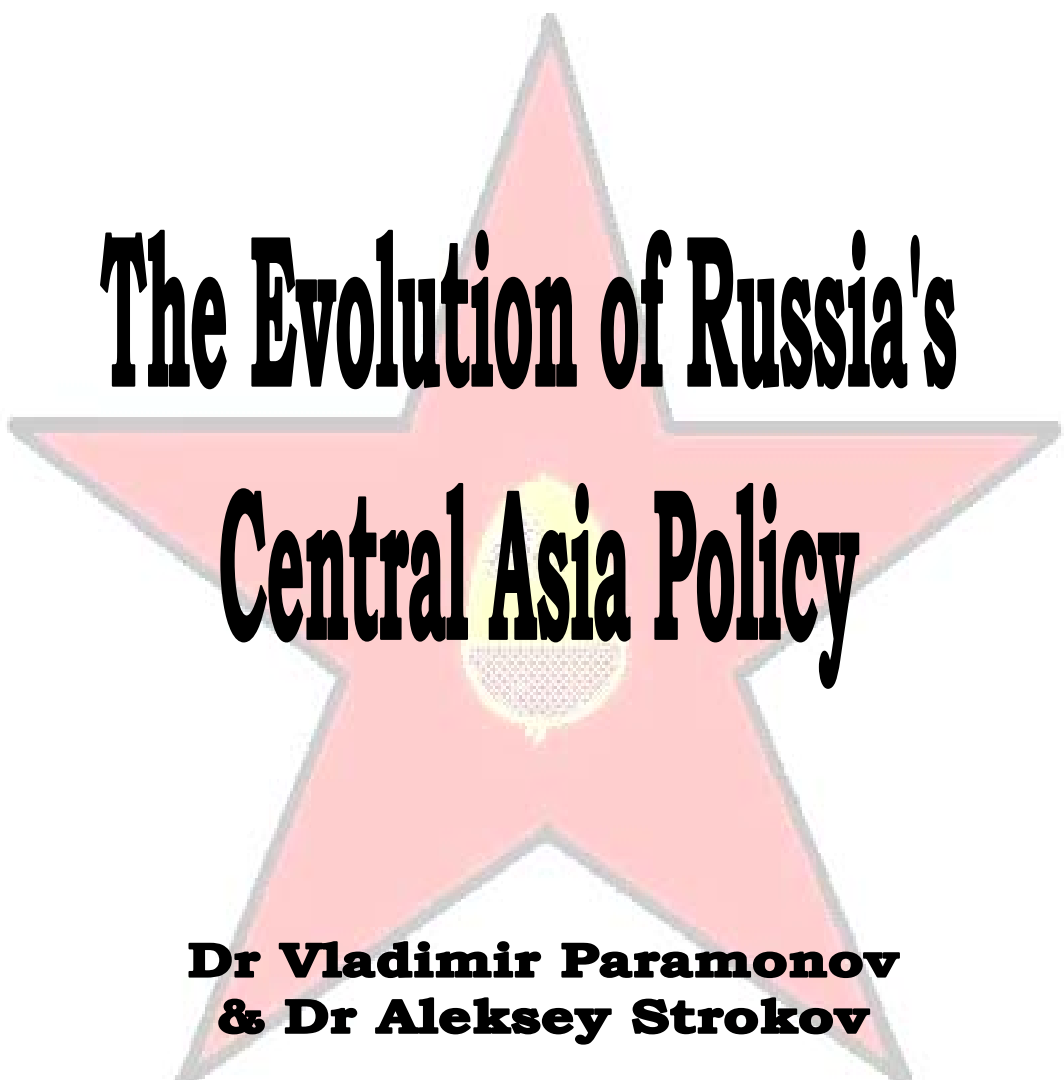


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The Evolution of Russia's Central Asia Policy

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Key Points

* In the post-Soviet period Russia has continually changed its policy towards Central Asia, which has ranged from almost total indifference in the early 1990s to close cooperation today, especially in regard to institutions and the oil and gas sectors. Nevertheless Moscow has not yet arrived at a coherent strategy for defining the position of the region with respect to Russia's national interests.

* At the beginning of the 1990s, Moscow regarded Central Asia as a sort of appendix, without which the process of reforming the Russian economy and aligning Russia with Western economic and military-political systems would proceed more easily and quickly. The policy at this stage was to free Russia from "the burden of the national republics".

* The indifferent attitude of the pro-Western Yeltsin government towards Central Asia was one of the main reasons why the states of the region began to lose faith in Russia and its policies and to make increasingly obvious attempts to re-align their international connections.

* From the mid 1990s, however, there were ever-increasing signs that Russia was trying to develop a fundamentally new foreign policy. The importance of the region in Russia's national priorities increased considerably when "multipolarity" became the main plank of Russian foreign policy in 1996.

* Russia planned to strengthen its position as a Eurasian great power in Central Asia mainly by improving cooperation in the defence and security sectors, and also by exploiting its monopoly in the transport sphere, particularly for the transit of Central Asian energy products to external markets.

* But the inconsistencies and contradictions in Russian policy actually exacerbated the lack of trust in Russia in the republics of the region. By 2000, when Yeltsin relinquished the presidency, the only tangible results of Russian policy in Central Asia were political support for the Russian military presence in Tajikistan, some cooperation with Kazakhstan and Turkmenistan in the export of hydrocarbons and various declarations about the need to develop closer cooperation.

* After the accession to power of Putin and his team in 2000 Moscow's foreign policy began to be more clearly focussed. The multiple declarations began to be matched by action for the first time. Yet the results of Russian foreign policy in Central Asia have not yet been an unambiguous success.

* On the one hand, Russia has succeeded in putting the brakes on the centrifugal tendencies of the region, in strengthening its own position and in overcoming the lack of trust. Clearly Moscow has now brought to its Central Asian policy more flexibility, pragmatism, stability and consistency. This has been made possible largely by its growing understanding of the strategic importance of the area and by the allocation of more funds for foreign policy purposes.

* On the other hand, Russia has still not been able to fill the geopolitical vacuum in the area, still less the geo-economic one. The impression is growing that it still understands the "strategic importance" of the region mainly in terms of its own revival as a "great power" and its desire to secure its own energy interests.

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The Evolution of Russia's Central Asia Policy

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Introduction

The period in Russian history which began with the disintegration of the Soviet Union will no doubt one day be described as a "Time of Troubles", like the one at the beginning of the 17th century, when the whole system of state power in Russia collapsed and Moscow's position in the world became much weaker. In the new, post-Soviet era, Russia is once again having trouble finding its place in a rapidly-changing world.

During the post-Soviet period, Russian policy in Central Asia¹ has undergone several changes, ranging from total indifference to the countries of the region, in the early 1990s, to the present-day level of cooperation with them, particularly in institutions and in the oil and gas sectors. Nevertheless the impression remains that Russia has still not been able arrive at a coherent strategy towards Central Asia, where the role of the region in the scheme of Russia's national interests is clearly defined.

To examine the variations in Russia's policy towards Central Asia, it is convenient to divide the post-Soviet period into three phases:

- the first phase covers the early 1990s, a time when Russia virtually ignored Central Asia while pursuing the illusory objective of trying to integrate itself with the West;
- the second phase was the end of the 1990s, when there was a radical re-think about its foreign policy going on in Russia, including its policy towards Central Asia;
- the third phase began in 2000, when Vladimir Putin and his team came to power in the Kremlin. In this period Moscow has made a more concerted effort to bring the region within its sphere of influence as a way of enhancing Russia's international status.

First stage (1992-1995)

When the Soviet Union collapsed, in December 1991, the new ruling elite, headed by Boris Yeltsin, proceeded to dismantle the political and economic legacy of the Soviet Union, thus destroying the foundations of the former Soviet state system. Right up until the middle of the 1990s, Yeltsin's Russia had no discernible policy towards the Central Asian region or to the post-Soviet space in general. The

Commonwealth of Independent States (CIS) which emerged in the wake of the Soviet Union was not seen by the Russian leadership as being an engine for integration, but rather as merely a mechanism for supervising the disintegration of the Union with the minimum of conflict and bringing about a kind of "civilised divorce".

The new Russian rulers were of strongly liberal ideological orientation. They regarded the West as being the yardstick of civilised values, and felt that Western interests, particularly those of the USA, were the same as their own long-term national interests. So the main, almost the only, thrust of Moscow's foreign policy at the beginning of the 1990s was to try to make the country an integral part of the European-Atlantic community.

The implementation of this strategy, which still influences many Russian politicians today, is associated with the actions of prime minister Yegor Gaidar (during 1992 and 1993) and foreign minister Andrei Kozyrev (from 1992 to 1996). Although Yegor Gaidar was replaced as prime minister in 1993 by Viktor Chernomyrdin, the former head of the Russian energy company "Gazprom", the Russian concept of foreign policy stayed the same. The arch-economic planner Chernomyrdin busied himself mainly with internal economic issues² and played virtually no part in developing foreign policy, except of course insofar as the interests of Gazprom were concerned.

Russia's policy in Central Asia

At the beginning of the 1990s, Moscow regarded Central Asia as a sort of appendix, without which the process of reforming the Russian economy and aligning Russia with Western economic and military-political systems would proceed more easily and quickly. The policy at this stage was to free Russia from "the burden of the national republics".

Security and military cooperation

This Russian indifference was clearly seen in the regional security area, as Yeltsin's Russia left the countries of Central Asia on the whole to their own devices to cope with the threats emanating from civil war-torn Afghanistan.

It is well-known that in 1992 Russia declared itself to be the legal successor of the Soviet Union, thereby assuming responsibility for the treaty obligations of the Soviet Union towards Afghanistan, of which the main one was expressed in the "Friendship, good neighbourliness and cooperation" treaty signed by the Soviet Union and Afghanistan in Moscow in 1978. Furthermore, Russia had taken on treaty obligations to the Central Asian countries, mainly via the "Collective security" treaty signed in Tashkent, the capital of Uzbekistan, in 1992.³ In spite of this and other obligations, Russia stopped giving any assistance to the government in Kabul. In effect the Yeltsin administration betrayed Afghanistan and turned away from the "Afghan problem", which was and is not only a regional but also a global problem resulting from Soviet-American confrontation at the time of the Cold War.

It is easy to see why, in these conditions, with practically no international support, the legal government of Afghanistan, headed by Mohammad Najibullah,⁴ was unable to control events in Afghanistan, although it lasted quite a long time, from the withdrawal of Soviet troops in 1989 until 1992. When the Najibullah government fell, in 1992, Afghanistan entered a new phase of civil war, the most intensive and destructive yet. This laid the foundations for Afghanistan's transformation into the "heroin factory" of the world and a base for international

terrorist organisations. It is possible that if the Yeltsin administration had not ignored these problems, the situation in Afghanistan would have developed in a much better way.

At the same time, in the early 1990s, Russia significantly reduced its levels of military cooperation with the countries of Central Asia. The much-trumpeted plans to create a collective security system in Central Asia (and in the CIS as a whole) came to very little in practice. The same situation applied in Russia's bilateral security arrangements with the countries of the region.

The one important exception to this, standing out from the general context of Russian policy at the time, was the activities of the Russian 201st Motor Rifle Division in Tajikistan and the Russian border troops in some of the countries of the region. It was largely due to the efforts of Russian forces in the early 1990s that the civil war in Tajikistan (1992-1996) did not result in the destabilisation of the whole Central Asian region.

On the whole, however, the Yeltsin administration tried to distance itself from events in Central Asia. Without the political will and support of the Kremlin, the Russian troops were left to the vagaries of fate, and the very presence of Russian troops in the region became less and less meaningful. Moscow was unable either to prevent the escalation of the internal conflict in Tajikistan, or the flow of drugs from Afghanistan, or the increasing military presence in the region of other countries. When, for example, at the end of 1994, NATO began its "Partnership for Peace" programme, Russia made no serious attempts to coordinate a united approach to the programme.

Economic aspects

At the same time as destroying the unified Central Asian defence and military zone which in practice still existed after the fall of the Soviet Union, Yeltsin's Russia did its best to destroy the unified economic zone as well. A notable example was Yegor Gaidar's policy of forcing the republics out of the rouble zone. After the disintegration of the Soviet Union, in 1992 and 1993, the Russian rouble had remained the standard currency in the countries of Central Asia. The Central Asian countries themselves remained extremely keen to preserve a unified trade and currency system with Russia. In 1993, however, Russia expelled the states of the region from the rouble zone, leaving them with no currency.⁵

Table 1. Trade between Russia and Central Asia, 1991-1995⁶

Year	Volume of trade, millions of US dollars	Russian exports to Central Asia, millions of US dollars	Russian imports from Central Asia, millions of US dollars	Russian trade balance, millions of US dollars
1991	59226	33785	25441	8344
1992	6360	5767	593	5174
1993	6750	4703	2047	2656
1994	6143	3771	2372	1399
1995	7679	4230	3449	781

The overall result of Gaidar's economic policy was the virtually complete destruction of the unified trading and currency system that had existed between the post-Soviet states until 1993. This in turn led to the destruction of the close economic links

between Russia and the Central Asian countries. In 1992-1993 the volume of trade between Russia and the countries of the region fell to about a tenth of what it had been in 1991 (from about 60 billion dollars to about 6.3 - 6.7 billion dollars), and in 1994-1995 it remained at the same low level (see table 1).

Institutional cooperation

With cooperation in defence and economic matters practically destroyed, Moscow's efforts to detach itself from the Central Asian countries (and the other post-Soviet countries) were replicated in their total lack of interest in developing cooperation between institutions. Due to the fact that Russia's main, and virtually only, foreign policy alignment was now Euro-Atlantic, the CIS was virtually only a paper organisation right from the start of its existence.

Furthermore, initiatives to develop new formats of cooperation between the post-Soviet states were not welcomed by the Kremlin. In 1994 Moscow ignored the attempt by the president of Kazakhstan, Nursultan Nazarbaev, to form a Eurasian Union, although this initiative might even in those days have given a boost to re-integration processes between Russia and the countries of the region, as well as the post-Soviet space as a whole.

Results of Russian policy

This indifferent attitude towards Central Asia was one of the main reasons why the states of the region began to lose faith in Russia and its policies and to make increasingly obvious attempts to re-align their international connections. This was not so much about the anti-Russian sentiments of the ruling elites, although these clearly existed in some states, as about doubts whether Russia could be relied on.

These sentiments, in conditions where destabilisation of the region was a real possibility, were reinforced by the difficulty of transforming the economic, political and social processes in the Central Asian countries, which suffered much more than Russia did from the breakdown of the economic links within the post-Soviet space.⁷

After the disintegration of the Soviet Union the small scale of the economies of the Central Asian countries and their weakness in the manufacturing sector were vividly displayed. This was largely due to the special place Central Asia⁸ had occupied in the economic system of the Soviet Union. In Soviet times the economic activity of the region was aimed mainly at satisfying the demand from other Soviet republics (mainly Russia) for raw materials, and to a lesser extent to the production of manufactured goods. A significant proportion (more than 75%, according to some estimates) of consumer and industrial goods in the region were supplied from other countries of the former Soviet Union, particularly Russia. Since for the Central Asian countries import costs within the Soviet Union were much higher than export costs (the cost of manufactured goods being higher than the cost of raw materials), the republics of the region received regular subsidies from the centre, which were vital for their social development.

Furthermore, the policy of division of labour practised in Soviet times, and the division of work on a territorial basis, had resulted in practically all the industrial enterprises in Central Asia being in a state of strong structural and technological inter-dependency with areas of Russia and with other post-Soviet states.

The collapse of the Soviet Union and the destruction of its system of economic control, and the cutting-off of the region from the Russian trade and currency system, caused the collapse of the close links which had previously existed between the states. Then the geographical isolation of the Central Asian states began to play a big part. Independent experts reckon that the "costs of transportation of goods from these landlocked countries are more than 50% higher than the costs of transporting goods from countries with coastlines".⁹

In these difficult conditions whole branches of industry proved to be non-viable, the economic situation deteriorated sharply and there were penalties in the social sphere. This amounted to a serious fall in the standard of living, particularly in the years immediately after independence, with consequences of a rise in social tension and mass emigration by well-qualified specialists.

In view of the chronic instability of Afghanistan, it would not be an exaggeration to say that at the beginning of the 1990s the states of the region were close to destabilisation, and in the case of Tajikistan there was actual civil war. If there had not been a breakdown of the formerly unified economic, defence and institutional zone, it is possible that the civil war in Tajikistan and many other unpleasantnesses could have been avoided.

Policies of the Central Asian countries

The Central Asian countries reacted indignantly to the Kremlin's "new foreign policy", seeing it as a kind of betrayal. This was a natural reaction to the actions of a fraternal country with which they had grown up within the family of a common state for more than 100 years: first the Russian Empire and then the Soviet Union. After Russia's hasty departure (one could even say "flight") from the area, the Central Asian countries were forced to form new international links (economic, political, military, etc.) to replace the old ones, which in Soviet times were primarily with Russia (the former RSFSR).

Economic aspects

Unlike the other post-Soviet states, the countries of Central Asia were keen to preserve a common trade and monetary system with Russia, with a common currency and close economic links. Uzbekistan was particularly insistent in negotiations with Russia about retaining the use of the Russian rouble on its territory.

In the end, however, all the countries of the region were obliged to introduce their own currencies and create new national economic systems practically from scratch. In the first few years of independence, the most pressing issues for the Central Asian states, apart from Tajikistan, were the choice of economic policy and the choice of external economic partners.

Kazakhstan and Kyrgyzstan, following Russia's example to a certain extent, banked on liberalising their economies as much as possible, attracting foreign (including Western) investment and speeding up the privatisation of their industrial enterprises, usually into foreign (mainly Western) hands. Kazakhstan was particularly active in this respect, selling off strategic assets (in essence, whole sectors of the economy) such as mining and metallurgical complexes and hydrocarbon deposits. The large chromium deposits in Kazakhstan, the only ones in the whole of the CIS, were sold to Japan,¹⁰ and a number of Western companies acquired a significant proportion of the hydrocarbon deposits on the Kazakhstan

part of the Caspian Sea shelf.¹¹ Kyrgyzstan, in its turn, sold its largest gold mine, "Kumtor", to the Canadian Cameco company. This has become the only stable industrial enterprise in the country, accounting for more than 40% of the value of Kyrgyzstan's exports.

In contrast, Uzbekistan and Turkmenistan, although also keen to attract foreign investment, refrained from over-hasty liberalisation of their economies and declined to sell off their strategic assets. These two countries retained government control over their economies and implemented more socially-oriented internal policies, giving more protection to socially vulnerable sections of the population. In particular, they continued to subsidise a number of essential goods. Turkmenistan actually provided its people with free gas, water and electricity.

Institutional cooperation

While they were developing new external economic links, the countries of the region also tried to improve their institutional cooperation, without Russian participation. In 1993 Uzbekistan and Kazakhstan signed an agreement on the "intensification of economic integration in the period 1994-2000", and in 1994 Kazakhstan, Uzbekistan and Kyrgyzstan signed an agreement on "the formation of a unified economic area".¹² Tajikistan joined this agreement in 1998.

Security and military cooperation

As Russia was weakened internally and showed little interest in developing cooperation with the countries of Central Asia in defence and security matters, the states of the region (apart from Tajikistan) placed a lot of stress on finding other partners. This was due largely to the fact that after the fall of the Soviet Union the Central Asian countries were very weak militarily and economically, and needed external guarantors of regional security and foreign assistance in building up their national armed forces.

As apart from Russia the only likely partners were member countries of NATO, the states of the region began to foster their relationships with the North Atlantic alliance. At the end of 1994, the Central Asian countries signed agreements with Brussels to adhere to the NATO "Partnership for Peace" programme.¹³ Soon after this, in 1995, Kazakhstan, Uzbekistan and Kyrgyzstan formed a joint Council of Defence Ministers, whose main function was to coordinate cooperation with NATO. The Central Asian battalion "Tsentrazbat" was formed by personnel from the three countries in the same year. This battalion carried out training within the framework of the "Partnership for Peace".

* * *

It would not be an exaggeration to say that in the early and mid-1990s the consequences of Russia's new foreign policy were catastrophic. The direct result of this failure was the creation of a geopolitical vacuum, not only in Central Asia, but in the whole of the post-Soviet area.

"Catastrophic" would be the quintessence of the feelings and the mood with which Russia approached the mid-1990s. These feelings deepened when it was realised that the ally and strategic partner, the yardstick by which all others were measured - i.e. the West - was totally unmoved by the enormous concessions Russia had made, almost unprecedented in Russia's history over more than 1000 years.

Firstly, Russia never did become part of the Euro-Atlantic community. The internal reforms in Russia were not conspicuously successful and did not result in a Russian "economic miracle". Furthermore, in playing the part of an acquiescent vassal of the West, Moscow lost its ability to have any serious influence on Western countries. At the same time, Russia lost a good deal of its international authority and its regional status. The result was, according to Russian experts, that "in the mid-1990s Russia was much more isolated and vulnerable than the Soviet Union had been".¹⁴

Secondly, by the mid-1990s Russia had in practice "lost" Central Asia, not only from the political point of view but also in defence and economic matters. Russia now had significantly less access to the vital raw material resources of the region,¹⁵ which in Soviet times had been one of the main pillars of the industrial might of the RSFSR, and by the mid-1990s had attracted the eager attention of other countries, especially Western countries.

Thirdly, in Central Asia itself, a feeling of alienation from Russia developed. The Yeltsin administration's policy of "getting rid of the burden of the national republics" provoked outbursts of anti-Russian feeling in the countries of the region, pushing them to act more decisively in throwing off the mantle of the "little brother".

In the mid-1990s, in an acknowledgement of the total failure of the Russian foreign policy strategy, a change of heart began to be apparent both among Russia's ruling elite and in Russian society as a whole. On the one hand, in policy-forming and academic circles in Russia, irritation grew at the policy of the West, which showed no sign of cooperating with Moscow's wish to integrate more closely with the Euro-Atlantic alliance. On the other hand, the Yeltsin administration was already being forced to face up to sharp criticism within Russia of its policies.

It is clear that under powerful pressure from the opposition and public opinion, the Yeltsin government was obliged to make substantial changes to both its internal policies and its foreign policy. Thus on 8 September 1995 at a press conference Boris Yeltsin declared his unhappiness with the work of the Russian foreign ministry, including its head. This was largely the reason for the retirement in January 1996 of the Foreign Minister Andrei Kozyrev and his replacement by Yevgeny Primakov.

Second stage (1996-1999)

From the middle of the 1990s there were ever-increasing signs that Russia was trying to develop a fundamentally new foreign policy in general and a new policy in respect of the post-Soviet space in particular. The importance of the region in Russia's system of national priorities increased considerably when the concept of "multipolarity" became the main plank of Russian foreign policy, as announced officially by the new Foreign Minister, Yevgeny Primakov, in 1996.

In contrast to the early 1990s, the main aim of Russia's foreign policy was publicly stated as being to become an independent centre of power, and the task of integrating with the Euro-Atlantic community was relegated to a secondary level (although it was not removed from the foreign policy agenda of the Yeltsin administration).

It is clear that it was Primakov himself, first as Foreign Minister (1996-1998) and then as Prime Minister (1998-1999) who set the tone and the direction of Russia's re-thinking of its role in a changing system of international relationships and at the same time of the importance of Central Asia and the whole of the post-Soviet space. Before his arrival at the top political positions, Primakov had had unique experience of government work as the head of the Foreign Intelligence Service. He was very sceptical about the prospects of Russia integrating with the West. Furthermore he believed that some Western countries were trying to exploit Russia's weakened influence in the world in general and in the post-Soviet area in particular. In one of his books he commented: "the leaders of a number of Western countries are actively working to prevent Russia from having a special role in stabilising the situation in the former Soviet republics and to hinder their rapprochement with Russia".¹⁶

Russia's policy in Central Asia

Pursuit of the "Primakov doctrine" required Russia to increase its "regional influence" (this was identified by Primakov as a high priority at a press conference soon after taking up his appointment as Foreign Minister).¹⁷ Russia began to see Central Asia in this light as it tried to strengthen its position as the regional Eurasian great power. Russia planned to achieve this aim mainly by improving cooperation in the defence sector and in questions of security, and also by exploiting its monopoly in the transport sphere, particularly for the transit of Central Asian energy products to external markets. Russia in its weakened and reduced circumstances did not really have other options. In view of the difficult economic and political situation in Russia at the time, this approach to cooperation was far more acceptable, affordable and achievable for Russia than developing full economic links would have been.

Security and military cooperation

During the later 1990s, Russia began to attach increasing importance to the stability and security of Central Asia. This was mainly due to the increasingly clear understanding in Russia that there was a threat to its own security from radical Islam. At the end of the 1990s Islamic radicals were virtually in full control of Afghanistan (after the defeat of the Northern Alliance in 1998) and of the Chechen Republic (after the withdrawal of Russian forces in 1996). In view of the increase of terrorist activity in Russia itself and the escalation of the conflict in the north Caucasus, Moscow became aware of the link between the destructive forces working inside Russia and those in Afghanistan and a number of countries in Central Asia.

Moscow's big success in the late 1990s was its resolution of the civil conflict in Tajikistan by diplomatic means and in cooperation with other interested countries (primarily Iran and Uzbekistan).

Economic aspects

In the late 1990s Russia continued to ignore the development of economic cooperation with the countries of Central Asia. The clearest evidence for this is the fact that in the second half of the 1990s the volume of trade between Russia and the Central Asian countries reduced even below the level it was at in the early 1990s. In the period 1996-1999 the trade turnover virtually halved, from 7.2 to 3.7 billion dollars (see table 2). And because of the shortage of hard currency in Russia and the countries of the region, in many cases the trade between them was carried out on the basis of barter.

Table 2. Trade between Russia and Central Asia, 1996-1999

Year	Trade turnover, millions of US dollars	Russia's exports to Central Asia, millions of US dollars	Russia's imports from Central Asia, millions of US dollars	Russia's trade balance, millions of US dollars
1996	7244	3920	3324	596
1997	6833	3402	3431	-29
1998	5411	3165	2246	919
1999	3695	1903	1792	111

So it would not be an exaggeration to say that the second half of the 1990s continued to see the process of fragmentation of the post-Soviet area which had started under the Gaidar government in 1992. The only difference was that there were some signs of a revival of cooperation in the oil and gas sectors. This cooperation was with Kazakhstan, on the transportation of oil from Kazakhstan to the foreign market, and with Turkmenistan on conveying Turkmen gas to Russia or via Russia to other countries. But these activities can hardly be considered as amounting to full economic relations.

In fact Russia often used this "cooperation" for its own political purposes, finding it to be a useful way to exert pressure on the countries concerned, as Russia had an absolute monopoly on the transit of Kazakh oil and Turkmen gas. So even this limited cooperation with Kazakhstan and Turkmenistan in the later 1990s was a mixed blessing.

On the one hand, Moscow demonstrated that it was keen to reserve the right to convey Central Asian hydrocarbon fuels across its own territory and oppose the construction of pipelines bypassing it. In this way it would strengthen its position in the region.¹⁸

On the other hand, Russia could often not resist the temptation to try to retain its monopoly position in the transiting of hydrocarbon fuels from Central Asia. This was obvious when Gazprom blocked the transit of natural gas from Turkmenistan, or when Ashgabat itself stopped exporting its gas. And there were occasions when Russia imposed limits on the quantity of gas it allowed to pass through its territory for export from Kazakhstan.

Institutional cooperation

The Yeltsin administration showed no more inclination to advance institutional cooperation with the countries of the region than it had at the beginning of the 1990s, confining its cooperative activities to the CIS framework. But by the end of the 1990s the CIS had become ineffective, and any relations Russia had with the Central Asian countries were on a purely bilateral basis.

Results of Russian policy

Russia's way of making grand declarations about its plans for Central Asia, which were never translated into practical actions, met with a cool reception in the Central Asian countries themselves. On the one hand, the inconsistencies and contradictions of Russian policy in the region could only undermine yet further the faith the Central Asian countries had in Russia, especially as the administration in Russia was still the same as the one that had made it clear quite recently that it

regarded the region as "useless". Furthermore, the Central Asian states were becoming increasingly aware of Russia's economic and even military weakness, as demonstrated in the failure of the first campaign in Chechnya (1995-6).

On the other hand, the Central Asian states were obliged at this time to concentrate on their own many internal problems, including the critical position of their industries after the loss of their traditional links, difficulties in the social sphere, the inflammatory activities of religious extremist organisations, etc.¹⁹ Because of these factors the Central Asian countries were sceptical about the prospects for cooperation with Russia. For this reason, and because of Russia's inconsistent and contradictory behaviour, Russia's Central Asian policy in the late 1990s was completely unproductive.

Policies of the Central Asian countries

The countries of the region, giving up on the idea of receiving any substantial assistance from Russia in their development, began to rely increasingly on their own resources and on the hope of working with various international organisations and foreign donors.

Economic aspects

As Russia did not want and in practice was not able to develop full economic relations with the countries of Central Asia, the states in the region began to try and achieve economic relations with other countries, mainly countries outside the former Soviet space. Precisely because of Russia's inconsistencies, as seen in its periodic attempts to dictate conditions for the export of hydrocarbon fuels and its low regard for the interests of the Central Asian countries themselves, Turkmenistan and Kazakhstan were pushed to take decisive action to diversify the export routes for their energy resources. It was in the late 1990s that both Turkmenistan and Kazakhstan turned definitively to a strategy of diversifying their international contacts in the oil and gas sectors as much as possible.

The authorities in Turkmenistan acted particularly decisively. In 1997 they commissioned the "Korpezhe - Kurt-Kui" gas pipeline,²⁰ for pumping natural gas to neighbouring Iran. At the same time, Ashgabat started lobbying for the construction of gas pipelines through Afghanistan to Pakistan and India, and under the Caspian Sea to the Caucasus and Turkey. Likewise in 1998 Kazakhstan started work on the technical and economic plans for an oil pipeline with its neighbour, China. Work also started on the possibility of supplying hydrocarbon fuels to the West.

Institutional cooperation

By the mid-1990s the CIS had fulfilled its original function of supervising a "civilised divorce" between the former Soviet republics. It did not, however, find a new role. The Central Asian countries, therefore, finally convinced that Russia had no wish to breathe new life into the CIS, began to seek institutional links at the international level.

By 1996 all the countries of the region, apart from Turkmenistan, had joined the Organisation for Security and Cooperation in Europe (OSCE). Soon after this, in 1998 Kyrgyzstan joined the World Trade Organisation (WTO). Although Moscow did not pay particular attention, this step marked an important change: henceforth the conditions of membership of the WTO would limit Bishkek's freedom to protect its

national economy from external competition and to participate in regional integration initiatives.

Then in 1999 Uzbekistan joined the "GUAM" organisation (an alliance between Georgia, Ukraine, Azerbaijan and Moldova), which became known as "GUUAM" when Uzbekistan joined it.²¹ This organisation, which has US political support, emerged as a sort of competitor to the CIS, or a "counter-CIS". It is clear why many western analysts believed that the members of the GUUAM were "trying to find a way of enhancing their political, economic and military prospects, to enable them to neutralise Russia's influence in the CIS to some extent".²²

Security and military cooperation

There were mixed reactions in Central Asia to Russia's policy on military cooperation. Tajikistan, for example, cooperated with Russia to the extent of agreeing to grant the Russian 201st Motor Rifle Division the status of a military base. This arrangement was not however put on a legal footing in the late 1990s.

At the same time the Yeltsin administration did substantial harm to its relations with Uzbekistan, where there was a strong reaction to Russia's virtual sabotage of the rapid intervention arrangements in the summer of 1998 (when the Taliban were approaching the border between Afghanistan and Uzbekistan). In 1999 Uzbekistan, along with Azerbaijan and Georgia, refused to extend the collective security treaty. This move was clearly not only a reaction to Russia's action or inaction, but also a form of insurance against Russia's inability to guarantee urgent military assistance in critical situations.

* * *

Thus in the late 1990s Russia found itself unable to strengthen its position in Central Asia and fill the so-called "geopolitical vacuum" which it had been largely responsible for creating. There were many reasons for Russia's foreign policy failure in Central Asia.

Firstly, there was no unanimity in Russian ruling circles on the key elements of a national long-term development strategy, including a foreign policy strategy. There was increasingly a feeling that in trying to strengthen its position in Central Asia, Russia's main goal was to recover its international status and the image of a "great power". Russia still did not understand the importance of the Central Asian region for its own long-term vital interests, particularly its economic interests.

Secondly, in the late 1990s, Russia's ability to achieve its foreign policy objectives was significantly limited by a number of other problems, such as its lack of financial resources (due to the low price of oil at the time), a serious economic crisis,²³ the absence or weakness of associated institutions and a sharp increase in internal problems (social problems, the war in Chechnya, etc.).

Thirdly, these factors were exacerbated by the difficult political situation inside Russia at that time, evidenced by the stream of resignations and appointments of prime ministers. In the period 1996-2000 there were five different prime ministers: Chernomyrdin (resigned 1998), Kirienko (1998), Primakov (1998-1999), Stepashin (1999) and finally Putin (1999-2000). So even if there was a gradually growing understanding of the importance of the post-Soviet area, including Central Asia, Russia's policy of strengthening its positions in the area was characterised by inconsistencies and contradictions right up until the end of the 1990s.

Largely for these reasons, Russia was chronically unable to surmount the barrier of alienation between itself and the countries of Central Asia (and the rest of the CIS) which had been raised in the earlier part of the decade. By 2000, when Boris Yeltsin relinquished the presidency, the only tangible results of Russian policy in Central Asia were political support for the Russian military presence in Tajikistan, some cooperation with Kazakhstan and Turkmenistan in the export of hydrocarbons and various declarations about the need to develop closer cooperation with each other.

Nonetheless, the later 1990s were a formative period in Russian history, in that it was during this period that Russia had a critical re-think of its internal and foreign policies, including its relations with Central Asia, and of its true place in the world. At the end of the 1990s there were few in the Kremlin administration who still cherished illusions about the chances of Russia integrating with the West.²⁴ At the same time, the significance of Central Asia and the rest of the post-Soviet space for Russian interests was becoming more clearly understood by people at the top in Russia.

Third stage (2000 to the present day)

The accession to power of Vladimir Putin and his team in 2000 was a turning point for Russia. Moscow's foreign policy began to be more clearly focussed on making Russia one of the centres of modern foreign relations and of the global economy. The concept of the "multipolar world", propounded by Yevgeny Primakov, remained at the heart of this. But there is no doubt that Putin and his team made a big contribution to the process, not only in formalising the doctrine, but also in taking practical steps to implement it in a new foreign strategy for Russia.²⁵

In order for Moscow to make the transition from words to action, there had to be adequate funds, as well as administrative and other assets, in the Kremlin. On the one hand, thanks to the new administrative structures and personnel policies introduced by Vladimir Putin, which brought some order into the government administration system and to the regions of Russia, there was now less unpredictability about Russia's foreign policies.

On the other hand, then there was an extremely welcome rise in world prices for the main Russian exports, i.e. raw materials, particularly oil and gas. This was providential for Putin's Russia. Firstly, it was helpful in resolving the numerous domestic problems (which were in any case the main focus of the Kremlin's attention in the first years of Putin's presidency). Secondly, some financial resources could now be devoted to developing new directions in foreign policy.

These directions became clear when Moscow realised that recovering Russia's positions in Central Asia and other parts of the post-Soviet area²⁶ was an indispensable step in strengthening Russia's international status. From this point of view, Central Asia began to be considered as a place where the new elements of foreign policy, such as pragmatism and flexibility, could be put into practice. This was made easier by the fact that since the collapse of the Soviet Union the Central Asian countries had maintained, on the whole, friendly relations with Russia.

Russia's policy in Central Asia

Compared with the 1990s, Moscow's foreign policy activity in Central Asia was much more vigorous, and the multiple declarations about the "need to develop closer ties of cooperation" began to be matched by action for the first time.

Institutional cooperation

The fundamental shift in Russia's policy in Central Asia was marked by the decisive actions taken to develop institutional cooperation. Moscow concentrated on finding new ways and formats for integration, rather than re-invigorating the old ones, such as the CIS, which nevertheless retained its function as a sort of political club. Russian policy proved to be very flexible, in that Moscow encouraged several integration institutions simultaneously: the Eurasian Economic Community (EurAsEC), the Unified Economic Space (UES), the Central Asian Cooperation Organisation (CACO) and the Collective Security Treaty Organisation (CSTO).

The Eurasian Economic Community proved to be the most effective institution. The "Formation of the Eurasian Economic Community" treaty was signed in 2000 in Astana (Kazakhstan) by Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan. The formation of EurAsEC gave a boost to the expansion of cooperative activities between the countries in the community.

In 2002 EurAsEC's Integration Committee established a "Council for Transport Policy". The main task of this council was to coordinate the activities of national transportation organisations, and to ensure that goods vehicles and passenger vehicles could transit the territory of member states without hindrance. In 2003 EurAsEC was granted the status of an observer at the United Nations General Assembly. Another indication of the success of its initiatives was the accession of Uzbekistan to the organisation in 2006.

In 2006-2007 some progress was made in moving towards a customs union for the member states. The presidents of Russia, Belarus and Kazakhstan signed a package of documents in Dushanbe (Tajikistan) in October 2007, setting out the legal basis.²⁷ Russia, Belarus and Kazakhstan had reached preliminary agreement on signing these documents at an extraordinary session of the EurAsEC International Council in Sochi (Russia) in August 2006.

The Unified Economic Space is almost defunct. A "Formation of a Unified Economic Space" treaty was signed by Russia, Kazakhstan, Ukraine and Belarus in Yalta (Ukraine) in 2003. Since the "Orange Revolution" in Ukraine in 2004, however, and the subsequent political crisis in the country, still not fully resolved, the UES has looked rather like a still-born institution.

The Central Asian Cooperation Organisation has merged with EurAsEC. CACO was formed in 2002 from the Central Asian Economic Community which had been formed as long ago as 1998, its members being Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan. Russia joined CACO in 2003, and Uzbekistan joined EurAsEC in 2005, thus making CACO a *de facto* component of EurAsEC.

The Collective Security Treaty Organisation was formed on the basis of the Collective Security Treaty (CST),²⁸ but proved to be a far more active institution than the original one. At Russia's initiative, the CST was transformed into the CSTO in Moscow in 2002. Also in 2002, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Belarus and Armenia accepted the constitution of the CSTO in Chisinau (Moldova).

In 2004 the CSTO was awarded the status of an observer at the UN General Assembly. Uzbekistan joined the CSTO in 2006.

Another important event for the CSTO took place at the Heads of State summit meeting in the autumn of 2007 in Dushanbe (Tajikistan). The main result of this meeting was an agreement that the CSTO would cooperate with the Shanghai Cooperation Organisation, thus forming the basis of a powerful military and political bloc in the post-Soviet area with the additional strength of China.

Security and military cooperation

Development of cooperation with the countries of the region in defence and security matters is probably regarded by Moscow as the main vehicle for projecting its influence in the region, which is in line with the Kremlin's new foreign policy objective to raise its global status. The first step Moscow took to implement its policy of practical cooperation was the formation of the CIS regional anti-terrorist centre for Central Asia in Bishkek (Kyrgyzstan) in August 2001, which was staffed by personnel from the security services of Russia, Kazakhstan, Kyrgyzstan and Tajikistan.

The most activity in the defence and security spheres today is seen in Kazakhstan, Kyrgyzstan and Tajikistan. Moscow has learned its lesson from its mistakes in the 1990s, which led to an almost complete cessation of activity under the CST signed in Tashkent in 1992, and has begun to pay far more attention to encouraging the cooperation of the states of the region with Russia.

In 2002 Moscow offered CSTO member countries favourable terms for training their military personnel in Russian military training establishments. They were also offered the chance to acquire Russian weapons and military equipment for CSTO units at internal Russian market prices. Soon after that, in 2003, Russia opened a military air base in Kant (Kyrgyzstan). This base became a component of the CSTO's collective rapid reaction force. Also in 2003, Russia initiated within the framework of the EurAsEC the signature process for the multi-lateral "Cooperation in the defence of the external borders of EurAsEC member states" treaty. From 2004 onwards Moscow stepped up its cooperation activities within the CSTO organisation and put them on a more systematic basis. In 2004 the annual "Rubezh" ("Border") exercises started, aimed at countering threats to regional security. The first joint "Rubezh" exercises were conducted in 2004 in Kazakhstan and Kyrgyzstan. Subsequent exercises were "Rubezh-2005" in Tajikistan, "Rubezh-2006" in Kazakhstan and "Rubezh-2007" in Tajikistan.

Russia today is pushing even harder for both bilateral and multi-lateral forms of cooperation, with Moscow assuming the role of coordinator in the process of setting up a regional security system. Thus at the CSTO summit meeting in Dushanbe in 2007, at Moscow's initiative, two packages of documents were signed which laid the foundations for the creation of a mechanism for CSTO peacekeeping activities and allowed for more cooperation in defence equipment supply matters.

Economic aspects

Compared with the 1990s, there is now noticeably more activity by Russian business in the economic sphere in Central Asia. Moscow's main strategic interests are, of course, in the oil and gas sectors, where most of the Russian investments are. The biggest activity is in those countries of the region which have large hydrocarbon deposits (Kazakhstan, Turkmenistan and Uzbekistan). Here Moscow's

efforts are directed towards location of deposits and transportation of oil and gas. Russian companies, especially Gazprom, are also increasingly active in developing the market for petroleum-based products (especially Kyrgyzstan and Tajikistan).

The development of cooperation in the oil and gas sectors is seen by Moscow not so much as a mechanism for increasing its influence in the region as a means for increasing its own energy security. Russia's increasing demand for Central Asian hydrocarbons is due to the modernisation of its own energy sector, to the need to fuel its own economic growth and to enable it to meet its own export obligations. Although Russia does have oil and gas deposits of its own, many of them are rather inaccessible or unprofitable, being in the Arctic, Siberia or the Far East.

Other than in the oil and gas sectors, however, Russia's activity in the economic sphere has not changed very much since the 1990s, with Moscow still not paying much attention to the development of full economic links. One of the main indicators of the extremely low level of Russia's economic activity is the state of trade and economic relations, which although they have developed over the course of the last eight years are still at a low level compared with where they were in Soviet times. In the period 2004-2007 the states of the region only accounted for 4% of Russia's foreign trade, which is not much more than in the 1990s. And in the period 2000-2002 the trade between Russia and Central Asia stayed in the band 5.4-6.4 billion dollars, about the same as the average level in the mid-1990s.

There has only been a significant increase in trade since 2003. In the period 2003-2007 the mean annual level of trade went up to 10.7 billion dollars, 83% higher than the mean annual level in 1996-1999 and 57% higher than in 1992-1995 (see table 3). But this is not really an indication of significant development in the volume of trade, because there are considerable effects of increased import and export costs due to the weakness of the American dollar.

Table 3. Trade between Russia and Central Asia, 2000-2007

Year	Volume of trade, millions of US dollars	Russian exports to Central Asia, millions of US dollars	Russian imports from Central Asia, millions of US dollars	Russian trade balance, millions of US dollars
2000	6469	2730	3739	-1009
2001	5924	3517	2407	1110
2002	5464	3492	1972	1520
2003	7088	4520	2568	1952
2004	10463	6103	4360	1743
2005	13227	7525	5702	1823
2006	14869	7982	6887	1095
2007	21787	13489	8298	5191

Furthermore the share of the Central Asian countries in Russia's foreign trade has remained very low. In 2003-2007 (the period of the most vigorous and sustained growth in trade) the trade between Russia and Central Asia virtually tripled, from 7 to 21 billion dollars, but the region's share of Russian foreign trade decreased, falling from 3.96 to 3.76%. Another important indicator is that about 36% of the trade between Russia and Central Asia is in the hydrocarbon sector.

Results of Russian policy

When Boris Yeltsin and his team departed from the political scene and the gradual overhaul of the Russian administration was under way, Central Asia began to realise that in comparison with the late 1990s it was now receiving different signals about Moscow's willingness to move to more decisive actions in terms of political, economic and military rapprochement. When Russia then re-defined the position of the region in its foreign policy priorities, and took a number of specific steps and initiatives, especially in matters of institutional cooperation, the Central Asian states began to see Moscow as a much more significant factor in their own foreign policies.

Policies of the Central Asian countries

At the beginning of the 21st century the Russian dimension gradually became a more important priority in the foreign policy considerations of all the Central Asian countries. In the case of Uzbekistan this was apparent after the Andijan events in May 2005, and in the case of Turkmenistan after the death of President Saparmurat Niyazov and the accession to power of Gurbanguly Berdimuhamedov in January 2007. The Central Asian countries were aware and are still aware of their need for cooperation with Russia in order to kick-start the process of economic integration and to create a stable system of regional security.

Institutional cooperation

It is therefore not surprising that it was in the field of institutional cooperation that Russia achieved the most positive and rapid results. Traditionally the countries which were most involved with Russia in terms of institutions were Kazakhstan, Kyrgyzstan and Tajikistan. This applied particularly in the vital transport and energy sectors. Thus since 2002, Kazakhstan, Kyrgyzstan and Tajikistan have been working with Russia, within the framework of the Council on Transport Policy of the EurAsEC integration committee, on the question of creating unified tariffs, increasing the flow of goods, simplifying customs procedures and forming trans-national transport and goods forwarding corporations. In 2003 at the international council of the EurAsEC a document was signed on "the energy policy principles of the countries of the Eurasian Economic Community". In this document the member countries expressed their intentions to work together for rational use of energy resources and to create a common EurAsEC fuel and energy complex. In 2005 the EurAsEC countries agreed on the creation of a customs union. Many agreements have already been made within the community on transport and communications.²⁹

But the major political breakthrough for Russia was Uzbekistan, which had had particularly cool relations with the Yeltsin administration and had been fostering strategic links with the USA since the mid 1990s. However in 2002 Uzbekistan announced that it was suspending its membership of the GUUAM organisation, and soon after that, in 2004, it signed a "strategic partnership" treaty with Russia and in 2005 an "allied relations" treaty. In January 2006 Uzbekistan announced its withdrawal from the GUUAM organisation and joined EurAsEC.

Russia also had political success with Turkmenistan, which was made possible by the policy of the new leadership of that country which was aimed at reducing its international isolation. The president of Turkmenistan took part in the summit meeting of the Heads of State of the Shanghai Cooperation Organisation in August 2007, and then hosted the summit meeting of the Prime Ministers of the CIS in Ashgabat in November 2007.

Security and military cooperation

Kazakhstan, Kyrgyzstan and Tajikistan had traditionally sought to cooperate with Russia in military and security matters. In 2004 the Central Asian countries virtually formed a unified defence zone with Russia. In 2004, Kazakhstan, Kyrgyzstan and Tajikistan agreed in principle to modernise their air defence forces with Russian assistance, and granted Moscow long-term rights to use strategic military facilities on their territories. The most important of these were the "Baikonur" cosmodrome in Kazakhstan, the "Sary-Shagan" anti-missile test range in Kazakhstan, the "Okno" space communications centre in Tajikistan and the naval weapons test range on Lake Ysyk-Kol in Kyrgyzstan.

In 2006 Kyrgyzstan signed an agreement with Russia which would allow military equipment support worth 27 million dollars to be provided to Kyrgyzstan free of charge in the period 2006-2008. In 2007 Russia agreed to provide Tajikistan, free of charge, with the equipment and ammunition of the 4th Russian military base, amounting to a major reinforcement of the army of Tajikistan.

In 2005 Uzbekistan also changed tack in the question of military and security cooperation with Russia. In that year Uzbekistan decided that the American air base, which had operated near Karshi since 2001, should be withdrawn, and in June 2006 Uzbekistan joined the CSTO.

Economic aspects

Nevertheless the Central Asian countries' expectations for economic cooperation have not yet been realised. As mentioned above, apart from in the oil and gas sectors Russia has not been very active on the economic front. And the fact that Moscow still shows little interest in developing more meaningful economic links but regards the region as merely a supplier of hydrocarbons not only undermines the entire Russian Central Asia policy but pushes the Central Asian countries to seek other economic partners.

The Central Asian countries, just as in the 1990s, are continuing their efforts to diversify their foreign economic links, and are pursuing a more balanced economic policy in relation to Russia. This is particularly apparent in questions of collaboration in the oil and gas sectors, the main vehicle for economic cooperation these days. On the one hand, the countries of the region are developing close links with Russia in the oil and gas sectors. There are already well-developed legal arrangements, both at bilateral and multi-lateral levels, and the operations of Russian companies are increasing in scale. On the other hand, Kazakhstan and Turkmenistan, countries with significant stocks of hydrocarbons, are not reducing their efforts to diversify their foreign connections in the oil and gas sectors and are trying to reduce their dependence on Russia.

Thus Kazakhstan is proposing to send not less than 20% of its oil exports to its neighbour China via the recently-commissioned "Atasu-Alashankou" pipeline by 2015.³⁰ At the same time Kazakhstan is planning to pump at least 25% of its oil exports to Europe via the "Baku-Tbilisi-Ceyhan" pipeline.³¹ Kazakhstan has already undertaken to provide Europe with an annual quantity of 7.5 million tonnes of oil via this pipeline.³²

Turkmenistan is also planning to export at least 40% of its gas by 2010, bypassing Russia, including 10% for Iran, via the "Korpezhe - Kurt-Kui" pipeline, which is

already operating, and envisaging the possibility of extending this route to Turkey and beyond, and about 30% to China, via the territory of Uzbekistan and Kazakhstan, through a pipeline which is planned to be in service in 2009.³³ The possibility of participating in the Trans-Caspian and Trans-Afghanistan pipeline projects is also being studied in Ashgabat.

* * *

Nevertheless, in spite of the major changes in Russia, mostly positive, during Vladimir Putin's presidency (2000-2008), the results of Russian foreign policy in Central Asia have not yet been an unambiguous success. On the one hand, Russia has succeeded in putting the brakes on the centrifugal tendencies of the region, in strengthening its own positions and in general overcoming the lack of trust which had accumulated during the 90s. Clearly Moscow has brought more flexibility, pragmatism, stability and consistency to its Central Asian policy. This has been made possible largely by its growing understanding of the strategic importance of the area and by the allocation of more funds for foreign policy purposes.

On the other hand, Russia has still not been able to fill the geopolitical vacuum in the area, still less the geo-economic vacuum. Moscow has still not understood the importance of developing full economic links with Central Asia. The impression is growing that it still understands the "strategic importance" of the region mainly in terms of its own revival as a "great power" and its desire to secure its own energy interests.

Furthermore the extreme tardiness, caution and lack of initiative by the Russian foreign ministry and many analytical and research organisations (and there are very few of them in Russia focussing on Central Asia), and the lack of analytical studies of the region or any demand for them, have also contributed to the failure of Russia to form a coherent policy towards Central Asia. As a result there have not been substantial steps in terms of forming closer economic links between Russia and the countries of the region, other than in the oil and gas sectors. The Central Asian countries, for their part, continue with their efforts to diversify their foreign connections, contributing to increasing competition in this geo-economic and geopolitical space.

Conclusions

During most of the post-Soviet period, Russia's policy in Central Asia has been unsystematic, and it has evolved spontaneously, largely by trial and error. In the early 1990s the Yeltsin administration's foreign policy was based on the rather forlorn hope that Russia could be integrated into the Euro-Atlantic community. Central Asia was largely irrelevant to this ambition. In the later 1990s, when Russia's attempts to join the West had become a fiasco, there was a lot of re-thinking of Russian foreign policy, and the Kremlin began to pay more attention to its eastern flank, including Central Asia.

When a new generation of politicians came to power in Russia, Russian foreign policy became more pragmatic and focussed on the restoration of the country's former status as one of the world centres of power. Moscow decided that to achieve this it must consolidate the CIS, and especially its energy resources, under the aegis of Russia. In this context it is easy to see why Central Asia acquired more significance in Russian foreign policy.

On the whole, however, the Central Asian dimension was and remains a secondary matter in the Kremlin's list of strategic priorities. Moscow has still not understood that Central Asia is important not only for raising Russia's status in the world, but even more importantly for the effective and comprehensive economic development of Russia itself. More than anything, this is about maintaining and advancing its abilities in industrial innovation in a globalised economy. The most glaring evidence of this is the fact that notwithstanding the observable process of political rapprochement between Russia and the countries of the region, the international EurAsEC organisation still has not achieved its main aim: the creation of a fully-developed economic community.

Russia's increased political activity in the region, however, unsupported by adequate development of economic cooperation, is unlikely to guarantee that the process of rapprochement between Russia and Central Asia, observable today, cannot be reversed. Furthermore, if economic links stay at the present low level, the Central Asian countries are bound to want to develop links with global centres of economic power other than Russia. The rich mineral resources of the region will sooner or later be a magnet for much fiercer competition between strong powers and economic groupings than there has been so far. It is not a foregone conclusion that Russia, with its raw-material based export economy and its weakened industrial and technological position, would win this competition.

It seems that Russia's glaring underestimation of the strategic importance of Central Asia is largely due to poor analysis of the situation and lack of specialist knowledge of the area which have taken root in Russia because of ideas that the region is some kind of "economic burden" that it would be better not to take on. But the most important point is missed here: the figures for "unprofitability" and "need for subsidies" of the Central Asian republics were artificial even in Soviet times, due to the inefficient economic policy and the way economic activity was organised.

Nonetheless, the thinking of the Russian ruling elite and even academic circles, and of Russian society as a whole, is dominated by the idea that Central Asia is useless from the economic point of view. But this region could be highly profitable for Russian business, bearing in mind the availability in the area of all kinds of industrial raw materials, and even more importantly, the production conditions, which are more favourable than in Russia: cheaper labour, lower construction costs, manufacturing capacity to be exploited, as well as an existing transportation and energy infrastructure.

So the future of relations between Russia and Central Asia depends mainly on Russia. In the post-Soviet space only Russia, with its economic and geopolitical strength, could take on the role of being the locomotive of development of the Central Asian countries. What is more, Russia can only be secure in Central Asia if it is as active in developing the region's economic, scientific and technical progress in the 21st century as it was from the later 19th century until the collapse of the Soviet Union. The more this is recognised the more we shall be able to talk of a fundamental change in Russian foreign policy, and its policy towards Central Asia in particular.

Endnotes

¹ "Central Asia" is taken to mean the area in central Eurasia comprising five states (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) that emerged as a

result of the disintegration of the Soviet Union in 1991. This definition is somewhat provisional, as there are some geographical peculiarities as well as demographic and other complications in the region. On the other hand, it is a useful label to cover five countries with similar socio-political systems and economies which retain close links with each other and have a great influence on each other in internal and external affairs, in economics, politics, and of course in matters of security.

² This may be the very reason why he survived so long as prime minister, from 1993 to 1998.

³ The Collective Security Treaty was signed by Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Armenia. Belarus, Azerbaijan and Georgia joined the treaty in 1993. The treaty was to remain in force until 1999, when the parties would decide whether its life should be extended.

⁴ Mohammad Najibullah was the head of the government of Afghanistan from 1987 to 1992 and the leader of the "Watan" ruling party (known before 1987 as the "People's Democratic Party of Afghanistan").

⁵ In Soviet times, currency had been issued only in Moscow. Moscow also made all the monetary policy decisions.

⁶ In this and subsequent tables the trade between Russia and the countries of Central Asia has been calculated by adding together the bilateral trade figures, on the basis of information provided by the national statistics offices of the Central Asian countries. The data for 1991 is given in Soviet roubles in the original sources, as all the countries concerned were still in the Soviet Union then. In this table they have been calculated in US dollars, using the conversion rate for the Soviet rouble to the dollar established by the USSR State Bank on the basis of equal purchasing power (i.e. 1 US dollar = 0.78 rouble).

⁷ For example, see "Disintegration of the Soviet Union and its consequences for Uzbekistan: economic and social spheres" by V. Paramonov and A. Stokov, Conflict Studies Research Centre, Defence Academy of the UK, April 2006.

⁸ The region at that time was "Central Asia and Kazakhstan".

⁹ Eva Molnar, Lauri Ojala, *Transport and Trade facilitation Issues in the CIS 7, Kazakhstan and Turkmenistan*: paper for the Lucerne Conference of the CIS-7 Initiative, 20-22 January 2003, p.39.

¹⁰ Chromium is a metal of vital economic and strategic importance. It is an indispensable component of most types of steel used in modern industry. Without the use of ferro-chrome alloys, manufacturing in mechanical engineering works would grind to a halt.

¹¹ The largest deposit, "Kashagan", was sold to the Italian ENI, British Gas, Total (France), Royal Dutch Shell, ConocoPhillips (USA), Exxon Mobil (USA) and Inpex (Japan).

¹² In 1998, at the request of Uzbekistan, this agreement was realised within the framework of the Central Asian Economic Community, which became the "Central Asian Cooperation Organisation" in 2002.

¹³ Turkmenistan participated in the "Partnership for Peace" programme, but in accordance with its policy of neutrality it only cooperated with NATO in humanitarian programmes.

¹⁴ S. Rogov. *Three years of trial and error for Russian diplomacy*. Moscow, 1995, p.10.

¹⁵ Significant stocks of non-ferrous metal ores (more than 2/3 of the stocks of the former Soviet Union) were concentrated in Central Asia, as well as hydrocarbons and practically the entire stock of textile raw materials (cotton, wool, silk) and the associated light industries of the former Soviet Union.

¹⁶ Y. Primakov. *Years in high politics*. Moscow, 1999, p.133.

¹⁷ L. Aron. 'Foreign policy doctrine in post-communist Russia and its domestic political aspects', *USA and Canada* newspaper (Russia), № 2, 1999, p.48.

¹⁸ In 1996 the then head of Gazprom, Rem Vyakhirev, said: "Gazprom will not allow gas to be exported from Turkmenistan by routes other than through Russia" and that "will make the transit of Turkmen gas (through Russia) beneficial for both countries". In 1998 Russia signed an agreement with Kazakhstan on "construction work for the Caspian pipeline consortium", under which Russia undertook to invest in the construction of pipelines from West Kazakhstan to Novorossiisk, to increase the capacity of the existing "Baku-Novorossiisk" and "Makhachkala-Novorossiisk" pipelines and to construct new terminals at the port of Novorossiisk.

¹⁹ Such as "Hizb-ut-Takhrir" and the so-called "Islamic Movement of Uzbekistan".

²⁰ This pipeline is 200 km long and has a pumping capacity of 8.5 billion cubic metres per year. It was built by the Iranian national oil construction company and commissioned in

1997. In 2007 it was working at virtually full capacity: in that year about 8 billion cubic metres of gas were pumped through it.

²¹ The formation of the GUAM organisation was announced officially at the Council of Europe meeting in Strasbourg on 10 October 1997. When it was announced at the 25th anniversary meeting of NATO in Washington in April 1999 that Uzbekistan was joining the organisation, it changed its name to GUUAM.

²² See for example Splidsboel-Hansen F. 'GUUAM and the Future of CIS military Cooperation', *European Security*, Vol. 9, No 4, Winter 2000, pp. 92-106.

²³ In the late 1990s the Russian economy was in deep crisis. The decline of industry and agriculture, the vast expense of the war in Chechnya, increasing problems in meeting foreign debt repayments and the exhaustion of the gold reserves (because of the low price of oil) all helped to limit Russia's scope for activity in Central Asia or any other part of the post-Soviet area.

²⁴ President Yeltsin made the following apologetic and revealing comment on television on 31 December 1999: "our hopes have not been fulfilled".

²⁵ In 2000 the Ministry for CIS Affairs, which really only existed for presentational purposes, was disbanded and replaced by a Directorate within the Foreign Ministry, headed by the former head of the Foreign Intelligence Agency V. Trubnikov. This department was made responsible for coordinating the work of various Russian authorities, notably the Foreign Ministry and the security organisations, in deciding the direction of future Russian policy towards the post-Soviet countries.

²⁶ In 2000, in practically all his public pronouncements, Vladimir Putin stressed that the post-Soviet CIS countries were Russia's top priority in terms of foreign policy.

²⁷ The documents signed were as follows: a "Customs Union Commission" treaty; a "Creation of a unified customs space and formation of a customs union" treaty and a protocol on "the procedure for enacting international treaties which lay down the legal basis for a union, acceding to them and withdrawing from them".

²⁸ The Collective Security Treaty was signed by Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Armenia in Tashkent in 1992. Belarus, Azerbaijan and Georgia acceded to this treaty in 1993. The treaty was to cover the period up to 1999, after which the signatories were to decide whether it should be extended. In 1999, however, Uzbekistan, Azerbaijan and Georgia declined to extend the life of the treaty.

²⁹ These were as follows: an agreement on "unified conditions for transit through the territory of states of the customs union"; an agreement on "simplified customs procedures for goods transferred between member states of the customs union"; a protocol on "unified IT procedures for customs checking of goods and vehicles"; a protocol on the "organisation of the exchange of information on the movement of goods and vehicles between the customs authorities of EurAsEC member states".

³⁰ The 962 km "Atasu-Alashankou" oil pipeline was commissioned in mid-December 2005. It was planned to export about 10 million tonnes of oil a year to China initially (so far the level has only reached about 3 million tonnes), increasing eventually to 20 million tonnes a year.

³¹ The foreign companies which invested in the BTC pipeline are now lobbying for a share of the Kazakh oil to be pumped through it. For the pipeline to be profitable it has got to pass at least 50 million tonnes a year, and Azerbaijan cannot supply this quantity by itself.

³² In June 2006 an agreement was signed in Almaty between the governments of the Republic of Kazakhstan and the Republic of Azerbaijan on the transportation of oil from Kazakhstan via the Caspian Sea and Azerbaijan to the world market via the BTC pipeline. The Kazakh oil was to be supplied by tankers to the Sangachal terminal in Azerbaijan, and from there via the pipeline to the Mediterranean port of Ceyhan.

³³ An agreement on "Implementation of the Turkmenistan-China gas pipeline project and the sale of gas" was signed in April 2006 in Beijing by the governments of Turkmenistan and China, in which Turkmenistan undertook to supply China with up to 30 billion cubic metres of natural gas annually once the pipeline was in service. The construction of this pipeline is being financed by China. The Chinese Ministry of Economic Planning ratified this project in September 2006.

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Translated by Mervyn Brown.

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