

CONTENTS



THE KAZAKHSTAN INSTITUTE
FOR STRATEGIC STUDIES
UNDER THE PRESIDENT
OF THE REPUBLIC OF KAZAKHSTAN

Quarterly since 2003

Editor-in-Chief
Bulat SULTANOV
Director of the KazISS
under the President of RK

Deputy Editor-in-Chief
Leila MUZAPAROVA

Responsible for publication:
Almas Arzikulov
Layout:
Yekaterina Ignatenko

Translation by IE "Dyusseminova"

Address:
The Kazakhstan Institute
for Strategic Studies under the President
of the Republic of Kazakhstan
87B Dostyk Ave.
Almaty 050010, Kazakhstan

Phone: (727) 264-34-04
Fax: (727) 264-49-95
E-mail: office@kisi.kz
www.kisi.kz

The magazine was registered
with the Ministry of Culture, Information
and Public Consent
of the Republic of Kazakhstan
on January 24, 2003.
Registration certificate No. 3529-zh.

None of these articles may be
reproduced without reference to the
magazine.
The opinion of the editorial board may not
coincide with that of the authors
of articles.

Printhouse of
IE Volkova Y. V.
Address: 212/1 Raimbek Ave., Almaty
Circulation: 300 copies

REGIONAL SECURITY

Medenbayeva Zhanar
Forthcoming Multipolar World Order and Foreign Policy
of the Republic of Kazakhstan 4

Gussarova Anna
EU Strategy for Afghanistan11

ECONOMY

Omurzakov Tursunbek
Problematic Issues of TNCs Activity in the Republic
of Kazakhstan 15

Seidumanova Meruert
Startups of Kazakhstan: Current Status, Problems
and Opportunities for Development 19

THEORY AND ANALYSIS

Laumulin Murat
Political Studies on Central Asia: 2012–2013 26

Syroezhkin Konstantin
60 Points of Future Reforms (To the Results of the 3rd
Plenary Session of the 18th CC CPC) 44

EDITORIAL BOARD

- Bulat Sultanov** – Editor-in-Chief, Chairman of the Editorial Council, Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor in History
- Leila Muzaparova** – Deputy Editor-in-Chief, First Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Candidate in Economics
- Maulen Ashimbayev** – Member of the Parliament of the Republic of Kazakhstan, Candidate in Political Science
- Marat Tazhin** – Secretary of State of the Republic of Kazakhstan, Doctor in Sociology, Professor

РЕДАКЦИОННЫЙ СОВЕТ

- Булат Султанов** – шеф-редактор, председатель Редакционного совета, директор Казахского института стратегических исследований при Президенте Республики Казахстан, доктор исторических наук
- Лейла Музапарова** – заместитель шеф-редактора, первый заместитель директора Казахского института стратегических исследований при Президенте Республики Казахстан, кандидат экономических наук
- Маулен Ашимбаев** – депутат Мажилиса Парламента Республики Казахстан, председатель Комитета по международным делам, обороне и безопасности, кандидат политических наук
- Марат Тажин** – Государственный секретарь Республики Казахстан, доктор социологических наук, профессор

Forthcoming Multipolar World Order and Foreign Policy of the Republic of Kazakhstan

ZHANAR MEDEUBAYEVA

Growing countries of the world have high hopes for the forthcoming multipolar world, relying on its democratic nature, but is it so? Will multipolar world bless those countries which would like to be heard in solving world problems, problems of their region? Will a multipolar world order not become a global mess when large and small “ambitions” have received free hands to start war of “all against all”? Will elimination of systemic constraints with the disappearance of American dominance not lead to such a situation when the safety of medium and small countries is under constant threat? State of permanent stress for the security of any country is unlikely to have a positive impact on its prospects.

Historical analogue of forthcoming multipolar world is considered to be the world order that took place in the interwar period of 1918-1939. But multipolar order of the interwar period can not represent an object or an example in seeking for the answers to the pressing questions, which arise in a transition period in the 21st century. In 1918-1939 international environment was quite different, so many actors as they are now did not exist. Actors were homogeneous, represented only by great powers; there were no institutions of international relations. Only Western Europe and the United States have been the scene of international relations, the rest of the world was a silent object of trade-economic, political battles between the great powers. Therefore, the so-called multipolar world of the period between the two world wars is not up to its name and, basically, is not one in fact.

Panoramic view of the world, driving towards multipolarity, is as follows: on one side there are

the U.S. on a pedestal of unipolarity, on the other side there is the rest of the world - a platform for the latest design of the world order. Recently, the concept of «the rest» has been affirmed in the American political thought. The design “America - the rest of the world” is typical for Ch. Kupchan’s ideas. This growing rest of the world is gaining economic power, and according to this power claims to participate in the global political process. “The rest of the world” by Kupchan is “no one’s world”, there is no a hegemon or a mentor, but it is extremely interdependent and interrelated. [1] The concept of “the rest of the world” also belongs to a famous American expert on international relations, Fareed Zakaria. In his eloquently entitled work “The World after the United States” he also writes about “others”, as not as the world opposing the United States or the West, but as the world, due to its growing economic power and human resources, creating a new international environment. [2]

“Others” are countries with growing economy, huge human, physical resources, capacious markets, such as Russia, China, India, Brazil, South Africa, etc., the main links in the future construction of a multipolar world. Each of these countries has the resources to influence foreign policy in the region and therefore can create a center of attraction, a pole in the forthcoming system of multipolar order.

In order to form the basis of a multipolar system its institutionalization is necessary, which is the beginning of the legitimization of the forthcoming world order. The main international political and legal institution of a global nature, the United Nations, can not be regarded as the foundation for

the institutionalization of a multipolar world due to the fact that the decision-making mechanism in it reflects the balance of power in a bipolar world. The expansion of the permanent members of the UN Security Council and the replacement of the legal system with more democratic decision-making mechanism, will, perhaps, prepare a platform for political and legal registration of a multipolar world. But in today's "preserved" condition of the UN, rather serves the idea of the American unipolarity.

Great expectations in terms of a multipolarity formation are pinned on the G20. Indeed, this is a planetary scale informal institution, which consists of the representatives of about 70 percent of the world population. Today, the G20 overshadowed the G8, expensive summits of which have not solved the problem of the global crisis, have not helped the poor countries. It is known that membership in this organization was determined by unilateral decision of the United States before the Pittsburgh summit in 1999. The lack of clear criteria for membership, management principle, a permanent working body, of course, characterizes the twenty from the best sides: there is no place to bureaucracy and sluggishness. The G20 positions itself as a democratic, flexible, informal institution to discuss global economic and financial problems.

In today's world, the political power still remains on the top of the pyramid of global influence, therefore, an economic growth by itself will not lead to a political one. Growing economic potential of the countries such as China, Russia, India, South Africa, Brazil, etc., must obtain the appropriate political and legal execution in order to let the world community to recognize their right to vote in solving global problems. If we recall Japan, which for decades had performed as "an economic giant, a political dwarf", its turning up on the political avant scene held through "close relationship" with the United States and membership in the G8. It means that, within the G20 such mechanisms should be developed, which would allow member-countries to actively participate in decision-making processes on pressing global, regional issues. This means that the organization, in fact, should evolve towards an international, intergovernmental organization with typical properties: regulations, permanent membership, working body. But now, according to some

analysts, this institution, with open doors and windows, gives the impression of not only the "frivolity", but well disguised backstage, when the main three or four members inform on their decisions the rest, which sometimes get bored around during summits. According to Jeffrey D. Sachs, professor of economics and director of the Earth Institute at Columbia University, as well as a special adviser to the UN secretary-general on the Millennium Development Goals: "... any future promises made by the G20 should be accompanied by a clear and transparent accounting of what each country will do, and when. The world needs true accountability, not empty words about accountability. Every the G20 promise should spell out the specific actions and commitments of each country, as well as the overall promise of the group." [3]

Despite its planetary coverage the G20 still represents more or less powerful states, leaving small and medium states on the margins. The practice of inviting leaders of such countries to summits, encourages the optimism that over some time Kazakhstan, Malaysia, New Zealand, Chile and others will be drawn into the system of the twenty, but the question of "who, why and under what principle invites" will remain open. In fact, twenty states dictate their terms to the rest of the world. For the formation of the real democratic multipolar world, but not classical one, based on the balance of forces, the frames of the G20 will be tight; more spacious area is necessary for the construction of a new world architecture, based on the participation of all members of the world community. In this vein, the conceptual and functional value bears the initiative of the President Nursultan Nazarbayev on creation of G-Global, a platform for dialogue and exchange of views on the pressing problems of the world order, where voices of all participants, objects of international processes can be heard. The Euronews correspondent Stefan Grobe's question: "Why do you believe that G-Global will be a more effective tool than the G20, and will G-Global solve the problems of the global financial crisis?", was replied by Chairman of the Eurasian Economic Club of Scientists Murat Karymsakov as follows: "We see that the G8, the G20 and other associations today have not showed their worth in effective solving of the pressing issues, which are on the agenda. This is a solution of the problem of

overcoming the global financial crisis. Whatever discussions there have been, there are still no effective actions. Today we need to invite and listen to the opinion of the states that are not included in these associations, and should listen to the opinions of developing countries. Therefore, the platform of G-Global should unite the majority of states. I think it would be more efficient platform. But this requires political will and a great responsibility of political leaders." [4]

In terms of striving to a multipolar world, an initiative of the President of RK Nursultan Nazarbayev has enormous, truly planetary potential: G-Global can provide a platform for the creation of a "Global Group", which will include all members of the UN. Exactly such a truly global institution should replace the G20 and create the foundation of a multipolar world, from which so much is expected.

Scientists and experts now wonder if multipolar world is good or bad. And come to the conclusion that it is impossible to say anything definitely, at least because it is necessary firstly to distinguish multipolar order and multipolar disorder. At the same time, according to many opinions, today the very multipolar disorder reigns in the world, and the shape of a new multipolar order is yet not even visible. Agreeing with such arguments, the Russian expert Vladimir Filin supposes Lebanese-Israeli war in 2006 to be a starting point of a multipolar chaos, which convincingly demonstrated a radical change in the balance between traditional and new actors, the inability of implementing the old tools in addressing transnational issues. [5]

American researcher R. Haas believes that in modern conditions a return to classical multipolarity is impossible and, therefore, it would be correctly to speak about the occurrence of a fundamentally new era in international relations: in the XXI century, the main feature of international relations will be nonpolarity: not only one, two or even several States will dominate, but dozens of actors will be able to have different impact on the world affairs. The new situation is radically different from what it was in the past, and represents a fundamental change in the balance of forces. According to Haas multipolar order of globalization era and transnational world order will be nonpolar ones, because, in today's world, the power is not

concentrated, it is increasingly dispersing among the "new actors" of international relations. [6]

Another American researcher R. Rouzkrants, recognizing the possibility of establishing a multipolarity, indicates its negative, destructive character. He believes that with the disappearance of constraining, limiting factors the number of low-intensity conflicts will increase. [7]

Critical analysis of the present or future multipolar system of international relations by foreign scientists highlights its following characteristics:

1. Poor controllability due to the force dispersal in the world arena and the inability of the former institutions to exercise their functions.

2. Big range of actors, predominance of actors beyond the sovereignty.

3. Conflictogenity, conflicts are frequent, but of low intensity.

4. Majority of analysts believe that the balance of power, which is typical for the traditional era of international relations, will also underlie the multipolarity of the early XXI century, and the creation of a fundamentally new mechanism of solving within it, based on collectivist and democratic principles, will be delayed for indefinite period of time.

It is also believed that multipolarity explains a form rather than an essence of a new system of international cooperation. At a certain autonomization of the poles in the western world, an emergence of new radical dividing lines of confrontation between North America, Europe and Asia Pacific has not been seen. Also with some increase in the level of anti-American rhetoric in the Russian and Chinese political elites, more fundamental interests of both states are pushing them to further development of the relations with the United States. NATO enlargement has not increased centripetal tendencies in the CIS, which would be expected under the laws of a multipolar world. Analysis of the interaction between the permanent members of the UN Security Council, the G8 indicates that the field of accord is significantly broader than the areas of disagreement, at all external dramatic character of the latter.

Another factor preventing the polarization of international relations in the framework of a multipolar world shows that economic prosperity and political stability of many large states depend

on the current international system. And they are, respectively, do not want to destroy the world order that serves their national interests. These interests are closely related to moving across the borders flows of goods, services, people, energy, investment and technology - flows, in ensuring of which the United States play a very important role. Integration into the modern world weakens the possibility of competition and conflicts between traditional and new actors. The existing system of inter-state and world economic liaisons despite the asymmetry, deformity in favor of certain forces, yet allowed developing countries to gain a benefit and strengthen economically. It is believed that in this respect, particularly China has succeeded. We can not deny the fact that RK also turns some certain advantage for the country (especially in creating a favorable external environment), playing by the rules adopted in the global system of international relations.

Consolidation of individual countries around the centers of gravity forces of regional or global scale is hampered by the fact that many states have their "skeletons in the closet", which they would like to hide on using the remote, but a reliable patron. Status quo, supported till today, allowed to "freeze" many territorial disputes, inter-state problems, thus impeding their civilized solution, the establishment and development of regional cooperation.

It is also necessary to consider the fact that some regions have their own system of principles and traditions of inter-state relations, developed in the course of historical development. All countries without exception have certain feelings towards their neighbor and a range of these feelings often covers hostility, hatred, distrust to one another. Each country has stereotypes, prejudices against neighboring countries, which are difficult to overcome. According to Fareed Zakaria, the rise of China can not be favored by the states in its encirclement, they would rather have the U.S. as a leader than a country that arouses mistrust (due to historically). [2, P. 257] This situation is typical for many regions of the world.

These circumstances suggest that the formation of a multipolar world will be a difficult and durable process that will require a huge effort from both the political elite and the general public of interested countries.

For medium-sized states, such as Kazakhstan, a multipolar world, based on traditional approaches (priority of physical force), is not so radiant. In a multipolar system of international relations of a state, leading in its region due to the superiority in physical parameters, with the option to create a center of attraction forces in their environment, get a "free hand" in the building of a particular policy towards countries in its orbit. Those difficulties, arising in the Kazakh-Russian relations in connection with the promotion of the Customs Union, the Common Economic Space, about rental costs of Baikonur cosmodrome, are expenses of Russian restoration of its pole in global international relations. Perhaps, RF follows a simple logic of material world: strong attracts weak, weak obeys strong. Coupled with realization of ambitious foreign policy challenges facing the Russian state, such an approach can integrate in future into the system of "misunderstanding" in relations between Kazakhstan and Russia as in bilateral relations, so in issues of deepening and widening of integration processes.

With unipolar world, all States have various opportunities to establish or enter into integration associations and military-political alliances at different levels and geographies, and are not limited to systemic factors. According to the logic of a multipolar world, all countries should get more, than with unipolarity, freedom to choose their foreign policy orientations and priorities. As is known, the processes of regionalization on the basis of intensive integration will lead to a fixed international environment (almost like a traditional status quo. Author) in a particular region, the stability of which will be monitored by one or more regional powers. Medium and small countries, not having enough voice in making decisions within certain integration associations, will be forced to obey the instructions of the center. Field of maneuvers, which is presented now in the American unipolarity, will be absent in a multipolar system. Suffice it to recall the Moscow's attitude to hypothetically or potentially possible Pan-Turkic, pan-Islamic ideas as attempts on Russian traditional sphere of influence in the Caucasus and Central Asia. There is something in the words of A. Dugin, one of the known theorists of multipolar world: "Multipolarity is not such a system of international relations,

which insists on the legal equality of national states to be considered as the actual situation. This is only a facade of entirely different picture of the world based on a real rather than a nominal balance of forces and strategic capabilities. Multipolarity operates with those circumstances, which exist as de-jure, so de-facto, and repels from by the assertion of fundamental inequality between national states in the modern and empirically observable world model. Moreover, the structure of this inequality is that the secondary and tertiary powers are not able to defend their sovereignty facing possible external challenge from a hegemonic power, in any ceded block configuration. And that means that sovereignty today is a legal fiction." [8]

In the bipolar system actors used to be more disciplined. Two poles kept an eye on the actions of each other and "beat on the hands" of their opponent in the case of non-compliance with the negotiated "zoning" actions. Under a unipolar world led by the U.S. a disciplinary nature of the system has lost its power; with self-destruction of the opponent America got free hands on the entire planet. According to some researchers the coming multipolar world will be characterized by even more undisciplined actors, lack of strict order due to diffusion of system limiters. With current state of the American unipolarity sovereign states constrain their ambitious aspirations "to restore order" in their regional environment or act with an eye to the "center" that forms the factor of "extended in time", very convenient for small and medium-sized countries in ensuring their safety. It's no secret to anyone that with all anti-American rhetoric, China, Russia, Japan, the European powers, Brazil, Argentina, and Israel cannot ignore the system requirements arising from American dominance.

With the advent of a multipolar order, or even in the process of its forming, such a thing as a "multi-vector policy" will automatically be expelled beyond the new system. Curiously enough, these two political functional terms, starting with the same "multi..." are not compatible. Formation of a multipolar world will go through the formation of poles, centers of gravity forces in regional or mega-regional scale. Central state, forming a pole, with all available means will draw neighboring countries into its orbit. Naturally, the role of the central state will be gained by a stronger in all aspects state in

the region, so the weaker states will have to say goodbye to their policy of multipolarity, making a final choice in favor of the regional "boss".

Most states that gained independence with the disappearance of the bipolar world, the collapse of the Soviet Union, adhere to multi-vector course in their foreign policy. The experience of the recent years shows that not all states in the former Soviet Union managed to defend and develop the principle of multi-vector foreign policy. Many newly formed sovereign states, unable to withstand heavy pressure from the geopolitical centers, failed to give their multi-vector foreign policy the actual content, such as Ukraine, Moldova, Georgia, Kyrgyzstan, and etc. (Although Kyrgyzstan also succeeded at something in the wake of a multi-vector policy.) Despite this, the choice of a multi-vector foreign policy for most of the former Soviet republics in the 90s and later was the only true way, the method and means of survival and a guarantor against the dictates of other states, as well as the opportunity to weaken their dependence on them. Also, multi-vector foreign policy is a characteristic of a number of European, Asian, Latin American countries seeking greater independence in foreign and domestic policy. In fact, multi-vector policy became foreign policy doctrine of the so-called "third world", i.e. small and medium-sized countries included in an international environment during the second half of the twentieth century. There is no sense in opposing the multi-vector policy to non-alignment policy in the sense that these seemed apparently opposite courses are characterized by equidistant treatment to all parties in the international process.

According to some experts, Kazakhstan is considered as a country most successfully implementing the principles of multi-vector policy. Over the past decade, multi-vector foreign policy of Kazakhstan has yielded quite tangible results. The country's leadership has managed to derive maximum advantage from the benefits provided by nature and history, and has tried to minimize the risks and threats, becoming a leader in terms of economic reforms and economic development among the Central Asian states. During the first two decades of independence due to the balancing between opposing interests of the big players, using the existing contradictions, the country managed to strengthen the statehood, to create a foundation

for continued growth and prosperity. The U.S., China, Russia, European countries have adopted a multi-vector policy of Kazakhstan, as an objective reality, which on should get used to. From time to time it seemed to observers that the country takes a roll in the direction of one of the four orientations in foreign policy: the Russian Federation, China, the U.S. and the EU. But very soon they became convinced that it was only a situational lead-out, which was necessary for the moment. Meanwhile, the republic, skillfully avoiding any sharp corners of the world politics, was stubbornly moving to its goal of the pursuit of national interests at the regional and global levels.

Multi-vector policy taught political establishment and expert sphere of the country to not only carefully monitor the events, trends in the world politics and international relations, but also to put forward their visions and scenario. Naturally, a large analytical, predictive work of scientists, experts, who “got a handle” on expert review of international processes lays behind the foreign policy initiatives of Kazakhstan. Such a potential is useful not only for the sphere of foreign policy, it can serve to strengthen the sovereignty of the state in the information sphere.

What are the prospects for Kazakhstan in the coming multipolar system of international relations? Due to its geographic location Kazakhstan has great chances to turn out in the orbit of the Russian or Chinese poles. It means the end of a multi-vector policy and the transition to foreign policy course, built on the dominant of one vector. As international experience shows, there is no bi-vector foreign policy; it is impossible to maneuver between the two sides; the sides must not be less than three. Following uni-vector policy, of course, has a number of advantages in terms of gaining solid security guarantees, certain economic and trade benefits. But situation with Israel, which spent a long time following unidirectional policy, turned out to be quite instructive. “... A unidirectional foreign policy makes the state dependent and vulnerable. Dependence on the United States and their interests provided Israel with Washington’s support

in the international arena for a long time and did not allow the country to develop its own foreign policy potential, establish its own contacts, balance between the interests of different countries. Practically there was no need to create their own analytical frameworks and forecasting service, because all needs in analytics were provided by American institutes. There was no need to conduct its own foreign policy, making a state an independent and sovereign one and ensuring its legitimacy on the world stage. It continued up until the interests of the U.S. and Israel came into collision.” [9]

Naturally, the emergence of a multipolar world is not an affair of one day. But with the weakening of the American unipolarity, the intentions of certain actors of state and non-state character to rebuild the system relations in their favor may increase. This is bound to generate new tensions in the world politics. As soon as a region, where Kazakhstan and the republic itself are situated, which due to certain constants and variables are under the careful attention of the major world players, can expect an intensity of geopolitical struggle around the CAR in the coming years. To survive in such difficult conditions and maintain its independent course of development, Kazakhstan should continue to use the political and conceptual, functional potential of multi-vector policy. Only equidistant, adjusted relations with all priority parties in the international arena, the strict adherence to the principles of international law, humanity and justice will lead the country out of any situation which poses a threat to security.

In this way multi-vector policy of Kazakhstan needs an increased methodological support from as representatives of relevant institutions, so academic and expert spheres. One of the main conditions for such work is availability to the public of the main document - “Foreign Policy Doctrine of Kazakhstan” in full volume, as it is practiced in any other state. After all, foreign policy has long ago evolved from a closed, elitist sphere towards a democratic, transparent branch of socio-political life of the state, allowing the participation of all sectors of society.

SOURCES:

1. Kupchan, C. A. No One's World. The West, The Rising Rest, and The Coming Global Turn.- New York: Oxford University Press.- 2012. – 356 P.
2. Zakaria F. The Post-American World: release 2.0. – W. Norton & Company. – New York – London, 2012. – 314 P.
3. <http://www.centrasia.ru/newsA.php?st=1279093980>
4. <http://www.kursiv.kz/news/details/vlast/Sergej-Glazev-Kazahstan-preuspel-v-chasti-privlecheniya/>
5. Filin B. Nastupayet epokha globalnogo khaosa // Zolotoi Lev, № 87-88, 2006. - (www.zlev.ru)
6. 22. Haas R. Epokha bespolyarnogo mira // «Rossiya v globalnoi politike». № 4, July-August 2008.
7. Rosecrance R. The Role of the United States in the Future International System // The International System after the Collapse of the east-west order. Dordrecht; Boston; L. - 1994. - P. 525.
8. Dugin A.G. Teoriya mnogopolyarnogo mira. - M.: Yevraziiskoye dvizheniye, 2013. - 532 p. – p. 27.
9. Feliciant M. Mnogovektornaya politika kak osnova bezopasnosti // <http://www.inosmi.ru/world/20130115/204623529.html>

EU Strategy for Afghanistan

ANNA GUSSAROVA

In the short term perspective, Brussels faces a task to develop a new strategy for Afghanistan and necessary agreements with Kabul. According to European mass media, the negotiation on the ten-year Agreement on Cooperation for Partnership and Development of the EU with the IRA is in the final stage. A discussion of the issue at the European Parliament is expected only by the end of this year. This autumn the NATO Summit in Budapest is to be held. It is expected that these activities will determine the participation of the European Union and its commitments to the reconstruction of Afghanistan.

At this stage, the EU policy in the IRA is defined by the Strategy Paper for Afghanistan for 2007-2013. Often, however, helping the country is determined by the policies of the EU Member States contrary to the common foreign and security policy. The lack of European solidarity on keeping the troops in Afghanistan after 2014 reflects the remaining disagreements not only in common foreign policy of the EU, but also in frameworks of NATO and cooperation with the United States. Keeping or withdrawal of the troops of some European countries from Afghanistan can become a subject of external political bargaining with Washington.

EU Strategy for Afghanistan

While evaluating the effectiveness of the EU policy towards the IRA we must take into account that **the strategy of the international coalition in Afghanistan is mainly formed by Washington**. If at the beginning of the military operation in the IRA most European countries have supported and assisted the United States and NATO, at present, only Germany, Italy and the UK are willing to take on additional costs for the continued presence in Afghanistan, while the others, including France,

Denmark, Spain, are withdrawing their troops. A smaller number of European countries stay in solidarity with the American strategy in the IRA.

Taking into account this fact, the implementation of the EU Strategy for the IRA can be summarized as follows:

- *safety*. Safety issues largely remain the prerogative of the United States. However, at this stage, 21.6 thousand contingent from 26 the EU Member States present in Afghanistan as part of the NATO mission. The European Union continues to implement the common coalition strategy, focusing on the education and training of the Afghan police and reforms in the security sector through the EU Police Mission (EUPOL).

As of August 1 of the current year, a number of the Afghan National Army has twice exceeded the coalition forces. [1] However, the combat capability of the military forces of the IRA continues to be low. About 70% of police officers are illiterate, 20% of them are drug users, over 30% disappear within a year and about a thousand die each year in the service. [2]

In parallel with the European mission, police training in Afghanistan is being held by American private instructors, whose activities remain unclear for the power structures of the EU and the US. European Parliament pays special attention to this circumstance, but the question of the settlement of this conflict is still not resolved. Uncoordinated actions of allies continue to lead to the growth of corruption in the country at all levels, which negative impact on the measures has taken in the field of security. Obviously, **the lack of technical agreements and arrangements between the EU and NATO missions negates efforts to create effective army and police in the IRA;**

- *drug trafficking*. Currently, 90% of Europe's heroin are of Afghan origin, that is why the EU is taking active measures confronting illegal drug

trafficking. It should be noted that from 2001 to 2009 the United States and its coalition allies have contributed more than \$2 billion on anti-drug measures in the IRA, however, experience has shown that the area under opium poppy cultivation and heroin production in Afghanistan has increased a hundredfold.

Considering the ineffectiveness of the measures taken, as well as the discordances with the United States regarding the methods of confronting the narcotics industry, Brussels is intensifying its cooperation with Russia. The interaction is conducted within the framework of the UNODC "Rainbow" strategy, as well as the Russian plan "Rainbow-2", which involve the eradication of poppy crops in the IRA through the creation of new businesses and working places.

However, the EU investments in agriculture of Afghanistan, aimed to transition to a viable alternative farms, remain insolvent due to the permanently continued increase in poppy cultivation acreage. Since 2002, Europeans have attempted cultivation of crops alternative to poppy. Currently, in the EU policy in the field of confronting the drug industry in the IRA we may observe a paradoxical situation. On the one hand, it is obvious that the cultivation of crops (rice, wheat) has not been supported by Afghan farmers, because the income from growing them is in 38 times lower than the cultivation of poppy.

On the other hand, the program Food Zone, implemented by Denmark, the Netherlands, Italy and the UK in 2009, has launched a saffron cultivation in Afghanistan in Herat province, and later in 20 more provinces of the country. It is well known that the price of a kilogram of saffron is 8-10 times higher than the cost of a kilogram of raw opium. It is significant that in the past year in 23 provinces saffron was grown on 650 hectares of land, and in the current year Afghanistan exported more than 4 tons of spices to Europe and the U.S. for 5-6 thousand dollars per kg. In June of this year Afghan saffron won the first place in the competition of the International Taste and Quality Institute in Brussels. However, the trend in the development of saffron tends to be extremely unstable.

The EU multi-million programs for cultivation of the crops alternative to a poppy have failed due to the following factors:

- corruption at all levels of government;
- the lack of agricultural infrastructure;
- poverty and the desire to make big profits from a small area;
- unwillingness of narco-dealers to reduce the scale of super profit from the sale of opiates;
- the lack of mechanisms to create markets for Afghan agricultural products, in particular for the saffron. The EU strategy in this area does not consider the current state of the international market of labor division, in which India and Iran control the world market of saffron.

At this stage, Brussels is considering the possibility of forwarding 10% of its annual aid to the IRA during five years to reduce the drug production, and also is promoting activation of the economic cooperation between Afghanistan and Pakistan under the Agreement on Trade and Transit on growing pomegranates;

- socio-economic development. According to the resolution of the European Parliament [3], the fight against corruption, the damage from which makes up about a quarter of the country's GDP, should be the cornerstone of the country's reconstruction. The distribution of European aid through multilateral trust funds with the high efficiency became one of these measures, which allowed significantly reduce the financial losses. In addition, under the auspices of the Council of Europe and the European Commission, a creation of a joint group has been planned for the appraisal of the impact of the measures taken. However, the lack of transparency and coordination mechanisms between the countries and international donors in the process of providing a financial assistance to Afghanistan substantially reduces the effectiveness of the efforts. A long period of time, the financial assistance has been provided to Afghanistan via international organizations, development banks, NGOs, and international contractors, but not through the national budget, and in accordance with the request of the government.

* The number of ANA is 187 thousand, NATO forces – 87 thousand. Among them 21.6 thousand are from the EU.

Apart from the provision of humanitarian assistance in the field of food security, health and education, in the long term perspective, an involvement of European Businesses in the mining development in the IRA, which reserves are estimated at \$3 trillion, can be an integral part of the reconstruction of the country. German and British companies are already actively working in this direction, and they should enter Afghan market by the beginning of 2014. However, the lack of infrastructure, high levels of corruption, security problems and low investment climate associated with them, seriously hamper the implementation of the tasks on the reconstruction of Afghanistan.

Instead of in conclusion

The EU's role in Afghanistan post-2014 will be determined by commitments which Brussels will take over in Afghan reconstruction. **At this stage there are uncertainties that will influence the degree of participation of the EU in Afghanistan post-2014**, among which the following to be highlighted:

- **the global financial crisis and its consequences**, which led to a drop in revenues, an increase in unemployment, poverty and massive budget cuts in the social sphere of the EU, as well as forecasts for the deepening of the crisis;

- **Syrian issue and its prospects**, which may more closely involve the European countries in the resolution of the situation in the Middle East;

- **presidential elections in Afghanistan**, the results of which will influence the level of interest of the EU in stabilizing the situation in the IRA after 2014 and regional affairs.

Considering the uncertainties indicated above, the prospects of the EU strategy for Afghanistan are advisable to be reduced to the two scenarios:

A) *The fragmented*. This option assumes the EU contribution to the new NATO mission to train the ANA, as it is expected that the U.S. forces are to mainly focus on counter-terrorism measures. At the same time, the EU policy in Afghanistan will focus mainly on working with the civil sector. It is worth noting that the EU has noted an increase in social unrest associated with costly military operations abroad along with the slow pace of

economic recovery after the global financial crisis. In addition, there are predictions of a new round of global crisis. **It is obvious that the priority in financial assistance of Brussels will be obtained by intraregional issues rather than operations abroad**. The EU will seek the measures to optimize its approach to assisting Afghanistan, in particular through the creation of a group to assess the measures taken in the IRA.

In the frameworks of this logic, **the strategy of the EU in the IRA will focus on strengthening the anti-corruption component**, because without effective measures in this direction the international efforts and provision of humanitarian aid to the country will be in jeopardy. **In Afghanistan, the traditional European methods in the fight against corruption within the legal framework do not work. Brussels does not concentrate on the fight against corruption in the IRA, but on the European financial resources intended to assist the Afghan government and people reaching their destinations. The European Union produces a new mechanism for solving the problem, assuming a point support of the Afghan population**. It has been shown by the Resolution of the European Parliament, which stresses that the fight against corruption should be the core of the peace process in the IRA.

Another element of this approach may be **assistance in the conduction of the presidential elections in Afghanistan on April 5, 2014**. The nature of the EU policy in the IRA will largely depend on changes of the political situation in the country. The level of the EU interference will also depend on the solidarity within the transatlantic partnership;

B) *Complex*. An increasing of financial assistance, an objection for untimely withdrawal in order to provide security before the Afghan presidential elections, as well as an enhancing of the regional cooperation are the central elements of this approach. It is expected that the military contingent in the 8-12 thousand people will remain in the IRA after 2014 [4], however, it is not possible to verify the information, since, according to performance of NATO Secretary General Anders Fogh Rasmussen, all moments, including issues with the U.S. military bases will be discussed in December this year

The EU contribution to the security will be prolongation of an existing or creation of a new police mission to combat the problems of lack of staff, resources and coordination. It is known that the EU has extended the police mission in Afghanistan until December 31, 2014 with an additional budget of €108 million [5], however the future of the mandate after 2014 remains uncertain.

Brussels' diplomatic efforts aimed at supporting government agencies, legitimate parties and NGOs will become an addition to this strategy, as well as the formation of civil society, democratization and human rights, that in the future will significantly reduce the level of widespread corruption in the country.

Obviously, Afghanistan will long be in need of the world community's support. In this regard, **the main component of the EU strategy will be active involving in the mechanism of multilateral economic rehabilitation of the IRA under the "Heart of Asia" project.** This is evidenced by the speech of the Head of the EU Delegation to Kazakhstan A. Bouchez, the EU Special Representative for Central Asia Pierre Flor and the EU High Representative for Foreign Affairs and Security Policy Catherine Ashton.

Meanwhile, the most likely variant of the new EU strategy for Afghanistan will be a combination of components from the two scenarios mentioned above. While shifting the foreign policy priorities of official Washington from Central and South

Asia into the Asia-Pacific region, Brussels is able to strengthen its geopolitical influence in the region.

At this stage, the prospects for the EU strategy in the IRA remain uncertain, however, as well as the European vision of the role of Central Asia in stabilizing the situation in Afghanistan. It is obvious that cooperation on this issue will continue in the framework of regular high-level dialogue the EU - Central Asia on security issues, the Istanbul process, international conferences on Afghanistan and bilateral cooperation. Activating or passivisation of European Union policy in the region will depend on overcoming the differences at national and supranational levels of the EU, as well as within NATO.

The slow pace of economic growth after the crisis, the decline in military spending and a lack of unity of positions on the issue of a common EU foreign policy strategy could potentially lead to a significant reduction in the EU role in the IRA. Brussels will be forced to concentrate on the development of common approaches, aimed to increase efficiency of cooperation on the key issues. In the autumn of this year the Council of Europe will held a hearing regarding the vision of the role of the EU in the Afghan reconstruction, the result of which would be development of a new strategy for the IRA. However, there is a possibility that the final adoption of the new document is not held before the presidential elections in Afghanistan.

SOURCES:

1. <http://www.isaf.nato.int/images/stories/File/Placemats/2013-08-01%20ISAF%20Placemat-final.pdf>
2. European Parliament resolution "About a New Strategy for Afghanistan" // <http://fskn.gov.ru/pages/main/prevent/3943/14449/14472/index.shtml>
3. European Parliament resolution on the negotiations on an EU-Afghanistan cooperation agreement on partnership and development (2013/2665(RSP)) // <http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2013-0282&language=EN>
4. Brattberg E. Europe, Afghanistan and the Transatlantic Relationship after 2014. SIPRI, May 2013 // <http://books.sipri.org/files/misc/SIPRI13wcaEB.pdf>
5. <http://www.eupol-afg.eu/?q=about-us>

Problematic Issues of TNCs Activities in the Republic of Kazakhstan

TURSUNBEK OMURZAKOV

Expansion of the leading TNCs on the market of Kazakhstan and CIS countries contributed to the formation of a situation where enterprises of these countries have turned up to be unable to resist the invasion of foreign TNCs, controlling world markets onto their own markets of goods and services, and have been forced to leave the market, losing the economic impact as well. CIS is now much more open to penetration of foreign corporations, performing mostly only as a host against the background of ongoing export of capital and outflows of strategic resources. It concerns such strategically important in terms of national security sectors of the economy, as the raw material industries, and high-tech industry (telecommunications, chemical industry, etc.)

International experience shows that one of the important factors in increase of the efficiency of economic cooperation and the strengthening of the integration processes would be a creation of TNCs network, financial-industrial groups (FIGs) and other types of associations. They can contribute to the realization of industrial and technological priorities of the participating states, the growth of mutual trade, the formation of common commodity and financial markets, addressing complex social problems.

Such corporate communities tend to focus greater material and financial resources, advanced technology; they are able to identify promising structural shifts in the economy and dynamics of employment. It stands to reason that the organization of TNCs and TNCs in all regions of the world is carried out at a rapid pace. So, if in the middle of the 70s there were about seven thousand of such associations, by the end of the 90s, their number

increased to 35-40 thousand; in the European Union – up to 1200. According to the UN Commission on Trade and Development (UNCTAD), in the late 90s the foreign trade of all TNCs was estimated at nearly 6 trillion US dollars, which is half the volume of the world trade.

In the context of internationalization the economy of any country has been organically linked with the world economy. Therefore, economic development in the national framework and foreign economic relations are inextricably linked with each other, being the links in the same process. Kazakhstan has no time to consistently go through all the stages of TNCs formation and to conquest the world markets, which at their time had been held by the most developed countries. Therefore it is necessary to form own international companies which are globally competitive.

Transnationalization of companies - is a way of resolving the problem of economic restructuring, domestic enterprises must assimilate the world economic space, using the totality of experience in investment activity of the world's largest TNCs and considering the main regional, sectoral and strategic features of production transnationalization at the beginning of the XXI century.

Integration processes have been running in the world economy for over twenty years, in recent years they acquired a transboundary nature and formed a whole new segment of the global market - the market for corporate mergers and acquisitions. The necessity of large-scale consolidation of business is caused by two factors - lack of own financial resources for the implementation of major industrial and technological projects and the limited capacity of the target markets. Integration enables companies to achieve and maintain cer-

tain positions in the market through the following tasks:

- pooling of resources - intellectual, technological, financial and marketing - to achieve synergy effect and diversification of activities;

- optimization of R&D expenditure, the organization of technological process, corporate governance, promoting and supporting of the product to achieve maximum savings and increase profitability;

- minimize commercial risks by gaining guaranteed access to the target markets.

The economic model of a free market as a balanced self-regulatory system is less applicable to activity of such subjects as transnational corporations neither within the same country, nor within the global market. In global scale an oligopoly is formed within which not more than five manufacturers compete. A similar situation is observed in the sphere of the world's oil resources exploitation, aircraft, automotive and telecommunications industries, computer and information technology, and pharmaceuticals. In this context corporate integration is not just a method of competition, but the most effective way to establish control over the industries and markets.

The national capital is able to withstand the competition with TNC only if it is being formed into powerful financial and industrial associations relevant to international analogs, capable to conduct an active foreign policy. With their help, it is easier to decide acute in connection with the expansion of TNCs problem of rigid monitoring of the activities of foreign corporations in Kazakhstan, reasonable protectionism to national enterprises in raw materials and processing industries.

Kazakhstan's civilized joining the international economy may be assisted by a vigorous activity on the world markets of transnational financial and industrial groups, formed, for example, of large and efficiently operating entities of CIS in industry and finance. Among their tasks may be:

- Creation of joint ventures;
- Financing of large investment projects and R&D;
- Technical Assistance;
- Mutual licensing and lending.

A sphere of large enterprises formed approximately a hundred relatively large corporate

organizations, which differ in size, composition, enterprises, ownership structure, form of organization and management. Despite the lack of maturity and paucity of the corporate sector in Kazakhstan, it now demonstrates four stable types of corporate structures.

A little more than ten of these corporations actually generate effective demand in the real sector of economy: it is mainly large exporters of fuel and raw materials KazakhOil, KazTransOil Hurricane Kumkol Munai, Shymkentnefteorgsintez, KEGOC, Ispat Karmet, Kazakhmys Corporation, Kazzink, Aluminum of Kazakhstan, Ust-Kamenogorsk Titanium and Magnesium Plant and TNC Kazchrome. In financial sector two largest banks are leading: Kazkommertsbank, whose securities (Eurobonds and GDR shares) are sold in the stock markets in Europe and Asia, and Halyk Bank, accumulating two thirds of all retail deposits.

However, the listed corporations fall within not only a significant part of GDP and tax payments, but most of the debt to the budget. In other words, the state of the corporate sector adequately reflects the overall economic situation in the country. There are practically absent any world-class corporations in the corporate sector of the Kazakhstan's economy today. Although three Kazakh banks have some chances to gain international recognition (Kazkommertsbank, Halyk Bank and BTA), which enter the global ratings (Moody's, Standard&Poor's, Tomson Bank Watch), as well as five corporations in the real sector (Kazaktelecom, Shymkentnefteorgsintez, UKTMP, Corporation "Kazakhmys", TNK "Kazzinc"), the securities of which (GDR) are sold in the world stock markets. Most of Kazakhstan corporations are characterized by low capital and market capitalization; minimum requirements of geocompetition (the level of capitalization exceeds 1 billion U.S. dollars) aren't met by any one of the domestic corporations.

Most of the joint-stock companies have unstable and inefficient ownership structure, inasmuch as only a few of them had a systemic restructuring of the business. In addition, the state itself makes a certain contribution to the instability of many large corporations functioning, using existing imperfect regulatory framework and sometimes unreasonably interfering with the managing companies and changing the enterprise owners.

Other features of Kazakhstan corporations should include low competitiveness at not very high quality of many types of products and weak corporate governance. In addition, often there are conflicts between the state and corporations, asset managers and shareholders, managers and industrial- production personnel. A characteristic feature of the corporate sector in Kazakhstan is also a significant and rapidly growing share of foreign capital in it. But the potential of many enterprises is quite high because of the uniqueness of products manufactured by them.

For example, Kazakhstan remained almost without pharmaceutical industry. Modern world medicine uses about 10,000 names of various drugs, the list of the most important include about 700 titles. None of the countries in the world is able to produce the full range of medicine. Most developed countries seek to ensure the production of the most important of them, and fill the deficit by mutual supplies. While the country's needs for medicines worth more than U.S. \$300 million a year the existing facilities provide only 3 percent. The rest is imported from neighboring (55 percent) and far (42 percent) countries. Thus, today the health of the republic is more than 97 percent dependent on the availability of foreign currency for the purchase of finished drugs from abroad.

As a result, a lack of self-developed pharmaceutical industry has grown into a significant social problem. In addition, the continued procurement of drugs by importation, in the economic sense, means the financing of foreign pharmaceutical companies from Kazakhstan sources.

Foreign investors are not interested in the development of the pharmaceutical industry in Kazakhstan on 2 main reasons:

- Insufficient capacity of the pharmaceutical market;
- Development of own pharmaceutical industry in Kazakhstan will lead to loss of the market for finished products produced by foreign manufacturers.

Of the 300 names from the list of essential medicine in Kazakhstan about 70 titles are produced and only 46 can be fully provided for the republic's demand by its own production capacity of domestic pharmaceutical companies. A basis for the development of the pharmaceutical industry of the Republic of Kazakhstan is provided by: pharma-

ceutical companies: JSC "Almaty Pharmaceutical Factory", JSC "Khimpharm" Enterprise of the National Center for Biotechnology of the Republic of Kazakhstan, and others. Organization of financial and industrial groups was provided as an organizational form in the State Program of development for pharmaceutical and medical industry, uniting in a single technological chain on production and disposal of medical products, with involvement to the development of the pharmaceutical industry of the Republic of Kazakhstan of financial resources from other countries, primarily Russia, Ukraine and Central Asian states.

There is a unique company in Kazakhstan that has 60 years of experience in production and supply of world-class products - Joint Stock Company "UMP" (JSC "UMP"). In 2005 "UMP" entered the National Atomic Company "Kazatomprom". Trademark "UMP" JSC was registered in the republic, as well as in Russia, Bulgaria, UK, Germany, China, Poland, USA, France, Czech Republic, Japan. In 2007 a quality management system was certified in accordance with the international standard ISO- 9002 in production of uranium compounds, including regenerated, for nuclear reactors and power plants, processing of various uranium compounds for obtaining products of varying degrees of readiness.

"UMP" JSC is the largest in CIS producer of nuclear, ceramic fuel for nuclear power, the only one on the Eurasian continent production, producing all kinds of products from beryllium rough ingots to finished products, non-inferior to the best world analogues. The company combines a unique production in CIS of tantalum, modern production of hydrofluoric acid, a unique production of superconducting materials, machine-building complex, with extensive experience in manufacturing, not standardized equipment and high-precision products.

Joint Stock Company "Ust-Kamenogorsk Titanium and Magnesium Plant" (JSC "UK TMP") was built using the latest technology and research and development. During the 1995-2006 years the certification of the highest grades of titanium for use in the aerospace industry was conducted, also the conclusion of long-term agreements with the firm "Taymet" put the plant into the line with the largest integrated supplier of titanium for aircraft in the face of such firms as "Taymet" (titanium alloys

and semi-finished products), “Pratt & Whitney” (motor industry), “Boeing” (planes).

Taking into account the prevailing market trends, it is necessary to initiate the formation of large-scale corporate structures in the domestic industry, implying the following areas of work:

1. Regulation of the legal field of integrated structures.

2. Alignment of the system of mutual relations between the integrated structures and different branches of government.

3. Assistance in solving social problems arising in the process of integrated structures formation.

4. Formation of high-grade stock market as an instrument to attract investment resources.

Transnational companies can perform tasks of interaction within CIS republics and can serve, with state support, as a recovery basis for national economic cooperation on new and mutually beneficial principles. Approaches to problems that can be solved by TNK forming are different. In this regard, I consider it necessary to:

- Develop and adopt an international strategy for formation and development of TNCs;

- Offer the public and business organizations to participate in the formation of transnational groups, which mobilize resources for recovery and development of production;

- Promote the adoption of regulations that implement realization of various schemes of capital, support of creation and functioning of own TNCs on the territory of the CIS states;

- Provide a stronger organizational, economic and technological integration of the CIS states, regions, enterprises and organizations in the world economy through the establishment and development of specialized and cooperative productions, creation of joint ventures with foreign firms, as well as organizations of subsidiaries that are world leaders or occupy the leading positions in the design and manufacture of the industrial products, formation of TNK (companies, monopolies);

- Different state shareholding management implementation in united corporations should be provided with creation and joining the activities of TNCs, creating advanced control system for financial operations of its subsidiaries in the host countries, the flow of technology and inside cooperative;

- Develop equitable relations with major foreign companies for a fundamental modernization of the CIS economies;

- Actively participate in the search for internal and external funding sources for financial and industrial groups;

- Strengthen support for transnational construction as an important factor to increase the vitality of the CIS economies;

- Create the conditions to stimulate investment in TNCs, for example, by organizing special procurement and guarantee funds;

- Bring the current tax system into line with the real possibilities for profitable economic activities of TNCs;

- Expand professional training of managers for national and multinational corporations based on the largest investment management centers of CIS countries;

- Facilitate the conclusion of inter-state agreements between governments and major commercial banks on the financial support of the process of the CIS corporations formation, on mobilization for these purposes of all available free resources of population, small and medium-sized businesses, foreign investors, on an increase in government and bank investments in R&D and expansion of innovation base of corporate structures;

- Work out specific ways to integrate TNCs of the CIS countries into the modern world economy through the transnationalization of capital, especially in advanced technology, high-tech industries.

Development of interregional cooperation is one of the ways to international security and sustainable economic development, strengthening of statehood.

Startups of Kazakhstan: Current Status, Problems and Opportunities for Development

MERUERT SEIDUMANOVA

Small innovative companies play a significant role in the modern economy. According to expert estimates, up to 40% of the world ideas and prototypes of new products and technologies appear within them, the usage of which allows creating new markets and changing the structure of national economic sectors.

Providing dynamic innovative development is one of the prior tasks being completed by the Government of the Republic of Kazakhstan at the present stage. Modernization and transition to innovative development of the national economy are possible upon creating an appropriate business and economic environment based on the developed innovative business. In this regard, supporting start-ups is one of the key directions in the path of formation of industrial innovative economy, marked in the Program for development of science, innovation and promotion of technological upgrading in 2010-2014. [1]

Active support of innovative enterprises in the country has started since 2003, with the adoption of the policy course on industrial-innovative development. [2] So, since this period, the Government

of Kazakhstan has adopted a series of legal documents, contributing to the creation and development of startups. These documents include the State program of forced industrial-innovative development of Kazakhstan* for 2010-2014, the Law "On state support of industrial innovation"*** from 9th January 2012, Program to promote innovation and technological modernization of the Republic of Kazakhstan*** for 2010-2014, Cross-sectoral plan of scientific and technological development of the country until 2020****, Program "Productivity 2020"*****, etc.

Thus, the implementation of the specific measures taken in these documents has led to significant innovation in the country, namely, the number of innovative active enterprises has increased, along with innovative activity, and volume and share of innovative products in GDP (Table).

Thus, since the adoption of the Strategy of Industrial and Innovation Development of Kazakhstan for 2003-2015 there has been a considerable growth in the market of startups. However, indicators of innovative activity of enterprises and the volume of innovative products are still significantly lower than in developed countries (see Table).

* This program has the following objectives: the development of infrastructure (transport, energy), the provision of qualified personnel, reducing of administrative barriers, budgeting of innovative grants, promoting technological upgrading, etc.

** One of the main purposes of the represented law is creation of conditions for the development of high-tech small and medium-sized businesses and improvement of the scientific and engineering potential of the country.

*** This program includes promoting technological upgrading through the formation of the supply and demand for new technologies, and promotion of the formation and diffusion of new technologies.

**** According to the presented plan there is stimulating of the domestic enterprises to introduce new products and technologies, involving researchers of higher education institutions and students into scientific activity.

***** This program helps to provide a long-term lease financing, reimbursement of some expenses for the purchase of technology, assist in provision of guaranteed reservation for the long term.

Table — Characteristics of innovation activity of Kazakhstan for 2003-2012

The number of innovative enterprises	Innovative activity	Volume and share of innovative products to GDP
Since 2003, there has been a sharp increase in the number of innovative active enterprises (in 2003 this figure was 148 and in 2012 was equal to 1215). It should be noted that the number of innovative enterprises in 2012, almost increased twofold comparing to 2011.	A growth of the enterprises activity in the innovative sector in Kazakhstan amounted to 5.7% in 2012, which is significantly above the 2003 level (2.1%). So, among 21,452 enterprises of the republic 1215 (5.6%) are innovative and active. For comparison, the share of innovative enterprises in Germany is 80%, in the U.S., Sweden, Italy, France — about 50%, in Russia —9.1%.	Since 2003, the volume of innovative products of Kazakhstan has significantly increased — from 65,020.4 million tenge in 2003, to 379,005.6 million tenge in 2012. Share of innovative products in relation to GDP in 2012 was 1.25%, has being increased on 0.39% since the previous year. However, the pre-crisis indicators of 2006 were not achieved (1.53%). For comparison, in Finland high technologies form the 45% of GDP.

Source: Agency on Statistics of RK

However, it should be emphasized that some statistics are not sufficiently objective, characterized by the development of the market startups. For example, the number of innovative enterprises is not always an objective evidence of the intensity of innovative activity, because it is calculated without taking into account the volume of production and innovative activity of enterprises.* Large and small businesses with different innovative activity while using existing assessment methods are considered to be equal and equally affect the final result of analysis.

In general, the analysis of startups in Kazakhstan by the stages of development showed that a large proportion of small innovative enterprises is at the initial stage (Fig. 1). For example, such startups projects, as tapir**, passent.kz***, smipe****, lifeline****, etc., fall into the category of startups with the primary investment, i.e. located on the “seed stage” of development [3].

“Growth stage” includes such domestic startups as Pay-me****, fee (cardfee.kz)****, city portal “My Astana”****. Such startup as Ticketon.

is in its “expansion stage” today, which is less than in a year of its existence sold more than 40 thousand movie and theater tickets online, attracted 280 thousand dollars and now begins an expansion to the markets of Azerbaijan and Kyrgyzstan. [4]

Unfortunately, open sources do not have available data on start-ups, operating at output stage. In general, according to Internet information resource istartup.kz, startups in Kazakhstan mainly develop in the field of IT and Internet projects. [5]

Current situation may be associated with an active support of this direction. So, for example, the NGO “Development Fund of infocommunicative technology (ICT)” provides support for startups in the ICT sector by increasing the level of qualification and competence in this area, creating favorable conditions for scientific research and implementation of measures and instruments for commercialization of innovative ideas in the sphere of ICT [6]. One of the last effective measures of “ICT Development Fund” was a competition in the program of acceleration in Silicon Valley and creating an IT school in Karaganda. [7]

* This indicator, used in the practice of statistical and analytical research, does not allow seeing the scale of innovation in enterprises sector, as calculated without taking into account the volume of production and innovation activity of enterprises. Furthermore, it is unknown what innovations, productive or process, were introduced in these enterprises. Creating large companies with a certain number of small businesses that perform small but profitable orders for the production of upgraded products can promote the growth of this indicator.

** A platform for automation of secondary and special schools, which will include workflow, training materials, e-zine, payment status, extracurricular activities, test system, library card.

*** An intellectual online game, aimed to simplify the process of preparation for UNT.

**** First integral cloud office for media professionals.

***** Calling for help in emergency situations for the elderly and people with disabilities.

***** Project provides an opportunity to accept bank cards for payment through a smartphone and Internet connection.

***** Application for making payment for services without commissions.

***** Providing relevant background information about the companies of the city, informing residents of the capital city about the news, providing a variety of services.

***** System of online ticket sales “Ticketon”.

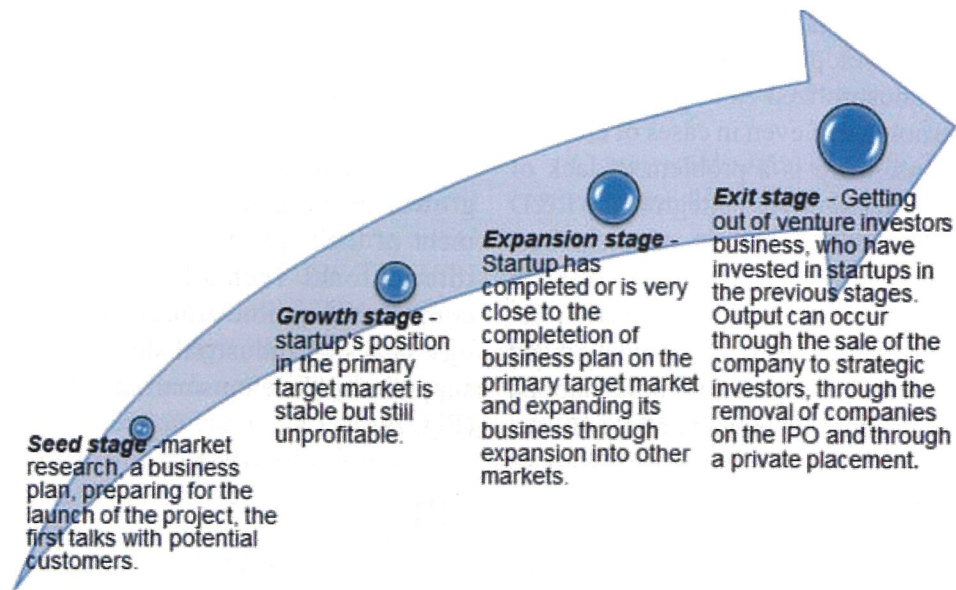


Figure 1. Stages of startup development

Source: *startup.ru, meridiancapital.ru*

Today **there are several problems** in the domestic market of startups, **hampering the development of small enterprises in the area of innovation.**

Thus, one of the main obstacles for the development of innovation is lack of a stable demand for innovative products as from national or regional order in the frameworks of implementation of government programs, investment projects, so from private sector. In this situation - in the absence of demand – an accelerated development of innovation is virtually impossible. [8]

On the other hand, the business sector in Kazakhstan still faces significant *legal and regulatory obstacles* for the realization of their innovative ideas. Regulatory framework in the field of innovation support, tax incentives for innovation, support for intellectual property, and state order on innovation are still in their formative stages and require further improvement.

The problem of *bias statistics data* in innovation sphere should also be noted. Domestic statistics innovation has a number of systemic problems. According to NIF, there is no system of indicators reflecting the actual state of innovation processes in connection with the mixing of indicators from vari-

ous forms of statistical reporting, and incorrectly calculated data [9]. So, it is necessary to revise the basic indicators of innovation and perhaps develop new methods of evaluation.

Experts in the field of innovation have noted that a major concern for small business development in the innovation sector is the lack of promotion of innovative entrepreneurship in the media. A policy of promoting innovation-based economy, the transition to a new technological way in the regions, sectors and national companies is poorly implemented today in Kazakhstan [10].

A significant obstacle for startup market development is *the lack of personnel*. Today an acute shortage of skilled innovative managers is noted. There are no search engine, trainings, support and professional improvement to form the class of experts-managers in the field of innovation.

In its turn, the lack of professionals is associated with the problem of inconsistency of educational programs in institutions of higher education to the requirements of an innovative economy. In Kazakhstan education system is still not adapted to the formation of necessary for the innovation economy knowledge, skills and behaviors among the population. Domestic universities have not yet become the

leading generators of creation and implementation of research and development, in contrast to the universities of industrialized countries.

It should be noted that even in cases of creating R&D innovations, there is a problem of lack of appropriate tools to effectively integrate the R&D innovations in the economic activity of enterprises.

Other important problems in the startup market appear to be, such as low level of interaction between business and government in formulating and implementing innovative policies, undeveloped infrastructure, problems of commercialization, etc.

Opportunities and prospects of startup market development in RK

State support measures, implemented by the Government, provide a great opportunity for growth in the number of startups and improvement of their quality. Thus, today there are two international Technology Transfer Centre, 9 commercialization offices, 8 regional technology parks, 4 industrial design offices, etc., to support and develop small innovative enterprises (Fig. 2).

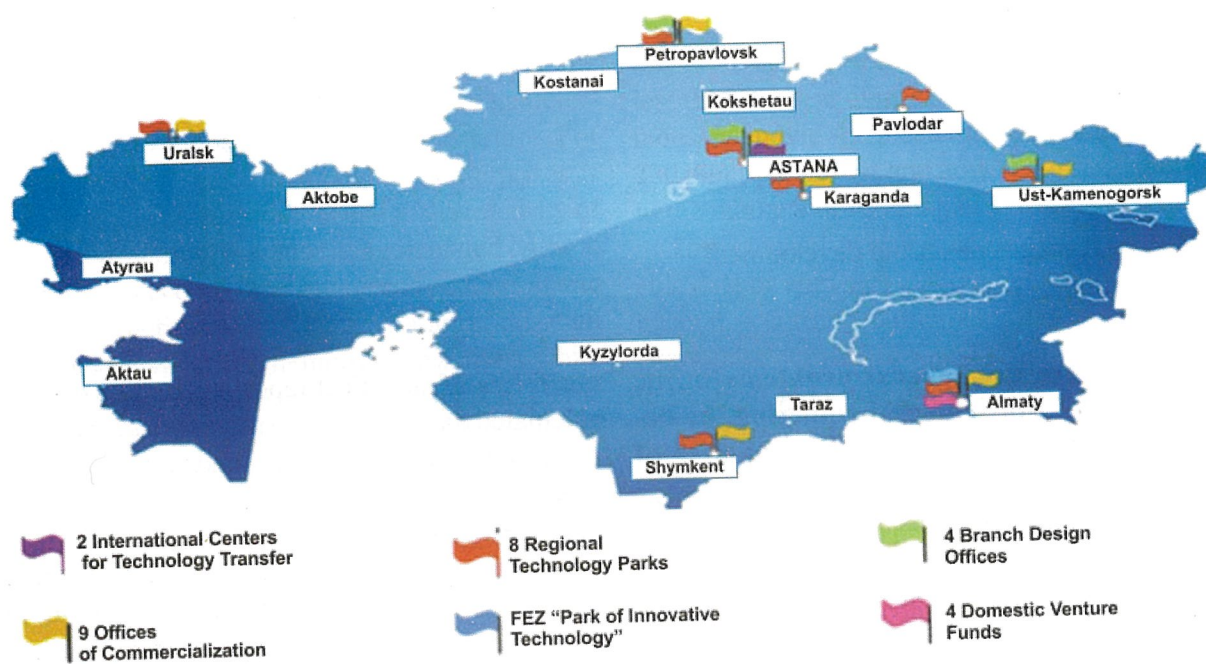


Figure 2. Elements of innovative infrastructure of Kazakhstan

Source: Report on the main results of JSC "National Innovation Fund" activity

Presented in Figure 2 the elements of innovative infrastructure provide startups with the following state financial and non-financial support:

- *Direct project and venture financing*

Direct project and venture financing will be provided within the framework of Program for development of innovation and promotion of technological modernization in the Republic of

Kazakhstan for 2010-2014 [11]. Currently, the funding of innovative projects is brought about by the National Innovation Foundation (NIF) through shared non-controlling participation in project companies, investing in projects for a period of 5-7 years* [12].

State support and venture business encouragement are carried out by development institutions, in particular the JSC "National Innovation

* Currently, in the investment portfolio of the Fund there are 9 projects under implementation, which are implemented in the fields of construction materials manufacturing, energy saving, telecommunications, computer graphics and new ways of petroleum refining.

Fund". This is the first Kazakh fund designed to participate in the creation of venture investment institutions with Kazakhstan's and foreign capital, investing in technological innovative business. NIF is a partner for 4 domestic venture funds of Kazakhstan, established jointly with local investors on a public-private partnership*: JSC "AIFRI "Venture Fund "Sentras", JSC "AIFRI "Venture Fund «Delta Technology Fund», JSC "Fund for High Technology "Areket" and JSC «Logycom perspective innovations». Also in 2013 the Customs Union created a venture fund LLC "Venture Company "Innovation Center EAEC" (CIT EAEC), whose task is to provide consulting services on a full cycle of technology commercialization process: from technology audit to attraction of funding in order to commercialize the technology and high-tech products with sales potential in the economic space of EurAsEC members [13].

- *Provision of innovative grants*

According to the report of NATD, 7.5 billion tenge were allocated to innovation grants from the national budget in 2012 [14]. Innovation grants are provided in four areas: acquisition of innovative technologies, conducting of design and engineering development, working-out feasibility studies of innovative projects, patenting abroad.

- *Service support tools*

Since 2010, services of technology business incubation (TBI) are provided with the purpose of small and medium-sized innovative companies development and the implementation of innovative projects by technology parks. During 2010-2012 76 innovative projects received support. Amount of TBI funding for one project an average in 2012-2013 increased significantly to 26 million tenge for a two-year period [15].

Also, another type of service support is brought by design offices, carrying out product development, provided by technological memoranda. In 2011 eight technological memoranda were signed, containing 4715 items of demanded production

with the volume of consumption amounting to 3.1 billion tenge a year. Today 4 branch design offices operate in Kazakhstan [16].

- *Commercialization of technologies*

Commercialization system in Kazakhstan is at an early stage of development. There are a small number of industrial parks, offices of commercialization at institutes and venture capital funds, but the number of quality projects is very limited. So, in order to implement SPAIID for 2010-2014 on the basis of NATD, Center for Technology Commercialization (CTC) was created in 2013; development of 21 offices of commercialization was supported at institutions of higher education, research institutes and regional centers of commercialization by industrial parks [17]. The main activities of commercialization centers are: promoting innovation and commercialization of innovative projects.

- *Technology transfer*

Today Kazakhstan network of technology transfer (KNTT) operates in Kazakhstan, which is a service tool that implements an accelerated process of finding, transref and adoption of the most appropriate technological and innovational solutions, necessary for the production of competitive goods and serviced. KNTT's main purpose is to promote business innovation and commercialization of high technologies in Kazakhstan.

- *Management technologies*

Currently, a budget program "Implementation of modern technologies" is to be realized within SPAIID for 2010-2014 and the program "Performance 2020" which will introduce modern management technologies (technologies to enhance economic efficiency of enterprises – automated management systems, international management standards, etc.) The main purpose of the introduction of modern management and production technologies is to increase the level of corporate governance and competitiveness of industrial

* NATD is a partner of five leading international venture capital funds, covering Europe, the U.S., Israel, South-East Asia, such as Wellington Partners III Technology Fund LP, «Central Asian fund to support small businesses «CASEF, LLC», Mayban Jaic Asian Fund, and Venture fund Vertex III Fund LP.

enterprises in the priority sectors of the economy. 165 million tenge were allocated to implement this program in 2010. [19]

Since the beginning of the period of transition to innovative way of development, Kazakhstan has achieved considerable results - innovative activity increased from 2.1% to 5.7% in the period of 2003-2012, the number of innovative enterprises has doubled, the volume of innovative products has increased almost six-fold [20]. Nevertheless, it should be noted that the level of innovation in Kazakhstan lags far behind the level of foreign countries in connection with the fact that the development of startups market in Kazakhstan is still in its formative stages. Consequently, based on current economic conditions, the development of startups **requires further organizational and financial support from state institutions**. Thus, the formation of industrial innovation economy requires the development of innovative infrastructure, based on venture capital, highly skilled personnel, patent offices, educational systems interacting with the private sector. To achieve these objectives, we consider it expedient:

- *Construction of the education system, focused on innovation.* For further development of innovation in Kazakhstan the following measures in the field of education should be taken: strengthening of the role of universities and research organizations by strengthening their ability to transform ideas into innovative projects and to focus its work on the needs of the industrial sector, training of teachers of the new format, the creation of conditions for development of scientific schools at universities, the development of a dual system of education in engineering, etc.

Also it is necessary to create a process of identifying talents among children, teenagers and young people at an early stage, during their studying at schools and colleges, which is possible through the use of unconventional methods such as business games, innovation contests, and creation of comprehensive programs for the development of young talent, etc.

- *Expansion of investment support.* Despite the existing instruments of financial support, the startups market still has an acute problem of venture funding development, which is provided by only four venture funds. Their development is mainly carried out with the support of JSC "National Innovation Fund". In addition, the commercialization of the system in Kazakhstan is at an early stage of development (the main work began only in 2010). [21] Thus, to support the expansion of investment it is necessary to further develop the system of venture capital financing, train skilled personnel, and improve the legislation.

- *Formation of a system of information support for innovation.* It is necessary to create modern exhibition centers, clubs and training centers in various areas of science and high technology, distribution of publications and materials of popular science books and magazines that encourage the public interest and, especially, children and young people to innovation. Creating an information portal about domestic innovations for a wide range of public, updated on a regular basis, can serve as tools for promotion of innovation.

- *Creation of a favorable climate for innovation.* For further development of innovation in Kazakhstan it is necessary to create an innovative economic environment capable massively attract small and medium business, young scientists and specialists into innovation. In order to achieve this goal, we recommend regular monitoring of the innovative environment to eliminate the administrative, institutional and regulatory barriers in innovation sphere, formulation of clear criteria of innovation programs, stimulating the growth of innovation in the social sector, national and regional governance*.

- *Improvement of monitoring over innovation.* For the formation of objective statistical data, it is necessary to improve the methodology and practice of statistical measurement of innovation. In addition, you can develop new statistical tools through the statistical surveys of the population, governmental bodies and the business sector.

- *Formation of the demand for innovation.* For the development of innovation in Kazakhstan it is necessary to create demand for innovation through

* «Анализ эффективности деятельности центральных и местных исполнительных органов» Тсентра аналитического сопровождения инновационных профессоров, page 41.

regional programs, major investment projects and the development of public-private partnership in the field of innovation.

- *Development of innovation infrastructure.* It is necessary to further develop regional industrial parks, innovative engineering centers, create industrial zones and parks for innovators, industry institutes in regions, etc.

- *Development of international cooperation in science and technology and innovation spheres.* In order to increase innovation activity and the development of innovation, it is recommended to arrange internships abroad for the researchers, actively carry out international scientific conferences, and create international research centers, etc.

Thus, the increase in the number and quality of domestic startups is a key task on the way to the formation of industrial innovation economy of Kazakhstan. Positive indicators of innovation activity in the country point to the success of conducted policy on support of innovations and development of innovative activity. Nevertheless, more intense work on development of the startups market in the country is essential, since there are still acute problems of efficiency and coherence of the elements of the national innovation system. In our opinion, the recommendations presented above will contribute to the effective development of small innovative enterprises in Kazakhstan, forming the basis of the innovative economy.

SOURCES:

1. Ob utverzhdenii Programmy po razvitiyu innovatsii i sodeistviyu tekhnologicheskoi modernizatsii v Respublike Kazakhstan na 2010-2014 gody, <http://adilet.zan.kz/rus/docs/P1000001308/links>
2. Strategiya industrialno-innovatsionnogo razvitiya, <http://ru.government.kz/resources/docs/doc3>
3. Startapy Kazakhstana, <http://istartup.kz/startup>
4. Ibidem
5. Ibidem
6. Fund of Informational Communicational Technologies Development (ICT)), <http://ictfund.kz>
7. IT school in Karaganda, <http://ictfund.kz/events/it>
8. AO «Natsionalnyi innovatsionnyi fond» – Otchet o sostoyanii innovatsionnykh protsessov v RK, v tom chisel I v regionalnom razreze 2011, page 4
9. AO «Natsionalnyi innovatsionnyi fond» – Analiz effektivnosti deyatelnosti tsentralnykh I mestnykh ispolnitelnykh organov 2011, page 46
10. Ibidem, page 42
11. Programma po razvitiyu innovatsii i sodeistviyu tekhnologicheskoi modernizatsii v Respublike Kazakhstan na 2010-2014 gody <http://www.mint.gov.kz/?id=116>
12. AO «Natsionalnyi innovatsionnyi fond» – Otchet o sostoyanii innovatsionnykh protsessov v RK, page 64
13. Ibidem, page 119
14. AO «Natsionalnoye agentstvo po tekhnologicheskomu razvitiyu», <http://www.natd.gov.kz/6month-test/>
15. AO «Natsionalnoye agentstvo po tekhnologicheskomu razvitiyu» - Tekhnologicheskoye biznes-inkubirovaniye http://www.natd.gov.kz/our_activities/infrastructure/technology_parks/technology_business_incubation/
16. AO «Natsionalnyi innovatsionnyi fond» – Otchet o sostoyanii innovatsionnykh protsessov v RK, page 125
17. Ibidem, page 157
18. Ibidem, page 173
19. Ibidem, page 167
20. Agency on Statistics of RK, sector – innovations, http://www.stat.gov.kz/faces/wcnav_externalId/homeNumbersScience?_afLoop=144411558835858&_afWindowMode=0&_afWindowId=p3gbw8xk1_42#%40%3F_afWindowId%3Dp3gbw8xk1_42%26_afLoop%3D144411558835858%26_afWindowMode%3D0%26_adf.ctrl-state%3Dp3gbw8xk1_58
21. AO «Natsionalnyi innovatsionnyi fond» – Otchet o sostoyanii innovatsionnykh protsessov v RK, page 160

Political Studies on Central Asia: 2012-2013

MURAT LAUMULIN

The interest of political science in Central Asia has not subsided: the academic community is paying close attention to the ways new national identities are being shaped in individual countries and to the geopolitical processes underway in the region as a whole, as well as to the results being presented in academic periodicals and exhaustive fundamental publications. Political scientists have noticed that despite certain common features, the local political regimes differ greatly from country to country. All the Central Asian states, those bordering on Afghanistan in particular, are very concerned about the rapidly approaching American pullout and the country's possible destabilization.

Introduction

In the last couple of years, the flow of academic publications addressing Central Asia's political problems has not subsided. Very much as before, authors have been showing a lot of interest in individual republics, particularly in the way they are acquiring and have acquired a new national identity. Large-scale fundamental geopolitical studies have appeared, while the veterans of Russian Oriental studies have added several fundamental works dealing with Russia's Central Asian policies to the vast body of works published in other countries.

The editorial board of *Pro et Contra*, a journal published by the Moscow Carnegie Center, concentrated on the region and its problems in a special issue titled *Tsentrālnaia Azia i vneshnie derzhavy* (Central Asia and External Powers).^{*} The authors proceeded from the assumption that despite many

common features, the local political regimes do not necessarily see eye-to-eye on many issues, while their foreign policy preferences differ widely. The generation change at the very top of the power pyramid will push the countries further apart: the nationalist agenda will attract more attention than is really needed, while economic rivalry and symbolic competition will become exacerbated. This makes lumping the five Central Asian states together and regarding them as a closely knit community a rather dubious endeavor.

A problem best described as Afghanistan-2014 dominates the vast body of publications about the Central Asian region very much concerned about the withdrawal of the coalition's armed forces, which will leave the region to face the consequences: possible vulnerability, undermined security, and destabilization.

Inside the Region

Martha Brill Olcott's recent book "In the Whirlwind of Jihad"^{**} deals with Uzbekistan or, rather, as follows from the book's title, with the history of Islam in Uzbekistan. The author has stressed that late in 1991, when Uzbekistan became an independent country, it was still unclear whether it would remain a secular state. Back in the 1980s, this Soviet republic lived through an Islamic renaissance, a process that gained momentum when the Soviet Union left the stage, while the new state was too weak to control the situation.

Today, relations between Islam and the state pose as a severe problem as ever in all the Central Asian countries; it is especially acute in Uzbekistan. The author writes that the first and so far only

^{*} See: "Tsentrālnaia Azia i vneshnie derzhavy," *Pro et Contra* (MCC), No. 1-2, 2013, 126 pp.

^{**} See: M.B. Olcott, *In the Whirlwind of Jihad*, Carnegie Endowment for International Peace, Washington, D.C., 2012, XIV+415 pp.

president of Uzbekistan, Islam Karimov, pays much more attention to the problem than his colleagues in other countries. He was quick to recognize that the state should restore its control over the religious sphere without antagonizing the faithful. The events unfolding in the Central Asian neighbors taught Karimov that to remain in power he must rely on a great part (if not the majority) of the country's population, while political and religious freedoms should be controlled and strictly metered.

Watching the Soviet Union fall apart, Islam Karimov realized that legitimacy of the state's newly acquired independence and popular recognition of his own power rested on a limited compromise with religion. Fully aware of the rapid spread of religious fundamentalism in his country and acting under the pressure of the bloody civil war in Tajikistan, Karimov, and all the other Central Asian leaders for that matter, became convinced that the secular states needed a tighter grip on their Muslim communities so as not to find themselves controlled by religious leaders.

The author points out that the state and the secular elite perceive a threat in the stronger public role of the Islamic leaders. The secular leaders are worried lest an indirect tie between morals and religion remove them from their social and economic heights. This has already put the Uzbek powers in a quandary: they do not want to rely on religious leaders to promote their own ideas, being fully aware, however, that to secure the loyalty of the people they have to gain at least limited support of the Islamic leaders. This explains why the Karimov regime spares no efforts to find loyal clergy members (willing and able to side with the state completely or partially) and rely on them.

The author refutes some of the stereotypes. She writes that the Uzbek leaders blame the Islamic Movement of Uzbekistan (IMU) and the structures that originated from it for all the acts of terror that shattered the republic in 1999, 2000, 2001, 2004, 2005 and 2009, as well as the inroads into Kyrgyz territory. She writes that there were few IMU members among those who attacked the prison in Andijan and triggered the mass riots. They were stirred up and kept going by Akromiya, a move-

ment bearing the name of Akrom Yuldashev, its leader, who left Hizb ut-Tahrir in 1993 and had nothing to do with the IMU.

Martha Brill Olcott points to the contradiction between the idea that the Uzbek version of Hanafi Islam is unique and the interests of the forces that gained power because of the country's independence. The interested foreign actors and main political leaders associated with the people in power are determined to channel the developments in the country in favor of the Central Asian secular forces; this explains many of the decisions made by the Karimov regime. As the country is moving away from its Soviet past, the memory of it becomes dimmer, or is even obliterated completely. The younger generation is being brought up in a society that does not ban Islam but teaches respect of its values as part of secular education and permits free and comparatively extensive contacts with the Islamic world.

The author concludes that, having freed itself from the ideological and social shackles of Soviet times to some extent, Uzbekistan today is a more traditional society and a more devoted heir of its Muslim past than it was at any time in the 20th century. It remains to be seen what will happen to the country after Karimov. One thing is clear: much will depend on the last years of the Karimov regime, on whether Kyrgyzstan preserves its statehood, on whether Afghanistan preserves stability and peace, and on whether the nation's economic possibilities will match its economic expectations.

This is a far from ordinary book, yet certain things, the author's assessments of the meaning of the developments in Uzbekistan in particular, invite comments. She is inclined to positively assess the phenomenon of the post-Soviet Islamic renaissance and to pass over in silence the fact that it is causing de-modernization of Uzbek society: it is growing more archaic and moving toward complete degradation. Islam (state-supported or unofficial) is wiping away what remained of Soviet modernization, in the past an object of quite understandable pride in the Center and in Tashkent. This fully applies to all the other Central Asian republics.

Another book by the same author called "Tajikistan's Difficult Development Path" * supplies a

* See: M.B. Olcott, *Tajikistan's Difficult Development Path*, Carnegie Endowment for International Peace, Washington, D.C., 2012, VIII+455 pp.

complete picture of the country's post-Soviet social and economic evolution. After scrutinizing the republic and its difficult development path in detail, Martha Brill Olcott called it "a country at risk." She has provided a detailed history of the causes, beginning, and contradictory course of the civil war in Tajikistan and concluded: "The resolution of the Tajik civil war created a greater public role for Islam in Tajikistan than in any other country in Central Asia, and during Rahmon's first term in office it seemed that Tajikistan might evolve into a democracy [Islamic?] under his leadership... But over time Tajikistan has moved much closer to one-man rule; it is now somewhere between Uzbekistan and Kazakhstan in its degree of democratization."

Lingering on the region's margins with its economic potential barely developed, Tajikistan remains a regional security hazard, says Olcott. The beginning of the counterterrorist operation in Afghanistan consolidated Tajikistan's international positions and stabilized the situation inside the country. Economic growth in Kazakhstan and Russia positively affected the republic's economy. International aid is extended with economic reforms in view; the Soviet agricultural system has been destroyed, but the country has failed to make a smooth transition to the market economy.

In the late 2000s, the weak shoots of Tajik economic growth wilted under the impact of the world crisis, which slowed down economic growth in Russia and Kazakhstan. The grave economic problems undermined the government's legitimacy: in 2009, IMU fighters and other Islamist groups resumed their inroads into Tajikistan; its international situation also suffered. At approximately the same time, however, the country started moving closer to China and the Gulf countries, even though this is unlikely to help Tajikistan complete its economic reforms.

President Rakhmon could rely on the memories of the tragedy of the civil war still alive in the minds of the people to consolidate society and build a fairly wide social basis for his power. In the course of time, however, the new generations that joined public life in the republic and, especially, the Arab spring deprived this political instrument of much of its previous usefulness. The author did not hesitate to point out that "For the past twenty years, Tajikistan has always seemed to be on the

precipice of becoming a failed state, but then either good luck or public lethargy has given the government enough time to right its course, or to at least maintain enough public confidence to allow its leadership to remain in power."

Martha Brill Olcott examines a wide range of interrelated problems: the monarchic (or dynastic, as the author calls it) form of government; the specifics of Tajik parliamentarism; the local power system; the law-enforcement system; freedom of the press; and, finally, the place of religion in politics and society. She points to the very special place Tajikistan holds in the region as the only republic where there is an officially registered religious party with deputies and ministers among its members. This was one of the results of the civil war and the reconciliatory agreement that ended it. The position of the Islamic Renaissance Party of Tajikistan and of Islam, as a whole, however, is changing: the presidential election of 2006 and the new law on religion passed in 2009 increased the pressure on the religious institutions in the republic.

The author has formulated a fairly sensitive question: Will the West side with Dushanbe if President Rakhmon continues to resist the pressure of Russia (on the issue of NATO weapons used in Afghanistan) which, allegedly, objects to the plans to leave NATO weapons in the Central Asian countries?

She ended her book with an analysis of the future challenges, threats, and risks and concludes that they are highly varied: destabilization caused by the coalition's withdrawal from Afghanistan and the highly vulnerable position when dealing with Tashkent because of the republic's transportation and communication dependence on Uzbekistan and the hydropower disagreements between the two capitals. Moreover, as Tajikistan moves toward membership in the Customs Union, its trade with Afghanistan and China will inevitably suffer. Environmental problems are another source of huge risk, caused, in particular, by the melting glaciers and resultant aridization. This has moved the republic into the "perfect storm" context, that is, the republic has been and remains pestered by every possible kind of external and internal problem.

The author described the economic and demographic problems as insurmountable and concludes that if the Tajik ruling elite does not realize that

reforms are long overdue and does not abandon its selfish interests, the country will move even closer to social and political upheavals. The country must finally break the vicious “political patronage, corruption, and criminality” circle. The book is free from the political overtones typical of other works by the same author; her conclusions and commentaries are objective and well-balanced; she tries hard not to succumb to apocalyptic forecasts and succeeds, even though the subject suggests them.

In 2013, the Central Asia-Caucasus Institute of Johns Hopkins University published a book by Kyrgyz expert Anvar Bugazov called “Socio-Cultural Characteristics of Civil Society Formation in Kyrgyzstan” written and published within the framework of a program chaired by Prof. Frederick Starr. The book is addressed to the Western reader.*

The Kyrgyz academic has formulated the main questions as “Why did the dismantlement of communism lead to the demise of what the country once had, but not to the emergence of a new society of free citizens? Why was Soviet totalitarianism replaced with a strange symbiosis of traditional and patriarchal foundations in social and political relations?” To find answers, the author analyzed various aspects of social order and the place and role of traditionalism in the international relations system and concluded that as long as social life remains dominated by the revived traditions of nomadic tribes no civilized social relations will be possible.

The city/village (aul) dichotomy is another serious problem; in the last few years, urban life in the republic has become “Kyrgyz-ized” to a great extent: new urban dwellers have moved to the towns and cities together with their rural culture and patriarchal relationships. The author points out that under Askar Akaev (his presidency earned, on the whole, complimentary assessments from the author), traditionalism and modernity were well-balanced. Today, people from village communities are actively moving into the bureaucracy and political class together with their ideas about clans and clan relationships. The author points to nepotism as another aspect of tribalism and patriarchal ideas about life. The conclusion suggests itself: on the

whole, Kyrgyz society is a traditional community based on mechanical rather than organic solidarity.

The author is rightly concerned: Kyrgyz society is nearing the point at which “all the written laws, including the constitution, are in danger of losing their meaning in a situation where unwritten laws dominate in society” and “legal nihilism has grown and become strong in Kyrgyzstan.” Traditional relationships dominate the party and political system, in which the difference between the concepts of party and clan has become indistinguishable; “these relationships are also determined by a geographic nuance: the North-South divide.” This means that the republic has acquired two parallel power systems: an official one, which is impotent in the face of the country’s reality, and an unofficial one (read: just short of criminalized), which holds real power, especially obvious in the regions. The author blames the appallingly low level of education and culture (probably compared with Soviet times, even if he dismisses the Soviet system as totalitarian).

This logic inevitably brought Bugazov to a discussion of the place of Islam in Kyrgyz society and its great and rising role. Islam, however, has not replaced the old ideology. “Immediately after the collapse of the U.S.S.R., Kyrgyzstan tried to replace the bygone communist ideology with the ideas of pan-Turkic ideology” and, on the whole, failed. The idea of a democratic society has been and remains the prevailing form of ideology. On the other hand, Kyrgyzstan, or its South, is the only Central Asian country in which Islamists might come to power.

The author offers three scenarios of the country’s future development in the midterm perspective. “The first one is a positive scenario ... the country will witness a gradual assimilation of paternalistic relations, a transformation of traditional society into civil society. Unfortunately, there is very little time for this scenario to arise. The second scenario is a pessimistic one. This scenario implies ... the strengthening of traditionalist views in the political and legal spheres, the creation of an authoritarian society, and the further criminalization of the state machinery. The third scenario is that

* See: A. Bugazov, *Socio-Cultural Characteristics of Civil Society Formation in Kyrgyzstan*, Central Asia-Caucasus Institute & Silk Road Studies Program, Washington, D.C., 2013, 135 pp.

of inertia, in which the country will face no radical changes. It is difficult to say how long this can continue. It is obvious that in the current situation, this period is unlikely to last a long time." The author is convinced that social and cultural (rather than economic, no matter how important) factors will play the main role.

Philip Shishkin's "Restless Valley: Revolution, Murder and Intrigue in the Heart of Central Asia" cannot be described as an academic publication. It is rather a collection of journalist reports about the recent events in Kyrgyzstan and the Ferghana Valley. The author spent many years with *The Wall Street Journal* and has several books about Central Asia to his name.*

He has looked at all the painful spots: the secrets of the so-called Tulip Revolution, drug trafficking, and the "anatomy of a massacre" (in the Osh Region in 2010). The titles of other chapters, likewise, smack of journalism: *The Dark Years in Kyrgyzstan (2005-2010)*, *The Land of "Perpetual Revolution,"* *The Restless Valley*, etc. The author's style speaks of his previous career as a journalist. Much space is given to the involved intrigues around the Manas airbase as part of the Russian-American strategic rivalry; the author goes as far as saying that it was probably the pivotal point of the coups which shattered the republic one after another.

On the whole, the book tells the Western reader that Central Asia is an unstable region and that Kyrgyzstan is one of the "-stans." This goes down well with the Western audience, which has been associating Central Asia with Afghanistan for a long time now. The author, who belongs by birth to the Russian-speaking community, knows enough about the local mentality to translate it into a language that Western readers, who know next to nothing about post-Soviet reality, can understand.

In 2013, Marlene Laruelle, Director of the Central Asia Program, George Washington University, Washington D.C., edited and published a collective effort called "Migration and Social Upheavals as the Face of Globalization in Central Asia".**

The editor gathered together an international team of authors, some of them from Central Asia.

She writes in the Introduction that as "a symbol of globalization," migration has become a global social phenomenon and that the post-Soviet territory has not avoided migration "on an immense scale." The post-Soviet population has actively joined the migration flows. Inside the CIS, Central Asia occupies a unique place as a "supplier" of Slavic and Russian-speaking migrants and also as a source of huge waves of labor migrants. According to her assessments, about 5 million people from Kyrgyzstan, Tajikistan, and Uzbekistan have permanently or temporarily settled in Russia as labor migrants; about 1 or 2 million have settled in Kazakhstan. There are Central Asian guest workers in the United States, Canada, Israel, FRG, South Korea and the Arab Gulf countries.

Marlene Laruelle deems it necessary to point out that mass migration flows affect relationships at the personal level, as well as between the people and the state, and leaves its imprint on the state's economic strategy. She has rightly pointed out that Central Asian migration is based on ethnic and clan connections, in particular, and adds that modernization erodes these ties and adapts the new generations of migrants inside the diasporas to their social environment.

The authors have arrived at several important conclusions. "The global economic crisis has shown that migrants represent a powerful stabilizing force for the Central Asian states. Because local governments are not able to create jobs at home, the number of migrants seeking jobs abroad continues to grow. The crisis further demonstrates that the Central Asian countries and Russia must seek to sign bilateral and multilateral agreements to ease the burden of migrants."

At times of crisis, different migrant groups follow different tactics and strategies in order to survive and adjust to the negative changes. There are active and passive individuals (the former preferred to stay behind in Russia to survive as best they could); age, educational status, the degree of fluency in Russian, etc. can be described as differentiating factors.

* See: Ph. Shishkin, *Restless Valley: Revolution, Murder and Intrigue in the Heart of Central Asia*, Yale University Press, New Haven, London, 2013, XI+316 pp.

** See: *Migration and Social Upheaval as the Face of Globalization in Central Asia*, ed. by M. Laruelle, Brill, Leiden, Boston, 2013, VII+413 pp.

The monograph's first part ends with Prof. Laruelle's contribution about Kazakhstan as "Central Asia's New Migration Crossroads." The country, the world's ninth largest recipient of foreign migrants and one of the largest sources of migrants, is unique in this respect. For a long time, while the Republic of Kazakhstan was slow, deliberately or not, to put Uzbek and Tajik guest workers within a legal context, their migration is best described as forced. "The growing 'Uzbekization' of the country's south is of increasing concern to the Kazakh authorities. The arrival of hundreds of thousands of Uzbek migrants, some of whom will seek to settle in Kazakhstan permanently, risks accentuating a trend toward the 'ghettoization' of the country's south" and its de-Russification.

Kazakhstan looks attractive because of its geographic and ethnic proximity to the native countries of the guest workers and absence of xenophobia. Marlene Laruelle compares the Uzbek and Kyrgyz migration flows and points out that the large Uzbek diaspora in the south of Kazakhstan plays the important role of an intermediary between the migrants and the government. In Kazakhstan, however, the people in power and the public are very concerned about the steadily growing number of Uzbek migrants. On the other hand, the cultural and ethnic proximity between the Kazakhs and Kyrgyz rules out contradictions (the periods of revolutionary upheavals in Kyrgyzstan, however, were not free from them). The author concludes that repatriation of the Russian speakers and "the ageing of the Russian-speaking population that remained in Central Asia further accelerated their proportional decline"; coupled with the growing flows of migrants and Oralmans the republic will have to cope with in the future, the ethnic balance will be tipped in favor of the Central Asian ethnicities and cause de-Europeanization, Islamization, ruralization, and archaization of social relations.

Part 2 of the same book "Migratory Strategies as Patterns of Adaptation to Social Upheaval" offers specific examples of how migration processes develop in different political, social, and economic contexts. Part 3 "An Evolving Social Fabric: Mobile National and Individual Identities" demonstrates that the national and individual identities of migrants are flexible enough. Today, all the Central Asian states are building their national and state

identities on ethnic consolidation, which seriously affects all other aspects of social life, migration policies being no exception. This means that these states need their migrants back to revive their ties with their homelands.

The authors stress that the massive exodus of so-called Russian speakers has made the urban culture of Central Asia monoethnic. "The emigration of Russians from Central Asia to Russia, however, should not mask other equally essential population movements. Although the departure of Russian-speakers took center stage during the migration of the 1990s, it is now surpassed by flows of Central Asians to Russia. Central Asia seems therefore destined to remain one of the main sources of emigration in the Eurasian space for years to come. The participation of Central Asians in this geopolitical and social re-composition and the subsequent demographic changes prove that the relationship between Russia and Central Asia will not disappear as quickly as some observers had predicted following the disintegration of the Soviet Union."

Part 4 "Impact on Gender Relations: Masculinity and Femininity in Flux" is based on factual material and sociological studies. The authors are inclined, to different degrees, to see the Uzbek and Tajik women involved against their will in migration as victims of the social and economic upheavals that befell the post-Soviet population in the 1990s and the economic model and economic relations built on the ruins of the socialist system. The authors of this fundamental work have studied all the aspects of migration processes (political, social, economic, and demographic) going on in Central Asia and also in a much wider geographic and geo-economic space.

Russia's Central Asian Policies

Alexey Malashenko of the Moscow Carnegie Center proceeds from several important premises: Moscow cannot affect, in any tangible way, the domestic political situation in the Central Asian countries; its national interests in the region are formed:

- First, by its desire to preserve its influence in the region, to keep what has remained of the post-Soviet expanse under its aegis, and to confirm its

status if not of a world, then at least of a Eurasian power.*

- Second, Russia needs loyal and cooperating regimes. To achieve this it supports them and helps them survive, not an easy endeavor today and will become even harder tomorrow.

- Third, Russia wants to keep external forces, the U.S. and China in particular, away from the region. Fully aware that its power is not enough to cope with the task, the Kremlin is seeking a balance between rivalry and cooperation. Having reconciled itself to Chinese pressure, Russia stands opposed to the United States in an effort to limit its impact on the region.

- Fourth, Russia has no choice but to contain the flow of Afghan drugs to its territory via Central Asia.

- Fifth, the problems caused by Central Asian migration—a double-edged challenge fraught with mutual complications and mutual advantages—figure prominently on the list of Russia's national interests.

- Sixth, its national interests are inseparable from the problem of fuel transit across its territory, even though this goes beyond the Central Asian and, wider, Caspian scope.

The author proceeds from the assumption that Central Asia does not belong to Russia's foreign policy priorities and the Russian influence in the region is waning. This sounds strange against the background of the Kremlin's repeated statements that throughout the last two decades the region has been and remains high on Russia's foreign policy agenda. Here is a paradox: regional stability is not Russia's strategic imperative. On the one hand, stability in the region has been and remains the "sacred cow" of Moscow's policy; while on the other, Russia profits from political instability: tension fraught with conflicts along its southern borders promises it the role of a guarantor of regional stability.

How does Russia realize its national interests in Central Asia? It armed itself with integration as the main strategic weapon implemented through existing and, most important, new regional organizations with the participation of both the Central Asian countries and other post-Soviet states. In the

past, Moscow made the mistake of insisting on the integration of the largest possible number of post-Soviet republics.

Today, when dealing with external players, the U.S. in particular, the region's countries can put the trump card of their CSTO membership on the table. It guarantees the continued presence of Russia's military facilities across the post-Soviet space.

The international organizations Russia set up in Central Asia, however, cannot reverse the gradual waning of Russia's influence in the region. While building its influence in one of the region's states, Russia might lose a large part of its impact in another; new forces, meanwhile, are actively entrenching themselves in Central Asia. Finally, practically all the countries are nearing a regime change that will bring to power people no longer orientated toward Russia and create new problems for Moscow.

Alexey Malashenko is convinced that throughout the post-Soviet period Russia failed to formulate its national interests in the region. He goes on to say that Russia's economic and political potential is enough,

- first, to preserve its influence in the region;
- second, to maintain an authoritarian form of governance (to which the region is inclined anyway);
- third, to be involved in practically all the fuel transit routes outside its territory;
- fourth, to limit drug trafficking across its territory (why this has not been done so far is a horse of another color);
- fifth, to allow it to maintain strategic cooperation with Washington and Beijing in order to share the responsibility for regional stability and security with them.

Prof. Malashenko has pointed out that Russia can no longer perform the civilizational mission it has been carrying since the mid-19th century. It does not belong to the West-Islamic World dichotomy locked in a struggle to perform one of the scenarios of the region's civilizational future. The author perceives the failure of the Russian establishment to accept Central Asia as part of the Islamic world as a fatal error fraught with strategic consequences. So far, the region remains

* See: A. Malashenko, "Interesy i shansy Rossii v Tsentralnoy Azii," *Pro et Contra* (MCC), No. 1-2, 2013, pp. 21-34.

outside the framework of Russia's relations with the Muslim world.

The author concludes his article with a sacramental question: What forces are challenging Russia in Central Asia? and points to three geopolitical challenges created by China, America and Islam. Alexey Malashenko writes that the Chinese challenge is of an economic rather than political nature, which might develop into a more serious challenge. The Islamic challenge is of an external and internal nature; in fact, it is not a challenge but a signal to Russia that it should take the local peoples' civilizational affiliation into account.

Russia has responded to the geopolitical shifts by moving (or being pushed) to a defensive position, writes the author, which cost it part of its former influence in Central Asia. He does not invite Russia to remain idle and to indulge in criticizing the "economic weakness and politically backward foreign policy mentality" of the people in power, but to move to a new and dynamic political line of the "new Russian challenge."^{*}

Other authors think differently. Vladimir Evseev, Director of the Center for Social and Political Studies, does not think that Russia has no future in Central Asia; to ensure it Russia merely has to

- (1) balance the rising influence of the West and China;
- (2) preserve its own military presence;
- (3) encourage military-technical cooperation with the region; and
- (4) consolidate its economic impact.^{**}

He traces the ups and downs of Moscow's regional policies starting in the first half of the 1990s when Russia made a very bad political mistake by discontinuing its economic aid to and political cooperation with the Central Asian countries. This caused an outflow of Russian speakers and a "geo-political void." In the latter half of the 1990s, Moscow tried to restore its political domination in the region, but time had been irretrievably lost. In any case, Russia's regional policies were hardly consistent. The first half of the 2000s was dotted with its fiascos, which were especially obvious against the background of the West's stronger position. The latter half of the same decade was marked by what the author described as Moscow's relative achievements, while the current period is seen as a period of indefiniteness. The shortage

of its own resources and the strong opposition of other players (the West, China, and Iran) will not allow Moscow to regain its role of a driving force behind the region's development.

In conclusion, the author formulated several (tactical rather than strategic) recommendations: to strengthen its fairly wobbly position, Moscow should use Turkmenistan's period of relative openness to move closer to Ashgabad; it should capitalize on the political indefiniteness in Kazakhstan, help Kyrgyzstan and Tajikistan to strengthen their military potential, and remain undaunted by Tashkent's incessant geopolitical wanderings. Judging by the recent changes in Russia's regional policies, some of the above has been taken into account.

Dmitry Trenin, who chairs the research council of the Moscow Carnegie Center, has offered a fairly novel idea: "For new Eurasia to emerge the old one had to go. Besides the Russian Federation, it is Central Asia, the Caspian and the Caucasus" which form a bridge between the east and the west of Eurasia. The quintessence of Eurasianism is embodied by Kazakhstan and Turkey connected with Europe and Asia. "Virtually all security risks and potential threats are of local origin. Kazakhstan's continued stability remains Russia's principal interest."^{***}

The author further wrote that, since the last days of the Soviet Union, "many observers have been regarding Central Asia as a venue for a new edition of the Great Game. In reality, the former Soviet backyard saw multi-corner competition... the Great Game is a false analogy." He goes on to predict: "The future of Central Asia will not be decided by a match between Moscow and Washington, or a three-corner tournament with Beijing's participation. The deciders sit in Astana and Tashkent, as well as in the other capitals of the region. Not one of those capitals imagines itself as a Moscow satellite. By the same token, however," warns the author, "no Central Asian leaders would think of fully entrusting their security to the United States. China is welcome throughout the region as a trading partner, investor and lender, but it is nonetheless feared as a potentially powerful regional hegemon."

This brings the author to the conclusion: "As a result, Central Asians have developed 'multi-vector' foreign policies which elevate maneuvering among the major power centers—such as the European Union, Turkey, Iran, Pakistan, India,

Japan and others—to the level of strategy. The two leading countries of the region, Uzbekistan and Kazakhstan, also vie for regional leadership. Their three smaller neighbors cannot afford to ignore those ambitions.” Dmitry Trenin has pointed out that Russia “needs to pursue a differentiated policy in support of its specific interests. A nostalgic approach aimed at keeping the region in the Moscow sphere of influence is bound to fail” and said: “Russia also needs to develop its soft power potential to work as a power of attraction for Central Asians.”*

The Chinese Question in Central Asia

In 2012, two well-known experts on Central Asia, Marlene Laruelle and Sebastien Peyrouse, published their new monograph “The Chinese Question in Central Asia. Domestic Order, Social Change and the Chinese Factor”,** which can be treated as a continuation of their previous joint book “China as a Neighbor” that appeared in 2009. In their new book, they expanded or even repeated some of their previous observations. The authors, who can hardly be called French scholars (in the past they represented the Johns Hopkins University, today—George Washington University), have numerous articles on relations between China and the Central Asian countries to their names.

They divided their monograph into two parts—Part 1 looks at China as a globalized actor, while Part 2 gives the reader a chance to look inside the region in the form of national narratives on China. Part 1 deals with a wide range of questions related to the fundamental problems of the relations between the Central Asian countries and their great neighbor: borders, ethnic diasporas, interaction within the SCO, China’s economic expansion, China’s energy diplomacy, and investments in infrastructure as China’s brand.

The authors have formulated the central question in the following way: What place does Central Asia, which plays a “very modest role” on the international scene (very much inflated by the media attention caused by its proximity to Afghanistan

and the revived Great Game), occupy in China’s foreign policy strategy?

The authors deem it necessary to point to the following subtlety: “In China’s perception of its environment, Central Asia is not only a part of the post-Soviet world, but also a part of West Asia.” They have the following to say about the role Central Asia plays in Beijing’s policies: “Finally, Central Asia has come to position itself on the Chinese radar as a partial solution of two concerns: first, to secure continental energy supplies that are not subject to global geopolitical complications, and secondly, to help China to appear as a peacefully rising power able to play the card of multilateralism. In Chinese energy strategies, Kazakhstan is emerging as an exporter of oil and uranium, and Turkmenistan as an exporter of gas, while Tajikistan and Kyrgyzstan have the potential to export hydroelectricity.” At the same time, the authors refer to well-known Chinese experts, Zhao Huasheng being one of them, to point out the absence of a clear and consistent Central Asian strategy. In this respect, China has found itself in the good company of its two rivals—Russia and the United States. Each of the sides of the geopolitical triangle “wants to have a privileged relationship with each of the other partners, since any alliance between two of the actors will weaken the position of the third.”

Each of the sides is pursuing its own aims suggested by their strategic interests or traditional ideas. The United States “does not want to see any fundamental strategic alliance between Moscow and Beijing.” Russia “works within the schemes inherited from the Cold War by focusing on U.S. containment strategies, and so fails to measure China’s pace of advancement. As for China, it unambiguously prefers Russian control in Central Asia.”

By the 2000s, the Central Asian countries had awakened to the changed geopolitical environment: they no longer had any influence on Washington’s involvement; while Europe remained too modest a partner; Turkey and Iran were yielding their interests in the region; while Japan’s involvement

* Ibid., pp. 132, 133.

** See: M. Laruelle, S. Peyrouse, *The Chinese Question in Central Asia. Domestic Order, Social Change and the Chinese Factor*, C. Hurst&Co., London, 2012, VII+271 pp.

had not produced the expected effect. This left China as the only power whose weight in Central Asia allowed it to talk on equal terms with Russia and the West.

The authors have posed themselves the task of identifying and discussing “the multifaceted impact of the China factor on Central Asian domestic affairs” and deemed it necessary to stress that “since 2005, Beijing has been trying—still timidly—to establish ways to promote its language and culture and to train Central Asian elites according to the Chinese model.” The authors expect that over the long term, China’s presence in Central Asia will be comparable to that of Russia: “It is therefore a globalized actor in the same way as Russia: a diplomatic neighbor, a geopolitical ally, an economic partner, and a bearer ... of an attractive societal and cultural model.”

Part 2 moves along the lines of the previous book by the same authors; however the material that focused on an analysis of the impact of and response to China’s presence in the region has undergone restructuring. The authors point out an interesting, if not telltale, detail: the region’s academic circles show little interest in China because of their geopolitical and worldview orientation media in Kazakhstan and Kyrgyzstan still use long-standing (or fossilized) clichés when talking about China. This means that China is facing a great challenge: the old prisms and clichés should be removed while the countries should receive new elites knowledgeable enough to have their own opinion on China.

By way of a conclusion, the authors point out that each of the Central Asian states is dealing with a Chinese Question of its own. The attitude toward China and relations with it differ from country to country; China’s immediate neighbors treat it differently than countries that have no common borders with it. Kyrgyzstan and Tajikistan, the poorest republics, perceive the Chinese presence mainly as a positive factor; in Kazakhstan and Kyrgyzstan the Chinese Question is one of many on their political agenda; Uzbekistan and Turkmenistan are not very concerned. Pan-Turkism is another regional factor that Tajikistan can safely ignore along with Tur-

key’s position and the Uighur problem. The authors point to the paradox of close ties between China and Kazakhstan, a country in which Sinophobia is more pronounced than elsewhere in the region.

On the whole, Sinophobia and Sinophilia are both present in the region; the Islamic factor adds to the former, while the business community nurtures practically both. The intellectual and academic circles, on the whole, treat China as a potential threat or even as an alien and hostile civilization — this is typical of the pro-Russian circles and those looking toward the West and Turkey; the Islamists are of the same opinion. The authors point to Tajikistan, where Sinophilic sentiments are the strongest.

The authors make no secret of their conviction that the region’s geopolitical leeway is narrow: closer Russian-Chinese partnership, either bilateral or within the SCO, will narrow down their field of maneuver and their freedom to choose partners. The authors, therefore, see the region’s geopolitical future as moving from being “Russia’s south” to becoming “China’s west.” They refuse to go beyond the vague statement that the Chinese impact on the region cannot and should not be ignored and offer no more or less definite conclusions about the future of Sino-Central Asian relations.

Raffaello Pantucci and Alexandros Petersen, two European scholars, proceed from their conviction that China, with no intention of building an empire in Central Asia, remains the only power operating multilaterally and looking far ahead. “A number of American strategists, Robert D. Kaplan among them, have written that a potential U.S.-Chinese cold war will be less onerous than the struggle with the Soviet Union because it will require only a naval element... But it misses the significance of the vast landmass of Central Asia, where China is consolidating its position into what appears to be an inadvertent empire.”*

The authors have deemed it necessary to point out that “for most of its unified history, China has been an economically focused land power. In geopolitical terms today, China’s rise is manifest particularly on land in Eurasia, far from the might of the U.S. Pacific Fleet and Washington’s rimland allies—and far also from the influence of other Asian

* R.Pantucci, A.Petersen, “China’s Inadvertent Empire,” available at [<http://uyghuramerican.org/article/chinas-inadvertent-empire.html>].

powers such as India. Thus, Western policy makers should be dusting off the old works of Sir Halford MacKinder, who argued that Central Asia is the most pivotal geographic zone on the planet, rather than those of Alfred Thayer Mahan, the great U.S. strategist of sea power. Greater attention needs to be paid to China's growing presence in Central Asia if the United States is to understand properly China's geopolitical and strategic rise."

The authors have further specified that "it isn't clear that even China grasps the incidental impact of its regional activity in reshaping Central Asia or how it is perceived by regional states, as Chinese actors are simply so focused on developing Xinjiang and extracting what they want from Central Asia. With Russia's influence in the region at a historically low ebb and the widespread perception across Central Asia that the United States will strategically abandon the region once most combat troops have withdrawn from Afghanistan, Beijing has carved out an inadvertent empire."

In this context, the interest in the Shanghai Cooperation Organization (SCO) is obvious and logical: "As the only regional organization set up and led by China, it is a symbol of the importance Beijing places on the region to its west." The authors conclude that even though the structure lacks institutional potential, it is steadily moving toward the status of the most representative and influential international structure in Central Asia, gaining geopolitical weight without much ado.

This suggests the following conclusion: "In the long term, China's inadvertent empire in Central Asia will have geopolitical consequences for U.S. and Western influence in MacKinder's most pivotal geographic zone on the planet. Should Washington become preoccupied with the Asia-Pacific in its China policy, it will not only be missing the more profound manifestation of China's global posture, but might also find it far more difficult to cultivate relationships with the countries of Central

Asia... If other outside powers do not also engage, China's lock on Central Asia, to the exclusion of the United States, will not only be inadvertent, but also inevitable."*

"The Shanghai Cooperation Organization and Central Asia's Security Challenges", a collective effort realized within the framework of a research program carried out jointly by the Geneva Center for the Democratic Control of Armed Forces (DCAF) and the Foreign Policy and Security Research Center in Minsk, also addresses Chinese policy.** The SCO has already filled a niche of its own in the international relations system in Eurasia and is gradually enlarging the sphere of its activities and increasing its involvement in many vectors. The authors have taken a somewhat unexpected approach to the Organization, its history, and its present activities as an experience of contradictory and competitive cooperation between China and Russia driven by the shared desire to maintain and strengthen the status quo in the region. Security has been and remains the most outstanding issue in a region where the SCO is trying to acquire the status of one of the key elements of an emerging system of international interaction. "The authors concur on the relatively 'moderate' role of the SCO in the Eurasian security architecture and the partial realization of its potential in the field of security."

Central Asia Amid Globalization and Geopolitical Rivalry

Alexander Cooley's "Great Games, Local Rules: The New Great Powers Contest in Central Asia" reads like a political thriller rather than an academic effort. The American author analyzes regional developments from the position of the so-called Great-Game the latent and obvious rivalry of the great powers in the region.***

He is convinced that what he calls a geopolitical paradigm of what each country is doing in the

* See also: M. Boulègue. "Xi Jinping's Grand Tour of Central Asia: Asserting China's Growing Economic Clout," Central Asia Economic Paper, Washington, No. 9, October 2013. 7 pp.

** See: The Shanghai Cooperation Organization and Central Asia's Security Challenges, DCAF, Almaty, Minsk, Geneva, 2013, XI+160 pp.; Shangkhaikaia organizatsia sotrudnichestva i problemy bezopasnosti Evrazii, ed. by A.A. Rozanov, the Geneva Center for the Democratic Control of Armed Forces, Foreign Policy and Security Research Center, Belorussian State University, Minsk, Almaty, Geneva, 2012, 194 pp.

*** See also: A. Cooley, Great Games, Local Rules: The New Great Powers Contest in Central Asia, Oxford University Press, Oxford, 2012, XIV+252 pp.

region was determined from the very beginning: “The U.S. regional policy has become a function of a decade of neglecting the region ... has sought to play a dominant or privileged role” which placed certain responsibilities on it; the absence of resources adequate for the claimed role of a partner narrowed down the Kremlin’s freedom to maneuver.

“China’s use of the SCO as its primary instrument of regional influence and engagement offers important insights into a broader question of China’s growing role in world affairs.” At first China’s regional involvement was limited to security issues (Xinjiang); later Beijing developed serious economic interests and geopolitical ambitions. The author points to Kyrgyzstan as the most convincing example of how geopolitical rivalry destroys political stability.

He goes on to say that “the Central Asian states, even the weakest ones, are not passive pawns in the strategic maneuvering of the great powers, but important actors in their own right.” This brings him to an important conclusion: there are no winners in the geopolitical struggle unfolding in the region; it is a miniature model, or the prototype of a multipolar world in which the great powers’ interests are very close, while their equal might and competition force them to tread cautiously and take the interests of others into account. The author has demonstrated that these powers know not only how to compete, but also how to cooperate. Alexander Cooley believes that the experts dealing with Eurasian geopolitics will also appreciate his work as a pioneering attempt to outline the future “post- Western world.”

In 2013, Marlene Laruelle and Sebastien Peyrouse published another of their joint books “Globalizing Central Asia: Geopolitics and the Challenges of Economic Development”, which presents an in-depth analysis of what globalization is doing to the region. The title suggests that geopolitics is investigated from the point of view of geo-economics. The region’s natural resources

compel the attention of rivaling great powers and ambitious internal factions. Russia and China dominate the horizon, with the other global players close behind.*

The local regimes are caught between the need for international collaboration to valorize their resources and the need to maintain control over them in the interest of state sovereignty. Local patterns of development thus become a key driver of external actors’ involvement and shape the mechanisms by which the Central Asian states are forging a place for themselves in the globalized world.

Part 1 deals with the Great Games and so-called small games from the point of view of the strategies and methods of external big and small actors, the list of which is long enough. Three chapters deal with each of the three big actors—Russia, China, and the United States. Chapter One “Russia in Central Asia: Old Patterns, New Challenges” discusses, as the title suggests, Moscow’s tendency to proceed from the old patterns (imperial influence) while facing new challenges. The authors seem to be fairly pessimistic about Russia’s long-term achievements in Central Asia.

The United States, aptly called “the too distant, but unavoidable partner,” is motivated by strategic security interests. The European Union, the aims of which in the region suggested the question “soft power or Realpolitik?”, seems to be moving toward strategic security considerations when dealing with the Central Asian region. The authors explain the failures of European strategy by the Union’s complicated bureaucracy and very limited efficiency of its foreign policy mechanisms. The authors have their doubts about the efficiency of the main instrument of European influence, its economic policy.**

When writing about the strategy and politics of smaller geopolitical players, the authors have pointed to the main or even dominant features: Turkey has moved from “cultural strategy” with its emphasis on the common Turkic heritage to trade pragmatism; Iran, on the other hand, has moved away from “a promising partnership hampered by

* See: M. Laruelle, S. Peyrouse, *Globalizing Central Asia: Geopolitics and the Challenges of Economic Development*, M.E. Sharpe, N.Y., Armonk, 2013, 376 pp.

** See also: J. Boonstra, M. Laruelle, “EU-US Cooperation in Central Asia: Parallel Lines Meet in Infinity?” EUCAM Policy Brief, No. 31, 2013, 5 pp.; R. Fjaestad, “Overland, Norway and Central Asia,” EUCAM Policy Brief, No. 16, 2013, 5 pp.; T. Tsertsvadze, J. Boonstra, “Mapping EU Development Aid to Central Asia,” EUCAM Factsheet, No. 1, 2013, 13 pp.; T. Tsertsvadze, V. Axyonova, “Trading Values with Kazakhstan,” EUCAM Policy Brief, No. 32, 2013, 5 pp.

geopolitical issues" to a geopolitical agenda. The Gulf Emirates and Israel are described as alternative partners.

The relations between the smaller geopolitical players and the region are described aptly and succinctly. "India's Involvement: Hopes and Disillusionment," a formula related to both sides, and "Pakistan: Dashed Hope, Political Suspicion" describes Islamabad's failed hopes to turn the region into its strategic rear, while the Central Asian states suspect that Pakistan seeks regional instability through its Afghan policies.

"Japan's Policy in Central Asia: From Idealism to Realism" sums up Tokyo's regional involvement. "South Korea: A Discreet but Growing Presence" stands for the country's pragmatism, pure and simple, based on corruption practices—a discreet but growing presence indeed. "The Malaysian Model Emulated in Central Asia" describes the Malaysian experience of economically successful authoritarianism as one of the models the local regimes can use while looking for a political-economic model of their own.

Part 2 deals with the economic successes and failures of the Central Asian countries in the context of globalization.

The book, which is based on rich factual and statistical material related to many, economic in particular, aspects of the region's development, can be described as a valuable addition to previous publications. It seems that foreign (particularly Western) political science has finally abandoned its absorbing interest in the region's geopolitical status of the 1990-2000s for the sake of identifying the region's real place in the world economy and politics in the geo-economic context. The authors look at both sides of the same process—an impact of the global economy and globalization on Central Asia and the region's impact on international economic ties.

In one of her articles,* Prof. Laruelle concludes that not infrequently (especially in newly independent states) the foreign policy course is determined by domestic factors for the simple reason that these countries badly need legitimacy inside the country and outside it. The author points to the following aspects of fundamental importance.

She writes that there is no former unanimity in Central Asia and that Ashgabad and Bishkek or Astana and Tashkent have their own and very different ideas about the world and international relations. All discussions about the region's international role are inevitably flawed: first, foreign actors, both distant and near, are constantly in the limelight of the authors' attention, while the regional states are dismissed as passive entities of the geopolitical struggle too weak to affect it. Second, experts and politicians pay too much attention to how the Central Asian countries respond to the key international problems and too little attention to what is going on inside these countries and strongly affects their foreign policies.

Marlene Laruelle has arrived at the conclusion that national identity is one of the main elements of foreign and domestic policy and that the Central Asian states have to disentangle numerous highly divergent processes, which explains why the government attaches great importance to sovereignty as the main aim of a nation state. All the Central Asian countries seek greater openness to the world and greater isolation from neighbors.

In an article published on the same issue, Martha Brill Olcott criticizes her colleagues: analysts and even politicians tend to ignore the changes that have been taking place in the Central Asian countries in the last two decades. Practically all discussions of the region's future completely and unjustly ignore everything that has happened in this part of the world; at best these changes and trends are discussed outside the global context, or as part of broader problems. The author insists that today the five Central Asian states are very different from what they were in December 1991 when the Soviet Union ceased to exist.**

She goes on to say that these changes will affect the next generation of Central Asians; as was to be expected, the Soviet identity is disappearing along with the previously important role of the Russian language. None of the newly independent states has acquired a fully developed national identity, while regional, ethnic, and religious identity is superimposed on the predominantly secular model the ruling elites are trying to impose to their populations.

* See: M. Laruelle, "Vneshniaia politika i identichnost v Tsentralnoy Azii," *Pro et Contra* (MCC), No. 1-2, 2013, pp. 6-20.

** See: M.B. Olcott, "Gosudarstva Tsentralnoy Azii idut svoim putem," *Pro et Contra* (MCC), No. 1-2, 2013, pp. 70-76.

The author concludes that the region lacks a shared Central Asian identity, this being especially obvious among the younger generation. Today, after twenty-one years of independence, it has become abundantly clear that serious problems are in store for all five Central Asian states.

Martha Brill Olcott pays attention to another, no less important, fact: most of the local countries' criticism of the United States and the European Union is caused by what in Central Asia looks like double standards. She goes on to point out that even if Kazakhstan does not pull out of the Customs Union, it obviously does not intend to advance economic integration, something the Kremlin wants. China is too generous to be opposed and too big to be ignored. Washington and the Central Asian capitals often agree that if Afghanistan or the Central Asian region plunges into serious riots that might threaten America's security (this happened on 9/11), the U.S. and NATO will move in. This remains to be seen, which means that the local regimes and public opinion are deluded about America's intentions and possibilities.

Jeffrey Mankoff, Deputy Director of the CSIS Russia and Eurasia Program, is fairly critical of his country's role in the region. He points out that in the last two decades, U.S. policy in the region has, at times, been a hardly palatable mix of two different approaches. Within the first of the two, typical of the 1990s and still very much alive, Washington treated Central Asia as a field of strategic rivalry with the neighboring powers, Russia and increasingly China.*

The second approach formulated in the wake of 9/11 and intensified by the Obama Administration has put the region into the context of the Afghan war. The American political scientist predicts that in the next ten years the Central Asian states will have to cope with urgent domestic challenges rather than with a threat of external domination and concludes that after 2014 Washington will have to cope with very different problems than in the 1990s.

The author says that the United States should revise its Central Asian policy; it should remain in the region and concentrate more than ever on setting up more efficient (but not necessarily democratic) governance. Washington should accept the fact that

Russia and China, neighboring powers with strong economic and political contacts in the region, will inevitably pursue their wider interests and that in multipolar Central Asia of the 21st century, the strategic "zero-sum" rivalry of the 1990s will not help to remedy the fairly widespread social ills.

Cooperation in the transit sphere and in ensuring security in Afghanistan has created a certain amount of interdependence between the United States and some of the Central Asian countries and raised the tension between the U.S. and Afghanistan's other neighbors (Iran and Pakistan), which has cost Washington some of its levers of influence on the Central Asian countries. Their domestic and regional problems, on the other hand, have become even more prominent. Unwilling or even afraid to become involved too closely in the local problems, the United States has not succeeded in invigorating local trade.

Moscow is still concerned about what it sees as the United States' intention to perpetuate its military presence in the region, which will cripple its own interests there. In November 2008, when Barack Obama was elected president, the two countries made cooperation one of their priorities again.

Moscow insists that, after stabilizing Afghanistan, the United States should leave the region. The author describes the Northern Distribution Network as the best illustration of how the Afghan war made the U.S., Russia, and the five Central Asian states partners, curbed strategic rivalry among the Central Asian countries, and supplied them with enough financial and material resources to allow their governments to fortify their positions.

America's withdrawal from Afghanistan will inevitably narrow down the scope of its interests in Central Asia, which will probably tempt Washington to resume the strategy it pursued during most of the 1990s that reduced the region to the status of an area of geopolitical rivalry with Russia and China. The author deems it necessary to warn the people in Washington that the country has already reached the main aim of the 1990s, that is, sovereignty and independence of the Central Asian countries. Today intra-regional pathologies rather than China and Russia constitute the major threat to the region's stability and, therefore, America's interests.

* See: M. Laruelle, "Vneshniaia politika i identichnost v Tsentralnoy Azii," *Pro et Contra* (MCC), No. 1-2, 2013, pp. 6-20.

The author concludes that since Russia's domination no longer threatens Central Asian stability, to say nothing of America's interests there, Washington has essentially no reason to oppose Russia's wider presence there. America should demonstrate more caution when deciding on the degree of its involvement in the sphere of regional security. Its continued post-2014 military presence could revive strategic rivalry with Russia and, later, with China.

At the same time, Jeffrey Mankoff warns that the United States, wishing to leave the ten years of war behind, should not abandon the region, either Afghanistan or Central Asia. At the strategic level, the Central Asian states appreciate America's presence because they know that the U.S. does not threaten and will never threaten their sovereignty and independence.*

MacKinder Revived

In 2013, two academics-Nick Megoran of Newcastle University and Sevara Sharapova of the Academy of State and Social Construction under the President of the Republic of Uzbekistan-initiated and published in the U.K. a collective monograph called "Central Asia in International Relations: The Legacies of Halford MacKinder", weighty proof that the geopolitical theory of the great British thinker is as viable as ever. The contributors seem to agree that MacKinder's theory, which remained shelved throughout the latter half of the 20th century, was revived in the post-Soviet period and inspired by a new geopolitical configuration in Eurasia. Confronted with a baffling variety of opinions and assessments of the theory and its topicality, the authors decided to gather them between two covers to find out whether it has lost its former relevance.**

The editors' conviction that the theory and its continued applicability can be checked in the Central Asian context serves as the point of departure. They point out that "although not defining it precisely, MacKinder used the term 'Central Asia' and explicitly and implicitly included the region in

his geostrategic theorization" and add that "in the nineteenth century 'Central Asia' was defined in more expansive terms than are commonly used today." They offer another observation: MacKinder's theoretical legacy is used in the post-Soviet space by pro-Western thinkers and anti-Atlanticist Eurasians, both groups finding practical applications for MacKinder's geopolitical ideas.

The book is divided into three parts, the first of which deals with the historical and international context of MacKinder's geopolitical ideas and the second with the way these ideas, and geopolitics as a whole, have adjusted themselves to the post-Soviet contexts of Russia, Tajikistan and Uzbekistan.

Milan Hauner, a Czech scholar, has identified three schools of thought in contemporary Russia: the so-called Westerners (who want integration with the capitalist West), the traditionalists (Slavophiles in pre-revolutionary Russia and "pochvenniki" of Soviet times), and the neo-Eurasians, Lev Gumilev being the most prominent figure among them. He built a bridge between classical and post-Soviet Eurasianism represented by a large group ranging from political scientists, politicians, and environmentalists to filmmakers, all of them "greatly attracted by MacKinder's vision of the heartland," which they skillfully transformed from MacKinder's negative image into a positive image of their own. The author counts philosopher Alexander Dugin, writer Eduard Limonov, and President of Kazakhstan Nursultan Nazarbaev among them; there is also communist neo-Eurasianism.

When writing about the theory and practice of Eurasianism in Kazakhstan, Milan Hauner formulates the question, Kazakhstan-The New Pivot of Eurasia?, suggested by Kazakhstan's initiative to set up a Eurasian Union, the cult of Lev Gumilev in the republic, and the transfer of the republic's capital from Almaty to newly-built Astana. The author suspects that this shows the Kazakhstan leader's deeply concealed desire to balance out the Russo-centric trends obvious in integration with Eurasianism.***

The author concludes his chapter with "since 1992 Russia has become more Asian than ever in her his-

* See also: R. Kangas, *Is There a Viable Future for US Policy in Central Asia?* OSCE Academy, Bishkek, 2013, 19 pp.

** See: *Central Asia in International Relations: The Legacies of Halford Mackinder*, ed. by N. Megoran, S. Sharapova, Hurst & Company, London, 2013, XVI+331 pp.

*** See also: N. Kassenova, *Kazakhstan and Eurasian Economic Integration: Quick Start, Mixed Results and Uncertain Future*, IFRI, Paris, 2012, 29 pp. (RNV 14); R.N. McDermott, *Kazakhstan-Russia: Enduring Eurasian Defense Partners*, Danish Institute for International Studies (DIIS), Copenhagen, 2012, 84 pp.; F. Vielmini, "The Challenges of Eurasian Integration for Kazakhstan," *ISPI-Analysis* (Roma), No. 151, 2013, 7 pp.

tory” and is convinced that for Russia “Eurasianism seemed at first the preferred alternative—provided she wanted to survive as a great power.”

The third part deals with the region’s post-Soviet specific foreign policy and geopolitical problems. Chris Seiple of the U.S.-based Institute for Global Engagement has traced, in geopolitical frameworks, the course of the post-9/11 American-Uzbek relations. He describes MacKinder as a “democratic imperialist” and interprets American policy in Eurasia in the 2000s as a struggle for liberal values and democracy. The geopolitical instruments devised by MacKinder are fully applicable to American-Uzbek relations and explain a lot in their bilateral relations. However, Seiple concludes that U.S. policy ended in “a geostrategic and geosocial (MacKinder’s term—M.L.) failure.”

Alexey Dundich of MGIMO University regards Central Asia as a platform of cooperation and an arena of struggle for domination, which he calls a “new Great Game.” Very much in line with this he says that “the Central Asian region today has become a place of intense diplomatic and foreign policy activity for the ‘great powers,’ principally Russia, the United States and China. There is also a second level of competition here, involving the EU, Turkey, Iran, Pakistan and Indian interests” and further “some Russian researchers believe that China has its own new variant of MacKinder’s theory, namely the concept of ‘Central Eastern Asia’.” He also points out that “on this account, MacKinder’s ideas can be said to have developed in an unexpected way. Cooperation in the heartland on a multi-lateral basis can be a substitute for the zero-sum struggle for power.” There is another, no less striking feature of the New Great Game, i.e. “the Central Asian states employ a variety of contrasting and at times contradictory strategies to establish themselves as independent players in the new regional state system. In so doing they have moved beyond being the mere pawns in the chess game of external powers, whether in the first or the ‘new’ Great Game.” He points out that Kazakhstan based its strategy on Eurasianism as a method, not a final aim, to find its own place on the international arena and concludes his article with: “...Russia and China, and the United States with

the EU should be able to help each other to keep the heartland stable.”

Gulnara Dadabaeva and Aigul Adibaeva from Kazakhstan have put the new geopolitical challenges faced by Kazakhstan and Central Asia into the context of MacKinder’s theory, which led them to the conclusion that the West, determined to pursue its traditional strategy of isolating Russia from Central Asia, is allowing China to strengthen its position in the region. Levent Hekimoğlu of the York Centre for International and Security Studies in Toronto is an uncompromising critic of MacKinder’s ideas: MacKinder overestimated some of the geographic factors and underestimated others, “the costs of distance from accessible seaports in making the resources of the region commercially viable.” He has also written that the region should “overcome the tyranny of its geography”; to achieve this it should shed infatuation with the myths rooted in the theory of MacKinder and reject the neoliberal prescriptions imposed on the region’s countries from the outside.

The editors summed up the collective efforts by saying that MacKinder left a vast and varied legacy, “his ideas reappearing in multiple contexts” have supporters and opponents. The latter rely on his theory to justify reintegration of the post-Soviet space. In different periods of the 20th and early 21st centuries, wrote Megoran and Sharapova, these ideas cropped up unexpectedly and were exploited by political forces and ideological trends, their scope ranging from Atlanticist neo-liberalism to American neo-cons.

Central Asia and Afghanistan

In her fairly short yet well-packed article (published as part of the program of the Peace Research Institute Oslo), Shahrbanou Tadjbakhsh of L’Institut d’Etudes Politiques (Sciences Po) in Paris looked at the contacts between Central Asia and Afghanistan in the context of the region’s security issue. She proceeds from the assumption that the so-called Great Game has both external and internal dimensions to formulate three large groups of related issues, each of them scrutinized as small elements of a big picture.*

* See: M. Laruelle, “Vneshniaia politika i identichnost v Tsentralnoy Azii,” *Pro et Contra* (MCC), No. 1-2, 2013, pp. 6-20.

Part I “The Central Asia RSC and its Characteristics” is divided into smaller parts with revealing titles: Common Geography, Common History, Trans-Border Security Threats; Extremism, Terrorism and Criminality; Nuclear Non-proliferation; Conflictual Water/Energy Swaps; Nation State Identity versus Localism and Ethnicity, and Personality-Driven Regimes. The author is convinced that the Central Asian countries have failed to agree on a common stand vis-à-vis Afghanistan because,

- first, there is a lot of rivalry between them and,
- second, because all of them have to meander among the great powers.

Moreover, “Afghanistan represents both a threat and an opportunity for CA states: continued instability can be a substantial source for threats from bleeding extremism, terrorism, and organized trafficking of drugs and arms.

At the same time, stabilization and reconstruction could lead to an opportunity for cooperation over electricity, gas, roads, pipelines, and hydro-electric power transfers.”

Shahrbanou Tadjbakhsh has formulated three conceptual theses: first, despite geographic proximity, common history, and shared security interests, the region is dominated by centrifugal rather than centripetal trends. In Part II, which deals with the global influence on regional security, the author discusses two categories of the regionally involved actors: the great powers (Russia, China, and the United States) and the second-echelon powers (Iran, Turkey, India, and Pakistan). Hence the second thesis: on the one hand, the region’s strategic dynamics fan the rivalry between the great, and partly between the second echelon, powers, while on the other, they are superimposed on the rivalry among the regional powers. The great powers rely on multilateral organizations: Russia relies on the CIS and the CSTO; the U.S. on NATO and the OSCE; and China on the SCO.

The third thesis proceeds from the fact that the degree of the Central Asian countries’ involvement in the Afghanistan-related issues is an extension of their own security-related dynamics. Part III, therefore, deals with Afghanistan as the key factor of regional security. The Central Asian

countries are tied to Afghanistan by many threads; the author points to the ethnic factor as one of the strongest and most important of them and puts the Afghanistan-related strategies in the ethnic context. The author concludes her work with a section aptly called the CA RSC-Global Powers-Afghanistan Triangle and concentrates on the main features of the global powers’ strategies: Russia’s deliberate distancing; Chinese “checkbook diplomacy”; Eurasian multilateralism for Afghanistan: the SCO/CSTO axis, and Western-led multilateralism for Afghanistan (the New Silk Road and regional economic cooperation as a panacea for peace).

The author concludes that the Afghan problem is seen as a dilemma: “For the future, the CARSC is poised to choose between developing closer relations with, and possibly being integrated in, South Asia, as the U.S. administration may want it, or being part of Eurasia, as the Russians and Chinese would have it.” She has also pointed out that regional cooperation and its potential are greatly undermined by the geopolitical rivalry between the great powers and the lack of trust among the Central Asian states, which, on the whole, is correct.

The collective work “Vyzovy bezopasnosti v Tsentralnoy Azii” (Security Threats in Central Asia) published by the Institute of World Economy and International Relations (IMEMO RAS) concentrates on Afghanistan. Dina Malysheva, a prominent expert and one of the contributors, has voiced her apprehension that if the United States and NATO enlarge their presence in Central Asia, both military (in the form of bases) and economic (in the form of the functioning Northern Network potentially transformed into a transcontinental network that will cover the entire post-Soviet space), they will finally realize their far-reaching strategic aims. The U.S. and its allies will seek military-strategic control to contain China, keep Afghanistan under control, undermine Russia’s export monopoly, and reorient the security structures of the Central Asian states from post-Soviet to NATO.*

The authors conclude that the planned pullout of the coalition forces from Afghanistan will probably plunge it into its prewar (2001) state, invigorate

* See: D.B. Malysheva, “Vyzovy bezopasnosti v Tsentralnoy Azii,” in: *Vyzovy bezopasnosti v Tsentralnoy Azii*, IMEMO RAS, Moscow, 2013, pp. 5-18.

Islamic radicals, increase drug trafficking and, therefore, create risks for Central Asia. There is another conclusion related to the Central Asia's foreseeable future connected with the situation in Afghanistan. Even if the Taliban regains power there will be no large-scale war between it and the Central Asian states. Very much as before, these countries will capitalize on their advantageous geographic location to pursue multivectoral cooperation and use their foreign policy trump cards (Russian, American, Chinese, and European) to profit as much as possible from the geopolitical rivalry to which they also contributed.

Conclusion

The widely varied or even opposing views and opinions about the future of Central Asia and its geopolitical drift, nevertheless, suggest certain conclusions. Central Asia has traveled a long road since the Soviet Union's disintegration.*

- First, the region has lost its homogeneity (if it ever existed) and has not acquired a new (Central Asian) identity. Each of the region's states is following its own road with its own possible only when the countries shed their old Soviet identity, which more or less kept them together. Today they are traveling along very divergent roads leading to nation states.

- Second, Russia is losing its dominant position, a fact that Western observers and their Russian colleagues (the latter with certain reservations) have accepted. The process is very complicated, multilateral, and painful; it is obvious in the economic, strategic, social, civilizational, demographic, and linguistic spheres. All the expert communities agree on this, but they disagree over the scope of

Russia's residual influence and its special relations with Kazakhstan and Kyrgyzstan.

- Third, China is augmenting its geo-economic and geopolitical influence in the region (no matter how unpleasant this may be for certain circles); in the future, the region may become part of the People's Empire of China. So far, it is not absolutely clear how the states, ruling circles, and major external players will respond to this scenario, however none of the authors discussed above would like to see this happen.

- Fourth, Central Asian security and the problem of Afghanistan are interconnected; for once, Western, Russian, and Central Asian experts demonstrate unanimity on this issue. All of them agree that the 2014 coalition withdrawal will dramatically lower the region's security level.*

- The fifth, and final, conclusion is related to the future position of the West in the region. Unwilling to leave the region, America and its allies in Brussels are gradually awakening to the fact that they have neither the resources nor enough geopolitical clout to insist on their old strategic methods. Sober-minded Western experts, however, who call on Washington to take into account the interests of Russia and China, agree with the Atlanticists that the U.S. and the West as a whole cannot and should not leave the region to the discretion of its neighbors. The West has reached the point of bifurcation: it should take into account the security-related issues (Afghanistan's in particular) and the so-called normative values (democracy and human rights). So far, no one in the West can predict whether America and Europe will be able to cope with the task and how: the expert community has limited itself to generalities against the background of the West's diminishing strategic influence.

* See: S. Cummings, *Understanding Central Asia: Politics and Contested Transformation*, Routledge, London, 2012; S. Cummings, R. Hinnebusch, *Sovereignty after Empire: Comparing the Middle East and Central Asia*, Edinburgh University Press, Edinburgh, 2012.

** See: Afghanistan after 2014: Five Scenarios, FOI, Stockholm, 2012, 100 pp.; N. Coburn, "The Political Economy of Withdrawal and Transition in an Afghan Market Town," Central Asia Policy Brief (Washington, The George Washington University), No. 12, October 2013, 5 pp.; A. Giustozzi, "The Next Congo: Regional Competition for Influence in Afghanistan in the Wake of NATO Withdrawal," Central Asia Policy Brief, No. 10, September 2013, 13 pp.; S. Harnisch, *German Afghanistan Policy after 2014*, Institute of Political Science, Heidelberg, 2013, 2 S.; E. Stepanova, *Russia's Concerns Relating to Afghanistan and the Broader Region in the Context of the US/NATO Withdrawal*, Report by U.S.-Russia Expert Group on the Afghan Narcotrafficking, Policy Research Papers, CIDOB, Barcelona, June 2013, 23 pp.; B.G. Williams, *Afghanistan Declassified: A Guide to America's Longest War*, University of Pennsylvania Press, Harrisburg, 2012, XII+248 pp.

60 Points of Future Reforms (To the Results of the 3rd Plenary Session of the 18th CC CPC)

KONSTANTIN SYROYEZHKIN

9-12 November 2013, Beijing hosted the III-rd Plenary Session of the CPC Central Committee of 18th convocation — an event expected not only in China, but also worldwide. Increased interest to the plenum was explained by the fact that “the fifth generation” of Chinese leaders who came to power in October 2012 — March 2013 was supposed to announce its program of presumed reforms for the next decade.

Although the plenum was held in high-security mode, the issues to be discussed became public knowledge long before the plenum. On April 20, 2013 the CPC Central Committee issued a “Declaration on the collection of views on issues of comprehensive deepening of reforms, which should be discussed at the III-rd CPC Central Committee Plenum of the 18th convocation”, suggesting the organization of a broad discussion. The discussion took place. Anyway, the Chinese press published in a variety some materials in which the topic was discussed.

In late October, the Centre for Research and Development of the State Council of CPR — the official “brain center” of China — published its draft reforms.*

As expected, it is precisely this draft which had to be discussed at the plenary session, and a decision should have been taken basing on it.

The report had prescribed reforms that mainly affect the system of monopoly of state-owned enterprises, land and financial systems, taxation, state assets management system, innovation, and reform in other sectors of the economy.

Of course, the report does not address the corruption and decay of cadres, as well as reducing the positive image of the CCP. The fact that these questions will be key in the proposed reform program was implied a priori, as evidenced by the practice of political leaders of the “fifth generation”.

In other words, the plenum had to find recipes for solving key problems in China, worsening of which threatens the country with social upheavals, and the party with losing power.

Main among them are growing social stratification against the background of a gradual deceleration of the economy; exhaustion of the current economic model, the monopoly and inefficiency of public enterprises, the emergence of “bubbles” in some sectors of the economy, threatening situation with “bad debts” of regional authorities, limited access to credits for private business due to the policy of state banks, pervasive corruption, which cannot be defeated even by shootings, decrease of the positive image of the CCP and its ability to effectively manage the state, a large gap in the development of cities and villages, between the income of urban and rural residents, problems in education, employment, medicine, social security, housing, environment, etc.

* See Shibajie sang zhong jiuanghui jianjang: Shenhua gaige, wei fazhun zhuru xin dongli. Dangqian qie dui jinyibu lishun zhen qi guanxi, quanmian shenhua jinji tizhi gaige di kanfa yu jianyi (Prospects of the Third Plenary Session of the CPC Central Committee of the 18th convocation: deepening of the reforms, new motivation to development. Today’s enterprises on the gradual improvement of relations between business and government, opinion and suggestions on comprehensive deepening of the reform in the economic system). //Guangming Ribao, 29 October 2013

Equally important that China has established stable social groups, behind which there are not only property but also political interests, and therefore to hold a series of reforms that benefit not only all power groups, but also the interests of the masses, is very problematic. The CCP apparently understands this, and therefore will pursue reforms purely by Chinese way, holding power, like a kite, leaving the thread in their hands. Anyway, this is what is referred to as the results of the plenum, and the political practice of the new Chinese leadership.

Basic goals and objectives of the reforms

Speaking with the explanations adopted by the plenary and containing 60 items of “CPC Central Committee Decision on certain important issues of comprehensive deepening of the reforms,” Xi Jinping underlined that “currently extremely extensive and profound changes has taken place in the internal and external situation, China’s development has faced a number of apparent contradictions and challenges and on the way forward there is still a lot of difficulties and problems.”*

Among these problems he has mentioned as follows:

- ✓ imbalance, instability and uneven development;
- ✓ weak scientific and technical and innovative capabilities;
- ✓ irrationality of industrial structure;
- ✓ basing of development model on extensive methods;
- ✓ a big gap in the development of cities and villages, and between urban and rural residents income;
- ✓ apparent increase in the number of social contradictions;
- ✓ increased number of problems affecting the vital interests of the masses such areas as education, employment, health, social security, housing, environment, safety of food and drugs;

✓ sharpening of problems with production safety, public order, law and justice enforcement, the life of some masses is hard;

✓ formalism, bureaucracy, hedonism and the desire for a life of luxury have manifested clearly;

✓ in some areas there easily and in large quantities appeared such things as indifference and corruption, the situation with the fight against corruption remains serious.

The key to solving all of these problems, according to Xi Jinping, is to deepen the reforms. Judging by the decisions adopted by the plenary, this thesis does not raise objections and in the CPC leadership. As emphasized in the “Decision ...”, “reforms and openness — this that a great new revolution which in the new era is carried out by the people of all nationalities of the country under the leadership of the party, this is the most striking specificity of modern China.”**

“Today, when a new situation develops and there are new challenges for the comprehensive construction of middle class society and, therefore, the construction of the rich, powerful, democratic, civilized and harmonious modern socialist state and realization of the dream about the great renaissance of the Chinese nation, it is necessary, taking a new historical start, comprehensively deepen reforms, thereby contributing to the constant faith accumulation to the way of the theory and construction of specific Chinese socialism.”***

As noted by Xi Jinping, “The cornerstone of comprehensive deepening of the reforms is the gradual formation in the development of an atmosphere of fair competition; gradual strengthening of the social and economic forces of development; gradually increasing of the government efficiency, the progressive implementation of social justice, the gradual promotion of harmony and stability in society, the gradual improving of the management level and the Party’s ability of management.”*

The main objective of comprehensive deepening of reforms is defined as improvement and devel-

* See, Xi Jinping. Guanyu “Zhonggong zhongyang guanyu quanmian shenxuyu gaige rogan zhongda wenti di jue ding” di shomin (Clarification “CPC Central Committee Decision on certain important issues of comprehensive deepening of the reforms”). //Renmin Ribao, 16 November 2013; Tujie xinwen “Jue ding” shi ruhe qizao di? (Graphics: As is “Decision” of the Third Plenary Session of the CPC Central Committee compiled?). //Renmin Wan, 15 November 2013. <http://politics.people.com.cn/>.

** See, Zhonggong zhonggang guanyu quanmian shenhua gaige rogan zhongda wenti di jue ding («Decision of the CPC Central Committee on some important issues of comprehensive deepening of the reforms»). Accepted by the Third Plenary Session of the CPC Central Committee of the 18th convocation in November 12, 2013 //Renmin Ribao, 16 November 2013.

*** See, Zhonggong zhonggang guanyu quanmian shenhua gaige rogan zhongda wenti di jue ding.

opment of China's specific system of socialism,** promotion of modernization of the political system and the political capacity of public administration.

However, as highlighted in the "Decision..." it is important to pay particular attention to ensuring the systemic, the integrity and consistency of the reforms.

"Decision..." states that "comprehensive deepening of the reforms should be carried out with taking into account the fact that China is and will be for quite some time at the initial stage of socialism construction. Therefore it is necessary to stick to the most important strategic thesis according to which the development is a cornerstone of solving all the problems in the country; economic development is located in the center, and stimulation of the economic system reform plays a leading role, activates mutual connection between the industrial relations and the productive forces, the superstructure and the economic base, promotes healthy and sustainable socio-economic development."

Reform of the economic system is a key point of comprehensive deepening of the reforms, and its central problem is normalization of relations between the market and the government to ensure that the allocation of resources in the market played a decisive (juedingxing) role and led to improved performance of the government.

In this case, the most important in the comprehensive deepening of the reforms is continuous following during a long time of the following basic provisions:

- leadership on the part of the CCP, the implementation of the basic line of the Party, to avoid traffic congestion by old and perverted way of "flag changing";
- following the path of a specific Chinese socialism, continuous ensuring of the correct course of the reforms;
- it is necessary to liberate consciousness basing on real facts, keep pace with the times, get to the truth and being pragmatic, in everything proceed from reality, to generalize and to learn

from the internal successes, to borrow a positive foreign experience, promote innovations in theory and in practice;

- put a human first (yi ren wei ben), to reckon with the position of the people as the host, develop initiative spirit of the masses, firmly rely on the people in implementation of the reforms and promote the comprehensive development of a human;
- correctly resolve the relationship between the reforms, development and stability, to move boldly, but with firm steps, to strengthen as "roof", so "foundation" to move forward in a complex and identifying key points.

"Decision ..." emphasizes that "at the present time, the development of China has reached a new stage, and the reforms entered a period of taking fortresses and overcoming obstacles", and at this stage it is necessary to ensure that "Chinese socialism order could refine and improve itself." As decisive purpose the plenum defined 2020, by which determine results of the reforms should occur in key areas and key links, should be largely completed the reform goals defined by "Decision..."; the foundation of the system should be formed and a scientific basis for effective reform of the entire system should be made.

As the basic objectives of the reforms six key areas are identifies in the "Decision ...":

1. Hit hard on an issue that market played a decisive role in resource allocation; deepen the reform of the economic system. Maintain and improve the basic economic system, accelerate the improvement and modernization of market system, system of macro control, economic system of openness. Accelerate the transformation of the model of economic development, accelerate the construction of an innovative state, and stimulate the process of transforming an economy into a more efficient, more equitable one, capable for sustainable development.
2. Strongly adhere to the party's leadership, the position of the people as the host, governing based on the law, on this basis deepen the reform of the

* See, Xi Jinping. Guanyu "Zhonggung zhongyang guanyu quanmian shenxyu gaige rogan zhongda wenti di jueding" di shomin

** I recall that the concept of "specific system of Chinese socialism" covers: Institute of People's Congresses as a fundamental political system, basic political institutions such as the institute of multiparty cooperation and political consultation under the leadership of the CPC, the institution of regional national autonomy, and the national institute of lower level self-government, the legal system of Chinese specific socialism, the basic economic system of joint development of different sectors of the economy under dominance of public ownership, as well as economic, political, cultural, social and all other specific systems, which are based on these institutions.

political system, accelerate the reform of the socialist and democratic political system, its unification and ordering; build a socialist legal state, develop a broader, more comprehensive more solid position as the people as the host.

3. Strongly adhere to the construction of the system of values, in the center of which there are socialist values, building a power with a socialist culture, deepen the reform of the cultural system, accelerate the improvement of cultural management and control mechanisms of cultural production, create a healthy, modern public service culture, upgrade market culture system, stimulate the development and flourishing of socialist culture.

4. Strongly improve the social security system and improve the lives of the people, promote social equity, deepen the reform of the social system. Reform the system of income distribution, promote the general enrichment. Encourage systemic innovation in the social sphere, stimulate correction of basic public services, accelerate the formation of a scientific and effective society management system; ensure filling it up with vitality and harmony in society.

5. Decisively take on building of a beautiful China, deepening the system reform in the field of ecology and civilization, accelerate the construction of an eco- civilizational system, improve system mechanisms of spatial development of the state, conserve resources, the environment protection, stimulate the formation of the current situation, involving the harmonious development of a man and nature.

6. Strongly improve the scientific level of political governance, democratic governance, law-based state, deepen the system reform of the party building. Accelerate the construction of democratic centralism, improve the system of Party leadership and management methods, ensure cleanliness and avant-garde of the party, and provide political guarantees for the implementation of the reform policy and openness and construction of socialist modernization.

Economic reforms

The first block of the reform concerns changes in the economic sphere. Plenum approved the six directions of the economy reforming:

1. Unswervingly adhere to and improve the basic economic system, which assumes:

- Improving the system of property rights protection. Ownership right is the basis of any form of ownership. Property rights of the public ownership economy are indefeasible, and so are property rights of the non-public ownership economy. The State protects the right to property and the legitimate interests of enterprises of different ownership.

- Active development of the mixed ownership economy. Improving the system of the state property management, taking capital management as a basis; reforming the system of granting rights to manage the state capital, to organize several companies involved in the management of public capital, to support the transformation of SOEs into joint stock companies. By 2020, the share of public capital in the public finances should reach 30%, to a large extent, these funds will be used for social security and improving people's livelihood.

- Encourage state-owned enterprises to be transformed into a modernized enterprise, which involves deepening their reforming based on standardization of business solutions, maintaining and increasing assets, promoting the principle of fair competition, improve efficiency of enterprises, introduction of social responsibility.

Gradual destruction of a position of state-owned enterprises as natural monopolies, which involves the separation of administrative and production functions, the separation of politics from the capital, the reforming of the franchise system and the control from the government.

Implementation of a manager responsibility system, which should increase the role of a boss in a company. Increase market component in the activities of public enterprises.

- Maintaining a healthy development of non-public economy.

2. Accelerated improvement of the modern market system. Establishment of an integrated, open and competitive market system is the basis for the market began to play a decisive role in allocating resources. To solve this problem it is necessary:

- Creating fair, open and transparent market rules. All market participants must according to law have equal rights to register in various fields. It is necessary to promote a relief of business reg-

istration system, to reduce the number of objects of the licensed activity. Reforming the system of market control assumes implementation of a unified system of market controls; the destruction and elimination of various rules and regulations that hinder the creation of a single market across the country and fair competition; the prohibition and punishment of those who illegally conducts a preferential policy; the fight against local protectionism, monopolies and unfair competition.

- Improvement of the most important mechanisms determined by market price. All that can be determined by the market price should be transferred to market; the government should not interfere in it. It is necessary to conduct the price reform in such areas as water, oil and gas, electricity, transportation and communication, in order to promote competition in the determination of prices. Establishing of prices fixed by the government remains on the most important public affairs, public services, networks of natural monopolies, but as long as transparency is enhanced and public scrutiny is strengthened.

- Create a single market of land for construction in cities and rural areas. Exemption of lands, which are under the management of rural cooperatives, for state use should be subject to the same rules and the same price as the state lands. Reduce the amount of land acquisition; adopt the rules of land requisition.

- Improve financial market system. Expand internal and external transparency of financial institutions; allow preparation, under greater control, of the conditions for the creation of small and medium banks with public capital participation.

Improve the formation mechanism of the market exchange rate for yuan, accelerate the process of turning the yuan currency into convertible one.

- Deepen the reform of scientific and technological system. Create mechanisms to encourage primary and integrated innovation, develop a guiding role of the market in development of technological research, setting priorities and prices.

Strengthen the protection and use of intellectual property rights. Abolish the administration management and departmental division; create a mechanism in which the distribution of costs and prices for technical innovations would be determined by market.

Reconcile scientific and technical plans and resources; improve government support mechanisms for basic, strategic, and breakthrough scientific studies.

3. Accelerate the transformation of governmental functions. This direction involves reforms in the following areas:

- Recovery of the macro control system. Deepening the reform of the investment system; establishing a major place for company as an investor. Investments of the companies do not require the approval by the government and are allowed in any spheres, except those associated with the public and environmental safety, development of strategic resources and large state-owned production facilities.

- Comprehensive correction of the functions implemented by the government. Gradual reduction of governmental powers, deepen the reform of administrative approval, maximum limitation and reduction of the central government intervention into microeconomics.

The government should vigorously develop its functions such as the definition of strategy, planning, policy forming and standard setting. Strengthen monitoring activities of market and various public services.

Accelerate implementation of the administrative reform, increase volume of public services bought by the government, and establish corporate governance structure in institutions.

- Optimize organizational structure of the government for which purpose, it is firstly necessary to deepen structural reform for the transformation of government functions, and secondly, to carry out structural reform of party, government and people's control mechanisms, optimizing at each level of authority and responsibility.

4. Deepen the reform of finance and taxation systems, for which is offered to:

- Reform the system of budgetary control.

- Improve the tax system. Deepen the reform of the tax system, improve the tax system on places, and gradually increase the share of direct taxes. Gradually form a complex, but with the classification by categories, of the personal income tax system.

- Create a system adapted to the rights and responsibility for the costs. Centre through transfers may delegate some powers and expenditure responsibilities to the local level.

5. Creating a healthy system and mechanisms of unified urban and rural development. Formation of a new relationship between city and countryside, peasants and workers on the principles of “industry promotes agriculture”, “city tightens village”, “preferences for workers and peasants”, “town and village in unity”, to allow the masses of peasants to participate as equals in the process of modernization, together enjoy the fruits of modernization.

To achieve this goal it is offered to:

- Accelerate the establishment of a management system for a new type of village. Adhering to the family contract as the basis in agriculture, promote the emergence of new forms of management. Adhering to the collective land ownership in villages, basing on the law protect the rights of peasants to the land concession contract, develop and expand the collective economy.

- Allow farmers to join with their shares of lease rights for the industrialization of agriculture. Encourage the development of multi-disciplinary large farms by passing on the open market the concession rights to specialized large farms, family farms, agricultural cooperatives and agribusinesses.

- Encourage the development in a village of cooperative economy, support the expansion of scale for activities, specialization and modernization, and allow financial institutions to directly invest in cooperatives.

- Give farmers more property rights. Allow farmers to use their share of the collective capital as property, income, compensation for output, as well as a pledge, mortgage guarantees and bequeath.

- Promote equal exchange between the city and countryside, fairly distribute public resources. Protect the interests of farmers, provide wages, equal to workers' ones, for peasant workers. Improve the social security system in rural areas.

- Improve the process of urbanization and to fully develop systemic mechanisms. Stimulate the process of rural migrants' adaptation in cities and their gradual transformation into citizens.

- Accelerate the reform of official residential registration, fully lift restrictions on registration for residents of small towns and villages, according to plan remove restrictions for residents of medium-sized cities. Rationally determine the conditions of residential registration in the major

cities and strictly control the scale of the population in mega-cities.

6. Creating a new system of an open economy. It is necessary to:

- Make concessions for investments. Expand the number of businesses and individuals attracting foreign investments, make the company and the individual as a main subject for attracting the foreign investment; allow independently develop investment cooperation abroad; resolve on their own risk to conclude contracts for the construction and provision of services in different countries and regions.

- Accelerate the establishment of free trade zones.

- Increase the number of open areas within the country. As a first step in this direction permit main control points, border towns and districts of economic cooperation receive a special policy and forms of people's movement, logistics, tourism, etc. Encourage the establishment of economic zones along the Silk Road and maritime Silk Road.

Political reforms

As expected, in the political reforms the team of the “fifth generation” of Chinese leaders has not gone further than its predecessors. While Xi Jinping holds a serious campaign to fight against corruption, bureaucracy, formalism and expansion of party and administrative cadres, however, he is not inclined to allow excessive political liberalization.

Anyway, this indicates an internal document called “Central Document number 9”, which was adopted by the CPC Central Committee in April 2013. The document urges CPC members to eradicate 7 threats, including: western constitutional democracy, human values, freedom of the press, civil society and citizens' rights. This is also evidenced by campaign launched on August 19, “the struggle for public opinion”, designed to fully take governmental control over the Chinese segment of the Internet, and at the same time put in place excessively active bloggers, spreading panic rumors.

The fact that political reform will be passed on recipes, left by tandem “Hu — Wen” is shown by the results of the plenum. Adopted “Decision...” identifies three areas of political reform:

1. Strengthen the construction of political system for socialist democracy.* This task includes:

Development in the spirit of the time of national people's congress (NPC). Improvement of the legal system of Chinese specific socialism, improvement of legislative process, provision of evidence, debates, discussion mechanism, improvement of the quality of justice, suppression of judiciary practices in the interests of institutions or protection of the departments of local authorities.

Strengthen oversight and control functions of NPC over budget execution, strengthen functions of NPC for control on state assets. Create a system of constant communication between deputies and the masses.

Improving working bodies of NPC, through the interviews, hearings and trials, assessments and public bills expand participation of the masses in the process of lawmaking and law enforcement.

Promote the development of multi-level system of broad democratic consultation, which is an important mechanism in the implementation of the Party's mass line in the political sphere.

Form a rational and complete system of deliberative democracy, expand advisory platforms between public authorities, political organizations and party groups, lower level organizations and NGOs.

Develop a critical role of the United Front in the democratic consultations. Improve the mechanism of political consultation between the CPC and the various political parties, to listen to the representatives of democratic parties and non-party citizens.

Develop the role of the CPPCC as the main platform for democratic consultation. The main thing is to stimulate political consultation, democratic supervision, participation system for political decision-making, unification and regulation.

Develop lower level democracy. Promote free activity of democratic platforms; improve at lower level the mechanisms of elections, discussions, publicity, official reports and responsibility. Develop diverse lower level structures of democratic consultation, improve mechanism of the control

from the peasants and the population, and stimulate the formation of urban and rural authorities.

2. Encourage the construction of legal China where it is necessary to adhere to governance based on the law, jointly promote the political and administrative governance by law, adhere to a comprehensive construction of the legal state, the legal government and the legal community.

To solve this problem it is assumed:

- Protection for authority of the Constitution and laws. Create a healthy system, in which whole society is devoted to the Constitution and laws, respect, protect and follow them. Stick to the fact that in front of the law everybody is equal, any organization or any individual has no privilege to violate the law, any action for violation of the Constitution and laws should be prosecuted.

- Deepen the reform of the political and legal system. Coordinated implementation of laws as a basis consistent with the principles of collectivism right to enforcement of laws, promotion of integrated law enforcement, the combination of the principle of authority and responsibility, creation of a unity system for authority and responsibility.

- Provide prosecutorial oversight and trial on the basis of law, independence, impartiality and fairness.

- Improving the mechanism of trial enforcement.

- Improving the system of courts on human rights protection. The State protects and respects human rights. Improving mechanisms to prohibit the imposition of unjust sentences, correcting them and prosecute the perpetrators; strictly prohibit extracting confessions by torture and corporal punishment; strictly adhere to a principle of eliminating illegal evidence.

- Abolish the system of reeducation through labor,* improve the system of penalties for criminal acts and corrections legislation.

3. Strengthening the system of restrictions and controls over application of power. Adhere to

* As emphasized in all party documents, including adopted by the Plenum "Decision of the CPC Central Committee on certain important issues of comprehensive deepening of the reforms", "Development of the policy of socialist democracy assumes as the basis the guarantee for position of the people as masters (renmin dangjia zuozhu), maintenance and improvement of the system of people's congresses, the system of multiparty cooperation and political consultation under the leadership of the CPC, the system of district- national autonomy and the autonomy of the system of lower level autonomy of the masses."

the principle of system management on authority, businesses and people, the exercise of power under the control of the people and in terms of “sunlight”, so power authority had system limitations. Improve the system of anti-corruption and judicial punishment, create a system of honest management, with all ability implement the principle of pure personnel, honest government and clear management.

- Generate scientifically verified system of power limitation and mechanisms of coordination.

Strengthen and reform the system of control and power limitation in relation to the main governing cadres, strengthen against them an administrative and judicial control.

Promote power limitation of local governments and their working bodies, they must carry out their activities openly and based on the law.

- Increase systemic guarantees and create new mechanisms in combating corruption and decay. Strengthen the unified leadership of the CCP in the construction of a fair party and in the fight against corruption and decay.

Reform the system of the Party disciplinary control, improve leadership system and working mechanisms for fighting corruption and decay; reform and improve the powers of small groups to fight corruption and decay on the places.

Put into practice the principle of responsibility for the construction of a fair party, the responsibility system of the party committee and the responsibility system for committees over responsibility for discipline.

Promote specification, regulation, consistency and reinforcement of double guidance over the work of party committees on monitoring of the discipline, according to which a higher committee directs the work of a lower standing.

Improve the legal framework to combat corruption and promote selflessness; improve mechanisms of judicial punishment for corruption and corruption prevention; engage risk prevention of honest and incorruptible exercise of power; prevent jobber, practice personal reports by leadership cadres.

Improve the system of democratic control, legal control and public control.

- Improve and reform the system of work style normalization. Start the accelerated creation of mechanisms of counter systemic formalism, bureaucracy, hedonism and luxuries.

Based on standards strictly implement the system of provision of work and life for ruling cadres, avoid excesses in housing and office premises, avoid excesses of the limit for the use of vehicles, secretaries, medical and social services, and severely punish for exceeding these norms.

Improve and strictly control the business of relatives of leadership cadres, their participation in social organizations or work in the public services, travel abroad for permanent residence; prohibit the use of public rights or his personal influence by leading cadres to benefit their relatives or other contacts, strongly oppose privileges and vicious style.

Social reforms

Although the block of social reforms is introduced in “Decision ...” not as long as such deserve modern social problems in China, however, the proposed reforms cover almost all of the most pressing problems. This block offers two direction of social reform:

1. Promote reforms and innovation in the social sphere, by what is supposed to solve the most pressing problems that directly affect the interests of the people; provide multiple services to society, even better meet the needs of the people. To solve this problem it is proposed to:

- Deepen the comprehensive reform in education. Form long-term and effective mechanisms allowing growing love to learning and working, reinforcing students’ sense of social responsibility and patriotism, their commitment to innovations and practical abilities.

- Accelerate the establishment of a modern system of vocational education, deepen the connection between training and industry, and prepare workers with high qualities and technicians.

* Existing since the “ideological campaigns” of the late 1950s and acting outside the right field camp system, in which labor reeducation experiences all those who, in one way or another, came to the attention of the security forces. In the past 20 years, they mostly contained political opponents of the regime and representatives of the Falun Gong movement.

- Reform the system of enrollment and certification, increasing autonomy of educational institutions in this matter and limiting the functions of government to macro governing only.

- Develop and promote mechanisms for employment and creation of new industries. Provide incentives for young people, especially university graduates and migrating from rural regions labor force, distressed citizens and gone to the reserve militaries.

- Form a rational and orderly structure of income distribution. With every effort to promote the growth of workers' wages, improve productivity, increase the share of wages in the primary distribution.

Improve the mechanisms that determine wages by such market factors as knowledge, technical and managerial skills.

Improve regulatory mechanisms of secondary distribution based on such important techniques as taxes, social insurance and transfers. Form a reasonable mechanism for allocating revenues generated from public sources.

Standardize the distribution of revenue, improve institutional mechanisms of income regulation the distribution, establish an information system on personal income and property, protect the legitimate income, regulate excessively high incomes, legalize hidden incomes and ban illegal income, increase the incomes of people with low incomes, expand the share of people with average income, make efforts to reduce the gap between urban and rural areas, different regions and industries.

- Create a more equitable and sustainable system of social security. Adhering to the pension insurance system, based on a combination of unified social planning and individual accounts, to improve the system of individual bank accounts, improve the incentive system of interest rates, guarantee the rights and interests of depositors, to implement the principle of payment of basic pension to the elderly and maintain a balance.

Create a system of budget investments in the social security system, improve the social security budget mechanism. Strengthen management and control investments in social welfare from various funds, promote the marketization of funds and development of multiple forms of investment.

Closely relate to the problem of an aging population, accelerate the creation of social services for the elderly and develop services for the elderly services.

- Deepen the reform of the health system.

Deepen the comprehensive reform of the health system in the fields; improve the mechanism of a uniform network of health services in urban and rural areas.

Encourage the establishment of social medical institutions, give priority support to non-profit medical institutions.

Adhering to the basic state policy on Family Planning, to allow a second child for spouses one of whom he is the only child in the family, gradually improve policies of birth rate, promote long-term balanced demographic development .

2. Update the system of social control. This requires paying attention to the fundamental interests of the masses, at maximum reinforcing factors of harmony, enhancing social development, increasing the level of social management, comprehensively promote the construction of secure state, ensure public safety, protect the peaceful life of the people and maintain public order. For these purposes, it is supposed to:

- Change forms of social control. Maintaining traditional forms of governance, strengthening leadership of Party committees, developing government leadership role, encourage and support various forms of social participation, implement autoregulation of control over government and society, self-governance of the citizens.

- Develop activity of public organizations. Properly handle the relationship between government and society, accelerate implementation of the separation of public and government functions; clearly define the rights of non-governmental organizations, their ability to work independently and to play its rightful role.

- Update effective system for preventing and resolving of social contradictions.

Improve the mechanisms of political assessment of threat to social stability. Establish mechanisms for the unimpeded petition, psychological assistance, mediating conflicts, protection of rights and interests.

Reform the system of administrative appeal, improve mechanisms for appeal in court cases,

correcting violations of the law or wrong administrative action.

Reform the system of letters and visits with complaints, create an appropriate electronic system.

- Improve the system of social security. Improve the structure of the food safety and drugs control, creating a very strict system of detention. Deepen the reform of the management of production safety.

On the basis of the law to increase the degree of control over the Internet, adhering to its policy of active use, scientific development and security, rapidly improve the system of governance and management of the Internet.

Reforms in the field of culture

Plenum proposed mechanisms to upgrade the cultural system of the PRC. As it was emphasized, for the construction of a powerful state with a socialist culture and strengthening the soft power of national culture it is necessary to adhere to the best choice in the course of socialist culture, adhere to the development of culture for specific Chinese socialism, mainly instill socialist ideals and values and follow them in practice, to strengthen leadership position of Marxism in the ideological sphere, strengthen unified, ideological basis for a joint struggle of the whole Party and people of all nationalities of the country. Adhere to the guiding principles that the people should be at the center, adhere to staging at the first place the interests of society, economic and social interests should be in the mutual unity. To achieve these goals it is proposed to:

Improve the system of culture management on the principles of separation of functions, increasing the responsibility of enterprises and the improvement of relations between cultural institutions, party and governmental bodies.

Improve and constantly maintain the guidance of correct public opinion.

- Create a market system of modern culture. Improve the mechanisms of entry and exit for culture to the market, promote fair market competition.

Encourage the development of culture enterprises with non-public ownership, reduce the threshold of attracting public capital, allow the publications abroad and online.

- Develop a modern system of public service culture.

Raise the level of culture openness. Adhering to the guidance from the government, self-financing enterprises, market incentives and social participation, expand the flow of culture traffic abroad, strengthen the capacity of foreign propaganda and the formation of the broadcasting system in foreign languages, stimulate output of Chinese culture in the world (*Zhonghua wenhua jiaoxiang Shijie*).

Actively use the best works of foreign culture, foreign experience for the development of national culture and local specialists, technicians and managers.

Reforms in the field of ecology

In the field of ecology there is a task to accelerate the creation of ecological civilization, which requires the creation of a complete system and eco civilized system, creating the most stringent system of source protection, a system of reimbursement, a system of responsibility, an improvement of environmental management and ecological restoration, using system methods to protect the environment. To this end, it is recommended to:

- Improve the system of mineral rights and control regime over using pipelines.

- Determine the red lines in the environmental protection

- Implement a system of paid compensation for the usage of natural resources and environmental damage compensation system.

- Reform the system of environmental management.

Reforms in the field of defense and security

The reforms in the field of defense and security offer to adhere to the following party objectives of strengthening the army under the new situation:

- ✓ be under the leadership of the party
- ✓ victories in battles
- ✓ develop the best traditions of the PLAC
- ✓ focus on solving urgent problems and contradictions in the development of a limited defense and armed forces building
- ✓ creatively develop military theory, strengthen management of military strategy, improve strategic military course in modern times

✓ form a system of modern armed forces with Chinese characteristics.

In order to reach these goals it is offered:

Deepen institutional reform of manning the armed forces. To reform the system of leading management, optimize the function of the governing bodies of the Central Military Council and its structure, improve the system of management of all army units.

Optimize the scale of the military organization, streamline the number of soldiers and officers, reduce the number of free from military training institutions and their staff.

Promote reforms on streamline the system of military policy. Improve policy of military personnel selection, which must comply with the requirements to powers and tasks of the army, as well as updating the system of public policy.

Improve the management system of military spending, create mechanisms for the distribution of resources on the basis of indicative planning in accordance with the needs of the armed forces.

- Simulate deep and joint development of military and civilian sectors.

Party construction

“Comprehensive deepening of the reforms requires strengthening and reforming of the party leadership, the party must hold in their hands the whole situation, play a role of a leading center governing all directions, it is necessary to build the Marxist ruling party of training, service and innovation type, raise the governing level of the Party and its ability to manage the state, to ensure the achievement of progress in reforms.”

For these purposes, the “Decision ...” offers:

All Party members must in thoughts and actions be united with the plans and policies of the CPC Central Committee with respect to comprehensive deepening of the reforms; properly handle the relationship between the center and the regions, departments and agencies, current and prospective, have the right attitude to the structural ordering of interest, fully develop internal democracy, support and protect the authority of the CPC Central Committee, to ensure the promotion of decisions, steadily implementing the setting of the CPC Central Committee on policy reforms.

Party committees at all levels must held responsibility for the management of the reforms, improve the mechanisms for generating scientific and democratic policy, lead in addressing critical issues, resolve errors in the reform process.

Comprehensive deepening of the reform requires strong organizational support and personnel support. Adhering to the principle of party leadership cadres, it is necessary to deepen the reform of personnel and cadres corpus, establish mechanisms of recruitment based on management efficiency and simplicity, to promote the most capable staff in all areas.

Destroy departmental cadres, and expand the horizons of the staff selection, strengthen inter-agency exchange rate. Eliminate such a thing as a “departmental standard”, drive traffic cadres vertically and horizontally.

Create systemic mechanisms of professionals’ concentration, select and utilize the talents over the whole China. Destroy systemic barriers, abolish personal obstacles, enable any grow in talent. Improve the system of attracting talents in the party and administrative organs, enterprises and the social sphere.

People is the main force in the reforms, it is necessary to adhere to the Party’s mass line, to create mechanisms of social participation, to fully develop activity, initiative and creativity of the masses, to develop the role of trade unions, the Komsomol, women’s organizations in the implementation of the reforms.

Organizational issues

Concerning the organizational support of the reforms, by the decision of the plenary two additional bodies were created: Committee (Council) of national security and Governing Group for the comprehensive deepening of the reforms, responsible for integrated planning of the reforms, unified planning and coordination, comprehensive implementation and maintenance of the control.

For now neither the structure nor the personal composition, nor the powers of these bodies are disclosed. However, we can already assume that the State Security Committee will be headed by Xi Jinping, a governing group by Li Keqiang, con-

centrating in their hands such volume of authority, which in the last 30 years not a single leader of China had. The final decision on all these issues, as well as approval of the reform plan proposed by the CPC Central Committee Plenum will occur at the next session of the NPC, which will be held in March 2014.

According to Chinese estimates, the creation of the State Security Committee is a long debated decision, which mostly can be seen as a response to the difficult external environment of the security (especially in relation to disputed maritime areas) and the complexity of the situation inside the country. The formation of this structure will facilitate coordination between the relevant agencies of state security, efficient and quick policy decisions in the field of national security policy, integration of strategic resources and better ensure of the state security.

This was also emphasized by Xi Jinping, while commenting the “Decision...” adopted by the plenum. As it has been emphasized, “China is facing the dual pressures, on the one hand, it is necessary to protect the sovereignty, security and interests in the field of development outside, and on the other, to protect the security of political power and social stability inside. Obviously, there are much more different risk factors, as expected, so those hard to foresee.”*

Accordingly, as assumed, the Chinese CNS will include Minister of Foreign Affairs, Ministry of Defense, the Joint Staff, Ministry of Public Security, Ministry of State Security, Department of Foreign CCP’s propaganda, Ministry of Commerce, the Committee on Hong Kong, Taiwan and Aomen, and other departments, which activity in one way or other is connected with state security.

Concerning the Governing Group on comprehensive deepening of the reforms, since its status was not regulated by the plenary, most likely, it is planned as another structural unit of the State Council, and consequently, its structure and the position about it must be approved at the next session of the NPC. However, judging by the theses contained in the “Decision...”, its main task will be to specify the reforms plan proposed by the plenary and monitor its implementation.

* * *

Certainly the plenum was equal to expectations. Offered by the “fifth generation” of Chinese leaders, reform program covers most pressing socio-economic and political problems of modern China. Moreover, some of its provisions sound truly revolutionary and not only focus on the liberalization of the economy, but also on the liberalization of ordinary Chinese people’s lives.

At this point a proposal to abolish the hukou (registration system in the house registers, existing in China since 1958 and is one of the main ways to control the population, including in the field of birth control) in small and medium-sized cities is primarily catching the eye, as well as a proposal about the inclusion of rural residents who have moved to the city, pension schemes and health insurance on par with the towns people.

The same applies to a proposal about abolishing the system of labor camps and bring order to the process of investigation and sentencing. Supreme Court of China has declared illegal widespread in China practice of torture during interrogations and began a review of a number of high-profile cases.

And a lot of expectations are associated with the revision of the foundations for population policy, although not every Chinese family can afford a second child, first of all, due to financial considerations.

The most sensitive issue in modern China is land policy. Local authorities expropriate the land to avoid bankruptcy and keep corrupted officials. Evicted farmers and homeowners replenish a huge group of people disgruntled on power. They get a tiny compensation, if any, staying without land and often homeless. Plenum tried to resolve this dilemma by proposing a legislation of land acquisition without decent compensation. However, first, the CPC Central Committee thus severely limits the interests and capacities of local officials. And secondly, is not very clear procedure for providing compensation for the land, because the latter is still under collective ownership.

Also noteworthy is the passing as the “red thread” through “Decision...” plenum’s idea that liberalization of the “bottom” life will be accompanied by a serious strengthening of control “at

* See, Xi Jinping. Guanyu “Zhonggong zhongyang guanyu quanmian shenxuyu gaige rogan zhongda wenti di jueding” di shomin

the top.” “Decision...” not without reason stated about a necessity to continue the fight against corruption, limit the financial support of senior personnel and strictly enforce the rules, as well as strictly monitor the activities of relatives of leading cadres, especially commercial activities, holding positions, departure abroad for permanent residence.

In other words, Xi Jinping’s team decided to seriously address the main problem — the legislative restriction for omnipotence of the bureaucracy, and especially its highest level — the so-called governing cadres. Time will tell how successful

this campaign will be. However, we cannot forget that it is the bureaucracy which was the main force of the reforms, and exactly it is able to block them. Especially bearing in mind that there are opposing factions in CPC, and personal interests of the officials still prevail over the state interests.

In general, it is possible to agree with one of the Chinese analysts, who said about the decision of the plenum: “The goals are clear, but the trails are chaotic.” And there is no exaggeration, for the time remaining until the next session of the NPC, a lot still remains not only to specify, but to make into a law.

Authors

CENTRAL ASIA'S AFFAIRS
QUARTERLY ANALYTICAL REVIEW
No.4, 2013

Gussarova Anna

Research Fellow, Department of Foreign Policy and International Security, KazISS under the President of RK, Master of Social Sciences

Laumulin Murat

Doctor in Political Sciences, Professor

Medeubayeva Zhanar

Head of Regional Studies Department at ENU after L.N.Gumilyov, Candidate of History, Assistant Professor

Omirezakov Tursunbek

Deputy of the Mazhilis of the Parliament of RK, Doctor in Economics

Seidumanova Meruert

Research Fellow, KazISS under the President of RK

Syroezhkin Konstantin

Chief Research Fellow of KazISS, Doctor in Political Science, Professor