problems have not yet been resolved.

Both countries have to cope with political, ethnopolitical, economic, linguistic, and religious problems; the situation in both countries is further complicated by the far from simple processes of nation-building and the countries' involvement in bloody ethnopolitical conflicts in the Caucasus. This has inevitably affected the political and so-

cioeconomic development of both Armenia and Georgia.

Here I am going to assess the general dynamics, present state, possible prospects, and potential problems in Armenian-Georgian relations. I have paid particular attention to the main parameters of their relations in the economic, communication, political, military, cultural, educational, and humanitarian spheres, to say nothing of an especially important aspect regarding the Russian factor in Armenian-Georgian relations and the situation in Samtskhe-Javakheti, an administrative region of Georgia with a predominantly Armenian population.

## Cooperation in the Economy and Communications

Economic cooperation between the two countries is mainly limited to the transit of goods to and from Armenia and of energy resources from Russia to Armenia across Georgia. The economies of both Armenia and Georgia are poorly integrated; they operate in different markets; they deal with different importers, while the structures of their economies have little in common, etc.

Trade turnover between them is carried out via one railway and two highways (the Bagratashen and Bavra checkpoints). The Guguti checkpoint on the border between Armenia (Tashir Region) and Georgia (the Kvemo-Kartli administrative region) is rarely used. The electric power systems of the two countries are connected by several power lines. Georgian territory is crossed by the North-South main gas pipeline, which brings Russian gas to Armenia. Armenia receives commodities “from the outside world” via Georgia (through the Black Sea ports of Poti and Batumi) and along the highways from Turkey (through the Vale and Sarpi checkpoints; another checkpoint at Karzakhi will soon be opened). The still unsettled Nagorno-Karabakh conflict makes the transit of goods from Azerbaijan to Armenia via Georgia practically impossible.

It should be said that, on the whole, the intensity of transit of Armenian cargoes across Georgia depends on the political situation. In March 2010, after a long hiatus caused by political problems between Russia and Georgia, the Verkhniy Lars checkpoint on the Russian-Georgian border was reopened.

According to the National Statistical Service of Armenia, in 2009 export of Georgian goods to Armenia amounted to \$40,890 million, while Armenia exported \$52,806 million-worth of goods to Georgia.<sup>1</sup>

According to Georgian statistics, in 2009 Georgia exported \$88,442 million-worth of goods (7.9% of the total volume of Georgian exports) to Armenia and bought Armenian goods totaling \$41,346 million.<sup>2</sup> The different figures are explained by different calculation methods and by the fact that Georgia registers part of transit trade turnover as its own imports. In 2009, Georgia ranked fifth among the countries that export goods to Armenia (7.4% of the total) and 19th (with 1.2%) in the total structure of Armenian imports. Armenia, in turn, ranks fourth (7.9%) among the countries that import goods from Georgia and is outside the group of top ten largest exporters.

Armenia mainly exports construction materials, glass, rubber and plastic goods, animal and agricultural products, machinery, and medical supplies to Georgia and imports from it foodstuffs, agricultural products (mainly sugar and wheat, which may to some extent be re-export commodities), nitrogen fertilizers, metal products, timber, and wood products.<sup>3</sup>

In the last few years, re-export of second-hand cars (from the U.S. and Europe) to Armenia has come to the fore as an important item of Georgian export, together with ferroalloys and nitrogen fertilizers. In 2008, Georgia re-exported cars totaling \$706.8 million; the figure for 2009 was \$254.7 million. In 2007-2009, over 70% of the cars exported from Georgia went to Azerbaijan and Armenia.<sup>4</sup> According to the figures for January 2011, cars dominated in Georgian exports: the country sold cars totaling \$26 million (18% of its overall exports)<sup>5</sup> mainly to Azerbaijan and Armenia.

For a long time, Armenia sold electric power to Georgia and Turkey (through intermediary companies and across Georgian territory). In recent years, however, Georgia has developed its energy sphere (it has built several gas-turbine power stations) to the extent that it no longer needs to buy electric power from Armenia. At the same time, the fifth block of the Hrazdan thermal electric power plant (its pilot testing began in the spring of 2012) will produce enough exportable electricity (about 160 megawatts) to be resold to Turkey via Georgia. There is information that Gazprom of Russia has been studying the capabilities of several German intermediary companies.<sup>6</sup>

Today, Georgia's tourist revenue, primarily generated by visitors from Turkey, Azerbaijan, and Armenia, is rising: tourism has become an important branch of the country's economy. The number of Armenian tourists who spend their holidays on the Georgian Black Sea coast (particularly in Ajaria)

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<sup>1</sup> See: *Statistichesky ezhegodnik Armenii—2010*, Erevan, 2010.

<sup>2</sup> See: *External Trade of Georgia, 2009. National Statistic Office of Georgia*, Tbilisi, 2010.

<sup>3</sup> See: *Statistichesky ezhegodnik Armenii—2010*.

<sup>4</sup> See: *External Trade of Georgia, 2009*.

<sup>5</sup> *Ibidem*.

<sup>6</sup> See: “Gazprom pri posrednichestve nemtsev khochet vyvesti armianskuiu elektroenergiu cherez Gruziiu v Turtsiiu,” available at [www.regnum.ru/news/1372256.html], 7 February, 2011.



is increasing: Armenians are attracted by the affordable prices and comfortable distance from their country. In 2010, the number of Armenian tourists on the Georgian Black Sea coast was a little more than 100 thousand.<sup>7</sup>

In turn, in anticipation of an inflow of Armenian tourists to the seaside resorts of Georgia, Armenian business in Ajaria and some other regions has become more active. It is estimated that Armenians have already poured several tens of millions of U.S. dollars in investments into the tourist and transport infrastructure.

In mid-2010, the Armenian public became concerned about the allegedly vast capital outflow from Armenia to Georgia. According to the media, during 2010 about 100 Armenian companies and private enterprises reregistered their businesses in Georgia.<sup>8</sup> There was information that several big entrepreneurs planned to move their businesses to Georgia to profit from its more favorable business climate, acceptable legal regulation of business activities, and low corruption level. It seems that the subject has been excessively politicized: no one can say whether the country is facing capital outflow or whether Armenian businessmen, having prospered at home, are expanding to other countries. Nothing has been done to go deeper into the economic aspects of the issue.

## Relations in the Political Sphere and Regional Processes

Sustainable and safe transport routes between the two countries is an important issue both economically and politically in view of Armenia's unsettled relations with Azerbaijan and Turkey and the fact that Armenia's only link with the rest of the world is the one railway that runs through Georgia. According to different sources, about 60 to 80% of Armenian exports and imports are moved across Georgia.

The Armenian leaders have to take into account Mikhail Saakashvili's position and the pro-Georgian bias of the Western countries (particularly the U.S.) when dealing with Georgia. This primarily applies to the rights of the Armenian population of Georgia and the fact that Georgia has monopolized its transit communication potential. This means that Erevan cannot do much about the problem of Javakheti.<sup>9</sup>

The Russian-Armenian strategic partnership and the Armenian-populated region of Javakheti (which is right on the Georgian-Armenian border) are two important factors affecting the relations between the two countries.

They cannot agree on how to settle the regional ethnopolitical conflicts: Georgia is devoted to the principle of territorial integrity (threatened by the conflicts with Abkhazia and South Ossetia), while Armenia takes the opposite stance: it defends the right of nations to self-determination, keeping in mind Nagorno-Karabakh. It should be said that in the absence of alternative transit routes, Armenia cannot recognize the independence of Abkhazia and South Ossetia: it badly needs good relations with Georgia.

Georgia and Armenia prefer different foreign policy partners, which became too obvious during the Five-Day War between Georgia and Russia (the latter being Armenia's main military-strategic

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<sup>7</sup> According to the National Agency of Georgia for Tourism, in 2010 nearly 480 thousand Armenians visited Georgia. Not all of them, however, were tourists: many of them either travelled across the country or came for business purposes. The figure 100 thousand looks much more plausible: according to the Ministry of Economics and Sustainable Development of Georgia, about 95 thousand Armenian tourists visited Ajaria (the main tourist attraction); together with other seaside resorts a figure of about 100 thousand looks realistic.

<sup>8</sup> See: "Myagkoe pogloshchenie: v 2010 godu 103 armianskie kompanii pereregistrovali biznes v Gruzii," available at [<http://www.regnum.ru/news/fd-abroad/armenia/1372814.html>], 8 February, 2011.

<sup>9</sup> In Georgian this region, part of the Samtskhe-Javakheti Gubernia, is called Javakheti, while the local Armenians and Armenian sources call it Javakhk.

partner) in August 2008. What is more, Armenia is keeping a close watch on Georgia's developing cooperation with Turkey and Azerbaijan. Some of their joint projects (like the planned Kars-Akhalkalaki-Tbilisi-Baku railway) might isolate Armenia from communication and transportation routes.

It should be said that the results of the August 2008 war seriously affected the dynamics and present state of Armenian-Georgian relations. Since the war, the Georgian public and political elite have become even more sensitive to political processes that might affect their country's regional status. Settlement or even positive dynamics in Nagorno-Karabakh will obviously deprive Georgia of some of its regional impact and of its economic and political advantages created by the present tension between its South Caucasian neighbors.

The Georgian leaders are apprehensive of even the slightest changes around the Nagorno-Karabakh conflict (if, for example, Armenia and Turkey draw closer together or if the two countries open their common border) because this might cost Georgia its role in the region. Some Georgian experts (Gia Nodia, former Minister of Education of Georgia, now Chairman of the Caucasus Institute for Peace, Democracy and Development, among them)<sup>10</sup> have pointed out that there is an awareness in Georgia that normalized relations between Armenia and Turkey, which implies an open common border and communication lines between these two countries, will cost Georgia "its privileged position" in the regional transit and economic projects. It was noted that in this case Armenia would acquire more reasons and more opportunities to put the problems of the Armenians of Javakheti on the agenda.

In 2009-early 2010 (until April 2010 when Armenian-Turkish relations ran into a dead end and the protocols were not ratified), the Georgian public and political elite were very concerned about possible Armenian-Turkish rapprochement. In the spring of 2010, when the Armenian-Turkish process had ground to a halt, official Tbilisi resumed its talk about its exclusive role in meeting Armenia's communications needs, which could be easily discerned in Georgia's tariff policies and exploitation of its transit capabilities.

The relations between the two countries are far from cloudless: there are nagging conceptual political problems (communications, Javakheti, and relations with Russia, Turkey, and Azerbaijan, as well as potential economic rivalry in the region) and several other fairly urgent problems, delimitation of the state border based on Soviet administrative-territorial division being one of them. This cannot be done in a hurry owing to the lingering disagreements over the Soviet borders, the rugged relief, etc. The talks underway on straightening certain stretches of the common border to keep several Armenian villages within Armenia cannot be described as easy.

Armenia is very much interested in the future of the North-South main gas pipeline through which the republic receives Russian gas produced in the Northern Caucasus. The pipeline crosses Georgia, which appropriates about 10% of the gas Russia supplies to Armenia. Talks about selling the gas pipeline, which belongs to the Georgian state and is regarded as a strategic object, began in 2010: on 6 July, the Georgian parliament removed it from the list of strategic objects and permitted its privatization. Earlier Georgia had agreed to prohibit any commercial deals involving the gas pipeline for a period of five years, which expired in April 2011. Armenia is worried about Georgia's plans to sell part of the North-South gas pipeline, since this might mean Azerbaijan acquiring a share in this strategically important facility: in November 2010, Head of the State Oil Company of the Azerbaijan Republic (SOCAR) Rovnag Abdullaev announced that his company was prepared to buy the Georgian stretch of the pipeline.

This question was most likely discussed during President Saakashvili's state visit to Armenia late in January 2011. According to the Georgian media, Georgia intends to place 25% of the shares on the London stock exchange, while Minister of Energy Alexander Khetaguri reiterated that Georgia had no intention of parting with the controlling share, the matter concerned only 25%.

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<sup>10</sup> See: G. Nodia, "Pending Normalization of Turkish-Armenian Relations: Implications for Georgia," *CIPDD Policy Brief*, No. 2, January 2010.

Early in March 2011, Minister of Power and Natural Resources of Armenia Armen Movsisian said in the Armenian parliament that if this stretch was acquired by foreign companies, including Azeri companies, the gas pipeline would function very much as before, adding that the Georgians has assured the Armenian government of this. "The Armenian government has discussed this issue and drawn the line beyond which we shall not retreat. We are convinced that selling 25% of the shares will not threaten our country," said he.<sup>11</sup>

Deputy Foreign Minister of Georgia Nino Kalandadze said on the eve of President Saakashvili's latest visit to Armenia that the sides would discuss the possibility of coordinating their positions in international organizations. During the visit, the controversial issue was discussed by the presidents.<sup>12</sup>

When voting in the U.N., OSCE, and other international organizations, Georgia frequently sided with the Azeri resolutions and statements on Nagorno-Karabakh; Armenia responded with its anti-Georgian voting on resolutions and documents relating to Abkhazia and South Ossetia.

It should be said that, at one time, Armenia suggested neutrality in such situations, which Georgia declined. In September 2011, at a sitting of the U.N. General Assembly, Armenia, in anticipation of Georgia's pro-Azeri voting on Nagorno-Karabakh, once more voted against Georgia.<sup>13</sup>

The sides, however, shared opinions on certain issues of regional and international policies: they regularly discuss the EU Eastern Partnership program and, in anticipation of additional economic aid and financial assistance, occupy more or less similar positions.

## Military Cooperation

In the military sphere, cooperation is fairly modest and is limited to education and training, mainly within the multisided NATO programs and exercises and regarding military transit across Georgian territory to Armenia.

In the latter half of the 1990s-first half of the 2000s (while Russian military bases remained in Georgian territory), the 142nd tank repair plant of the former Transcaucasian Military District repaired tanks and other armored vehicles for the Armenian army. After the Russian military bases were removed from Georgia, no information about the plant can be found. There is no reliable information about military-technical cooperation between Armenia and Georgia; early in the 2000s Georgia sold Armenia several Su-25 fighter jets assembled at the Tbilisi aviation plant.

From time to time, the Armenian and Georgian military meet at training exercises under the NATO aegis conducted in their territories. In 2007-2008, Armenian officers attended mountain training courses at the training center of the Georgian Defense Ministry in Sachkhere within an exchange program.

The August 2008 five-day war created transit problems for military cargoes to Armenia, particularly from Russia. In 2005, the issue of military supplies to the Russian troops stationed in Armenia across Georgia was discussed as part of an agreement under which Russia removed its military bases from Georgia.

After August 2008 it became next to impossible to move Russian military cargoes across Georgia; in April 2011, Georgia denounced the treaty on Russian military transit; late in April 2011, the defense and foreign ministers of Georgia came to Erevan to explain Georgia's position.

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<sup>11</sup> "Dazhe imeia 25% aktsiy gazoprovoda 'Sever-Yug,' Azerbaijan ne smozhet shantazhirovat Armeniiu," available at [<http://www.panarmenian.net/rus/economy/news/63045/>], 2 March, 2011.

<sup>12</sup> See: "Chto nameren obsudit Saakashvili v khode vizita v Erevan?" available at [<http://www.profi-forex.org/news/entry1008063633.html>], 22 January 2011.

<sup>13</sup> Later, for different reasons, Azerbaijan withdrew its resolution.

The Georgian side assured Erevan that denunciation was limited to the military cargoes intended for the Russian military bases and would not affect cargoes intended for the Armenian army. This meant that Armenia's security was ensured and relations between the two countries survived.

## The Russian Factor in the Armenian-Georgian Relations

The Georgian political elite and public regard the Russian factor as very important; in the post-Soviet period their attitude toward Armenia and the Armenians depended on relations between Erevan and Moscow.

In Georgia, anti-Russian sentiments are mixed with suspicions that the Armenians of Javakheti nurture separatist feelings. Against the background of strong and strengthening allied relations between Armenia and Russia and the former's membership in the CSTO, anti-Russian sentiments in Georgia unintentionally (or even intentionally) are transferred to Armenia and the Armenian diaspora. The Russian factor is behind the periodical disagreements between Armenia and Georgia (Armenia's voting in international organizations on the RF/Georgian resolutions related to Abkhazia and South Ossetia). This means that the relations between the two countries will not improve soon: the negative sentiments toward Russia created by the August 2008 war will survive in Georgia for a long time to come. At the same time, the realization that relations with Russia should be improved might soften the anti-Russian feelings in Georgia. It is entirely possible that the public in Georgia and Russia will demonstrate pragmatism and reassess the nature of the relations between their two countries. The Georgian public might learn to look more soberly at Armenian-Russian strategic cooperation, and the Georgian leaders and public might learn to look more favorably at the relations between their country and Armenia.

It seems that better and deeper relations between Armenia and Georgia mainly depend on the Georgian leaders and particularly on the public, which should correlate their approaches.

## The Samtskhe-Javakheti Factor in the Relations between the Two Countries

In 1991, when the two counties gained their independence, their relations became vitally important for the Armenians of Samtskhe-Javakheti; the fact that ethnic Armenians were in the majority in at least two districts of this administrative-territorial region of Georgia (Armenians comprise 95% of the total population in the Akhalkalaki and 96% in the Ninotsminda districts) was an important factor of regional policy and bilateral relations.<sup>14</sup>

Throughout the post-Soviet period, the Georgian political elite and the Georgian public remained suspicious of Armenia: they suspected that Erevan was fanning separatist and irredentist sentiments among the region's Armenians to detach it from Georgia. In fact, in the last two decades Erevan has been demonstrating caution and pursuing a well-balanced policy; in Georgia, however, the situation in Javakheti is contemplated within the context of Nagorno-Karabakh.

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<sup>14</sup> For more detail, see: S. Minasian, *Emicheskije menshinstva Gruzii: potentsial integratsii na primere armianskogo naseleniia strany*, Erevan, 2006.

Certain political forces in Armenia and in Javakheti, in turn, are convinced that Georgia is resolved to change the ethnic composition in the region by squeezing Armenians out of it and creating unbearable socioeconomic and political conditions for those resolved to stay put.

After losing Abkhazia and South Ossetia in the August 2008 war, Georgia will hardly be able to tap to the full, at least in the near future, the potential of its defense and security structures, which received a lot of attention after the Rose Revolution. It can, however, use force against the administrative-territorial regions of Samtskhe-Javakheti and Kvemo-Kartli with their predominant Armenian and Azeri population, respectively.

This means that the status quo in Samtskhe-Javakheti will survive for a long time to come. Georgia will continue its "small steps" policy to put pressure on the local Armenians: it will add to the impact from the center; expand the use of state symbols; make the Georgian bias in schools more obvious; and increase the number of Georgians in the local administrative and defense and security structures. Armenia will do its best to play down the negative sentiments among the local Armenians. The international community and European structures (the Council of Europe being one of them), on the other hand, will demonstrate restraint when criticizing violations of the rights of ethnic minorities in Georgia.

The United States, likewise, needs better relations between Georgia and Armenia and stability in the Southern Caucasus; the Armenian lobby and Dashnaksutiun (one of the traditional Armenian parties with structures in the United States) are working in the same direction. Early in February 2012, when visiting America, President Saakashvili met the pro-Armenian congressmen to discuss American aid to Javakheti.<sup>15</sup>

The relatively large and growing diaspora of Samtskhe-Javakheti Armenians in the Russian Federation is not sufficiently consolidated; it avoids involvement in the social and political field because some of its prominent members and businessmen engaged in joint projects with the Georgian authorities and economic activities in Georgia do not want to be drawn into anti-Georgian political activity.

## Relations in the Sphere of Religion

In the post-Soviet period, relations between the Georgian Orthodox Church (GOC) and the Armenian Apostolic Church (AAC) (which has been present in Georgia since the 4th century and has its own diocese) have become fairly strained. This is primarily caused by the fact that as soon as the Soviet Union ceased to exist the GOC laid claim to the Armenian churches and cultic objects (the most important of them being the churches of Surb Norashen in Tbilisi and Surb Nshan in Akhaltsikhi) which belonged to the AAC and been confiscated by Soviet power. Owing to the prominent role the GOC plays in post-Soviet Georgia, the authorities do not dare to transfer these religious and architectural monuments to their true owner.

In 2006, the GOC intended to set up the Dmanisi and Agarak-Tashir eparchy (to acquire a tighter grip on the above-mentioned religious monuments) to reach southern Kvemo-Kartli and cross the Armenian border into several northern districts of Armenia with several abandoned Georgian churches and no Georgian population.

Late in 2008, during an official visit to Georgia, Prime Minister of Armenia Tigran Sargsyan, accompanied by several Georgian officials (including two ministers of the Georgian Cabinet), visited the Surb Norashen Church, but nothing was done to return it to the AAC.

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<sup>15</sup> See: "Kogressmeny SShA obsudili s Saakashvili vopros Javakhka," available at [<http://www.yerkirmedia.am/?act=news&lan=ru&id=5072>], 3 February 2012.

Like the other confessions in Georgia, the AAC is not a public law legal entity (the GOC, which signed a concordat under President Shevardnadze defining its legal status and powers is the only exception).<sup>16</sup> The Armenian Church and the other religious confessions present in Georgia (the Roman Catholic Church, Evangelical Church, and other so-called traditional Christian churches) refused to register as foundations of all sorts or as entities of private law.

In public and official contexts, the AAC and GOC carefully avoid any signs of tension and demonstrate friendly relations. The official visit of Catholicos Garegin II, however, which should have included a trip to the Armenian-populated districts of Javakheti together with head of the Georgian Church Ilia II, was postponed several times in a row. In June 2011, on the very eve of the visit, information appeared that Georgia had arrived at a political decision to grant an adequate legal status to several traditional confessions (including the AAC eparchy in Georgia) without infringing on the rights and powers of the GOC.

Nothing much happened though; in the wake of the visit of the 60-year-old Catholicos, the Georgian Patriarch publicly described him as “young and inexperienced.” The response of the Chancellery of St. Ejmiadzin was restrained but ambiguous: Garegin II, said the statement, respects and takes into account Ilia II’s “age.” It also accused the Georgian colleagues of bringing “market relations” into the relations between the churches when discussing the status of the AAC and the fate of the Armenian churches.

This, however, cannot worsen the relations between the two countries; moreover, the Georgian president has already passed a decision on the legal status of several “traditional” churches present in the country, the AAC being one of them. Early in July 2011, a special sitting of the Georgian parliament finally granted a public law legal entity status to the so-called traditional confessions; and the Civil Code was amended accordingly.<sup>17</sup> This means that from that time on the AAC could function as a religious organization in Georgia with the full set of rights of a legal entity.

Some members of the GOC, however, came forward with accusations of the Georgian authorities and the AAC even though, unlike the Catholic and some other Christian confessions, it never preached among ethnic Georgians. In the face of the wave of religious intolerance and mass protests against the Armenian Church and Armenians in Georgia, the Georgian government retracted its own decision. The parliament adopted a “political document” which preserved a legal status for the traditional confessions, albeit with limited rights to demand return of their property and the so-called disputed churches.

## Humanitarian, Scientific, and Educational Contacts

In the post-Soviet period, these contacts should be described as inadequate; Georgia allows Armenia to supply Armenian schools in Georgia with textbooks in the Armenian language and Armenian literature; there is a department of Armenian philology at the Linguistic University of Tbilisi (its student body consists of Armenians who are Georgian citizens); and there is a small center of Georgian studies at Erevan State University.

The highly inadequate level of cooperation between higher educational establishments, academic institutes, theaters, and other scientific, educational, and cultural structures is inherited from Soviet

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<sup>16</sup> For more detail, see: I. Khaindrava, “Religiia v Gruzii: XXI vek,” in: *Religiia i politika na Kavkaze. Materialy mezhdunarodnoy konferentsii*, Kavkazskiy Institut SMI, Erevan, 2004.

<sup>17</sup> According to the new rules, those religious organizations that had historical contacts with Georgia or the status of a religious organization in one of the countries of the Council of Europe were registered as legal entities.



times. Tours of theaters and dance ensembles arranged to coincide with official visits of political figures or memorial dates and events invariably stir up a lot of interest, particularly since, although they may be relatively regular, they are still few and far apart.

Late in 2010-early in 2011, the first Armenian-Georgian school Olympiad for mathematics, physics, and information technology was held for Armenian schoolchildren from the country's regions; the Georgian team of 30 also included Armenian children from Armenian families living in Georgia. The Olympiad was sponsored by Erevan State University, the Synopsis Company, and the Pyunik Charity Fund, while the idea was put forward by the presidents of both countries.<sup>18</sup>

On the whole, the mutual cultural and scientific interest of both countries leaves much to be desired; this is partly compensated for by the fairly large diaspora of Georgian Armenians who live in Armenia. They keep in touch with relatives on the other side of the border and serve as vehicles of a cultural exchange of sorts.

There is fairly ramified cooperation between NGOs, journalists, ecologists, and other similar structures, the number of which has been rapidly rising. This is largely explained by the fact that many of the international donor organizations and Western funds insist on a regional scope for South Caucasian grant seekers. This explains why Armenian and Georgian NGOs (but not scientific and cultural organizations mainly funded by the state) are seeking professional contacts and deeper cooperation on a regional scale.

Today, close cooperation is limited to fairly small groups of NGO activists, expert centers, and sociopolitical communities of both countries, while the larger part of the public and the scientific and cultural elite of Armenia and Georgia maintain, mostly by inertia, fragmentary professional contacts.

The fact that the Russian language (the traditional instrument of professional and other communication between Georgians and Armenians) is gradually losing ground in Georgia, especially among the younger generation, is having a negative impact on the present and future of contacts between the two countries in all spheres.

## *Conclusion*

The relations between the two countries have reached an important point where the momentum retained from Soviet times that predominated during the two decades of independence is retreating under the pressure of more pragmatic, rational, and mature relations between the two states. This is especially obvious in politics and the economy, as well as in the regional and international contexts. Today, the two countries have avoided the possible negative repercussions of the August 2008 war and contradictions over their attitude toward third countries, even though each of them has its own geopolitical vector and geopolitical priorities.

At the same time, not all disagreements have been settled to mutual satisfaction; there are certain specific features of Georgia's domestic development; urgent problems of the Armenian diaspora; religious issues; and the political and linguistic rights of the Armenian ethnic minority in Samtskhe-Javakheti.

It should be said that in view of the highly emotional attitude of the Georgian political elite and public to these issues, which are frequently associated with the conflicts in Abkhazia and South Ossetia, a flexible approach is strongly advised. Inevitable politicization of these issues calls for a cautious and far-sighted policy both on the part of the Georgian authorities and on the part of the Armenian organizations in Armenia and Georgia that try to help them.

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<sup>18</sup> See: "Prezidenty Gruzii i Armenii vruchili nagrody pobediteliam pervoy armiano-gruzinskoy shkolnoy olimpiady," available at [<http://www.panarmenian.net/rus/society/news/60097/>], 23 January, 2011.

Some of the recent events (the beginning of legal registration of the Georgian Eparchy of the AAC, cooperation between the Georgian authorities and Armenian organizations in the United States in obtaining social and economic assistance for Javakheti, and more active humanitarian contacts at the international level) breed hope that, in the mid term, relations between Armenia and Georgia in these spheres will move in the desired direction.

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## ON THE PROSPECTS FOR SHAPING A CIVIL NATION IN DAGHESTAN

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### *Introduction*

Russia's integrity depends on ensuring civil identity as a priority factor in the development of society and the individual. Civil identity is fully realized in a civil nation that gradually takes shape within a particular society. The crisis of multiculturalism in the West triggered by the crisis of the European civilization and culture calls for a revision of certain ideas and theories

associated with civil identity. The question is whether the national regions of Russia (including Daghestan) will manage to adjust themselves to Western civilization in the specific conditions of a multinational and multi-confessional society.

This article is intended as an assessment of the general prospects for shaping a civil nation in Daghestan.

## The North Caucasian and Daghestani Realities from the Point of View of Shaping a Civil Nation and Common All-Russia Identity

Some analysts think that in Daghestan even the classical ideologies—Marxism (popular among the Lezghian-speaking peoples), liberal (shared by the Darghins, Kumyks, and Laks), and Islamic (the Avars)—are ethnically tinged. The far from favorable combination of ethnic and religious trends and

the related negative political, legal, etc. processes unfolding in the republic insistently demand consistent legal and political measures to smooth out the contradictions, ensure sustainable economic growth, address the environmental and social problems, and remedy the current shortage of trained managers and administrators.

Today, it has become obvious that legal defects frequently trigger conflicts. The ethnic and confessional tension in some of the constituencies of the Russian Federation (particularly in the Northern Caucasus), for example, is caused by certain shortcomings of Russia's federative structure.

Early in 2010, for example, the leaders of the Russian Federation surprised the academic and political community and society with a decree that created a new, North Caucasian Federal District (NCFD) and divided the previously existing Southern Federal District (SFD) into two parts with unequal natural and geographic conditions, population size, and, most important, the problems that have been accumulating there for many decades.

Those who wrote the decree probably looked, with good reason, at the Northern Caucasus as an integral civilization—the new district is home to practically all the Muslims of the Russian Caucasus (nearly 4 million). In fact, by detaching the North Caucasian ethnicities from the more or less flourishing regions (Rostov, Krasnodar, Volgograd, Astrakhan, etc.), they merely lumped together the old problems and made them even worse.

It would have been better, politically and geographically, to divide the SFD (complete with the regions mentioned above) into two large districts adjacent to the Caspian and Black Sea coasts. Each would have had equal populations of about 10 to 12 million and a territory of 200-250 thousand sq km (comparable to some of the U.S. states).

Even though these districts would have demonstrated differently geared social and ethnic evolutionary trends, which means that this consolidation of sorts would have been temporary, it would have laid the foundation for national, linguistic, and religious unity at the level of units larger than republics and regions. This would have supplied the ethnic groups as homogeneous communities with firmer ground in the coming globalization storms.<sup>1</sup>

In Daghestan, as well as in the other national republics, for that matter, all economic, cultural, and political problems are resolved in the context of national relations. There is no reason to believe that all changes are for the best—some of them might negatively affect Russia's numerous ethnic groups, which makes preservation of ethnic identity of the nationalities of Daghestan a priority.

On the other hand, there is an obvious trend in our day and age: traditional ethnicities are being replaced with developing civil nations (nation-state, political nation, etc.).

Territorial unity and economic integrity, the decisive factors of yesterday, are today being replaced by spiritual factors coming to the fore in national processes. This probably explains why in the latter half of the 20th century, the American neoliberals switched from the melting pot theory to the conception of cultural pluralism and, later, to various models of multiculturalism rightly described as "a direct outcome and instrument of globalization."<sup>2</sup>

Even in the conditions of consistently realized multiculturalism (which is fairly contradictory as a process and a policy), regional values serve as an indicator of national identity; they push aside the old, extremely localized foundations of ethnic life—language, traditions, behavioral norms, etc.

The above trends (and not only them) call for a revision of the well-established ideas of the administrative-territorial division of the Russian Federation.

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<sup>1</sup> For more detail, see: M.I. Bilalov, "Regionalizatsia kak alternativa negativam globalizatsii," in: *Rossia: mnogobrazie kultur i globalizatsii*, ed. by I.K. Liseev, Rossiskaia akademii nauk, Institut filosofii, Moskovskoe filosofskoe obshchestvo, KANON-PLUS Publishers, Moscow, 2010, pp. 331-349.

<sup>2</sup> M.V. Tlostanova, "Multikulturalizm: porozhdenie ili alternativa globalizatsii?" *Vestnik Rossiiskogo universiteta družby narodov. Seria "Filosofia,"* No. 1, 2006, p. 113.

Since many of the legal collisions between RF constituencies develop into ethnic problems, the academic and political communities looking for means and methods to settle ethnic contradictions on the road toward a civil nation inevitably arrive at the legal model of the European Union. The principles of multiculturalism, which presuppose preservation of and respect for different cultural identities, present a special interest for the North Caucasian ethnicities. This model looks at common culture (in which there are no backward or “wrong” cultures) as a starting point for spiritual flourishing based on a dialogue of civilizations rather than as an excuse to ignore other cultures.

There is the opinion in the West that multiculturalism, a brief episode in human history which ends the era of industrial modernization and classical liberal civil society, is in crisis; the most far-sighted politicians have pointed to the “division of the sphere of culture” as a way out. They argue that the public sphere needs cultural uniformity based on unified formalized norms, while cultural diversity should thrive in the spheres of private and spiritual life. Religious ceremonies belong to temples, while the street is a sphere of civilian communication.

When talking about the Northern Caucasus, President of Russia Dmitry Medvedev repeatedly criticized multiculturalism and pointed out that it leads to disintegration cropping up in the Northern Caucasus in the form of a clan system, ethnic separatism, and religious radicalism. On many occasions the president referred to civilian integration, which he described as “all-Russia patriotism” and the task of developing an “all-Russia nation” as a means of healing the ills of disintegration.

Some think that multiculturalism dates back to the Soviet period, that is, it is older than the European. It is believed that it was an inalienable part of the Soviet state policy of setting up republics, districts, and regions and was a form of encouraging ethnic and national identity.

It should be borne in mind, however, that there are at least two elements which make Soviet and European multiculturalism different.

- First, in the Soviet period, the peoples of the national republics permanently lived in their ethnic territories; their cooperation and communication was limited to remote economic and cultural ties.
- Second, in the Soviet Union, public life was deprived of the religious factor, which ensured primacy of the ethnic culture no matter how divisional and isolationist it was.

This means that we cannot totally agree with President Medvedev’s optimism who, while criticizing certain aspects of multiculturalism, describes it as the best possible future for Russia’s poly-ethnic and poly-confessional society.

We should bear in mind that in the West the Islamic factor moved to the frontline of public and political life much earlier than in the Russian Federation; this undermined the policy of multiculturalism even in the most advanced civil societies with rich historical traditions and democratic experience.

## **Ethnic and Religious Factors of the Development of a Civil Nation**

Those wishing to grasp the regularities of the development of a civil nation and civil identity should inevitably pay attention to ethnic and religious factors; the logic of historic collisions, which accompanied and still accompany social development, suggests certain conclusions. It seems that the natural desire of man to correlate his life, limited in time and space, with Eternity, transcend the limits of his individual existence, and identify himself with society is primarily realized in the ethnic and religious spheres. Furthermore, “transcending the limits” in the religious sense takes place much later than it occurs in the ethnic sphere and on a much more impressive scale.

The individual quest for a “shared state identity” is closely related to the quest for a “blending” of the national and the ethnic; it is realized in the process of individual socialization and perfection. We should bear in mind that nationality and ethnicity are not one and the same thing.

Today, most Russian philosophers think that sociopolitical unity (agreement on basic social and political values) is the key feature of any nationality and that nationality and the emergence of a civil society cannot be separated.

Ethnicity, on the other hand, is the product of a historical process which created a stable community of people living in the same territory, having similar facial features, speaking the same language, and sharing the same lifestyle and culture. The inner (genetically inherited somatic and physical descriptions) and external (territory, terrain, and climate) features can be described as the determining factors.

This description of ethnicity is typical of a political scientific analysis of the more or less recent past. Post-Soviet Russian society demonstrates two new, opposite trends.

In response to the crisis of common national identity caused by the Soviet Union’s disintegration, public consciousness is growing regionalized. By that time, the rest of the world was changing: globalization intensified personal awareness of ethnic and national identity, with ethnic affiliation becoming a matter of personal choice. Everyone is free to join any historically stable whole, even if subjective choice is correlated with certain objective factors, such as common origins, common language, common territory, culture, and religion. Today, however, the objective factors are growing increasingly vague: the individual is merely “aware” of his ethnic identity.

Very soon it will become hard in Daghestan not only to insist on one’s ethnic identity, but even to be merely “aware” of it. Contemporary dynamics have diluted the idea of a common ethnic territory; today, many regions are best described as an ethnic patchwork. A shared past, likewise, has lost its importance as a criterion of ethnic identity; in many cases, the past belongs to several ethnicities (many of which know next to nothing about it).

A common language is no longer an indubitable feature of an ethnic group: there is a multitude of social dialects; in some places people acquire a new “mother” tongue (Russian, in the case of Daghestan).

Ethnic culture and folklore are pushed to the side in everyday life (particularly in cities and towns); books, theaters, and museums are almost completely neglected.

Religion is slowly losing its ethno-differentiating role; there are huge numbers of formal believers, unbelievers, and atheists, while affiliation with one of the world religions has become supra-ethnic.

Not infrequently, ethnic affiliation is unrelated to social status: inherited from parents, it is beyond individual control.

Today, ethnonational identity cannot be described as a factor which slows down the advance toward a civil nation and “all-Russia” identity.

There is another, no less obvious trend: an all-Russia civil identity is taking shape, albeit slowly and tortuously, with the religious factor playing a considerable role in the process. “Religion... determines extreme abstractions which serve as the foundation of man’s basic ideas about the world.”<sup>3</sup> Religion presupposes that the human soul is dominated by the feeling of dependence on a transcendental secret force which supplies various interpretations of the meaning of evolution of spiritual ties between man and the Absolute.

According to Schleiermacher, religion takes man outside the limits of the finite and creates in him a special awareness of his dependence on the infinite.

Hegel treated religion as an awareness of absolute spirit, which can be interpreted as a special link between man and mankind and which takes the individual beyond the limits of the personal.

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<sup>3</sup> V.N. Belogortsev, *Sotsiokulturnye transformatsii i religia: kontseptualny i kulturno-istorichesky analiz*, Abstract of doctorate thesis, Rostov-on-Don, 2010, p. 34.

According to Durkheim, religion is an ideological mechanism which ensures the self-identification of people and social integrity through the sacralization of basic social ties.

Sigmund Freud interpreted religious ties as an expression of the oldest, strongest, and vitally important desires of mankind.

Religion as a certain transcendental-uniform force affects personality by widening and elevating its fundamental vital position. Nikolay Berdyaev wrote that “God is not like a force of nature or power in society and the state”<sup>4</sup> when it comes to shaping human personality. Even the most developed biological feelings (self-preservation, physical domination, etc.) that underlie civil nationalism and patriotism cannot express their meanings. Berdyaev asserted that nothing can compete in this sphere with religion and God. Man’s desire to achieve the highest determines the “spiritual state of society,” “the presence of inner transcendental determination of those who *have submitted themselves* to the authority of supreme values and *dedicated themselves to the service* of a certain non-destructible spiritual principle.”<sup>5</sup>

At certain stages of historical development, in multiconfessional societies in which religion is not separated from the state, this principle may take the form of a state civil identity. Today, such states are few and far between.

In the culturally varied context of Russia and its North Caucasian republics, the religious situation is far from simple. While discussing the emergence of an all-Russia civil identity and nationality, we should bear in mind that religion affects public life both positively and negatively. Christianity and Islam (and other religions, for that matter) may disunite ethnic groups living in one country by deliberately adding weight to ethno-national features. In the globalization era of mass migration of people and of coexistence of ethnic groups in national diasporas, when the “colossal inequality of everyday life”<sup>6</sup> becomes obvious, the religious factor acquires a conflict-prone charge despite the fact that the culture of post-modernity levels out many of the ethno-cultural specifics.

This is what is going on in Russia; it turns out that religion may postpone the emergence of a civil society and nationality, as well as the development of multiculturalism and a shared national identity. In Russia’s recent history, when religion reinstated itself as part of social life, it became clear that the “friendship of peoples” had been much less conflicting and complicated at a distance than in a multiconfessional society in which ethnic and confessional groups come into contact. The 1990s demonstrated that religion, a source of patriotic inspiration and civil identity on a nationwide scale, may breed problems inside confessions, among confessions, and between the state and confessions.<sup>7</sup> This could threaten the very foundations of an all-Russia civil identity.

It seems that despite the more or less good prospects for multiculturalism (including its readjusted versions) elsewhere in the world, which, as a conception, perfectly fits the traditions of liberal democracy (which treats human rights and freedoms as an absolute priority), Russia needs a scientifically substantiated theory of harmonization of national relations in its territory (including Dagestan) and a corresponding program of social life for the near and more distant future.

The government of Dagestan never let the problem out of sight; there is a recently enacted republican program called Development of National Relations in the Republic of Dagestan for 2011-2015, which, however, lacks a conceptual base and strong political support.

<sup>4</sup> N.A. Berdyaev, “Tsarstvo dukha i tsarstvo kesarya” (The Kingdom of God and the Kingdom of Caesar), in: *Dukh i realnost*, Introduced and compiled by V.N. Kalyuzhny, AST Publishers, Moscow; Folio, Kharkov, 2003, p. 585.

<sup>5</sup> K.Z. Hakopian, “Religia i massovaia kultura: problema vzaimootnoshenia,” in: *Khristianstvo i kultura (k 2000-letiyu Khristianstva): Materialy mezhdunarodnoy nauchno-prakticheskoy konferentsii. 15-18 maia 2000 goda, Astrakhan*, in 2 parts, Parts I, TsNTEP Publishers, Astrakhan, 2000, p. 202.

<sup>6</sup> V.V. Putin, “Rossia: natsionalny vopros,” *Nezavisimaia gazeta*, 23 January, 2012.

<sup>7</sup> See: E. Kratov, “Religia v sovremennom obshchestve,” *Gazeta Severnogo Kavkaza*, No. 23, 2005.



## Are Human Rights and Ethnic Rights Compatible?

What is more important for Daghestan—human rights or ethnic rights? In Daghestan, and in Russia as a whole, it is highly important to ensure human rights, although ethnic rights are even more important. They should be ensured and guaranteed together with the guaranteed preservation of the language and material and cultural values of all ethnic groups. Since Daghestan has not yet come close enough to the standards and ideals of EU civil societies, our projects and programs should be based on the principle of national centrism and democratic federalism rather than on the priority of human rights and freedoms. All peoples and national administrative-territorial regions should become absolutely equal.

To achieve the level of human rights and freedoms that has already been achieved in the West, we should establish mechanisms of legal and real protection of the national and regional interests of each of the federal constituencies. It is highly important to harmonize the powers of the Center and the regions (territory, region, city), delineate them, and master ways and methods of conflict prevention. It should be borne in mind and recognized that in most regions the rights of ethnic groups are infringed upon, while their needs are neglected on a wide scale. If this is not remedied, titular nations and ethnic minorities will rebel: the former will insist on their exclusive rights while the latter on their elementary rights and freedoms. Violence cannot be excluded.

It is equally important to bear in mind that human rights and freedoms should be adequately protected without going to the extreme, the grievous effects of which have already cropped up in Paris, London, Moscow, and some of the regions of Russia.

## Once More on the North Caucasian Federal District in the Context of Group Boons and Human Rights

Any discussion of the legal shortcomings of contemporary Russia's nationalities policy inevitably turns to the specific feature of the North Caucasian Federal District. Its problems and ills are largely related to the "new" status of the Russians (about 3 million) living in its territory. The problems of the post-perestroika period hit them more than the other groups; today, the NCFD is moving further away from the rest of Russia.

I have already written above that two larger administrative units (within the confines of regionalization policy) would have helped preserve the cultural diversity of the non-Russian ethnicities and considerably improved the status of the local Russians. They would have rid themselves of their feeling of being detached and separated from Russia. Russians would have consolidated their position when those who left the native lands in the last few decades came back, thus increasing the population in traditional Russian settlements; more than that—specialists on the economy, culture, and other fields would become more evenly dispersed across the district. The Russian language and many other elements of Russian culture, for that matter, as the cornerstone of a regionalized entity or a civil nation, would function in a more adequate, rather than surrogate (this happens today in Daghestan) way. This means that the Krasnodar Territory, historically tied to the Caucasus, would have looked more logical as part of the new Federal District.

This would have created conditions conducive to consolidating several ethnic groups divided by administrative borders (the Darghins, Chechens, Kumyks, Ingush, Ossetians, Tatars, Kazakhs, Armenians, Azeris, etc.). A large district would have made it easier to bring closer the ethnicities that belong to the Iranian (Ossets, Kurds, Persians, and Tats), Turkic (Kazakhs, Tatars, Azeris, Kumyks, Karachais, Balkarians, and Nogais), and North Caucasian (Chechens, Avars, Lezghians, Dargins, Ingush, Laks, Tabasarans, Rutuls, Tsakhurs, Aguls, Kabardinians, Adyghes, Circassians, and Abazins) families of languages.

The Slavic groups (Russians, Ukrainians, and Belarusians), carriers of a special cultural code, would have also become consolidated. "This civilizational identity is based on the preservation of Russian cultural dominance, which flows not only from ethnic Russians, but from all carriers of this identity regardless of nationality," and presents itself as Russia's "civilizational identity."<sup>8</sup>

Some experts believe that the two strategies clash when the civilized world formulates and implements a state nationalities policy. In her *Khoroshee obshchestvo* (Good Society), which deals with the civil societies of the West, Prof. Valentina Fedotova writes that, on the one hand, there is a desire to "impart to human rights local and regional specifics and adjust them to the available human material." This, in turn, leads to a confrontation with the universal nature of human rights, "their nationalization and privatization." On the other hand, however, there are attempts to "adjust the available human material to human rights."

In Daghestan, and in Russia as a whole, there are still no conditions in which the strategy used by the developed countries can be implemented. Local analysts have pointed out that the people living in Daghestan have left the stage of ethnogenesis behind and should, therefore, be described as ethno-cultural nationalities. The republic's socioeconomic development reveals trends toward national consolidation. While being fully aware of their status as an independent entity of social development, the Daghestani peoples (Avars, Dargins, Kumyks, etc.) demonstrate well-developed awareness of their nationality and patriotism and are striving for their own statehood, that is, they are seeking the status of a political nation.

Meanwhile, the road of the Daghestani peoples (which belong to different language groups, religious trends, ethnic mentalities, etc.) toward national consolidation is not an easy one.

In the Russian Federation, all the democratic changes should primarily promote ethnocultural pluralism, ethnic parity, the principle of equal importance, and support of the cultures of all peoples. The program of development of national relations in Daghestan mentioned above envisaged financial support of the state—it does not abandon these relations to the mercy of the market.

It goes without saying that human rights are absolute and "do not depend on the group to which the individual belongs, which means that the problem of discrimination by race, sex, language, or religion is prevented not by granting special rights to these groups but by ensuring equal rights to all citizens."<sup>9</sup> The latter is a challenging task which defies any prompt solutions and demands that the group rights of societies be observed. This has been corroborated by all sorts of elections when the desire to observe human rights in a multinational region or district gave high posts not to the best representatives of the numerically largest peoples. The "victors" were bitterly disappointed, while the rights of other Daghestani ethnicities were infringed upon.

Many of our liberal-democratically-minded politicians and experts (including those working in Daghestan) who are ashamed of their "backwardness" should bear in mind that guaranteeing group rights (including ethnic rights) has been a target of recent concern for the United States, the leader of

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<sup>8</sup> [http://www.network54.com/Forum/84302/thread/1327428728/last-1327432635/%ADRussia-+The+national+question++by+Vladimir+Putin].

<sup>9</sup> V.G. Fedotova, *Khoroshee obshchestvo*, Moscow, 2005, p. 472.

the free world. On the other hand, experts admit that despite the considerable achievements, America's policy of "overcoming unfair inequality, rather than extending quotas or seats in representative bodies of power,"<sup>10</sup> that is, resolving the problem of freedom rather than welfare, has developed into practically unassailable problems.

The doctrine of group rights and boons is gaining momentum in the West in the form of the so-called communitarian approach, which destroys the liberal tradition. Today it is the focus of the post-modernity discourse, which is much more aware of the problems of the non-Western world with no experience of the Renaissance, Reformation, and Enlightenment behind it. Famous German academic Karl-Otto Apel, who supports this approach, has pointed out that respect for the individual who belongs to a specific cultural tradition can be regarded as acceptance of and respect for the individual rights of man.

The doctrine of group rights and boons, that is, the communitarian approach should replace the priority of human rights and freedoms, a cornerstone of liberal democracy. Respect for a social group (ethnicity, confession, or society as a whole) and the fact of belonging to it can and should be regarded as respect for man's individual rights. In a world where large societies live in dire poverty and are deprived of quality health services and education, while their native language and traditional culture are on the brink of extinction, communitarianism can be seen as an answer to the demands of conscience and an attempt to make freedom more tangible by extending boons to these societies.<sup>11</sup>

Liberal traditions based on Catholicism and Protestantism stress individual rights and freedoms and, in the final analysis, neglect the national; in this way, they cultivate nationalism in the form of cosmopolitanism and chauvinism. The Eurasian spirit (Russian, Daghestani) should regard healthy nationalism, which protects cultural and religious specifics, as moral. In Daghestan and the Northern Caucasus as a whole, we should speak not of ethnic nationalism but of Daghestani or North Caucasian patriotism, which protects the region's civilizational principles and specifics.

The Constitution of Russia should account for the regional politically correct specifics and enforce principles of con-social democracy (proportionate representation of all ethnocultural groups in the government bodies and their access to resources, as well as the mutual right of veto and qualified majority when it comes to important decisions). Furthermore, we can agree that the "principles of con-social democracy only partly resolve the problems of conflicts and extreme forms of nationalism" and "can play a positive role only at a certain stage of 'gathering together' the numerous ethnicities living in any given territory."<sup>12</sup>

Researchers note that this approach is close to Islamic values, which have much in common with the ideals of civil society. This breeds the hope that the regional models of civil society and multiculturalism acceptable for Daghestan, the Northern Caucasus, and Russia as a whole will make a dialectical approach to human rights and ethnic rights possible.

We should avoid the errors of the past, not be impatient, try to accelerate the natural course of the process, venerate alien experience, and copy it indiscriminately. In the past, we were pushed into the "radiant future" and "prosperity." This was done with the best of intentions but with disregard for our history and culture. Social order and the economy can be changed and even friends can be abandoned, yet no aims, no matter how lofty, can justify rejection of one's own past; the attempts to change a nation's mentality and break its spirit, the beginning and end of its existence and welfare, inevitably dent its national identity.

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<sup>10</sup> Ibid., p. 476.

<sup>11</sup> See: Ibid., pp. 478-486.

<sup>12</sup> O.V. Chistiakova, "Etnicheskiy natsionalizm kak politicheskaya problema," in: *Nauka. Filosofiya. Obshchestvo. Materialy V Rossiyskogo filosofskogo kongressa*, Vol. II, Parallel, Novosibirsk, 2009, p. 534.

## The Civil Nation and Global Civil Society

The civil nation is a healthy opponent of an ethnic nation; it is an entity of citizens united not so much by blood kinship as by the state in which they live, public ideals, and a common cause. A civil nation means that the larger part of population is politically active and can influence the course pursued by the government. The prospects of its emergence have nothing to do with primordialism, constructivism, instrumentalism, etc; in Russia and Daghestan, which is part of Russia, its emergence is associated with global civil society rather than with Western civil societies of the liberal type. We can agree with what Vladimir Putin wrote in his article quoted above that the day a civil nation appears will be “a day of victory over oneself, over internal animosity and strife, when classes and nationalities acknowledge themselves as being one community one nation. We have the right to consider this holiday the birthday of our civil nation.”<sup>13</sup>

In the late 20th century, the Western world became a foundation for the gradually emerging global civil society; some of the contemporary globalization conceptions use this term to describe the infinitely broad non-political human community in which societal communities that belong to the same sociopolitical types are united by common values to address the problems important for all people. Despite the fact that the gap between globalization and specifics (identities) of any community constitutes the main contradiction (and serves as the main driving force) of the emerging global information society based on information networks, there are certain advantages conducive to a civil society in Russia and an all-Russia identity. This is, however, the topic of a separate study.<sup>14</sup>

### Conclusion

I would like to outline a few of the most important conclusions.

- First, civil identity is completely realized in a civil nation which, in turn, matures within the framework of a civil society.

<sup>13</sup> [http://www.network54.com/Forum/84302/thread/1327428728/last-1327432635/%ADRussia+The+national+question++by+Vladimir+Putin].

<sup>14</sup> I offered my point of view on the subject in the following works: “Tsvivilizatsionnye perspektivy Rossii i Daghestana v epokhu globalizatsii,” in: *Sotsialno-ekonomicheskie, pravovye i kulturnye problemy regionov v epokhu globalizatsii*, Rostov-on-Don, 2004, pp. 261-266; “Evropeyskie tsennosti i stanovlenie grazhdanskogo obshchestva v Rossii,” in: *Filosofskiy parokhod. Materialy XXI Vsemirnogo filosofskogo kongressa, Istanbul, 10-17 avgusta 2003 goda. Doklady rossiskikh uchastnikov*, Krasnodar, Moscow, 2004, pp. 33-36; “Grazhdanskoe obshchestvo v epokhu globalizatsii,” *Gumanitarnye i sotsialno-ekonomicheskie nauki* (Rostov-on-Don), No. 1, 2005, pp. 169-172; “My ne gotovy. Yavlyaetsya li t.n. grazhdanskoe obshchestvo tsivilizatsionnoy perspektivoy Rossii?” *Ekonomicheskaya i filosofskaya gazeta*, No. 52, 2005; “K globalizatsii i modernizatsii cherez regionalizatsiiu,” *Mysl. Obshchestvenno-politicheskiy i nauchno-populiarny zhurnal*, No. 2, 2007, pp. 15-19; “Postmodernistskie perspektivy integratsii Rossii v globalnoe grazhdanskoe obshchestvo,” in: *Vyzovy sovremenosti i filosofii*, Bishkek, 2007, pp. 63-69; “Kakoe grazhdanskoe obshchestvo nuzhno Rossii?” *Vestnik RFO*, No. 2, 2009, pp. 88-91; “Rossia v globalnom grazhdanskom obshchestve,” in: *Materialy Mezhdunarodnogo nauchnogo kongressa “Globalistika-2009: puti vykhoda iz globalnogo krizisa i modeli novogo miroostroystva”*, MGU im. M.V. Lomonosova, Moskva, 20-23 maia 2009 g., ed. by I.I. Abylgaziev, I.V. Ilyin, in 2 vols., Vol. I, MAKS Press, Moscow, 2009, pp. 174-177; “Chto sulit Rossii globalnoe grazhdanskoe obshchestvo?” in: *Chelovek—ob’ekt i sub’ekt globalnykh protsessov, Materialy mezhdunarodnoy nauchnoy konferentsii*, St. Petersburg, 2010, pp. 236-239; “Regionalizatsia kak faktor modernizatsii i sokhraneniia etnokulturnoy identichnosti severokavkazskikh narodov v epokhu globalizatsii,” in: *Rossia v protsesse modernizatsii: sotsialno-politicheskie aspekty: materialy Vserossiyskoy nauchno-prakticheskoy konferentsii*, RITs AGPU, Armavir, 2010, pp. 21-29; *Daghestan v kulture i tsivilizatsii*, GU Daghestanskoe knizhnoe izdatelstvo, Makhachkala, 2010, 192 pp.; *Dialektika kulturny i tsivilizatsii (region Rossii)*, LAP LAMBERT Academic Publishing GmbH & Co. KG, Saarbrücken, 2011, 148 pp., etc.

- Second, the most developed civil societies of the West are living through a crisis of multiculturalism, a product of the decline of European civilization and culture.
- Third, as follows from the above, Russia, its national regions, and Daghestan need a different culture, civilization, civil society, and civil nation to shape an integrated identity in Russia's citizens in the context of a multinational and multiconfessional society.

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## ETHNIC RELATIONS IN DAGHESTAN: SPECIAL FEATURES AND CURRENT PROBLEMS

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### *Introduction*

In recent years, problems relating to the state and development dynamics of ethnic relations, which have an effect on the sociopolitical and moral-psychological atmosphere in Russia, are becoming an increasingly frequent target of study. Resolving sociopolitical problems is particularly important in the context of the current instability in the Northern Caucasus.

For more than one decade now, ethnic relations have been playing an important role in the fate of the peoples living in the polycultural expanse of the Northern Caucasus. If historical development is viewed through the growing internal diversity of the social relations system as a whole, it can be seen that ethnic development and ethnic differentiation have always been the primary vector for determining the nature and direction of this development.<sup>1</sup>

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<sup>1</sup> See: S.G. Larchenko, *Sotsialno-etcheskie protsessy v sistemoi organizatsii i razvitiu obshchestva*, Au-

Many thinkers and politicians have tried to penetrate to the core of ethnic relations in search of optimal forms and ways to build them. Scientific discussions have been held on important problems relating to a substantive understanding of the culture of interrelations among the ethnicities (peoples) of Russia. Russian researchers continue to discuss issues relating to ethnic relations today; resolving them is extremely important for understanding Russia's future civilizational development.

The interest of Russian intellectuals and politicians in ethnic relations in Russia (as well as in the North Caucasian republics) rose dramatically after the collapse of the Soviet Union and the Westernizing reforms of the Yeltsin period. When the Soviet Union fell apart, the Northern Caucasus turned into a zone of conflict and in-

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thor's dissertation for a Doctor's Degree in Philosophical Science, Novosibirsk, 2001, p. 22.

stability, which was largely related to the struggle of the region's peoples for independence. As we know, the Russian-Chechen conflict, which destabilized the entire Caucasus, was the acutest.

The corrupt way in which state property was divided up caused further degradation and inefficiency of the Russian economy and also hampered the development of competition and the market economy, which led to flagrant social inequality. The political sphere was taken over by functionaries from the old system, bureaucrats, oligarchs, and downright criminals, who, despite the struggle among these different groups for power, were closely interrelated.<sup>2</sup>

This development of events led to ethnic problems that affected the essential matters of statehood and federalism, as well as the social self-awareness of Russian citizens, going beyond the interests of specialists and becoming part of the public consciousness.

Russian researchers who analyze ethnic and national relations within the framework of different approaches think that the civilizational sources

of their national traditions provide serious grounds for marking out paths of development oriented toward the priority of spiritual, primarily religious, values. According to some researchers, in Russia "value references ... have always predominated over objective, which is why Western rationality is absent ... collectivity, including ethnicity (and not the Western national-state approach), is fundamental here, with unconditional predominance of world outlook over scientific-technological approaches."<sup>3</sup>

Russia is a country in the territory of which people from more than 150 ethnic and national minorities live, whereby, from the perspective of international law, their status is not questioned. At the same time, these different ethnic groups have been unable to restore their diversified forms of autonomy (national-territorial and national-cultural) and not all of them have equal opportunities for preserving and developing their languages, traditions, and cultures. The ambiguity of corresponding forms of state support and the absence of legislative acts ensuring the rights and interests of ethnonational minorities are having an indirect influence on the state of ethnic relations.

<sup>2</sup> See: V. Puchachev, "Rossiyskoe gosudarstvo: popytka politologicheskogo audita," *Vlast*, No. 12, 1997, pp. 9-15; "Ekonomicheskie i sotsialnye peremeny: monitoring obshchestvennogo mneniia," *Informatsionnyy biulleten*, No. 4, 1997, p. 11.

<sup>3</sup> See: V.G. Fedotova, *Khoroshee obshchestvo*, Moscow, 2005, pp. 492-493.

## The Northern Caucasus

Attempts to reveal the special features of the relations among the North Caucasian ethnicities go back into the distant past when there was mistrust and even blood feuds among them. Nor should we forget the mass repressions and deportation of entire North Caucasian peoples, which have become their genetic (and in part historical) memory. This has led to the formation of a certain ethnic archetype (or mistrust complex), one of the frequent manifestations of which is hostility toward the central government and its national policy.

Such manifestations of the ethnic mentality of the North Caucasian peoples are in no way entrenched stereotypes. However, it would not be right to wipe away the memory of unfair repressions, particularly since contradictory repercussions of these events are still being manifested in ethnic relations in the North Caucasian republics. Moreover, questions related to the specific ways this particular feature of ethnic mentality is influencing the entire range of social and political events in the region remain open.

The North Caucasian peoples, who have age-old ties with Russia, have maintained trade, cultural, and political relations with it for many centuries. When considering the relations between the Russian



and North Caucasian ethnicities, we need to keep in mind that paganism, Zoroastrianism, Judaism, Christianity, and Islam peacefully coexisted for quite a long time in the Northern Caucasus and laid the foundation of the world outlook of the peoples living there.

The North Caucasian region has never been a mere sum of the ethnic groups populating it; it is a single historical-sociocultural community of peoples. The Northern Caucasus, which comprises seven ethno-titular republics (Adigey, Dagestan, Ingushetia, Chechnia, Kabardino-Balkaria, Karachaevo-Cherkessia, and North Ossetia), two territories (Krasnodar and Stavropol), and one region (Rostov), is remarkable not only in the diversity of its peoples, cultures, and confessions, but also in the multitude of its latent and manifest hotbeds of ethnic conflict.

The social upheavals that have been going on in the Northern Caucasus over the past few years (the two Chechen wars and the armed incidents in Karachaevo-Cherkessia, Ingushetia, and Dagestan) have led to an abrupt rise in the number of refugees and aroused a wide response throughout Russia. Furthermore, such sociopolitical phenomena as terrorism and extremism are hiking up the overall tension in the country.

It is also worth noting that at the beginning of the 1990s, the striving for ethnonational revival and restoration of historical justice with respect to the peoples repressed and deported for ethnic reasons led to destabilization of the situation in the region. The new disruption of the situation that occurred at the end of the 1990s was instigated by the fact the specific economic and sociocultural interests of the ethnonational communities were ignored in many of the Russian regions.

Ethnic conflicts in the North Caucasian republics are mainly caused by the following: concentration of power in the hands of representatives of specific ethnicities; conflicts between the titular peoples and representatives of other peoples living in the territory; distancing of one national or ethnic group from the others; giving priority to one's own national values in detriment to the values of other ethnicities; problems relating to declaration of the language of one particular national or ethnic group as the state language; and infringing by one (titular) national group of the rights and sense of national dignity of other groups. There can be no doubt that overcoming all of the above-listed factors is an extremely complicated task that requires the most careful approach, scrupulous analysis of the smallest details, and a synthesized solution.

The numerous reasons for the emergence of conflict situations in the Northern Caucasus require that this problem be tackled by carrying out a conflict-study analysis of the tension; conducting a thorough examination of the factors characterizing the nature and specifics of ethnic conflicts in contemporary Russia as a whole, keeping in mind their historical, specific-evidential, and event-related characteristics; revealing the parameters and characteristic specifics of ethnic conflicts, their typology and particular features of development; and drawing up conflict management and deterrence techniques, which is probably the most important of all the above-listed items.

The existing problems must be resolved judiciously, keeping in mind not only the internal nature of the social conflicts, but also of all the factors, including geopolitical.

Each ethnic conflict, which has an essential and situational side, is based on objective reasons and incidental, subjective components. In other words, the nature of ethnic conflict is qualified as a complicated, contradictory amalgamation of essential (necessary, objective) and situational (incidental, subjective) components.

Ethnic relations in the Northern Caucasus must be evaluated proceeding from the fact that the Northern Caucasus is increasingly becoming a target of the geopolitical aspirations of different countries. The geopolitical situation in the Caucasus is in a state of flux; hotbeds of armed conflicts and military-political tension continue to exist there. The Armenian-Azerbaijani, Ossetian-Ingushetian, Georgian-Abkhazian, and Georgian-South Ossetian conflicts must be settled in order to strengthen the region's geopolitical integrity. Their unsettled state is having a serious impact on the socio-economic situation in the Caucasus, the rates of the migration process, and the political situation as a whole.

It stands to reason that ethnic relations in the Northern Caucasus are determined by the general principles for regulating the development of Russian society. In addition, the specificity of the laws governing the development of ethnic relations presumes the application of slightly different, generally available principles of regulation. Furthermore, it is important to keep in mind that ethnic relations are an extremely complicated sphere requiring a systems approach that does not tolerate strict boundaries.

The sociocultural expanse of Russia and the North Caucasian region is unique in that it brings together such cultural traditions as the particular ethnic, the Russian-Soviet, and the Western paradigms. Moreover, the cultural traditions of the East are coming increasingly to the forefront, which is expressed in particular in the growing ideological influence of Islam manifested at times in some of the regional constituents in the form of religious and political radicalism and extremism.

Establishing harmonious ethnic relations based on consent and constructive interaction among the ethnic and national groups residing in such a diverse sociocultural expanse as the Northern Caucasus is an urgent task for the whole of Russian society.

Ethnic Russians comprise 82% of the Russian Federation's population; the other 18% is represented by more than 150 ethnonational communities. Achieving social harmony in ethnic relations is impossible without establishing real equality among the peoples regardless of their numerical size, confession, race, and cultural and civilizational characteristics.

According to M. Aliev, "imposing the form of state structure on one ethnicity by mechanically borrowing it from another that is at a different level of alternative development, has a different culture, religion, moral values, and national self-awareness, destroys this form's harmony with the ethnicity's everyday life."<sup>4</sup>

Despite the fact that the cultural codes of the Russian ethnicities differ greatly from each other, the everyday life of the different nationalities of the Russian Federation is determined by an all-Russian identity and constitutional regulations aimed at achieving political and spiritual-cultural unity and, in the long view, sociocultural communality of the country's population.

The 1993 Russian Federation Constitution recognizes the rights of numerically small peoples, including their "right to preserve their native language." Art 26 enforces free choice of language of communication, upbringing, education, and creativity; and Art 29 prohibits propaganda of social, racial, national, or linguistic precedence. The Federal Law on Combating Extremism adopted in 2002 is also worth mentioning in this respect.

However, the national-cultural autonomies (NCA) that act in compliance with the Law on National-Cultural Autonomy adopted in 1996 are the most graphic sign of a multicultural policy. The NCA were established in order to promote voluntary self-organization of ethnic groups aimed at preserving their uniqueness and enhancing their language, education, and national culture.

In the long run, a historically verified policy of ethnic and cultural tolerance will be the most acceptable alternative for Russia.

As the historical experience of ethnocultural and national development of the North Caucasian region shows, cultural pluralism of the population does not lead to social and political disintegration of society. The local ethnic and intercultural tolerance ethnic communities have managed to preserve by maintaining a certain amount of ethnocultural and territorial detachment has been an important prerequisite of social stability. "The new paradigm of ethnic policy presumes creating conditions for the full-fledged coexistence of peoples with different mentalities and belonging to different confessions but united by the common goal of preserving Russia as a single state with strong economic and spiritual potential," claims V. Zorin.<sup>5</sup>

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<sup>4</sup> See: M.G. Aliev, *Soglasie. Sotsialno-filosofsky analiz*, Moscow, 2001, p. 237.

<sup>5</sup> V. Zorin, "Rossiyskiy islam: problemy i puti ikh resheniia," in: *Islam na poroge tretogo tysiacheletia*, Materials from a scientific conference and 2nd regional seminar "Rukhi miras"—Dukhovnoe nasledie, Medina, Nizhny Novgorod, 2002, pp. 5-6.

## Daghestan

Among all the North Caucasian republics, Daghestan, which is situated at the crossroads of cultures, religions, and civilizations, has always occupied and continues to occupy an important strategic place on the border between the East and the West, the North and the South, Christianity and Islam. On the strength of its geographic location, natural resources, and specifics of internal development within the Russian Federation, Daghestan is increasingly becoming a magnet for the regional interests of the world powers and centers of geopolitical coalitions.

Zagir Arukhov, a well-known Daghestani researcher and former minister for national policy, information, and foreign relations of the Republic of Daghestan, has also turned repeatedly to this topic, writing in particular: "Historically, the republic's territory has always been in the center of geopolitical collisions instigated by the interests of adjacent regions and states. In this sense, Daghestan is a kind of Caucasian heartland, center, middle of the earth of the Caucasian region."<sup>6</sup>

The representatives of 102 nationalities reside and around 60 languages are spoken in Daghestan's polycultural space, whereby the structure of the specific characteristics of each nationality is unique. Religion acts as the common, unifying element and is one of the determining factors of socio-political and cultural life. However, in everyday life, many mountain dwellers adhere to the adat regulations (common law) inherent in their ethnoculture. More than 90% of Daghestan's population traditionally confesses Islam, while the other 10% follows Christianity and Judaism.

Religion has had an influence on the formation of ethnic *relations* and on the ethnocultural *development* of Daghestan's various nationalities for many centuries. Hegel wrote that "all the various peoples feel that it is in the religious consciousness they possess truth, and they have always regarded religion as constituting their true dignity and the Sabbath of their life."<sup>7</sup>

Daghestan, as a particular geohistorical phenomenon, is a unique example of loyal interaction among more than 30 indigenous ethnicities. It is one of the few places in the world where all the peoples living there coexist peacefully and have equal rights.

Local historiographers, from M. Rafi (14th century) to G. Alkadari (19th century), not only fail to mention ethnic conflicts, but also totally ignore the role of the national factor in the endless wars of the mountain peoples for independence and other historically important events in foreign and domestic political life.

Given the chronic shortage of land, multitude of ethnic formations, and belligerency of the mountain dwellers, it seems that ethnic conflicts would not only be inevitable, but also lamentably routine. In reality, however, there is ethnic tolerance; not one ethnicity of Daghestan has waged war against another. Not only philosophers and culture experts, but also many well-known figures of Russia have repeatedly spoken and written about this.

As for the national policy of post-Soviet Daghestan, it has been studied piecemeal and largely from the viewpoint of historical science and ethnology. So it appears expedient to analyze national policy in the context of ensuring ethnic consent in the country.

In recent years, there has been a growing interest in the problems of ethnic policy and ethnic consent in Daghestan, which presumes the formation of new views on the history of the lowland communities that appeared during the time of Stalin's deportation of the Chechens. Moreover, issues relating to territorial division are becoming increasingly acute.

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<sup>6</sup> See: Z. Arukhov, "Geopolitichesky potentsial Daghestana i kliuchevye napravleniia ego realizatsii," in: *Entopoliticheskie issledovaniia na Severnom Kavkaze: sostoiianie, problemy, perspektivy*, Makhachkala, 2005, p. 17.

<sup>7</sup> G.W.F. Hegel, Introduction to the *Philosophy of Religion*, available at [<http://www.marxists.org/reference/archive/hegel/works/re/introduction.htm>].

At the beginning of the 1990s, passions flared up in earnest over problems relating to the rehabilitation of the repressed Chechen-Akkins, the deportation of some communities, the accommodation of refugees from the town of Novyy Uzen in the Guriev Region of the Kazakh S.S.R., and matters relating to the socioeconomic and cultural status of lowland residents who found themselves in the minority in their native land.

Owing to the introduction of restrictions on the movement of people and transport at the Russian-Azerbaijani border, the problem of disunited peoples (Lezgians, Avars, Rutuls, Tsakhurs, and Azeris) became particularly acute. Matters relating to the unification and resolution of the socioeconomic and cultural problems of the disunited Nogay ethnicity became extremely urgent. Moreover, the Russian-speaking population began leaving the republic in earnest.

Nevertheless, problems relating to the repressions against the Chechen-Akkins and the deportation of some Daghestani communities should be considered the main reason for the increasing escalation of ethnic tension.

## The Novolakskoe Problem

Let us turn to history. We know that after the compulsory deportation of Chechens and Ingush from the territory of the Chechen-Ingush A.S.S.R to Central Asia and Kazakhstan between 23 February and 9 March, 1944 (Operation Chechevitsa), many residents of mountainous Daghestan were forcibly settled in the freed up land. On 31 January, 1944, the Soviet State Defense Committee adopted Resolution No. 5073 on Abolishment of the Chechen-Ingush A.S.S.R. and Deportation of its population to Central Asia and Kazakhstan. After abolishment of the Chechen-Ingush A.S.S.R., four of its districts were transferred to the Daghestan A.S.S.R. and one to the North Ossetian A.S.S.R., while the Grozny Region was established in the rest of the territory. One of the government's aims was to preserve agriculture in these territories.

People were moved both to the lowland regions of Daghestan, where Chechens lived before they were deported, and to the territory of present-day Chechnia (primarily to those districts that were transferred to Daghestan during abolishment of the Chechen-Ingush A.S.S.R. in 1944). In terms of its drama, this resettlement can be compared with deportation of the Chechens itself, particularly if we keep in mind that the mountain dwellers found themselves in climatic conditions that were absolutely alien to them. To prevent the deportees from moving back to their native land, their homes were burned down or blown up. According to the data presented by M.-R.A. Ibrahimov, between March and August 1944, approximately one fifth of the entire population of mountainous Daghestan at that time (16,100 families from 21 mountainous districts) were moved to new places of residence; 144 population settlements were moved in full to new locations, and 110 partially. According to the archive data, the number of deported residents amounted to around 62,000 people. Avars and the ethnic groups related to them, as well as Darghins, Laks, and Kumyks, were forced to move.<sup>8</sup>

The second act of this drama began in 1957 when Nikita Khrushchev rehabilitated the peoples repressed during the Great Patriotic War of 1941-1945, including the Chechens. The exiled Chechen-Akkins began to return to Daghestan, which led to the problem of their accommodation.

The rural residents dealt with this problem in different ways. Some Daghestanis moved to other population settlements of the restored Chechen-Ingush A.S.S.R., primarily in the north of the

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<sup>8</sup> See: M.-R.A. Ibrahimov, "Deportatsii naseleniia Daghestana v 1941-1944 godakh," in: Iu. Aliev, A. Hajiev, *Bespa-miatstvo smerti podobno*, Makhachkala, 2010, pp. 5-21.

republic. For example, in 1957, some migrants from the Tsumada and Tsunta districts of Daghestan ended up at the Borozdinovskaia stanitsa of the Shelkovskoy district, which had been incorporated the same year into the Chechen-Ingush A.S.S.R. The Chechens were essentially unable to return to some of the places where Daghestanis had been deported in 1944; in 1957, the national composition of such territories did not change. The same thing happened with the Novolakskoe (previously Aukh) district of Daghestan, where Laks forced to migrate from more than 30 mountain villages lived from 1944.

And, finally, some Daghestanis returned to Daghestan from Chechnia, although they settled not only in the mountains, but also in the plains. The authorities of the Daghestani A.S.S.R. also made a decision to leave the Avars and Laks in the Akkin territory they occupied. The Akkins themselves were to settle in the Khasaviurt district right next to their former place of residence.

According to M. and Zh. Kurbanov, between June and 1 November, 1957, 11,884 families were moved from Chechnia to Daghestan; 7,502 of them to the plains, and 4,382 to the mountains. The other 1,908 families were resettled at the end of 1957-beginning of 1958. Those who were sent to the mountains went almost exclusively to their native districts. Migration to the plains mainly took place in two directions: to the Daghestani-Chechen border area and primarily to the Khasaviurt district (as of 1 November, 1957, 3,883 families of the 4,006 planned had been moved there), and to the coastal territories between Makhachkala and Derbent, mainly to the Kaiakent district (as of 1 November, 1957, 1,109 families had been sent to this district, which corresponded precisely to the figure given in the resettlement plan).

In some cases, the people who came from Chechnia were sent to live in villages where Kumyks and Nogays resided. This is what happened, for example, with the Darghins in Kostek (the Khasaviurt district) and Babaiurt (the Babaiurt district).<sup>9</sup> However, it should be noted that more often than not new villages were established.

The third act of the drama related to the problem of restoring the Aukh district and resettlement (for the second time) of the Laks of the Novolakskoe district in other areas. Before the beginning of the 1980s, the Akkins were happy with the decision of the authorities of the Daghestani A.S.S.R. (according to which Avars and Laks continued living in the Akkin territories they occupied, while the Akkins themselves took up residence in the Khasaviurt district), but later they began exerting greater effort to return to their native land; systematic picketing of government buildings began, and in 1991 the Laks living in the Novolakskoe district were also the targets of direct violence. In response to the Chechens' actions, the Lak national movement emerged, aimed at consolidating the protest against the republic's authorities who had closed their eyes to the bloody drama in the Novolakskoe district.

On 12 May, 1991, the 3rd Congress of People's Deputies of Daghestan was convened, at which the question On Practical Measures for Executing the R.S.F.S.R. Law on Rehabilitation of the Repressed Peoples was raised. A decision was made to restore the Aukh district (but without the lands transferred in 1944 to the Kazbek district) and resettle the Laks of the Novolakskoe district in the areas to the north of Makhachkala and form a new Novolakskoe district there. For this purpose, a resolution On Allotting Land for the Newly Formed Novolakskoe District was adopted.

This gave rise to new tension associated with accommodation of the Novolakskoe population. In the difficult economic circumstances that existed in those years, moving to an undeveloped area was a highly risky affair. People did not want to leave their habitual places of residence; many did not like the new, not particularly fertile lands. The Daghestani authorities began to build a few settlements in the Novolakskoe, Kazbek, and Kumtorkalinsky districts of the republic; owing to the escalating

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<sup>9</sup> See: M.R. Kurbanov, Zh.M. Kurbanov, *Narody Daghestana: istoriia deportatsii i repressy*, Lotos, Makhachkala, 2009, pp. 234-235.



violence, the Laks agreed to take 8,500 hectares of salt marsh (this amount of land was three times smaller than the black soil area they previously occupied in the Novolakskoe district).<sup>10</sup>

From that time on, the Laks who resettled in the places of former residence of the Chechen-Aukhs were considered temporary residents, while the Chechen-Aukhs themselves were supposed to return to their historical homeland. Later there were plans to restore the Aukh district of Daghestan and settle the indigenous population there.

The difficult situation in the Novolakskoe, Kazbek, and Khasaviurt districts was caused by the change in regime and aggravated by ethnic clashes that became particularly bloody after the beginning of the first Chechen campaign in 1994, when the Chechen-Aukhs had no trouble acquiring weapons, since they practically lay around underfoot.

There was also acute enmity among nationalities at the mundane level. Every few months, clashes occurred among adolescents that escalated into mass fights on the borders of areas where Laks, Avars, and Chechens lived; there is a long list of people killed in these clashes.

The Daghestani authorities were extremely concerned about the situation created; the Novolakskoe problem was repeatedly discussed at the highest level.

On 23 December, 2010, President of Daghestan Magomedali Magomedov met in Moscow with Russian Minister of Economic Development Elvira Nabiullina. During this meeting, the question of moving the Lak population of the Novolakskoe district to a new place of residence was also discussed.

During a meeting between Russian President Dmitry Medvedev and President of Daghestan Magomedali Magomedov held on 26 March, 2010 in Sochi, there was talk about allotting Daghestan additional financial aid intended in particular for funding the resettlement program of the Lak population of the Novolakskoe district.<sup>11</sup>

## Other Ethnic Problems

Problems similar to the one that arose in the Novolakskoe district are also arising with respect to other nationalities. For example, the moods among the Kumyk population of the Khasaviurt district have become much more radical. The Chechens and Avars who moved there in recent decades were successful in commerce, grabbed key posts in state management bodies, and so occupied the most advantageous positions in the social structure, ensuring them material wealth and privileges. This did not leave much room for the Kumyk elite, and the fight over spheres of influence has intensified among individual national groups.

The land issue has also aggravated the contradictions between the Kumyks and Laks. The situation could lead to clashes capable of escalating into a civil war with the participation not only of Laks and Kumyks, but also of Avars, Chechens, and other national communities of Daghestan.

The reason for the Kumyk-Lak conflict can be divided into two parts: restoration of the Kumtorkalinsky district and recreation of the Novolakskoe district in new territory. Downsizing of the Makhachkala Urban District led to establishment of the Makhachkala Rural District, which was subsequently renamed the Kumtorkalinsky district. The Kumyks however were in favor of restoring the Kumtorkalinsky district within the 1935 borders. In turn, in order to implement the decisions of the

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<sup>10</sup> See: V. Trofimov-Trofimov (coordinator of the International Movement to Protect National Rights), "Laksty i problemy pereseleniia," available at [<http://www.gumilev-center.ru/?p=553>].

<sup>11</sup> See: T. Isaev, "V Daghestane programmu pereseleniia laktsev budet kurirovat novyy rukovoditel," available at [<http://www.kavkaz-uzel.ru/articles/179786/>].



3rd Congress of People's Deputies of Daghestan of 23 July, 1991 On Formation of the Novolakskoe District, the Daghestani authorities were in favor of transferring this land to be used for population settlements in the newly created district.

Talks, for which both conflicting sides saw the need, saved the situation. The elders of both jamaats and members of the government participated in the negotiations.

At the beginning of the 1990s, a new breeding ground of tension, also related to the land issue, emerged in the Daghestani village of Kostek (the population of Stary (Old) Kostek comprises of Kumyks, while forced Darghin migrants live in Novy (New) Kostek) of the Khasaviurt district. In order to understand the reason for this far-from-easy conflict, we must turn to history once more.

In the spring of 1957, the Darghins who were deported during the war from the Levashi district to Chechen-Ingushetia were taken on the authorities' orders to Kostek. The Kumyks not only welcomed the Darghins, they helped them in every way they could to set up house.

The Darghins mainly engaged in free-range sheep breeding in the winter pastures, but in the 1960s, all the livestock was transferred to the farmsteads of the Kurakh district. Elimination of the enterprise the Darghins had engaged in from time immemorial meant *they had to make their living doing seasonal work*.

The conflict between the Darghins and the Kumyks arose when divvying up land plots. Despite the fact that the Kumyks owned the land, the Darghins thought their interests were being impinged on; the conflicting sides even opened fire on each other. The authorities had a hard time quelling the ethnic clashes; negotiations began, which put a halt to further escalation of the conflict.

The problem of the Nogay people<sup>12</sup> was also related to rehabilitation of the Chechens and Ingush and to restoration of the Chechen-Ingush A.S.S.R. Decree No. 721/4 of the Presidium of the Supreme Soviet of the R.S.F.S.R. of 9 January, 1957 made the Nogay, Kizliar, and Tarumovka districts parts of Daghestan, while the Shelkovskoy district became part of restored Chechen-Ingushetia and the Neftekumsk district part of the Stavropol Territory; this destroyed the integrity of the Nogays' ethnic territory. *Sociopolitical discontent* arose among the Nogays of the region, and in 1989, the Birlik (Unity) national movement was created. The activists of this movement repeatedly asked the authorities of the Stavropol Territory and Daghestan to raise the status of the Nogay territories to that of a national district.

Another problem is related to the consequences of the collapse of the Soviet Union. Peoples who once lived in a unified ethnopolitical space found themselves divided by state borders; to one extent or another, the matter concerns the Rutuls, Tsakhurs, Avars, Lezghians, and Azeris.

## Conclusion

The disintegration of the Soviet Union and the acute socioeconomic and political crisis that followed drastically aggravated the ethnic contradictions hidden deep in the bowels of Daghestani society related to the mistakes and blunders made in the past when resolving ethnic problems.

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<sup>12</sup> The Nogays are one of the Turkic-speaking peoples of the Northern Caucasus. There are a total of 90,000 of them in Russia and the CIS countries. The Nogays mainly live in the Nogay steppes; now it is divided by administrative-territorial borders among Daghestan, Chechnia, and the Stavropol Territory. There are 34,400 Nogays, or 37% of the entire Nogay population, living in Daghestan. The rural population of Nogays amounts to around 87% of all Nogays, who reside in four districts: the Nogay (82% of the district's population), Babaiurt (16%), Tarumovka (8%), and Kizliar (7.8%) (see: R.A. Ageeva, *Kakogo my rodu-plemeni? Narody Rossii: imena i sudby*, Reference Dictionary, Academia, Moscow, 2000, p. 9).

It is obvious that Dagestan continues to have problems and contradictions today that are raising social tension and aggravating ethnic relations, which are complicated anyway. A generalized and classified list of these problems looks as follows:

- Problems of the state and legal status of peoples (the question of self-determination).
- Ethnoterritorial problems relating to realization of the rights and interests of the repressed, deported, resettled, and disunited peoples.
- Problems of national-territorial structure and changes in the status of territories.
- Problems relating to the economic use of the plains and other territories that led to a change in ethnic composition, as well as infringement of the economic and political interests of the compactly residing population.
- Problems relating to the linguistic and cultural development of the peoples.
- Problems relating to preserving the habitat and economic activity of unique ethnicities.
- Problems of socioeconomic inequality of regions and territories.
- Problems relating to protecting the rights and interests of the Russian-speaking population.
- Problems of uncontrolled migration and infringement of the rights of ethnic Caucasians in the Russian regions and the exodus of the Russian-speaking population from the North Caucasian republics.
- Problems relating to the political status of the peoples and representation of the nationalities in governing bodies at the regional and federal levels.
- Problems created by past and present blunders and errors in conducting national policy in the center and in the provinces.
- Problems relating to reassessing the national and religious exclusivity and role of the spiritual and cultural heritage of individual ethnicities in the history of the region and country.
- Problems created by the penetration of totalitarian and extremist sects into the religious milieu and politicization of religion.

Given the unfavorable socioeconomic environment and adverse development of the sociopolitical situation, and also in the event of outside interference, these and other problems could lead to ethnic conflicts that are difficult to resolve.

We should also take note of what we think is another very important circumstance: in recent years, the conflict situations existing in the Northern Caucasus, particularly in Chechnia and Dagestan, are being increasingly tagged as interreligious confrontation. There can be no doubt that mention of the Islamic factor both by the local ethnic elite and by countries interested in building up their influence in the region (Turkey, the U.S., and Saudi Arabia) is serving far-reaching political and geopolitical goals.

It must be admitted that ethnicities of different sociocultural types and confessional orientations are in active contact in the Northern Caucasus. Furthermore, Islam is being increasingly viewed as a specific mobilizing ideology, as the most important element of the new national self-consciousness, and as grounds for creating independent state formations. This abruptly raises the significance of objective reflection of the cultural status of Islam in unity with the traditional foundations of national self-consciousness, which is increasingly seen as the main reason for ethnic extremism not only in the Caucasus, but also in present-day Russia. But this is only the consequence of deeper processes caused by the critical socioeconomic state of the ethnicities.

When describing the present situation in ethnic relations in the Northern Caucasus, well-known Russian academic Igor Dobaev writes: "Society and the state in the South of Russia are facing the challenge of a new escalation in tension. The Chechen and Ossetian-Ingush conflicts cannot be considered ultimately settled and resolved; deep-seated changes are occurring in these ethnic groups that could again detonate the situation. New hotbeds of open ethnic opposition are appearing, and the most dangerous of them is in Daghestan. There is high potential for ethnic tension in Kabardino-Balkaria, Karachaevo-Cherkessia, Adigey, and the Stavropol and Krasnodar Territories, that is, essentially throughout the whole of the Southern Federal District. And everywhere in these processes the Islamic factor is present, which actively interacts with national (nationalist) elements."<sup>13</sup>

At the same time, we must admit that, on the whole, the Islamic factor has not become the unifying ideology of the Muslim peoples of the Northern Caucasus. The integrating role of Islam, which gathers peoples of different tribes and different languages under its green banners, is nevertheless vast, and it is this religion that advances the important social slogan: "In Islam all people are brothers."

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<sup>13</sup> See: I.P. Dobaev, "Opasnost islamizatsii i etnizatsii obshchestva na Iuge Rossii," available at [<http://www.rusk.ru/st.php?idar=20436>].

**ENERGY POLICY****THE TRANS-AFGHAN  
TRANSPORT CORRIDOR:  
STATE INTERESTS AND  
DEVELOPMENT PROSPECTS**

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*Introduction*

Efforts are currently being stepped up to create a Trans-Afghan transport corridor (TATC), motivated primarily by its vast transit capabilities and the role it can play in developing economic relations in the Central Asia region. Furthermore, it is important to note that building a transport infrastructure in Afghanistan capable of invigorating integration with neighboring states is not only vital for developing the country's economy, but also for ensuring its domestic political stability.

Given their unique geographic location, Uzbekistan and Afghanistan have advantageous conditions for creating and developing intercontinental transport corridors. For example, the main international transport corridors pass through the

territory of Uzbekistan, which is one of the largest Central Asian states. This makes it extremely attractive from the viewpoint of Eurasian goods and passenger transit via the shortest route in essentially all directions. Moreover, intensive development of Uzbekistan's foreign trade demands organizing efficient international cargo carriage.

On 18 June, 2003, in order to promote the restoration of Afghanistan's economy, raise its transit potential, and develop economic trade cooperation in the region, the heads of state of Uzbekistan, Afghanistan, and Iran signed an Agreement on building international transport corridors via the Termez-Hayraton-Mazar-e Sharif-Herat-Meshed-Bandar Abbas route. It should be noted that full-fledged implementation of this project

largely depends on how all-embracing and similar the interests of the regional states are, as well as on the level of their cooperation in this vector.

This article analyzes the interests of those states involved in creating the TATC, as well as the prospects for its development.

## Interests of the Regional States

At the moment, the regional states (Iran, Afghanistan, Pakistan, Uzbekistan, Tajikistan, Turkmenistan, and China) are not unanimous in their opinion about building the TATC. Along with their shared considerations, some states also have alternative proposals for gaining access to the southern ports through Afghan territory.

*Iran's Interests.* The following factors are conducive to cooperation between the Islamic Republic of *Iran* (IRI) and the Islamic Republic of *Afghanistan* (IRA):

- their long common border;
- their national-ethnic kinship and similar cultural and religious traditions;
- drug production in Afghanistan;
- the ongoing internal instability.

In their economic relations, the two countries have been focusing on building and restoring the transport infrastructure that connects them. For example, in 2006, Iran and Afghanistan signed an agreement on building the Herat-Khaf railway, the total length of which is 191 km (77 km pass through Iran and 114 km through Afghanistan). Iran was to finance 60% of this project and Afghanistan 40%; according to official Afghan data, the project is 70% complete,<sup>1</sup> construction being halted after the Taliban attacked workers building the Afghan section of the railroad on 31 November, 2007.

According to the estimates of economists, implementation of the Herat-Khaf railway is promoting an increase in trade turnover between the two states. For example, whereas in 2006 the trade turnover volume amounted to around \$500 million, in 2011 this index reached \$2 billion 180 million, while in 2012 trade turnover between Iran and Afghanistan will grow to \$3 billion.<sup>2</sup>

Iran is also interested in developing Afghanistan's natural resources. According to Head of the Trade Development Organization of the Khorasan Province Ali Safar-zade, Afghanistan is undergoing development and a large number of projects are being implemented in the country. In this respect, Iranian businessmen can take active part in providing engineering and technical services and developing Afghanistan's industry. By way of spheres for extending trade and economic cooperation between the two countries, Ali Safar-zade noted exploration and exploitation of natural resource deposits, as well as building factories and production lines in Afghanistan for manufacturing engineering products.

According to American geologists, Afghanistan has large amounts of unexploited natural resources, the potential cost of which amounts to around \$1 trillion, and the TATC could play a pivotal role in their transportation.<sup>3</sup>

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<sup>1</sup> See: "Plan stroitelstva zheleznykh dorog Khaf-Herat zavershen na 70%, August 2008," available at [<http://www.afghanistan.ru/doc/12176.html>].

<sup>2</sup> See: "Ob'em tovarooborota mezhdru Iranom i Afghanistanom vyros v 4 raza," available at [[http://www.iran.ru/rus/news\\_iran.php?act=news\\_by\\_id&n=1&news\\_id=80831](http://www.iran.ru/rus/news_iran.php?act=news_by_id&n=1&news_id=80831)], 28 May, 2012.

<sup>3</sup> See: "Resursnye perspektivy Afganistana: otsenki ekspertov," available at [<http://www.afganistan.ru/doc/17691.html>].

Iran also intends to use the TATC for transit purposes; in the future it could join up with the transport systems of China (through Uzbekistan and Kyrgyzstan), which will result in a transcontinental corridor. As of today, the CA states mainly use the port of Bandar Abbas in export-import operations with the countries of Southeast and Southwest Asia. This route is also promoting the development of Iran's economic relations with the western districts of China.

If we keep in mind the current flow of traffic through ports and the additional time and money needed for loading-unloading operations (with an annual increase in service volume of 10%), transporting freight by land through Central Asia appears extremely advantageous.<sup>4</sup> For example, the conveyance of one ton of cargo by traditional sea transport via the Kashgar-Shanghai-Tehran route (13,800 km) costs \$160, while the same operation costs only about \$90 via the alternative Kashgar-Osh-Termez-Herat-Tehran route (3,500 km). As of today, the goods turnover volume between Iran and the East Asian states is quite high: it comprises more than \$30 billion with China, more than \$11 billion with Japan, and around \$7 billion with the Republic of Korea.<sup>5</sup>

As Iranian experts note, building the TATC will enhance ethnic relations, which will help to realize Iran's political interests. In their opinion, in this event, Iran may be able to increase its influence on the ethnic minorities living in Afghanistan who confess Shi'ite Islam (Tajiks, Hazara, and others).

*China's Interests.* With respect to its economic interests, China gives particular priority to assimilating Afghanistan's natural resources.<sup>6</sup> During his visit to the PRC in March 2010, Afghan President Hamid Karzai, in turn, called on Chinese investors and businessmen to engage in joint exploitation of Afghan natural resources, building transport infrastructure, and enhancing the energy and construction industries; he guaranteed business safety in Afghanistan.

Today, many Chinese companies are engaged in the exploitation of Afghanistan's natural resources. For example, in 2008, the China Metallurgical Group Company (CMG) won a tender for developing the Aynak copper deposit and invested \$2.9 billion in this project. The PRC acquired the right to develop the deposit for 30 years.

The Aynak deposit situated 35 km to the east of Kabul is considered the second largest copper ore deposit in the world; earlier its reserves were estimated at 11 million tons, but some Afghan specialists claim that this figure is deliberately grossly underestimated. The Afghan Ministry of the Mining Industry thinks that after work begins to produce copper and build the accompanying infrastructure, around 100,000 jobs will be created for the local population. Furthermore, Afghanistan will receive \$400 million every year in rental payments alone.

Moreover, on 27 December, 2011, the Afghan government approved signing a contract with the China National Petroleum Corporation (CNPC) on developing oil fields situated in the valley of the Amu Darya River in the provinces of Faryab and Sari Pul. According to the Hamid Karzai administration, oil reserves at these fields amount to 87 million barrels.<sup>7</sup>

When the TATC is built, China will be able to strengthen its trade relations with the CA states and Iran, particularly in the energy sphere. As mentioned above, the Kashgar-Osh-Termez-Herat-Tehran route is almost 4 times shorter than Kashgar-Shanghai-Tehran.

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<sup>4</sup> See: Documents of the 7th International Forum TRANSEURASIA-2008, Astana, 24-25 September, 2008.

<sup>5</sup> See: "Iran: vneshneekonomicheskie svyazi," available at [[http://iran.ru/rus/news\\_iran.php?act=news\\_by\\_id&n=1&news\\_id=72300](http://iran.ru/rus/news_iran.php?act=news_by_id&n=1&news_id=72300)].

<sup>6</sup> See: According to the Ministry of Mines and the Mining Industry of Afghanistan, the total cost of the country's natural resources amounts to at least \$3 trillion. Iron (\$421 billion), copper (\$274 billion), niobium (\$81.2 billion), cobalt (\$50.8 billion), gold (\$25 billion), molybdenum (\$23.9 billion), precious stones (\$7.4 billion), silver (\$4.4 billion), and others account for the main share of these minerals.

<sup>7</sup> See: "Afganskije vlasti odobrili kontrakt s CNPC na razrabotku nefti," available at [<http://www.km.ru/biznes-i-finansy/2011/12/27/neftegazovyi-sektor-ekonomiki-v-mire/>].



It should be noted that China imports 20% of the energy it uses from other countries; the Middle Eastern states account for 60% of its volume. The imported oil is delivered by tanker via a long sea route that passes through the Persian Gulf, Strait of Hormuz, Indian Ocean, and the Malacca and Taiwan straits. This route crosses the most volatile spots in the world; the tense relations between the U.S. and Iran in the Persian Gulf and Strait of Hormuz, as well as the conflict in the Taiwan Strait, are a delayed-action mine for China, since any aggravation of the situation means a halt to oil export, which would be a disaster for the Chinese economy. Moreover, the long length of this route, not to mention the high transportation costs, also creates several other problems. This is why China has begun looking for other energy sources and new transportation routes.<sup>8</sup>

According to a statement by Iranian Ambassador to China Mekhdi Safari, the goods turnover volume between China and Iran will reach \$100 billion in the near future.<sup>9</sup>

*Pakistan's Interests.* The corridor is promoting the development of bilateral economic relations between the Islamic Republic of *Pakistan* (IRP) and the CA states. It should be noted that the TATC has an alternative branch that will lead to the ports of Pakistan through Afghanistan. In order to develop its transit potential, Pakistan is providing the Central Asian states with access to the ports of Karachi and Gwadar, which is helping to increase the volume of Pakistani export to Afghanistan.

Moreover, Pakistan has its own interests in developing Afghanistan's natural resources. According to experts at the Institute of the Middle East, despite the country's relatively large volumes of proven natural gas reserves, Pakistan depends (and will continue to depend in the foreseeable future) on the import of this energy resource owing to the underdevelopment of its gas production, refining, and transportation industries.<sup>10</sup> In this respect, the planned Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline is being considered as an alternative.<sup>11</sup>

*Turkmenistan's Interests.* In recent years, a trend has been seen toward activating economic cooperation between Turkmenistan and Afghanistan. One of the main projects being implemented by the two countries in the transport sphere is the Atamyrat-Ymamnazar (Turkmenistan)-Akina-Andkhoy (Afghanistan) railway line, which is to connect Turkmenistan's transport system to the Afghan province of Faryab. In May 2011, during Afghan President Hamid Karzai's official visit to Turkmenistan, a corresponding agreement was signed.

According to experts, implementing this project will help to increase the export volume, as well as allow deliveries to be made from European countries to Afghanistan through the Caspian and restore trade relations between Europe and South Asia by means of land transport; furthermore, Turkmenistan will receive additional transit revenue.

The five-fold increase in electric power deliveries will also be of significant benefit to Afghanistan's economy. Turkmenistan has already begun laying a 500V power transmission line along the Mary-Atamyrat-Andkhoy route for this purpose, which will make it possible to meet approximately 70% of the electricity needs of neighboring countries.<sup>12</sup>

Turkmenistan, like the other participants in this project, is interested in building the TAPI gas pipeline.

*Tajikistan's Interests.* Tajikistan would like to use the TATC to extricate the country from its transport impasse and enhance its economic relations with the regional states.

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<sup>8</sup> See: Z.F. Küçük, "China's Energy Policy toward Central Asia and the Importance of Kazakhstan," *Central Asia and the Caucasus*, No. 3 (57), 2009.

<sup>9</sup> See: "Iran: vneshneekonomicheskie sviazi."

<sup>10</sup> See: N.A. Zamaraeva, Pakistan: sovremennaia situatsiia i perspektivy razvitiia gazovogo sektora ekonomiki," available at [<http://www.iimes.ru/rus/stat/2010/14-12-10b.htm>].

<sup>11</sup> See: "Vneshneekonomicheskaia deiatel'nost' Pakistana," available at [<http://www.xserver.ru/user/vedpk/3.shtml>].

<sup>12</sup> See: A. Kurbanova, "Turkmenistan podderzhit Afganistan postavkami elektroenergii i prazvitiem transportnykh koridorov," ITAR-TASS, 28 December, 2011.

Experts think it would be advantageous for the country to develop economic relations with Iran using the alternative TATC branch (a railroad from Afghanistan to China through Tajikistan and Kyrgyzstan and a highway from China to the Iranian port of Bandar Abbas).<sup>13</sup>

Tajikistan is exerting efforts to attract investments in the development of its transport infrastructure by delivering NATO cargo to Afghanistan. It should be noted that the bridge built in 2007 in Panji Poyon is currently playing an important role in the transit of NATO cargo to Afghanistan; the U.S. financed its construction for \$37 million.

The Vakhdat-Iavan railway is also being built using Chinese investments (\$50 million). This will help to connect the railway system of the west of the country with the south (through Dushanbe).

*Uzbekistan's Interests.* Uzbekistan is interested in the TATC both in terms of developing its economy and of ensuring security in the region.

Uzbekistan regularly comes forward with initiatives for resolving the Afghan problem by peaceful means, which is primarily envisioned in restoring Afghanistan's economy and developing its social sphere.

So the railway completed at the end of 2010 by Uzbek specialists is the main branch of the future route. It connects the Uzbek town of Termez with one of Afghanistan's economic centers, Mazar-e Sharif, and will promote development of socioeconomic and cultural relations between the two countries.

Putting the TATC into operation will make it possible for Uzbekistan to further advance its economic relations with Afghanistan. In particular, this will allow more commodities to be exported from Uzbekistan to Afghanistan, which, in turn, will promote further intensification of goods exchange between the two countries.

The Trans-Afghan corridor will provide Uzbekistan with access to the sea ports by the shortest routes. For example, the length of the Tashkent-Termez-Karachi route is 2,500 km, whereas the length of the Tashkent-Termez-Bandar Abbas corridor is 3,100 km. According to preliminary estimates, it will be \$10-12 cheaper to deliver one ton of freight to the port of Bandar Abbas via the TATC than via Serakhs (which is in Turkmenistan).

Development of economic relations between the two countries will also give Uzbekistan greater access to the South Asian markets via the Hayraton-Mazar-e Sharif trunk railway lines.

Uzbekistan is giving particular attention to rehabilitation in Afghanistan. For example, it has put forward several regional-level proposals for controlling and resolving the Afghan problem, as well as for minimizing its negative influence on neighboring countries.

It should be noted that according to most experts, building the TATC will help to increase the transit potential of the Tashguzar-Baysun-Kumkurgan railway that went into operation in 2007 (on the Uzbek side); its planned cost amounts to \$447.1 million. It should also be noted that Uzbekistan will receive more than \$40 million a year in profit from this transit.

At present, 90% of the total freight volume is delivered to Afghanistan through Hayraton. According to experts' preliminary estimates, by 2015, the transit potential of this corridor will amount to 4.5 million tons, and this index will increase by 15-20% every year.<sup>14</sup>

*Afghanistan's Interests.* Afghanistan is very interested in creating the TATC, since it promises the country political and economic gains.

In particular, from the political viewpoint, building transport corridors will ensure peace, security, and stability in Afghanistan. Building a transport infrastructure that connects large cities and regions

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<sup>13</sup> See: "Afghanistan, Iran i Tadjikistan budut stroit zhelezniuu dorogu ot Afganistana do Kitaia," available at [<http://www.intermost.ru/news/107665/>].

<sup>14</sup> See: M. Mirkhamidov, "Strategicheskoe znachenie transportnykh kommunikatsii dlia budushchego Afghanistana: zheleznaia doroga Hayraton-Mazar-e Sharif," in: *Marerialy VI zasedaniia Foruma SHOS*, Tashkent, 27-28 May, 2011.

will lead to an increase in positive development trends in the social relations of Afghan society, which, in turn, will help to strengthen the ideological unity of the country's population.

Improving the transport infrastructure in Afghanistan will also reduce the gap between the center and the periphery, which should lead to an increase in the government's influence.

From the economic viewpoint, building the TATC will open up a multitude of opportunities for Afghanistan. For example, Afghanistan will become a country with extremely profitable railway transport due to its low operating costs. This will allow Afghanistan to successfully develop economic relations with other states.

Today, Afghanistan is an agricultural country with sufficiently developed industry in which a leading place is occupied by the very promising mining sphere. So the Afghan government is focusing its attention on attracting foreign investments and cooperating with foreign metallurgical companies. For example, on 25 June, 2010, a presentation on Afghanistan's natural resources was held in London; its main goal was to draw foreign investments into exploitation of the country's natural riches. Afghan Minister of the Mining Industry Vakhidulla Shakhvani called on foreign metallurgical companies to develop the Khajigak iron-ore deposit situated in the Bamian Province.

According to the afganistan.ru website, in September 2010, the Ministry of the Mining and Metallurgical Industry announced a tender to develop the above-mentioned deposit; it was noted that the tender would last for 11 months. If the Khajigak deposit is developed, the country will obtain \$1.5 billion a year in profit and \$300 million in rental and tax payments.

The Afghan government also announced a tender for developing an oil field in the Sari Pul Province. Next year, there are plans to develop another oil field situated along the Afghan-Tajik border (its reserves amount to 1.6 billion barrels).

Afghanistan is also developing its reserves of high-quality marble. As a local manufacturer Sh. Akhmad notes, 30,000 m of marble are produced every year in the Panjshir Province; however, according to representative of the U.S. Agency for International Development (USAID) Curtis Rose, there are problems relating to the low level of qualification of Afghan workers, as well as to the shortage of necessary technical equipment. Drawing foreign investments into this sphere will have a positive impact on the country's economy.

The exploitation and export of natural resources primarily requires the formation of a transport network in the country (transport infrastructure and transport corridors). According to most specialists, Afghanistan's entry into the international transport system will expand the country's capabilities to exploit mineral resources.

During his visit to China, Afghan President Hamid Karzai called on Chinese businessmen and investors to participate in exploiting the country's natural resources, as well as in developing railway communication, the power industry, and construction. He also said that businessmen will be guaranteed a safe environment for carrying out their activity.

On 22 September, 2010, an agreement was signed between China's CMG Company, which has begun developing the Aynak copper deposit, and the Afghan Ministry of the Mining Industry, according to which there are plans to build a 700-km railway from the border of Uzbekistan to the border of Pakistan through Kabul that will cost \$4-5 billion; it will take five years to implement this project.

After the annual session of the Asian Development Bank (ADB) held in Tashkent, Afghan Minister of Finance Omar Zakhelval said that Japan was planning to allot \$1 billion to building railway lines in Afghanistan. It should be noted that this is Japan's way, which has priority interests in Central Asia, of trying to gain possession of Afghanistan's raw materials. On 21 June, 2010, Afghan President Hamid Karzai proposed giving Japan the right to develop the country's mineral deposits.

In addition to everything else, the TATC will boost Afghanistan's integration with the regional countries. According to American expert Frederick Starr, building transport corridors that link Af-

ghanistan with neighboring states is vitally important for both Afghanistan and the CA countries.<sup>15</sup> According to him, the TATC will turn Afghanistan into a transit state.

Afghanistan's extensive transit capabilities mean that most of the cargo from Central Asia sent to the southern ports can be transported via the TATC. Afghanistan, in turn, will gain access to the ports and the opportunity to develop its national economy.

## Prospects for the TATC

Building the TATC is a very complicated process, on which several negative factors have an influence, the main one being the unstable situation in the country and the rugged relief (see Table 1).

Table 1

Impacts on the TATC

Positive Impacts	Negative Impacts
Cooperation among the regional countries ( <i>Uzbekistan, Tajikistan, Turkmenistan, Iran, and Pakistan</i> )	Geographic impacts ( <i>the rugged relief, and others</i> )
Interest of major states ( <i>the U.S., Russia, China, India, and the NATO countries</i> )	Security impacts ( <i>instability in Afghanistan, hostilities, and subversive action by the Taliban</i> )
Support of the project by the programs of international organizations and institutions ( <i>the U.N., EU, EEC, ESCAP, SPECA, CAREC ADB, IDB and others</i> )	Economic impacts ( <i>underdevelopment of the Afghan economy and shortage of funds for financing projects</i> )

On the whole, in the mid term, an increase in the influence of the positive impacts and measures being undertaken to overcome the negative aspects will lead to the emergence of the necessary conditions for putting the corridor into operation. However, some experts note that withdrawal of the coalition forces from Afghanistan could have a negative effect on the country's stability. For example, according to expert of the Political Studies Center (Uzbekistan) Rustam Makhmudov, a scenario is very likely in which the Americans' departure will strengthen the position of the leaders of the northern groups that are based on ethnic and regional grounds. It is possible that Afghanistan could turn once more into an arena of geopolitical rivalry among external forces.<sup>16</sup>

For Central Asia and South Asia, this will mean that an energy and transport corridor in the southerly direction will not appear any time soon.

There are a whole slew of factors that show the high expediency of putting the TATC into operation: the most important are the following:

<sup>15</sup> See: S.F. Starr, "A Partnership for Central Asia," *Foreign Affairs*, Vol. 84, No. 4, July/August 2005, pp. 164-178.

<sup>16</sup> See: R. Makhmudov, "Stabilizatsiia v Afganistane. Neochevidnye perspektivy," *Ekonomicheskoe obozrenie*, Tashkent, No. 4, 2011, available at [<http://www.review.uz/ru/article/253>].

- it will give the CA states access to the nearest sea ports (*Tashkent-Termez-Bandar Abbas—1,300 km, Tashkent-Termez-Karachi—2,500 km*);
- it is economical (*it will be \$10-12 cheaper to deliver one ton of freight to the port of Bandar Abbas via the TATC than via Serakhs*);
- it has great transit potential (*according to preliminary estimates, by 2015, 4.5 million tons of goods will be delivered via the Termez-Mazar-e Sharif railway and this index will increase by 15-20% annually*<sup>17</sup>);
- it will enhance the development of regional economic integration;
- the length of the Kashgar-Andijan-Termez-Herat-Bandar Abbas route is 3,500 km; this means that delivery time via the TATC will be cut by half compared to the traditional route;
- it will play an important role in developing Afghanistan's natural resources and will enhance the development of the country's national economy.

However, there are several circumstances that cast doubt on whether the TATC can be implemented:

- halting of the construction of sections of the TATC (*Herat-Khaf, Mazar-e Sharif-Herat*);
- breakdown in Afghanistan's transport infrastructure;
- differences in technical specifications for building railways among the regional countries (*the matter concerns the railroad gage*)<sup>18</sup>;
- extra loading-unloading operations due to the lack of correspondence between standards, which requires additional time and money;
- lack of cargo carriage safety;
- Afghanistan's rugged relief;
- the high cost of building a railway in the direction of Mazar-e Sharif-Kabul;
- non-funding of some projects for building the transport corridor;
- disparate interests of some states involving in building the TATC;
- financing risks and limited material possibilities of some states.

On the whole, the prospects for the TATC consist of the following:

- joining the Trans-Afghan route up to the China-Kyrgyzstan-Uzbekistan corridor will promote trans-continental relations;
- participation of the regional countries in building the TATC will enhance their mutual integration;
- participation of international economic organizations (the ADB, CAREC, EEC, U.N., and other programs);
- the presence of U.S. and NATO troops in Afghanistan will ensure stability in the country;

<sup>17</sup> See: M. Mirkhamidov, *op. cit.*

<sup>18</sup> The standard railroad gage in different countries is different: according to Chinese, Iranian, and European standards, it is 1,435 cm, while according to the Russian and Central Asian standard, it is 1,520 cm, and according to the Pakistani and Indian standard—1,676 cm.

— competition of the North-South corridor in the economic cooperation of Russia and the CIS countries with the Southeast Asia region.

Based on the above, we made attempts to draw up scenarios regarding the prospects for building the TATC.

- First scenario: the corridor will be built at an accelerated rate, work will be completed on all its sections by 2017-2018 (not counting the second branch of the corridor leading to the Pakistani ports).
- Second scenario: the corridor will be built later than the established time.
- Third scenario: it will be impossible to implement all sections of the corridor.

### *In Lieu of a Conclusion*

Keeping in mind the interest of the above-mentioned states, as well as the need for ensuring stability in Afghanistan, it can be presumed that the *first scenario* will be implemented. This will largely depend on how work progresses on the Mazar-e Sharif-Herat and Herat-Khaf sections.

Today, a feasibility report is being drawn up for building the Mazar-e Sharif-Herat railway, and the Uzbekiston temir yullari State Joint Stock Railway Company could well win the tender. Uzbekistan's minister of finance said that the republic is willing to continue building roads in Afghanistan. According to official data, it will take 3-4 years to build this section of the corridor (if it is undertaken by Uzbek construction workers). Moreover, Afghanistan's transport strategy and the CAREC programs envisage completing the work in 2017-2018.<sup>19</sup>

Reasons for the *second scenario* are as follows:

- first, the time for completing construction of the Herat-Khaf section has still not been determined and work has currently been halted;
- second, according to a memorandum signed by China's MCC Company and Afghanistan's Ministry of Mines and the Mining Industry, it will take five years to build the second branch of the corridor leading to the Pakistani ports. However, implementation of this project depends on development of the Aynak copper deposit. If we keep in mind the time required to develop this deposit, the need for the corridor will not arise until after the deposit has been fully developed. Moreover, building the corridor in the established time might also lead to continuation of the instability in Afghanistan.

*The third scenario* will become realistic in the following cases:

- if the situation in Afghanistan becomes aggravated (that is, the leaders of the northern groups gain a stronger foothold) and in the event of geopolitical rivalry among external forces, which could be revived after the NATO forces are withdrawn from the country;
- if relations among the states of the region deteriorate due to the differences in national interests or approaches to resolving transport problems.

On the whole, despite the differences in the national views of the regional states, today they are all interested in building the TATC according to the first scenario.

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<sup>19</sup> See: CAREC Transport and Trade Facilitation: Corridors Performance Measurement and Monitoring. ADB Report for 2009.



However, we need to keep in mind the differences in approaches among the regional countries, as well as the impacts (mentioned above) that could have an effect in one way or another on the implementation of this project.

So at the first stage, regional experts should look to harmonizing interests and finding a common way to develop the transport and transit potential both of the CA countries individually and of the region as a whole.

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## EXAMINING THE TAPI PIPELINE AND ITS IMPACT ON REGIONAL AND CROSS-REGIONAL RIVALRY

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### *Introduction*

**B**efore 1991, the states of Central Asia were marginal backwaters, republics of the Soviet Union that played neither a major role in the Cold War relations between the U.S.S.R. and the United States, nor in the Soviet Union's relations with the principal regional powers of Turkey, Iran, and China. But in the 1990s, the dissolution of the Soviet Union coincided with re-discovery of the energy resources of the Caspian Sea, attracting a wide range of international oil companies, including American majors, to the region. Eventually, the Caspian Basin became a point of tension in U.S.-Russian relations. In addition, Central Asia emerged as a zone of conflict between the regional and cross-regional powers.

The events of 11 September, 2001 and the terrorist groups operating in Afghanistan brought Central Asia to the forefront of U.S. attention. The growing importance of natural gas imports to today's economies is compelling the world community to think anew about energy security.

The pipeline from Turkmenistan to Pakistan through Afghanistan was first proposed in the mid-1990s when America's Unocal-led energy consortium and Argentina's Brides Company vied to sign a deal with the Taliban government in power at that time in Kabul. However, security considerations combined with international condemnation of the Taliban human rights abuses prompted both companies to pull out, leaving the

project in the lurch.<sup>1</sup> After the end of the Taliban regime, the idea was revived, and the three countries (Afghanistan, Pakistan, and Turkmenistan) signed a new agreement at the end of 2002. The Asian Development Bank (ADB) conducted a feasibility study of the project and rendered a favorable verdict in 2005. Although a framework agreement on development of the project was signed by the heads of the three governments only in December 2002,<sup>2</sup> the Asian Development Bank remains committed to the idea of building a 1,600-km gas pipeline connecting Turkmenistan, Afghanistan, and Pakistan.

In April 2008, the three countries were joined by India to implement the same expanded project that became known as the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. Finally, on 11 December, 2010, after nearly two years of intergovernmental deliberations, the Presidents of Turkmenistan, Afghanistan, and Pakistan, and India's Energy Minister signed a framework agreement at a summit in Ashgabad to build the 1,680-kilometer pipeline. It envisages constructing 1,680 km of pipeline with a total gas capacity of 90 million standard cubic meters per day (mscm/d). Some of this amount will be bought by Afghanistan. The TAPI project is expected to start in 2012 and

should come on stream by 2016. The proposed pipeline will stretch from Turkmenistan's gas fields and travel 1,680 km through Turkmenistan (145 km), Afghanistan (735 km), and Pakistan (800 km), before culminating at the Indian border town of Fazilka in Punjab.<sup>3</sup>

Annually, the pipeline will carry roughly 33 billion cubic meter of natural gas to consumers. In addition to providing clean energy, it will generate huge amounts of revenue and create employment opportunities for the people of the region. TAPI is seen a convergence of interests, both of the great powers, as well as of the regional players. The United States, for example, is propounding the project as "magic glue" that will bind the warring factions and their regional proxies into an interdependent cooperative framework. The U.S. hopes that TAPI will in all likelihood wean India away from the Iran-Pakistan-India (IPI) gas pipeline that runs from Iran's South Pars gas complex in the Persian Gulf. In addition to further isolating Iran, the resultant interdependence and benefits of cooperation might act as a catalyst for peace between India and Pakistan.<sup>4</sup> Geopolitics of energy will ultimately become a significant and major policy topic as the increasing competition for access to limited resources alters the global economy.

<sup>1</sup> See: R.M. Cutler, "Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline Gets Official Four-Way Go-Ahead," *Central Asia-Caucasus Institute*, 19 January, 2011, available at [<http://www.cacianalyst.org/?q=node/5479>], 25 January, 2011.

<sup>2</sup> [<http://www.adb.org>].

<sup>3</sup> See: J. Foster, "Afghanistan, the TAPI Pipeline, and Energy Geopolitics," *Journal of Energy Security*, 23 March, 2010.

<sup>4</sup> See: Sh. Mariet D'Souza, "The TAPI Pipeline: A Recipe for Peace or Instability?" *National University of Singapore (NUS)*, No. 194, 1 April, 2011, pp. 2-4.

## Energy in Turkmenistan and Geopolitics of the Pipeline

When Turkmenistan became an independent country in December 1991, its President, Saparmurat Niyazov, was little prepared for the tasks he faced. Turkmenistan is a desert country with intensive agriculture in irrigated oases. However, the export of natural gas is the main driving force behind Turkmenistan's economy. Since the collapse of the Soviet Union, Russia has been a major consumer of Turkmen resources and the main routes of energy pipelines pass from Russia to the EU and other countries. China and Iran are the main countries that import gas from Turkmenistan, and

Table 1

Turkmenistan's Key Natural Gas Consumers

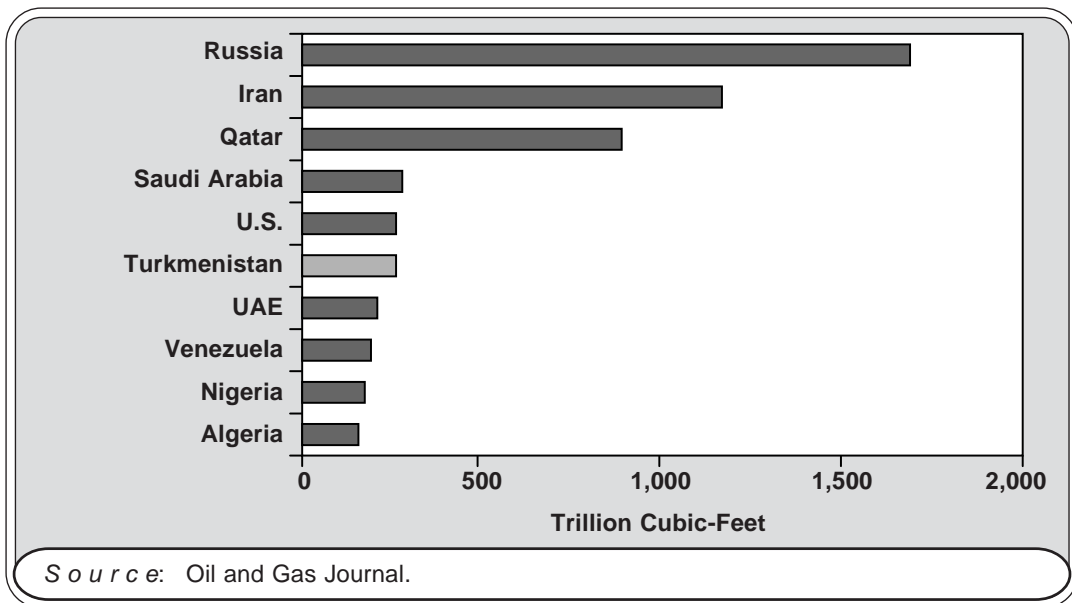
	Export Country/ Domestic Consumption	Contracted Gas Volume	Forward Gas Export Plans
1	Russia	Up to 11 bcm	back to 40 bcm?
2	China	5 bcm by the end of the year, rising up to 13 bcm by 2011	30 + 10 bcm
3	Iran	New—6 bcm—1st stage, 12 bcm—2nd stage Previously constructed 8 bcm pipeline pumps around 6 bcm	20 bcm total for both pipelines
	Domestic	About 20 bcm	40 bcm

the demand of these countries will significantly reduce Russia's dominance in the export of Turkmen gas (see Table 1).<sup>5</sup>

Turkmenistan currently ranks among the top six countries in terms of natural gas reserves and among the top 20 in terms of gas production. According to OGJ, in 2012, Turkmenistan's proven natural gas reserves amount to approximately 265 trillion cubic feet (tcf), a significant increase from the 94 tcf estimated in 2009 (see Fig. 1). Turkmenistan has several of the world's largest gas fields, including 10 with over

Figure 1

Top Global Natural Gas Reserves by Country, 1 January, 2012



<sup>5</sup> [http://www.eiu.com].

3.5 tcf of reserves located primarily in the Amu Darya basin in the southeast, the Murgab Basin, and the South Caspian basin in the west. Recent major discoveries at South Yolotan in the prolific eastern part of the country are expected to offset most declines in other large mature gas fields and will likely add to the current proven reserve amounts. Turkmenistan has large amounts of natural gas reserves, but it is currently constrained by the lack of available natural gas transportation infrastructure.<sup>6</sup>

## Natural Gas Pipeline Projects in Turkmenistan

### 1. Existing and Completed Pipelines

#### 1.1. Central Asia-Center Gas Pipeline System to Russia

The gas pipeline runs via Turkmenistan, Uzbekistan, Kazakhstan, and Russia. It is some 5,000 kilometers long and its capacity is about 45-55 bcm with possible upgrading to 90 bcm. Once the first phase was constructed in 1967, CAC became the world's longest gas pipeline, stretching for nearly 3,000 kilometers. It connected Turkmenistan, Uzbekistan, and Kazakhstan with Russia's industrial centers. The Central Asia-Center pipeline system consists of four main export pipelines to Russia (CAC-1, 2, 4 and 5), running in parallel to join the Russian pipeline network at Alexandrov Gay. This is an important artery for export of gas from Central Asia, primarily from eastern Turkmenistan and southern Uzbekistan. The first of the lines, CAC-1, was commissioned in 1967, followed by CAC-2 in 1969, CAC-3 and CAC-4 in 1972, and CAC-5 in 1985. All are in need of investments; poor maintenance means that the actual current capacity is estimated at 45-55 bcm/yr,<sup>7</sup> as mentioned above.

#### 1.2. The Turkmenistan-China Pipeline

The Turkmen government has long been discussing the construction of a 6,500 kilometer gas pipeline from Turkmenistan through Uzbekistan, Kazakhstan, and China to Japan. The initial annual capacity of this pipeline is 5 bcm, with a subsequent increase of up to 30 bcm/yr (and further expansion of up to 40 bcm/yr) and an approximate cost of about \$7.31 billion. The construction project was due to be carried out in 10 years and was costly. Later the plans to extend the pipeline to Japan were dropped, leaving China as the terminal point of delivery. Following signing of the General Agreement on Gas Cooperation between China and Turkmenistan in April 2006, plans to build an eastern export route for Turkmenistan gas advanced rapidly in 2007-2008. In December 2009, a new 1,833 kilometer (1,139 mile) pipeline from Saman-Depe in eastern Turkmenistan to China's northwestern Xinjiang-Uighur Autonomous Region, via Uzbekistan and Kazakhstan, commenced operation and was expected to carry 5 billion cubic meters of gas in 2010, rising to 13 billion cubic meters in 2011, and 40 billion cubic meters by 2030 as new gas fields come on stream.<sup>8</sup>

<sup>6</sup> [<http://www.eia.gov>].

<sup>7</sup> See: M. Fredholm, "The Russian Energy Strategy & Energy Policy: Pipeline Diplomacy or Mutual Dependence?" *Conflict Studies Research Centre*, September 2005, pp. 37-39.

<sup>8</sup> [<http://www.eiu.com>].

### **1.3. The Turkmenistan-Iran Gas Pipeline**

The Turkmenistan-China gas pipeline was launched at almost the same time as the new Dauletabad-Sarakhs-Khangiran pipeline from the Dauletabad gas field in southeastern Turkmenistan to Iran, which opened on 6 January, 2010, and is about 200 km in length. The annual capacity of this pipeline is 6 bcm at the first stage and 12 bcm at the second stage. In October 1995, the National Iranian Oil Company decided to build the pipeline to supply the remote northern part of Iran.<sup>9</sup>

This pipeline complements the Korpėje-Kurt Kui line (first laid in 1997) that runs from southwestern Turkmenistan to Iran and supplies approximately 6-8 billion cubic meters annually even though Iran has the second largest gas reserves after Russia.<sup>10</sup>

Total annual gas exports to Iran via these pipelines are expected to reach 14 billion cubic meters. The gas price will be adjusted quarterly based on a formula pegged to international oil and gas prices. Discussions with Iran on increasing the total annual volume of Turkmen gas exports to 20 billion cubic meters, which would fully utilize the available pipeline capacity, are continuing.

## **2. Planned and Proposed Gas Pipeline Projects**

Since all of the country's gas and companies are monopolized by the government, Turkmenistan has submitted various proposals for exporting gas reserves. Moreover, there are numerous proposals on the table for strengthening and expanding the existing pipelines; however here we will examine only the most important of them.

### **2.1. Nabucco**

The Nabucco project represents a new gas pipeline connecting the Caspian region, Middle East, and Egypt via Turkey, Bulgaria, Rumania, and Hungary to Austria and on to the Central and Western European gas markets. The pipeline length is approximately 3,300 km, starting at the Georgian/Turkish and/or Iranian/Turkish border, respectively, and leading to Baumgarten in Austria. According to market analysis, the pipeline has been designed to transport a maximum volume of 31 bcm. Estimated investment costs, including financing costs to complete the new pipeline system, amount to approximately 7.9 billion Euros and.<sup>11</sup>

### **2.2. The Trans-Caspian Pipeline**

Although there are disputes over energy security, the European Union has made clear its interest in Nabucco and the Trans-Caspian pipeline. In many ways, the two projects—Trans-Caspian and Nabucco—are interlinked. The Trans-Caspian route is to connect Turkmenistan to Azerbaijan, allow-

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<sup>9</sup> See: D.G. Victor, A.M. Jaffe, M.H. Hayes, *Natural Gas and Geopolitics: From 1970 to 2040*, Cambridge University Press, 17 July, 2006, pp. 213-214.

<sup>10</sup> *Ibidem*.

<sup>11</sup> [<http://www.nabucco-pipeline.com>], 17 December, 2009.

ing Turkmen gas to be sent via the South Caucasus Pipeline (SCP) from Baku to Erzurum, Turkey, where it would then be carried by Nabucco to Austria (see Map 1). This pipeline is 500 km in length offshore and has an estimated cost of about \$5 billion. The annual capacity of this pipeline is 30 bcm. The route would bypass both Russia and Iran. Major obstacles to the project include

- (1) Russia, to which Turkmenistan remains more closely connected than to Europe;
- (2) feasibility, since a trans-Caspian route would require considerable technical input;
- (3) uncertainty regarding the legal status of the Caspian Sea; and
- (4) unresolved issues between Turkmenistan and Azerbaijan.<sup>12</sup>

Map 1

The Trans-Caspian Route is an Extension of the Nabucco Pipeline



<sup>12</sup> See: G.C. Bekieva, "Natural Gas Pipeline Projects in Turkmenistan and the Caspian Region," 10 February, 2011, p. 31.



### **2.3. The Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI)**

This route originates in Turkmenistan-Afghanistan-Pakistan and runs to India, its length amounting to about 1,680 km (1,000 miles). The annual capacity of this pipeline is 30 bcm/yr; the estimated cost is about \$7.6 billion.

### **2.4. The East-West Pipeline**

This route started from Shatlyk (Mary province) in the eastern part of Turkmenistan and runs to Belek (Balkan province) in the western part of Turkmenistan on the Caspian Sea. The annual capacity of this pipeline is 30 bcm/yr, it is about 750-900 km in length, the estimated cost is \$2 billion, and the earliest completion date is 2015.

### **2.5. The Caspian Coastal Pipeline (CCP or Prikaspii)**

This route begins in Turkmenistan-Kazakhstan and goes to Russia. The route is 1,700 km in length, 500 km of which pass through Turkmenistan and 1,200 km through Kazakhstan. It has an annual capacity of 20-30 bcm/yr and there is no information about its estimated cost.

The fact that the Central Asian countries have only recently gained their sovereignty is an additional political constraint that needs to be borne in mind, as it has motivated attempts to become also economically independent, even if at considerable cost.<sup>13</sup>

Turkmenistan poses itself as a major global player magnificently dispensing its energy resources wisely and fairly, given the growing needs of European and other consumers in a world still dependent on fossil fuels. Given its geographic location between the East and the West, and its considerable resources now estimated by Britain's Gaffney, Cline & Associates to be as much as 26.2 billion cubic meters of gas, Turkmenistan finds it justified to augment its export potential and find the shortest routes to the markets.<sup>14</sup> As Russia tries to wrest control of the energy-abundant former Soviet Union republics, they are trying to break free from such control because the Central Asian states long were pressured by Russia to yield large portions of their energy resources to Russia.<sup>15</sup>

Turkmenistan in particular has been working to create an alternative pipeline system and lower its dependence on Russia for certain gas exports. In October 2010, Russia claimed that Turkmenistan had agreed to allow the Russian gas giant, Gazprom, to participate in the TAPI pipeline, only to be rebuffed by Turkmenistan. India advocated Gazprom's participation as a supplier for the pipeline along with Azerbaijan, Kazakhstan, and Uzbekistan. As for Pakistan, apart from fulfilling its energy requirements expected to reach 177 million toes (tons of oil equivalent) by 2020, TAPI will convert the country, for all practical purposes, into the U.S gateway to Central Asia. Alongside this enhanced status, America has committed to helping it develop its economy and buttress its security needs in the long term.<sup>16</sup>

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<sup>13</sup> See: W. Byrd, M. Raiser, *Economic Cooperation in the Wider Central Asia Region*, The World Bank, Washington, D.C., April 2006, pp. 2-6.

<sup>14</sup> [<http://www.eurasianet.org>].

<sup>15</sup> See: Ph. Hanson, "How Sustainable Is Russia's Energy Power?" *Russian Analytical Digest*, No. 38, 2008.

<sup>16</sup> See: M.K. Bhadrakumar, "U.S. Brings Silk Road to India," *The Hindu*, 24 December, 2010, available at [[www.hindu.com/2010/12/24/stories/2010122464031600.htm](http://www.hindu.com/2010/12/24/stories/2010122464031600.htm)].

## IPI or TAPI

The Iran-Pakistan gas pipeline project was conceived in 1993, with later proposals to extend it to India. Pakistan has conveyed its full support and assurance of security of deliveries to India.

A committee co-chaired by the secretary of MPNR along with the deputy minister of the Iran National Oil Company (NIOC) has been set up to review progress on the project. The committee is assisted by technical experts from both sides. The Iran-Pakistan gas pipeline is 1,650 km in length, 48 inches in diameter, and has a daily capacity of 3 billion cubic feet. This project, which originates from the South Pars field, will pass through Sui in Baluchistan and then go on to India from Multan if a deal struck between the countries involved in this cross border pipeline project (see Map 2).

Map 2

The Iran-Pakistan-India (IPI) Gas Pipeline



In January 2003 the Government of India signed a Memorandum of Understanding (MOU) with the Islamic Republic of Iran to establish joint ventures to invest in oil and gas projects in Iran and India. One of them is the Iran-India natural gas pipeline. There are three options to build this pipeline.

- First, it can be built over land crossing Pakistan and entering western Rajasthan covering a distance of roughly 2,600 km.
- Second, a pipeline can also be built adopting the offshore route outside the territorial waters of Pakistan. Under the Law of the Sea, confirmation for building such a pipeline is required from Pakistan, since it passes through the Exclusive Economic Zone of Pakistan, and permission is also required from Pakistan to conduct surveys in its waters. Moreover, the coast offshore of Iran and Pakistan exhibits seismic activity because of plate movement that raises technological hurdles.

- Third, while a pipeline can also be built through the deep waters of the Indian Ocean avoiding the Pakistan Economic Zone, this entails a much higher capital cost and also technical problems.

So the most feasible option is the overland route. The Government of Iran wants the \$3 billion pipeline to be completed in two phases. Under Phase I the gas pipeline would be completed from Iran to Pakistan and then under Phase II from Pakistan to India, if India is willing.<sup>17</sup> India, with its rapidly expanding economy, is anxious to conclude an agreement with Iran for assured gas supplies through an overland pipeline through Pakistan. The idea of this gas pipeline originated in Iran for both political and commercial reasons. The main reasons for this strategy go back to U.S. policy against the Iranian government. Both India and Pakistan responded positively to the Iranian idea; indeed Pakistan showed keenness to join the project, hoping for the transit fees it could charge. The Indians seem to have rejected America's dislike for this project on the grounds of their burgeoning energy needs that require a secure source of supplies. Pakistan, which was originally enthusiastic about this project, became gradually cool toward it.<sup>18</sup> However, in 2011, Iran also offered to sell 1,100 MWh of subsidized electricity to Pakistan and reported that 1,000 of the 1,100 km of the IPI pipeline on Iranian soil had now been completed.<sup>19</sup>

America has excellent relations with both India and Pakistan, both countries expanded their relations with the U.S. after September 2001. First, the latter promised to help make India a great global power, especially in South Asia, and, second, a good alliance can be formed in the region for competing with China and Russia, the U.S.'s greatest rivals throughout the world.

But Pak-American relations include Pakistan GDP growth mainly obtained by U.S. aid, goodwill, and help in sharply reducing the debt-servicing burden, while America heavily depends on Pakistan for conducting the war on terror, fighting al-Qa'eda, and establishing peace in Afghanistan. Significantly, the TAPI pipeline will also challenge the rival project involving Iran. That proposed pipeline, which would run from Iran to India via Pakistan and thus is known as IPI, was stalled due to security issues and strong opposition from the U.S. because of Iran's nuclear program.

The Turkmenistan-Afghanistan-Pakistan-India pipeline, or TAPI, is seen as a potential alternative to the Iranian supply line.<sup>20</sup>

According to the points mentioned above, it is obvious which of these pipelines both countries prefer.

## Pakistan as an Energy Corridor for IPI and TAPI

Pakistan can be of geopolitical and geo-economic significance in South, West, and Central Asia in that it is qualified to be an energy corridor for the regional states and beyond. One of the main factors in Pakistan's geopolitics is that this country connects West Asia with South Asia, Central Asia with South Asia, and South Asia with East Asia. Furthermore, the energy-starved economies of China and India need oil and gas to achieve a sustained level of economic growth. The transit revenues and industrialized projects accompanying the implementation of pipeline projects will allow countries like Afghanistan and Pakistan to develop an indigenous economic base and not be ever dependent on for-

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<sup>17</sup> See: N. Ul Haq, A. Hasan, *Gas Pipeline Projects in South Asia*, 9 August, 2005, pp. 9-19.

<sup>18</sup> See: *Ibid.*, p. 19.

<sup>19</sup> [<http://www.tribune.com>].

<sup>20</sup> [<http://web.ebscohost.com>].

eign aid. Pakistan is expected to act as an energy corridor for the region since it is situated in an important strategic location on the borders of the Arabian Sea, India, China, Iran, and Afghanistan. To retain this position Pakistan will have to strive for energy self-sufficiency. Its energy supplies are too low to meet the demand.<sup>21</sup>

The TAPI pipeline will pass through the territory of these countries, which will ultimately help to promote regional development; it may also help to improve relations between such historical rivals as India and Pakistan and Pakistan and Afghanistan by reducing tension, particularly at the borders.

In 2010, a final framework agreement on the TAPI pipeline project was concluded by the four countries, and Iran and Pakistan finalized the details of their own gas pipeline project. The Gwadar port is a testament of Pakistan's potential as a trade and energy corridor for China, with many proposals to use it to meet China's future burgeoning energy needs. In this connection Pakistan's Gwadar deep sea port has bright prospects for emerging as a regional trade and energy transportation hub.<sup>22</sup> Gwadar is strategically located between three increasingly important regions of the world: oil-rich Western Asia, heavily populated South Asia, and economically emerging and resource-rich Central Asia. Pakistan, thus, remains in the center of the energy-centric geo-economic activity in the region, which has enormous potential for enriching the regional states, big or small, and enabling their people in billions to live in perpetual peace.<sup>23</sup>

But important peer factors in the region related to ending the war in Afghanistan, Pakistan's rivalry with India, and the tension in U.S.-Iranian ties can be cited as three major obstacles that have so far impeded the emergence of this energy corridor. This country actually adopted the policy of welcoming all schemes for transporting oil through pipelines. Moreover, Afghanistan occupies a strategic location by linking landlocked Central Asia to South Asia and the Middle East. With better security and an improved infrastructure, Afghanistan could transport natural gas and electricity from Central Asia to South Asia, export mineral resources to China, and serve as an international hub for overland trade from ports in Iran and Pakistan.

## Russia's and China's Attitude toward TAPI

Turkmenistan has the fourth-largest proven gas reserves in the world and used to sell most of its gas to Russia. Russia continues to have a monopoly on gas exports from Turkmenistan and others republics of the former Soviet Union, such as Kazakhstan. This could change, however, as a result of the recent discovery of vast new gas deposits in Turkmenistan. Moreover, in light of the rising oil revenues, Moscow began implementing a new program designed to regain Russia's prominence in the world as an energy superpower. Moscow significantly reduced its purchases in 2009 following a pipeline explosion and subsequent price dispute with Turkmenistan. So Turkmenistan decided to redirect shipment of gas from the Dauletabad field, which used to go to Russia, toward the south.

Russia's regional involvement as an important and reliable energy supplier in the TAPI pipeline could contribute substantially to multilateral cooperation in South and Central Asia. Vladimir Putin

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<sup>21</sup> See: S.S. Amjid, M.Q. Bilal *et al.*, "Biogas, Renewable Energy Resource for Pakistan," *Renewable and Sustainable Energy Reviews*, No. 15, 20 February, 2011, p. 2834.

<sup>22</sup> See: Z. Anwar, "Gwadar Deep Sea Port's Emergence as Regional Trade and Transportation Hub: Prospects and Problems," *Journal of Political Studies*, Vol. 1, Issue 2, 2009, p. 98.

<sup>23</sup> See: I. Ahmad, "Pakistan's Future Role as Regional Energy Corridor," *South Asia Strategic Stability (SASS)*, London, 1 November, 2010, pp. 3-5.

introduced NEP, which is based on the following principles: diversification of the energy supply market; sustaining sovereign control over strategic decisions on oil and gas exploration and transit routes; signing long-term contracts with foreigners to develop Russian natural resources; and regulating foreign access to these resources. According to NEP, Russia would only agree to invest in energy infrastructure projects if consumer states sign 20- to 30-year contracts.<sup>24</sup> Russian companies (Gazprom is the largest of Russia's oil and gas company) want access to the global markets and have a monopoly on or are participating in oil and gas projects such as the TAPI pipeline. While preserving control over its gas and oil pipelines is the main strategy of Russia's dominance on pipelines that pass from Turkmenistan to the EU or other regions, due to the disparity between lower domestic and higher foreign prices, Moscow will maintain its monopoly over oil and gas transit. The TAPI pipeline has the potential power to undermine Russia's dominance or monopoly on energy, on the one hand, while Turkmenistan wants to reduce its dependence on Russia and diversify its energy exports, on the other.

So Russia seems to have found a single solution for its multiple objectives: first, to maintain political influence over the Central Asian regimes through control of resources; second, to continue to collect considerable transit revenues from these landlocked countries; third, to slow down the emergence of competing export routes to China, Iran, Afghanistan, and Turkey; and finally, to meet the West's growing energy demands.<sup>25</sup>

Central Asia is important for China and a number of other states in terms of energy security and the combating of terrorism and fundamentalism. In addition, it is evident that China's influence in the region has increased dramatically since 1991, and China has emerged as one of the most important players in the region.<sup>26</sup>

Many believe that economic concerns, especially energy resources, are the main motivation for Beijing's presence today in Central Asia. The energy resources of the Central Asian countries are important sources of diversification for Beijing's energy needs. There has been a drive from China for alternative energy supplies, but also diversification of energy corridors bypassing the Malacca Straits. On the one hand, Afghanistan is very important for China because, without economic development in Afghanistan, there will be no security on China's southwestern borders. Furthermore, Afghanistan has rich natural resources and Russia sees China as a partner and not as a competitor in the region. And on the other hand, the Chinese authorities have encouraged reinforcement of Russian activities in the region and the dynamism that came with Putin's power politics, since this consolidates their own objectives.<sup>27</sup>

## U.S Policy and the Priority of TAPI

The U.S. has established a permanent military presence in the Asian region, coinciding with the oil axis of the 1970s. In 2001, the Pentagon's Quadrennial Defense Review identified Asia as a region

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<sup>24</sup> See: S. Sevastyanov, "The More Assertive and Pragmatic New Energy Policy in Putin's Russia: Security Implications for Northeast Asia," *East Asia: An International Quarterly*, Durham University, UK, 28 March, 2008, pp. 36.

<sup>25</sup> See: M. Laruelle, S. Peyrouse, *China as a Neighbor: Central Asian Perspectives and Strategies*, Johns Hopkins University-SAIS, Central Asia-Caucasus Institute & Silk Road Studies Program, A Joint Transatlantic Research and Policy Center, Washington, D.C., 2009, pp. 14-62.

<sup>26</sup> See: N. Swanström, "China's Role in Central Asia: Soft and Hard Power," *Global Dialogue*, Vol. 9, No. 1-2, Winter/Spring 2007.

<sup>27</sup> See: M. Laruelle, S. Peyrouse, op. cit., pp. 14.

of world resources, susceptible to large-scale military competition with a volatile mix of rising and declining regional powers that necessitated more U.S. bases there. Following 11 September, a new global defense posture along with a new basing policy arose. The U.S. has now decided to close down 35 percent of the Cold War era bases and shift troops to small bases in West and Central Asia with minimum permanent facilities.<sup>28</sup> The U.S. apparently wants to be more flexible and peripatetic in the Central Asia region to deal with resources as well as terrorism more efficiently. Analytically, the massacre of 11 September was the starting point for re-launching the second version of the New World Order.<sup>29</sup>

The imperial expansion to strategic resource locations now was planned to go beyond a localized and time-bound framework, to become truly expansive in both space and time.<sup>30</sup> The theory of “radical geopolitics” is directly concerned with identifying the roots of U.S. foreign policy from a critical political economic perspective, seeking to determine the relative importance of political factors and economic forces in shaping foreign policy. Post-World War II U.S. foreign policy has largely followed the geo-economic logic, but has also been oriented (in sometimes divergent directions) by the geopolitical logic. For instance, American interest in control of Iranian energy resources (a geo-economic logic) and American officials’ need to reaffirm U.S. credibility in the face of Iranian defiance of U.S. hegemony in the Middle East (a geopolitical logic). Moreover, the American state officials realized the need to enact sanctions to maintain credibility in the face of Iranian defiance.<sup>31</sup>

Energy has been an important driver of U.S. policy in the wider Central Asia region. The United States has pursued several objectives in the energy field in this region. One has been to help America’s European allies and the countries in the region diversify their supply of oil and natural gas, while America also wants to reduce Russian dominance on energy monopoly and isolate Iran and China in the Central and South Asia region. In addition, U.S. energy companies have invested in oil and natural gas development in Kazakhstan and Turkmenistan. Generally, U.S. policy goals regarding energy resources in the Central Asian and South Caucasian states have included supporting their sovereignty and ties to the West, supporting U.S. private investment, promoting Western energy security through diversified suppliers, assisting its alliance in Central and South Asia and opposing the building of pipelines that transit “energy competitor” Iran or otherwise give it undue influence over the region. The encouragement of regional electricity, oil, and gas exports to South Asia and security for Caspian region pipelines and energy resources also have been recent interests.<sup>32</sup>

The U.S. strongly supported the TAPI pipeline because transit fees would provide an important source of income for Afghanistan and Pakistan if the TAPI pipeline ran through these regions. However, the U.S. unofficially objected to construction of the IPI pipeline. The U.S. has been trying to isolate Iran, this enmity going back to the Iran revolution of 1979, while during Bush’s presidency, Iran was called a member of the Axis of Evil. In addition, the Iranian government has been pursuing an independent policy in such areas as energy export and pipeline diplomacy, but Washington wanted to play a significant role in energy reserves and their export. Recently, Iran’s peaceful nuclear program has

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<sup>28</sup> See: “Why the United States Promotes India’s Great Power Ambitions,” *Monthly Review*, Vol. 57, Issue 10, 2006, pp. 16-33.

<sup>29</sup> See: J. Petras, “One Year of Empire-Building,” *Economic and Political Weekly*, No. 373504, 11 September, 2002, p. 14.

<sup>30</sup> See: S.-B. Guha, “Post-September 11 Indo-U.S. Strategic Ties: Locating Power and Hegemony,” *The Geographical Journal*, Vol. 177, No. 3, September 2011, pp. 223-227.

<sup>31</sup> See: J. Mercille, A. Jones, *Practicing Radical Geopolitics: Logics of Power and the Iranian Nuclear Crisis*, School of Geography, Planning and Environmental Policy, University College Dublin, Published by Taylor & Francis, LLC, July 2009, pp. 857-860.

<sup>32</sup> See: J. Nichol, “Central Asia: Regional Developments and Implications for U.S. Interests,” *CRS Report for Congress*, 12 October, 2011, p. 48.



been the main reason for these objections. On the other hand, the Iranian government has been voicing its disapproval of the U.S. troops remaining in both Afghanistan and Iraq and the continued existence of their bases in the Central Asia and Middle East region. In short, the U.S. protests against the IPI pipeline basically boil down to political issues. However, Iran is seeking to expand its role in Central and South Asia and to export gas from the South Pars field to Pakistan and India via the IPI pipeline, which will have a tangible impact on U.S. and Iranian competition.

## The Main Obstacles and Problems of TAPI Compared to IPI

There is no denying that Afghanistan, Pakistan, and India directly need more energy resources, and imported gas is one of the key elements in these countries' future. However, the main obstacle is the need to ensure energy security because the TAPI pipeline route will pass through sensitive areas of Afghanistan and Pakistan.<sup>33</sup> The central issue facing TAPI is security, which is needed for construction of the pipeline and ensuring a sustained supply of gas through it upon completion. Only 100 km of the 1,680 km will pass through Turkmen and Indian territory. The rest will have to pass through troubled terrain of Afghanistan considered to be the stronghold of the Taliban where some of the worst violence has taken place in recent years (the provinces of Herat, Helmand, and Kandahar, the last two being the hub of the Taliban-led insurgency stronghold) and Pakistan (the restive regions of Baluchistan and south Punjab).

Afghanistan and Pakistan have had disputes over their territorial borders; however Afghanistan's borders with Iran and Central Asia are relatively peaceful.<sup>34</sup> Civil discord in Afghanistan has distracted the Pashtun people from reuniting with Pashtuns living in adjacent areas of Pakistan. Pashtuns constitute 14 percent of Pakistan's population and they do not recognize the border established by the Durand line; nor does Afghanistan with its large Pashtun population. The Pashtun's desire for their own nation-state could lead to a lengthy conflict between Pakistan and Afghanistan. Pakistan's protectionist policies have led Afghanistan to lean toward cooperation with its western neighbor, Iran. Nevertheless, Baluchistan is common territory that it is divided between Iran and Pakistan. The two countries also collaborated on suppressing Baloch nationalism, which both Tehran and Islamabad perceived to be a threat to regional stability and territorial integrity.<sup>35</sup> There is concern that the lack of energy supplies to the major energy-importing countries in the region will constrain the social and economic development of other countries there as well, and there is a growing consensus in favor of a multilateral cooperative approach to energy security (see Fig. 2).<sup>36</sup>

The TAPI pipeline is to pass from Afghanistan's mountainous areas, where it is very difficult and expensive to build pipelines, to the Central Asia region where powers such as Russia, China and Iran do not have a positive attitude toward the TAPI pipeline.

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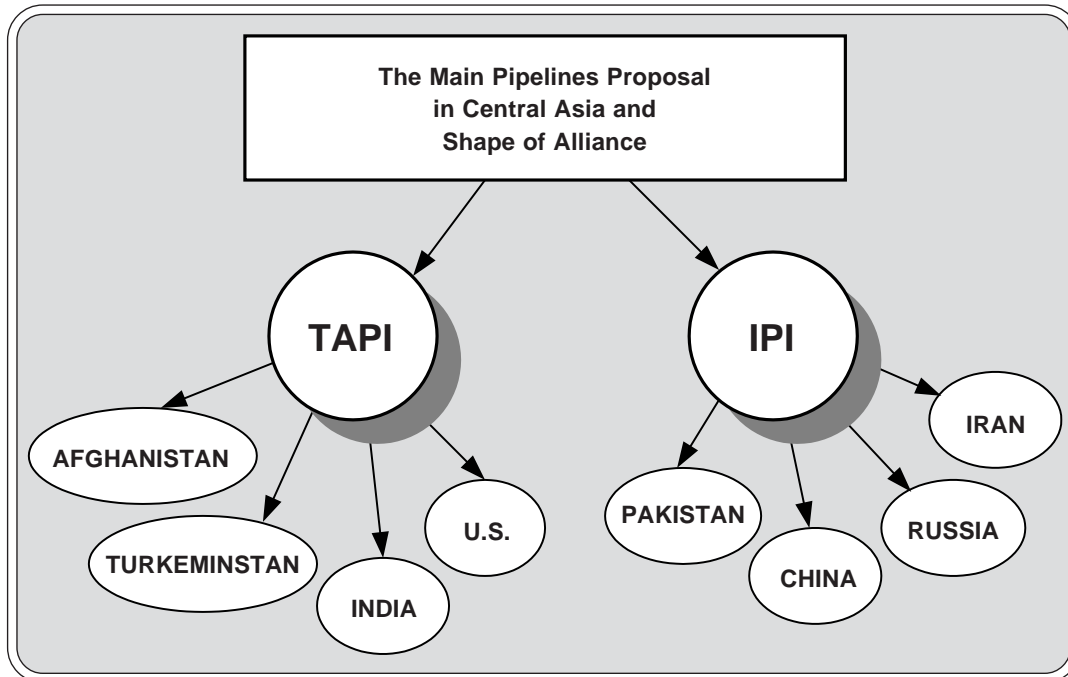
<sup>33</sup> [<http://www.brecorder.com>].

<sup>34</sup> See: *Afghanistan's Other Neighbors: Iran, Central Asia, and China*, Conference Report, Organized by the American Institute of Afghanistan Studies and the Hollings Center for International Dialog, Istanbul, Turkey, 24-26 July, 2008. Released February 2009, p. iii.

<sup>35</sup> See: Ch. Zambelis, "Violence and Rebellion in Iranian Balochistan," Jamestown Foundation, 29 June, 2006, available at [[http://www.jamestown.org/programs/gta/single/?tx\\_ttnews\[tt\\_news\]=821&tx\\_ttnews\[backPid\]=181&no\\_cache=1](http://www.jamestown.org/programs/gta/single/?tx_ttnews[tt_news]=821&tx_ttnews[backPid]=181&no_cache=1)].

<sup>36</sup> See: *Baseline Study for Energy Cooperation in Northeast Asia*, Korea Energy Economic Institute, Seoul, 2007, pp. 3-143.

Figure 2



### *Conclusion*

Central Asia has great energy potential and is strategically important, but it is landlocked. Consequently, the transit of reserves is very important for countries that have resources, especially gas, since it must primarily be transported through pipelines, unlike oil. Recently, South Asia and China have been experiencing faster economic growth and energy demand than other parts of the world. Economic and social development, population growth, high dependence on oil and gas, and limited energy reserves are the main factors promoting an increase in these demands. Geopolitics of energy is very important for countries that need energy resources, on the one hand, and for countries that transit energy through their territory, on the other, since this provides them with political and economic dividends. In order to transit energy from Central Asia to South Asia, two opposing alternatives exist (TAPI and IPI). The regional and cross-regional powers have different attitudes toward these proposals, which has led to a Great Game unfolding between them over energy and its transit. Russia, China, and Iran, which are major and powerful countries in Eurasia, oppose the TAPI pipeline officially and unofficially.

All three states share an interest in removing U.S. influence from Eurasia. Russia wants to preserve its dominance on energy exports and their price, but building pipelines such as TAPI and Nabucco will eliminate its monopoly on energy exports. Nevertheless, Russia has officially declared Gazprom's willingness to participate in the TAPI pipeline. However, one of the main goals of the U.S. presence in the Central and South Asian countries is to lure these countries away from Russia's orbit, while Gazprom's participation in the TAPI pipeline project is far from an established fact. Moreover, Russia and Iran have strategic relations and Russia (like China) has a positive attitude toward construction of the IPI pipeline. China's rapid economic growth has boosted competition over natural resourc-

es, especially energy, throughout Central Asia. China hopes to expand the IPI pipeline to China's west border through Pakistan.

The antagonistic relationship between Iran and the United States prevents construction of the IPI pipeline. Nevertheless, the Iranian route is more beneficial for Pakistan and India economically. Moreover, security of this pipeline in Iran's Baluchistan is higher than that of the TAPI pipeline, which is to pass through the troubled and insurgent provinces of Afghanistan and Baluchistan in Pakistan.

Recently, the growing tension between the U.S and Pakistan has led to increasing rivalry between the U.S and Iran. On the other hand, Iran and Pakistan took several steps toward improving relations in 2010 and 2011 as U.S relations with Pakistan deteriorated.

Undoubtedly, Iran needs a regional market for exporting its energy resources, while the unresolved issues regarding Iran's nuclear program undermine its foreign policy position. Nevertheless, Iran should be given an opportunity to find its place in implementing the Greater Central Asia (GCA) project.

An improvement in U.S.-Iranian relations would contribute significantly to the delivery of energy resources to the South Asian countries (Pakistan and India) and on to East Asian countries such as China.

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## REGIONAL SECURITY

## STRATEGIC FUNCTIONS OF AND PROSPECTS FOR THE FOREIGN MILITARY PRESENCE IN CENTRAL ASIA

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### *Introduction*

**A**t all times, armed forces have dominated and still dominate the development of statehood: they protect the fundamental interests of states—sovereignty and territorial integrity—and their capabilities are widely used as an effective instrument for implementing foreign policy, determining, along with the economy and ideology, a state's impact on world politics.

Armed forces have retained their adequacy amid the current globalization trends when traditional (military) threats are retreating, states' security interests are growing increasingly interdependent, and the principle of their indivisibility is being widely recognized, while the world has acquired alternative forces and means

to ensure security, etc. Today, however, military spending is constantly climbing, while the “responsibility zone”/“geography of functioning” of armed forces outside their state borders is widening. The national interests of the sovereign entities of world politics suggested by the very nature of international relations and security threats presuppose a wider network of military bases overseas.

The foreign military presence is directly connected with events and processes that reverberate across the world and which, at different periods in human history, have been the driving force behind progress. In the past, in the 17th-20th centuries, military bases in foreign countries

were set up by colonial powers or by the great powers locked in the ideologically driven Cold War.<sup>1</sup> Early in the 21st century, this trend survived

<sup>1</sup> At the height of the Cold War, the Soviet Union had military facilities in nineteen countries of the world staffed by about 600 thousand military (see: Military Bases, available at [http://www.scribd.com/doc/38859923/5-Warfare-or-Welfare-Complete-VersionEng]); the United States deployed over 1,500 military bases and facilities in the territories of its 32 allies manned by 514 thousand servicemen (see: *Diplomaticheskii slovar*, ed. by A.A. Gro-

because of transnational threats (mainly from international terrorism and the proliferation of WMD), as well as due to the struggle for strategic resources.

Here I will analyze the foreign military bases that appeared in Central Asia along with the “global war against terrorism” and the prospects for new military facilities in conjunction with the interests of the Central Asian states.

myko, A.G. Kovalev, P.P. Sevostyanov, and S.L. Tikhvinsky, Vol. 1, Nauka Publishers, Moscow, 1985, p. 7).

## Aims and Tasks of Foreign Military Bases

The term “military base” is applied to an advantageously situated, in the military-strategic respect, and adequately equipped region which allows the state to deploy its armed forces and armaments on a temporary or permanent basis.<sup>2</sup> Military bases are set up as bridgeheads to be used in the event of a military operation and for the purpose of material and technical backup. These are their main functions. They can be national or foreign, that is, set up and functioning in their own territories or outside them.

As a rule, the legal status of a foreign military base is determined by an international agreement which defines it as an extraterritorial facility and relieves its military personnel of criminal and civilian jurisdiction of the host country. In some cases, the personnel enjoy diplomatic immunity; on the strength of a special agreement they are exempt from international legal jurisdiction. In other words, the host country has no power over the territory occupied by a foreign military base and its personnel.

Overseas military bases are the privilege of states with strong military, political, and economic capabilities (*primus inter pares*); this means that they have adequate economic, financial, and international legal power and instruments and global/comprehensive interests. The permanent U.N. Security Council members, that is, the traditional “great powers,” are the monopolies in this sphere: practically all foreign military bases in the world belong to them.<sup>3</sup> The United States has the largest number of military bases in other countries; according to some sources, it has signed agreements on the legal status of military facilities with more than 90 countries,<sup>4</sup> that is, with nearly half of the U.N. member states.

A military base is the result of a mutual agreement of sovereign states that pursue their own specific aims. A state that allocates part of its territory to a foreign military base is, in most cases, seeking protection. In other words, by allowing a foreign military facility to be set up in its territory, a weaker state is seeking stability and an instrument for keeping a stronger neighbor or third countries in check. A foreign military base can be used in domestic policy to strengthen the ruling regime—a fairly frequent occurrence in the recent history of international relations.

In fact, a foreign military presence in general and a foreign military base in particular help to develop the national economy and bring money into the coffers of the host country. The advantages

<sup>2</sup> See: *Politicheskaya entsiklopediya*, in two volumes, Project head G.Yu. Semigin, Vol. 1, Mysl Publishers, Moscow, 2000, p. 89.

<sup>3</sup> China is the only permanent member of the U.N. Security Council with no military bases outside its territory; there is information, however, that Beijing has a military base in Burma (see: Military Bases).

<sup>4</sup> *Ibidem*.

of a foreign military presence are not limited to security issues; it boosts non-military sectors funded by the money no longer needed for military purposes. This is fully confirmed by the postwar economic rehabilitation of Europe and Japan, which developed their economies under the U.S. umbrella.

In Central Asia, Kyrgyzstan enjoys the advantages of the U.S. military presence in its territory: according to the press service of the Manas Transit Center, in 2010, the United States invested \$123.5 million in the economy of Kyrgyzstan.<sup>5</sup>

In the post-bipolar world, military bases have retained their importance as an instrument of containment of geopolitical rivals and continued international balance. At the same time, the aims and tasks of the military bases are better described as being of an integrated nature; they have gone beyond the framework of their military-political functions or traditional aims to prevail over the geopolitical, economic, and military-strategic interests of the host countries.

An analysis of interstate relations and relevant writings has produced the following list of aims and tasks of military bases, which can be described as driving forces behind the foreign policy and/or national security strategy of the world's leading states:

- Military-political containment of the enemy/geopolitical rival and/or power balance maintenance;
- Protection of allies against external military threats;
- Counteraction of contemporary threats;
- Ensuring access to hydrocarbon resources and establishing control over them;
- Control over the world's main transportation routes;
- Protection of state and private economic interests;
- Intelligence;
- Support of friendly regimes during periods of internal political struggle, armed conflicts, etc.

## Military Bases of the United States in Central Asia

The events of 9/11 forced the United States to revise the priorities of its national security strategy. In the wake of the tragic events of September 2001, the country armed itself with President George W. Bush's foreign policy doctrine. He rejected the traditional containment strategy as no longer applicable to the threats of terrorism and WMD proliferation. On 1 June, 2002, when talking at West Point Military Academy, the American president said: "We must take the battle to the enemy, disrupt his plans, and confront the worst threats before they emerge."<sup>6</sup>

The Bush doctrine not merely perpetuated the status quo of the overseas military bases but encouraged the widening of their network, mainly close to the seats of threats to America's national

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<sup>5</sup> Direct payments amounted to \$122,862 million, of which the government got \$60 million; the Manas airport, about \$22 million; the intermediaries, \$38.6 million; the land rented outside the airport cost the U.S. \$66.5 thousand and humanitarian aid, \$2.3 million. Oncosts (the American military's shopping, their visits to museums, etc.) amounted to \$1.16 million (see: V. Panfilova, "Manas nadolgo ostanetsia amerikanskim. SShA gotoviat voyska k perebroske iz Afghanistana v Tsentralnuiu Aziu," *Nezavisimaia gazeta*, 9 June, 2011).

<sup>6</sup> [<http://georgewbush-whitehouse.archives.gov/news/releases/2002/06/20020601-3.html>]; these ideas found their way into two U.S. National Security Strategies of the George W. Bush Administration of 2002 and 2006 and laid the political and legal foundation of the *preemptive strike* concept in the national security policies of members of international community.



security. The Pentagon selected “focusing on and functioning in various regions of the world”<sup>7</sup> as a strategic aim of the policy to enlarge the U.S. global military presence and described “South and Central Asia as a region of great strategic importance where American interests and values are engaged as never before.”<sup>8</sup>

The phenomenon of international terrorism affected the structure of military bases; from that time on America preferred to set up small mobile facilities staffed with special units trained to oppose the new security challenges; new types of bases (land, naval, and air) replaced the old combined bases.

Today, the United States is actively using so-called “lily-pads” to oppose international terrorism; they are minimally equipped military facilities used to train and deploy military forces set up in places where there is no infrastructure to be used for permanent military bases.<sup>9</sup> These bases “will protect the rapid reaction forces from the air and will serve as the main transshipment base, a ‘lily pad’ in the Pentagon parlance”<sup>10</sup>; as well-armed “frogs” they will leap to where they are needed and leap back.

The “global war on terror” made Central Asia one of the U.S. long-term foreign policy priorities; all the Central Asian states were prepared to cooperate with the counterterrorist coalition during its operation in Afghanistan.<sup>11</sup> It was only in Uzbekistan and Kyrgyzstan that American military bases were set up on a permanent basis.<sup>12</sup>

On 7 October, 2001, Tashkent and Washington signed an agreement under which the U.S. acquired the military airbase in Khanabad (in the country’s south) to be used as an American airbase for a squadron of military transport aircraft, about ten helicopters, and up to 1,500 American servicemen.

In the summer of 2005, the government of Uzbekistan decided to denounce the agreement; as the upper chamber of the parliament put it, the country “no longer sees any reason to prolong the term of the U.S. airbase in the territory of Uzbekistan ... the airbase was rented out to the U.S. to carry out search and rescue and humanitarian operations in Uzbekistan on the basis of an agreement signed in 2001. Uzbekistan has fulfilled its obligations.”<sup>13</sup> On 21 November, the last American aircraft left the base.

Today Kyrgyzstan is the only Central Asian state with an American military base and the world’s only state with a Russian and an American base deployed in its territory. The Manas airbase, which began functioning in December 2001, is a forward operating base; such bases are normally set up in direct proximity to potential seats of instability and borders of states that interfere with the promotion of American national interests; they are served by limited military contingents on a rotational basis.

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<sup>7</sup> U.S. Department of State, International Information Programs, “U.S. Outlines Realignment of Military Forces,” 16 August, 2004, available at [<http://usinfo.state.gov/is/Archive/2004/Aug/17-437847.html>] (quoted from: Z. Lachowski, “Foreign Military Bases in Eurasia,” *SIPRI Policy Paper*, Stockholm, No. 18, 2007, p. 13).

<sup>8</sup> U.S. National Security Strategy, available at [<http://www.whitehouse.gov/nsc/nss/2006/index.html>].

<sup>9</sup> See: Z. Lachowski, op. cit., p. 10.

<sup>10</sup> D. Malysheva, “Central Asia and the Central Caucasus: Regional Security in the New World Order,” *Central Asia and the Caucasus*, No. 2 (26), 2004, p. 50.

<sup>11</sup> In 2002, Turkmenistan, a neutral country, also signed an Agreement on the use of its air space by U.S. military transportation aviation and the international airport in Ashgabat as a refueling base. In April 2008, at the NATO/CEAP summit, President Berdymukhammedov announced that his country was ready to open training centers for NATO peacekeepers and allot space to NATO depots and supply bases (see: “Turkmenia rasshiriaet sotrudnichestvo s NATO,” *Nezavisimaia gazeta*, 13 May, 2008). There is information that a small contingent of maintenance personnel has already been stationed in the country (see: A. Bohr, Central Asia: Responding to the Multi-Vectoring Game, available at [[http://www.chathamhouse.org/sites/default/files/public/Research/Americas/us0510\\_bohr.pdf](http://www.chathamhouse.org/sites/default/files/public/Research/Americas/us0510_bohr.pdf)]).

<sup>12</sup> As members of the counterterrorist coalition, France and Germany also have limited military contingents in the region: in Uzbekistan (Germany) and Tajikistan (France). According to the Foreign Ministry of Tajikistan about 200 French military, six Mirage aircraft, and four military transport aircraft are stationed at Dushanbe airport (see: L. Gevorgian, “Tajiksko-frantsuzskie ucheniia—eto message Talibam,” 28 May, 2011, available at [<http://www.centrasia.ru/newsA.php?st=1306560600>]).

<sup>13</sup> “Senat Uzbekistana vyskazalsia za vyvod kontingenta SSHA s bazy v Khanabade,” available at [[www.dw-world.de/dw/article/0,,1692645,00.html](http://www.dw-world.de/dw/article/0,,1692645,00.html)].

Before 2009, when the government of Kyrgyzstan decided to denounce the agreement with the states that rented the base, it was used by military units of eleven members of the counterterrorist coalition. In the summer of 2009, the United States and Kyrgyzstan signed an agreement on a transit center at Manas; today, over 1,000 American military are permanently stationed there. Every month, up to 15 thousand NATO servicemen go through the Manas Transit Center to Afghanistan and back, which testifies to its importance in the counterterrorist operation. According to the Pentagon, every year about 24 thousand tanker aircraft rise from the Manas Transit Center to refuel American fighters in the air.<sup>14</sup> This means that the transit center will acquire even more importance when NATO starts pulling out of Afghanistan.

As “an established instrument of power projection”<sup>15</sup> the importance of military bases is not limited to their stated purpose. It is strongly suspected that the United States is attracted to the region due to its close proximity to Washington’s geopolitical opponents (China, Iran, and Russia), which will allow it to encircle them with its bases.

Today, the United States has already encircled Iran with its bases in Afghanistan, Kyrgyzstan, Turkey, and the Gulf states. Thirty-five kilometers separate Iran from the Shindad airbase in the Herat Province (Afghanistan).

Some experts insist that the Manas Transit Center is being used to monitor the air space along the Chinese border and for reconnaissance.<sup>16</sup> Chinese experts, likewise, wrote that America’s continued presence in Central Asia (that is, close to China’s borders) is threatening their country’s interests.<sup>17</sup>

Access to the huge resources of fossil fuels in Central Asia and the Caspian constitutes one of the pillars of the U.S. vital interests in the region.<sup>18</sup>

It is common knowledge that foreign military bases occupy an important place in the system of forces and assets used to protect and defend the interests of states (in the energy sphere among other things). This means that America’s military presence in Central Asia is part and parcel of the country’s comprehensive strategy; it is a strictly regional antiterrorist project of a global nature.

## Russia’s Military Bases in Central Asia

Today the Russian Federation has over 20 military facilities mainly in the territories of the post-Soviet republics<sup>19</sup>: Azerbaijan, Moldova, and Ukraine, which are CIS members, and Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan, which belong both to the CIS and CSTO. The naval base in Sevastopol (Ukraine), the space complex in Baykonur (Kazakhstan),<sup>20</sup> the 201st base in Tajikistan, the radar stations in Qabala (Azerbaijan)<sup>21</sup> and Nurek (Tajikistan), and a military base in Kant (Kyr-

<sup>14</sup> See: O. Bozh’eva, “Voennye ministry NATO zachastili v Sredniuu Azii. Shef Pentagona khochet sokhranit bazu ‘Manas’,” *Moskovskiy komsomolets*, 14 March, 2012.

<sup>15</sup> Z. Lachowski, op. cit., p. 3

<sup>16</sup> See: V. Panfilova, “Kirgiziia stanovitsia aziatskim avianostsem,” *Nezavisimaia gazeta*, 20 February, 2006. According to A. Knyazev, “at the turn of 2005 Kyrgyzstan and the United States were engaged in fairly intensive talks. The American side tried to wrench an agreement on stationing E-3A aircraft of the AWAKS type and on regular reconnaissance flights along the Chinese border” (A.A. Knyazev, *Gosudarstvenny perevorot 25 marta 2005 g. v Kirgizii*, Bishkek, 2007, p. 128).

<sup>17</sup> See: X. Guangcheng, “The Shanghai Cooperation Organization in the Fight against Terrorism, Extremism, and Separatism,” *Central Asia and the Caucasus*, No. 4 (16), 2002, p. 19.

<sup>18</sup> See: U.S. National Security Strategy.

<sup>19</sup> The Syrian port of Tartus is Russia’s only military base outside the old Soviet Union (see: “Syria and Russia,” *The Economist*, 14 January, 2012, p. 50).

<sup>20</sup> Under the 1995 agreement, the complex was transferred to the Russian Federation for 20 years.

<sup>21</sup> Russia rents the Qabala radar station, with the radius of 6,000 km, for \$7 million a year (see: N.N. Efimov, *Politiko-pravovye aspekty natsionalnoy bezopasnosti Rossii*, KomKniga, Moscow, 2006, p. 188).

gyzstan) are the most important. This fully coincides with the space the expert community has defined as the zone of Russia's vital interests; the military bases were set up to protect Russia's interests in three strategic sectors: Central Asia, the Caucasus, and the Middle East.

Its geopolitical location and historical and civilizational contacts with the Central Asian countries keep Russia involved in regional relations.

Its continued military presence in Central Asia has been and remains one of Russia's foreign policy priorities; the counterterrorist operation in Afghanistan, which brought the military of America and its allies to the region, merely added vigor to the process. The 2010 Military Doctrine of the Russian Federation says, in part, that "the deployment (buildup) of troop contingents of foreign states (groups of states) in the territories of states contiguous with the Russian Federation and its allies and also in adjacent waters" will be defined as an external military danger.<sup>22</sup>

Unlike the United States, which operates on a bilateral basis, the Russian Federation prefers to set up multisided structures in Central Asia (particularly within the CSTO) as one of its foreign policy instruments. Significantly, it was in 2001 that the Collective Rapid Deployment Force (CRDF) of the Central Asian region transformed the Collective Security Treaty into the Collective Security Treaty Organization. Today, the CRDF consists of military units of the RF (about 4 thousand people) and three Central Asian republics (Kazakhstan, Kyrgyzstan, and Tajikistan).<sup>23</sup> The 999th airbase of the RF Air Force in Kant (up to 750-strong military personnel and over 20 aircraft and helicopters) forms the aviation component of the CRDF. This was the first Russian military base set up in a foreign state in the post-Soviet period. The fact that President of Russia Vladimir Putin attended its opening in April 2003 speaks volumes.<sup>24</sup>

This is not Russia's only military facility in Kyrgyzstan; the RF Defense Ministry also mans the 338th communication center of the RF Navy with radar surveillance capability in the region (situated in Kara Balta), the 954th torpedo testing center at Lake Issyk Kul, and a seismic control station of the RF Defense Ministry in the Mayлуу Suu settlement.<sup>25</sup> In March 2008, the parliament of Kyrgyzstan ratified an interstate agreement under which Russia's three military facilities could remain in Kyrgyzstan for the next 15 years.<sup>26</sup>

The treaty between Russia and Tajikistan On the Status and Conditions for the Functioning of a Russian Military Base in the Territory of the Republic of Tajikistan signed in April 1999 envisaged that the largest Russian military base in Central Asia (the 4th military base of the RF Defense Ministry) would be set up on the basis of the 201st motor rifle division of the Volga Area-Urals Military District. The base started functioning de jure five years later (the treaty was enacted on 16 October, 2004). On 17 October, 2004, the presidents of the Russian Federation and Tajikistan attended the opening ceremony (in 2005, the 4th military base was renamed the 201st military base). Today, it consists of three battalions stationed in Dushanbe, Kurgan-Tube, and Kulob (there are 5.5 thousand military in all).

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<sup>22</sup> [[http://carnegieendowment.org/files/2010russia\\_military\\_doctrine.pdf](http://carnegieendowment.org/files/2010russia_military_doctrine.pdf)].

<sup>23</sup> See: N. Bordyuzha, "CSTO: Efficient Counteraction Tool against Modern Challenges and Threats," *International Affairs*, No. 1-2, 2007.

<sup>24</sup> The legal status of the military base in Kant is determined by the Agreement on the Status of the Military of the Armed Forces of the RF in Kyrgyzstan of 22 September, 2003 signed for 15 years with the possibility of extending it for another five years on the sides' mutual agreement.

<sup>25</sup> See: E. Bokoshev, "Voennye bazy Rossii v Tsentralnoy Azii—ugroza destabilizatsii regiona," available at [<http://en.caspianweekly.org/main-subjects/others/turkish-world/3750-2011-03-04-11-12-07.html>].

<sup>26</sup> See: The Law on Ratification of the Protocol to the Agreement between the Kyrgyz Republic and the Russian Federation on the Procedure for Using Russian Military Facilities in the Territory of the Kyrgyz Republic and the Status of the Military of the Armed Forces of the Russian Federation in the Kyrgyz Republic.

## Will New Foreign Military Bases Appear in Central Asia?

The answer to this question can be found in the context of geopolitical rivalry of the great powers in the region. The question and its answer have acquired particular urgency in view of the withdrawal of the U.S. and NATO from Afghanistan (to be completed by late 2014) and possible stronger military position of the United States in the region. Today, the United States is moving toward setting up permanent bases in Afghanistan, while the United States and Russia will probably add military facilities to those already functioning in the region. U.S. Secretary of State Hillary Rodham Clinton declared at the 2011 Bonn Conference: "The United States intends to stay the course."<sup>27</sup> On 2 May, 2012, this statement was confirmed by the Strategic Agreement between the U.S. and Afghanistan.

Under this agreement Afghanistan, which is not a member of NATO, became the U.S.'s Major Non-NATO Ally, which put it on an equal footing with Japan, Israel, and Australia. As a major non-NATO ally, it can expect certain military-technical dividends. The document outlined the prospects for the U.S.'s continued military presence in Afghanistan and confirmed that after 2014 American military personnel would gain access to the facilities that belonged to the Afghan army. The particulars will be discussed and registered in a bilateral security treaty. The United States has pledged not to use Afghan territory and facilities to attack third countries. The sides have already reached an agreement on urgent consultations in the event of external aggression against Afghanistan and on relevant joint political, diplomatic, economic, and military measures.<sup>28</sup>

Peace in Afghanistan is seen as the main regional value; it is growing increasingly clear that only an agreement between the conflicting sides will bring peace to the country: stability in Afghanistan and sustainable security in this vast region depend on it.

The Taliban (the main opposition force in Afghanistan), which is sticking to its position that the foreign troops should be removed from the country, is the main, and highest, stumbling block on the road to implementing Washington's strategy.

Asad Durrani, former ISI Director-General, has offered his opinion: "The foreign troops are the main irritant and factor that stirs up opposition and provokes war." He is convinced that "operational contingents" at the bases in Afghanistan "will perpetuate the conflict in this country ... in fact one of the sides should leave Afghanistan."<sup>29</sup>

Seen from Central Asia, the continued foreign military presence in Afghanistan looks positive, albeit with certain reservations. American military facilities in the north of Afghanistan may help to oppose threats and challenges and serve as an important factor of border security of the Central Asian states. This might be true if the United States takes into account the regional reality and interests of the Central Asian states when shaping and realizing its Central Asian strategy, and if the American leaders are determined to oppose, in earnest, such threats as illegal drug trafficking.

The United States has already announced that it plans to set up its military bases in Central Asia.<sup>30</sup> Military facilities in Central Asian states might hamper their bilateral relations and fan

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<sup>27</sup> K. DeYoung, "Clinton: Afghans 'Have More Work To Do,'" *The New York Times*, 5 December, 2011.

<sup>28</sup> See: Enduring Strategic Partnership Agreement between the United States of America and the Islamic Republic of Afghanistan, available at [<http://www.whitehouse.gov/sites/default/files/2012.06.01u.s.-afghanistanspasignedtext.pdf>].

<sup>29</sup> "Vremya SShA proshlo. Els-glava razvedki Pakistana Asad Durrani o voyne, kotoruiu vedut Washington s Islamabadom," *Rossiskaya gazeta*, 16 November, 2011.

<sup>30</sup> In particular, the U.S. Central Command's counter-narcotics fund intended to pour over \$40m into building training compounds in Kyrgyzstan's Osh and Tajikistan's Karatog, plus a canine training facility and helicopter hangar near Almaty in Kazakhstan (see: A. Shustov, "SShA ukhodiat iz Afghanistana v Tsentralnuu Aziju," 25 June, 2011, available at [<http://www.fondsk.ru/news/2011/06/25/usa-uhodjat-iz-afganistana-v-centralnuju-aziju.html>]).

geopolitical regional rivalry between the U.S., RF and China. The Central Asian states do not need this.

It seems that Russia might be interested in setting up a military base in the south of Kyrgyzstan (within the CSTO framework), using the Aini airfield in Tajikistan, and returning Russian border guards to the Tajik-Afghan border.

Russia will set up a military unit (no larger than a battalion) and a training center in the south of Kyrgyzstan under the aegis of the CSTO. A memorandum of intent was signed by the heads of state on 1 August, 2009 during an informal CSTO summit. Today, the sides are discussing a treaty on the status and conditions under which the joint Russian military base will function in Kyrgyzstan. It is expected to stabilize the military-political situation in Central Asia and block aggressive designs. Additional jobs may boost the local economy.<sup>31</sup> It is expected that all of Russia's military facilities in Kyrgyzstan, including the Kant airbase, the largest of Russia's military bases in Kyrgyzstan, will be transferred to it.

It should be said that none of the Central Asian countries will profit from the foreign military presence in the Ferghana valley. This explains why Uzbekistan officially objected to possible foreign military facilities in this sub-region. The Foreign Ministry of Uzbekistan issued a statement which said: "The Uzbek side sees no reason to set up an additional Russian military contingent in the south of Kyrgyzstan,"<sup>32</sup> since, if implemented, these projects at the cross-border of three states might add vigor to militarization and nationalist and radical sentiments fraught with negative repercussions.

The geopolitical interests of Russia, the United States, and India in the Aini airbase in Tajikistan are easily explained by the republic's common borders with China and Afghanistan, its geographical proximity to Iran and Pakistan, and possible access to Karakorum (which links the Xinjiang-Uyghur Autonomous Region of China to Pakistan).

In Soviet times, this facility, some 25 km to the west of Dushanbe, also had a helicopter repair plant and a landing strip. Russia is seeking access to the airbase for the aviation group of the 201st military base.<sup>33</sup>

In the summer of 2008, Russia and Tajikistan signed an Agreement on the Joint Use of the Aini Airbase; it presupposed that aircraft and helicopters stationed at the international airport of Dushanbe would be moved to Aini and that Russia would invest \$5 million in its reconstruction.<sup>34</sup> So far, the document has not been enacted.

In September 2011, the heads of state of Russia and Tajikistan agreed to draft a new document on Aini.

India, which is also making claims to the airbase, has already poured from \$20 to \$70 million into its reconstruction<sup>35</sup>; however, its efforts have not been crowned with success.<sup>36</sup>

This is not all: until 2002 India had a field hospital in Parkhar in the south of Tajikistan, close to the Afghan border. Set up for the needs of the NATO armed forces it was used, according to certain sources, to supply the Northern Alliance with military equipment and helicopter spare parts.<sup>37</sup>

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<sup>31</sup> See: "Rossiyskiy voenny faktor v Oshe: 'za' i 'protiv.' Obshchestvenny rating," available at [<http://www.centrasia.ru/newsA.php?st=1117410360>].

<sup>32</sup> "V Uzbekistane ne vidiat neobkhodimosti v razmeshchenii na iuge Kyrgyzstana dopolnitelnogo kontingenta rossiiskikh vooruzhennykh sil," available at [<http://www.uzinform.com/ru/news/20090804/01762.html>].

<sup>33</sup> A. Shustov, op. cit.

<sup>34</sup> See: V. Panfilova, "Tajikistan vystavil Rossii schet. Dushanbe i Moskva torguiutsia iz-za aerodroma Aini," *Nezavisimaia gazeta*, 28 October, 2008.

<sup>35</sup> See: A. Sodiqov, "India's Intensified Interest in Tajikistan Driven by Pursuit of Airbase and Uranium," *Central Asia-Caucasus Analyst*, Washington D.C., Vol. 11, No. 17, 16 September, 2009, p. 17.

<sup>36</sup> See: R. Muzalevsky, "India Fails to Gain a Military Foothold in Tajikistan," available at [<http://www.cacianalyst.org/?q=node/5485>].

<sup>37</sup> See: A. Sodiqov, op. cit., pp. 16-17.



Alarmed by the growing illegal traffic of narcotics through Tajikistan,<sup>38</sup> Russia insists on returning the border guards pulled out in 2005 to the Tajik-Afghan border.<sup>39</sup> Nearly half of the total stretch of 3,000 km of border between Afghanistan and Central Asian countries divides Afghanistan and Tajikistan; its length and the rugged relief make this stretch of the border between Afghanistan and Central Asia more vulnerable.

Those powers seeking military facilities in the Central Asian countries do not spare arguments and use all the forces and assets at their disposal to win over the host countries to achieve a favorable political decision. They use a wide range of arguments: from political and economic to military: loans<sup>40</sup>; arms deliveries on easy terms; debt cancelling; introduction of visas<sup>41</sup>; grants on fuel supplied to the military base; lobbying the interests of the host country in international organizations, etc.

### *Conclusion*

A host country can set up a foreign military base on the strength of a sovereign decision if it meets its national interests. It should, however, take into account the interests of its neighbors as is required by the principle of good neighborly relations and the prospects for bilateral and multilateral cooperation in order to avoid a security dilemma. In other words, a state wishing to strengthen its security mainly by strengthening its military power might stir up concern beyond its borders.

Today, force as a component used to keep terrorism in check is indispensable, but not entirely efficient. The nature of threats in Central Asia as a whole (and in Afghanistan in particular) presupposes the use of non-military methods to prevent and neutralize the challenges to national and regional security.

It should be said that new foreign military bases in the region cannot be regarded as an adequate response to the contemporary threats and an efficient/indispensable component of the security system that is taking shape in Central Asia. In fact, the foreign military presence in the region might add to the tension in relations between states, intensify geopolitical rivalry, and upset the military-political balance in the region, thus making the Central Asian states even more vulnerable.

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<sup>38</sup> According to Director of the Federal Drug Control Service Victor Ivanov, about 60% of the heroin produced in Afghanistan arrives in Russia from Tajikistan (see: A. Sodiqov, "'Jamestown': Moskva shantazhiruet Dushanbe, chtoby vernutsia k afganskoy granitse," 16 August, 2011, available at [<http://tjnews.ru/3255>]).

<sup>39</sup> According to the Agreement between the Russian Federation and the Republic of Tajikistan on the Legal Status of the Border Guards of the Russian Federation Stationed in the Territory of the Republic of Tajikistan, the Task Group of the Federal Border Guard Service protected the state border with China and Afghanistan. The group was set up in October 1992; its numerical strength was 14.5 thousand (see: R. Burnashev, I. Chernykh, "The Armed Forces of the Republic of Tajikistan," *Central Asia and the Caucasus*, No. 6 (18), 2002, p. 102).

<sup>40</sup> In 2004, for example, Russia announced that it had invested \$2 billion in the Tajik economy, mainly in construction of the Rogun hydroelectric power station. There was, however, a political tag attached: a controlling interest in the Rogun power station and the right to use the Aini airbase.

<sup>41</sup> See: "B. Gryzlov prigrozil zapretit trudovuiu migratsiiu v Rossii grazhdan Tadzhiqistana," available at [<http://tjnews.co/?p=4875>]. According to certain sources, nearly one-and-a-half million Tajik guest workers (one quarter of the country's able-bodied population) send back over 40% of the republic's GDP in remittances.



## REGIONAL STUDIES

**CENTRAL ASIA AS VIEWED  
BY CONTEMPORARY POLITICAL ANALYSTS  
(2011-2012)<sup>1</sup>****Murat LAUMULIN**

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***Introduction***

Not so long ago it seemed that by the end of the 2000s interest in Central Asia from abroad had exhausted itself and there was nothing new to add to what had already been written about the region. The West, which paid the greatest attention to the region due to the presence of America and NATO in Afghanistan, appeared to have lost its geopolitical interest in Central Asia. Washington unofficially recognized Russia's "legitimate" interests in the region as part of the reset policy, probably in the hope that Mos-

cow's influence would be trimmed by China's increasing presence in the same region.

Now, however, everything has dramatically changed: on the one hand, the intention of Russia (led once more by Vladimir Putin, the "integrator of the post-Soviet expanse") to expedite the establishment of a Eurasian Union has given the West a scare. While on the other, Western strategists are frowning at China's mounting influence in Central Asia. The Iranian, Indian, and Afghan factors are also elements to be reckoned

<sup>1</sup> This article continues our earlier surveys of what has been written about Central Asia abroad (see: M. Laumulin, M. Augan, "Central Asia as Viewed by Contemporary Political Analysts," *Central Asia and the Caucasus*, Volume 11, Issue 1, 2010, pp. 80-96; M. Laumulin, "Central Asia as Viewed by Contemporary Political Analysts," *Central Asia and the Caucasus*, Volume 11, Issue 3, 2010, pp. 109-125).

with in the geopolitical struggle around the region. In short, the rivalry has in no way fizzled out, instead it is entering a new phase.

This is amply confirmed by the works analyzed below; their authors do not limit them-

selves to the geopolitics, security, and international status of Central Asia; they scrutinize the domestic problems and political and socioeconomic development of the region's individual countries.

## Geopolitics and Security

The monograph *Mapping Central Asia. Indian Perceptions and Strategies*, which is the result of joint efforts of French and Indian academics, brought together veterans of Indian Central Asian studies A. Patnaik, K. Warikoo, S. Chatterjee, A. Sengupta, S. Gopal, and some others and prominent French Orientalists M. Laruelle and S. Peyrouse,<sup>2</sup> which makes it an important contribution to Central Asian studies.

The book consists of three parts.

- Part I “The Past as a Link? Reassessing Indo-Central Asian History” covers the common history of India and Central Asia; it forms a bridge between the past and the present: as close neighbors, the two civilizations and regions maintained intensive contacts in the past, which were cut short in later periods. The historical memory of the new post-colonial Indian elite about contacts with Central Asia in the past has obviously bred (albeit in confabulated form) the ideas and strategic approaches of the present. The first part concentrates on the question of whether the mechanism of historical contacts of the two regions will continue to function in the 21st century.
- Part II “Contextualizing Indo-Central Asian Relations” looks at the present period as a time of hopes, disillusion, and gradual shift to pragmatism on both sides. The authors admit that so far India cannot outweigh, geopolitically or otherwise, the other regional players—the RF, U.S., EU, and PRC.
- Part III “The In-Between Point of Tension: Pakistan, Afghanistan, Kashmir, and Xinjiang” analyzes the factors that strongly affect India's Central Asian policies. The authors are latently convinced that the “geopolitical vagueness” around Central Asia is giving India the chance to gain enough weight to join the ranks of the geopolitical “heavyweights.”

The authors make it obvious that the book was prompted by two paradoxes.

- First, in the geopolitical context, relations between India and Central Asia have become a traditional subject that has never been studied in the political, economic, strategic, and cultural contexts. Afghanistan, “a missing link between India and Central Asia” (p. 2), remains the main converging point in the security sphere.
- Second, despite the relatively high level of Central Asian studies in India, the West has consistently ignored the Indian school of political studies. It remains isolated, while everything done in India in this sphere is habitually classified as Oriental studies.

It seems that Marlène Laruelle and Sébastien Peyrouse were determined to familiarize the Western academic community with the Indian point of view. They are convinced that the book should be

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<sup>2</sup> See: *Mapping Central Asia. Indian Perceptions and Strategies*, ed. by M. Laruelle, S. Peyrouse, Ashgate, Farnham, 2011, 248 pp.

regarded, first, as a classical academic effort that reflects the collective opinion about Delhi's strategy in the region and, second, it should be taken into account that, when looking at the context of Indian-Central Asian relations, the Indian authors have preserved their individuality.

The conclusions are of no comfort to the Indians: there is a wide gap between the impressive potential that can be used to build an Indian-Central Asian alliance and India's inadequate presence in the region, which became obvious by the end of the first decade of the 21st century. India stayed away from the fairly tough tussle between Russia and the U.S. at the geopolitical level and the rivalry for energy sources among Russia, China, and the United States. In fact, India has so far failed to rely heavily on economic instruments to add to its influence in the region, something which the EU, South Korea, and Japan have done.

On the other hand, India can rely on its good relations with Russia to build up its influence in Central Asia; it has heavy "democratic baggage" that will come in handy sooner or later. India and the Central Asian states would like to put an end to Iran's isolation in order to integrate it into regional developments.

The authors, however, have stated in clear terms that economically India is no rival for China.

India is primarily interested in Kazakhstan. Potentially they can become partners in space research (when Russia gets out of Baykonur), nuclear power production, and information technology. In fact, the authors suggest that India, Kazakhstan, and Russia working together can form a highly successful geo-economic triangle.

If, in the future, energy sources (gas, electricity, and, to a lesser degree, oil and uranium) are channeled from Central Asia into South Asia, India will gain more economic weight in the region. The authors, however, do not exclude a different scenario: geopolitical stagnation or unfavorable developments at the regional level. This may either turn the region into China's economic protectorate or cause Islamization of the Central Asian countries.

After investigating the present situation and all the potential scenarios in detail, the authors conclude that relations between India and Central Asia depend on outside factors and cannot, therefore, be shaped on order or controlled.

A collective monograph entitled *Religion and Security in South and Central Asia*, edited by K. Warikoo of Jawaharlal Nehru University,<sup>3</sup> reads like a supplement to the monograph discussed above. The authors have chosen a broad international context to scrutinize the rise of the Taliban in Afghanistan, Talibanization of Pakistan, the policy and practices of Islamic terrorism in India, Islamic extremism in Kashmir and Bangladesh, and the terrorist network in the latter; they analyze the destabilizing role of Hizb ut-Tahrir in Central Asia, the role of the Muslim leaders in Tajikistan, ethno-religious separatism in Xinjiang, etc.

K. Warikoo, the project head, obviously intended to fit the Central Asian problems into the extended regional agenda by scrutinizing the situation through the prism of the growing threat of radical Islam. He proceeded from the assumption that the Islamists reject, in principle, democracy and secularism. The rhetoric of political Islam, on the other hand, can be viewed as a response to the increasingly obvious economic inequality, corruption, and political impotence of Muslim societies and the moral bankruptcy of today's Western materialist culture and its axiological system. The Central Asian countries were also exposed to this. The region is too close to Afghanistan to remain immune to instability with Islamist undertones; the same is true of Pakistan and India, writes Warikoo.

The Indian academic is quite rightly convinced that the sides involved (India, China, Russia, and its Central Asian allies) should close ranks in the face of a common threat. K. Warikoo points

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<sup>3</sup> See: *Religion and Security in South and Central Asia*, ed. by K. Warikoo, Routledge, London, New York, 2011, 217 pp.

to Sufism and, in the wider sense, the common cultural-religious legacy of the vast region that in the past included Hindustan, the Middle East, and Central Asia as a weapon to be used against militant Islamism.

In fact, the Indian scholar calls on the Central Asian region to formulate its official policy as planting moderate Islam in the form of the Sufi tradition. The recent developments in the region suggest that this should be seriously discussed.

The volume *China and Greater Central Asia: New Frontiers?* written by N. Swanström and published within the program of the Central Asia-Caucasus Institute at Johns Hopkins University looks at China's new role in Central Asia; the book continues the academic discourse started by Frederick Starr, the author's senior colleague.<sup>4</sup>

Frederick Starr put the term "Greater Central Asia" into academic and political circulation; his junior colleague has gone even further: the Swede does not limit Greater Central Asia to Central Asia proper and Afghanistan; for him it stretches to Pakistan, Iran, Mongolia, and probably Azerbaijan in the Caucasus.

Niklas Swanström points to the fact that China has gained much more weight in Greater Central Asia, a region of exceptional economic and geopolitical importance for the PRC. Unlike many of his colleagues, he is convinced that China has learned to successfully employ "soft power" (this is probably much more obvious in Central Asia's southern neighbors than in the post-Soviet republics).

He identifies the focal points of China's policy and strategy in Greater Central Asia: active use of the region's resources and markets in a way that will not alarm Russia and the Central Asian states. It seems that China expects that in a couple of generations Greater Central Asian will change its geopolitical preferences in a dramatic and so far unpredictable way. China's widening presence, however, clashes with the interests of the United States, Russia, and the European Union; this may either stir up a conflict or suggest cooperation.

To gain more influence and more power, China should encourage close economic ties inside Eurasia; this means that the long-term strategies of all the interested states should take into account China's expansion in Greater Central Asia: it will inevitably affect their policies and tip the balance of power in Eurasia.

The author looks at the problem from the viewpoint of European interests: the EU and China can and should create trans-Eurasian transportation routes as soon as possible to profit themselves and to improve the economic situation in Greater Central Asia. In any case, Brussels and Beijing (together with Washington) will be able to coordinate their strategies in Greater Central Asia.

What the author has written about China relying on American methods to spread its influence far and wide raises doubt; he also points out that the mounting anti-Americanism and rapidly declining American solvency add to the pro-China bias in the region.

Niklas Swanström is convinced that the main question of the near future is whether China will join the multisided structures of Greater Central Asia.

## Regional and Socioeconomic Studies

Last year one of the most prominent American experts in Central Asia Prof. Frederick Starr of Johns Hopkins University gathered together an international team around the *Ferghana Valley*. *The*

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<sup>4</sup> See: N. Swanström, *China and Greater Central Asia: New Frontiers?* Central Asia-Caucasus Institute & Silk Road Studies Program, Washington, D.C., 2011, 84 pp.

*Heart of Central Asia* project.<sup>5</sup> The fundamental work consists of fourteen chapters dealing with the region's history from ancient times to our day; its economy, ecology, culture, Islam, and its international status are dealt with in separate chapters. The Introduction and Conclusion authored by Prof. Starr define the conception and the main approaches.

Prof. Starr selected the valley as one of the world's most densely populated regions (12 million people); its ethnic, linguistic, and political diversity, together with the fact that it is divided among three Central Asian states (geographically, these parts are far removed from the corresponding capitals), makes it a unique corner of the world.

He writes that the valley's contribution to the economies of each of the three republics is incredibly high: indeed, it is potentially the largest of the Central Asian markets and the world's second largest cotton producer. Historically, the Ferghana Valley has been and remains the successor to the ancient routes that linked Europe with China and India, which suggests that a ramified network of railways and gas pipelines can restore the valley to its former international status.

Prof. Starr has pointed out that this is enough to attract international attention, however, for over 20 years, the valley has been viewed as a sad example of persistent instability (in the Uzbek and Kyrgyz sectors in particular). He remains convinced that the valley does not deserve its reputation of being one of the most unstable regions: local developments should be sorted out with the help of sociological, political, scientific, historical, linguistic, and economic data. The American scholar is convinced that all the problems, no matter how complicated, are rooted in the border and water use issues.

The author has formulated nine questions, the answers to which will supply us with a clearer idea about the Ferghana phenomenon:

- (1) What periods and episodes of the Valley's past still echo today?
- (2) Is the Valley a center or a periphery (in relation to other centers)?
- (3) Are the history and culture of the Ferghana Valley homogenous or patchy?
- (4) Do isolation or contacts prevail in the Valley's past and present?
- (5) What is the correlation between religion and secularism in the Valley's history and its life today?
- (6) Are external or internal factors more important in the Valley's social and cultural life?
- (7) Have stagnation or accelerated changes prevailed in the last few decades?
- (8) Does governance rely on external or internal mechanisms?
- (9) What is the correlation between the centrifugal and centripetal forces in the Valley and among coordination, integration, and disintegration?

Frederick Starr argues that those who can answer these questions will acquire a better idea of the Ferghana Valley and Central Asia as a whole.

What conclusions have the American expert and his international team drawn? They offer no consolation: it is well known that the valley is steeped in numerous social, economic, and ecological problems; today, and this is most important, the valley, divided among three countries, is rapidly losing its historical homogeneity under the pressure of centrifugal trends. Soviet power (which created the administrative barriers in the valley in the first place) is not totally responsible. Together with independence, the new states acquired enthusiasm for nation-building, which inevitably affected the valley's cultural-historical homogeneity.

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<sup>5</sup> See: *Ferghana Valley. The Heart of Central Asia*, ed. by S.F. Starr, M.E. Sharpe, Armonk, New York, London, 2011, XX+442 pp.

Frederick Starr, a well-known trailblazer, came forward with a suggestion to set up a collective international structure he calls the Coordinating Council of the Ferghana Valley in order to pool the forces of all the Central Asian countries.

A short survey under the eloquent title of *Central Asia: Decay and Decline*<sup>6</sup> was written by the International Crisis Group that thoroughly investigated detailed statistics relating to health protection, education, energy production, and transport. They pointed out that in all the Central Asian countries (with the exception of Kazakhstan), the social sphere and economy are in bad shape; in each of them certain spheres are gravely ill. In Kyrgyzstan and Tajikistan, for example, the civilian infrastructure has declined beyond repair (energy production is still breathing). In Uzbekistan and Turkmenistan, health protection and education are decaying (energy production has already undergone a slump).

The authors placed Kazakhstan in a league of its own, which is no compliment: the country is rapidly sliding down into an abyss of differentiation between health protection and education for the elite and for the ordinary people (the latter gets practically next to nothing from the huge sums allocated from the budget). In other words, schools and hospitals that correspond to the world's average standards rub shoulders with schools and hospitals that look no better than in Kazakhstan's southern neighbors. The authors nevertheless admit that, unlike its neighbors, Kazakhstan has, to a certain extent, moved forward and preserved its secular order.

Another survey called *Central Asia's Crisis of Governance* was published by the Asia Society in Washington.<sup>7</sup> Its author Philip Shishkin, a former award-winning staff reporter of the *Wall Street Journal*, looks at the region in two dimensions: development of each republic and their development in the presence of the geopolitical players (Russia, China, the U.S., and the EU). The author gives succinct definitions of each of the Central Asian states: he defines Kazakhstan as a country of electoral authoritarianism; Kyrgyzstan as the land of perpetual revolution; Tajikistan as a failing state; Turkmenistan as a desert kingdom fueled by gas; and, finally, Uzbekistan as a police state of strategic significance.

The survey suggests (even though the author deliberately avoids unambiguous statements) that the region suffers from a crisis of governance at home (its state institutions and systems of governance are eroded) and at the geopolitical level (which is much more interesting).

It seems that the region will not acquire "external governance"; "the U.S.-led war in Afghanistan has been a boon to Central Asia's authoritarian regimes... But the United States is likely to disengage from the region as it winds down the Afghan campaign, with China and Russia poised to increase their influence in Central Asia" (p. 35). This will inevitably undermine the EU's position in the region and play down the geopolitical impact of the West. In theory, Russia and China might profit, but this is in no way certain. Russia is rapidly losing ground to China which, however, is not prepared to employ colonial or totalitarian methods to keep the region under control.

This means, writes Philip Shishkin, that in the near future Central Asia will be spared intensive geopolitical rivalry (according to many of the Central Asian experts, however, it has become more vigorous); the region will be confronted with receding and, therefore, inadequate external pressure. This is a paradox that contradicts the generally accepted idea about Central Asia's geopolitical importance. The paradox suggests that in the near future the Central Asian countries will suffer from a crisis of domestic political governance (that is, a crisis of their state institutions), sharper rivalry among the elites, clans, and regions, at least in some of the countries, struggle for political leadership, hereditary power, etc.

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<sup>6</sup> See: *Central Asia: Decay and Decline. Asia Report N°201*, 3 February, 2011, ICG, Bishkek/Brussels, 2011, III+42 pp.

<sup>7</sup> See: Ph. Shishkin, *Central Asia's Crisis of Governance*, Asia Society, Washington, D.C., 2012, 40 pp.



## Political Models in the Central Asian Countries

Prof. Eric McGlinchey of George Mason University gave his book the pretentious title of *Chaos, Violence, Dynasty. Politics and Islam in Central Asia*.<sup>8</sup> What is found between the two covers does not fully correspond to the title: the author concentrates on the problems of authoritarian rule, taking Central Asia as an example.

The first chapter deals with authoritarianism in the broad international context with digressions into aspects conducive to various authoritarian models and affecting geopolitics, the economy, religion, etc.

Chapter 2 “The Soviet Origins of Post-Soviet Autocratic Variation” tells nothing new: the subject has been substantially researched by political science.

Chapters 3, 4, and 5 deal with the three models of the Central Asian regimes as the author sees them: he designates the Kyrgyz model as “chaotic,” the Uzbek as “violent,” and the Kazakh as “dynastic” (meaning the continuity of power). Prof. McGlinchey puts political instability in Kyrgyzstan (the events of the early 1990s and the years 2005 and 2010) at one pole and Uzbekistan’s excessive stability at the other. Stability in Uzbekistan, writes the author, is rooted in the repressions of the 1990s and suppression of the Andijan riot in 2005. Kazakhstan, in which the dynastic tradition of state power might undermine the regime, is found between the two poles.

The author believes that three key factors were responsible for the diversity of authoritarian models in Central Asia: the degree of Moscow’s involvement in local development; abundance or shortage of economic (natural) resources; and different levels of Islamic impact.

He concludes that, on the whole, diversification of the regimes and their stability/instability were caused by several, rather than one factor: the strong party and administrative machine inherited in Kazakhstan and Uzbekistan; the excessive dependence on foreign aid (Kyrgyzstan); the unfolding vulnerability of the ruling class; the shortage of economic resources, which suggests violence or decentralization; clan regionalism (Kyrgyzstan and Uzbekistan), etc. The author deems it necessary to point out that natural riches (Kazakhstan) allowed the regime to avoid the decentralization/violence dilemma.

Prof. McGlinchey also looks into the problems associated with political instability and resource deficit: when coupled with the strong historical traditions of Islam-oriented societies they unavoidably make Islam a factor of social and political gravitation. This is not a breakthrough: since the early 1990s, Western political science has been aware of Islam’s transformation into a political force.

It should be said that the book contains numerous diagrams and tables designed to graphically demonstrate how different the development levels of the three Central Asian republics are.

In his relatively short *Flirting with State Failure*,<sup>9</sup> Johan Engvall offers a conceptual analysis of the causes behind the consistent failures to build an efficient state system in Kyrgyzstan.

The author supplies a positive assessment of the first years of Askar Akaev’s presidency, but points out that the instruments (the government and state institutions) the first president of Kyrgyzstan used to carry out the reforms proved inadequate. “He ruled through a heterogeneous government,” writes the author, “unable to implement these ideas in real life, leading to chaos and minimal levels of governance” (p. 5).

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<sup>8</sup> See: E. McGlinchey, *Chaos, Violence, Dynasty. Politics and Islam in Central Asia*, Pittsburgh University Press, Pittsburgh (Pa), 2011, XIV+216 pp.

<sup>9</sup> See: J. Engvall, *Flirting with State Failure: Power and Politics in Kyrgyzstan since Independence*, A Joint Transatlantic Research and Policy Center, Central Asia-Caucasus Institute & Silk Road Studies Program, Washington, D.C., 2011, 101 pp.

“Starting in the second half of the 1990s, Akaev embarked on an increasingly authoritarian path.” Johan Engvall writes that unfortunately “the president and his family increasingly approached the state and the economy as personal fiefdoms, which increased popular dissatisfaction with the incumbent leader. This culminated in the so-called Tulip Revolution that unseated Akaev” (pp. 5-6). The hopes for democracy proved vain. President Bakiev and “the new ruling family created a full-scale kleptocracy” (p. 6) which eclipsed everything that had been done by the Akaev regime. Bakiev was deposed in 2010.

Johan Engvall concludes that “political power in Kyrgyzstan is a battle between personalities, not organized group interests. Elites compete for power not through formal institutional channels, but by means of competing informal patron-client pyramid networks” (p. 6).

The author points to three very important features of the political order in Kyrgyzstan: “A first striking component is the dominance of personalized influence games. In this system, success is dependent on proximity to the president and his family circle; a second pillar of political power is the redistribution of rents; finally, the state itself is organized as a marketplace” (p. 7). Any political system organized in this way requires regular privatization of public property; setting up all sorts of funds, companies, etc. to redistribute resources and rechannel financial flows. A change in regime starts a new round of repossession and redistribution.

The author obviously has doubts: “Against this background, is a fresh start likely in Kyrgyzstan, and could a parliamentary system serve as a vehicle of change? First of all, political change in Kyrgyzstan cannot be measured by changes in the formal framework of governance” (p. 7). More than that, during the years of independence, the criminal community, previously barely organized, developed into several well-organized criminal syndicates which control state enterprises, agriculture, the light industry, and drug trafficking “(of all the drugs originating in Afghanistan, experts estimate that about 15-20 percent is smuggled through Kyrgyzstan)” (p. 47). Naturally enough, this assured the advent of criminal figures to official politics.

The author describes the republic as “Central Asia’s unorganized island of democracy” (p. 18) and concludes by saying: “Thus, the critical question is whether the semi-parliamentary system can work out in practice and lead the political elite away from the past” (p. 101).

The recent book by Sébastien Peyrouse called *Turkmenistan. Strategies of Power, Dilemmas of Development*<sup>10</sup> is a valuable addition to the body of writings about Central Asia. It is a sequel to his earlier book *Turkménistan. Un destin au carrefour des empires*<sup>11</sup> published in 2007. The two books have much common, especially at the conceptual level.

In his first book, the author presented his conception in the form of questions. Was the future nation the author of its own history? Can an advantageous geopolitical situation impart political and cultural importance to the nation? How can the great historical moments and the great historical figures related to the entire region be divided among its countries and how can they be fitted into their national treasure-troves? What place should be assigned to the Russian-Soviet heritage which, while being reviled, still survives? What role will Islam play? How will the division into clans and regional and national minorities affect the country’s future? (The author seems to be sure that the formation of the Turkmen nation retarded by the radical social and political processes initiated and carried out by the Soviet regime makes it hard, if at all possible, to talk about national identity.)

In his recent book the author tries to answer these questions. The book consists of three parts and ten chapters. Part I describes geography, history, and nation-building, the contents being geared to the Western reader. Much attention is paid to the Russian and Soviet period. The French researcher pro-

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<sup>10</sup> See: S. Peyrouse, *Turkmenistan. Strategies of Power, Dilemmas of Development*, M.E. Sharpe, Armonk, New York, 2012, 248 pp.

<sup>11</sup> See: S. Peyrouse, *Turkménistan. Un destin au carrefour des empires*, Edition Belin, Paris, 2007, 184 pp.

ceeds from the assumption that Turkmenistan is a state that can and should occupy a niche of its own in the 21st century because of its past and geographic location, which will also stir up great interest in it.

Part II “Post-Soviet Technologies of Power” covers all the aspects of the Niyazov regime. The first decade-and-a-half of independence was closely associated with the late president’s ambitious personality. He was responsible for the political institutions and cultural life, while the negative repercussions of his activity have not yet been fully disclosed.

This brings the reader to President Berdymukhammedov, who inherited power from Niyazov. When seeking an answer to the question “Was there a thaw?” he asked in his previous book, the French scholar concludes that the early stage of Berdymukhammedov’s presidency was an “illusion of a Khrushchevian thaw.”

Part III “Development Challenges and Strategies” deals with the economy and foreign policy dilemmas. The author tries to explain the paradoxes and U-turns in Turkmen policies: the very specific Russia-Ukraine-Turkmenistan gas triangle; restraining Moscow through Tehran; the great interest in TAPI; and the recent turn toward China and EU. Peyrouse does nothing to bypass the most sensitive issues: Turkmenistan as a hub of drug trafficking from Afghanistan and “the growing Sinophilia of Turkmen foreign policy” (p. 207).

The French scholar writes that Turkmenistan’s foreign policy is mainly determined by its hydrocarbon resources and by the place its leaders are seeking on the international arena. As an enclave, the country should master the art of good relations with its neighbors, irrespective of their political regimes.

The country has already achieved what looks like integration with Iran, its closest neighbor, and with Turkey and China. Relations with Russia remain fairly complicated: the regime is still nursing a grudge against the “elder brother” that infringed on its independence, while letting Moscow control its gas exports.

The regime change in 2006 provided Ashgabat with a wider leeway: while fulfilling its old obligations and softening its isolation, the country found a place in the regional integration structures and resumed contacts with the West.

The author writes that the country has essentially restored its relations with the United States and European Union, two great powers, as well as with international and post-Soviet structures. What is more, Turkmenistan has preserved its economic contacts (far removed from the “democratization” agenda) with its large regional neighbors.

Sébastien Peyrouse has further written: “Today’s energy Great Game has promoted a revival of interest in Turkmenistan. It puts the four major international actors—the United States, the European Union, China and Russia—in competition with one another as well as with the new 21st century regional powers: India, Iran and Turkey”; in his opinion “Central Asia is a strategic region where the powers involved test out their strength and their alliances” (p. 219). Let’s hope, writes the author, that being involved in this far from simple game Turkmenistan will seize the chance to secure its strategic aims, something which is highly important for its long-suffering people.

Claude Salhani, American observer and journalist, member of the International Institute of Strategic Studies, called his book *Islam without Veil. Kazakhstan’s Path of Moderation*, which was the result of his six-month trip to Kazakhstan in 2010 as a *Washington Post* correspondent. Written in a publicist style, the book reads like a piece of journalism.<sup>12</sup>

The author has chosen the Islamic context to discuss the country’s recent history: Islam and modernization; religion and democracy; the Salafi impact on Kazakhstan society; and possible convergence—cultural and civilizational as well as political and economic—between the Middle East and Central Asia.

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<sup>12</sup> See: C. Salhani, *Islam without a Veil. Kazakhstan’s Path of Moderation*, Potomac Books, Washington, D.C., 2011, XV+203 pp.

Significantly, it was in 2011 that the author asked himself whether Kazakhstan society would be confronted with Islamic terrorism any time soon. Claude Salhani pays particular attention to security issues relating not only to the threat of terror, but also to Kazakhstan's OSCE chairmanship. He places geopolitical issues in the same context: the impact of the Afghan developments and spread of radical Islam. The author fits his view of the specifics of the reforms in Kazakhstan into a succinct formula "the economy first" (p. 107). This means that economic reforms should be completed before political reforms are launched.

On the whole, it seems that the author has discerned a special Kazakhstan road both in the economy and in politics: the road of moderation, gradual reforms, and tolerance. There can be no arguing with this.

The new book by British author Jonathan Aitken *Kazakhstan. Surprises and Stereotypes. After 20 Years of Independence* is a logical sequel to his previous work, *Nazarbayev and the Making of Kazakhstan*. It seems that all the information, ideas, and impressions the author gained while in Kazakhstan proved too copious to fit into one book. Let's look inside both of them.<sup>13</sup>

In 2009, the author posed himself the task of introducing the foreign reader (mainly in the West) to the architect of the most successful of the Central Asian states. The book is based on the author's long talks with Nursultan Nazarbaev, in which the president of Kazakhstan shared his reminiscences and ideas. These confidential talks and the author's unlimited access to the state archives make the book a treasure-trove of useful and, most important, hitherto unknown information. The author has not only described the road his hero covered before he rose to the summits of power, but also revealed the circumstances and personal qualities that brought him to power and made him father of the nation and "the builder of modern Kazakhstan" (p. 15).

In his *Kazakhstan. Surprises and Stereotypes. After 20 Years of Independence*, Jonathan Aitken develops the subjects and ideas of his previous effort while moving away from the personality of the country's leader. Contemporary Kazakhstan, which has covered a 20-year-long road of independence, is the central character. Fully aware of the fact that the West, and the rest of the world, knows pitifully little about Kazakhstan, the author writes: "Nevertheless there is a growing understanding that a new powerhouse is coming of age on the Steppes. At this strategic crossroads where Chinese, Russians, Central Asians and Western civilizations converge, Kazakhstan has arrived as a stable and significant nation state" (p. 2).

The British author believes that the mechanism of state governance and the political processes underway in Kazakhstan deserve closer scrutiny; the Western media and political scientists, meanwhile, should abandon their favorite stereotypes and clichés about dictatorship, a police state, and harsh authoritarian regime.

He writes that even though it is endowed with bounteous natural riches, the country's main resource is its people with their talents, traditions, ambitions, and strong historical memory. The author argues that anyone wishing to understand the country's past and present should keep in mind that "three themes are surprisingly important: Suffering, Survival and Success" (p. 3). He is convinced that knowledge about the trials that befell the republic in the 20th century puts its future in the 21st century into bolder relief.

Jonathan Aitken looks at the emergence of the young and ambitious middle class as a guarantee of the country's stability and economic growth; at the same time, he makes no effort to pass over numerous problems in silence, among which he counts Soviet legacy, the one-party system (the book was written before the December 2011 elections), the high level of corruption, and the low level of the judicial system, as well as limited media freedom. Full-scale democracy is still beyond the horizon, yet real progress in most spheres is obvious.

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<sup>13</sup> See: J. Aitken, *Kazakhstan. Surprises and Stereotypes. After 20 Years of Independence*, Continuum, London, New York, 2012, 200 pp.; idem., *Nazarbayev and the Making of Kazakhstan*, Continuum, London, New York, 2009. IX+256 pp.

The author was puzzled by the fact that whereas in the West the public is mainly cynical and tends to mistrust the government and political leaders, the trends in Kazakhstan are opposite.

He describes the rejection of a referendum on extending the president's term in office for another six years scheduled for the spring of 2011 as the main political intrigue and "a victory for New Kazakhstan over Old Kazakhstan" (p. 15). The rejection of the referendum was a defeat of the old elite clinging to the status quo that guaranteed its continued existence within the system and under the presidential umbrella. The decision pushed the social groups the author describes as "new Kazakhstan" (the liberal intelligentsia, progressive-minded businessmen, and officials, students, the youth, and ordinary people in general) onto the president's side.

On the whole, the author covers a wide range of problems relating to the country's domestic and foreign policies. The author is obviously a friend of Kazakhstan who wishes it well despite the pages of objective, just and, therefore, constructive criticism. As such, it does not irritate but suggests that the shortcomings should be removed and problems addressed.

The Russian-German collective monograph *Politicheskiy protsess v Tsentralnoy Asii* (Political Process in Central Asia), the third in a series,<sup>14</sup> is a fine addition to Central Asian historiography; it was published in 2011 as part of a joint project implemented by the German Rosa Luxemburg Foundation and the Institute of Oriental Studies, RAS. The international group of authors analyzes the political processes in the Central Asian countries, the specifics of their social and economic development, and the dramatic changes obvious in all spheres of public and social life.<sup>15</sup>

In their introductory article, Arne C. Seifert and Irina Zvyagelskaya point out that authoritarian systems have demonstrated sustainability in all the Central Asian states as a fairly specific type of clan-bureaucratic capitalism that serves tiny groups of the chosen few and as a very complicated intertwining of the traditions of modernity and the stronger religious impact on society.

The authors point out that the political process underway in the Central Asian states reproduces a non-Western model (or its elements) determined, on the whole, by the form of personal social relations, while power, authority, and influence mainly depend on social status. This explains why a political struggle is being waged around sources of influence rather than political alternatives.

The co-authors go on to say that the conservative political culture is responsible for the fairly specific principles governing the functioning of political institutions. The multiparty system that replaced the Soviet one-party system which faded out in the newly independent states was exposed to the impact of strong public ties. Political parties are not based on ideologies; they are based on regional, clan, and tribal interests. Most of the parties and movements are not national—they are fighting for higher statuses for their tribesmen.

The authors touch upon a very important issue: there are two versions of the region's configuration which presuppose alternative ideas of its history, cultural, and political interests. One of the alternatives is called Central Eurasia, the other, Greater Central Asia. The new names are explained by the desire to move away from the old "Central Asia" (*Sredniaia Azia* in Russian) stamped with Russian and Soviet geopolitical and geo-economic definitions.

In the post-Soviet period, Soviet heritage is gradually fading away to be replaced either by new geopolitical configurations or older and much more fundamental cultural, linguistic, and religious relations. Those who favor the new names for the old region believe that Central Asia should be enlarged to include other countries of the same region or some areas of them and treated as a geopolitical whole inherited from the past. The expert community has accepted this argument; the new names are freely used for all sorts of communities, undertakings, and departments.

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<sup>14</sup> See: *Pyatnadsat let, kotorye izmenili Tsentralnuuu Aziuu (1991-2006)*, TsSPI, Moscow, 2006, 270 pp; *Gody, kotorye izmenili Tsentralnuuu Aziuu*, TsSPI-IV RAN, Moscow, 2009, 331 pp.

<sup>15</sup> See: *Politicheskiy protsess v Tsentralnoy Asii: rezultaty, problemy, perspektivy*, IV RAS/TsSPI, Moscow, 2011, 406 pp.



The authors, in turn, have pointed out that the new names and new boundaries of their cultural-geographic construct (for them the difference between Central Eurasia and Greater Central Asia being of secondary, stylistic importance) are too vague. There is a more or less concerted opinion that Afghanistan should be included in the new region together with the Central Asian states; the rest is left to personal preference: some authors see Mongolia, Xinjiang, the eastern parts of Iran, and north-western parts of Pakistan within the bounds of the new region; others look even further to Western Siberia, the Southern Urals, the Volga Area, the Southern Caucasus, and the Crimea.

This suggests the conclusion that typologically the methods employed to describe Central Asia are too varied to produce a single idea of the region (which is hardly possible anyway); this explains the present diversity of opinions and approaches. It all depends on the point of view of any specific expert, the interests he defends, and the methodological instruments he employs.

Arne C. Seifert, who contributed an article called "Political Islam in the Political Process in Central Asia," does not look at Islam as a conflict-prone factor. There is no reason to believe, he writes, that Islamists might seize power, while he warns that the situation might change if believers, the clergy, and those who represent Islam in politics are confronted with suppression. Violence is known to have bred conflicts and religious wars in the past.

So far, no such situations have emerged: the regional and local elites rely on Islam as a handy instrument used every time that interests need to be protected or when the conflict potential must be quenched.

Prof. Seifert has formulated a conception of horizontal evolution of Islamization and politicization of the religious milieu and has identified its three factors:

- (1) social problems;
- (2) deeper religiosity (Islam "nationalizes itself");
- (3) politicization (political Islam strengthens its position up to and including the demands to set up an Islamic state).

In fact, wider and deeper religious feelings as a response to poverty and social dead ends have been present in all countries at all times. In Central Asia, however, the people are exposed to two, out of the three, factors: unresolved social problems and, therefore, explosive social situation and rapidly "self-nationalizing" Islam. Together they form a mighty flow which adds dynamism to all the socio-political processes, particularly in the religious sphere. In countries where there are practically no social-oriented left movements, parties, or trade unions able to mold general dissatisfaction into alternatives and struggle for social justice, the situation becomes even more hazardous.

The German scholar has pointed out that time has come to specify the idea of political Islam: the answer to the question about the watershed between the aims and intentions of any specific party, politicians, and activists (who practice political Islam) is found in the context of their attitude to the Muslims' religious feelings, on the one hand, and their possible employment for political purposes, on the other.

Prof. Seifert is convinced that Europe might be determined enough to establish relations based on trust and confidence with Central Asian political Islam if and when the West pulls its military out of Afghanistan (he has written this repeatedly elsewhere). In these conditions, the OSCE will be assigned the special role of moderator between secular power and political Islam so that their latent conflict does not slide into antagonism to be exploited by external forces in their interests. He deems it necessary to stress that Europe should finally accept the Islamic political movements in the Asian part of the OSCE as a strategic constant rather than a variable.

He argues that today the European politicians and the ruling regime in Central Asia have so far failed to grasp the key idea that democratic treatment of the "Islamic factor" is much more important



and valuable than merely a constitutional element in the young national states. This interferes with improving the relations between Europe and Central Asian political Islam and leaves many basic problems pending. We should admit that peaceful coexistence between secularism and Islam in Central Asia is a vitally important aspect of stabilization inside the Central Asian countries and of the relations between them and secular Europe.

A Muslim majority does not mean that the state should become an Islamic state, yet Europe should learn that the secular elites cannot guarantee the secular nature of their states ad infinitum. Hence the conclusion that as long as the question of the sociopolitical orientation of the Central Asian countries remains unsettled (that is, whether they remain secular or become Islamic states), the Islamic factor will continue to occupy a central position in the political struggle in the region. Its outcome will largely depend on whether the relations between secular power and Islam can be mutually adjusted to the extent that both will learn to look at the state as their common social and political homeland.

In conclusion, the German scholar deemed it necessary to sharply criticize the capitalist system and its practical implementation in Central Asia; he suspects the Western elites of intentions to wipe out the socialist alternative to liberal capitalism and states that the West has successfully applied its strategy of transformation to uproot the political and economic foundation of society of the Soviet type.

At the same time, writes he, the West has so far failed to set up political systems in its own image and likeness, while regional developments show that some of the states have already left the stage of transit behind: they have acquired fully consolidated political regimes of a “new type” which have very little in common with what the West sees as transit.

Arne C. Seifert has summed up the region’s international and geopolitical prospects by writing that the rivalry of the main geopolitical players (Russia, the U.S., and China) affects the political processes unfolding in the region. He is absolutely right. Indeed, the economic, military, and political capabilities of the region’s states will hardly allow them to copy the tactics employed by more independent geopolitical players. This means that they should not side with any of the players involved, but should stick to the principle of equidistance from all of them and avoid unambiguous support of one of the sides.

This fundamental work is not free of shortcomings and contradictions. The chapters dealing with individual republics should be treated as independent studies.

There is, however, a conceptual element clearly seen in the three pieces contributed by Arne C. Seifert. The German scholar, very much like his Western colleagues, operates with the well-established opinion about the authoritarian nature of the local regimes; unlike them though, he tries to analyze the reasons for and discern behind the authoritarian façade the possibilities and alternatives conducive to sustainable and effective development. As distinct from Western experts (mainly Anglo-Saxon) who criticize the Central Asian realities from the right, he criticizes them from the left (which is quite logical for someone who represents the Rosa Luxemburg Foundation).

Prof. Irina Zvyagelskaya (Institute of Oriental Studies, RAS), who contributed, together with Arne C. Seifert, to the Introduction to the monograph discussed above, authored one of the chapters in *Vneshnepoliticheskiy protsess v stranakh Vostoka* (The Foreign Policy Process in the East). She places the foreign policy process in the Central Asian states in the context of the region’s development in the last decade and the role of external players in it.<sup>16</sup> She deems it necessary to point out that the local regimes have acquired many common features (the closed nature of decision-making being one of them) and that their political cultures share certain specific features (a combination of contemporary and traditional elements such as the role of social status, groups of solidarity, etc.). She also

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<sup>16</sup> See: *Vneshnepoliticheskiy protsess v stranakh Vostoka*, ed. by Prof. D.V. Streltsov, Aspekt Press, Moscow, 2011, 336 pp.

mentions that what is going on outside the region in many ways influences the situation in the region, as well as the foreign policy of the Central Asian states.

The reader is invited to bear in mind that what the West is planning and has programmed for the Arab East (with the pragmatic aim of gaining access to its resources) viz., replacement of the elderly leaders, reorientation of foreign policy, structural and economic changes, etc., will happen sooner or later in Central Asia: forewarned is forearmed, concludes the author.

Indeed, some of the Central Asian leaders have remained in power as long as Mubarak, Ben Ali, Saleh, and Qaddafi, who set up authoritarian imitations of democratic regimes very similar to what we can see in Kazakhstan, Uzbekistan, or Tajikistan. In other words, these post-Soviet regimes have grown old and worn out very much like their architects. Back in 1991, these regimes could stir up half-hearted enthusiasm, in stormy 2011 they relied on fear, stagnation, apathy, and post-Soviet conformism. The author concludes that a peaceful and well-organized transfer to democracy in some of the Central Asian republics is complicated by the fact that none of them has yet succeeded in accomplishing it.

The monograph *Aziatskie energeticheskie stsennarii* (Asian Energy Scenarios), an IMEMO publication,<sup>17</sup> looks at the problems of energy production and the role of Central Asia in the world's export of energy resources. The authors point out that Kazakhstan, Turkmenistan, Uzbekistan, and Azerbaijan have found their niches in the international division of labor as fuel exporters thanks to their oil, gas, and uranium resources. So far, they have failed to pour money into modernization of the energy and transportation sectors, which means that very soon their export potential will falter under the pressure of high power consumption.

*Tsentrálnaia Azia segodnia: vyzovy i ugrozy* (Central Asia Today: Challenges and Threats) published in a series of monographs by the Kazakhstan Institute of Strategic Studies (KISI, Almaty) is a fundamental work that deserves special mention. This is the most profound discussion of the region and its problems offered by Central Asian authors. I invite critics from other regions to form their own opinion of it.<sup>18</sup>

## Conclusion

We have surveyed a vast range of opinions, conceptions, and theories related to the present and future of the Central Asian countries. There is more or less unanimous agreement that the region's relatively comfortable existence in the system of international relations, which coincided with the end of George W. Bush's presidency and Barack Obama's first term as U.S. president, is coming to an end. Today, when the West has successfully destabilized Iraq, Afghanistan, and the Arab East, it will turn its attention to Iran and Pakistan.

In this context, neither the U.S. nor Russia needs a neutral Central Asia. The course toward a Eurasian Union Vladimir Putin outlined in September 2011 means that Russia has finally parted with its fairly inconsistent foreign policy of the past and that the era of "multivectoral" foreign policy of many of the Central Asian states is moving toward its end.

This is what many of the works quoted above have either stated plainly or implied in less direct terms.

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<sup>17</sup> See: *Aziatskie energeticheskie stsennarii 2030*, ed. by S.V. Zhukov, Magistr, Moscow, 2012, 336 pp.

<sup>18</sup> See: *Tsentrálnaia Azia segodnia: vyzovy i ugrozy*, ed. by Prof. K.L. Syroezhkin, KISI, Almaty, 2011, 456 pp.

## REGIONAL ECONOMIES

**THE CIS COUNTRIES:  
SOME PECULIARITIES OF  
ECONOMIC DEVELOPMENT**

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*Introduction*

December 1991 marked the beginning of a grandiose experiment whose purpose was to establish a whole group of independent states in the territory of a world giant known as the U.S.S.R., which occupied one-sixth of the Earth. Their establishment was based on the negation of the previous Soviet model providing for the domination of one party, which had imposed a no-choice ideology on the society, and for the administrative command system of politics and economics.

Could that experiment succeed? Certainly, especially given the successes of the countries of Central Europe (CE) and the Baltic region. Unfortunately, the path of social reform chosen by the post-Soviet countries has never actually

demonstrated its effectiveness in the past two decades.

The imitation of democratic reforms led to a state of affairs where most of the population in the post-Soviet states was barred from having real influence on political processes, which are now based on the activities of clan groups. Denationalization and privatization have resulted in very high income inequality in the society, i.e. its division into a small group of super-rich oligarchs and the majority of the people with low or middle incomes (sometimes slightly higher).

There is no denying that the newly independent states (NIS) have made some progress in regaining their national identity and restoring respect for traditional customs and religion.

Meanwhile, these successes could have been more significant had they been supported by the dynamic development of the economic base of the Commonwealth of Independent States (CIS) countries.

The following analysis shows that the economy is the weakest link in the process of enhancing stability in the CIS countries, and this has a negative effect on both the internal situation in the NIS and their position in the world community.

## The Starting Point for the Economic Development of Independent CIS Countries

After winning independence, the CIS countries were faced with a choice between two paths of economic development (basically excluding the Chinese/Vietnamese path with communist parties providing political guidance for economic transformations).

The path of radical economic modernization has demonstrated its advantages in postwar Japan and newly industrialized countries. With somewhat lesser success, this path has been traveled by the group of post-socialist states of Central Europe and the Baltic.

The other, "post-Soviet" path, as it turns out, ruled out the possibility of a fundamental and complex restructuring of the economic mechanism: it was oriented toward the use of the economic potential inherited from the U.S.S.R., with an actual imitation of market reforms or their partial implementation.

Unfortunately, the CIS states chose the second, less effective model of economic development (it should be noted that there are some country-specific peculiarities in its implementation), which is due to the impact of a number of external and internal factors.

Real reforms in Poland, Hungary, Estonia and other future members of the European Union (EU) were carried out under its tight control, with a special commission monitoring step-by-step progress in introducing a market economy in these countries.<sup>1</sup> The Central European countries had a generally balanced economic complex, sufficient numbers of government officials in the field of external economic relations, and links with Western partners (expanded by the late 1980s) and within the "Soviet bloc," while the NIS had nothing of the kind.

After the collapse of the "single national economic complex" of the U.S.S.R., the NIS economies were characterized by extreme imbalances, exacerbated by the disruption of cooperation ties with former "intra-Union" partners. The new states had to look for ways of interacting with the world market starting from scratch: in the conditions of a state monopoly in the field of external economic activity all organizational and economic institutions were concentrated in Moscow.

There are also two different ways of looking at the activities of numerous Western experts and advisers invited to work with government agencies in most CIS countries in the 1990s (for example, consultants to the Central Bank and government institutions in Russia, the EU advisory group UEPLAC in Ukraine and Armenia, advisers to the president of Kazakhstan, etc.).

On the one hand, this helped to transfer world experience in economic activity and to establish contacts with foreign business. On the other hand, the advice of Western experts was based on examples of countries with a different economic climate and took no account of the specific conditions in the NIS national economies.

<sup>1</sup> See: *EG-Polen-Ungarn, Dokumentation*, Wien, Zürich, 1993, S. 278.

In this context, the admission made by Jeffrey Sachs, one of the leading advisers in the CIS region, is most indicative: "In my own thinking, I have treated Russia like Poland, only four times larger and perhaps ten times harder in structural and cultural terms."<sup>2</sup>

The activities of international organizations influencing economic transformations in the countries of the region were also divorced from reality. It is known, for example, that the reforms of the 1990s prepared by IMF experts in Kyrgyzstan were a failure. An analysis of the miscalculations made by this international organization in Georgia is to be found in a number of publications by the Georgian researcher Vladimir Papava; one of his monographs has a section focusing on "mistakes generated by a standard approach."<sup>3</sup>

Among the internal factors behind the ineffective functioning of the current economic mechanism in the countries of the region let us mention, in the first place, the imitative nature of market reforms. In some countries, they are no more than cosmetic (Turkmenistan), and in others their implementation is only partial or too slow (Uzbekistan, Tajikistan, and until recently Belarus). Formally, Russia, Ukraine and Kazakhstan have moved furthest along the path of reform. Transformations in these countries have followed somewhat different but very close models based on the policy of "primitive accumulation of capital" proposed by Anatoly Chubais.

Property was denationalized and privatized in the interests of future oligarchs, while small and medium businesses were wiped off the face of economic life, being largely confined to secondary service sectors (cafes, hairdressers, small repair shops, etc.). Large and a significant part of medium-sized production and trade enterprises were turned into joint stock companies. In a short time (the first half of the 1990s), these companies became the basis for the power of a small group of the "new rich" due to the voucher transfer system established in the process of reform.

It should be emphasized that active privatization and the whole set of reforms were not based on appropriate rules of law but followed a principle resembling the customs of the Middle Ages: businessmen close to the administration at different levels were granted a kind of "feud," i.e. were given an opportunity to acquire major state-owned facilities (such decisions were made at the level of the central authorities), and also medium and even small enterprises (according to decisions at lower rungs of the administrative ladder).

As the American journalist and political scientist David E. Hoffman put it, "the result was that Russian capitalism was born into an airless space, a vacuum without effective laws and a state so badly weakened it could not enforce laws that were on the books." This actually applies not only to Russia, but also to other CIS members.<sup>4</sup>

It is only necessary to specify that representatives of the state (government officials at different levels) made skillful use of the already existing legal framework for their own personal enrichment. This situation persists today, when the legal framework for economic activity is formally more advanced.

In this situation, the potential threat of losing one's job in administrative agencies or in parliament and lack of public confidence in the effectiveness of legal norms lead to a high level of corruption, which is an inherent phenomenon of economic life in the CIS countries.

The reforms in most CIS countries were based on models essentially close (though with some variations) to those used in Russian market reform policy. As a result, a clan system of economic activity has emerged in all these countries. In NIS with a majority of Muslims in the population, these clans were largely built on the tribal-kinship or territorial principle,<sup>5</sup> while in Russia, Ukraine, Moldova, Georgia and Armenia they arose mainly on the basis of economic interests.

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<sup>2</sup> J.D. Sachs, *The End of Poverty. Economic Possibilities for Our Time*, The Penguin Press, USA, 2005, pp. 139-140.

<sup>3</sup> T. Beridze, E. Ismailov, V. Papava, *Tsentrал'nyi Kavkaz i ekonomika Gruzii*, Nurlan, Baku, 2004, pp. 124-157.

<sup>4</sup> See: D. Hoffman, *The Oligarchs: Wealth and Power in the New Russia*, Public Affairs, New York, 2002, p. 6.

<sup>5</sup> The situation is somewhat different in Kazakhstan, where Koreans, Jews and representatives of other non-titular nationalities will be found among the oligarchs.

In both cases, clannishness and the fusion of business, the administrative apparatus and parliament have led to a high level of economic monopolization, to a weakening or even total loss of the positive effect of competition on economic processes at national, regional and micro levels (when firms providing services to a particular city or other population center have a monopoly).

Economic life in the CIS countries is also directly affected by a whole set of other factors. With the exception of Ukraine, Moldova, Kyrgyzstan (with their periodic changes of leadership) and Armenia, all other CIS countries have a “strong leader” form of government, under which the head of state determines the parameters of the country’s political and economic life over a long period of time with a greater or lesser degree of authoritarianism.

A very interesting conclusion on Russian financial industrial groups (FIGs) was drawn by Martha Brill Olcott, an American researcher of post-Soviet realities: “Putin views their (financial industrial groups’.—V.B.) control of Russia’s assets as a form of guardianship from which the management and ‘owners’ are free to profit. It is also clear that Putin does not understand this *stewardship* as *ownership*, as it is often construed in the West, where owners have full control of their assets and the authority to determine the direction of their firms’ development.”<sup>6</sup>

Such an informal, de facto “nationalization” of business not formalized in law is also characteristic of other “strong leader” countries of the CIS, especially those of Central Asia.

It is precisely the handout of “feuds” and the subsequent permissive attitude toward the expansion of businesses by their new owners that provided the basis not only for such nationalization, but also for the persistent dependence of oligarchs and smaller businessmen on the central and local authorities. In this context, it is appropriate to recall the court action against the owner of Yukos Mikhail Khodorkovsky in Russia or the head of one of the largest banks in the CIS region (BTA Bank) Mukhtar Ablyazov in Kazakhstan.

Without questioning the court decisions, one can say that, compared to other oligarchs, Mikhail Khodorkovsky and Mukhtar Ablyazov did not do anything out of the ordinary. Their main distinction was that each of them, while doing business, engaged in politics and came out against the ruling authorities, so standing out from the crowd of loyal entrepreneurs.

Another example is “government raiding” in Russia, Ukraine and Kyrgyzstan; after the change of political leadership in these countries, the clans that came to power engaged in a redistribution of property belonging to the clientele of the previous government vertical.

In contrast to Western countries, where involvement of government officials and members of parliament in business is not only prosecuted by law, but is also rejected by the national mentality, the use of one’s position in government structures in the CIS region is a widespread phenomenon even where administrative staff, party workers and lawmakers are formally barred from economic activity. A case in point is the former Moscow Mayor Yuri Luzhkov, who allegedly does not own any property, and his wife Yelena Baturina, who became a billionaire while her husband was in office. The same can be said about the former prime minister of Ukraine, Pavlo Lazarenko, who rapidly increased his personal fortune in a matter of years and after fleeing the country was convicted by a U.S. court on charges of corruption and money laundering.

All these peculiarities of the transformation process have created in the CIS region a distinctive model of economic activity unlike that of other countries. It has not accomplished the main tasks of the implemented reforms, whose purpose was to achieve a high level of economic and social development and help the CIS countries occupy a significant place in the world economic system.

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<sup>6</sup> M. Olcott, *Vladimir Putin and the Geopolitics of Oil*, Carnegie Endowment for International Peace, 2004, p. 19, available at [[http://carnegieendowment.org/files/wp-2005-01\\_olcott\\_english1.pdf](http://carnegieendowment.org/files/wp-2005-01_olcott_english1.pdf)].



## The CIS Countries Before, During and After the 1998 Crisis

Since independence, the new states, like other countries in the world, have experienced two crises, whose manifestations in the CIS had some distinctions.

The 1998 crisis struck hardest at Russia, had little effect on Ukraine and Kazakhstan, while seven of the twelve CIS countries even recorded GDP growth between 2% and 10%. The reason for such a peculiar “response” of some countries to global trends was the relatively low level of their involvement (except Russia) in the international division of labor, and also the momentum of national economic recovery based on the reanimation of production facilities inherited from the past (at the same time, in 1998 Azerbaijan, with its highest indicators of GDP growth, was already beginning to feel the effects of cooperation with foreign TNCs in developing offshore oil fields in the Caspian Sea).

The imitation of reforms in the CIS region hindered foreign investment and generally prolonged the decline in GDP caused by the crisis, whereas in the CE countries it was overcome in two or three years.

A high degree of instability in economic development in the CIS region was characteristic of the entire 1990s, but on the whole it persisted throughout the pre-crisis stage of the past decade. Even excluding the figures for crisis year 2009, there were sharp fluctuations in GDP growth in most CIS countries even against this more favorable background, ranging from almost 14% to a modest 2-3%. Steady growth was recorded only in Azerbaijan, Uzbekistan and Turkmenistan.<sup>7</sup>

Western researchers have also noted the connection between the unstable dynamics of economic indicators in the CIS countries and the slow progress of reforms. The German researcher Roland Götz writes, for example, that given the slow implementation of market reforms in the Commonwealth countries in the 1990s, there can be no question of strong economic growth in these countries in contrast to the reformist states of Central and Eastern Europe.<sup>8</sup>

For an overall assessment of the economic situation in the NIS in the current decade, it is necessary to take into account a number of specific features of their national economies. Market reforms could not ensure the imperative of reproduction processes within each of these states, and all of them took the path of creating an “open economy,” in which an overwhelming or substantial part of state budget revenue depends on exports.

Accordingly, the countries of the region have fallen into two groups. The first group includes countries with exportable energy products and raw materials (Russia, Azerbaijan, Kazakhstan and Turkmenistan, actively joined by Uzbekistan in recent years), intermediate goods (Ukrainian metallurgical products, Russian forest industry and other products) and military technology products (Russia, Ukraine and Belarus); the second group includes countries lacking such opportunities (Moldova, Armenia, Tajikistan, and to some extent Kyrgyzstan).

In the ten years between the crises, the economic situation in the first group of countries seemed to be quite satisfactory. Russia, for example, ranked third in the world in terms of international reserves, and its leaders even spoke of the possibility of turning the ruble into a convertible currency. In addition, huge foreign exchange earnings from energy and commodity exports resulted in a constant

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<sup>7</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, Economic Cooperation Department of the CIS Executive Committee, Minsk, 2011, pp. 3, 6, 7.

<sup>8</sup> See: R. Götz, “Wirtschaftsmacht Russland,” *Osteuropa*, No. 2, 2008, S. 24.

budget surplus in Russia, Kazakhstan and Azerbaijan, enabling them to accumulate significant reserves in stabilization funds.

The differences in economic dynamics in the CIS region in the 1990s and before the 2008-2009 crisis are most characteristic. In the previous decade, along with periodic downturns, all these countries had roughly similar indicators despite higher growth rates in some years in the weak economies of Armenia, Kyrgyzstan and Tajikistan.

In the subsequent period, the situation changed radically. In 2000-2007, GDP increased 6.2-fold in Azerbaijan, 5.7-fold in Kazakhstan, 5-fold in Russia and 4.8-fold in Turkmenistan. In that period, the GDP of Kyrgyzstan increased only 2.7-fold, Moldova 3.4-fold, and Tajikistan 3.7-fold, with the lowest figures recorded in Uzbekistan (an increase of only 1.6-fold; compared to the higher figures of 1999 the increase was even smaller: 1.2-fold), medium figures in Ukraine (an increase of 4.5-fold) and Belarus (4-fold), and a peak increase of 4.8-fold in Armenia uncharacteristic of that country.<sup>9</sup>

The above data clearly show that GDP dynamics correlate with the presence or absence of an opportunity to ensure high rates of economic development by exporting energy and commodities to the world market.

The 2008-2009 crisis unexpectedly revealed the paradox of the general economic situation in the CIS region: the hardest hit countries were those which had made the greatest progress in reforming the economic mechanism. In 2009, the largest drop in GDP was recorded in Ukraine (by 14.8%); then came the extremely unstable economy of Armenia (14.1%), followed by the previously most stable Russian economy (a drop of 7.8%). Compared to pre-crisis indicators, GDP growth slowed sharply in Kazakhstan as well (from 18.8% in 2007 to 9.5% in 2008 and 6.2% in 2009).

The largest increase in GDP during the crisis (9.3% in 2009) was observed in Azerbaijan (a country with a high level of direct government influence on economic processes), and also in two countries still using directive methods in the economy: Uzbekistan (8.1%) and Turkmenistan (6.1% in 2009).<sup>10</sup> Moreover, in December 2009 the international organization called the Economist Intelligence Unit included Uzbekistan and Turkmenistan among the contenders for the top five fastest growing countries in the world; a similar assessment was given to them by the World Bank (in this case, in the context of the CIS region).

Does this mean that a somewhat modernized administrative command economy has an advantage over a market-oriented one? Of course not. This only indicates that reforms in Russia, Ukraine and Kazakhstan are partial and fragmentary, while the economic mechanism they have created does not meet the current needs of economic entities in these countries. The Russian expert Pyotr Orekhovsky rightly notes that "the numerous ongoing reforms and state programs are essentially imitative."<sup>11</sup> It can be said that this conclusion is true for all CIS countries regardless of how far they have advanced along the path of creating a real market economy.

As for the countries that are outwardly doing best in the region, the energy and commodity specialization imperative has extremely negative aspects. First of all, even today, let alone in the medium term, such specialization can lead to manifestations of the so-called Dutch disease, when support for one sector (in this case natural resources) at the expense of other structural divisions of the national economy is bound to cause economic imbalances.

The "welfare" of these countries is based on the exploitation of nonrenewable natural resources, which in the foreseeable future will no longer ensure national economic stability (in this context, for

<sup>9</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, p. 4.

<sup>10</sup> See: *Ibidem*.

<sup>11</sup> P. Orekhovsky, "Vlast' i innovatsii (pochemu v Rossii ne poluchaietsia postroit' innovatsionnuiu ekonomiku)," *Obshchestvo i ekonomika*, No. 9, 2009, p. 116.

example, one cannot share the optimistic view that sufficiently abundant energy resources in Kazakhstan will last for at least 40 years, expressed by senior oil and gas ministry officials in the republic in March 2012).

It was precisely the 2008-2009 crisis that revealed Russia's vulnerability associated with the extreme dependence of its economy on the conditions in the global energy market. Similar vulnerabilities have slowed economic growth in Kazakhstan.

It would seem that the conclusion about the negative impact of the global crisis situation on the national "resource-based" economy is contradicted by high indicators in several CIS countries; however, the impact of the global recession on their economies is offset by other factors.

Azerbaijan, for example, enjoys guaranteed oil exports under the 1994 Contract of the Century for the development of Caspian offshore fields and the supply of oil by pipeline through Georgia to the Ceyhan terminal in Turkey.

Turkmenistan has similar long-term contracts for gas supply, although for more than ten years now that country has not provided any exact data on its export-import operations (like Uzbekistan).

In recent years, Uzbekistan has gradually begun to "open up" its economy, admitting foreign investors to its gold mining, energy, engineering and other industries. In late 2009, the republic together with Turkmenistan began exporting gas to China.

Besides, in the conditions of traditionally tight government control over economic activity, the anti-crisis programs in Uzbekistan and Turkmenistan were implemented more consistently and successfully than in other CIS countries.

In the post-crisis period, these two countries remain the fastest growers in the CIS. In 2010, Turkmenistan's GDP rose by 9.2%, and in 2011, by 14.7%. The corresponding figures for Uzbekistan were 8.5% and 8.3%, while the average increase in GDP for the CIS as a whole was 4.5% in 2010 and 4.7% (estimate) in 2011.<sup>12</sup>

In the conditions of an imitation of market reforms and irrational economic openness, the results of the 20-year development of the NIS differ significantly. The highest economic growth in this period was recorded in Azerbaijan and Kazakhstan (in 1994-2010, their GDP increased 32.4-fold and 12.4-fold, respectively), which is directly connected with exports of energy and raw materials in demand in the world market.

Economic growth in countries without marketable products, on the contrary, has been much slower: in the same period, GDP in Moldova and Kyrgyzstan increased just over 4-fold, and in Tajikistan, 7-fold.

As for the most developed countries, their indicators rose at a slower rate: in 1994-2010, GDP increased 10.1-fold in Belarus, 5.3-fold in Russia, and 3.6-fold in Ukraine. In the same period, Uzbek GDP increased 6-fold, mainly in the last five years (2.2-fold in the 12 years from 1994 to 2005, and 2.7-fold in 2005-2010). Rapid GDP growth in Armenia (15.7-fold in 1994-2010) is associated exclusively with the extremely low initial level: due to the disruption of cooperation ties with partners in the post-Soviet space, the country's economy at the beginning of its independent development was at a virtual standstill.

Turkmenistan provides only some data on its economy; it is only known that in 1994-2007 the country's GDP increased 5.3-fold.<sup>13</sup>

In the past two decades, the CIS countries have not been able to join the ranks of the most developed countries in the world. The best economic indicators have been achieved by Russia (per capita

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<sup>12</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, p. 3; *Osnovnye sotsial'no-ekonomicheskie pokazateli stran SNG v 2011 godu*, CIS Interstate Statistical Committee, Press Release, 8 February, 2012.

<sup>13</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, p. 4.

GDP of \$10,437), but this has enabled it to rank only 53rd among 142 countries in the world, with a GDP 6.5 times smaller than the average for the top ten most developed countries.

According to the International Monetary Fund (IMF), the following CIS countries also ranked among the top hundred: Kazakhstan (\$8,883 with a rank of 59), Azerbaijan (\$6,008, rank 71), Ukraine (\$3,000, rank 94) and Armenia (\$2,846, rank 99). Moldova with its \$1,630 was ranked 107th, while Kyrgyzstan (\$864, rank 120) and Tajikistan (\$741, rank 125) were included among the least developed countries in the world. Virtually identical data (2010) for these countries are given by the World Bank, which additionally estimates GDP per capita in Belarus (\$5,765), Turkmenistan (\$4,180) and Uzbekistan (\$1,384).<sup>14</sup>

## From Difficult Problems of the Present to No Less Difficult Problems of the Future

The need for fundamental changes in the current model of economic development is recognized by all countries in the region we are considering. The slogan of modernization became particular popular during the latest crisis; it has been included in official long-term economic development programs in Russia, Kazakhstan, Ukraine and other CIS countries. These programs define the priority (and, unfortunately, the simplest) ways to eliminate the negative elements of the economic policy system that has emerged in the past 20 years.

The leaders of many CIS countries rightly believe that one of their main tasks is to fight corruption. According to the 2010 Corruption Perceptions Index (compiled annually by the international organization Transparency International) ranking 178 countries, the best performers in the region are Kazakhstan and Moldova (with a score of 2.9 on a 10-point scale or 107th and 108th places, respectively, i.e. at the level of Algeria, Argentina, Senegal, etc.).

Armenia (2.6-2.1 points, rank 123), Belarus (rank 127), Azerbaijan (rank 134) and Ukraine (rank 144) are placed by Transparency International in the group of countries that includes Madagascar, Lebanon, Bangladesh, etc.

Russia (rank 162), Tajikistan (rank 163) and Kyrgyzstan (rank 166) are in a very dangerous situation: with scores of 2.1-2.0, they are in the same group with Cambodia, Laos, Kenya, etc.

Turkmenistan (rank 173) and Uzbekistan (rank 174) have the sixth and fifth lowest rankings on Transparency International's list and are included in the group of the most corrupt countries in the world.<sup>15</sup>

Of course, one can dispute the inclusion of these countries in a particular group, but one must agree with the general conclusion about a high level of corruption in all of them.

Rampant corruption, the existence of a "gray," semi-legal or illegal economy, and widespread raiding (seizure of property using loopholes in legislation) significantly "distort" economic activity, discourage business and cause public discontent with the authorities. The periodic anti-corruption campaigns conducted over the years in the CIS countries have produced practical results only in Georgia, which in 2009 left the Commonwealth.

The fight against corruption has recently been particularly active in Russia (in March 2012, President Dmitry Medvedev, in particular, proposed monitoring not only the income, but also the purchases of public officials and their family members). This problem is examined in the works of Stephen Knack and Gregory Kisunko, U.S. researchers studying corruption in the CIS region; in one

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<sup>14</sup> See: *GDP per capita. 2010. World Economic Outlook Database*, IMF, April 2011, available at [<http://data.worldbank.org/data—catalog/world.development—indicators>].

<sup>15</sup> See: *The 2010 Corruption Perceptions Index*, Transparency International, 2010.

of their studies, there is a section entitled “The Russian Federation—Anti-Corruption Effort Continues, but with Mixed Results.”<sup>16</sup> It can be noted that similar attempts have been made in all CIS countries (and in a number of countries even less effectively).

An equally negative impact on the economic situation in these countries is made by high inflation, although it must be admitted that inflation figures are not as shocking as at the beginning of the reform period. In 1992-1994, for example, the consumer price index in Armenia increased 110-fold year-on-year, and in other CIS countries 10-fold or more.

In the past five years, the annual inflation rate is around 8-9%; the highest rates among the NIS were recorded in Ukraine in 2008 (122%) and in Kyrgyzstan in 2007-2010 (120%).<sup>17</sup>

The authorities in the countries of the region have been able to stop hyperinflation, but cannot cope with creeping inflation, especially in services to the public. Thus, only in the 1st quarter of 2012 the rates for gas, hot and cold water supply, and heating services in Uzbekistan increased by 14%; electricity rates in Tajikistan rose by 20%, and the price of gas for households in Kyrgyzstan rose by 11%.

A significant role in reducing the labor activity of the population is played by the huge income gap between the oligarchs and the majority of working people. According to the International Labor Organization, such a basic performance evaluation indicator as the minimum wage in a number of countries has a purely symbolic character: in 2008-2009, it was \$20 a month in Kyrgyzstan, \$31.9 in Uzbekistan, and \$48 in Tajikistan. This is 20-30 times less than in the post-socialist countries of Central Europe, let alone the richer countries of the world.<sup>18</sup>

Among the major external economic factors that must be overcome if the CIS countries are to achieve long-term economic stability, let us mention their extremely high dependence on the world market and the fact that the stability of their central budgets is directly connected with it. Today more than 80% of the region's total exports go to “Far Abroad” (non-CIS) countries. In Azerbaijan, for example, this indicator exceeds 90%. At the same time, imports in some years have mainly come from other CIS countries only in Belarus, Tajikistan and Kyrgyzstan, with the other eight Commonwealth countries oriented exclusively toward imports from other regions of the world.<sup>19</sup> Such excessive dependence can be overcome only by a significant improvement in the quality of domestic products, and also by restoring and modernizing trade cooperation among the CIS members.

If these and many other problems of current economic development in the countries of the region are reduced to a common denominator, we will come to the conclusion that the only way to solve them is to go over from an extensive to an intensive model of economic activity based on widespread, general use of innovations.

One cannot say that up to now there have been no attempts in the NIS to follow the example of many countries in the world and go over to a consistent innovation policy; this applies, in the first place, to Ukraine, Kazakhstan and Russia. For example, innovation has been a systematic component of Ukrainian government programs since 1998, and in Kazakhstan such a component is present in all long-term national development plans: from the Kazakhstan 2030 project announced by Nursultan Nazarbaev to the current post-crisis programs, on which it is planned to spend 6.5 trillion tenge (about \$439 billion) by 2020.<sup>20</sup>

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<sup>16</sup> S. Knack, G. Kisunko, *Trends in Corruption and Regulatory Burden in Eastern Europe and Central Asia*, World Bank, Washington, D.C., 2011, p. 23.

<sup>17</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, p. 9.

<sup>18</sup> See: *Zarabotnaia plata v mire v 2010-2011 godakh*, ILO Subregional Office for Eastern Europe and Central Asia, Moscow, 2010, pp. 118-119.

<sup>19</sup> See: *Osnovnye sotsial'no-ekonomicheskie pokazateli gosudarstv-uchastnikov SNG za 1992 (1994)-2010 gody*, p. 5.

<sup>20</sup> See: N. Nazarbaev, “My stroim protsvetaiushchi Kazakhstan,” *Mezhdunarodnyi kuryer*, Nos 5-6, 11-24 February, 2010.



Before the crisis, the Russian leadership, whose resource capacity exceeds that of other NIS, was also planning to implement a wide-ranging innovation policy (it was planned to finance sectoral innovation projects, set up regional venture funds, organize large innovative corporations similar to Rusnano in the fields of aircraft construction, shipbuilding, etc.). In the post-crisis period, particular attention is being paid to the creation of a Russian Silicon Valley in Skolkovo near Moscow.

Russia's example is the best illustration of the difficulties faced by attempts to impose an innovation development model "from above." Out of the 41 initial Federal programs in the field of innovation, only 21 have produced positive results while some were total failures. The economic mechanism that exists in Russia and other CIS countries rejects not only domestic, but also most imported high-technology developments, including such forms of innovative activity tested in other countries as technology parks, research parks and technology-oriented special economic zones.

Significant difficulties have also arisen in implementing the Skolkovo innovation center project. Since 2012, the then prime minister and now President of Russia Vladimir Putin has persistently promoted the need to focus innovation efforts on the military industrial complex with subsequent transfer of the best achievements to civilian industries.

In this context, it should be noted that there is a very important peculiarity in the use of innovations in both the Russian economy and the economies of other CIS countries.

With the current, "post-Soviet" economic mechanism, innovative research and development projects can indeed be applied in various segments of the public sector and significantly stimulate GDP growth. But this mechanism has so far failed to create an inherent urge for "bottom-up" innovation. Moreover, there is no large-scale or general need in the NIS for the use of innovations in day-to-day work as is characteristic of other countries with a really functioning market economy.

In other words, the problem is not confined to shortcomings in innovation policy, but lies in the need for a fundamental restructuring of the whole economic mechanism in Russia and the other CIS countries in order to bring it closer to similar mechanisms used throughout the world.

Such a restructuring is the most difficult component of the effort to raise the CIS national economies to global levels of competitiveness. It requires a radical change in the relations between the main economic and political actors (the state, oligarchs and other large and small employers, and employees) established in the past two post-Soviet decades.

It is necessary to overcome the dominance of powerful clans reigning in the economy, to deprive them of support from the entire administration vertical (from the central to the local authorities), and ensure real and effective rule of law and its use in the interests of society as a whole. Besides, in order to overcome the people's paternalistic view of the relations between the individual and the authorities, the consciousness and mentality of the society needs to be changed drastically.

A restructuring of the economic mechanism is impossible without the decisive role of political factors such as real democratization and the construction of a civil society, which in advanced countries of the world ensures the self-reproduction of rational economic and political processes.

Certainly, a fundamental change in the economic mechanism is a very difficult task. Unless it is accomplished, the CIS space will remain among the regions of the world that are losing ground in the world economic system.

## *Conclusion*

Recent processes in the CIS region do not allow us to draw a definitive conclusion either on the future of the organization itself or on the development prospects of its member countries. It should be



noted that the Russian leadership's persistence in creating the EurAsEC and then the Customs Union will undoubtedly lead to very contradictory results.

On the one hand, an "integration core" is indeed forming within the CIS, and it is quite probable that its three key members (Russia, Kazakhstan and Belarus) will be joined by some other countries of the region. On the other hand, the integration efforts of the key members obviously create a strong barrier in relations with other Commonwealth members despite the conclusion of an agreement on a free trade area. In other words, in the next few years we are bound to see a strengthening of both centripetal and centrifugal trends in the region. In these conditions, even if the CIS nominally continues to exist, this international organization will be even more formal in character than before.

The problems that have arisen in domestic political processes in the CIS countries are no less fundamental. The latent and non-formalized dissatisfaction with the current state of affairs is beginning to give way to more organized forms of civic activism, a challenge already faced by the authorities in Russia and a number of CA countries.

Historical experience shows that attempts at "democratization from above" do not produce results because they are confined to partial and superficial reforms whose real purpose is to preserve the existing order.

In summary, it can be concluded that the CIS region is entering a period of serious qualitative changes. The overall stability of the political and economic foundations of the Commonwealth countries depends on whether these changes follow the evolutionary path or erupt in uncontrollable turmoil. The choice of path will primarily affect the economy.

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## **“SOCIETY DISEASES” (REDRESSING THE BALANCE BETWEEN ECONOMIC AND SOCIAL DEVELOPMENT IN AZERBAIJAN)**

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### **Problem Definition**

**I**n recent years, sustainable economic development has been an increasingly higher priority for all, both well and less developed, states. The global economic crisis that broke out in 2008 showed that the steadily high growth rates demonstrated by many countries throughout the pre-crisis years,

even giving some of them the honorary titles like, for instance, “Celtic tiger,” in actual fact do not always testify to sustainable development. There are economic and social “diseases” that can disrupt, or at least slow down, growth no matter how sustainable it previously seemed. Whereby these diseases can be both internal, that is, determined by trends governing the country’s development, and external, that is, brought in from the outside world, making sustainable economic development not at all what it seemed to be before the crisis.

Economic development can be considered fully sustainable if it meets the following three conditions:

- (a) the economy increases at a stable rate that is sufficiently high for its size and for the given time;
- (b) it is able to efficiently resist external negative impacts; and
- (c) it is not oriented toward exclusively current tasks, but leaves sufficiently broad opportunities for the future—including with respect to resource distribution.

In other words, economic development is sustainable if it is stable, tenable, and long-term.

Practical achievement of this sustainability is complicated by the fact that it depends not only on economic factors as such, but also on other components of social development. Conceptually, balanced and harmonious development of the different components of social progress is a mandatory condition of its sustainability as a whole, on the one hand, and of each of these components separately, on the other, whereby in terms of all three parameters of sustainability.

We should proceed from the fact that the development curves of different spheres of public life, including the economy, politics, religion, science, education, public health, and culture, wind around the common trunk of social development that forms as their integral result. Should one of these curves ultimately break away from the main trunk (over the span of a hundred years, say), it will be unable to survive independently. Each sphere of social life draws other spheres toward it and tries to bring them to its level of development (higher or lower), which is what causes all the curves to gravitate toward the common trunk. Which curve proves the strongest and is able to attract the others to it depends on a multitude of factors, including its “weight and strength” at a particular historical stage in social development and on how socially important the functions it performs are in public life.

The development of the world’s countries and regions abounds in examples that confirm this governing law. We know that in Western Europe, the capitalist economy that came to life in the womb of feudalism eventually gave rise to so-called bourgeois revolutions that raised the political system to the economic level. In the U.S., on the contrary, constitutionally enforced political rights opened the way to economic and then cultural development.

A splendid illustration, although of an entirely different nature, is the experience of the Arab world. In the pre-Islamic period, Arab tribes were disunited and extremely backward communities.<sup>1</sup> Girls were killed at birth, burying them alive in the desert sand. Along with polygamy, about which much has been said, there was also polyandry, when several (up to ten) men pooled their money to pay for an “extremely expensive” bride and then went into her tent in turn, leaving their staffs propped up outside the door to let the other husbands know that their common wife was currently occupied. The forms of government had only some remote resemblance to statehood.

The new religion that emerged proved to be an immeasurably more progressive component of public life than all the rest and drew them along behind it. State- and nation-building essentially began under the auspices of Islam. In historically short time spans, an army (along the lines of a war ministry), integrated financial system (a prototype of the ministry of finance), communication service, and navy were created, while the newly conquered territories were divided into regions (administrative-

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<sup>1</sup> This period is called *jahiliyya* (ignorance).

territorial reform), and so on. Then the Golden Age of the Muslim East, related primarily with the Seljuk Turks, dawned. Along with intensive development of the economy, it was marked by tempestuous scientific progress in mathematics, geography, mineralogy, philosophy, comparative theology and ethics, astronomy, physics and chemistry, psychology, and even political science. Medicine (particularly physiology and pharmacology), practical engineering, and art (poetry, music, architecture, and painting) underwent unprecedented development, not only in the East, but also throughout the world. These and many other achievements of the Golden Age are described in detail in a magnificent article by Professor S. Frederick Starr.<sup>2</sup>

In the contemporary world, the different spheres of public life interact somewhat differently, possibly less directly and in more complex ways, although this in no way disaffirms the general patterns that govern them. There is a special case when for some reason, particularly if there is a surplus of resources, the economic prosperity of a state and the wellbeing of society as such race far ahead of other spheres.<sup>3</sup> This is precisely what is happening at present, as we shall see, in Azerbaijan.

## Economic Growth and Prosperity

In terms of its overall dimensions, Azerbaijan's economy is relatively small. In 2011, the country ranked 75th among 184 states of the world in terms of total GDP volume (\$68.5 billion or \$93.2 billion converted international dollars using purchasing power parity [PPP] rates) and 82nd among 181 states in terms of per capita GDP (\$10,217 based on PPP).<sup>4</sup> The size of the economy is important since the amount of hard currency coming into the country or, to be more precise, its possible impact on the economic and social processes can only be correctly interpreted in correlation with the size of the economy. Moreover, the growth rates, including how quickly they slow down as the economy enlarges, also depend on the reference values.

In the past 10 years, Azerbaijan has been demonstrating unprecedented economic growth and in 2005-2007 ranked first in the world in terms of GDP growth (26.4, 34.5, and 25.0%, respectively). In 2006-2011, the average annual growth rates were equal to approximately 17% and the economy more than doubled. The comparative results of economic development of the Central and East European (CEE) and CIS countries (in most international comparative studies Azerbaijan belongs to this group of states) in terms of per capita GDP are shown in Figure 1.

Azerbaijan belongs to the group of countries that achieved the greatest increase in per capita GDP in 1995-2011 (\$8,500 based on PPP). This group also includes Slovenia (\$15,600), Slovakia (\$14,500), Estonia (\$14,200), Poland (\$13,000), Belarus (\$11,600), Latvia (\$10,500), Russia (\$10,300), Hungary (\$10,100), Croatia (\$9,700), and Kazakhstan (\$9,300 based on PPP). However, when comparing the 2011 with the 1995 level, the dynamics do not look as impressive in any of the states as they do in Azerbaijan, where per capita GDP rose six-fold—this is also because Azerbaijan's starting index was less favorable compared with other countries in the group.

Although the contribution of the oil and gas sector to GDP growth cannot be disputed, nor can the significant progress achieved in recent years in other branches of the economy be underestimated. Dur-

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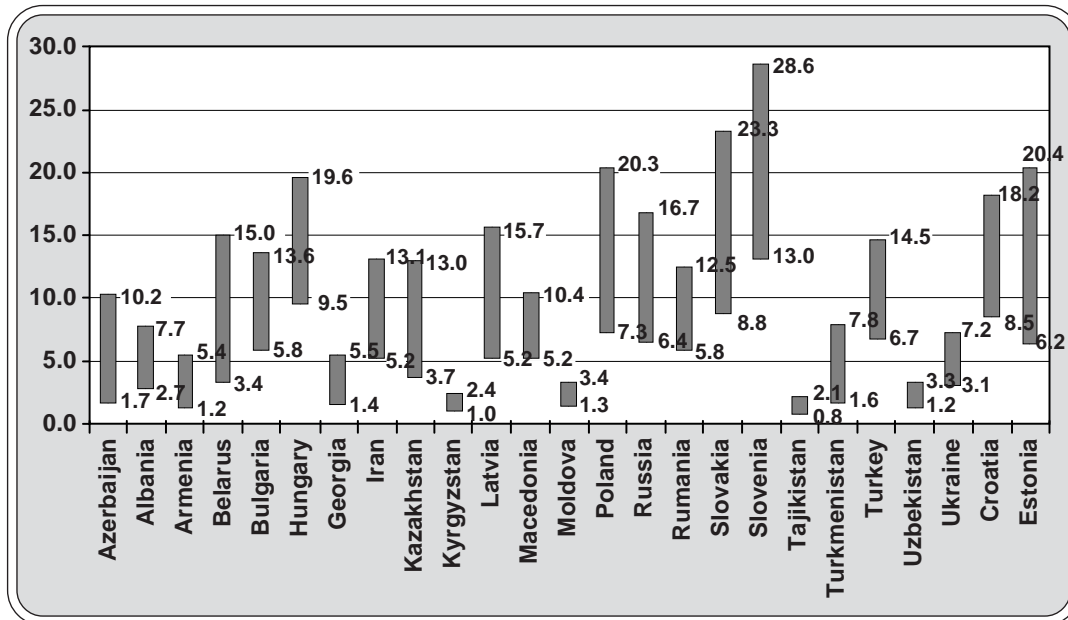
<sup>2</sup> See: S. Frederick Starr, "Rediscovering Central Asia," available at: [<http://www.wilsonquarterly.com/article.cfm?AID=1441>].

<sup>3</sup> Certain aspects of this problem, in particular the interaction between surplus resources and political development, can be considered sufficiently well studied (see, in particular: T.L. Karl, *The Paradox of Plenty: Oil Booms and Petro-States*, University of California Press, 1997).

<sup>4</sup> Calculated according to the IMF Database, available at [<http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx>].

Figure 1

Per Capita GDP Growth in the CEE and CIS Countries  
(in thou. USD based on PPP, 1995-2011)<sup>5</sup>



ing the period under review, the average annual growth in the non-oil economy amounted to 10% and non-oil GDP increased more than 1.7-fold, reaching almost \$41 billion based on PPP (2011).<sup>6</sup> It is expected that in the next few years it will retain these growth rates. In addition to everything else, this will be promoted by an unprecedented increase in the reconstruction of infrastructure facilities, particularly of transport infrastructure. The communications sector, the market of which increased on average by 35-37% a year in the five pre-crisis years (2003-2007), is another driving force of growth, along with transport.

Primary development of the non-oil branches has been declared an economic priority of the next few decades. The government is investing a large portion of oil revenue in physical infrastructure and commercial projects in the non-oil sector. As for investments, in 2007-2008, new trends appeared in this sphere: local investments were higher than foreign, while the share of state investments increased in the total amount of local infusions.<sup>7</sup> Moreover, Azerbaijani companies, both public and private, have begun actively investing abroad (mainly in Turkey and Georgia). These trends, judging by everything, will be long-term.

The fact that Azerbaijan has turned, from the financial viewpoint, into a self-sufficient state is a fundamental political result of intensive economic development. Financial self-sufficiency is one of the most important criteria of the country's economic independence, for the state cannot be consid-

<sup>5</sup> Compiled according to the IMF Database. Iran is included in the Figure as a country adjacent to Azerbaijan. The new Balkan states, as well as Lithuania, have not been included due to the absence of data for 1995. In its current classification, the IMF puts Slovakia, Slovenia, and Estonia in the group of Eurozone states, although from the regional viewpoint they naturally belong to Eastern Europe.

<sup>6</sup> Based on conversion of the index by the Azerbaijan State Statistics Board (22 billion manats—see: Statistics Bulletin of the Azerbaijan Central Bank, 12/2011, available at [<http://cbar.az/pages/publications-researches/statistic-bulleten/>]) into international dollars using the IMF purchasing power parity coefficient for 2011 (0.538).

<sup>7</sup> In 2011, domestic investment reached \$13 billion—65% of all investments into the country's economy.

ered successful at all if it is unable to maintain itself and ensure its development. At present, Azerbaijan's international reserves, computable as the sum of the resources in the State Oil Fund of the Azerbaijan Republic (SOFAZ), foreign deposits of the government, and foreign assets of the Central Bank, top \$43.2 billion.<sup>8</sup> At present, Azerbaijan is one of the world leaders in terms of the international reserves to GDP ratio (68.2%). Furthermore, by mid-2011, the state's external debt amounted to a total of \$4.5 billion (8.1% of GDP).<sup>9</sup>

Changes in international reserves only characterize the correlation between the amount of currency the country earns and spends, since with an equal increase (decrease) in the amount of foreign exchange coming into the country and going out of it, the international reserves remain the same. Nevertheless, over the past 10-12 years, radical changes have occurred in this sphere. It is enough to note that in 2000-2010, the amount of foreign exchange exported from Azerbaijan every year increased 5.8-fold (\$2.7 and 15.6 billion, respectively), while an even larger amount, 9-fold, came into the country (\$3.0 and 27.1 billion, respectively). It is important that the increase in the amount of foreign exchange spent by the country nevertheless indicates, albeit indirectly, an increase in the standard of living, since consumer products predominate in the import structure.

It entirely stands to reason that the dynamic development of the economy initiated by oil and gas exports was accompanied by similar dynamic improvement in social wellbeing. In 2006-2011, nominal personal income increased on average by 24% a year, which was almost 2.5 times higher than the average annual inflation rate (10.2%). On the whole, personal income increased 3.8-fold during this period, while the poverty level dropped 6-fold. It should also be kept in mind that official statistics do not always adequately reflect the real growth of income and consumption, which in fact is even higher, since the share of the informal economy, despite a noticeable decrease in the past 10 years, is still extremely high.

## Higher Standard of Living and Social Development

Improvement of society's overall standard of living has also promoted development of the social spheres. This article does not set out to examine definitions of the social sphere or list its components. An extremely wide range of opinions on this matter can be found in the literature. Due to its broad interpretation, almost all areas of human activity can be related to the social sphere, but even a narrower interpretation forces us to admit that many components of social life that are traditionally related to branches of the economy (for example, transport or communications) or to the political sphere (for example, stability or security) have a clearly evident, even direct (that is, not mediated by anything) social function. There are also external factors that have an impact on the quality of social life—for example, a favorable climate. However, they, like religious activity, family stability, gender equality, and other such factors, are extremely conservative and not subject to rapid change.

Even a superficial glance creates the impression that social development in Azerbaijan is not keeping up with the "explosive" rates of economic growth. This is resulting in discrepancy between the standard of living and the cultural level. It can be described as a kind of social "satiety disease," a symptom of which is an empty mineral water bottle flying out of the open window of an expensive car.<sup>10</sup> On the whole, road traffic in Azerbaijan is a very graphic illustration of this disease. In recent years, the country's auto-

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<sup>8</sup> Data of the State Oil Fund and Central Bank of Azerbaijan (CBA), available at [[http://www.oilfund.az/en\\_US/he-sabat-arxiv/rublukh/2012\\_1/2012\\_1\\_1/](http://www.oilfund.az/en_US/he-sabat-arxiv/rublukh/2012_1/2012_1_1/)] and [[http://cbar.az/infoblocks/money\\_reserve\\_usd/](http://cbar.az/infoblocks/money_reserve_usd/)].

<sup>9</sup> Data of the Azerbaijan Ministry of Finance, available at [<http://www.maliyye.gov.az/>].

<sup>10</sup> Social "satiety diseases" should be distinguished from economic. The latter primarily encompass problems that arise when the inflow of financial resources begins to exceed the absorptive capacity of the economy. Azerbaijan, for example,

mobile fleet has been almost entirely renewed: it imports up to 40,000 cars a year, spending enormous amounts of money for the size of its economy on this. The streets of Azerbaijan's cities are overflowing with expensive cars that cost far more than 100,000 Euros, while the driving skills of their owners often leaves much to be desired and clearly lags far behind the cost of their cars. The endless traffic jams on the roads of Baku, which are often objectively caused by road repairs and restructuring, are in fact mainly due to drivers violating elementary traffic regulations, themselves suffering from the consequences. An expensive car parked almost right in the middle of a busy street is a very typical scene. It is customary to think that poor police management, including corruption, is to blame for disorderly traffic. This may be partly true, but is not the main reason. As a survey we conducted showed, most drivers do not see a big difference between a bribe and a fine—they see the first as essentially the same punishment as the second. So the main reason should nevertheless be sought in the cultural sphere.

Of course, a professional analysis of the correlation between economic and social development requires going further than customary observation and relying on measurable indices. Applied studies can be used in particular to measure the level of human development. Since 1990, the most widespread studies in this area have been carried out by the U.N. Development Program (UNDP). The UNDP's Annual Reports contain four integrated indicators that make it possible to carry out inter-country comparisons and identify and forecast global trends. The most general and, perhaps, main index is the Human Development Index (HDI).<sup>11</sup> It is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge, and a decent standard of living.

It should be noted that the data in the general UNDP database significantly differ from the data presented in the published reports. There are several reasons for this, including the fact that in recent years the UNDP uses gross national income (GNI) per capita converted to international dollars using PPP rates as the basis for measuring the standard of living, and not the identical GDP index used earlier. Moreover, both the UNDP itself and the international agencies, the data of which its experts use, are constantly modifying the method of calculation, due to which their statistics (including the statistics for HDI and sub-indices) cannot always be collated by year. In other words, the human development indices (and correspondingly, country rankings) presented in the report for a particular year cannot be compared with similar data in other reports. Admittedly, a table is included in the last report that shows the trends in HDI changes between 1980 and 2011, but it does not contain enough information on the countries of the region to which Azerbaijan belongs. So further analysis is based on the data of the general UNDP database.<sup>12</sup>

## Economic Development and Education

The UNDP calculates the education index as the geometric mean of two sub-indices—the mean years of schooling and the expected years of schooling. The first implies the average number of years

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is suffering from the severe pressure of oil revenue on the financial market, the result of which might be galloping inflation. This pressure is also having an effect on the national currency, the problem of which is no longer devaluation, but, on the contrary, value appreciation with respect to foreign exchange with all the potential negative consequences. So measures regarding so-called sterilization of money are (and will invariably continue to be in the next few years) an integral part of Azerbaijan's economic policy. It is worth noting that the economic situation, when the goods and services produced in a particular country lose their competitiveness in external markets due to an increase in the exchange rate of the national currency, has come to be called Dutch Disease, after the country that it first inflicted.

<sup>11</sup> The last report in this series available at the time this article was written was published in 2011 (see: *UNDP Human Development Report: Sustainability and Equity: A Better Future for All*, U.S., New York, 2011, available at [<http://hdr.undp.org>]).

<sup>12</sup> [[http://hdr.undp.org/en/media/2010\\_Hybrid-HDI-data.xls](http://hdr.undp.org/en/media/2010_Hybrid-HDI-data.xls)].



of education received by people aged 25 and older, based on education attainment levels of the population converted into years of schooling based on theoretical durations of each level of education attended. The second sub-index (expected years of schooling) indicates the number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life. The calculations are carried out on the basis of the UNESCO Institute for Statistics.<sup>13</sup>

In terms of education index, Azerbaijan ranks 53rd in the world and 16th in the group of CEE and CIS countries. Among the CIS countries, it holds a middle position, ahead of Armenia, Tajikistan, Moldova, and Uzbekistan but behind Ukraine, Kazakhstan, Belarus, Russia, and Kyrgyzstan. Georgia is also behind Azerbaijan. (Due to lack of data, Turkmenistan is not included in the list of ranked states.) As the many years of observation show, in the mid-1990s, the level of education in Azerbaijan dropped somewhat, however by the beginning of the 2000s, a positive trend was designated: the education index has higher than the highest level of the 1990s, subsequently continuing to rise slowly but steadily. At present, Azerbaijan lags behind the average index for the CEE and CIS countries, but is ahead of the average world indices.

Although the HDI and its sub-indices, as already noted, do not make it possible to carry out a full-fledged year-by-year comparison of the results achieved by certain countries in human development, they could well be used to build a time sequence of correlations between economic growth and human development, including development of the education system. For this, the correlation between economic growth and the education index must be viewed separately for each year, and only then a comparison of the obtained results carried out (see Figs. 2-5).

The entirely straight trend line in 1992 shows that deviation of the education level in the countries of the group from the average level was mutually balanced out (its rise above the average level was equal to its lag behind it), and the relatively small vertical difference in dots around the trend line shows that the education level in these states was approximately the same—regardless of the level of their economic development measured by per capita GDP. It is obvious that this resulted from the fact that until 1991 the absolute majority of these countries were either integral parts of one imperial state, or were under its strong influence and had an approximately equivalent education system built on equal principles for all.

Collapse of the unified state put an end to the single education space and each newly formed (or newly independent) state began to form its own education system. At the end of the 1990s, the correlation curve went up: as the economy grew, the education level rose too. In 1998, Azerbaijan was below the trend line, which, however, was the result of a certain drop in its education index and not because the average level of the index had risen for countries with the same per capita GDP as it.

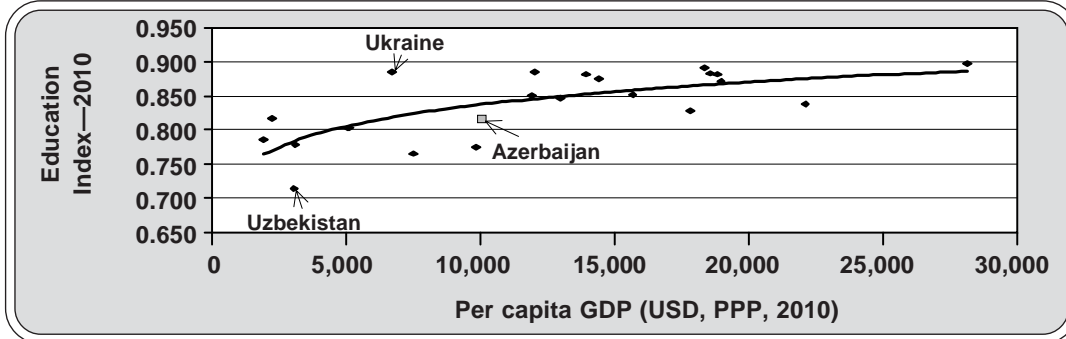
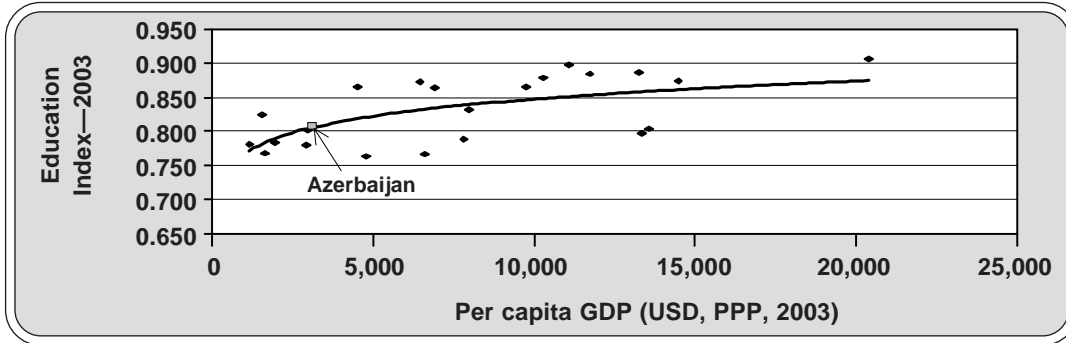
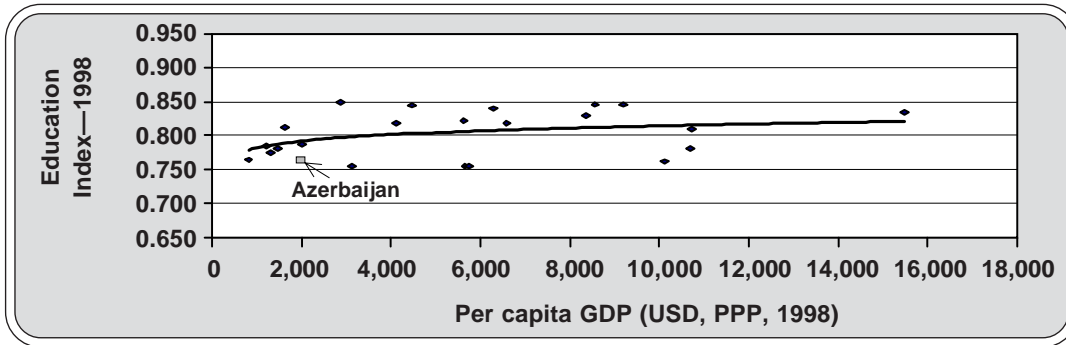
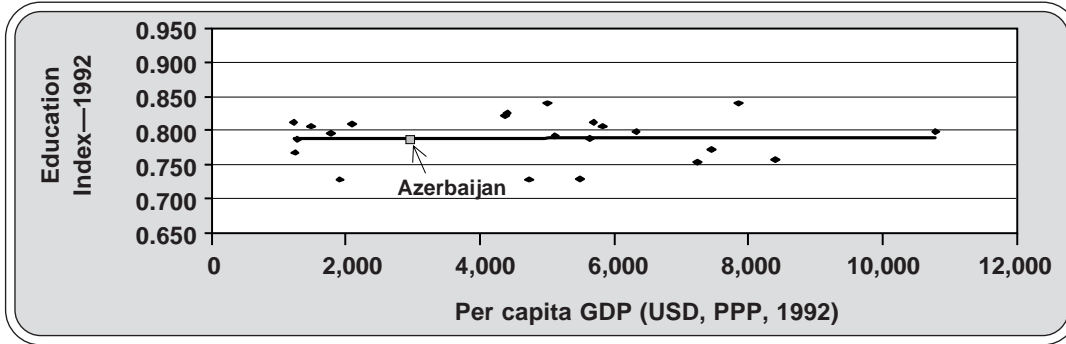
In 2003, Azerbaijan returned once more to the trend line, in other words, to a level of education that should hypothetically be reached by states with the same per capita GDP as it. In subsequent years, Azerbaijan's education index continued to grow, but beginning in the mid-2000s, when the economy began to demonstrate unprecedentedly high growth rates, the development of the education system began to clearly lag behind both the economy and the increase in standard of living. The dot that indicates Azerbaijan in Fig. 5 clearly climbed higher, but it moved further to the right and so turned out to be under the trend line. This means that at present the education system in Azerbaijan is less advanced than it should be in a state with the same level of economic development as Azerbaijan today.

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<sup>13</sup> Earlier, before 2009, the education index was calculated on the basis of two different indicators—the percentage of the literate population and correlations of students in primary, secondary, and higher learning institutions. Now the indicators used, while perhaps being slightly more complicated, make it possible to measure more accurately the level of education of the population and compare its level in different countries.

Figures 2-5

Correlation between Per Capita GDP and the Education Index in 1992, 1998, 2003, and 2010 (CEE and CIS Countries)



It should be kept in mind that the UNDP only deals with quantitative education indices, without taking into consideration its qualitative parameters. For many countries of the world this is enough, since their quantitative indices create an adequate idea of the level of education of the population. However, neither the mean years of schooling, nor the expected years indicate in themselves that by enrolling at a particular learning establishment a person will indeed receive an education that complies to the name of the establishment. So for some countries quantitative indices may not only fail to reflect the quality of education, but also create an entirely misrepresented idea of it.

From the viewpoint of the state's mid- and long-term interests, an increase in the quality of education is of key significance. Resolving the problem is complicated by the fact that education is one of the most inert spheres of social life, and it is impossible to bring it into harmony with the best world standards in a relatively short time. In order to raise the quality of education in secondary schools, their teaching staff must be upgraded, which, in turn, is impossible without raising the quality of teaching in educational institutions, which requires upgrading of the professorial and teaching staff of the institutions themselves. In turn, the quality of higher education greatly depends on the quality of the "goods" that universities receive from secondary schools. Complete interdependence of different spheres and levels of education dictates the need for simultaneous improvement of the entire system.

Azerbaijan has chosen complete renovation of the material and technical base of both secondary and higher educational institutions as a priority (or at least initial) vector of educational reform. In recent years, impressive practical results have been reached in this sphere. Nevertheless, efforts to raise the quality of education as such, including to eliminate negative phenomena in learning establishments, clearly lag behind renovation of the material base. The biggest difficulty is that the main problem of the education system lies beyond it. There is a social demand for education when knowledge "carries a price," that is, when the market pays sufficiently more for highly skilled labor than for unskilled labor. However, the market economy, which is fairly new to Azerbaijan, has still not been able to rid itself of the primacy of an education certificate, traditional for Soviet times, over education per se. It is hoped that the current intensification of intellectual forms of private business, as well as the transfer to a merit system for enlisting in the civil service, will sooner or later put an end to this stereotype.

## Economic Development and Public Health

There is a whole series of indicators that make it possible to qualitatively evaluate the nation's state of health. It is customary to believe that all of them, as well as indicators characterizing the level of public health in a particular country, are ultimately expressed in life expectancy at birth. So this is the index research centers refer to when assessing the general state of public health in different countries. This not only applies to the UNDP, but also to world renowned institutions such as the Economist Intelligence Unit,<sup>14</sup> which, when assessing the quality of life, put health, measured by life expectancy, in one of the top places among the factors of influence.

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<sup>14</sup> Created in 1946 under *The Economist*, it has more than 40 offices in different countries and is one of the leaders in cross-country comparative studies.

Life expectancy at birth is calculated as the number of years a newborn infant could expect to live if prevailing patterns of age-specific mortality rates at the time of birth stay the same throughout the infant's life. Despite the relative simplicity of calculating life expectancy, its indices in different sources significantly differ. For example, according to the country's official statistics, life expectancy in Azerbaijan is equal to 73.6 years,<sup>15</sup> according to the *CIA Factbook*, it is 71.3 years,<sup>16</sup> according to the World Health Organization—68 years,<sup>17</sup> and according to the U.N. Department for Economic and Social Affairs (*UNDESA*)—70.8 years. The UNDP makes use of the latter index.

In order to transform the life expectancy index into an index from 0 to 1, UNDP experts first establish its maximum and minimum values (references). The highest life expectancy for the entire period of research is taken as the maximum value: in the last report it was 83.4 years (Japan, 2011), while the minimum value is defined as the minimum permissible value (in the last report it was equal to 20 years). The life expectancy index for each country is determined as the ratio of difference between the actual life expectancy in this country and the minimum value to the difference between the maximum and minimum values.

In terms of the life expectancy index compiled by UNDP experts, Azerbaijan ranks 83rd among 135 countries of the world, while it ranks 15th among the CEE and CIS countries. Just as in the previous case, in terms of the health index, Azerbaijan, while lagging behind the average index for CEE and the CIS, is ahead of the average world index.

In order to identify the dynamics of the process, the correlation between economic growth and the health index should be viewed for all, or at least for so-called indicative years of the observation period, which is presented in Figs. 6-9.

These diagrams primarily show that a correlation between economic development and life expectancy, although not strict, nevertheless exists. In 2010, this correlation was very weak only in a few CEE and CIS countries. In one of them (Albania), life expectancy is much higher than in others states with the same per capita GDP, while in two others (Kazakhstan and Russia), on the contrary, it is lower. The less pronounced correlation, visually expressed in a greater dispersion of dots across the diagrams, is caused by the fact that life expectancy depends not only on social activity (in particular, of public health), but also on factors beyond social activity, such as the environment.

One of the differences between this series of correlations and the previous is that life expectancy in Azerbaijan, in contrast to the education index, never decreased throughout the period of observation; on the contrary, it has steadily risen: in 1992, it was equal to 65.4 years, in 1998 to 66.2 years, in 2003 to 68.6 years, and in 2010 to 70.8 years. This was the first trend that brought Azerbaijan closer to the trend line in 1998 and 2003, while the second was related to the fact that per capita GDP calculated based on PPP noticeably decreased in 1998 compared to 1992 and subsequently gradually rose, but by 2003 it had nevertheless not reached the 1992 level.

In 2003, Azerbaijan was on the trend line, that is, life expectancy corresponded to its level in hypothetical states with the same per capita GDP. A different picture was seen in 2010, when, despite a significant increase in life expectancy (by 2.2 years), the improvement in the health index lagged noticeably behind the economic growth rates. Just as in the previous series of correlations, the dot indicating Azerbaijan in Fig. 9 climbed higher, but moved further to the right and was below the trend line. This means that life expectancy in Azerbaijan is lower than it should be for the current level of economic development.

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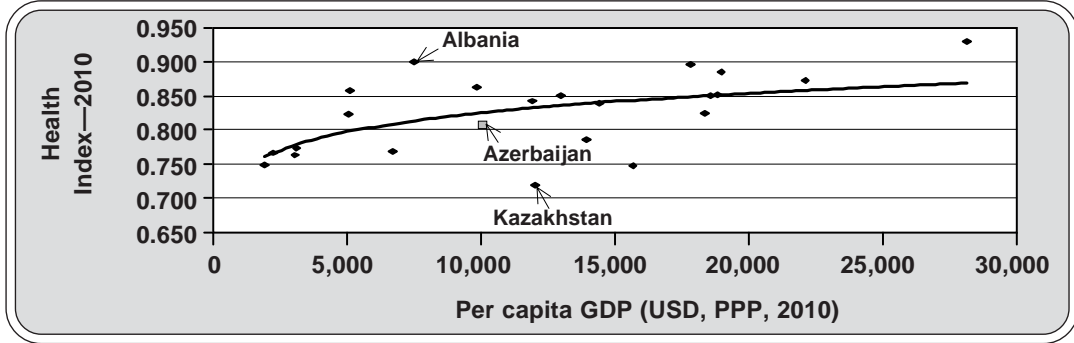
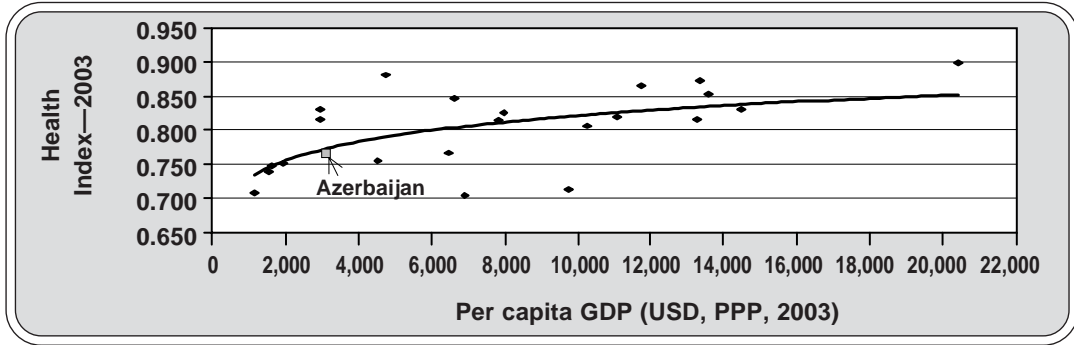
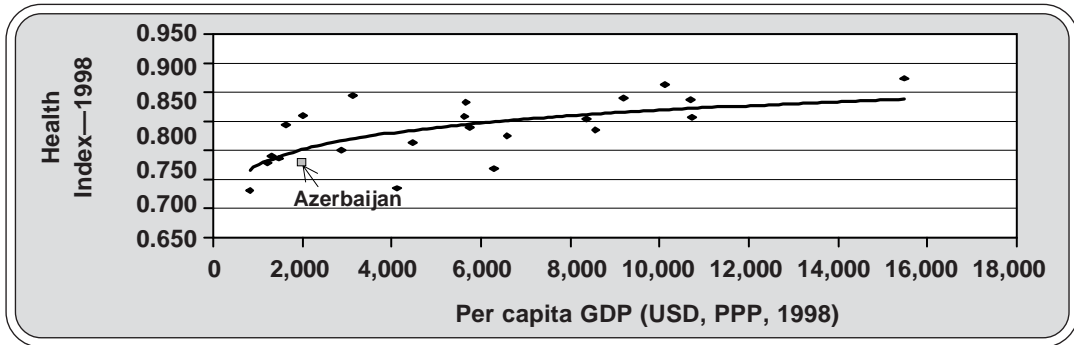
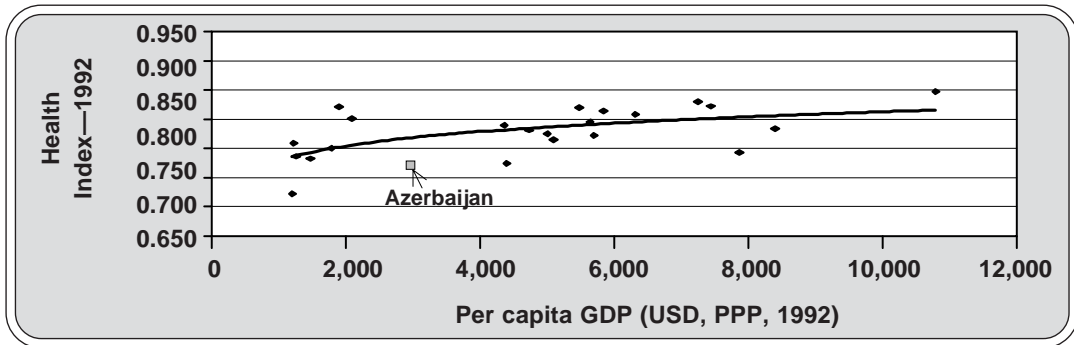
<sup>15</sup> According to the State Statistics Committee of the Azerbaijan Republic, available at [[http://www.azstat.org/stat-info/demographic/en/2\\_4en.xls](http://www.azstat.org/stat-info/demographic/en/2_4en.xls)].

<sup>16</sup> See: *CIA — The World Factbook*, available at [<https://www.cia.gov/library/publications/the-world-factbook/geos/aj.html>].

<sup>17</sup> See: *WHO — World Health Statistics 2011*, p. 46, available at [[http://www.who.int/gho/publications/world\\_health\\_statistics/EN\\_WHS2011\\_Full.pdf](http://www.who.int/gho/publications/world_health_statistics/EN_WHS2011_Full.pdf)].

Figures 6-9

Correlation between Per Capita GDP and Life Expectancy in 1992, 1998, 2003, and 2010 (CEE and CIS Countries)

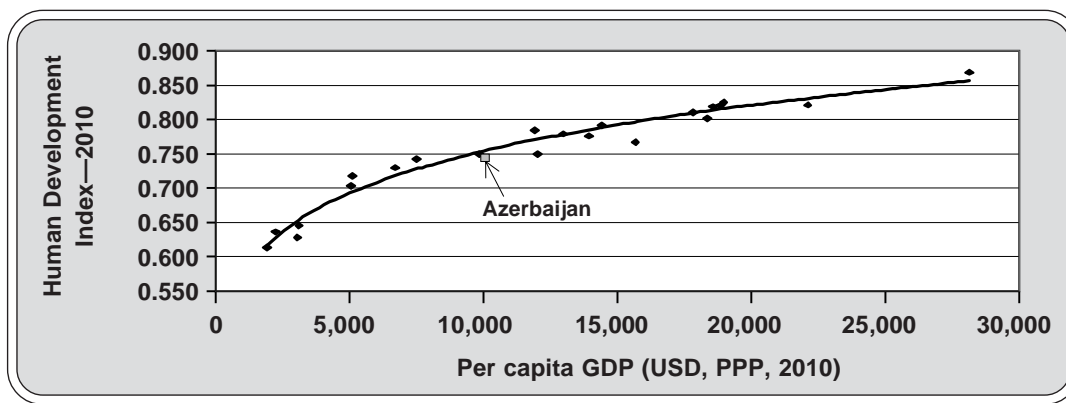


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The composite human development index calculated by the UNDP is the geometric mean of three basic components—education, health (life expectancy), and gross national income per capita based on PPP. So it stands to reason that the correlation between the human development index and per capita GDP is stricter than between per capita GDP, on the one hand, and the education and health indices, on the other. It also stands to reason that in this case Azerbaijan is closer to the trend line (see Fig. 10).

Figure 10

Correlation between Per Capita GDP and the Human Development Index  
(CEE and CIS Countries, 2010)



Some other components of the social sphere can also be measured and consequently subjected to cross-country comparison. In particular, when evaluating the quality of life in different countries of the world, the well-known commercial company, International Living, ranks them, in addition to everything else, by recreational and cultural opportunities, and when measuring this factor also takes into consideration the number of historical and architectural monuments included on the UNESCO World Heritage List.<sup>18</sup> However, it stands to reason that the number of these monuments cannot significantly change in a relatively short time. So, with respect to an analysis of the balance between economic and social development, such studies do not provide much food for thought.

There are numerous comparative cross-country assessments in sports, but the absolute majority of them concern ratings of particular sport events. The level of development of physical education is more difficult to measure, although such indicators as the number of stadiums, sports complexes, and facilities compared to the size of the population can provide a certain idea of the conditions being created in particular countries to develop mass sports and physical education. In this sphere, Azerbaijan has achieved significant success. Around 10,000 sports facilities function in the country, the number of which continues to rise. In 2011 alone, four Olympic sports complexes have gone into operation in different cities of the country. Major international competitions are held in Azerbaijan. The achievements of Azerbaijani athletes are indisputable: in 2011 they won more than 700 medals at different international contests, including 270 gold. Nevertheless, the grassroots sports leaves something to be desired, which is shown even by a visual comparison of the number people engaged in physical exer-

<sup>18</sup> For the latest study in this series, see: [www.internationalliving.com/2010/12/quality-of-life-2011/].



cise in the streets of Baku and other large capitals of the world. This is apparently what some international experts are referring to when they claim that so far Baku does not give the impression of being a sporty city.<sup>19</sup>

Cultural behavior in public places can probably also be measured, but, as far as I am aware, such international comparative studies have not been conducted yet. For example, if we return to road traffic behavior, many studies have been and are being carried out in this sphere which compare the situation in different countries in terms of a whole series of indicators, including based on the number of road accidents and the number of deaths they entail within one year for a certain number of cars or population size.<sup>20</sup> Such comparisons are undoubtedly of extreme significance, but they can hardly present an exhaustive picture of the real situation in road behavior.

## Prospects

In the near future, Azerbaijan is unlikely to fully overcome the contradiction between economic growth and improvement of the standard of living, on the one hand, and society's sociocultural level, on the other. In current conditions, this contradiction is most likely objective since, in principle, it was brought to life by the economic (oil) boom of the beginning of the 21st century, and not by deviation of the social sphere from the normal trajectory of development. In the next few years it will become clear which of these two components of social development (the economy or culture) is the stronger. In other words, it will become clear whether an increase in standard of living can give a new boost to social development or, on the contrary, whether a lag in the social sphere will begin to hamper economic growth and slow it down. As already noted, economic development cannot be sustainable if it is not accompanied by equal development of the other components of public life.

In order to avoid the second alternative, Azerbaijan must implement a whole system of socio-cultural development measures. It is vital to grasp that responsibility for balanced social development cannot be borne by a solo performer, it must be distributed across the board, although the lion's share will lie on the state's (government's) shoulders.

The government's main task will be to correctly rank priorities, that is, primarily ensure that the resources spent are properly distributed between economic and sociocultural development. This task can be resolved by developing and applying a well-planned system of investment project analysis and comparative assessment, which should be formalized as an officially government-approved document. In 2003-2005, this idea was actively discussed by experts of the European Union, one of whom was the author of this article, and the Ministry of Economic Development. Despite a certain amount of progress achieved in recent years, the project appraisal system used in the country is still not perfect. In the last country report for Azerbaijan available at the time this article was written, the IMF, noting that government officials also recognize this necessity, again emphasized the importance of improving the procedures for appraising and selecting state investment projects.<sup>21</sup>

Of course, investing funds in projects that have not been properly analyzed can also be effective. But without a comprehensive assessment of projects, it is difficult to count on, first, that the highest

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<sup>19</sup> See, for example: [<http://news.day.az/sport/118276.html>].

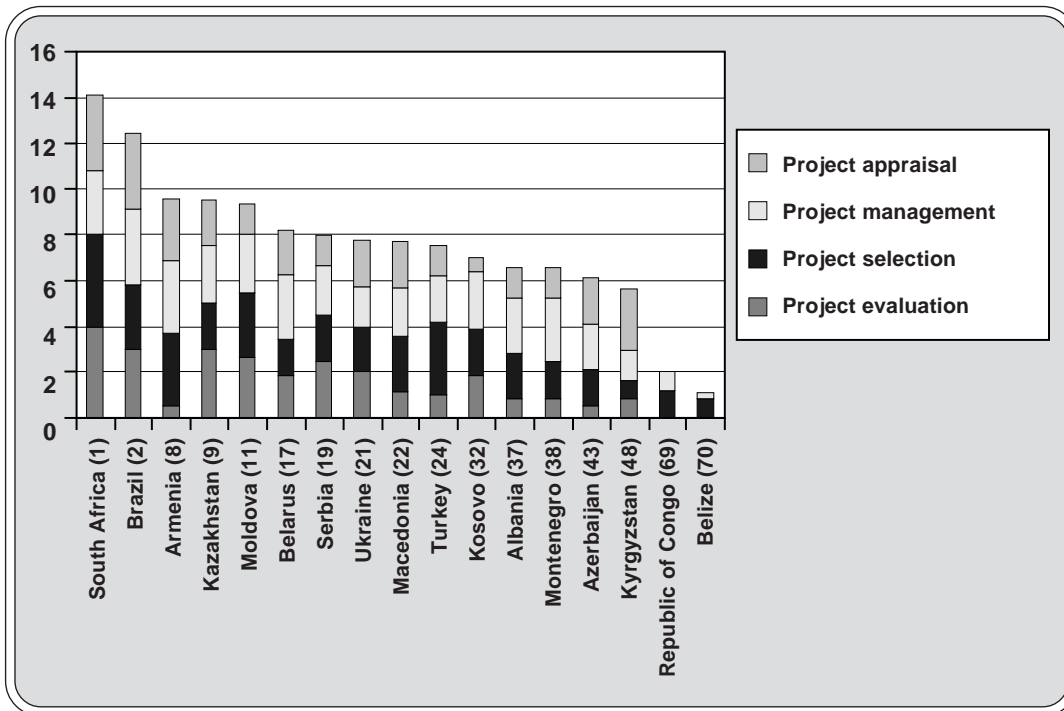
<sup>20</sup> The most comprehensive studies in this sphere are carried out by the World Health Organization, which publishes annual Reports on Road Safety in the world, the last of which is available at [[www.who.int/violence\\_injury\\_prevention/road\\_safety\\_status/report/ru/index.html](http://www.who.int/violence_injury_prevention/road_safety_status/report/ru/index.html)].

<sup>21</sup> See: *IMF Country Report No. 12/5 — Republic of Azerbaijan, 2011*, Article IV Consultation, 18 January, 2012, p. 13, available at [<http://www.imf.org/external/pubs/ft/scr/2012/cr1205.pdf>].

priority projects will be selected and, second, that the efficiency of state investments will be as high as it could be in the current circumstances. So when comparing the efficiency of public investments in different countries, specialists, along with project management (project implementation), are paying more attention to project appraisal, project selection, and project evaluation and audit (“post-implementation” evaluation). In particular, IMF experts are using the arithmetic mean of these four major consecutive phases associated with public investment management to measure what they call the Index of Public Investment Efficiency. At present they are calculating this index and its sub-indices for 70 states of the world, among which, unfortunately, not all the CEE and CIS countries are included. The results of these comparative studies, some of which are presented in Fig. 11, graphically show that Azerbaijan still has large untapped resources for raising public investment efficiency.

Figure 11

**Sub-Indices of Public Investment Efficiency  
(Some of the CEE and CIS Countries, Leaders  
and Outsiders, 2010)<sup>22</sup>**



One of the main obstacles on the way to creating an efficient project appraisal system is the fact that, unfortunately, economic planning in Azerbaijan does not take enough account of the reduction in time value of money, and the government does not register perennial discount coefficients, without which an analysis and appraisal of long-term projects cannot be exhaustive. Drawing up and legalizing these tables should be a task for the near future.

<sup>22</sup> The figures in parentheses after the names of the countries show their place in the overall ranking. Compiled according to: E. Dabla-Norris, J. Brumby, *et al.*, “Investing in Public Investment: An Index of Public Investment Efficiency,” *IMF Working Paper*, 2010, pp. 36-37, available at [<http://www.imf.org/external/pubs/ft/wp/2011/wp1137.pdf>].

In addition to direct participation in social development by investing public funds, which the government has announced to be its main priority,<sup>23</sup> measures for indirectly stimulating social spheres and projects will have the greatest importance. The priority tasks in this sphere could include stepping up the reforms in public health and education with the aim of making more efficient use of private initiative.

Special programs on specific issues of social development can and should play a particular role. A successful example of recent years can be considered the State Program for Educating Azerbaijani Young People in Foreign Countries for 2007-2015. It envisages educating 5,000 young Azerbaijanis who have shown high results on entrance exams at the best universities of the U.S., Japan, Western Europe, Turkey, Russia, South Korea, and other countries. All expenses are paid by the state.<sup>24</sup> It should be kept in mind that many more Azerbaijani students than those covered by the State Program study abroad with the financial support of different enterprises and organizations, as well as at their own expense. Reforms in the social sphere, the necessity for which was mentioned above, are also needed to ensure that the graduates of foreign universities find their niche when they return home and earn a salary commensurable to their qualifications and skills.

The municipalities occupy an important place among the social entities the central government should work together with to enhance sociocultural development. In addition to everything else, they are called upon to play a key role in reanimating and developing community culture, particularly in the country's large cities. The slump in community culture in Soviet years was a result not only of urbanization, which inevitably led to a reduction in interpersonal contacts at the community level, but also the particular features of the political system, which encouraged unifying people in party organizations at work rather than in communities at home. After Azerbaijan restored its state independence, in it, just as in most (if not all) of the former Union republics, local self-administration bodies were created from above and were not a natural need of the communities that formed, although we know that during normal social development municipalities form as administrative institutions of community self-administration.

Community self-administration is of immense importance in contemporary societies. It is essentially the main step in forming a democratic culture, since at the level of municipalities citizens have the opportunity to take almost direct part in public administration, while at the regional and particularly state levels, this participation is much more indirect. In the economic respect, community self-administration is a diminished model of state resource management. Each municipality has its own budget, which must be handled in the interests of the community. It is much easier to organize public control over the formation and expenditure of funds of this budget than of the state or even city (district) budgets. Apart from all this, the development of community culture can play an indispensable role in raising the culture of everyday behavior, since in practice precisely it can become the basis for turning public reprimand into an instrument of public self-administration.

Nongovernmental organizations (NGOs) can and should take on a large share of the responsibility, particularly those that specialize in sociocultural development. Despite the noticeable progress achieved by the nongovernmental sector during the years of independence, it has nevertheless not become a sufficiently influential factor of public life. This is shown by the special studies carried out by international organizations. In particular, since the end of the 1990s, USAID has been carrying out such studies every year by analyzing the sustainability of the nongovernmental sector in different countries in terms of seven parameters: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. The last report available at the time

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<sup>23</sup> See, in particular: President Ilham Aliyev's concluding speech at the Cabinet of Ministers meeting (16 January, 2012) devoted to the results of the country's socioeconomic development in 2011, available at [<http://ru.president.az/articles/4107>].

<sup>24</sup> For more detail, see: *2007-2015-ci illərdə Azərbaycan gənclərinin xarici ölkələrdə təhsili üzrə Dövlət Proqramı* (The State Program on Azerbaijani Youth Education Abroad in 2007-2015), available at [<http://xaricdetehsil.edu.gov.az/domains/edu/assets/file/Proqram200715.pdf>].

this article was written does not register a significant change in the NGO Sustainability Index in Azerbaijan.<sup>25</sup>

There can be no doubt that in conditions in which the government is tightly structured and strong and the opposition is fragmented and weak, social and cultural development projects can be advantageous to the nongovernmental sector. The most beneficial are projects aimed at resolving specific applications in specific territories.

In Azerbaijani society, the role of the intelligentsia, particularly its creative members, is traditionally high. The appeal of a poet revered by the people can at times be more effective than declarations by entire political organizations. Unfortunately, sometimes the impression is created that the intelligentsia has removed itself from the country's public life. This extremely undesirable current trend could have long-term negative consequences. The problem is aggravated by the fact that no matter what stimuli the intelligentsia receives from the outside, its main incentive to act should ultimately come from inside this group.

A separate group of the intelligentsia is comprised of religious figures, who in recent years have been mainly engaged in internal problems and try not to interfere in public (secular) affairs. Of course, this is largely due to the fact that for whole decades religious figures have remained outside society so to speak and did not interfere in its problems, busying themselves primarily with ritual matters. Now the social environment has radically changed and there is reason to hope that veritable religious figures will shift the emphasis in their public appearances from strictly theological discussions about rituals (for example, about how the hands should be held when performing namaz) to truly urgent social and ethical problems. I am not saying that religion should become involved in politics and state affairs, which is prohibited by the constitution in Azerbaijan, but that true values of Islamic morals and human ways of behavior should be encouraged.

Mass propaganda campaigns aimed at resolving specific sociocultural problems with the simultaneous participation of all the above-mentioned entities of the social process will probably be the most effective way to accomplish this task. While a separate niche should be identified for propaganda of physical education and sports. We should begin with elementary matters. Correspondingly, these campaigns should make simple, even primitive, proclamations without worrying about what the rest of the world thinks. Ultimately, these campaigns should nurture in citizens a feeling of respect for those around them, for their rights, and for their comfort: we cannot expect respect from the outside world if there is no mutual respect inside society.

\* \* \*

Azerbaijan has all the necessary resources, not only financial, but also intellectual, to prevent aggravation of the contradiction between the standard of living and sociocultural (human) development. However, this cannot occur on its own, but requires intense targeted efforts by the whole of society. It can only be successful if the main emphasis in sociocultural development is shifted in the next few years from quantitative to qualitative parameters and from consolidating the material base of the social sphere to enhancing each individual's spiritual development.

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<sup>25</sup> See: *The 2010 NGO Sustainability Index for Central and Eastern Europe and Eurasia*, available at [[http://www.usaid.gov/locations/europe\\_eurasia/dem\\_gov/ngoindex](http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex)].

# EXTERNAL DEBT POSITION OF THE CENTRAL ASIAN COUNTRIES: A RETROSPECTIVE AND COMPARATIVE ANALYSIS

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## *Introduction*

The national economy of each of the Central Asian countries aims to create conditions that ensure a satisfactory standard of living for its population, to the extent available resources allow, based on sustainable development. According to its landmark definition, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (italics mine.—M.H.).<sup>1</sup> In other words, future generations should not have to pay for the counter-productive economic and other activity of the present generation. Here it is worth noting that external debt burden is among the factors that have a detrimental impact on such vitally important state budget-financed spheres as public health, education, social security, etc.

<sup>1</sup> World Commission on Environment and Development. *Our Common Future*, Oxford University Press, 1987.

A review and analysis of the sources shows that, in the past, researchers in the Central Asian countries essentially ignored the problem of external debt and did not offer methods to resolve it. There are very few analytical publications on this subject, while the media provides only sparse coverage of external debt. The reasons for this situation are as follows:

- (1) this problem is relatively new; it did not emerge until the Central Asian countries declared their independence in 1991;
- (2) before the beginning of the 2000s, it was very difficult or practically impossible to obtain reliable information on the external debt stock of the Central Asian countries, including from internal sources;
- (3) analysts and researchers were loath to deal with this problem, since public discussion of it was not encouraged.

## 1. External Debt Burden as a Reason for the Global Financial and Economic Crisis

A large number of researchers point to the following reasons for the world financial and economic crisis of 2008-2010<sup>2</sup>:

<sup>2</sup> See: M. Hasanov, “The World Financial and Economic and its Impact on Tajikistan,” *Central Asia and the Caucasus*, Volume 11, Issue 2, 2010.

- *Massive provision of mortgage loans to subprime borrowers with low income or a blemished credit history in the U.S.*; the share of this country comprises approximately one quarter to one third of the gross world product, which explains its significant influence on the world-wide financial and economic processes;
- *Imbalances between the real and financial sectors of the economy, and also in the sources of profit acquired by corporations (particularly American).*<sup>3</sup> “For example, world GDP in 2006 was \$48.4 trillion, while financial fixed assets (shares, bonds and commercial bank assets in the aggregate) were estimated at \$194.5 trillion, i.e., an amount more than 4 times larger than GDP. For comparison... in 1980, the ratio of financial fixed assets to world GDP was 109%. The excess of assets over real production is particularly large in developed countries: 4.3 times in the U.S. and almost 5.5. times in the EU, whereas in developing European countries ... the ratio was 1 to 14” (italics mine.—M.H.).<sup>4</sup> “According to estimates, for every dollar circulating in the real sector of the world economy there is an average of about \$50 in the financial sector (italics mine.—M.H.).”<sup>5</sup>

In 50 years (from 1947 to 1997), the share of profits earned by U.S. corporations from the largely speculative financial sector increased 3.5 times, while the share of profits from the real sector of the national economy (which is largely responsible for meeting effective demand and for the people’s quality of life) decreased 1.5 times;

- *Rising world hydrocarbon prices.* For example, whereas the price of 1,000 cu m of natural gas imported into Tajikistan in 2007 amounted to \$100, in 2008, it was \$145, and in 2009, \$240, that is, in two years (from 2007 to 2009), it increased 2.4 times. As for rates for 1 kW/h of electricity, they increased as follows: in 2002, its cost was equal to \$0.005, in 2009 to \$0.016, and in 2010 to \$0.035. Thus, compared to 2002, in 2009, rates increased 3.2-fold, while in 2010—7-fold.<sup>6</sup>

It should be noted that an increase in the price of energy resources has become an extremely widespread phenomenon in the Central Asian countries. For example, in 2010, this index amounted to 32% in *Uzbekistan* (a country that produces around 60 bcm of natural gas and 8 million tons of gas condensate annually, which ranks it 8th in the world),<sup>7</sup> to 16% in *Tajikistan*, and to 15% in *Kyrgyzstan*<sup>8</sup>;

- *Rising world food prices.* This especially applies to the price of grain due to its wide use for the production of motor fuel in the U.S. and a number of other countries. For example, in 2010, 416 million tons of grain were gathered in the U.S., 119 million tons (or 28.6%) of which were used to produce bioethanol. This amount of grain would be enough to meet the annual needs of 350 million people.<sup>9</sup> And here is another example: one ton of corn, which is needed to produce the fuel to fill the tank of a powerful sports car, would be enough to feed an aver-

<sup>3</sup> Here and below we use data and particular provisions from the following report: *Mirovoy finansovyy krizis i Tadzshikistan*, Workshop Materials, NDPT, Dushanbe, 2009, 117 pp.

<sup>4</sup> *Gosudarstvennaia sluzhba*, No. 3, 2009, p. 17.

<sup>5</sup> V.I. Kushlin, “Innovatsionnye faktory ekonomicheskogo razvitiya v sovremennykh usloviakh,” in: *Gosudarstvennoie regulirovanie ekonomiki i povyshenie effektivnosti deiatel’nosti subiektov khoziaistvovaniya*, Fifth International Workshop on State Regulation of the Economy and Improvements in Economic Efficiency, Collected Reports, Part I, Academy of Management under the President of the Republic of Belarus, Minsk, 2009, p. 379.

<sup>6</sup> See: Strategy of the Economic Development and Business Support Program for 2010-2011, Branch of the Open Society Institute-Assistance Fund in Tajikistan, Dushanbe, 2010.

<sup>7</sup> [http://www.profi-forex.org], 22 February, 2012.

<sup>8</sup> See: *Growth Returning to Emerging Europe and Central Asia*, Press Release, WB, Washington, 2011, 433/ECA.

<sup>9</sup> [http://embacuba.cubaminrex.cu/Kazajstanrus], 3 February, 2011.



age African for one year.<sup>10</sup> So it comes as no surprise that world wheat prices rose by 81% between July 2010 and February 2011.<sup>11</sup>

By March 2010, the world food situation that had been developing over the past 20 years looked as follows:

- (1) *the highest price index for food products was reached;*
- (2) *the highest price for beef was established;*
- (3) *the daily allowance had increased—by 50 billion kcal in Australia, Canada, and Russia, to 500 kcal in Brazil, Mexico, and the U.S., and to 1.5 trillion kcal in India and China.*<sup>12</sup>

In 2010, the highest rise in food prices in Central Asia occurred in *Kyrgyzstan* (by 27%), *Tajikistan* (by 13%), and *Kazakhstan* (by 10%); in *Uzbekistan*, they rose very slightly (by 2%)<sup>13</sup>;

- *Increase in public and private debt.* According to Nobel Prize-Winner in Economics Christopher A. Pissarides the 2008-2010 crisis “was *unusual because everything started with the financial sector and then spilled over into debt problems* (italics mine.—M.H.)”<sup>14</sup> Compared to 1982, the total debt of the U.S. federal government, companies, and the population increased by \$2 trillion (40%) in 1985, \$9 trillion (2.8 times) in 1991, \$11 trillion (3.2 times) in 1994, \$14 trillion (3.8 times) in 1997, \$20 trillion (5.0 times) in 2000, \$26 trillion (6.2 times) in 2003, and \$36 trillion (7.2 times) in 2006. While U.S. public debt was \$5.8 trillion (40.8% of GDP) in 2006, it had reached almost \$14 trillion by the end of 2010 and was equal to GDP.<sup>15</sup> The maximum (critical) value of the debt-to-GDP ratio, which characterizes a country’s financial and economic security, is 50.0%.<sup>16</sup> In the past ten years, U.S. external debt has increased more than three-fold.

“As of the end of March 2010, U.S. external debt to China amounted to \$895.2 billion, having increased by \$17.7 billion compared to February.

“...China is still the largest holder of American debts.

“...U.S. debt to Japan compared to February (2010—my clarification.—M.H.) increased to \$16.4 billion in March, reaching \$784.9 billion. America’s debt to England increased by \$45.5 billion, amounting to a total of \$279 billion.

“The U.S. Department of the Treasury said that in March 2010 promissory notes totaling \$157.7 billion were sold abroad. Of this amount, nongovernmental structures acquired \$125 billion in debts, and government bodies—\$32.7 billion (italics mine.—M.H.)”<sup>17</sup>

Moreover, the U.S. and many EU member states do not adhere to the macroeconomic and financial limits they have posed on themselves. For example, for the member countries of the European Currency Union, the maximum allowable state debt and state budget deficit to GDP are 60% and 3%, respectively. Of the 27 EU member states, only 2 (Luxemburg and Finland) have been able to adhere to the maximum allowable debt-to-GDP ratio. At the beginning of 2011, the actual value of this criterion for Greece, for example, reached 142.8%.<sup>18</sup>

<sup>10</sup> [http://news.mail.ru/economics], 3 July, 2011.

<sup>11</sup> [www.kt.kz], 8 February, 2011.

<sup>12</sup> [http://news.mail.ru/economics], 3 July, 2011.

<sup>13</sup> See: *Growth Returning to Emerging Europe and Central Asia*.

<sup>14</sup> [http://www.rosbalt.ru/], 30 September, 2011.

<sup>15</sup> [http://top.rbc.ru/finances/], 3 June, 2010.

<sup>16</sup> See: M.M. Hasanov and H.D. Saidhojaev, *Vneshni dolg: mirovye tendentsii i ikh prilozhenie k ekonomike Tadzhhikistana*, 3rd edition (revised and enlarged), NPITsentr, Dushanbe, 2004, 67 pp.

<sup>17</sup> [http://news.mail.ru/politics/3825277/].

<sup>18</sup> See: *Transition Report 2011. Crisis in Transition: The People’s Perspective*, EBRR, 2011, 154 pp.

In the past period, the ratio of household debt to household income also increased. For example, in forty years (1959-1999) the ratio of private household debt to income increased *1.8 times*; in 2003, more than *2.1 times*, and in 2007, more than *2.5 times*.

## 2. The Need for Evaluating the External Debt Position of Countries; Existing Method, its Shortcomings, and Proposals to Improve It

*What gets measured gets done.*

*Tom Peters*

Although “it is very obvious that the danger of extreme borrowing cannot be measured with mathematical accuracy...,”<sup>19</sup> a system of criteria is nevertheless needed to evaluate the external debt position of countries.

The word “criterion,” from the Greek *krites*, to judge, is usually understood as an index that reflects the degree to which the set goal can be achieved using the given means. Turning an index into criteria depends on the set goal, which could change at different times.

For example, in conditions of stable economic activity, the level of an enterprise’s (company’s) profitability is offered as a criterion, while in emergencies associated with eliminating the consequences of natural (for example, earthquakes) or man-made destructive phenomena (fires), a criterion might be the length of time it takes the enterprise to perform restoration work. So, “by weighing the goal against the means, and the results against the expenses, a criterion expresses the degree of expediency of achieving the goal using the available means and can be used to evaluate the performance of the system and its parts.”<sup>20</sup>

A criterion must meet the following requirements:

- (1) it must be measurable (quantitatively appraisable);
- (2) it must reliably evaluate the phenomenon being examined and the feasibility of the set goal;
- (3) its value must be determined using the available data and without significant material and time outlays;
- (4) it must make economic (financial, physical, etc.) sense with respect to comparing the desirable and real state of the phenomenon being examined;
- (5) it must take into account, to the extent possible, the interests of all the sides involved in the said phenomenon.

However, researchers often fail to observe the above-listed requirements. For example, in order to assess the efficiency and performance of the state power and local self-government systems, the following set of criteria is offered<sup>21</sup>:

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<sup>19</sup> A.G. Sarkisants, *Sistema mezhdunarodnykh dolgov*, OOO DeKA, Moscow, 1999, 720 pp.

<sup>20</sup> B.A. Binkin, V.I. Cherniak, *Effektivnost upravleniia: nauka i praktika*, Nauka Publishers, Moscow, 1982, 144 pp., illust.

<sup>21</sup> See: A. Khokhlov, “Ratsionalnost i effektivnost gosudarstvennogo upravleniia,” in: *Sotsialnoe razvitie regiona: sostoianie, problemy, perspektivy*, Collection of papers from the International Conference of Young Scientists on the Latest Changes and Urgent Problems in the Territorial Development of Contemporary Russia and the CIS Countries, ORAGS, Orel, 2006, pp. 3-6.

- (1) degree of goal orientation;
- (2) amount of time spent on solving managerial issues and performing managerial activity;
- (3) way in which the state management system operates;
- (4) degree of organizational complexity of the state management entity, its sub-systems and components;
- (5) total (aggregate) outlays on maintaining and ensuring the operation of the state management system.

However, a few flaws should also be noted:

- First, these criteria cannot be measured (apart from maybe No. 5).
- Second, there are no precisely formulated goals regarding the functional efficiency of two (not one, as is indicated) systems, i.e. state power and local self-government, and, consequently, the dependence between them and the offered criteria.
- Third, the criteria (particular Nos. 3 and 4) are not clearly defined.
- Fourth, the criteria take into account the interests of only one of the systems. The interests of society, for which these systems have been created, are totally ignored.

Sometimes as many as 100 criteria (!) are offered for assessing the efficiency of investment projects<sup>22</sup>; such absurdities are reminiscent of the actions of the swan, the pike, and the crab in the well-known fable by Ivan Krylov.

A criteria system should consist of the necessary minimum but sufficient number of items, otherwise their possible variance could reduce the system to chaos.

At present, the following system of criteria is used to evaluate and analyze the external debt position of countries<sup>23</sup>:

$K_1$  = Gross external debt (GED)/GDP with a maximum (threshold, critical) value of 50%;

$K_2$  = GED/export earnings (EE) with a maximum value of 275%;

$K_3$  = GED/EE service expenses with a maximum value of 30%;

$K_4$  = GED/EE interest payment expenses with a maximum value of 20%.

In terms of financial resource deficit, all countries can be divided into three groups:

- (1) *countries with an extreme (high) debt* (when the values of three of the four criteria listed above exceed 100 percent or more of their maximum values);
- (2) *countries with a moderate (average) debt* (when the values of three of the four criteria amount to 60-100% of their maximum values);
- (3) *countries with a low (small) debt* (when the values of three of the four criteria do not exceed 60% of their maximum values).

Nevertheless, this system of criteria for evaluating and analyzing the external debt stock of countries has a serious drawback. Export earnings (EE) are taken into account in the denominator of three of the four criteria, and the higher this index, the lower the values of  $K_2$ ,  $K_3$ , and  $K_4$  will be; this gives countries a more favorable external debt position than is actually the case.

*However, the export commodity structure must also be taken into account, which in Tajikistan, for example, continues to primarily comprise raw materials (cotton fiber and tobacco) with a preva-*

<sup>22</sup> See: *Project Questionnaire. Project Risk. User Guide*, Pro-Invest Consulting, Moscow, 1995, 81 pp.

<sup>23</sup> See: A.G. Sarkisants, op. cit.

lence of products with a low processing level (primary aluminum); for example, between 2003 and 2008, the average percentage of raw and other materials in the total volume of the countries' EE amounted to almost 85%, whereby machinery and equipment accounted for less than 2%.<sup>24</sup>

It should be noted that an imperfect export commodity structure is not only characteristic of Tajikistan, but also of almost all the Central Asian countries. For example, according to the year-end results of 2010, the EE of oil and metals from Kazakhstan amounted to \$70 billion, which is equal to almost 47% of the country's GDP (\$150 billion).<sup>25</sup>

Table 1 shows that in 2009, compared to 2007, EE in Tajikistan decreased by \$457.9 million (or by 31.2%), and compared to 2008, by \$396.0 million (or 28.2%). The reason for this in particular is the decrease in external demand and drop in world prices for primary aluminum; in 2005-2010, its percentage in EE decreased from 75.0% in 2006 to 58.3% in 2009.

At the same time, the share of hydroelectric power, in which Tajikistan is very rich and the export of which is extremely profitable in the spring and summer months, amounted to 6.3% in EE in 2009 and to only 0.3% in 2010.

In 2009, the production volume of primary aluminum in Tajikistan amounted to 360,000 tons, which was almost 40,000 tons (or 9%) less than in 2008. Compared with 2008 (393,400 tons totaling \$1 billion 13 million), in 2009, its export volume (348,700 tons totaling \$589.5 million) decreased by 44,700 tons, or by \$423.5 million (see Table 1).

Table 1

**Export Commodity Structure and Average Prices  
for Tajikistan's Main Export Commodities in 2005-2010**

Indices	Years					
	2005	2006	2007	2008	2009	2010
Export volume of primary aluminum, in tons	375,344	408,862	411,157	393,405	348,691	337,964
Export volume of cotton fiber, in tons	132,883	120,405	119,965	83,592	86,648	95,320
Total EE	908.717*	1,399.023	1,468.170	1,406.350	1,010.320	1,195.238
	100.0	100.0	100.0	100.0	100.0	100.0
EE from primary aluminum	563.016	1,049.510	1,082.983	1,012.992	589.463	736.560
	62.0	75.0	73.7	72.1	58.3	61.1
EE from cotton fiber	143.912	128.667	137.845	108.218	99.683	200.105
	15.8	9.2	9.4	7.7	9.9	16.7

<sup>24</sup> See: *Vneshneekonomicheskaja deiatelnost RT*, Statistics Collection, Goskomstat, Dushanbe, 2009.

<sup>25</sup> See: P. Svoik, "Dvadtsatiletie natsionalnogo suvereniteta dlia ekonomiki Kazakhstana: itogi i riski," *Tsentralnaia Azia v fokuse*, Information and Analytical Bulletin, No. 1, 2011, pp. 25-26.

Table 1 (continued)

Indices	Years					
	2005	2006	2007	2008	2009	2010
EE from hydroelectric power	52.555	49.015	59.619	59.748	63.475	3.442
	5.8	3.5	4.1	4.2	6.3	0.3
EE from other commodities	149.234	171.831	187.724	225.392	257.700	256.131
	16.4	12.3	12.8	16.0	25.5	21.4
Average export price of 1 ton of primary aluminum, \$	1,500	2,567	2,634	2,575	1,691	2,179
Change rate (+ increase, –decrease) in average export price of 1 ton of primary aluminum, %	—	71.1	2.6	–2.2	–34.3	28.9
Average export price of 1 ton of cotton fiber, \$	1,083	1,069	1,149	1,295	1,150	2,099
Change rate in average export price of 1 ton of primary aluminum, %	—	–1.3	7.5	12.7	–11.2	82.5
* EE is given in \$m in the numerator, and the share in % in the denominator.						
Source: The table was compiled based on data borrowed from the statistics collection <i>Vneshneekonomicheskaja deiatelnost RT</i> , State Statistics Board, Dushanbe, 2009.						

So in 2009, 96.9% of primary aluminum was exported, while only 11,300 tons, or 3.1% of its total production volume, was used within the country. By way of reference, we will note that high value added products, which high-quality rolled stock, foil, and molded articles, etc. can be qualified as, are sold in the world market at prices 2-4 times higher than primary aluminum.<sup>26</sup>

“One ton of primary aluminum that is not exported but used for manufacturing rolled metal increases the value added by \$600 (italics mine.—M.H.).

<sup>26</sup> See: *Bank Statistics Bulletin*, No. 3 (188), 2011.

“Exporting finished aluminum products instead of primary metal increases foreign exchange receipts into the republic manifold; furthermore, additional jobs are created for the unemployed workforce. This alleviates the unemployment problems, which is extremely important for Tajikistan.”<sup>27</sup>

“There is a 10-12-fold price difference between cotton fiber and the cotton fabric made from it (based on 1 kg of fiber). If 40% of the cotton fiber produced is processed into yarn and fabric, the gross earnings from selling cotton products will increase approximately 2.1-fold... (italics mine.—M.H.).”<sup>28</sup>

Whereas the average price of one ton of primary aluminum in the world market amounted to \$2,575 in 2008, in 2009 it was equal to \$1,691, that is, *in one year*, this index had dropped by \$884, or 34.3%. The same essentially applies to cotton fiber, the average world price of which was \$1,150 per ton in 2009, compared to \$1,295 in 2008. So *in one year* the price of cotton fiber dropped by \$145, or by almost 11.2% (see Table 1).

When summing up the above, it should be noted that *in one year*, in terms of primary aluminum and cotton fiber alone, *EE* decreased by \$442 million,<sup>29</sup> or by 38.5%.

*In the fall of 2009*, the average world prices for these main export commodities of Tajikistan began to rise; compared with *the beginning of the year*, they increased from 7 to 12%.<sup>30</sup> In the last 6 months of 2009 and the beginning of 2010, the price of one ton of primary aluminum increased from \$1,600 to \$2,400, and of cotton fiber—from \$800 to \$1,600.<sup>31</sup> On the whole, the world price for cotton fiber *rose in 2010* compared to 2009 by 82.5% and was equal to \$2,099 (on average) and for primary aluminum—by 28.9%, amounting to \$2,179 (see Table 1).

It should be noted that Tajikistan’s production capacities could process up to 64,000 tons of raw cotton. But in 2010, only 10.4% of raw cotton (a little more than 30,000 tons) was sold in the internal market, whereby the total volume produced in the republic topped 300,000 tons.<sup>32</sup>

Keeping in mind the imperfect export commodity structure in the Central Asian countries, it would not be expedient to strictly peg the system of criteria for evaluating and analyzing their external debt position to *EE*. Therefore, we are offering a system that supplements the present one and makes it possible to carry out a more reliable evaluation and analysis using the criteria below:

$$K_1 = \text{GED/GDP, \%};$$

$$K_2 = \text{GED/EE, \%};$$

$$K_3^1 = \text{ED per capita/income per capita, \%};$$

$$K_4^1 = \text{amount of official international reserves/GED, \%}.$$

The need for  $K_3^1$  is dictated by the fact that the external debt per capita index gives a better idea of the country’s foreign economic dependence than its absolute value.<sup>33</sup> In order to adhere to the comparability stipulations for the countries being analyzed, the average per capita value of the external debt must be correlated with per capita income.

As for  $K_4^1$ , it should be noted that the ratio of official international reserves to the external debt is one of the criteria for evaluating and analyzing the external debt position of countries, for one of the functions of the former is servicing international payments and, primarily, the state external debt.

“The 1982 debt crisis, when many developing countries declared their inability to perform their external debt obligations (as a result of which the crisis, comparable in its severity to the Great De-

<sup>27</sup> *Biznes i politika*, No. 16 (484), 2002.

<sup>28</sup> *Biznes i politika*, Nos. 1, 2 (510, 511), 2002.

<sup>29</sup> See: *Vremia—dengi*, No. 24 (024), 2001.

<sup>30</sup> See: *Asia-Plus*, No. 1 (520), 2010.

<sup>31</sup> See: *Asia-Plus*, No. 4 (523), 2010.

<sup>32</sup> See: News Agency Asia Plus, 26 January, 2011.

<sup>33</sup> See: S. Fischer, R. Dornbusch, R. Schmalensee, *Economics*, Second edition, McGraw-Hill, Inc., New York, 1988.



pression of the 1930s, developed), made it necessary to correlate official reserves with the country's external debt. This function is less important for developed economies with a free capital market, but it plays a significant role for developing countries with a low credit rating, which limits such access and leads to value appreciation of borrowed funds."<sup>34</sup>

International reserves determine ... whether a country can use its own reserves (or part of them) to settle its external debt.<sup>35</sup>

### 3. External Debt Position of the Central Asian Countries

If the *GED index for 1997*, calculated using the chaining method, is taken as 100.0% (see Table 2), its value in the CA countries (with the exception of Turkmenistan) changed as follows:

Table 2

External Debt Position of the Central Asian Countries in 1997-2009

Year	Criteria and Indices									
	GED, \$m	GED Index, %*	Rate of Change in GED Compared with Previous Years, %*	K <sub>1</sub> , %	K <sub>2</sub> , %	K <sub>3</sub> , %	Share of Soft Loans in GED, %	Share of Multilateral Loans in GED, %	Unit Volume of ED Per Capita, \$**	Unit Volume of ED Per Capita/GDP Per Capita, unit fraction**
1	2	3	4	5	6	7	8	9	10	11
<b>Kazakhstan</b>										
1997	4,078	100.0	—	19	52	6	4	20	263	0.24
1998	6,084	149.2	49.2	28	89	14	4	20	399	0.37
1999	6,122	150.1	0.6	38	87	19	6	24	409	0.37
2000	12,433	304.9	103.1	73	118	32	3	12	299	0.24
2001	14,887	365.1	19.7	71	142	32	3	10	300	0.21
2002	17,981	440.9	20.8	77	151	35	3	9	316	0.21
2003	22,767	558.3	26.6	78	149	35	3	8	394	0.24

<sup>34</sup> T. Zolotukhina, "K voprosu ob opredelenii urovnia dostatochnosti ofitsialnykh zolotovaliutnykh rezervov," *Voprosy ekonomiki*, No. 3, 2002.

<sup>35</sup> See: S. Fischer, R. Dornbusch, R. Schmalensee, op. cit.

Table 2 (continued)

1	2	3	4	5	6	7	8	9	10	11
2004	32,812	804.6	44.1	81	142	38	3	5	516	0.28
2005	43,354	1,063.1	32.1	84	139	42	2	2	427	0.22
2006	74,148	1,818.2	71.0	92	—	34	—	—	562	0.26
2007	96,133	2,357.4	29.7	92	—	50	—	—	551	0.24
2008	108,130	26,651.5	12.5	82	—	42	—	—	680	0.29
2009	113,229	2,776.6	4.7	95	—	80	—	—	882	0.37
<b>Kyrgyzstan</b>										
1997	1,341	100.0	—	79	196	11	35	29	288	1.11
1998	1,505	112.2	12.2	96	246	19	42	36	318	1.22
1999	1,736	129.5	15.3	148	322	20	46	38	361	1.35
2000	1,827	136.2	5.2	142	309	29	48	40	375	1.34
2001	1,717	128.0	-0.6	118	296	31	57	45	349	1.20
2002	1,851	138.0	7.8	120	274	19	63	48	373	1.29
2003	2,024	150.9	9.3	109	246	20	68	50	504	1.65
2004	2,107	157.1	4.1	99	186	14	74	54	415	1.28
2005	2,032	151.5	-3.5	86	160	10	81	54	396	1.23
2006	2,382	177.6	17.2	85	—	6	—	—	459	1.40
2007	2,401	179.0	0.8	64	—	7	—	—	458	1.30
2008	3,194	238.2	33.0	72	—	12	—	—	604	1.59
2009	4,002	298.4	25.3	63	—	14	—	—	748	1.94
<b>Tajikistan</b>										
1997	1,065	100.0	—	93	138	6	52	5	185	1.52
1998	1,243	116.7	16.7	98	193	14	50	8	212	1.67
1999	1,275	119.7	2.6	124	183	11	52	12	212	1.63
2000	1,034	97.1	-18.9	110	129	8	65	18	169	1.22
2001	1,058	99.3	2.3	103	151	12	71	25	169	1.11
2002	1,142	107.2	7.9	97	135	11	69	27	179	1.09
2003	1,152	108.2	0.9	79	101	7	75	34	177	0.99
2004	910	85.4	-21.0	46	62	7	79	55	137	0.70

Table 2 (continued)

1	2	3	4	5	6	7	8	9	10	11
2005	1,022	95.9	12.3	46	59	5	73	51	151	0.73
2006	1,154	108.4	12.9	41	—	5	—	—	167	0.77
2007	1,120	105.2	-2.9	31	—	2	—	—	159	0.69
2008	1,371	128.7	22.4	27	—	7	—	—	190	0.78
2009	1,691	158.8	23.3	36	—	12	—	—	229	0.92
<b>Uzbekistan</b>										
1997	2,858	100.0	—	20	72	13	10	7	122	0.24
1998	3,315	115.9	16.0	22	97	10	14	8	139	0.26
1999	4,882	170.8	47.3	29	156	18	17	8	202	0.37
2000	4,634	162.1	-5.1	34	135	26	30	10	189	0.34
2001	4,877	170.6	5.2	44	150	27	30	11	197	0.34
2002	4,798	167.9	-1.6	50	157	25	33	12	401	0.32
2003	4,921	172.2	2.6	49	132	21	34	13	191	0.32
2004	4,833	169.1	-1.9	40	—	—	36	15	194	0.29
2005	4,226	147.9	-12.6	30	—	—	38	19	188	0.24
2006	3,892	136.2	-7.9	23	—	—	—	—	162	0.20
2007	3,871	135.4	-0.54	17	—	—	—	—	148	0.19
2008	3,983	139.4	2.9	13	—	—	—	—	147	0.18
2009	4,109	143.8	3.2	13	—	—	—	—	149	0.17
<p>* Calculated by the author on the basis of the data in the second column of this table.  ** Calculated by the author on the basis of reports on Tajikistan's external debt for 2008-2010 and the TransMONEE 2011 Data Base prepared by the regional UNICEF office for the Central Eastern Europe/CIS countries.</p>										
<p><i>Source:</i> Table compiled on the basis of reports on Tajikistan's external debt for 2008-2010 prepared by the Ministry of Finance of the Republic of Tajikistan.</p>										

- 1998—from 112.2% in *Kyrgyzstan* to 149.2% in *Kazakhstan*, with intermediate values of 115.9% in *Uzbekistan* and 116.7% in *Tajikistan*;
- 1999—from 119.7% in *Tajikistan* to 170.8% in *Uzbekistan*, with intermediate values of 129.5% in *Kyrgyzstan* and 150.1% in *Kazakhstan*;
- 2000—from 97.1% (i.e. that year GED decreased by 2.9% compared to 1997) in *Tajikistan* to 304.9% in *Kazakhstan*, with intermediate values of 136.2% in *Kyrgyzstan* and 162.1% in *Uzbekistan*;

- 2001—from 99.3% in *Tajikistan* to 365.1% in *Kazakhstan*, with intermediate values of 128.0% in *Kyrgyzstan* and 170.6% in *Uzbekistan*;
- 2002—from 107.2% in *Tajikistan* to 440.9% in *Kazakhstan*, with intermediate values of 138.0% in *Kyrgyzstan* and 167.9% in *Uzbekistan*;
- 2003—from 108.2% in *Tajikistan* to 558.3% in *Kazakhstan*, with intermediate values of 150.9% in *Kyrgyzstan* and 172.2% in *Uzbekistan*;
- 2004—from 85.4% in *Tajikistan* to 804.6% in *Kazakhstan*, with intermediate values of 157.1% in *Kyrgyzstan* and 169.1% in *Uzbekistan*.
- 2005—from 95.9% in *Tajikistan* to 1,063.1% in *Kazakhstan*, with intermediate values of 147.9% in *Uzbekistan* and 151.5% in *Kyrgyzstan*;
- 2006—from 108.4% in *Tajikistan* to 1,818.2% in *Kazakhstan* (i.e. compared to 1997, the GED of this country increased almost 18.2-fold), with intermediate values of 136.2% in *Uzbekistan* and 177.6% in *Kyrgyzstan*;
- 2007—from 105.2% in *Tajikistan* to 2,357.4% in *Kazakhstan* (i.e. compared to 1997, the GED of this country increased almost 23.4-fold), with intermediate values of 135.4% in *Uzbekistan* and 179% in *Kyrgyzstan*;
- 2008—from 128.7% in *Tajikistan* to 2,651.5% in *Kazakhstan* (i.e. compared to 1997, the GED of this country increased almost 26.5-fold), with intermediate values of 139.4% in *Uzbekistan* and 238.2% in *Kyrgyzstan*;
- 2009—from 143.8% in *Uzbekistan* to 2,776.6% in *Kazakhstan* (i.e. compared to 1997, the GED of this country increased almost 28.8-fold), with intermediate values of 158.8% in *Tajikistan* and 298.4% in *Kyrgyzstan*.

So in the 13 years between 1997 and 2009, in terms of GED index, Tajikistan occupied a *favorable position* among the Central Asian countries for 9 years (1999—2007), while for 10 years (1998, 2000—2009) an *unfavorable position* was observed in Kazakhstan.

In 1997-2009, the *GED rates* in the Central Asian countries had the following trends (see Table 2):

- in 1998 compared to 1997, the rates increased from 12.2% in *Kyrgyzstan* to 49.2% in *Kazakhstan*, with intermediate values of 15.9% in *Uzbekistan* and 16.7% in *Tajikistan*;
- in 1999 compared to 1998, there was an increase from 0.6% in *Kazakhstan* to 47.3% in *Uzbekistan*, with intermediate values of 2.6% in *Tajikistan* and 15.3% in *Kyrgyzstan*;
- in 2000 compared to 1999, there was a decrease of 18.9% in *Tajikistan* and 5.1% in *Uzbekistan* to an increase of 103.1% in *Kazakhstan*, with an intermediate value of 5.2% in *Kyrgyzstan*;
- in 2001 compared to 2000, there was a decrease of 0.6% in *Kyrgyzstan* to an increase of 2.3% in *Tajikistan* and 19.7% in *Kazakhstan*, with an intermediate value of 5.2% in *Uzbekistan*;
- in 2002 compared to 2001, there was a decrease of 1.6% in *Uzbekistan* to an increase of 7.8% in *Kyrgyzstan* and 20.8% in *Kazakhstan*, with an intermediate value of 7.9% in *Tajikistan*;
- in 2003 compared to 2002, there was an increase of 0.9% in *Tajikistan* to 26.6% in *Kazakhstan*, with an intermediate value of 2.6% in *Uzbekistan* to 9.3% in *Kyrgyzstan*;
- in 2004 compared to 2003, there was a decrease of 21.0% in *Tajikistan* and 1.9% in *Uzbekistan* to an increase of 4.1% in *Kyrgyzstan* and 44.1% in *Kazakhstan*;
- in 2005 compared to 2004, there was a decrease of 12.6% in *Uzbekistan* and 3.5% in *Kyrgyzstan* to an increase of 12.3% in *Tajikistan* and 32.1% in *Kazakhstan*;

- in 2006 compared to 2005, there was a decrease of 7.9% in Uzbekistan to an increase of 12.9% in Tajikistan and 71.0% in Kazakhstan, with an intermediate value of 17.2% in Kyrgyzstan;
- in 2007 compared to 2006, there was a decrease of 2.9% in Tajikistan and 0.5% in Uzbekistan to an increase of 0.8% in Kyrgyzstan and 29.7% in Kazakhstan;
- in 2008 compared to 2007, there was an increase of 2.9% in Uzbekistan to 33.0% in Kyrgyzstan, with an intermediate value of 22.4% in Tajikistan;
- in 2009 compared to 2008, there was an increase of 3.2% in Uzbekistan to 25.3% in Kyrgyzstan, with an intermediate value of 4.7% in Kazakhstan and 23.3% in Tajikistan.

So in the 13 years being analyzed, there was a decrease in GED rates in the Central Asian countries: for 6 years (2000, 2002, 2004-2007) in Uzbekistan, with values from 12.6% to 0.5%; for 3 years (2000, 2004, and 2007) in Tajikistan, changing from 21.0% in 2004 to 2.9% in 2007; and for 2 years in Kyrgyzstan, with intermediate values of 3.5% in 2005 and 0.6% in 2001.

Unfortunately, GED increased all these years in Kazakhstan, changing from 0.6% in 1999 to 103.1% in 2000, for 10 years in Kyrgyzstan, with values ranging from 4.1% in 2004 to 33.0% in 2009, for 9 years in Tajikistan, changing from 0.9% in 2003 to 23.3% in 2009, and for 6 years in Uzbekistan, with intermediate values of 2.6% in 2003 and 47.3% in 1999.

Table 2 shows that during the 13 years being examined,  $K_1$  exceeded its maximum value (50%) in the following countries:

- in all 13 years in Kyrgyzstan, with values ranging from 63% in 2009 to 148% in 1999;
- for 10 years (2000-2009) in Kazakhstan, with intermediate values of 71% in 2001 and 95% in 2009;
- for 7 years (1997-2003) in Tajikistan, changing from 79% in 2003 to 124% in 1999.

In Uzbekistan,  $K_1$  was only equal to its maximum value in 2002.

So in the period being analyzed, Uzbekistan had the best position in terms of  $K_1$ , and Kyrgyzstan the worst.

As Table 2 shows,  $K_2$  exceeded its maximum value (275%) only in Kyrgyzstan: 309% in 2000 and 322% in 1999. In terms of this criterion, the position of the Central Asian countries being examined can be evaluated as follows:

- best in Kazakhstan and Uzbekistan;
- average in Tajikistan;
- unfavorable (worst) in Kyrgyzstan.

Table 2 shows that  $K_3$  exceeded its maximum value (30%) in the following countries:

- in Kazakhstan for 8 (2000-2007) of the 11 years under review, with values ranging from 32% in 2001 to 50% in 2007;
- in Kyrgyzstan only once—in 2001 and only by 1%.

Uzbekistan and particularly Tajikistan held a favorable position.

I would like to clarify that Tajikistan's indices for  $K_2$  and  $K_3$  should not be considered an achievement, since, as noted above, this was associated with the imperfect method for calculating the values of these criteria.

In 1997-2005, the share of soft loans in GED (see Table 2) of the Central Asian countries changed as follows:

- from 2% in 2005 to 6% in 1999 in Kazakhstan;
- from 10% in 1997 to 38% in 2005 in Uzbekistan;

- from 35% in 1997 to 81% in 2005 in *Kyrgyzstan*;
- from 50% in 1998 and 79% in 2004 in *Tajikistan*.

It should be noted that there is no criterion for unequivocally evaluating the external debt position of countries in terms of share of soft loans in GED. Nevertheless, the above analysis makes it possible to draw the following conclusion (although it is open to dispute): *the better the country's systemic position (macroeconomic, financial, and social), the lower the share of soft loans in its GED, and vice versa*. The thing is that lenders (particularly multilateral) offer loans based to a certain extent on humane considerations.

So, *the low share of soft loans in the GED of Kazakhstan and Uzbekistan* indirectly shows the relatively *better systemic position of these countries*, while *the high share in Tajikistan and Kyrgyzstan* indicates *an unfavorable position*.

As is known, the external debt can be bilateral and multilateral. In the former case, the recipient country owes another country or its economic entity (bank, company, and so on), i.e., lenders, money. In the latter case, international (the World Bank, IMF) and regional (Asian and Islamic Development Banks, EBRD, European Investment Bank, and Eurasian Bank) financial and economic organizations act as lenders.

Debt is always considered a burden, but according to the principle of “choosing the lesser of two evils,” *a multilateral debt is preferable to a bilateral debt*, since “the strategy of granting loans to a particular country both from governments and international organizations and from commercial structures has always been primarily determined first by political, then by economic, and only then by humane considerations... Confirmation of the political inclination of the IMF's actions, as of other institutions too, is the fact that after the collapse of the Soviet Union, the three Baltic states—Estonia, Latvia, and Lithuania—were the first (apart from Russia) to receive loans. For the first two years, their total amount was more than the aggregate of similar loans issued to Belarus, Moldova, Kazakhstan, and Kyrgyzstan, which in terms of most indices require external infusions more than others. Of course, we can say that the internal fiscal policy of the Baltic states was most conducive to the IMF demands. But there can be no doubt that the possibility of creating a buffer in the northeast of Russia was the main motive stimulating rapid organization of financial support from the IMF.”<sup>36</sup>

“Informal groups of creditors, such as the Paris and London clubs, also have political overtones... There have been instances in the practice of these clubs when the insufficiency of critical macroeconomic criteria, which makes it impossible to directly reconsider external debt amounts, was covered by political decisions. This happened, for example, in May 1990 with Costa Rica, the successful completion of talks on reduction of the external debt with which was predetermined by the U.S.'s geopolitical interest. In 1994, a large part of Poland's debt was written off keeping in mind its important strategic position in Eastern Europe... Writing off Egypt's debt the same year was initiated by the peace with Israel.”<sup>37</sup>

Well-known Russian economist A. Shokhin thinks that “...for us debts are a political problem and the conditions should be political.”<sup>38</sup> And although this statement applies to Russia, it is nevertheless very apt for the Central Asian countries too.

Keeping in mind the above, we suggest accepting the following principle: *the higher the share of multilateral loans in the GED and, consequently, the lower the share of bilateral debts of the recipient country, the better, and vice versa*.

*The share of multilateral loans in the GED of the Central Asian countries (see Table 2) for 1997-2005 was as follows:*

<sup>36</sup> A.G. Sarkisants, op. cit.

<sup>37</sup> Ibidem.

<sup>38</sup> Quoted from: V. Kudrov, “Rossiyskaia ekonomika na novykh putiakh,” *Voprosy ekonomiki*, No. 2, 2002.



- an increase from 29% in 1997 to 54% in 2004-2005 in *Kyrgyzstan*;
- an increase from 5% in 1997 to 55% in 2004 in *Tajikistan*;
- an increase from 7% in 1997 to 19% in 2005 in *Uzbekistan*;
- a decrease from 24% in 1999 to 2% in 2005 in *Kazakhstan*.

Keeping in mind the above-mentioned principle, the conclusion can be drawn that *Kyrgyzstan*, and to a certain extent *Tajikistan*, is in *the best position* in terms of this index, *Kazakhstan* has *an average position*, and *Uzbekistan* is in *an unfavorable position*.

It should be noted that the indices of the share of external debt per capita we calculated on the basis of sources<sup>39</sup> and presented in Table 2 are ambiguous. According to other sources, their values for individual countries differ greatly from the first (see Table 3).

For example, according to *The Economist*, in 2007, *Kazakhstan's* external debt per capita amounted to almost \$551, while according to our calculations made on the basis of the above sources, it amounted to \$6,244. So there is an 11.3-fold difference between the indices obtained from two different sources.

Table 3\*

**Share of External Debt Per Capita of Kazakhstan and Uzbekistan according to *The Economist* in 2000-2011 (\$)**

Year	Kazakhstan	Uzbekistan
2000	299	122
2001	300	103
2002	316	148
2003	394	164
2004	516	159
2005	427	149
2006	562	138
2007	551	130
2008	680	103
2009	882	105
2010	1,189	110
2011	1,539	120

\* Here the figures are rounded off.

<sup>39</sup> See: *Report on the External Debt of Tajikistan for 2007*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2008, 26 pp.; *Report on the External Debt of Tajikistan for 2009*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2010, 28 pp.; *Report on the External Debt of Tajikistan for 2010*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2011, 26 pp.; TransMONEE Data Base, Regional UNICEF Office for Central and Southeast Europe/CIS Countries, 2011.

This difference reached *10.2-fold* in 2008; *8.7-fold* in 2006; *8.1-fold* in 2009; *6.7-fold* in 2005; *4.3-fold* in 2004; *3.9-fold* in 2003; *3.8-fold* in 2002; *3.3-fold* in 2001; and almost *2.8-fold* in 2000.

The same also goes for *Uzbekistan*, although there are slight deviations in its indices. Our calculations for this country are higher than those presented by *The Economist*: *1.9-fold* in 2001; almost *1.6-fold* in 2000; and *1.4-fold* in 2008-2009 (separately).

Keeping in mind that, first, *The Economist* only presented data for two of the five Central Asian countries (Kazakhstan and Uzbekistan) and, second, the ratio of external debt to GDP per capita is analyzed (the latter is presented in the TransMONEE Data Base<sup>40</sup>), our comments will be based on the data of Table 2.

The share of external debt per capita is not a criterion. So we will examine  $K_3^1$  as the next criterion (keeping in mind what was said above about the merits of the system of criteria for evaluating and analyzing the external debt position of countries), calculated as the ratio of external debt to per capita GDP.

Table 2 shows that  $K_3^1$  had the following tendencies toward change:

- in 1997, from 0.24 in *Kazakhstan* and *Uzbekistan* (separately) to 1.52 in *Tajikistan*. The external debt, which comprised from 13% of per capita GDP, was a very moderate burden for the State Banks of *Kazakhstan* and *Uzbekistan*. In turn, *Tajikistan's* index (up to 152%) was an extremely heavy burden and could pose a significant threat to its financial and economic security. The same year,  $K_3^1$  in *Kyrgyzstan* amounted to 1.11;
- in 1998, from 0.26 in *Uzbekistan* to 1.67 in *Tajikistan*, with intermediate values of 0.37 in *Kazakhstan* and 1.22 in *Kyrgyzstan*;
- in 1999, from 0.37 in *Kazakhstan* and *Uzbekistan* separately to 1.63 in *Tajikistan*, with an intermediate value of 1.35 in *Kyrgyzstan*;
- in 2000, from 0.34 in *Uzbekistan* to 1.34 in *Kyrgyzstan*, with intermediate values of 0.68 in *Kazakhstan* and 1.22 in *Tajikistan*;
- in 2001, from 0.34 in *Uzbekistan* to 1.20 in *Kyrgyzstan*, with intermediate values of 0.72 in *Kazakhstan* and 1.11 in *Tajikistan*;
- in 2002, from 0.32 in *Uzbekistan* to 1.29 in *Kyrgyzstan*, with intermediate values of 0.79 in *Kazakhstan* and 1.09 in *Tajikistan*;
- in 2003, from 0.32 in *Uzbekistan* to 1.65 in *Kyrgyzstan*, with intermediate values of 0.92 in *Kazakhstan* and 0.99 in *Tajikistan*;
- in 2004, from 0.29 in *Uzbekistan* to 1.28 in *Kyrgyzstan*, with intermediate values of 0.70 in *Tajikistan* and 1.21 in *Kazakhstan*;
- in 2005, from 0.24 in *Uzbekistan* to 1.45 in *Kazakhstan*, with intermediate values of 0.73 in *Tajikistan* and 1.23 in *Kyrgyzstan*;
- in 2006, from 0.20 in *Uzbekistan* to 2.25 in *Kazakhstan*, with intermediate values of 0.77 in *Tajikistan* and 1.40 in *Kyrgyzstan*;
- in 2007, from 0.19 in *Uzbekistan* to 2.68 in *Kazakhstan*, with intermediate values of 0.69 in *Tajikistan* and 1.30 in *Kyrgyzstan*;
- in 2008, from 0.18 in *Uzbekistan* to 2.92 in *Kazakhstan*, with intermediate values of 0.78 in *Tajikistan* and 1.59 in *Kyrgyzstan*;
- in 2009, from 0.17 in *Uzbekistan* to 3.02 in *Kazakhstan*, with intermediate values of 0.92 in *Tajikistan* and 1.94 in *Kyrgyzstan*.

<sup>40</sup> See: TransMONEE Data Base, Regional UNICEF Office for Central and Southeast Europe/CIS Countries, 2011.

So in the period being examined (13 years), *Uzbekistan* was in the most *favorable* position in terms of  $K_3^1$  for 11 years; *Kazakhstan* and *Kyrgyzstan* were in an *unfavorable* position for 5 years, and *Tajikistan* for 3 years.

## Conclusion

According to the results of the evaluation of the external debt position of the Central Asian countries over a thirteen-year period (1997-2009), the following conclusions can be drawn:

- (1) *the external debt burden* that arose as the result of counterproductive financial-economic and other activity *could infringe on the interests of future generations and cause a financial-economic crisis*;
- (2) *the Central Asian countries paid very little attention in the past to the problem of the external debt and ways to resolve it*;
- (3) *the existing system of criteria for evaluating the external debt position of countries is imperfect*; *EE* is taken into account in the denominator of three out of the four criteria, and the larger it is, the better the countries' position looks. In so doing, the commodity structure of *EE* is not taken into consideration, which for *Tajikistan*, for example, is primarily *raw materials* (cotton fiber) with a prevalence of products *with a low level of processing* (primary aluminum). So the author has offered an alternative system of criteria that allows for a reliable evaluation of the external debt position of the countries;
- (4) during the 13 years under review, *Tajikistan* occupied a preferable position in terms of GED index for 10 years, while *Kazakhstan* was in an *unfavorable* position for 11 years;
- (5) over the period under analysis, there was a decrease in GED rates in *Uzbekistan* for 6 years compared to previous years, in *Tajikistan* for 3 years, and in *Kyrgyzstan* for 2 years. Unfortunately, there was an increase in GED in all 13 years in *Kazakhstan*, for 10 years in *Kyrgyzstan*, for 9 years in *Tajikistan*, and for 6 years in *Uzbekistan*;
- (6) throughout all 13 years,  $K_1$  exceeded its maximum value in *Kyrgyzstan*, for 10 years in *Kazakhstan*, for 7 years in *Tajikistan*, and only in 2002 in *Uzbekistan*. So in terms of this criterion, *Uzbekistan* occupied a *preferable* position, *Tajikistan* an *average* position, and *Kyrgyzstan* the *worst* position;
- (7) *Kazakhstan*, *Uzbekistan*, and *Tajikistan* held an *average* position in terms of  $K_2$ . However, the *average* position of *Tajikistan* and most likely of the other countries examined should not be considered *encouraging*, since the *imperfect method for calculating the values of this criterion* should be kept in mind;
- (8) for 10 of the 13 years under review,  $K_3$  exceeded its maximum value in *Kazakhstan*, and only in 2001 in *Kyrgyzstan*;
- (9) *the higher the share of multilateral loans in GED and, consequently, the lower the share of bilateral loans of the recipient country, the better, and vice versa*. According to this conclusion, *Kyrgyzstan* is in the *best* position, and *Tajikistan*, *Kazakhstan*, and *Uzbekistan* hold an *average* position;
- (10) for 2 of the 13 years, *Uzbekistan* occupied a *preferable* position with respect to  $K_3^1$ , for 5 years, *Kazakhstan* and *Kyrgyzstan* were in an *unfavorable* position, and for 3 years, *Tajikistan* was also in an *unfavorable* position.

Keeping in mind the above conclusion, the comparative external debt position of the Central Asian countries is presented in Table 4.

Table 4

Comparative External Debt Position of the Central Asian Countries

Countries	Criteria and Indices						
	GED Index	GED Change Rate	$K_1$	$K_2$	$K_3$	Share of Multilateral and Bilateral Debts	$K_3^1$
Kazakhstan	Unfavorable	Unfavorable	Unfavorable	Average	Unfavorable	Average	Unfavorable
Kyrgyzstan	Average	Average	Unfavorable	Unfavorable	Lower than average	Preferable	Unfavorable
Tajikistan	Preferable	Higher than average	Lower than average	Average	Average	Average	Unfavorable
Uzbekistan	Average	Preferable	Higher than average	Average	Average	Average	Higher than average

So the Central Asian countries ranked as follows in terms of their comparative debt position during the period under review:

- *first, Uzbekistan:* in terms of *GED rate*—preferable;  $K_1$  and  $K_3^1$ —higher than average; and in all the other indices—average;
- *second, Tajikistan:* in terms of *GED index*—preferable; *GED rate*—higher than average;  $K_2$ ,  $K_3$ , and *share of multilateral and bilateral debts*—average;  $K_1$ —lower than average; and  $K_3^1$ —unfavorable;
- *third, Kyrgyzstan:* in terms of *share of multilateral and bilateral debts*—preferable; *GED index and rate*—average;  $K_3$ —lower than average;  $K_1$ ,  $K_2$ , and  $K_3^1$ —unfavorable;
- *fourth, last, Kazakhstan:* in terms of  $K_2$  and *share of multilateral and bilateral debts*—average; and in all the other indices—unfavorable.