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

Deputy Editor-in-Chief
Marian ABISHEVA

Responsible for publication:
N. Seidin
Design & Layout:
G. Khatkuliyeva, A. Sadvakassov

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

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

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The Kazakh Model of Interethnic Accord: Experience for OSCE

MARIAN ABISHEVA

Deputy Director of the Kazakhstan Institute for Strategic Studies

The current year, 2009, is a defining year for Kazakhstan's foreign and domestic policy. This year, Kazakhstan joined the OSCE Troika of the previous, present and next chairs of the organization and started preparations for chairing the OSCE in 2010. For Kazakhstan's efficient fulfillment of the duties and powers of the OSCE chair, it is necessary to create basic conditions and measures in order to achieve strategic goals. One of these goals is *the establishment of constructive dialogue* during Kazakhstan's chairmanship between member states that represent the differing cultures of Western countries and former Soviet ones. From this point of view, Kazakhstan has something to offer from its positive experience of interethnic and interdenominational accord. During the years of independence, Kazakhstan has achieved remarkably positive results in regulating the sphere of interethnic and interdenominational relations, which are based on a stable situation that helps preserve the atmosphere of tolerance and accord between ethnic groups¹. One of the key factors pointing to the efficiency of the policy conducted is the government's strong line from the first days of independence to harmonize mutual relations between ethnic groups.

In the Kazakh president's 2008 state-of-the-nation address entitled "The Growth of Kazakhstan's Living Standards – the Main Aim of Government Policy", Nursultan Nazarbayev said: "*During 16 years of independence we have created our own model of ensuring public stability and interethnic stability and forming Kazakh identity and Kazakh patriotism. This is our Kazakh 'know-how' which we are proud of and which we should carefully preserve.*" These principles that define political, cultural and spiritual-religious priorities and values of the development of Kazakh society are specified in Article 1 of the Constitution of the Republic of Kazakhstan.

For any multicultural country, like Kazakhstan, one of the main conditions for preserving identity and independence is the supra-ethnic integration of its citizens into one society. In this sense, in our country that houses 130 ethnic groups, the establishment of an all-Kazakhstan civic and political society is one of the main conditions for the existence of its statehood and stable development.

¹ Public opinions prove this, and one ordered by the Kazakhstan Institute for Strategic Studies to the Epitsentr polling agency showed that between October 15, 2008 and November 20, 2008, most respondents (68.4%) spoke in favour of stability in interethnic relations. A further 10.5% noted improvements in this sphere and 6.9% noted significant improvements in interethnic relations in their locations.

In this situation, the matter is about the *political consolidation* of Kazakhs on the civic involvement of all Kazakhstan's ethnic groups in socio-political processes. In this regard, a multicultural society's political consolidation should be built on a consensus of the interests of its ethnic groups, which should take account of ethnic issues in the general aspects of government policy.

Since the 1950s, national construction had been based on civic identification (*the principle of co-citizenship*)¹. *National construction in Kazakhstan is now ensured by ethnic pluralism*². *It should be noted that there have been some positive results in implementing these principles of national construction.* Firstly, polls show that many Kazakhs identify themselves on the basis of civic affiliation³. Secondly, favorable conditions have been created for all ethnic groups of Kazakhstan to enable them to fulfill their ethnic and cultural needs. In general, the country has now created efficient legal and ideological basics and organizational infrastructure for implementing government policy in interethnic relations, which has received positive feedback from the population⁴.

As a result, during the years of our country's independence, Kazakhstan has fulfilled its own unique model that ensures harmonious interethnic relations in our multicultural society through preserving the distinctions of ethnic groups and their unity.

Kazakhstan's model of interethnic relations is carried out at the following basic levels:

- *Conceptual* level (conceptual justification for ensuring interethnic accords).
- *Constitutional* and *politico-legal* level of ensuring interethnic accord (constitutional and politico-legal foundation for interethnic accord).
- *Institutional* level of ensuring interethnic accord (by the Assembly of Kazakhstan's People, regional assemblies and ethnic-cultural centers).

¹ This was first specified in the Constitution in 1995.

² Ensuring ethnic pluralism means creating conditions for the implementation of interests of Kazakhstan's minorities. This stems from the Constitution which ensures equal rights to all citizens.

³ An opinion poll, ordered by the Kazakhstan Institute for Strategic Studies to Epitsentr and conducted between 15 September and 20 October 2008, shows a third of respondents (33.8%) named themselves first citizens of Kazakhstan.

⁴ An opinion poll, ordered by the Kazakhstan Institute for Strategic Studies to Epitsentr and conducted between September 15, 2008 and October 20, 2008, government policy on interethnic relations is positively assessed by a majority of those polled (78.1% was "positive" and "most likely positive" answers).

– *Scientific-methodological* level of ensuring interethnic accord (monitoring the state and trends of the development of interethnic relations).

Conceptual level. It ensures substantial approaches to strengthening stability in the interethnic sphere in our country, which means:

1. The model of interethnic accord is implemented with account of, and on the basis of, the interdependence and interconditionality of socioeconomic, cultural, moral, everyday and other factors, in line with their potential¹.

2. The model of interethnic accord is organizationally and functionally based on the *principle of free provision for the cultural expression of Kazakhstan's all ethnic groups*.

3. The final goal of this model is the protection and free fulfillment of the interests of Kazakhstan's all ethnic groups.

Special programs back up the conceptual level. For example, a program to improve the Kazakh model of interethnic and interdenominational accord in 2006-2008, which required 1.5 billion tenge of budget funds, supported the identity and dialogue of Kazakhstan's cultures and many measures conducted in the previous two years were part of this program.

Constitutional and politico-legal levels are based on legislative acts regulating the sphere of interethnic relations in the country and other official documents that define the main aspects of policy towards ethnic groups. **The legal basis** for ensuring interethnic accord is the Constitution of the Republic of Kazakhstan. It provides for defining the main principles for building interethnic relations in the constitution and other laws. For example, Article 39 of the constitution says any actions that can destroy interethnic accords are regarded as anticonstitutional.

At the *politico-legal level*, political initiatives to fulfill the main principles of interethnic accords are being drafted. For example, in line with Article 7 of the constitution (the state ensures conditions for studying and developing languages of Kazakhstan's ethnic groups) and Article 19 (each citizen has the right to use their native language and culture and choose the language of communication, education and art), the right of each Kazakh to preserving their culture and choosing the language of education is fixed, for example, in legislation on citizenship, languages, public associations, culture, education and preserving historical and cultural facilities.

Constitutional level provides for the representation of the interests of Kazakhstan's ethnic groups in parliament. For example, constitutional amendments adopted in 2007 for the first time in Kazakhstan's history ensured the election of members of parliament from the Assembly of Kazakhstan's People whose main functions is to ensure and protect minority rights. As a result, the assembly has become a real mechanism of combining and expressing the interests of Kazakhstan's ethnic groups.

At the *institutional level*, the main body to ensure interethnic accord is *the Assembly of Kazakhstan's People*.

¹ Opinion polls show a link between interethnic relations and socioeconomic conditions: respondents believe the roots of interethnic conflicts lie not in ethnic hatred but socioeconomic problems (poor living conditions and joblessness). In turn, interethnic tension and conflicts were described as factors that negatively affect interdenominational relations, making them dependent on interethnic stability.

It unites 22 national and regional *ethnic-cultural centers*, which unite 470 regional, town and district organizations. Regional branches are playing a role in efficiently implementing the assembly's goals. The size of Kazakhstan and the fact that there are areas where ethnic groups live compactly urged the establishment of regional branches that are involved in solving interethnic problems. That is why regional branches are important for solving these problems.

Measures to ensure interethnic accord are coordinated at the institutional level by **Kazakh President Nursultan Nazarbayev**, who heads the Assembly of Kazakhstan's People¹.

Scientific-methodological level fulfils the following measures: monitoring the state and trends of the development of interethnic relations; defining threats and challenges; analyzing factors and drafting recommendations. Like in developing culture, tolerance, interethnic and interdenominational accord, preventing conflicts on religious and ethnic grounds, the creation of a common information system for policy towards ethnic groups is important. The existing problems of national construction are mostly explained by poor scientific-methodological provision. The establishment of the Scientific Expert Council at the assembly gives rise to hope that the situation in this sphere will improve in future.

In general, the Kazakh model of interethnic accord is defined by a number of *principles*, i.e. the interdependent main ideas, positions and aspects that are the basis for government policy. This includes transparency, legality, legislative and legal regulation for actions, forces, funds and methods, depoliticizing national construction, humanism, justice and moral principles, mutual assistance, courtesy and tolerance, preventive measures, and respect for science.

These principles are intertwined with one another and each of them acts as a condition for the fulfillment of others.

Studies and practice show that harmony in interethnic relations can be achieved through mutual understanding between ethnic groups. In this sense, a *dialogue of cultures* is one of the main factors of developing tolerance in society. During the years of independence, Kazakhstan has created conditions for preserving and developing the languages and traditions of ethnic groups.

There are over 80 schools that teach minority languages in the country, 108 schools in which 22 minorities can study in their mother tongues and a further 76 schools in which minority groups can learn their languages in extracurricular classes. Other 29 schools teach 11 languages. There are also 170 Sunday schools that teach minority languages in Kazakhstan – the government annually allocates 12 million tenge for Sunday schools. The government also pays for publishing up to 30 books in minority languages with a total circulation of 80,000 copies. There are 19 national and regional newspapers and radio/TV programs

¹ Generally, Kazakh society's trust in institutional structures in ensuring interethnic relations is very high. The president's role as a guarantor of interethnic stability is great. Opinion polls show he has the highest approval rating among the country's politicians. In these terms the second to him was the Assembly of Kazakhstan's People, which is explained by boosting its status by constitutional amendments in 2007. However, the main factor is the population's trust in the president who also heads the assembly.

in minority languages, as well as six public theatres that perform in minority languages. All this influences public opinion that citizens fully fulfill their rights when it comes to minority languages and cultures¹.

The Assembly of Kazakhstan's People holds annual events devoted to languages and traditions of minorities. This also invites the criticism of it, but this criticism is groundless. It has already been noted that the principle of exercising cultural expressions of each minority of Kazakhstan is a basic principle whatever simple the success of our model may seem. Opinion polls also confirm this: insufficient attention to minority cultures and languages in Kazakhstan may negatively affect the state of interethnic relations in the country. Other negative factors are socioeconomic problems.

Generally, the Kazakh model of interethnic accord has proven its efficiency and Kazakhstan's chairmanship of the OSCE was mostly thanks to significant achievements in the sphere of preserving public and political

stability and ensuring interethnic and interdenominational accords. Kazakhstan is expected to contribute to developing mutually beneficial international cooperation, ensuring security and stability and establishing an inter-civilization dialogue, acting like a bridge between the West and the former Soviet countries on the Eurasian space.

Before this happens, our experience should be adapted for other OSCE member states and measures to integrate the Kazakh model of interethnic accord into the existing system of socio-political relations in OSCE member states, taking into account all aspects of the previous chairs' experience.

Keeping this in mind, the first stage of the implementation of Kazakhstan's functions of chair (involvement in the OSCE Troika) during which necessary preparation and advisory measures should be taken within the OSCE to find common interests and define a common agenda for the Troika.

¹ Asked whether in which sphere their rights were observed when most it came to their ethnicity, a majority of respondents pointed to preserving minority cultures (64.6%) and studying native languages (62.3%).

New Geopolitical Framework of Central Asia

MURAT LAUMULLIN

D.Sc. (Political Science), chief fellow at the Institute of Strategic Studies of Kazakhstan under the President of the Republic of Kazakhstan (Almaty, Kazakhstan)

The years 2007-08 was a time of geopolitical changes for the region, some of which remained latent but completely analyzable. The geoeconomic factors and the worldwide financial crisis (a crisis of liquidity and defaults as well as instability in the international financial markets), the rising prices for basic commodities such as energy resources and foodstuffs, the economic growth in Russia, China, and India, and the rising importance of the energy security issue, etc. inevitably affected the situation in Central Asia.

The 2007-2008 crisis began in the mortgage system of the United States and spread like wildfire to the global banking and financial systems. It caused an economic decline in the United States and, by the end of 2007, reached the euro zone. Depreciation of the world's main currency has hit the global economy; the value of dollar savings is steadily decreasing while export incomes converted into national currencies are losing their value. Transborder investment projects are at risk.

Strange as it may seem the states with currencies that could run the risk of gaining value have the largest dollar reserves. This fully applies to the Tenge of Kazakhstan. Today, there is the danger of an uncontrollable and highly uncertain situation developing in the global economy that could continue for a long time to come. Countries and regions are exposed to considerable cumulative effects in the political or even military-political spheres. What is going on in the world today may hit the Kazakhstan economy either in the financial or the real sector: a financial shock spreads faster than a shock in the consumer sphere, which politicians should also take into account.

The United States is steadily losing control over its own national currency; it is no longer able to keep down inflation without raising the interest rate. The latter invites liquidity but interferes with economic growth. Translated into terms of the global financial order, this means that the dollar is on the verge of losing its anchor currency status. This may happen much earlier than expected. The rest of the world will be hit: the universal currency served all and helped maintain international stability.

Deprived of a peg currency, the global financial system might slide into a crisis. It is commonly believed that the euro may serve as an adequate alternative to the dollar, but its survival is not guaranteed: even the lowest global inflation might cause serious problems. This has already

created geopolitical tension, which, along with U.S. protectionism, might undermine the world economy and provoke a global recession.

In the changing global economic context the list of major geopolitical actors involved in Central Asia remained the same, even though they readjusted their preferences and involvement. They are the West (represented by the United States, the European Union, and Japan), Russia, China, and the Islamic world. India has been demonstrating its mounting interest in the region for some time. The West (America and the EU) is changing its strategies in Central Asia because of the growing importance of the energy issue heated up by the rising oil and gas prices, its rapidly increasing shortage of fuel, and just as rapidly unfolding competition over resources and transportation routes. The West is working toward making Central Asia and the Caucasus part of its system of diversified fuel transportation. Japan's interest in the uranium industry of Kazakhstan and other Central Asian republics is mounting by the hour.

In the security sphere NATO is developing into an important factor in Central Asia. The Bucharest NATO Summit clearly demonstrated that the North Atlantic Alliance has never let Eurasia out of its sight despite the temporary setback experienced by Georgia and Ukraine. While Moscow and the others were watching Kiev and Tbilisi, few noticed that Kazakhstan had moved closer to MAP, which means that it is not far behind these two republics. In the near future the opposing sides will clash over Kazakhstan in an effort to push it toward or away from NATO. On the whole NATO will remain highly visible in the region's geopolitical destiny and in ensuring its security.

The NATO Summit of April 2008 in Budapest convincingly demonstrated that security in the Atlantic Alliance and in Eurasia is interconnected. Even though Georgia and Ukraine were not invited to join the line it became abundantly clear that NATO affects, to the strongest extent, the security system in Central Eurasia. In view of the Afghan factor this role looks even more important, especially in Central Asia. Sooner or later the consistent penetration of the Western security structures into the continent's interior will raise the question of cooperation between the Alliance and two regional structures (the CSTO and SCO).

Western strategists have not yet sorted the SCO out: it remains to be seen whether it is an economic alliance, a military-political bloc, or something else. The extent to which its aims are realizable is still unclear. The West is

even more concerned about whether the SCO (or, rather, the Russia-China tandem) threatens the sovereignty and independence of the Central Asian states. Translated into clear terms this reads: To what extent do the Central Asian countries make independent decisions within the SCO? Evan Feigenbaum, Deputy Assistant Secretary for South and Central Asian Affairs, was much more direct: "What exactly is the relationship between two huge continental powers—Russia and China—and the Shanghai Cooperation Organization's smaller, but nonetheless fiercely proud and independent, Central Asian members?"¹

Recently, the West has hinted that it knows the SCO is not an anti-NATO structure. This is explained not only by concern over the future of the Central Asian countries but also by a clear understanding that being involved in the SCO the Central Asian members cannot accept either Russian or Chinese domination and will never agree to part with even a few of their sovereignties. Seen from Central Asia the West and its institutions look like an alternative. This is how the Western strategists argue. Washington does not want the SCO to acquire an anti-American element: America is fighting in Afghanistan, the SCO's backyard.

Washington has been aware for some time that each of the SCO members is pursuing a balanced and friendly, or at least not hostile, policy on the bilateral level. This is true of Moscow and Beijing and means that Washington can expect similar behavior from the organization as a whole. It argues that since the United States is requested to give certain guarantees related to its policies in the region, the U.S., in turn, can expect similar guarantees for itself.

It should be said, however, that the United States looks at the region through the prism of its presence in Afghanistan and has to pattern its policies on it. At the same time certain developments around the SCO cannot but cause concern; this is true, first and foremost, of Iran's efforts to join the organization as a full-fledged member. The West does not like the attempts to present the SCO as an energy club of sorts, which hints at the structure's cartel future.

Today, new overtones can be detected in how the American strategists assess the regional situation: China is gaining weight in the region and in Kazakhstan, which cannot but breed concern that could rapidly develop into strategic apprehension.² If this concern moves even higher, to the conceptual level, the United States might revise its attitude toward China's role in Central Asia. This will affect, in the most radical way, the entire range of American policies in the region (Russia, the SCO, and in other respects). We cannot exclude the so far vague ideas about America's SCO membership.

The American analytical community says the following about the relations between Central Asia and Afghanistan: since the republics regard balanced relations with all large powers as their strategic aim they should be interested in America's success in Afghanistan. In turn, the United States, which is trying to stabilize Afghanistan and push it toward economic revival, needs the region's states and

their businesses as economic partners and sponsors of Afghanistan. The United States is placing its stakes on wider regional cooperation in which Kabul should also be involved.

So far, Afghanistan remains one of the key factors of Central Asia's military-political security. Today relative stabilization is alternating with intensified hostilities; Afghanistan is the world's largest producer of hard drugs, the bulk of which is moved across the Central Asian states.

This is forcing NATO to build up its military presence, widen the zone of fighting, and cooperate with Russia and the CIS in transportation of its cargoes to Afghanistan, which takes the problem outside the region and affects security and the strategic situation inside the CIS as well as relations among its members.

The April 2008 NATO Summit in Bucharest and public statements of Western leaders attracted attention to the current situation in Afghanistan. The NATO members and particularly the United States know that radical changes are overdue. America is probably getting ready to launch a new offensive at the Taliban; much is being done to strengthen the Afghan army to use it as the pillar of the state's political system. In the next five or six months Washington will launch a wide-scale operation in the southern and eastern provinces and in the Southern Waziristan Province of Pakistan. This is what the new strategy of the Western coalition in Afghanistan suggests. It has been underway since late 2007 and was officially approved by the latest NATO summit.

Today nobody expects Hamid Karzai to tighten his grip on the country and put an end to the political instability, therefore Kabul has to increase its armed forces many times over within the shortest time possible to turn the army into the state-forming element. In the future, however, the newly acquired might of a country that has no hydro- and energy resources to speak of might develop into a regional threat.

Washington is helping Afghanistan to build up its army in every way possible. The U.S. and the other Western states that failed to live up to their promises to reconstruct post-Taliban Afghanistan are trying to fill the gap by encouraging integration with the region's north; they have already offered several projects in the expectation that the Central Asian republics will help Afghanistan or even integrate with it. In view of the already obvious factors and trends this might have been dangerous for the Central Asian states. At the same time, they would like NATO to stay in Afghanistan to serve as the key factor of military security.

Today, there are two opposite opinions about how the conflict in Afghanistan should be resolved: either all foreign forces should be removed to let the local people sort things out in order to achieve peace or the Taliban should be completely routed to achieve peace and stabilization. The Pentagon intends to make its military bases in Afghanistan a permanent feature in order to secure the officially declared aims (democracy and liquidation of international terrorism and drug production). Political analysts point to other, less visible aims: opposition to the influence of Russia, China, and India, bringing more pressure to bear on Iran, and creating a toehold to expand access to the Caspian energy sources.

It should be said that the interests of the major world actors (America, China, and Russia), which have little in common on the global level, completely coincide when it

¹ Feigenbaum, *The Shanghai Cooperation Organization and the Future of Central Asia*, The Nixon Center, Washington, D.C., September 6, 2007. ² For more detail, see: A. Cohen, 'After the G-8 Summit: China and the Shanghai Cooperation Organization', *The China and Eurasia Forum Quarterly*, Vol. 4, No. 3, February 2006, pp. 51-64.

² For more detail, see: A. Cohen, 'After the G-8 Summit: China and the Shanghai Cooperation Organization', *The China and Eurasia Forum Quarterly*, Vol. 4, No. 3, February 2006, pp. 51-64.

comes to the situation in Afghanistan: they need stability at all costs. Kazakhstan and the Central Asian republics would like to see NATO in Afghanistan for a long time to come in order to stabilize the situation. In the future, however, the West will inevitably invite the Central Asian countries to take part in reconstruction, which will develop into a difficult political and economic dilemma for them.

The Central Asian republics want the territory of the former Northern Alliance turned into a security belt to which they and Russia should particularly extend their assistance. A large-scale U.S. military operation will not be limited to Afghanistan—it will spread to Pakistan and tip the military-strategic balance in Southern and Central Asia. These developments will inevitably affect the interests of India, China, and Russia. In fact, the present intention of the Pentagon to set up a large and strong National Army of Afghanistan might produce unexpected results. The regional balance of forces will be tipped in favor of Kabul, which might use its newly acquired force to impose its conditions on its neighbors, including the Central Asian states.

The American analyst community is convinced that the time has come for the Central Asian states and their elites to independently formulate their national interests, new initiatives in the sphere of regional integration and, on the whole, show much more boldness when it comes to defending their sovereignty and ambitions on the international arena (this relates first and foremost to their relations with Russia and China). In this case American support is guaranteed.

The European Union has radically revised its Central Asian policy and the way it cooperates with the regional structures (including the SCO). A recent document—*The EU and Central Asia: Strategy for a New Partnership for the Years 2007-2013*—dated May 31, 2007 identified the following aims (1) stability and security of the regional countries; (2) lower poverty level and higher standard of living within the Millennium Development Goals; and (3) stronger regional cooperation among the local states and between them and the EU, especially in the energy, transportation, higher education, and environmental protection spheres.¹ The document points out that Central Asia, which serves as the link that keeps Europe and Asia together, belongs to the OSCE (that is, to the European political expanse). The European Union and the Central Asian countries have the common aims—maintaining stability and enjoying prosperity. It says that the member states will support a regular regional political dialog at the foreign minister level; start a European Education Initiative; start an EU Rule of Law Initiative; establish a regular, result-oriented human rights dialog with each of the Central Asian states; and conduct a regular energy dialog with Central Asian states. The EU's intention to enter into an open and constructive dialog with regional organizations and to establish regular ad hoc contacts with the EURASEC, SCO, CICA, CSTO, and CAREC is equally important.²

In its relations with the European Union Kazakhstan should take into account that the EU might lose its position as the main economic center of Eurasia; the EU countries are developing into magnets of migration that brings about

deep-cutting changes in their social makeup and their industrial structure. At the same time the European Union will depend on Eurasian energy resources for a long time to come.

The European neighborhood policy and the EU strategy in relation to the Central Asian republics should be treated as an independent issue. Just like Russia and the United States, Brussels is sparing no effort to strengthen its position in Central Asia. Its strategy in the region is related to the energy sphere, oil and gas production and transportation, and energy security for the European Union. It feels free, at the same time, to discuss democracy and human rights issues; this means that the new strategy follows the old line which was expected to give the West certain advantages over the post-Soviet states and arm it with instruments of pressure.

The EU's stronger regional positions might help the Central Asian republics to shed some of America's and Russia's political influence and establish much stronger economic relations. Outside the CIS the European Union is the largest importer of Central Asian energy products; unification of the energy systems will permit the regional energy exporters to reach, in the mid-term perspective, a stable energy market.

Some Western analysts argue that the EU has secured none of its strategic aims of the 1990s: poverty is still the region's outstanding feature; there is still a lot of resistance to the reforms in Uzbekistan and Turkmenistan; the human rights issue and the inadequate level of democracy remain on the agenda while the EU's energy interests are still vulnerable. No progress was registered in the security sphere either. The inference is obvious: to regain the "region's confidence," the EU should change its strategy. In the security sphere it should assume the role of a strong force rather than of a "toothless paper tiger"; in the energy sphere Europe should demonstrate more confidence, while in the sphere of democracy it should exercise realist approaches. The European Union is advised to coordinate its strategy with other international actors, meaning NATO and the OSCE. On the whole, the EU's foreign policy, strategy, and methods are failing in Central Asia and elsewhere for the simple reason that this complicated geopolitical and geoeconomic mechanism lacks a single decision-making center.¹

All sorts of geoeconomic projects, related mostly to the transportation routes of energy resources, figured prominently in the geopolitical maneuvering around Central Asia. Today American policy and strategy in this sphere are habitually demonized, yet impartial consideration of the geoeconomic and geopolitical realities accepts them as the demand of the times. If the Soviet Union had survived it would have been pushing similar projects and would not have been shy to use force. It would have been especially active in gaining control over the markets and transit routes in Turkey, Iran, Afghanistan (if it still retained its grip on the country), and South Asia.

The Caspian pipeline project is stalling mainly because there is another pipeline project on the table, the so-called Trans-Caspian pipeline, going across the Caspian via the South Caucasian states to Turkey and Europe. Ashgabad is using it for haggling over gas prices for Russia and

¹ For more detail, see: *The EU and Central Asia: Strategy for a New Partnership*, PRC, Brussels, 2007, 20 pp.

² For more detail, see: A.J.K. Bailes, 'The Shanghai Cooperation Organization and Europe', *The China and Eurasia Forum Quarterly*, Vol. 5, No. 3, 2007, pp. 13-18.

¹ For more detail, see: A. Warkotsch, *Die Zentralasiatische Politik der Europäischen Union: Interessen, Strukturen und Reformoptionen*, Peter Lang, Frankfurt a.M., 2006, pp. 253.

lower transportation tariffs across its potential partners for itself.

Today it has become abundantly clear that the importance of hydrocarbon fuel will rise and Kazakhstan can profit from this. The republic, however, should start producing its own nuclear energy in cooperation with the Russian Federation and its Central Asian neighbors, encourage hydropower in the region, and introduce energy-saving technologies.

Very much as usual, S.F. Starr of the Central Asia-Caucasus Institute (the John Hopkins University) has offered bold ideas about the role the United States can play to change, in the most radical way, the configuration of Eurasian cooperation and its nature. He admits that the new transportation projects promise local and transnational partners new and tempting financial advantages. It is not surprising that the project head insistently suggests that the U.S. State Department institute the post of ambassador for trade with Greater Central Asia. S.F. Starr asks the logical question: if the idea of inner-continental trade is good, why does it remain unrealized? And answers: first, the project depends on too many disjointed elements (by this he means legal, tax, organizational, banking, managerial, technological, and human-personnel-problems as well as security and communication issues). There are too many participants (by this he means transit countries) with varied, if not contradicting, state, trade, and economic policies that have very little in common with the accepted standards and rules. In this context, China has already demonstrated its much greater flexibility and readiness to accept the required norms than highly centralized Russia.¹

The American author does not question his country's responsibility for the Eurasian system of transportation corridors and believes it should be involved in it by all means. He is convinced that Washington should support such projects mainly because they contribute to the Greater Central Asian countries' independence in the interests of the United States. Stronger trade contacts within the continent will help resolve the old conflicts (the one in Kashmir, for example) and stabilize Afghanistan.

Russia, as the key geopolitical actor in Central Asia, deserves closer attention. So far it has not been easy to analyze its politics because of its political diarchy. It should be said, however, that Dmitry Medvedev demonstrated to one and all that his policy in relation to Kazakhstan follows the course laid by Putin. This is true in many other respects. It can be said that on the whole Vladimir Putin's descendant is continuing his line on the international arena and Central Asia as its part: a balancing trick on the brink of another Cold War (the Kosovo issues, ABM system, and the non-recognized states); bitter rivalry over pipeline transportation routes; and fierce resistance to NATO expansion.

In Eurasia the Russian Federation still attracts at least some of the states: Belarus, Ukraine, Kazakhstan and, to a lesser extent, Uzbekistan. The core that consists of these states and Russia creates a field of attraction for smaller European (Moldova) and Central Asian states (Kyrgyzstan, Turkmenistan, and Tajikistan). In an effort to integrate within the existing trade structure with other countries (former Soviet republics), Russia is pushing the energy sector to the forefront. So far, it cannot be transformed into

a driving force behind interstate cooperation for several reasons, primarily because of the gap between domestic prices and prices beyond the Russian borders.

Moscow has abandoned its efforts to reintegrate the post-Soviet expanse on the basis of universal principles as having no future. While cementing bilateral relations Russia tried to pool corrective efforts in order to address the most urgent of tasks. Such are the CIS Antiterrorist Center and the Collective Rapid Deployment Forces, as well as triple cooperation among Russia, Kazakhstan, and Azerbaijan on the Caspian issue.

The expert community believes that today Russia's agenda in Central Asia consists of three points: "soft power" (cultural influence and the continued presence of the Russian language); the Russian and Russian-speaking diaspora, and migration. On the whole the Russian political elite, which is disunited on many other issues, tends to regard Russia's presence (domination) in Central Asia as a positive and indispensable factor: each of the political groups has reasons of its own to support it.¹

In Central Asia Russia has concentrated its efforts on Kazakhstan, which was fully confirmed by the fact that Dmitry Medvedev, as the newly elected president, paid his first visit to Astana. It seems that under the pressure of domestic and foreign political factors Russia will shift the weight of its geopolitical efforts to the West (the European part of the CIS and Europe) for the simple reason that it has close economic contacts with it and its security and modernization depend on it to a great extent. Subjectively, this bias might be promoted by the personality of the new Russian president. We should expect, therefore, that Moscow will pay relatively less geopolitical attention to its eastern policies (which include China, the APR, the SCO, Southern and Central Asia).

The response from the other key geopolitical player is easy to predict: Beijing will move in to fill the gaps left by Moscow, however the process will not be smooth. China has its own problems which will not remain long on the back burner. Mounting difficulties will affect everything, including China's Central Asian policies. They will be affected by many factors, including China's relations with Russia and the West (with the future U.S. administration in particular), the balance of forces in the SCO, the situation on the energy markets, etc.

So far experts have identified several stumbling blocks in trade and economic relations between China and Central Asia: (1) from the very beginning they have been far from equal, with China's obvious predominance; (2) the border points and their role in promoting trans-border trade are a main problem; and (3) Chinese investments in the regional economy are a cause for worry. China is interested in ferrous and non-ferrous metallurgy, hydropower, the transportation infrastructure, and telecommunications. There is another, fourth problem—relations in the sphere of hydrocarbons. Experts believe this to be one of China's key regional strategies, which suggests several alternatives. There is a commonly shared opinion that China will play

¹ For more detail, see: *The New Silk Roads: Transport and Trade in Greater Central Asia*, ed. by S.F. Starr, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2007, 510 pp.

¹ For more detail, see: M. Laruelle, *Russia's Central Asia Policy and the Role of Russian Nationalism*, A Joint Transatlantic Research and Policy Center, Johns Hopkins University-SAIS, Washington, D.C., 2008, 79 pp.

² For more detail, see: S. Peyrouse, *The Economic Aspects of the Chinese-Central Asia Rapprochement*, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2008, 73 pp.

the decisive role in the future of Central Asia, a landlocked region. In fact, in the 21st century China will play the role Russia played in the 19th and 20th centuries.²

Beijing is steadily building up its economic presence in Central Asia by carrying out all sorts of projects (pipeline, transportation and communication, trade, economic, construction, and investment) with each of the Central Asian states. Its involvement is clashing, to an increasing extent, with the interests of Russia and the United States in the context of rivalry over resources and the main pipelines.

The Chinese economy is rapidly acquiring global dimensions, the results of which are still hard to predict. In fact, an economic superpower is being born before our eyes. In its relations with China as a future economic superpower Kazakhstan has to take into account the fact that China is not merely the largest exporter but also a market for Kazakhstan commodities and investments. This means that in the future, when Kazakhstan accumulates enough money, China might become for Kazakhstan what the United States is for Canada, the EU countries, and Australia: an attractive investment market.

What is going on inside the region? The accumulating changes will gradually cause qualitative shifts. Kazakhstan will remain the leader even though the current financial storms make this harder. Uzbekistan is openly (and other republics latently) opposed to Astana's efforts to resume regional integration (cooperation) processes.

Kazakhstan, as one of the driving forces behind the integration processes across the post-Soviet expanse and because of its geostrategic importance, is Russia's key strategic partner in Central Asia. Its energy, transport, transit, and military potential, as well as potential in other spheres, has not yet been fully tapped in the interests of both countries. It should be borne in mind that in the present geopolitical situation in Central Asia Russia will have to work harder than before to maintain and develop its allied and partner relations with Kazakhstan.

The relations between Kazakhstan and Russia are different from Russia's relations with the other Central Asian and CIS countries. On the one hand, Kazakhstan is one of the most loyal and reliable Russia's partners in the post-Soviet expanse; it is involved in all the integration processes. On the other hand, Astana's policies demonstrate that it has its own national interests, its own ideas about the international developments, and its own foreign policy priorities.¹

The Russian Federation has been and will remain the main partner and ally of Kazakhstan for a long time to come, although a real mechanism for their integration has not yet been set up. It is needed to set up effective customs, trade, and economic unions, common financial institutions, vertical economic ties, etc. The political element of the two countries' integration remains vague.

In recent years Uzbekistan's political and economic situation has changed radically even though Islam Karimov remains its president. The country's leaders have started the very much needed financial and economic reforms; the national currency has reached the convertibility stage; and market mechanisms are operating in the countryside. Industry and agriculture have rid themselves of the ex-

trêmes, and the government has moved further away from interfering in economic processes.

At home President Karimov has finally reduced the pressure of the clans and regional and departmental groups on central power. The main elite groups have reached a consensus and achieved a balance, albeit shaky. Social unrest was partly quenched and the threat of destabilization removed, while the Islamist movement was driven underground.

Likewise, the republic's international situation has changed to a great extent: Tashkent abandoned its one-sided orientation toward the West to move back to post-Soviet integration. This improved relations with Russia: today Tashkent depends much more on Moscow and Beijing. Its foreign policy revision took Tashkent farther than intended: its relations with the West are worse than at any other period, while the country has found itself in what can be described as international semi-isolation. At the same time the rapport between Russia and Uzbekistan that goes back to 2004 cannot be described as completely reliable: Uzbek foreign policy is known for its instability.

Tashkent is slowly but steadily erecting obstacles in the path of Russian businesses wishing to operate in Uzbekistan—at the early stages of the newly found cooperation these intentions were hailed. Uzbekistan's relations with its neighbors (especially with Kyrgyzstan and Tajikistan) cannot be described as simple. At the same time Tashkent and post-Niyazov Ashgabad seem to have found common interests: the former is interested in large-scale oil and gas as well as transportation and communication projects.

In the context of bad, or very bad, relations with the West, Tashkent is actively developing multi-sided (mainly economic) cooperation with China. The republic, in fact, is developing into China's key Central Asian trade, economic, and political partner. It, however, still depends on Kazakhstan in the trade and labor market spheres. Its non-existent relations with the West are forcing Uzbekistan to adjust its foreign policy to Russia and the regional structures it patronizes. The country is very much interested in the planned gas pipeline from Turkmenistan to China.

The European Union, meanwhile, changed its tactics: it abandoned confrontation for the sake of cooperation expected to improve Uzbekistan's domestic climate even though it ignored the demand of the EU to start an international investigation of the Andijan events. Tashkent's firm stand, its determination to defend its sovereignty, and its opposition to an open diktat of others brought fruit.

Since 2004 Tashkent has been developing its relations with the Soviet successor-states in line with its orientation toward Russia. The importance of its contacts with China, Kyrgyzstan, Kazakhstan, and especially Turkmenistan (from which gas will be moved across Uzbekistan) cannot be overestimated; on top of this Uzbekistan is campaigning to become the transit state for the main railways and highways that will connect China and the Middle East.

The Andijan riot, which Tashkent accused Bishkek of indirectly instigating, caused a lot of strain in the relations between the two countries; later, in 2006, many of the former contradictions were removed. Relations with Tajikistan, on the other hand, remained the same throughout 2006 and 2007: Tashkent is convinced that the Republic of Tajikistan is unable or unwilling to take adequate measures to suppress radical Islamism, which has remained a very obvious threat since the late 1990s. Uzbekistan is jealous of Tajikistan, which is moving toward domestic hydropower

¹ For more detail, see: R. Weitz, *Kazakhstan and the New International Politics of Eurasia*, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2008, 189 pp.

and increased aluminum production. In the fall of 2006 this put a strain on their bilateral relations; the border guard services of both countries accused each other of violating the principles of good neighborly relations.

Islamist extremism keeps Uzbekistan on the alert: the republic is forced to tighten its border, customs, and migration regimes—measures that badly hit the Ferghana population. It should be said that recently Uzbekistan chose to stay away from the summits of the Turkic-speaking states: it not merely ignored the kindred Turkic states, it also ignored the important foreign policy resource for the sake of demonstrating its independence.

For this reason Tashkent and Ashgabad pooled their pragmatic interests for the sake of ambitious regional fuel and energy projects: the Caspian gas pipeline is expected to hug the Caspian eastern coast across Turkmenistan and Kazakhstan to double Central Asian (including Uzbek) gas supplies to Russia.

This is the context in which Uzbekistan's post-Western foreign policy is taking shape determined, first and foremost, by the shortage of domestic resources and limited maneuverability on the international scene. Hence the main principles: orientation toward Russia and China and confrontation with the West; a wait-and-see policy when dealing with the West, which (Tashkent is convinced) needs Uzbekistan more than Uzbekistan needs the West; avoidance of too close relations with and overdependence on Moscow; wider cooperation with China in pursuance of its own interests in the trade, economic, and investment spheres; preventing Tajikistan's too close relations either with the West or with Russia while helping Dushanbe fight the Islamist extremism, and flexible relations with Kazakhstan by formally accepting its leadership.

Kazakhstan, in turn, wants domestic stability in Uzbekistan more than anything else; much depends on whether the regime change in Uzbekistan will be smooth. On the whole, sober assessment of the situation and the now obvious trends demand that we should be prepared to see Uzbekistan a poor but ambitious and influential state. By that time Kazakhstan should have already acquired the levers needed to guide Central Asian development, manipulate the local processes and relations with the great powers and prevent Uzbekistan's diktat for the sake of geopolitical stability in the region.

Uzbekistan, in turn, is looking for new foreign trade and foreign policy partners in the East: South Korea, Pakistan, Japan, Iran, and even Afghanistan. President Karimov placed the stakes on contacts with China to balance out Russia's influence. This means that in recent years President Karimov has achieved a metamorphosis: Uzbekistan has Russia on its side as an influential patron on the international arena while Russia, by the same token, confirmed its regional status in Central Asia. In short, Uzbekistan has found its niche in Vladimir Putin's strategy.

There is the opinion in the West that the local regimes, naturally unwilling to risk their stability in the face of double pressure (from the Islamists and the West and its democratization thesis), opted for regional cooperation, the SCO being the most graphic example of this.¹ The local regimes are regarded as semi-autocratic, or "sultanic". Three of the local states—Kyrgyzstan, Uzbekistan, and

Turkmenistan—are seen as more autocratic than the others. They have, indeed, to maintain stability at any price as the bedrock of their legitimacy. Western authors are convinced that fear of any domestic changes or reforms able to erode or even bring down the regime is the local rulers' main problem.

Kyrgyzstan is present in practically all the Central Asian integration projects—CSTO, EurAsEC, CAEC, and SCO. In recent years its leaders, who in the past few years have been preserving strategic cooperation and partnership with Russia, China, and the U.S. as their priorities, have been concentrating on strengthening relations within the SCO and CSTO. Relations with the United States, the third strategic partner, are clouded by the clash of financial advantages with respect to the continued presence of American troops in the republic and Washington's mounting desire to export democracy and support the opposition.

On the whole, its relations with the West follow the pattern obvious in Central Asia, the Caucasus, and most of the other Soviet successor-states. On the one hand, the expectations of Western financial and economic assistance are very much inflated; on the other, this and investments should be repaid by military-strategic cooperation while the West indulges itself in criticism of the human rights and democratization records. When the negative aspects reach a certain level these countries turn to Russia to resume their habitual political flirting. Under any scenario the West will try to preserve its influence and military-strategic presence in Kyrgyzstan, at least at the present level.

In recent years Bishkek has displayed an interest in all sorts of transportation and communication projects designed to connect Central Asia with the outside world; Kyrgyzstan wants to be included in all of them as a transit country. It would also like to see Central Asia as a single economic expanse.

While looking at Russia for foreign policy guidance Bishkek counts on its economic assistance; it is placing its stakes on luring Russian business into expensive projects with which the republic cannot cope single-handedly. Its foreign policy confirms that no country with a weak and shaky leadership, stagnating economy, and domestic instability is capable of conducting a strong foreign policy course. Kurmanbek Bakiev tried to maneuver in the steadily narrowing field of political options when seeking the support of Russia and China (in particular) and close neighbors to strengthen his position as the second legal president and to heal the domestic economy.

The new leaders of Turkmenistan with their ideas about the country's foreign policies boldly moved onto the international arena. President Berdymukhammedov has accepted the rules of the game and feels at home on the geopolitical scene, especially where the Caspian issue is concerned: so far he has been successfully balancing among Russia, the West, China, and Iran. He is lavishing promises right and left and seems to be ready to join any of the gas pipeline projects even though this is very much at variance with the republic's gas reserves.

The dramatic events triggered by the sudden death of Saparmurad Niyazov and G. Berdymukhammedov's advent to power stirred up intrigues around Ashgabad: the West is luring Turkmenistan into alternative gas projects while Russia is fighting for its continued monopoly on the transportation of Turkmen gas to the foreign markets.

Meanwhile Turkmenistan is steadily opening up to the world. This is true, first and foremost, of its contacts with

¹ For more detail, see: *Machtmosaik Zentralasien. Traditionen, Restriktionen, Aspirationen*, M. Sapper, V. Weichsel, A. Huterer (Hrsg.), BPB, Bonn, 2007, 648 pp.

the West through which it hopes to prevent destabilization of the new regime by means of an outside force; neutralize the negative impact on the region of the U.S.-IRI confrontation; maintain acceptable prices for exported Turkmen gas; and achieve division of the Caspian in full accordance with its interests and better relations with its neighbors, Uzbekistan in particular.

The West, in turn, is trying to elbow Russia out of Turkmenistan, potentially the best chance of delivering Europe and pro-Western CIS republics from their dependence on Russian gas. Turkmenistan has been working in two directions: first, it is selling its gas to its usual customers (Russia, Ukraine, Azerbaijan, Georgia, and Armenia) and settling the payment issues. Second, it is looking for new markets and new transportation routes.

Its relations with China and within large pipeline projects will never leave the republic isolated. The latest moves of President Berdymukhammedov testify that he is following in the footsteps of his predecessor: he is maneuvering between Russia and the West on the main gas pipeline issue. Having sided with Russia and Kazakhstan on the Caspian project, the president of Turkmenistan later publicly supported the Trans-Caspian pipeline actively lobbied by the European Union, America, and Turkey. Recently there was progress on the division of the Caspian. It looks as if Ashgabad has finally accepted the fact that Niyazov's uncompromising stand had no future and is prepared to meet other CIS countries halfway.

Today, Russia's policy in relation to Turkmenistan is free from the desire to invite the country into the SCO or any other CIS structures. Moscow wants to remain in control over its gas policies: the agreements of Turkmenbashi's time should remain in force while Gazprom should retain its monopoly on the export of Turkmenian energy resources. This makes China, which wants Turkmen gas for itself, Russia's rival, which threatens its gas interests. In these conditions China could have used the SCO to bring pressure on Turkmenistan by trying to impose SCO membership on it. This would leave Russia with no choice but to support the country's present neutrality.

The expert community is of the opinion that Ashgabad's chances within Nabucco are preferable. The project expected to move gas from Iran and other Caspian states to Southern, Central, and Western Europe and North Africa has been discussed for some years now. The U.S. and EU both want to detach Turkmenistan from its dependence on the Russian Central Asia-Center gas pipeline to encourage Ashgabad to look at new export and transit projects. Turkmenistan's intention to diversify the gas export routes might be undermined by Gazprom, Russia's gas monopolist, and the lack of transparency in the Turkmen gas sector. In June 2007, President Berdymukhammedov began establishing relations with Iran.

The new pipeline routes will be determined not only by international competition over the oil and gas resources of Turkmenistan but also by the domestic balance of forces. The new export routes will depend on the place and influence of the clans in the new structures of power.

The Turkmen leaders selected Kazakhstan as their Central Asian priority: they are very interested in the second oil pipeline to China Kazakhstan is building, in the fact that it gave Japanese companies access to its uranium mines, and in its talks with China and Japan, as well as with France, on building the first atomic power station in Kazakhstan.

The new president and his closest circle have identified their foreign policy priorities as preserving the republic's neutrality, continuing the course of the previous leader in the export of fuel, settling the Caspian's status, and lowering the risks of being involved in the American-Iranian conflict. Legitimization of the post-Niyazov regime in the eyes of the world community is the most urgent of the foreign policy tasks.

The weak economy, which suffered a lot in the civil war, the undeveloped production forces, and the geographic location, which can hardly be described as favorable, do not prevent Tajikistan from being involved in nearly all the integration structures (CSTO, EurAsEC, CACE and SCO). Recently the country has been seeking new foreign policy partners more actively than before (while strengthening its traditional relations with Russia). The new foreign policy trends were born through a great deal of dissatisfaction with the far from successful experience of cooperation with Russia's big business.

There are objective reasons behind this as well: in recent years foreign investors have been showing more interest in the republic for geopolitical rather than economic reasons. The West is very much concerned with the frequent visits of top political figures and businessmen from Russia, Iran, and China to Tajikistan and the ever widening flow of investments into its economy. The West, particularly the United States, cannot allow Iran to strengthen its position in the region and gain access to its strategic resources (particularly Tajikistan's uranium, aluminum, and cotton).

Today, Iran is building up its influence in the republic without much ado and is involved in all sorts of economic projects; India and China are also present. Russia's much advertised intention to regain control over the Soviet aluminum giants fell through or, at best, was postponed. The situation in the republic where economic and political problems are intertwined is far from simple, however Dushanbe and Tehran have moved closer in many respects. Iran is gradually moving to the fore as one of the key foreign investors and a potential user of local raw materials. In the near future Tajikistan will still need energy, transport, and communication projects; and it will have to curb the large-scale migration of manpower.

In Uzbekistan the old problems persist. In view of Tashkent's widely advertised position, it should be said that integration in Central Asia failed—today it is very much in vogue to speak of regional cooperation. Contrary to the widespread skepticism, it should be said that integration is going on in latent forms very much different from those in Europe: illegal migration, grey labor market, latent movement of capital, development of the shadow economy, etc.

What factors affect Central Asian security? They have not changed much: Afghanistan and the military-political situation in it; Iran and its nuclear program; the relations between Russia and China; the activity of the West, etc. What will happen next? Central Asia will obviously be drawn into the global processes, but much will depend on integration within the CIS and within the structures Russia has initiated and is promoting. The main actors will remain active; the dynamics of geopolitical processes in the region will depend, to a great extent, on external factors. Inside the region, dynamics will depend on regional factors and domestic policies.

Turkmenistan is the best example of the above: having acquired a new regime and geopolitical landmarks, the

country is readjusting its policies and has already joined the geopolitical games. Tajikistan is going along the same road; Kazakhstan has reached a crossroads while Uzbekistan and Kyrgyzstan are following the same paradigm by inertia and for certain objective and subjective reasons. The rapidly changing geopolitical situation in the world and around the region will put an end to the stagnation.

Kazakhstan's future is closely connected with the fact that the world economy is growing more dependent on energy sources. Some time ago China, with its rapidly developing economy, commodities expansion, import of energy fuels and its impact on the environment, demography, and consumption, became a factor to be reckoned with in Kazakhstan. In fact China's proximity is both an advantage and a challenge.

An Alliance of the Central Asian States under the political and economic leadership of Astana is one of the key goals of its Central Asian policy. Today it is becoming increasingly clear that Uzbekistan's opposition is forcing Kazakhstan to draw closer to Kyrgyzstan, the closest Central Asian country in the geographic, cultural, and historical respects. Despite its relatively small political and economic scale Kyrgyzstan is one of the key states as far as Kazakhstan's security is concerned.

The Road to Europe, the republic's strategic course, revealed its geopolitical preferences to the European Union. On the other hand, its relations with the United States are positive; America still regards Kazakhstan as its key regional partner.

In October 2007, the OSCE unanimously confirmed OSCE chairmanship for the Republic of Kazakhstan starting in 2010, which can be described as an important political and diplomatic victory. The future chairmanship, however, is fraught with numerous problems that might complicate the republic's foreign policy context.

The OSCE might go beyond its present responsibility areas (security and humanitarian cooperation); its involvement in what is going on in the Soviet successor-states goes further than domestic issues, namely, to relations with the West as a whole and the EU and European institutions, NATO, and the U.S. in particular. Recently, the organization became involved in what is called energy security for Europe. This places the relations between Kazakhstan and the Central and East European countries in a new context.

OSCE chairmanship is a test for geopolitical maturity since it is related to the fundamental issues of the country's relations with the West, security, geopolitics, and geo-economics. During its chairmanship Kazakhstan will probably try to formulate, along with Russia, the Central Asian republics, and the CIS integration partners, a course to be pursued in relation to the West and OSCE.

The dividing lines inside the organization might be overcome; at the same time Kazakhstan will concentrate on the countries "to the east of Vienna" and their interests, which will give the CIS members a chance to implement their projects. The stress should be probably shifted from democratization on the humanitarian agenda to cultural cooperation, confessional harmony, and inter-civilizational cooperation.

The issues of prime importance for the region (terrorism, drug trafficking, and illegal migration) should probably receive more attention. At the same time the organization should distance itself from the problems of regional conflicts and unrecognized states. Contacts between the European and Asian security systems—the OSCE and CICA—look like a promising perspective. As the OSCE chairman, Kazakhstan will acquire the tools needed to organize a dialog between OSCE and NATO, on the one hand, and the SCO, CSTO and CICA, on the other. It is unlikely that the problem of the adapted CFE Treaty will be resolved by 2010, which means that Astana, as one of the sides, will have a chance to initiate a dialog within the OSCE.

In 2010, Astana should use its OSCE chairmanship to add weight to its international and foreign policy standing for the sake of Central Asian security.

In August 2008, the conflict in South Ossetia complicated the situation and greatly affected Euro-Atlantic and Eurasian security. The SCO summit that met late in August 2008 unanimously supported Russia and its actions in the Caucasus. We can expect similar statements from Moscow's CIS friends at the CIS, EurAsEC, and CSTO summits to be held in the fall of 2008. Central Asian security will undoubtedly be affected by the worsening relations between Russia and the West. The geopolitical game around the region has reached a new phase. The year 2009, when America receives a new administration, will probably dissipate the fog.

Central Asia: the Sphere of Russia's Privileged Interests

NIKOLAY KUZMIN

*Director of the Perspektiva Center for Policy Studies
and Head Editor of the Expert Kazakhstan journal.*

Although Russia has neither a special strategy document on Central Asia, nor a special chapter in its official foreign policy concept devoted to this region, there is wide agreement in Moscow on a rather broad set of "interests" (whether they are strategic is another matter) in the five former Soviet republics. These interests may be grouped into four categories:

- a. Non-traditional security matters;
- b. Economic concerns;
- c. The promotion of "Eurasian" values, Russian information and "soft power" influence and
- d. The management of relations with other powers with strategic interests in Central Asia.

The threat of terrorism is related to the proximity of Afghanistan and the connection between al Qaeda and some indigenous Central Asian militant groups. Central Asia itself, notably the Ferghana Valley, may generate radical Islamic challenges (Hizb ut-Tahrir party is regarded as a major threat by the Karimov government). Another non-traditional threat is drug trafficking and Afghanistan is the source again.

Russian interests in the economic sphere are concentrated on access to and control on gas and, to a somewhat lesser extent, oil reserves of the Caspian basin. Russian strong desire to be the major guarantor of "energy security" for Europe makes imperative for Russia to control Central Asian gas flows. Without this resource, Russia will fail to provide its contracted supplies of gas to the European market.

The predominance of Russian soft power is based on the Russian language. The most influential media on the region, both local and from Russia, use Russian language and Russian is still used as a language for local elites in Kazakhstan, Kyrgyzstan and, to some extent, in Uzbekistan. One of the main goals of Russia in the region is balancing the U.S. and the Chinese presence, both in the economic and the political arenas. The U.S. efforts to promote democracy in Central Asia by supporting the "Tulip revolution" in Kyrgyzstan aroused Russian concerns about the American presence there. As a result, Russia has intensified its relations with Central Asian countries, emphasizing strong ties with the incumbent regimes. Moscow routinely uses the Shanghai Cooperation Organization (SCO) as a vehicle for balancing the United States in the region and for constraining China's growing influence.

CHANGING APPROACH TO THE REGION

In order to understand Russia's foreign policy toward Central Asia and Russian interests in this region, we should

take into consideration the current state of affairs and main trends in Russia and the region. Vladimir Putin inherited the country from Boris Yeltsin with a ruined economy, smoldering armed conflicts, and a poor populace. Russia managed to match its own GDP of 1990 only in 2006. Russia became weak and therefore concentrated on domestic problems. By 1998 Moscow had lost almost all influence in many parts of Eurasia it traditionally dominated. In 1992, Russia declared itself to be the legal successor of the Soviet Union, thereby assuming responsibility for the treaty obligations of the Soviet Union towards Afghanistan. Later, Russia had taken on treaty obligations to the Central Asian countries, mainly via the "Collective security treaty signed" in Tashkent in 1992. In spite of this and other obligations, Russia stopped giving any assistance to the government in Kabul. At the same time, in the early 1990s, Russia significantly reduced its levels of military cooperation with the countries of Central Asia. The plans to create a collective security system in Central Asia (and in the CIS as a whole) came to very little in practice.

Moscow was unable either to prevent the escalation of the internal conflict in Tajikistan, or the flow of drugs from Afghanistan, or the increasing military presence of other powers in the region. For example, when NATO began its "Partnership for Peace" program at the end of 1994, Russia made no serious attempt to coordinate a united response to the program. The only exceptions to this, standing out from the general context of Russian policy at the time, were the activities of the Russian 201st Motor Rifle Division in Tajikistan and the Russian border troops in some countries of the region. It was largely due to the efforts of Russian forces in the early 1990s that the civil war in Tajikistan (1992-1996) did not result in the destabilization of the whole Central Asia.

That time there were two trends simultaneously unfolding in Russia, both connected to its quest for a new national identity: a traditional identity (that is, Eurasian) and a Western identity (or European). The first materialized in attempts to restore Eurasia that geographically coincided with the Russian Empire or the Soviet Union as well as in trying to conclude geopolitical alliances with the leading Asian countries (the so-called broader Eurasia). Those who wanted to move westwards were never tired of saying that Russia was unable to play the first fiddle in potential alliances with India and China. They also claimed that prospects of economic cooperation with Asian countries were not tempting, since Russia's exports to that region were very limited (weapons and military technologies) and the investment potential of

the Asian countries in Russia was fairly low. These people said that there is no choice but to “join Europe” and enter into an alliance with the West. This was an alternative to Russia’s Eurasian hypostasis and an option that meets its long-term interests.

Putin stopped political and economic chaos, soothing armed conflicts inside Russia and restoring a level of social and economic development. As a result, Russia has returned to the world stage as a strong state. The issues of “unilateral and illegitimate actions” as well as “disdain for international law” and “uncontained hyper use of force” were brought up by Vladimir Putin at the Munich Conference on Security Policy in February 2007. His views are supported by many countries in Eurasia, including Central Asian “stans”.

Central Asian governing elites fear that the U.S. will use the “new quest for democracy” and “war on terror” as a pretext to interfere in their internal affairs. Such an attitude toward the U.S. policy in the “non-western world,” especially in the context of events related to the former Yugoslavia, Afghanistan and Iraq, has resulted in a strong wish to foster regional integration and to find a reliable security umbrella provided by friendly powers—China and Russia.

It is expected that new president Dmitry Medvedev will continue that political course and that the energy dimension will become more salient in Russia’s foreign policy as President Medvedev previously served as the Chairman of the Board of Directors of Gazprom. In August 2008, President Medvedev enumerated five principles of Russian foreign policy in order of their priority. Ranking first is the principle of observation of international law. The Second one is multipolarity, which means that Russia will build its foreign policy on the “objective realities of a multipolar world”. Number three: non-confrontational approaches. Number four, the most controversial, maintains that Russia has areas where it has privileged interests. Lastly, the fifth principle enunciated by Medvedev is the protection of Russian citizens wherever they are.

As the Russian Foreign Minister Sergey Lavrov explained during the meeting with the members of the Council on Foreign Relations in New York, on September 24, 2008, Russia is going to develop friendly, mutually advantageous relations with all those who are prepared to reciprocate on an equal and mutually beneficial basis, paying special attention to the traditional partners of the Russian Federation. Of course this includes countries which were part of the USSR, but not only. He said that in the ‘90s, “we were so poor that we could not take care of the immediate needs of our own people and we couldn’t afford and, frankly, didn’t even remember about relationships with our old friends”.

NEW SECURITY ORDER IN RUSSIA’S SOFT UNDERBELLY

The new foreign policy concept of the Russian Federation approved by Dmitry Medvedev on July 12, 2008 proclaimed that developments in the field of international relations in the beginning of the 21st century and the strengthening of Russia require a reassessment of the overall situation around Russia, rethinking the priorities of the Russian foreign policy with due account for the increased role of the country in international affairs, its greater responsibility for global developments and related possibilities to participate in the implementation of the international agenda, as well as in its development.

One of chief objectives set in this concept is “to promote good neighborly relations with bordering states, to assist in eliminating the existing hotbeds of tension and conflicts in

the regions adjacent to the Russian Federation and other areas of the world and to prevent the emergence of new ones”.

The role played by Russia in Central Asia in the 21st century is very similar to that played by the United States in Europe at the end of the 20th century. Moscow provides reassurance to the governments of Central Asia. Because no superior power controls relations among them, an attack by one against another is always possible. Governments therefore tend to take steps to prepare to defend themselves. In foreign policy, wariness, suspicion, and preventive measures are the norm. But military preparations that one country undertakes for purely defensive reasons can appear threatening to others, which may then take military measures of their own and so set in motion a spiral of mistrust and military buildups. The Russian military presence in Central Asia acts as a barrier against such an undesirable chain of events.

Medvedev’s foreign policy concept declares that today traditional cumbersome military and political alliances are not effective to counteract the whole range of modern challenges and threats that are transnational in their nature. Bloc approaches to international problems are being replaced a network diplomacy based on flexible forms of participation in international structures for the search of joint solutions to common challenges. Nevertheless, Russian main instrument of the common security order in Central Asia still is a good old military bloc—the Collective Security Treaty Organization (CSTO) comprising the former Soviet republics Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Uzbekistan, and Tajikistan.

The Treaty on Collective Security was signed in Tashkent, Uzbekistan on May 15, 1992. CSTO was established on September 18, 2003 in accordance with the decision of the heads of the member-states about transformation of the Treaty into the international regional organization. The main purpose of the Organization is the coordination and enhancement of military and political cooperation, the development of multilateral structures and the mechanisms of cooperation for ensuring the national security of the member-states on collective basis, providing assistance, including military one, to the member-states that suffer an aggression.

The transformation of the loose Treaty cooperation into an institutionalized structure the CSTO was registered in the UN as a regional international organization on December 26, 2003 reflected Russia’s intention to prevent NATO further expansion to the East and to keep the CIS countries under Russia’s military patronage. In Article 2, the Treaty indicates: “In case of threat to security, territorial integrity and sovereignty of one or several member-states or threat to international peace and security, the member-states will immediately put into action the mechanism of joint consultations with a view to coordinating their positions and taking measures to eliminate the threat that has emerged.”

At the same time, Article 4 stipulates that: “In case an act of aggression is committed against any of the member-states, all other member-states will render it the necessary assistance, including military one, as well as provide support with the means at their disposal through an exercise of the right to collective defense in accordance with Article 51 of the UN Charter.” The 15th CSTO summit took place in Dushanbe on October 6, 2007. The main result of this summit was to allow CSTO member-states to buy Russian weapons and military equipment for their armed forces and special services at the Russian domestic prices. The Memorandum on Cooperation between the CSTO and SCO was signed at the summit.

FROM SECURITY TO ENERGY SECURITY

In the 1990s, Russian investments in Kazakhstan were mainly in the Tengiz-Novorossiysk oil pipeline and in the discovery of the Karachaganak gas condensate field. The interest of Russia in the other countries of Central Asia remained minimal. With the coming to power of Vladimir Putin in 2000 and the steady rise of hydrocarbons prices, the importance of Central Asia to Moscow grew sharply. As a consequence Russia and Russian oil and gas companies increased their activity in the region, not only in Kazakhstan, but now also in Turkmenistan and Uzbekistan, dramatically. More recently Moscow has also begun to show greater interest in the two states of the region, Kyrgyzstan and Tajikistan, with minimal oil and gas potential. At present, Russian strategic interests mainly concern the three Central Asian states that possess commercial reserves of hydrocarbons: Kazakhstan, Turkmenistan and Uzbekistan. In contrast with resources-rich Central Asian countries, Russian interests in Tajikistan and Kyrgyzstan are limited to military presence, and the main topic of economic cooperation is labor migrants.

Against this background, the project and investment activity of individual countries of Central Asia in the oil and gas sectors of Russia remains extremely low for the time being. The single exception is the Russo-Kazakh project on the Orenburg (Russia) gas processing facility for the processing of Kazakh raw materials and the joint sale of natural gas on external markets.

In its turn, investment cooperation in the oil and gas sphere between the individual countries of Central Asia also remains weak for the time being, although it can be expected an increase in Kazakh activity in the oil and gas sectors of the other regional states in the coming years. In 1993, the CIS Collective Peacekeeping Forces were established in Tajikistan, based on the Russian 201st Motorized Rifle Division. Russia played a major role in ending Tajikistan's five-year civil war. Russian soldiers guarded vital facilities during the war and helped the government to maintain power. Russian border guards kept watch on the dangerous Tajik-Afghan border. When the CIS Collective Peacekeeping Forces were disbanded in 2000, Moscow and Dushanbe agreed that a Russian force based on the 201st Division and some logistics units would remain in Tajikistan. On 23 October 2003, Russian President Vladimir Putin opened the Russian military base in Kant, which became the first Russian military asset deployed outside its national territory since the collapse of the USSR. Officially the base is a part of the Collective Rapid Deployment Force of the Collective Security Treaty Organization and guarantees the security of the CSTO countries and stability in Central Asia in general.

One year later a new stage in the relationship between Tajikistan and Russia was opened during a state visit by Russian president Vladimir Putin to Dushanbe. The leaders of Russia and Tajikistan signed a package of bilateral treaties and agreements, including an agreement on the terms of the stationing of Russian forces in Tajikistan. A far-reaching strategic agreement allows Moscow to establish a permanent military base in Tajikistan and gives Russian companies opportunities to gain a dominant position in key Tajik economic sectors.

The Russian Federation is the most important destination country for labor migrants from the other CIS countries, including those from Central Asia. According to the World Bank data, the money sent by migrant workers comprises 36% of Tajikistan's GDP and 27% of Kyrgyzstan's GDP.

In 2007, the National Bank of Kyrgyzstan estimated that remittances sent by labor migrants were equal to the annual state budget, US\$750 million.

Uzbekistan always seeks to play a leading role in regional affairs. President Islam Karimov tried to upgrade political ties with the United States, while maintaining stable working relations with Russia and China, until May 2005. After 9-11 terrorist attacks, President Karimov signed an agreement on strategic partnership with the United States, thinking the Americans would be more sympathetic to his oppressive measures against militant Islamic groups. The situation changed in Andijon on May 13, 2005.

An armed group stormed a prison in Andijon and released hundreds of inmates on May 12, 2005. The next day they stormed government buildings in this city. Uzbek troops fired on a crowd, which contained armed Islamic militants, but was largely composed of women and children. The United States and Western countries have called for an international investigation of these events, which Karimov has rejected. Russian senior government officials, Russian intelligence and security services told Karimov that this was a terrorist uprising, and claimed that they had clear evidence that some of the rioters were hard-core terrorists from Afghanistan. According to testimony of alleged Andijon terrorists, the government of the United States had financed and supported the terrorists' attempt to establish an Islamic caliphate. Regardless of official statements, many people in Uzbekistan, whether in the government or in the opposition, believed that Americans were behind the riots in Andijon. All that enabled Russia to take full advantage of the situation. Central Asian leaders believed that facing terrorism and Islamic fundamentalism they only could get real help from Moscow. Therefore, Uzbekistan joined EurAsEC in January 2006 and rejoined the Collective Security Treaty Organization in December that year.

In September 2008, during Vladimir Putin's visit to Tashkent, Russia and Uzbekistan agreed to build a new pipeline through Uzbekistan to export Turkmen and Uzbek natural gas. The new pipeline and the modernization of the 1974 Central Asia-Center pipeline network will raise combined Uzbek-Turkmen exports from the current 45 billion cubic meters to 80-90 billion cubic meters a year. That will allow Moscow to maintain its monopoly on Central Asian gas exports to Europe and help bolster its influence in the region.

Meantime, Uzbekistan remains the weakest link in the Russian chain of regional organizations. In November 2008, Islam Karimov proclaimed EurAsEC useless and inefficient and thus suspended his country membership. At the end of 2007, the total volume of Russian investments in the oil and gas sectors in the countries of Central Asia was between 4 and 5.2 billion dollars. By far the greatest share is concentrated in Kazakhstan (from approximately 3.4 to 4.1 billion dollars); there is a smaller share in Uzbekistan (from 0.5 to 1 billion dollars) and a so far insignificant amount in Turkmenistan, Tajikistan and Kyrgyzstan (50 million dollars in total). Russian companies aim to invest approximately between 14 and 16 billion dollars over the next five years in the region, primarily in the search for and development of oil and natural gas fields, but also in pipeline infrastructure. Nursultan Nazarbayev explained in a television interview on 6 April 2007 that pragmatic economic considerations—the search for the most cost-effective options—underpinned his government's support for multiple pipelines: "If it is beneficial for us to transport all Kazakhstan's oil and gas through Russia, we will go that way. If transportation via

Baku-Ceyhan is 15 dollars cheaper, we will go that way. And if neither is beneficial, we will go to China.”

Until now, the overwhelming share of Kazakh oil has been transported northward through Russia. Yet, Kazakh officials are aware of the dangers of relying on Russian-controlled transportation routes, which allows Moscow to unilaterally decide how much oil can leave the country and to which destination it can flow. It will still take several years before many of Kazakhstan's oil and gas projects begin to produce enough output to sustain these new export routes, especially given that much of the country's existing energy production is locked in long-term preferential agreements with Russian energy companies. Nevertheless, Kazakh exporters have increased negotiating leverage with Russia thanks to their expanding export options and Gazprom was forced on March 11, 2008 to agree to start paying considerably higher prices in 2009 for the natural gas it purchases from Kazakhstan, Uzbekistan, and Turkmenistan. In the past, the company had been able to buy Central Asian gas at below-market rates and then resell it on European markets with a hefty markup. Increasing competition from possible European and especially Chinese buyers compelled the Russian energy firm to increase its payments.

Kazakh Prime Minister Karim Masimov in his welcoming speech at the Third KazEnergy Forum on September 4, 2008 stressed that Kazakhstan “will continue to vigorously implement a strategy of diversification of energy export routes (...) the country will also maintain its existing multi-vector policy with a special emphasis on the safety of these routes. On that basis, specific routes will be selected exclusively on the basis of economic viability and practical considerations. As before, our country will participate in all major Eurasian energy transportation projects, including CPC, Baku-Tbilisi-Ceyhan, Kazakhstan—China, Burgas-Alexandroupolis and Prikaspiyskiy gas pipeline.”

Russian interest in Central Asian hydrocarbons is explained to a large extent by their technically simpler and economically more advantageous extraction conditions than in the north of Russia, where the overwhelming majority of Russian oil and gas fields are concentrated. Russia is striving to drag as large a part as possible of the hydrocarbon resources of Central Asia into its own fuel-energy balances in order to support internal consumption, without simultaneously lowering the volumes of its own hydrocarbon exports to external markets, first and foremost to Europe.

Meanwhile, Kazakhstan does not set its oil and gas policy alone. In this respect its independence is very relative. Astana believes that it is necessary to take account of the interests of consumers and transit countries, especially now when a growing number of actors take an interest in Kazakhstan. This explains why the government tries to make compromises and serve the conflicting parties' interests. Such behavior is due to the fact that private companies, including the foreign ones, control the majority of the Kazakh energy resources. Lately, the state has been trying to be more engaged in the energy sphere. For all that, the Kazakh state does not dominate in the oil and gas sphere and the efforts to consolidate the state-controlled assets do not simply reproduce the Russian pattern of relations with the foreign partners. This is also true of Kazakhstan requiring that the Italian company Eni and its partners share their rights to manage the Kashagan deposit. This project is being developed in accordance with the Product Sharing Agreement. It is clear that given the current high prices, such an agreement is bad for the state. So, it comes natural

that Astana attempts to revise the agreement's terms. As a rule, an environmental factor (claimed damages related to investor's activity) is being used to bring pressure on Western companies. As regards the Kashagan deposit, Kazakhstan is interested, above all, in increasing the controlled share, and then, in the stable oil and gas production. Now the state budget is completely independent from petrodollars, since all the energy incomes arrive at the national fund. Moreover, Kazakhstan makes too many petrodollars which cause a kind of Dutch disease. The Kashagan oil and gas are embedded inconveniently, and for the time being there are no reliable technologies to supply the energy resources to the export pipe. In this context, Kazakhstan is happy that the Kashagan resources will be produced later.

On September 26, the lower house of the Kazakh parliament approved legislation authorizing the government unilaterally to alter contracts with firms involved in extracting the country's mineral resources if such changes were necessary to uphold Kazakhstan's economic and security interests. Still, the situation with the foreign partners is far from the nationalization scenario. In the present situation different actors, mainly Kazakhstan, Russia, and China, share the exploitation of the hydrocarbons and various channels to transport the local energy resources abroad.

On the whole, multi-vector energy policy is peculiar to the Central Asian countries. For example, Turkmenistan simultaneously develops the projects of construction of the Caspian and Transcaspian pipelines. The Turkmen president signs documents with Russia for developing one project, announces that the other must be developed and builds a pipeline to supply energy to China. In the case of Kazakhstan, the EU regards supply independence from Russia as a dividend from cooperation with Astana. However, Kazakhstan does not find itself dependent on Russia. The same is true with the U.S.

While Russian President Vladimir Putin often visits the Central Asian countries (and not only the capitals) showing interest in the joint projects, the local elites consider that the U.S. does not pay as much attention to the region and illustrate this point criticizing George W. Bush for not visiting Kazakhstan after being in Mongolia in November 2005. Not to mention the politics. Moscow is not pleased with the strengthening of the presidential power in Kazakhstan and Nursultan Nazarbayev's unwillingness to resign—straightforward version of same kind of authoritarianism as Russian, slightly decorated one. For all that, Russia continues to support the Kazakh leader and his policy including within the SCO and the Eurasian Economic Community. The Kazakh elites recognize this fact and, consequently, although all foreign actors theoretically have equal chances in to expand their interests in the country, Russia and China are favored for the political support they provide to Nazarbayev.

Kazakhstan has always had its own energy strategy different from that of Russia. When discussing perspectives of Kazakhstan's joining one or another project, we should not forget that Kazakh oil is produced by private, mainly foreign, companies. For example, the Baku-Tbilisi-Ceyhan oil-pipeline is filled by private companies. Energy production is going to increase, and hence Kazakhstan is going to diversify its export routes. A practical step is taken towards China and a rather symbolic one towards the Caucasus. Kazakhstan takes great interest in the Burgas-Alexandroupolis project and the Turkish project. At the same time the Aktau-Samara and the Caspian Pipeline Consortium are still of interests to Kazakhstan. The Kazakh government also takes

into consideration such exotic routes as oil transportation through Iran to Afghanistan and Pakistan.

Kazakhstan's refusal to participate in the Warsaw energy summit is not a principled stand. That does not mean that Kazakhstan will be only on friendly terms with some countries and will not be with others. Kazakhstan is considering all the projects and choosing the most lucrative ones. The quicker the export routes are being diversified, the more flexible Russia's position comes to be on technical accessibility of the Russian routes for Kazakh oil. Due to the diversification policy, Kazakhstan's positions in talks become stronger.

Russian interests in Turkmenistan are limited to the gas sector. At present Gazprom is thinking the possibility of offering investments with control of the Turkmen national gas transportation system. Gazprom had already secured agreements in May 2007 to take operational control of the Turkmen section of the regional gas transportation system (following modernization and expansion). At present, such companies as Gazprom and the ITERA International Group of Companies are working in Turkmenistan. Project and investment activities of Russia and Russian companies in the oil and gas sectors of Turkmenistan are still extremely low; it encompasses only the gas transportation area and is directed towards the supply of technical equipment for the gas sector of Turkmenistan from Russia, the renovation and modernization of gas pipelines, compression and distribution stations, etc. Nevertheless, considering the significant gas reserves of Turkmenistan, one can assume that in the near future the investment activity of Russian companies will increase dramatically. Gazprom alone plans to invest not less than 2 billion dollars in the gas sector of Turkmenistan (primarily in the development of gas fields, but also in the expansion of the SATs arterial pipeline) by 2012. Furthermore, it is most likely that other Russian or joint companies will operate in Turkmenistan, in the first instance Lukoil and TNK-BP.

Bearing in mind that Russia attaches exceptionally great importance to increasing the volume of imported Turkmen gas, the major expansion of gas transportation capabilities of Turkmenistan towards Russia has crucial importance for Moscow. At the moment the throughput capacity of the Turkmen section of SATs is about 50 billion cubic meters per year and it has practically reached full capacity. However, the nature, scale and timelines for the project of the reconstruction and modernization of the Turkmen gas pipelines with Russian participation are unclear yet.

On the contrary, Russian companies are not showing any special interest in the development of the offshore oil and gas fields. This is largely because the offshore fields that interest Russia are located near the Turkmen-Iranian maritime border. The status of the Caspian Sea has not yet been defined, and Iran is insisting on an increase in the size of its section. In addition, the development offshore fields is technically more difficult than on land and is therefore more expensive.

Considering the international attractiveness of regional hydrocarbon resources, there is a growing likelihood that certain alliances will form in and around Central Asia. The manifestation of this trend is already visible today in the framework of the SCO. The settlement of disputes related to the more than probable conflicts of interest between states-producers of hydrocarbons and consumer states, was the main reason behind the establishment of the SCO "Energy Club". The Russian ministry of industry and energy advocates that the SCO "Energy Club" should function in a first

stage as a non-governmental consultative body, envisaging "the creation of an information and discussion arena for the detailed consideration of the energy strategies of SCO member states regarding their positions and proposals for improving energy security" as its main task.

However, it is still too early to make prognoses about how effective the future activity of the "Club" will be. This may only become clear after the implementation of several pilot projects on the regulation at a multilateral level of the interests of some of its members in a scenario of fiercer international competition for Central Asian energy resources. On the other hand, it is obvious that further development of the idea of an "Energy Club" within the SCO could lead to a general change in the character of the Central Asian oil and gas cooperation with Russia and China, and also to a significant amendment of Moscow's energy strategy.

In addition, the appearance of other energy alliances with Central Asia is also possible. However, the strategic interests of all the major external forces will, most probably, only touch upon increasing the volumes of extraction and transportation of hydrocarbons from the region. For this reason, forming alliances for energy interests will only assist in strengthening the raw material export orientation of the oil and gas sectors of the countries of the region while, at the same time, weakening the Russian position there. Russian energy officials and companies have long been interested in gaining access to Kazakhstan's large stocks of uranium to supplement Russia's domestic production, which Russian experts fear may prove insufficient to meet the growing international demand for nuclear energy. In July 2006, Russia and Kazakhstan agreed to launch three joint ventures, with an estimated cost of \$10 billion, to conduct uranium mining, uranium enrichment (at Angarsk in eastern Siberia), and to develop low- and mediumpower nuclear reactors. Kazakhstan thereby became the first foreign country to join Russia's international uranium enrichment center at Angarsk, which will manufacture nuclear fuel for delivery to countries with civilian nuclear power plants that lack their own uranium enrichment capabilities. Russia's nuclear industry is also eager to build new nuclear power plants in Kazakhstan (the Soviet-era plant in Aktau ceased operating in 1999).

SHARED VALUES

One of the best experts on Central Asia, Fabrizio Vielmini (Associate Research Fellow at Istituto Studi di Politica Internazionale, Milan) finds it absolutely logical and justifiable that Russia should promote its own policy in the region. "Russia has been the main player in Eurasia for three centuries. Russia is what German geopolitics defines as a *Raumordnung* factor. It is the organizer of the infrastructures, the main vector of modernity for peoples who have found themselves apart from the global civilization. Central Asian peoples were in decline for three centuries on end, right until the late 19th century when Russia gave them a chance to reckon with modern technical advancements and opened their territories to world interchanges,"—said he in an interview to the Fergana.ru information agency.

"I've been studying Russia and what impresses me is its unique ability to incorporate other peoples and cultures, granting their elites a place in the complex mechanism of its imperial structure. Other imperial expansions usually resulted in immense losses, fomented by attempts to level everything up, caused, in their turn, by the center's fear of internal differences. Russia, on the other hand, showed a unique capacity not only to integrate a number of different

national elements, but also to make these incorporations an additional asset of its own promotion in world affairs.

This is particularly visible in Central Asia, whose opening and development should be considered among the Russian empire's best accomplishments in history. Today's Central Asians are well aware of it, since the majority of them (those who do not live off the budgets of their respective independent states) are clearly willing to find themselves in some new geopolitical formation together with Russia.

Regrettable as it is, however, the capacity to elaborate a coherent policy has never recovered since the disintegration of the Soviet Union. Today, Russia lacks a clear strategy in Central Asia. The Kremlin is moving according to a utilitarian, short-term approach, which is tainted by a number of potential risks.

It is worth to note that no matter how ethnocentric Central Asian ruling elites may be, they see Russia as a guarantor of their stability. Moscow remains the main meeting place for Central Asians' presidents. Russian influence does not depend on the share of ethnic Russian residents in the region.

The common cultural and linguistic background created throughout centuries by numerous generations in the Russian Empire epoch and the Soviet era is almost fully exhausted. All Central Asian countries (except for Tajikistan) are members of Turksoy—the organization of cooperation among the Turkic speaking countries in the fields of culture and arts. But Russian is defacto the second official language of this organization, as well as de-facto language of Kazakh, Kyrgyz, and Uzbek ruling elites. For millions of Tajik, Uzbek and Kyrgyz workers Russian language is a precondition for

finding a job. Of course English tends to take a position of business language, and the number of students of Mandarin grows rapidly. Anyway, the supremacy of Russian soft power and Russian language in the region seems indisputable in the foreseeable future.

Kazakhstan's national interests, no matter how formulated at any specific moment of its history, have included and will include in the future friendly and allied relations with Russia. This cooperation rests on longterm geopolitical factors that have already determined much that is in common between them. Kazakhstan is a Central Asian country to the same extent as Britain is a European country, therefore there is an analogy, albeit an extremely slight one, between the special relations between the U.S. and U.K. and between Russia and Kazakhstan. In fact, today the Soviet formula "Central Asia and Kazakhstan" looks more apt than ever. Due to its geographical situation Kazakhstan will always make a friend and ally to Russia. Economic, military, political, transport, informational dependency of Kazakhstan on Russia will remain for a long period of time. However, this dependency may tempt Kremlin to use it for the sake of the Russian political agenda. The same is true to some extent for all the Central Asian countries. The quasi-independent politics of Uzbekistan reflects rivalry between Islam Karimov and Nursultan Nazarbayev for regional leadership, not a pro-Western shift by Tashkent.

When trying to define Central Asia as a region, that is to say a sort of not only geographical but also political, cultural and economic entity, we should regard Russian presence and influence as one of the corner stones of that region.

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Kazakhstan Nuclear Disarmament and CANWFZ

ALBINA SALIMBAYEVA

Lecturer at the International Relations Department, Coordinator of the Resource Center for American and Democratic Studies, Al-Farabi Kazakh National University

The policy of Kazakhstan in the field of disarmament and non-proliferation of nuclear weapons is defined by country's foreign policy, the basis of which is adherence to consolidation of international safety, development of cooperation among the states, to increase the role of international organizations in settlement of global problems and conflicts.

The Republic of Kazakhstan has carried out a number of concrete steps which have shown its firm intention to strengthen non-proliferation regime [1] and became one of the global model for safer world.

When the USSR collapsed in December 1991, Kazakhstan inherited the fourth largest nuclear arsenal in the world after the Russian Federation, the United States and Ukraine—104 SS-18 intercontinental ballistic missiles, 40 Tu-95 strategic bombers with air-launched cruise missiles—around 1,410 nuclear warheads in all. In addition, Kazakhstan was home to the Semipalatinsk nuclear weapons test site. Upon declaring independence, Kazakhstan President Nursultan Nazarbayev made the decision to renounce nuclear weapons [2].

In 1991, the President of Kazakhstan Nursultan Nazarbayev, expressing the wish of Kazakh people, made a decision to shut down the Semipalatinsk test site. Despite eighteen years have been past, the people of Kazakhstan keep in their mind the horrible consequences of nuclear tests. To this day, not only the unwilling witnesses of those explosions, but their children and grandchildren continue to suffer.

As the next step at that time the president took crucial decision to renounce unilaterally the nuclear arsenal inherited from the former Soviet Union. Due to this point it is important to mention about Kazakhstan in the beginning of '90s. It was the fourth largest nuclear power in the world at a time of considerable economic and social instability. Kazakhstan's arsenal was larger than those of the United Kingdom, France, and China combined. Most of these warheads stood top missiles aimed at targets in the United States.

The president's decision was indeed a courageous step because at that time public opinion in Kazakhstan on this matter was divided, with one part wishing to retain nuclear weapons and the other seeking a nuclear free option. Although the Kazakhstan's press and public opinion were not fully supportive of his action, President Nazarbayev declared Kazakhstan a non-nuclear weapon country. On April 21, 1995 the process of removing nuclear weapons from Kazakhstan, which took more than a year, was com-

pleted. On May 30, 1995 the last nuclear explosive at the Semipalatinsk test site was destroyed. From that moment, Kazakhstan's soil has been freed from nuclear weapons.

Certainly, right decision which facilitated the development of Kazakhstan's economy and social security system to raise our citizen's wellbeing. Today, Kazakhstan is a leader in economic and political reforms in the post Soviet area. Its rates of economic growth are considered among the highest in the world. Kazakhstan's strong economic growth in recent years, attracting \$70 billion in foreign investments, and the improvement of living standards for people are powerful and convincing arguments that Kazakhstan has gained, not lost, from renouncing nuclear weapons.

The decision to be free of nuclear weapon nation defined the future strategy of Kazakhstan in the sphere of global security, and non-proliferation became a core element in its foreign and domestic political strategies. Kazakhstan has taken a number of specific steps proving our full determination to strengthen the non-proliferation regime and promote global denuclearization using all means possible.

Since becoming a legal successor state to the former USSR in connection with the Treaty between the USSR and the USA on the Reduction and Limitation of Strategic Offensive Arms and the Treaty between the USSR and the USA on Eliminating Medium and Short Range Missiles, Kazakhstan has been true to its obligations. Regular inspections of Kazakhstan's facilities under these treaties confirm our full and unwavering observance.

Now Kazakhstan is party to a number of multilateral agreements and non-proliferation regimes. Kazakhstan's voluntary renunciation of our nuclear legacy and firm adherence to the nonproliferation regime predetermined our accession to the Treaty on the Nonproliferation of Nuclear Weapons (NPT) and the Comprehensive Nuclear Test Ban Treaty (CTBT).

In 2002, Kazakhstan was accepted into the Nuclear Suppliers Group and is now getting ready to join the Missile Technology Control Regime. Attaching great importance to the full implementation of the IAEA safeguards and to the strengthening of the Agency's verification mechanisms, Kazakhstan signed the Additional Protocol in 2004 and closely cooperates with the IAEA in this area. Currently all nuclear facilities in Kazakhstan are under full IAEA safeguards.

Another example of Kazakhstan's commitment to the nonproliferation regime was the shipment of 600 kilograms of highly enriched uranium to the United States under the International Atomic Energy Agency (IAEA) safeguards in 1994.

Kazakhstan committed to strengthening nonproliferation and reducing risks of use of weapons of mass destructions. Kazakhstan and the United States have a common view on these tasks which are on the top of our bilateral agenda. The cornerstone of our cooperation in nonproliferation activity is the Cooperative Threat Reduction Program (CTR). As you know, this so-called Nunn-Lugar Program named after the two US senators is one of the largest international program to promote the nonproliferation regime. The Program joins efforts to reduce the military threat and is one of the key instruments of preventing this threat. It is primarily aimed at the reduction in current and future threats to global security.

Kazakhstan, in cooperation with the United States under the Nunn-Lugar program, has removed all nuclear weapons from its lands and eliminated the test site's infrastructure. It was launched under the 7-years Framework Agreement on Elimination of Silos for Intercontinental Ballistic Missiles, Elimination of Consequences of Emergency Situations and Prevention of Proliferation of Nuclear Weapons signed by our countries in December 1993. The Framework Agreement which was extended in 2000 had given opportunity to conclude almost dozen CTR implementing agreements on various fields. They aimed at ensuring the country meets its obligations under the Treaty on the Reduction and Limitation of Strategic Offensive Arms (commonly known as the START-1 Treaty), at the environmentally safe elimination of infrastructure of nuclear and other weapons of mass destruction, prevention of the proliferation of WMD, military cooperation and conversion of military technologies to civilian use, creation of an effective system of export controls, safe elimination of nuclear materials, expansion of scientific and technical cooperation, and prevention of proliferation of materials and technologies of dual use.

Of course, all of these projects require significant financial support and the development of unique engineering solutions. One of the most complex projects which we are currently implementing under the CTR is the safe disposition of BN-350 reactor fuel and decommissioning of the BN-350 fast breeder reactor. In 2006, we have successfully completed the project on secure transportation of fresh highly enriched uranium fuel from BN-350 reactor and its down blending at the Ulbinskiy plant in Kazakhstan. In other words, almost three tons of highly enriched uranium, enough to produce dozens nuclear bombs, were down blended and turned into low enriched uranium usable only in peaceful purposes [3].

Also one of the vivid example of Kazakhstan nuclear non-proliferation policy is the establishment of a nuclear weapon free zone (NWFZ) with other Central Asian states on September 8, 2006.

Kazakhstan and the Central Asian states by establishing a nuclear weapon free zone agreed to ban nuclear weapons from the region and accepted stricter safeguards to prevent proliferation.

In the September 8 Statement, former UN Secretary General Kofi Annan hailed the event as a disarmament achievement but urged the Central Asian states to "engage with the nuclear weapon states with a view to bridging the differences and ensuring the treaty's effective implementation." The treaty will enter into force after each of the Central Asian states ratifies it [4].

The creation of such a zone is very significant for a region that was once home to thousands of nuclear weapons and a site of prolonged nuclear tests during the Soviet era [5].

The nuclear weapon free zone treaty aims at reducing the risk of nuclear proliferation and nuclear-armed terrorism. The treaty bans the production, acquisition, or deployment of nuclear weapons and their components as well as nuclear explosives. Importantly, the treaty also bans the hosting or transport of nuclear weapons, as both Russia and the U.S. have established military airbases in Central Asia [6].

Articles 7 and 8 of the treaty state that peaceful uses of nuclear energy are permitted under the comprehensive safeguards of the International Atomic Energy Agency (IAEA). It is the first nuclear weapon free zone located entirely in the northern hemisphere and the fifth such zone in the world, besides those created in Latin America (the 1967 Treaty of Tlatelolco), Southeast Asia (the 1995 Treaty of Bangkok), the South Pacific (the 1985 Treaty of Rarotonga), and Africa (the 1996 Treaty of Pelindaba, not yet in force). There are also a number of proposed agreements, covering the Middle East, the Korean Peninsula, Central Europe, and South Asia [7].

Under the treaty, Central Asian states undertake not to research, develop, manufacture, stockpile, acquire, possess, or have any control over any nuclear weapon or other nuclear explosive device, not to seek or receive assistance in any of the above, or assist in or encourage such actions. The receipt, storage, stockpiling, installation, or other forms of possession of any nuclear weapon or nuclear explosive device are not allowed on the territory of the member states. Each party pledges not to carry out nuclear weapon tests or any other nuclear explosion and prevent any such nuclear explosion at any place under its control. Member states undertake to conclude the Safeguards Agreement and the Additional Protocol with the International Atomic Energy Agency (IAEA) and bring into force within 18 months after the treaty's entry into force. Parties must also introduce export controls under which they will not provide source or any special fissionable material or related equipment to any non-nuclear weapon state (NNWS) that has not concluded an IAEA comprehensive safeguards agreement and the Additional Protocol. Further, the states undertake to maintain the standards of the physical protection of nuclear material, facilities, and equipment that are at least as effective as those outlined in the IAEA recommendations and guidelines and called for by the Convention on Physical Protection of Nuclear Material (CPNMM). The treaty does not affect rights and obligations of the parties under other international treaties concluded prior to the CANWFZ's entry into force. This clause has become a point of contention between the Central Asian states and some of the nuclear weapon states (NWS). The treaty may be amended by a consensus decision.

The terms of the Treaty itself buttress the nonproliferation regime as they oblige the Central Asian States to accept enhanced safeguards of the International Atomic Energy Agency (IAEA) on their nuclear material, and require them to meet international standards securing nuclear facilities. The CANWFZ draft Treaty does not provide for the establishment of an organization/commission to oversee implementation and compliance verification as do Bangkok, Pelindaba, and Tlatelolco, Treaties which establish NWFZs, or "control systems" as in the case of the Bangkok, Rarotonga and Tlatelolco Treaties. It does, however, provide for annual consultative meetings to review compliance, but no direct linkage exists between this function and IAEA safeguards. The agreement between the

Central Asian states is also the first of the NWFZ treaties to require its members to comply fully with the Comprehensive Nuclear Test Ban Treaty (CTBT) [8].

On October 30, 2006, the First Committee of the General Assembly of the United Nations has accepted the resolution 'Creation of free nuclear zone in Central Asia'. A total of 128 states, 3 pro states have acted, 36 - have abstained. The text of the given resolution has been developed by missions of the countries of the Central Asia at the United Nations following the results of signing of the Contract on a zone, free from the nuclear weapon, in the Central Asia.

In support of the resolution before voting such countries as Mexico, Chile, Dominican Republic, Venezuela and Cuba have acted. After voting with statements of positive character Japan, China, Brazil, Pakistan, Egypt, and Russia have acted. Delegations have underlined that the creation of this zone is the major achievement in the sphere of strengthening the global safety.

The acceptance by the overwhelming majority of the countries of the world of the resolution «Creation of a zone, free from the nuclear weapon, in Central Asia» testifies to their support to efforts of the countries of Central Asia on strengthening the international security.

The initiative is regarded by the international community as the important step to business of nuclear disarmament and non-distribution that is especially pressing in a context of global campaign for struggle against terrorism and to a hit non-admission in hands of terrorists of weapons of mass destruction. Regional denuclearized zones promote narrowing of geographical sphere of military nuclear activity and by that bring the contribution to strengthening of the global and regional world and security [9].

The establishment of the CANWFZ is particularly significant because thousands of Soviet nuclear weapons were once based in Central Asia. The new zone also borders on regions of proliferation concern, such as the Middle East and South Asia. Further enhancing its importance, the CANWFZ will border on two nuclear weapon states, Russia and China, and it will be the first nuclear weapon free zone located entirely in the northern hemisphere. The terms of the treaty itself buttress the nonproliferation regime as they oblige the Central Asian states to accept enhanced International Atomic Energy Agency (IAEA) safeguards on their nuclear material, and require them to meet international recommendations regarding security of nuclear facilities. Considering current concerns that Central Asia could become a source or transit corridor for terrorist smuggling of nuclear materials, these terms of the CANWFZ should be viewed as a positive step in the ongoing international struggle against terrorism. In a unique feature, the treaty also recognizes the environmental damage done to Central Asia by the Soviet nuclear weapons program and pledges to support environmental rehabilitation [10].

By signing of the nuclear weapon free zone treaty at Semipalatinsk, Kazakhstan shows the important step of Kazakhstan towards maintaining security in the world.

In conclusion it is important to stress that the status of Kazakhstan as nuclear weapons free country has strengthened nuclear disarmament, stability, peace in the world and global security.

Kazakhstan is confident that its renunciation of nuclear weapons has become an important factor of the economic and political development and internal stability of the state. All its activity allows considering Kazakhstan as a model nation which contributes significantly into the strengthening of both regional and global security [11].

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Multilateral and Bilateral Cooperation Republic of Kazakhstan and Republic of India on the Questions of Security

NURZHANOVA SALTANAT

Senior Teacher the Department of World History and International Relations E.A. Buketov Karaganda State University

The legal base made between Republic of Kazakhstan and Republic of India in the field of policy, economy, culture, science and technical equipment have allowed developing cooperation within the framework of interaction at the multilateral level. In this context, Conference Building Measures in Asia (CICA) is important Asian initiative which purposes are based on aspiration of creation the regional mechanism on prevention measures of mistrust in Asia, preservations of stability and security on development and strengthening of a new system of relations between states in Asian region.

Republic of India is one of the key state-participants CICA and plays the important role during interaction and developments of cooperation within the framework of the Forum. Importance of the questions discussed in CICA repeatedly raised during official visits on high level by President the Republic of Kazakhstan N.A. Nazarbaev to India in 1992, 1996, and in the result of consultations of Ministries assistants for Foreign Affairs of two countries. In particularly, during of visit by summer 1994 year the deputy head Ministry of Foreign Affairs S. Hajdar and visit in September 1996 of vice-president of Republic of India of K. Naraijan it has been declared complete support on the side of India the Kazakhstan's initiative on convocation CICA and necessity of continuation the further work on its realization.

For India in relation to CICA is characteristic the pragmatic approach. It is connected with strategically tasks of foreign policy of country aimed to strengthening of good-neighborhoods relations with neighboring countries and establishment practically feasible and effectual measures in South-Asian region. Thus, formulating the vision of probable ways of realizations process, Indian side marks necessity of the weighed approach at designing system of Asian security which it should be formed in spirit of cooperation, on the principles which are not excluding various methods of resolution of conflicts, including at bilateral, regional and global levels.

Use of tribune and teamwork in frameworks CICA considers by official New Delhi as opportunity of removal for

discussion questions connected with most actual problems of Asian region, and also causing the greatest concern of India in its understanding of available threats of own national security. As indirect confirmation of such approach can serve continuity the policy of country directed on active participation in realization of the Kazakhstan's initiative, without dependence from government taking place authority reflecting interests. The universal opportunities of CICA allowing to discuss a broad audience of international questions which are organically entered in foreign policy of the previous governments as known as «Gudzhral doctrine», government of pronationalist Bharaty Dzhhanata Party head by A. Vadzhpai.

The present government of Ministry of Foreign Affairs of India allocates special value to the participation in CICA. In this connection, it is necessary to note, that hide at the official level presence of intensity in mutual relations with China owing to mutual problems, connected with boundary questions compels New Delhi to put forward and support the thesis about indestructibility of borders and the territorial integrity of country. The same thesis also is widely used by the Indian government in connection with proceeding actions of separates movements in Kashmir, it representing for India serious threat in connection with active support of local separatists from Pakistan' side authorities and it directed, finally on tearing away of this northern state from India.

As whole, despite of available contradictions of India with Pakistan and China, the Indian government is devoted to flexible and maximum constructive decision of arising contradictions. Confirmation to this is acceptance of the Declaration in September 1999, it becoming the first official document of CICA. Declaration contains substantive provisions of destruction international security, respect of sovereignty and the rights of states-participants, preservation of territorial integrity, non-interference to internal affairs each other, peace settlement of disputes, refusal of application of force, disarmament and control over arms, cooperation in social, trade, economical, cultural and humanitarian spheres, respect of fundamental laws of person according with principles of United Nations and international law.

Besides on results of the first summit of CICA, on June 4, 2002, the country-members has been signed two more documents: Almaty Act and Declaration of CICA on liquidation terrorism and development of dialogue of the civilizations, intended to strengthen security and to expand mutual trust among the countries-participants. Indian side was presented by prime minister of India A.B. Vajzhpai, which his participation in first summit of CICA has received the high estimation in political and public circles of Kazakhstan and India. The basic political forces of India have with satisfaction noted powerful results of official visit to Kazakhstan, including character of signed important documents in frameworks CICA, which «reflect mutual interest of two states in construction of a new form of bilateral and multilateral cooperation in millennium» [1]. Characterizing this visit, Indian press repeatedly used such terms, as «historical moment in strengthening bilateral cooperation of New Delhi and Astana in the context of developing realities of modernity».

Such reaction of ruling authority is the important confirmation of actuality of the problems discussed at summit of CICA most sharply facing to India. It is necessary to note also, that carrying out of the first summit of CICA and the documents accepted in its frameworks already are used by India as one of tools of political pressing government of Pakistan with purpose of discontinuance a penetration of terrorist groupings to India. In this context, India as one of such arguments, counts Almaty declaration, one of which points is refusal of support of separatists having signed which Islamabad is obliged to accept concrete steps concerning obligations taken on [2].

Interest of India in development of Forum has been shown and during second summit CICA (June 17, 2006, Almaty) on which it have been discussed items on opening Secretary of CICA, creation of Special working group (SWG) on development of application the measures of trust CICA in economical, ecological and humanitarian measurements [3]. Proceeding from this, necessity of creation SRG on development the measure of trust CICA in military-political measurement is underlined. Indian side ascertained that it is going and further actively to take part in work of CICA. In their opinion, CICA has all opportunities to become the authoritative forum for consultation on actual questions of regional security. As one of the advantages, this forum is that it is based on principle of voluntaries of members and consensuses approach to acceptance decision. The first assistant Ministry of Foreign Affairs of India SH. Saran, taking into account experience of participation of India in CAAPK and regional forum ACEAH, it has recommended to develop CICA in gradually and evolutionary way in view of Asian system of values.

The next session of Ministers of Foreign Affairs of countries-participants CICA has taken place in August 2008 in Almaty. By President of Kazakhstan N.A. Nazarbaev it has been declared, that initiative of Kazakhstan about convocation CICA proves efficiency more and more. Viability and importance of this international forum confirms that fact, during the present meeting to it three new participants have joined Jordan, Arab Emirates and Qatar. Within the framework of the forum by participants it has been marked, that the global policy will be determined in the near future financial crisis, rise of prices on oil and provides. In this connection, President of Kazakhstan has called participants of forum for cooperation and in economical measurement. Besides, in opinion of the head of state, it is necessary to

expand partnership CICA and DCA-Dialogue on Cooperation in Asia as it is two sides of one medal [4].

Also by leaders was accepted decision on necessity of carrying out the next summit of CICA in 2010 that will form basis for the further development of process and possible creation of legal mechanism on its practical realization. Participation of India in this session will play the important role and in strengthening cooperation of India with Kazakhstan within the framework of the international regional organizations. For example, Kazakhstan as chair of the Shanghai cooperation of organization (SCO) has supported occurrence of India in SCO as observer on Astana summit in July 2005. At an initial stage, the government of India had been lead exploratory talk on this question with all countries, which are included in SCO, and their consent is received. By words of already Exs Minister of Foreign Affairs of India K. Singh, «struggle against terrorism and closer economical cooperation are two largest areas in which the Organization has undertaken important steps. In both areas, India is capable to bring the significant contribution to programs of SCO and it to assist in development of closer contacts between the countries-members of SCO. In addition, India is capable interests to revive intensive stream of ideas and trade with which blossoming well-known differed «New era of the Silk way» [5].

Interest of India in reception of the status of observer in SCO testifies not only to appeal to it of the purposes and tasks which they are put before itself with the Organization, but also about prospect which the country sees in interaction within the framework of interstate regional structures. The bases for this purpose, as is known are security issues and stability.

The declaration on creation SCO from June 15 in 2001 calls organization «to use huge potential and wide opportunities of mutually advantageous cooperation between states-members in economical and trading areas, to aspire of strengthening of the further development both bilateral and multilateral cooperation between states-members of organization, and also to variety of cooperation. For this purpose negotiating process is initiated in the field of trade and acceleration of investments in frameworks of SCO for formation of long-term multilateral economical and trading cooperation». Besides article 3 of Charter SCO determines spheres of cooperation the organization which include, except for other, «support, promotion, regional economical cooperation in various areas, creation of favorable conditions for trade and investments with the purpose of gradual achievement of a free stream of goods, capitals, services and technologies, effective utilization of available transport and communication infrastructure, expansion of transit opportunities of states - members of the organization and development of power systems; reliable methods of wildlife management, including water resources management in region and realization of special joint ecological programs and projects» [6].

At the first meeting of Ministers of Economy and Trade of countries-members of SOC in May 2002, special attention it has been inverted on trade and investments. In November 2002, ministers of transport of states-members of SCO came to the consent to develop transport system and to create the international transport corridor. Therefore, it is clear, that for again entered countries, such as India, concrete sectors for economical cooperation with countries-members of SCO, which already offer concrete opportunities for mutually advantageous cooperation between

the countries, have been determined. Within the limits of trading and investment sectors, purpose of achievement «a free stream of goods, capitals, services and technologies» is very important. It shows that ultimate aim of the countries included in SCO, it is the creation of the integrated market, which together with inclusion of countries-observers accepted in SCO in July 2005 will cover an essential share of Eurasian space. Precisely as concentration on connection of transport networks in this region not only will speed up trading streams, but also will create the opportunity of contacts between simple people assisting stream of ideas, knowledge and also goods and services [7].

What is today the position of India concerning participation in this process? Having taken into account economical structure of India and parameters of its economical growth, answer should be for benefit of wider participation of India in plans of economical cooperation in SCO. With area 3.3 million sq. km and population 1.06 billion people, India is included into number of the largest economy of the world. India is one of leading places in the world on manufacture of rice, wheat, tobacco, tea and sugar cultures. In Indian economy, the sector of services that is estimated 51 % of annual manufacture is dominating, rest equally shares between agricultural and industrial sectors [8]. However, India has one of the largest deposits of coal in world, among the priority purposes of India to achieve adequate supply by the energy necessary for steady economical growth.

Other essential fact that makes especially important participation of India by plans of economical cooperation in SCO, it that India is an integral part of global economy since it was won independence in 1947. India is one of the countries, which were united on January 1 in 1948 for creation of first global trading organization GATT (the General agreement under tariffs and trade). As active member of GATT India could assist in the formulation of international commercial policy, which it has taken into account in developing character of Indian economy, is especial for maintenance of flexibility tools of international commercial policy in balance requirements for coexistence of state and private sectors in development of national economy. Performance of this role proceeded after India since January 1 in 1995 year began one of founder for creation of World trading organization (WTO). Today in the international trading negotiations within the framework of WTO India plays the major role in creation of opportunities for all states-members of WTO in achievement of equal in rights and mutually advantageous results [9].

Considering such aspect, it is quite possible to determine some concrete areas of mutually advantageous in economical cooperation for India and countries-members in SCO. Priority list of spheres in which such cooperation can take place, are energy, science and technology, trade in sphere of services and transport. Certainly, mutually advantageous investments should support all these areas.

In power sector, actually all large manufacturers and consumers of oil-and-gas resources are countries-members of SCO. The great demand of India on import of oil and gas, which will grow, predictably, in view of steady rates of growth Indian economy makes logical mutually advantageous cooperation between participants of SCO making and exporting oil and gas. Minister of oil and natural gas of India have formulated opinion of Indian government on perspectives of cooperation in this sector in February 2005 in Astana: «Here in Asia, nature has placed a great mass of natural resources, basically minerals of fuel. Our

continent is place of the largest deposits of oil. It also place of world reserves of gas where contains more than half of the stocks available in world... We should create Pan-Asiatic community of interests in which Asian buyers and Asian sellers become joint Asian investors in the common Asian actives... Cooperation in the field of energy sectors is instrument of growth and it opens prospects for wider Asian cooperation. If we managed to connect our national power networks in Pan-Asiatic network, all countries could use benefit» [10].

Alongside with that India is importer of oil and gas, it also has got experience and in the field of oil refining. For example, the oil refining factories constructed in the country by the Indian companies correspond to standards on protection of ecology. Such experience will be rather actual for cooperation in SCO.

In the field of science and technologies, countries-members of SCO have a national reserve of the highly skilled scientists borrowed in the advanced technological researches. Concrete areas can include space researches, start of satellites and technology of navigation, biotechnology, seismology, agricultural and medical branches, etc. Commercialization such technologies will give to our scientists the opportunity to present own researches and it will give huge advantage to our economy. India has bilateral programs for acceleration commercialization technologies with separate members of SCO. Through corresponding programs of cooperation in SCO, we can make use of experience by us in larger scales.

In sphere of services, India can share with countries-members of SCO recognized opportunities as global center of influence in trade of services. The basic line of action in India was creation «industry based on knowledge» which vivid example is the branch of program computer maintenance. Today experts from India take the advanced positions in global industry of services in various areas, such, financial services, bank's systems, management, tourism, etc. Creation of educational and technologies institutes of world class in India has put in pawn the basis for organization and growth of industry based on knowledge. Progressive young generation of countries-members of SCO will promote an establishment of mutually advantageous cooperation between India and SCO in this direction, which, in turn, it is an important means in maintenance of employment of young generation.

Cooperation in sphere of transport is, perhaps, the most important area in which advantages of all countries included in SCO in near perspectives become obvious. Results of exploitation of transport communications connecting East and West are already shown in the increased volume of goods circulating between these countries. Revival of old transport communications, which it made a part of «the Great silk way» serves as reference point for cooperation of states in this sector in future. Participation of India in such projects as International transport corridor «North-South» can strengthen only importance of interaction in transport sector. Within of this sector India has already got experience in construction of transport networks such as railways, transportation, warehousing and distribution services which can be actual for SCO in construction of modern ports and terminals, including Caspian sea.

In opinion of experts of Institute of economy and policy the Republic of Kazakhstan, at the present stage when SCO has entered a new stage of adjustment and deepening of effective cooperation on priority directions of the activ-

ity, special value is given to increase in political weight of Organization. Expansion of this format testifying to adherence of countries-members of SCO to open dialogue, it represents itself as one of ways of strengthening not only its international authority, but also efficiency. Thereof such influential members of SCO as China, Russia and Kazakhstan welcomed intention playing a significant role in world and regional policy of India to receive the status of observer at the Organization. The states - members count, that the status of observer of India in SCO has positive consequences for organization. It will promote strengthening of regional stability and economical integration and it will raise coordination of efforts on counteraction to terrorism, extremism, struggle with them plays one of priority directions in policy of Southern Asian countries to which India and Pakistan concern. Besides, it will serve transformation SCO into powerful international organization capable to struggle for influence on world scene with any other alliances. Activity of India as perspective Asian country possessing in economical and political potential will facilitate SCO search of our place in system of the international organizations, that, in turn, it gives reason for efficiency of Organization as the instrument of maintenance of regional security [11].

However, at the further interaction with India it is necessary to take into account, that behind aspiration to receive the status of observer in Organization there is desire to advance, certainly, own interests, such as: expansion of export of Indian military goods and services on markets of Central Asia countries, establishment of military presence at region level with countries-participants of SCO, construction of oil pipeline Russia-China-India. Besides Kazakhstan's analysts mark, that by one of purposes participation of India as observer in SCO is not only maintenance of own security in view of a new threats connected with terrorism and separatism, but also opportunities to play more appreciable role in internal affairs of Central Asia as India considers opportunity of reception of full membership in SCO.

On results of participation in summits of SCO in Shanghai in 2006 and in Bishkek, 2007 Minister of oil and gas industry of India M. Deora has noted: «India always had traditionally close both warm economical, political and cultural relations with Central Asia countries. Therefore, we are interested in forming modern and new contents to our connections with Central Asia. India would like to expand political, economical, trading and cultural obligations with all countries of region. In this connection, India is interested in further development of SCO and would like to involve more considerable and more actively itself in process of SCO, sharing with experience, professional knowledge and opportunities in spheres of information technologies, infrastructures, power etc. India is convinced, that close and more active relations between it and the Shanghai organization of cooperation, and also separately with each Central Asian country will promote the greater prosperity and development of all region, and also preservation of world, stability and security» [12].

For Kazakhstan, the deepening of political connections with India could become rather useful in rendering possible assistance on occurrence in international political and economical institutes, and in supports from its side of a new Kazakhstan's initiatives. In this connection, Kazakhstan expects activation of cooperation with India not only in frameworks of CICA, SCO and other international organi-

zations, but also developing dialogue in the field of trade and economy sphere, coordination of efforts in struggle against international terrorism, religious extremism on the bilateral basis with purpose of coordination of joint actions in struggle against threats of modernity.

Let's note, that as the result of consecutive and systematic activity of political government of India, armed forces of India are at qualitative and quantitative level for maintenance of internal and external protection of the state and they are one of the strongest armies in Southern-Asian region.

For Kazakhstan, India possessing in powerful, military and technical potential plays interest that is more practical. Experience of India being, as well as Kazakhstan, poly-confessional and polytechnic state is important in struggle against terrorism, religious extremism and separatism. In particular, actions are of interest for the Kazakhstan special services on revealing and suppression of the facts of illegal legalization of members of the terrorist and extremist organizations, pressing questions of interaction in struggle against international organized crime, and experience of Indian police officers on protection of social order in streets in case of occurrence of extreme situations.

Interest of Kazakhstan and India in development of bilateral cooperation in sphere of security has been reflected in Memorandum of military and technical cooperation between the Governments of countries [13], in Protocol between Committee on Defense industry of Ministry of economy and trade of Kazakhstan and Ministry of Defense of India, in Agreement on creation of joint working group on struggle with international terrorism [14]. It is necessary to note, that conclusion of these documents in the field of military and technical cooperation between Republic of Kazakhstan and Republic of India have positive dynamics of development. In the first session of joint working group (Astana, October 21-22, 2002) have been achieved arrangements on scientific and technical cooperation in military area, modernization of available technical equipment and arms at Naval Forces of India, rendering of assistance in development Naval Forces of Kazakhstan, mutual visits of experts, and interaction between law enforcement bodies of two countries in the field of counteraction to terrorism, extremism and illegal traffic in arms.

In this connection, designated by President of Kazakhstan N.A. Nazarbaev in annual address to the nation Message titled, «Strategy of Kazakhstan's entry into the ranks of the 50 most competitive countries of the world», tasks in strengthening and expansion of international cooperation in struggle against new threats and calls are especially actuality and they serve as mechanism of strengthening of mutually advantageous cooperation between Kazakhstan and India.

The second session of joint Kazakhstan-India working group on questions of international terrorism, interchange of information between Kazakhstan and Indian law enforcement bodies has taken place in March 20-21, 2002 in New Delhi. In addition, Kazakhstan and Indian sides had been marked internal situation in Afghanistan, which continues to remain difficult, and it is important for security and stability of Southern Asian and Central Asian regions.

During discussion of question on professional training for struggle against terrorism, Indian side has suggested to run courses and improvements of professional skill for the Kazakhstan's experts on different aspects of struggle against terrorism. In this context on March 21,

2006, members of Kazakhstan's delegation have visited the Center for preparation of military men for divisions of forces of national security of India and they have been acquainted with the common structure and the basic directions of activity the Center, in particular, including struggle against capture of hostages, investigation of explosions, security of protected persons from among VIP persons and special objects, carrying out of counterterrorist operations. On results of meeting, Kazakhstan and India came to consensus that in cooperation on the specific questions of counterterrorism and struggle against other kinds of crimes, it is necessary to have close coordination and regular contact between the interested departments with aim of maintenance of exchange with operative information in real time. It has been solved to come into contact between Central Asian regional information and coordination center in Almaty and Bureau under the control over drugs of India (Narcotics Control Bureau), and among center «Caspian Anti-terror» for participation of India in actions with aim of strengthening of cooperation in struggle with drugs [15].

Besides, to Indian side offered to consider the problem on interaction between military investigations of defensive departments in which the following directions of cooperation are stipulated: rendering on the gratuitous basis of material help in equipment of Kazakhstan's departments of radio and electronic investigation, preparation of officers at language faculties in high schools of India on specialization English, Urdu, training of officers to military investigation etc.

Thus, considering multilateral and bilateral cooperation Republic of Kazakhstan and Republic of India on questions of security, it is necessary to note, that as priority area of bilateral partnership the joint opposition to international terrorism, organized crime, drugs traffic, and formation of system of continental security in frameworks acts CICA and SCO. Taking into account, decisions in frameworks of summits CICA has more declarative character, and in SCO India is only observer, not full member of this organization, Kazakhstan and India came to understanding of necessity developing the bilateral mutually advantageous strategic partnership for military and technical area with purpose of strengthening system of regional security as the whole.

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Chinese Diplomacy in Central Asia: a Critical Assessment

ADIL KAUKENOV

Director of the Center for Chinese Studies at IWEP under the Foundation of the First President of the Republic of Kazakhstan.

Chinese diplomacy in Central Asia is determined by China's global foreign policy strategy, its neighboring policy, and its specific interests on the region. With regard to the impact of China's global foreign policy strategy in the Central Asia policy of Beijing, six factors should be underlined:

1. Maintenance of a favorable international situation for domestic development and modernization.
2. Prevention of attempts to restrain the rise of the People's Republic of China.
3. Diversification of China's energy sources.
4. Countering US unilateralism.
5. Extensive use of "soft power" to reassure the international community that economic growth and military modernization of China are not a threat. The promotion of the Five Principles of Peaceful Coexistence is central to this task.
6. Isolate Taiwan in the international arena (to a lesser degree).

The bases of China's neighbouring policy also inspire the Central Asia strategy of China. The key idea of the Chinese diplomacy in relation to its adjacent countries is «good neighborhood and partnership», which includes terms such as «friendliness, safety, and enrichment». The first term, friendliness, refers to developing smooth political relations with all neighboring states. Safety implies that China is not regarded as a threat by its neighbors. Finally, enrichment involves that China should contribute to the economic development of its neighbors.

Some specific interests of China in Central Asia are also essential in the configuration of the Chinese diplomacy in the region:

1. The maintenance of stability in the Western provinces of China. Safety issues were the main concern of China in its first interactions with new independent states of Central Asia, since the terrorist activities of Uighur separatist movements reached its peak from 1990 to 1997. At that time most of Chinese interaction with the new republics limited to antiterrorist and counter separatist cooperation. Chinese leaders quickly understood that growing economic bonds with Central Asia could be a valuable opportunity for fostering economic development in Western China and therefore reducing instability in these areas. In the light of recent events in Tibet and Xinjiang this issue is particularly salient.
2. Securing supplies of energy and other strategic natural resources.

3. Breaking US and NATO encirclement. Although China finds useful NATO's fight against terrorism in Afghanistan, Beijing does not approve a long term deployment of NATO troops in Central Asia. China would feel threatened by that presence, especially under scenarios such as a conflict in the Taiwan and outburst of ethnic unrest in Tibet or Xinjiang.

4. Geopolitical domination of Central Asia could advance Chinese influence in the Middle East, Southern Asia, the Caucasus, and Afghanistan.

5. New markets for Chinese products and new access routes to European markets. Besides these concepts, it is necessary to mention the concrete diplomatic mechanisms employed by China in the Central Asia. The Shanghai Cooperation Organization (SCO) is the most important of them by far. SCO allows China to exert influence in Central Asia, mainly in non-traditional security issues, avoiding concern from the Central Asian Republics and Russia. National safety interests compel China to intensify as much as possible cooperation through SCO in order to achieve enough influence in Central Asia to patronize the general situation in region and to regulate the basic tendencies in the field of security. From the perspective of great powers competition, SCO is also an instrument employed by China to expel the US from the region and to reach parity with Russia. Although China was the initiator of the SCO and tries to keep its status as the main driving force of this organization, Beijing encounters some difficulties to achieve its geostrategic objectives through SCO.

First, Russia is not willing to concede its position of prevalence in Central Asia and regards SCO as a tool for "keeping China disciplined". Russia secures its military and economic leadership in the region through the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Community respectively (EurAsEC). Being the leader of CSTO and EurAsEC and simultaneously member of SCO, the Russian Federation faces a dilemma concerning the future development of SCO: what should SCO concentrate on: economy or security? In case of deepening trade and economic integration, SCO would shadow EurAsEC and China would dominate this organization thanks to its economic might. Russia therefore aspires to create a free trade zone within EurAsEC and to prevent so within the SCO. At the same time, due to Russian military supremacy, Moscow intends to enhance the military dimension of regional cooperation and to subsume SCO military activities into the CSTO, which is based on the Russian military platform (personnel training, weaponry and defense technologies, doctrines, etc.). Along these lines, Russia suggested China to elaborate SCO military design together with

CSTO doctrine in the course of preparation of «Peace mission-2007». Beijing rejected that possibility and only agreed on participation of an observer group from CSTO. Moreover, CSTO has proposed the SCO secretary general to join the CSTO coordination body on struggle against drug trafficking to prevent SCO from creating a similar body. Anyway, Russia is afraid that in the long term SCO will absorb EurAsEC and CSTO, since these organizations suffer from extensive functional and geographical overlapping, with the resulting increase of Chinese influence in Eurasia.

Second, SCO lacks effective mechanisms to react properly in case a crisis breaks out in Central Asia, as events in Kyrgyzstan and Uzbekistan already proved. China is trying to change this situation advocating for greater institutionalization of SCO. At the moment the central bodies of SCO are small and disseminated. The permanent staff of the secretary of the SCO located in Beijing consists of only 30 persons, and the Regional Antiterrorist Structure is located in Tashkent. China favors the reinforcement of these institutional capacities and the creating of new operating bodies in the SCO framework to increase its functions, but is defending this position with extreme caution to restraint traditional mistrust in the region against Chinese intervention in their internal affairs. Chinese preoccupation against anti-Chinese feelings in Central Asia, is reflected in the prudent rhetoric of Chinese leaders towards the region. For instance, when Jiang Zemin coined in 2001 the term «Shanghai spirit» to describe the grounding working principles of the organization values, he was referring to mutual trust, mutual benefit, equality in rights, respect of cultural diversity and joint development. The same tune has been played by Hu Jintao with the slogan «harmonious region and mutual prosperity». This Chinese strategy is with the principle of «non-interference», the present decentralized condition of SCO and its rotating presidency. All these three traits are seen by the Central Asian governments as guarantees against great powers interference in their internal affairs and as a significant advantage of dealing with China instead of with other powers.

Third, besides Russia, Central Asian authorities and population are also afraid of economic absorption by China. There is a strong consensus in the region on the impossibility of local industries to compete with Chinese manufactures and with Chinese labor. This explains why China's request for joining EurAsEC was rejected and why Wen Jiabao's proposal for creating a SCO free trade zone was also discarded, although it was agreed to work for establishing a SCO free trade area by 2020. Despite these setbacks China keeps pushing for economic integration within the SCO to balance Russian primacy in other areas. For example, in 2004 China offered

a 900 million US dollars commodity credit to SCO countries, in 2006 the SCO Business Council and the SCO Interbank Association were created, and in 2007 Wen Jiabao insisted at the sixth SCO Prime Ministers' Meeting on improving trade and investment climate on the region and in harmonizing transportation policy among SCO members. To illustrate the moderate success at this regard, it is relevant to keep in mind that the discussion of the projects and the transactions related to the allocation of the above mentioned 900 million US dollars credit has been carried on a bilateral basis, not thorough SCO channels.

Fourth, Chinese interest in developing local infrastructures, particularly, transportation infrastructures, has arisen dual feelings in the region. One the one hand, local governments see this as an opportunity to diversify their foreign relations. On the other hand, they are concerned about increasing their dependency on Beijing. Therefore they have not showed as much interest as it could be expected on these projects. Not to talk about Russian concerns on this process. This explains why some important projects, such as the Turkmenistan-China gas pipeline, was agreed at a bilateral level between China and Turkmenistan and between China and the transit countries, Uzbekistan and Kazakhstan, not in the SCO framework.

Fifth, Russia and the Central Asian Republics oppose Chinese aspirations to substitute CSTO by SCO as the main guarantor of regional stability. China attempts to develop the military dimension of the SCO, particular with regard to non-traditional threats, without involving the CSTO, however, CSTO members are not willing to reduce the role of this organization, since they consider it essential to assure the balance of power in the region and to avoid Chinese domination. Sixth, Central Asian countries could be unstable partners for China, since their essential interests are not linked to Beijing, and particularly so considering local wariness about Chinese presence in Central Asia and the precedents of sharp foreign policy turns in the recent history of the Central Asian republics.

THE ECONOMIC FACTOR

China is the main economic power in the SCO and is using its growing economic influence in Central Asia to increase also its political role. Trade is the spearhead for Chinese economic penetration in Central Asia. Between 1994 and 2006 the bilateral trade between China and Central Asia grew 30 times to reach 10.8 billion US dollars. This dramatic commercial dynamic has been particularly acute since year 2000, when Beijing launched its «Go West» policy. As a result, trade with China comprised 12.68 percent of Central Asia total foreign trade in 2008, while exchanges with Central Asia

Trade between China and the Central Asian Countries,
Central Asian Sources (2006)

Country	Value of the trade with China (m. US \$)	Share of their trade with China in their total trade (%)	Share of their trade with China in the total trade of China (%)
Kazakhstan	8,784	15.5	0.49
Kyrgyzstan	817	34.5	0.04
Tajikistan	757	10.7	0.02
Uzbekistan	125	5.71	0.05
Turkmenistan	313	1.37	0.007
Total	10,796	12.68	0.607

Source: Defense Academy of the United Kingdom.

only comprised 0.68 percent of China's total foreign trade for that year. These figures depict an asymmetric relationship, in which Central Asia is much more dependent of China than the other way around. This is particularly the case for those countries which share a border with China. It should be also underlined that the trade volume among the five Central Asian republics and China differs from one country to another. The key place among the Central Asian trading partners of China is confidently occupied by Kazakhstan, whose bilateral trade with China increased by 66 percent in 2007 to reach 13.8 billion US dollars.

Central Asia trade balance with China is negative for the region. In 2006 China exported goods to Central Asia for 7,738 million US dollars, 1.8 times more than the 4,320 million US dollars that imported. But important differences emerge between those countries rich in hydrocarbons (Kazakhstan, Uzbekistan, and Turkmenistan) and the rest. This tendency will deepen in the future, since the hydrocarbon producer countries will increase their sales to China probable to the point of achieving a positive trade balance with China.

With regard to the structure of the trade between Central Asia and China, in essence, China exports finished products to Central Asia and imports raw material from the region. In 2006 finished products (machinery and equipment, foodstuffs and consumer goods) made 92% of total Chinese exports to the region, whereas raw materials (hydrocarbons, ferrous and nonferrous metals, chemical raw materials, and textile raw material) comprised 90.2% of Chinese imports from Central Asia. This tendency is becoming more acute in the last years as it can be seen in the data on Sino- Kazakh trade. This situation is worrisome for the Central Asian economics in the long term, since puts pressure on the local industries and condemns the region to focus on low value-added activities. Most of the Chinese trade with Central Asia, over 80 percent, comes from Xinjiang into the region. The remoteness of Central Asia and Western China from sea communications complicates their access to the main world trade routes and

makes Central Asia an ideal vector for the external economic activity of the manufacturers of Western China. The Chinese leaders are encouraging this economic interaction and therefore they will probably keep growing in the future. In 2007 the State Council released a document on the social and economic development of Xinjiang, which emphasizes the aperture of Xinjiang towards Central Asia and identifies this Chinese region as a platform for processing manufactures to be exported into and through

Central Asia and as the destination of an energy corridor from Central Asia. To develop this strategy some investments are scheduled for the next 5 years, such as 280 million US dollars to improving land routes between China and Central Asia. China is not only an emergent trading partner for Central Asia, but also a prominent investor. For example, in 2005 China invested 1.8 billion US dollars in Kazakhstan, which received a total of 6.4 billion US dollars in foreign direct investment that year. Besides, China allocates soft loans to the Central Asian countries to develop their transport and communication infrastructures, their extractive sector, their hydropower capacity, and so on. It is necessary to note that those financial and economic resources are given on favorable terms with the condition of using Chinese techniques and equipment. Some projects financed under this scheme are the Hydrostation- 2 in Andijan, the Lolazor-Hulton electric line in Tajikistan, and the Moinak hydroelectric plant in Kazakhstan.

THE ENERGY FACTOR

Examining the interests of China in Central Asia, it is impossible to disregard the energy factor. China is the second bigger world consumer and importer of oil after the US. In 2006 the output and the consumption of oil in China reached 183.7 and 370 million tons respectively. The gap between Chinese oil production and consumption will keep increasing to reach a volume from 250 to 300 million tons per year between 2015 and 2020. Taking into account this scenario,

Share Of Kazakhstan's Oil Production By Companies

	KazMunaiGaz	CNPC	Shevron	Lucoil
Millions tons	15	10	5	0

Source: Expert Online.

Volume Of Oil Production In Kazakhstan Controlled By Cnpc In 2006

Producing company	CNPC share, %	Production, thousand tons	Production controlled by CNPC, thousand tons
CNPC-Aktobemunaigaz	60.3	5,704.9	3,440.1
«Petro Kazakhstan Kumkol Resources»	67	3,720.9	2,493
«Turgai petroleum»	33.5	3,380.2	1,132.4
«KazGerMunai»	33.5	2,874.8	963.1
«Buzacci Operating»	50	1,299.1	649.6
CNPC Ai-Dan Munai	100	451.2	451.2
«KuatAmlonMunai»	50	417.5	208.8
Total	CNPC share, %	17,848.6	9,338

Source: Expert Online.

China is diversifying its energy suppliers, its sources of energy, and its energy transportation routes to guarantee its energy security. This task is particularly pressing, since some of the main traditional providers of China are located in politically unstable regions such as the Middle East (50% of Chinese total oil imports) and most of Chinese oil imports pass through the Malacca Strait (around 80%). This figure entails a 123.5 percent increase from the previous year and turn Kazakhstan into the seventh biggest oil provider of China. The proved oil reserves of Kazakhstan rank eight in the world with 5.5 billion tons and its production prospects will reach 130 million tons per year in 2015 from 66 million tons in 2006. Therefore there is still a huge margin for increasing Kazakh oil exports to China in the medium term. In recent years China has substantially strengthened its position in the energy sector of Kazakhstan. Chinese National Petroleum Company (CNPC) controls 14.4% of the oil production in Kazakhstan (9.3 million tons). CNPC is the second most important oil company operating in Kazakhstan according to the size of its controlled oil production in this country. If the share of the CITIC Group in the Karazhanbasmunay is also considered, the oil production share controlled by Chinese companies in Kazakhstan increases to 10.5 million tons or 16.2 percent of Kazakhstani annual output. This mounting role of Chinese oil companies has raised concern among some Kazakhstani politicians, who have vented their fears in the parliament. However, until 2007 only a small portion of the oil exploited by Chinese companies in Kazakhstan was sold to the Chinese markets. Any- way, three factors signal that more and more Kazakhstani oil is going to be sold to China in the following years: descending supply obligations of CNPC to non-Chinese interests, the construction of new pipelines, and agreements sealed with Russian companies to send oil to China.

China also manifests interest in the gas reserves of Central Asia. In 2006 the proved natural gas reserves of Central Asia mounted to 7.7 trillion cubic meters (Kazakhstan, 3 trillion; Uzbekistan, 1.87 trillion; Turkmenistan, 2.86 trillion cubic meters). Although so far China satisfies its natural gas demand with its domestic production, in 2006 China obtained 58.6 billion cubic meters of natural gas and consumed 58 billion, Beijing is on the verge of becoming a net importer of natural gas. According to official Chinese estimations, China will import around 20 billion cubic meters of natural gas in 2010 and 90 billion in 2020. Significant expansion in Chinese natural gas consumption will be sustained by the state promoted increase in the share of natural gas in its domestic energy consumption structure. This is one of the measures proposed in the new energy policy of China, which aims to reduce the environmental impact of economic development. At the moment, natural gas only satisfies 3 percent of China's energy demand, but this share will increase to 10 percent by 2020. To satisfy this demand, mainly for Northern and Central China provinces, Beijing has signed some supply contracts with Central Asian countries (Kazakhstan and Turkmenistan, 30 billion cubic meters each beginning in 2009) and with Russia (30-40 billion cubic meters beginning in 2011). Anyway, it should be kept in mind that exploitation contracts granted to Chinese companies in Central Asia are marginal.

In August 2007 started the construction of a gas pipeline from Turkmenistan to China through the territory of Uzbekistan and Kazakhstan to convey those Central Asian natural gas imports into China. The 1.3 trillion cubic meters reserves of Bagtyyarylyk, on the right bank of the Amu Darya, will be resource base of the Turkmenistan-China gas pipeline. These resources will be exploited by a Sino-Turkmen joint

venture, being this the first case in Turkmenistan of a foreign operator allowed to exploit inland gas reserves. The building of this gas pipeline is not only in China's interest, but also in the interest of Central Asia countries. This new route for Central Asian gas exports will decrease local dependence on Russian transit routes and gives leverage to the Central Asian countries in their negotiations with Moscow on gas prices. In addition, Uzbekistan and Kazakhstan will obtain some benefits from the transit gas to China. With regard to Kazakhstan, Astana will also take advantage of the Kazakhstan-China gas pipeline to ensure gas supply to Southern Kazakhstan.

Despite of the above mentioned factors, the economic viability of these gas transportation routes linking Central Asia and China remains dubious. On the demand side, different international sources alert that official Chinese estimations on domestic gas consumption not only are wildly overstated, but also could be covered resorting exclusively to liquefied natural gas. On the supply side, serious doubts have been casted on Central Asian countries capacity to sell gas to China in the agreed quantities, since they have substantial previous supply agreements with Russia and there is no guarantee that they can increase their production capacity at the required pace. Not to talk about discrepancies on how to calculate the gas price that China want to tie with the lower coal prices.

TRANSIT POTENTIAL OF CENTRAL ASIA

Central Asia is important for Beijing not only because of its hydrocarbon resources, but also because, in the future, it can ensure land access into Iran, and further into Europe for China. Major railway lines will become the main channel of land communication throughout Central Asia. The Trans-Asian Railroad (TAR) is the most important of the railway lines under discussion. TAR would connect the Pacific Ocean Ports of China (Lianyungang, Qingdao, Tianjin) with Turkey. The total length of this transcontinental railway will be 10,500 km. In the Chinese territory the main stops of this route will be Lianyungang, Xian, Lanzhou, Urumchi, and Alashankou, where it will be connected to the Kazakh railroad network. From Kazakhstan the route will go through Uzbekistan, Turkmenistan, Iran, Turkey, and South Europe. The creation of this land route will allow China to increase the competitiveness of its products, due to the reduction its delivery time. The length of the China – Europe land route is almost 2 times shorter than the sea route (20,400 km). Goods exported through the railway line would arrive to Europe in 11-12 days. This sharp reduction in the delivery time vis-à-vis the sea route can compensate the higher delivery costs of the land route. Besides, the development of the TAR will allow China to reduce its dependence on Russian railway lines for goods transportation to Europe. In addition, the successful realization of this project will allow China to make substantial economic benefit from the transit of goods to Europe from Japan, Korea and Southeast Asia, since one-third of the TAR (4,131 km.) will pass through Chinese territory. TAR therefore would turn China into a major link in the land transportation between Asian and Europe. Additional argument for constructing the TAR is the stimulus it could provide for the integration of Western China into international communication networks and for the economic development of this region. TAR is not the only railway route that could be open to connect China with Central Asia and beyond. The China-Kirgizstan railway line would connect Kashgar with Andijan, crossing the Torugart Pass and Kirgizstan, opening more options for Chinese shippers.

Besides, railway lines, highways are being also constructed to link China with Central Asia, due to the comparative flexibility and speed of this way of transportation. In 2004 the Trans-China Highway was finished from Lianyungan port up to Khorgos, in the Sino-Kazakh border. In addition, the 260 km Kashgar-Irkeshtam highway has been constructed to connect Kashgar with the Andijan - Osh - Irkeshtam road. Despite the undeniable advantage of road and railway transportation, the full-scale realization of a railway and a road corridor linking China to Central Asia and the Western side of Eurasia is restrained by three factors. First, the scarcity and low quality of the existing roads and railway lines, plus the rough orography of the area, demand substantial investments for the materialization of the project. Second, besides infrastructural problems, administrative and bureaucratic barriers, such as different tariffs, different customs regulations, slow customs and boundary controls, also hinder this venture.

Finally, the geopolitical context must be also considered, since the land exit to Turkey and further into Europe is provided by Iran, where the political situation is extremely instable. To untapped the huge potential of transport and communication cooperation between China and Central Asia, Beijing should take a decisive role in the finance and construction of the required infrastructures, plus increasing its diplomatic activity to persuade the involved countries to harmonize their transport and customs policies and procedures.

CONCLUSION

China is competing for strategic dominance in Central Asia and is resorting mainly to its economic might and to soft power to fulfill this aim. Besides, Russian concerns on

Chinese growing influence in the regions, the Central Asia countries hold diverse attitudes towards this process, which they regard as both a risk and an opportunity. Kazakhstan is the Central Asian country which maintains the most intense relationship with China. Despite the smooth relationship between Astana and Beijing there are some concerns on the Kazakh side, such as the management of the Ili river, the flooding of Chinese products, the concentration of Chinese investment in the hydrocarbons sector, and Chinese immigration. The situation in Kirgizstan is quite similar, but for Chinese development cooperation, which is sincerely appreciated by Bishkek. Although Tajikistan also shares a border with China and the bilateral relationship is quickly taking off, this relationship is so far much less intense than those maintained between Astana and Bishkek with Beijing. Uzbekistan keeps the smoother political relationship of all Central Asian countries with China, since the climate of good political understanding between Tashkent and Beijing is not disturbed neither by economic nor by geostrategic issues. Like, Tajikistan, Turkmenistan also maintain a scarce relation with China, although Beijing and Ashgabat have signed gas deals which will assure the supply of 30 billion cubic meters of gas to China annually for a period of 30 years. Although Chinese interests in the Turkmen oil sector will impulse the bilateral relationship in the short term, the future of this relationship could be endangered if Ashgabat is not able to honor the substantial supply agreements that has signed with Russia and China. The SCO reflects these contradictions and behaves at the same time as an instrument for Chinese penetration into Central Asia and as a retraining mechanism of that penetration in favor of Russia and the autonomy of the Central Asian republics.

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Japan's Strategy towards Central Asia in Formation

NARGIS KASSENOVA

Associate Professor at the Department of Political Science and International Relations of the Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP).

In 2003, the prominent expert on Central Asia Tomohiko Uyama published a paper in which he analyzed Japan's policy toward Central Asia and came to the conclusion that it does not have a strategy. That was due to lack of major national interests in the region and the overall 'non-strategic' approach of Japanese foreign policy. However, in his view, no strategy (or grand strategy) is an advantage of Japan's approach to Central Asia for it allows to increase engagement in the region without contributing to the geopolitical competition or the 'Great Game', and be more sensitive to the needs of Central Asian countries.

Has there been a change since then? Japan got seriously engaged in the military and reconstruction effort in Afghanistan, a neighbor of Central Asia and introduced the 'Central Asia plus Japan' initiative ushering in a new multilateral approach. Japanese former Minister of Foreign Affairs (and current Prime Minister) Taro Aso announced a new pillar of Japan's foreign policy—the promotion of the universal values of democracy, human rights and the rule of law and building an Arc of Freedom and Prosperity on the outer rim of Eurasia, including the region of Central Asia. Japanese companies signed deals with Kazakhstan and Uzbekistan in the strategic nuclear energy sector. Do these developments signal the formation of a strategy implying specific goals and ways to achieve them?

Before the dissolution of the USSR, there were virtually no links between Japan and Central Asia. At the end of the WW2 about 600,000 Japanese prisoners of war were sent to work at construction sites and factories in Siberia and Central Asia.

Some of them died and were buried in Central Asia, others could return home. They left good memory behind—residents of Almaty and Tashkent know that many of the most beautiful landmark buildings in their cities were built by Japanese POWs.

There is also an imaginary historical link that influences the development of relations of Japan with Central Asian states – the legendary Silk Road that until the 15th century tied Europe with the Middle East, Central Asia and the Far East. Mentions of Central Asia evoke in the minds of the Japanese public the images of the Silk Road: camels, traders and treasures. Once former Soviet Asian republics became independent states, Japan moved in rather quickly. Unlike European states (except for Germany), Japan opened embassies in all five CA states: in Uzbekistan and Kazakhstan in 1993, in Tajikistan and Kyrgyzstan in 2002 and 2003, accordingly, and in Turkmenistan in 2005. Japan showed more interest in Central Asia than in other former Soviet states (apart from Russia, traditionally a very important neighbor). The special attention can be explained by the Asian identity of Japan.

Positioning itself as the leader in Asia and the locomotive of regional development, Japan saw Central Asian

states as a part of Asia in need of Japanese development assistance. The volume of grants and soft loans provided by Japan through the Japanese International Cooperation Agency and the Japanese Bank of International Cooperation is significant. By 2006 Japan's Official Development Aid (ODA) amounted to more than US\$2.5 billion, or about 30% of all the ODA by the member countries of the OECD Development Assistance Committee. By comparison, the EU development assistance to Central Asia stood at about US\$1.5 billion (1.3 billion euro).

Japan's ODA was spent mainly on projects helping the transition to a market economy, the building of socio-economic infrastructure, investments in healthcare and education, and protection of the environment. Japan contributed to the conflict-resolution during the civil war in Tajikistan (1992-1997) and provided assistance to the peace process afterwards. The Japanese government has been giving emergency aid for internally afflicted persons and refugees from Afghanistan, flood, mudslide and draught disasters on a regular basis. Some assistance is provided through the UN Trust for Human Security set up in 1999 through the initiative of Japan.

As a regional leader Japan could make a good start in Central Asia. Newly independent Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan were a part of Asia with no negative historical baggage regarding Japan's militarist past. It was not a problem for Central Asian governments to support Japan's bid for the permanent seat in the UN Security Council, one of the main goals of Japan's foreign policy. It might become so in the future, if there is significant growth of China's political influence in the region. In the eyes of Central Asians, Japan is an advanced Asian country, combining highest technologies with preserving culture and tradition, an example to follow. According to the results of the Asia Barometer Survey conducted in all five Central Asian states in 2005, 40% of respondents thought that Japan has a good or rather good influence on their country.

The importance of Central Asia for Japan arose from two features: the geostrategic location of the region in-between Russia, China and the Islamic world, and its rich energy resources. Central Asia is sandwiched between Russia and China, the two biggest and most important neighbors of Japan. Initially, Japanese policy makers were expecting that friendly governments in Central Asia would put some pressure on Russia in the question of Northern territories (the territorial dispute over the four islands that impedes the signing of the peace treaty between Japan and Russia). However, soon they realized that it was unrealistic to expect weak Central Asian states do that to their closest ally and patron. The rise of China over the last couple of decades threw down a challenge to Japan. Chinese economy has been rapidly growing and so has its influence in Asia and the world. Japan and China are competing for a bigger

role as regional leaders in South-East Asia and South Asia. Tokyo is attentively watching the increasing engagement of China in Central Asia, the growing trade, and economic and political cooperation arrangements. Of special concern for Japanese policy makers is the Shanghai Cooperation Organization (SCO), a regional security and economic cooperation organization, which includes four Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan), China and Russia.

The SCO is seen as an organization that largely promotes China's interests in Central Asia. Some experts express their fear that it might turn into a military-political alliance next door to Japan. At present, Japanese policy makers and experts are considering a proper policy with regard to this organization. This issue was discussed, for example, at "*The Prospects of Central Asia-East Asia Cooperation*" forum that gathered policy makers and experts in Tokyo in February 2008.

Akihiro Iwashita from Hokkaido University is promoting the idea of Japan becoming a dialogue partner of the SCO. He argues that it will be beneficial both for Japan and SCO member-states. For the SCO that would mean more prestige, the diminishment of the 'balancing' (anti-Western) dynamic, and constructive regional cooperation with global support. For Japan such an arrangement would bring prestige and new mechanisms to interact with Central Asian states, China and Russia. It would also help Japan to redefine and develop its role in its security relations with the United States. In 2004, Japan launched its own regional cooperation initiative—'Central Asia plus Japan'—dialogue that includes all five Central Asian states. In 2006, Afghanistan was invited to participate as a guest. It can be speculated that it is not only a mechanism to promote regional integration but also an attempt to counterbalance to some extent the growing role of China in the region through the creation of an alternative to the SCO regional cooperation arrangement. Japan is a major importer of energy resources: oil, gas and uranium. In the 1990s, Japanese energy companies were attracted by the promise of the Caspian oil and gas resources and got involved in projects in Kazakhstan and Azerbaijan. The INPEX company became member of the international consortium developing the Kashagan oil field in the Caspian offshore, and its share in the project is 8.33%. Kashagan is the largest oil field outside the Middle East, estimated to hold between 9 and 13 billion barrels. Due to a significant distance between Japan and the region, it is very difficult for Japan to benefit from Central Asian oil and gas directly. INPEX together with JNOC (Japanese National Oil Corporation) explored the possibility of exporting Caspian oil via Iran, but this transportation option proved problematic due to the political constraints.

In 1998, Mitsubishi together with CNPC (Chinese National Petroleum Corporation) and Exxon made a preliminary feasibility study of a possible gas pipeline Turkmenistan-Kazakhstan-China-Japan. The construction of the Turkmenistan-Uzbekistan-Kazakhstan-Western China pipeline started in 2008. It is not clear whether Japan can eventually receive Central Asian gas. While it is difficult for Japan to benefit from Central Asian hydrocarbons directly, it is interested in getting them to the global market. Itochu Corporation is a member of the consortium that built the Baku-Tbilisi-Ceyhan oil pipeline that started transporting Azerbaijani oil to the Turkish port of Ceyhan in 2006. Kazakhstan is transporting some of its oil via this pipeline and is planning to increase the volume once the Kashagan field gets online. Itochu and INPEX joined the international Central Asian gas pipeline consortium that had plans to join Turkmen gas fields through Afghanistan with Pakistan and India. The project received support of the Japanese government, but is on hold due to the security situation in Afghanistan.

Central Asian uranium interests Japan even more than oil and gas. In August 2006, Prime Minister Junichiro Koizumi visited Kazakhstan and Uzbekistan. In Kazakhstan he signed and in Uzbekistan he negotiated cooperation agreements in the uranium development sector. In 2007-2008, a number of agreements were signed between Japanese companies Marubeni, Mitsui, Sumitomo, Toshiba and Sijitz and Central Asian counterparts.

Kazakhstan is of particular importance since it holds about 19% of the world uranium reserves. Japan is one of the main producers of nuclear energy and plans to cover up to 40 percent of its uranium needs with imports from Kazakhstan. Recently Kazakhstan has been showing considerable interest in developing a more comprehensive cooperation with Japan. It sees Japan as a valuable source of technologies and investments that can help it diversify the economy. If Japan-Kazakhstan cooperation in the nuclear energy field goes well, Japan can acquire a hard-core interest in the region (that has been missing so far) and that can become an important anchor for Japan's policy in the region. As this overview shows Japan has been consistently making effort to enhance ties with the newly independent states of Central Asia. Various factors and developments influenced Japan's policies in the region. Japanese decision-makers had to consider various opportunities, challenges and constraints. To make the engagement more effective, they tried to come with a specific approach to Central Asia.

DEVELOPING AN APPROACH TO CENTRAL ASIA

Over the last two decades, Japanese policy makers made several attempts to develop a strategy toward the region of Central Asia. The first formulation was made by Prime Minister Ryutaro Hashimoto, who pioneered the 'Silk Road diplomacy' as part of the new 'Eurasia diplomacy'. In 2004, Japanese government launched the 'Central Asia plus Japan' dialogue initiative marking the new multilateral approach to the region. In 2006, it was followed in by Taro Aso's initiatives of the creation of the Corridor of Peace and Stability in Central Asia as part of the Arc of Freedom and Prosperity stretching from East Asia to the Baltic states.

Ryutaro Hashimoto's 'Eurasian diplomacy'

In June 1997, Keizo Obuchi, a leading member of the Japanese Diet, headed the Mission for Dialogue with Russia and Central Asia. The Obuchi mission consisted of Diet members, businessmen and scholars. The goal was to achieve a breakthrough in relations with Russia and develop a new diplomacy toward Central Asia as the heartland of changing Eurasia. As was stated by one of the Obuchi mission members Dr. Yutaka Akino, "while developing Silk Road diplomacy toward Central Asia as the new heartland, Japan should try to achieve a breakthrough in relations with Russia in the game of the new international system in Eurasia, by the U.S., China, India and the EU" (Yuasa, 2007).

The mission made the final report with a number of recommendations. With regard to Russia, it was proposed to hold a summit meeting between Japanese Prime Minister Hashimoto and Russia President Yeltsin and support Russia's entry into the Asia-Pacific Cooperation (APEC). As for Central Asia, it was suggested to continue economic support, encourage an exchange of high-level visits, establish a parliament member assembly with Central Asian counterparts, and create a direct airline between Tokyo and Tashkent in 2003.

In July 1997 Prime Minister Ryutaro Hashimoto made an address to the Japan Association of Corporate Executives in which he formulated the new 'Eurasian diplomacy' of Japan. He started his speech with the analysis of the state of the world stating that in the post-Cold War world Japan

was to acquire new dynamism and forge a perspective on Eurasia viewed from the Pacific Ocean rather than the Atlantic. Hashimoto noted "the slow but certain birth of a new Russia" and the challenges of transition facing China and said that the developments in these two great powers held the key to the formation of an international order.

Central Asia or the 'Silk Road' region was noted for its strategic location and therefore importance for peace and prosperity of its neighbors, Russia and China, who are also neighbors of Japan; energy reserves and possibility of being a bridge connecting Europe with Asia. Since Central Asian states had "great expectations of Japan as an Asian country", and at the same time, Japan had "deep-rooted nostalgia for this region stemming from the glory of days of the Silk Road", Japanese assistance for their nation-building efforts could be very positive and constructive both for these countries and for peace and prosperity of Russia, China and the Islamic states.

Hashimoto announced that Japan's foreign policy towards the region would be channeled into three directions: 1) political dialogue to enhance trust and mutual understanding; 2) economic cooperation as well as cooperation for natural resource development aiming to foster prosperity; 3) cooperation to build peace through nuclear non-proliferation, democratization and the fostering of stability.

Hashimoto stated that Japan's foreign policy toward Central Asia (or the Silk Road region) would be crafted as an organic component of the broad scheme of relations with Eurasia, first of all Russia and China. Japan was considering major changes in the Eurasian space and wanted to adjust its policies by developing new approaches to the main components of this space. Tokyo signaled that while maintaining the U.S.-Japan security alliance as the cornerstone of Japanese foreign policy, it is ready to broaden its horizons and take more initiative with regard to its close and distant neighborhood. Importantly, Hashimoto pointed out that it was necessary to avoid confrontation in Eurasia. That could be helped by creative thinking and examining wide possibilities for cooperation. The statement reflects Japan's inclination for developing cooperative frameworks.

Hashimoto's "Eurasian Diplomacy" was ambitious and optimistic. It is not surprising that it was hard to live up to. There was very little, if any, progress in negotiations with Russia regarding the Northern Territories issue. Japan's policy toward Central Asia, while developing, did not become "an organic component of the broad scheme of relations with Eurasia."

THE 2004 LAUNCH OF CENTRAL ASIA PLUS JAPAN DIALOGUE

A new set of factors contributed to changes in Japan's policy in the region. The 9/11 terrorist attack led to the beginning of the military campaign in Afghanistan. Japan has participated in the military effort by keeping a deployment in the Indian Ocean, and made a major commitment to the reconstruction of the country. By doing it, it showed solidarity with its key ally, the United States. The U.S. started building infrastructure and promoting cooperation between Afghanistan and Central Asia in a scheme that is usually referred to as Greater Central Asia Partnership, and so did Japan. It can be speculated that the creation of the SCO in 2001 also gave some food for thought to Japanese policy makers. The SCO was becoming an economic cooperation organization led by China, the key competitor of Japan in Asia. Whatever the motivation, Japanese policy makers started considering regional cooperation and integration schemes for Central Asia. In spring 2004, the Japan-Central Asia symposium took place, at which Tetsuji Tanaka, advisor to Kyrgyz

President Askar Akayev, aired an idea of a Central Asia plus Japan regional economic integration forum, with possible observers – South Korea and Turkey.

Already in summer 2004, during Foreign Minister Yuriko Kawaguchi's visit to four Central Asian states, the 'Central Asia plus Japan' dialogue was initiated. On top of the traditional goal of enhancing the bilateral relations, the new policy added the focus on "engaging in dialogue and building cooperation with Central Asia as a whole". At the meeting that was held in Astana, it was confirmed that in order for the Central Asian countries to work together in unity and develop further in the future, it was vital to promote intra-regional cooperation to face such regional challenges as illegal drugs, terrorism, environment, energy, water, transportation, trade, and investment. Japan expressed the intention to support such efforts. The first senior official-level meeting under the Central Asia plus Japan dialogue framework was held in March 2005. It defined five pillars: (1) political dialogue, (2) intra-regional cooperation, (3) business promotion, (4) intellectual dialogue and (5) cultural and people-to-people exchange (including tourism).

At the Second Foreign Ministers' Meeting held in Tokyo in June 2006, under the chairmanship of Japanese Foreign Minister Tarō Aso, the Action Plan for the Central Asia plus Japan Dialogue was adopted. The participants agreed to promote cooperation centering on the five areas of: (1) political dialogue, (2) intra-regional cooperation, (3) business promotion, (4) intellectual dialogue, and (5) cultural and human exchanges (including tourism), as its pillars. The intra-regional cooperation section included 9 fields: terrorism and narcotics, clearance of anti-personnel mines, poverty alleviation, health and medical care, environment, energy/water, trade and investment, and transport. It was agreed that Japanese ODA would be used for a variety of measures to promote intra-regional cooperation.

Apart from Central Asian and Japanese officials, for the first time the meeting was attended by a representative of Afghanistan. In the Action Plan Japan expressed readiness to examine the possibility of assisting Tajikistan and Afghanistan in improving their border-control facilities and also help with building transport routes from Central Asia to South Asia through Afghanistan for the development and prosperity of this landlocked region. This arrangement follows the blueprint of the Greater Central Asia Partnership promoted by the American policy makers.

During her visit to the region Kawaguchi stressed that Japan had no selfish objectives toward Central Asia. That is the feature of Japan's regional cooperation project that was to appeal to Central Asian states engaged in a difficult geopolitical balancing act with the great powers (Russia, China and the U.S.). Central Asian states were very positive toward the initiative for they saw Japan as a valuable source of assistance, however, it is clear that they did not see the Central Asia plus Japan arrangement as an alternative to Russia and China-run regional integration and cooperation projects (Eurasian Economic Community and Shanghai Cooperation Organization).

Japan's new emphasis on multilateralism with regard to Central Asia can be considered as part of the general trend to use more multilateral approaches in Japan's foreign policy. Takeshi Yuasa sees it as the emerging approach to the region that responds to the trends of the time – better conditions for cooperation and respect for diversity. However, it is important to keep in mind that Japan's multilateralism differs from that practiced in Europe – Takashi Inoguchi defines it as a "bilaterally networked multilateralism", that is "a set of bilateral networks and joint works enveloped in a multilateral space" (Inoguchi, 2007, pp.58-59). This might save Japan from the frustration felt by European promoters of regional integration in Central Asia.

CENTRAL ASIA AS A CORRIDOR OF PEACE AND STABILITY AND PART OF THE ARC OF FREEDOM AND PROSPERITY

On June 1, 2006, on the eve of the second meeting of Foreign Ministers of the 'Central Asia plus Japan' dialogue, Japanese Foreign Minister Taro Aso gave a speech 'Central Asia as a Corridor of Peace and Stability', which added another element to Japan's policy toward the region. He reiterated the emphasis on regional cooperation, but also spoke about the importance of promotion of universal values of democracy, human rights and the rule of law. Aso characterized the region of Central Asia as "home to an intricate web of concerns and interests from various sources of influence" and pointed to the existence of multiple overlapping regional organizations, such as the SCO. However, in his opinion, it is important that Central Asian states should not be "tossed about by, or forced to submit to the interests of outside countries as a result of a 'New Great Game'", they should be "in the driving seat". It is clear that the comment primarily implied two big neighbors of Central Asia—China and Russia.

Aso pointed out that Japan is seeking a more proactive role in Central Asia and defined three guidelines for engagement: 1) approach the region from a broader perspective; 2) support for open regional cooperation; and 3) seeking partnership rooted in holding universal values in common. The "broader perspective" means the inclusion of Afghanistan in the thinking about the region and developing a "southern corridor" from Central Asia to Afghanistan and the seas of South Asia. The "support for open regional cooperation" reveals the intention to help the region resist domination by big neighboring powers. The third guideline, as already mentioned, reflects the new tentative pillar of Japan's foreign policy, promotion of the "universal values" of democracy, human rights and the rule of law. On November 30, 2006, Taro Aso gave a speech at the Japan Institute of International Affairs dwelling on two topics: "value-oriented diplomacy" standing for more emphasis on the "universal values" such as democracy, freedom, human rights, the rule of law, and the market economy; and the role it can play in building the Arc of Freedom and Prosperity on the outer rim of Eurasia (stretching from Northeast Asia to Central Asia and the Caucasus, Turkey, Central and Eastern Europe and the Baltic states).

According to Aso, the "value-oriented diplomacy" would show the world that Japan has come of age, that Japanese people should let go the way of thinking that make them squirm when they see their reflection in the mirror. It means that Japan has shed its military past and can finally feel at ease as a successful democratic country worthy of respect. Aso compares democracy to a "never-ending marathon" with the beginning ("the first five kilometers") being the most difficult part, and states that Japan could serve as an "escort runner" to support the countries that have just started into this marathon. In assisting these countries as they take these steps forward, Japan would "aim to usher in a world order that is tranquil and peaceful". Japan would develop contacts with the Community of Democratic Choice (Ukraine, Georgia, Lithuania and Romania) and GUAM (Georgia, Ukraine, Azerbaijan and Moldova), and help Central Asian states with the "fundamental groundwork in nation-building", first of all the formulation of the legal and judicial systems.

Interestingly, Aso justifies the choice of Eurasia for applying the value-oriented diplomacy by pointing out that Japan is looking to strengthen its cooperation both with the EU and NATO. Thus, the EU is seen as a natural ally and Eurasia is framed as an area of joint responsibility. The views from the Pacific and from the Atlantic are closer than ever. Japan would also bond with "friendly nations that share the common views and interests", such as Australia and India, and work with them towards the expansion of this

"arc of freedom and stability". Japan's efforts to advance relations with India are generally seen as motivated by the rivalry with China for leadership in Asia. The appearance of "value-oriented diplomacy" can also be seen as an indication of Japan's search for a new role in Asia, a response to changing geopolitical environment. Japan needs allies and a sense of purpose that would give it the self-respect and prestige that it seeks.

POSSIBILITIES FOR PARTNERSHIP BETWEEN JAPAN AND THE EU IN CENTRAL ASIA

It is clear that over the past decade Japanese policy makers have been trying to come up with an approach to Central Asia that would go beyond the general developmental agenda and take into account the geopolitical context and contest in the region, an approach that would classify as a strategy. The lack of clear interests made this task difficult. Nevertheless, the consistency of effort shows that Japan is not ready to give up but rather wants to play an increasingly proactive role.

It is also clear that it will be extremely difficult, if not impossible, for Japan to make a difference in the region on its own. It is too remote, while other powers are next door to Central Asian countries. Since 9/11 it has aligned its policies with the U.S., its key security ally. It supported cooperation between Central Asia and Afghanistan and contributed to building transport infrastructure that would help communication between them. However, as is reflected in Aso's speech on the Arc of Freedom and Prosperity, Japanese policy makers see the EU as natural partner for making the outer rim of Eurasia, including Central Asia, free and prosperous through the promotion of a set of values characteristic for the 'political West' that Japan is part of. Therefore, it would not be too far-fetched and unrealistic to consider the possibility of a partnership between Japan and the EU of Central Asia. Both are intent on increasing their engagement in the region. Albeit with variations in approaches and accents, both have democratization, the promotion of the rule of law and human rights, market reforms, and intra-regional cooperation on their agenda. Very importantly, both actors prefer multilateral and cooperative frameworks. They do not want to antagonize the neighbors of Central Asian states, Russia and China, since the latter are very important neighbors for Japan and the EU as well.

The non-antagonistic approach can be the most productive in Central Asia. It would help to avoid unnecessary competition and maybe be conducive to joint efforts by great powers to develop the region. For Central Asian states both Japan and the EU are very attractive partners. They are highly developed, rich, and ready to provide assistance in a "non-selfish" way. They take sustainable development seriously and are highly responsible stakeholders in international politics. The EU and Japan can also counterbalance the increasing influence of China and growing assertiveness of Russia. In short, they can be valuable sources of modernization and political support. It is worth noting that since 2005 the EU and Japan have been holding regular Strategic Dialogues on Central Asia. European countries and Japan cooperate in the framework of multilateral donors and donor coordination arrangements. Japan is an OSCE Partner for Co-operation in Asia with a special status due to its contribution to European security. Thus, there is already a base to build a stronger partnership for Central Asia on.

DEVELOPING COOPERATIVE FRAMEWORKS WITH RUSSIA AND CHINA

Russia and Japan do not see each other as competitors in Central Asia. Although at the beginning, Japanese policy

makers were hoping that friendly Central Asian states could influence Russia with regard to the territorial issue, they very soon gave up on the idea. Since then Japan-Russia and Japan-Central Asia relations have been developing rather autonomously, and Ryutaro Hashimoto's Eurasian diplomacy did not introduce major change into that.

Japanese experts see a great potential for Japan-Russia cooperation. Russia has the natural resources Japanese industries need, and Japan has financial resources and technologies that Russia needs to diversify its economy and develop. Experts predict growing tensions between Russia and China due to the changing balance of power between the two, and believe that Russia and Japan could become partners in Asian geopolitics. The major expert on Japan-Russia relations Shigeki Hakamada considers that the time has come for Russia to see its own interest clearly and re-open (or re-discover) Japan. If Japan increases its engagement in Central Asia, it can raise some suspicions in Russia (after all, Japan is a close ally of the United States). However, with time Russia and Japan can grow closer and that might lead to mutually beneficial cooperation in Central Asia. China has become a serious competitor of Japan in their quest for leadership in Asia. Central Asia might not be the most important 'battlefield' but it has significance for both countries. For China Central Asia is a neighboring region and its strategic rear, a source of natural resources and additional markets. The interests of Japan in the region are less vital, but also important. Central Asia is a source of energy reserves and a friendly and free of historical grudges part of Asia. The more Central Asia falls under the influence of China, the less space will be left for Japan's leadership. It is important to note that Japan and China have joint interest in the energy sphere. As already mentioned, Japanese and Chinese companies have been working on projects that would bring Central Asian oil and gas to East Asia. However, Japan also supports energy transport routes to the West (as shown by the participation of the Japanese company Itochu in the Baku-Tbilisi-Ceyhan pipeline consortium).

CONCLUSIONS

Since the establishment of diplomatic relations with Central Asian states in early 1990s, Japan has been trying to develop an effective approach to the region. It made a serious commitment as a development assistance provider

and was able to establish very good relations with Central Asian states. However, Japanese policy makers found it very challenging to shape a policy toward Central Asia that would be a component of a general Eurasian strategy or Eurasian diplomacy. Lack of vital or very important interests and lack of clarity in terms of strategies with regard to major Eurasian powers—Russia and China—are major reasons behind this "failure". On the other hand, the consistency of effort to formulate such a policy shows that it can eventually emerge. A number of factors and developments stimulate the formation of a more strategic approach of Japan to Central Asia. Firstly, Japan is actively searching for a new role in Asian and global politics. It is adapting, but also trying to shape the ongoing geopolitical shifts triggered by the rise of China, transformations in Russia, changing security arrangements in Eurasia, to name a few. Central Asia can become an important component of Japan's reconfigured foreign policy doctrine.

It would be extremely difficult for Japan to achieve significant results without a partner or partners in Central Asia. The EU can become such a partner. Japan and the EU share the values of democracy, human rights and the rule of law, they are the major promoters of sustainable development, they have proclivity for multilateralism, and they already have an institutional base for such a partnership in Central Asia on the basis of bilateral relations and in the framework of the OSCE.

Both Japan and the EU try to have good relations with Russia and China and assume responsibility for peace and security in the Eurasian space. Therefore, it is possible to conceive that they will be able to create cooperative frameworks with Russia and China in Central Asia, which would greatly benefit the rest of Eurasia. For Central Asia that would be the best-case scenario. Central Asian states have always welcomed more engagement by Japan. Central Asian economies can benefit from Japanese investments and technologies. The governments appreciate its generous assistance and "softer touch" with regard to political and economic reforms. It is worth nothing that, although the touch is soft, Japan strongly holds the values of democracy, human rights and the rule of law, and will be transmitting them. Overall, Japan and the EU, especially if they combine their efforts, can become the major sources of modernization in Central Asia.

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The Crisis of the International Law in the Context of Ethnic Conflicts and Weakening Uni-polar World of Today

VICTORIA KONDAUROVA

Master of International Relations (KIMEP), Analyst of the International Institute for Modern Politics (IIMP), Almaty, Kazakhstan

Conflicts have always existed in our history, however in conditions of modernization, globalization, and increasing importance of human social and political identification, and human rights it becomes difficult for states (as, in Kenneth Waltz theory, main units of international relations)¹ to “rule” the world and human minds.

The international organizations were created to support and follow the international norms of right and “power”, which has become a very relative and controversial concept of today. Even the realists would hardly define such type of power that we now have in international relations (IR), a power, which controls, but never liberates and rule. Never in mind had we a world, where the realist positions are achieved with the help of the liberal values.

In this article I would not speak only about the collapse of political system of the Cold War, but also about “weak positions” of the world order that has been created relatively recently (after the WWII). The acts and norms of international law and the power and effectiveness of the United Nations today are at big question!

For about last 70 years international law cannot guarantee the security of state formations and their territorial integrity to the extent it was created for. The years of realism and the Cold War have passed quickly. New actors of international relations such as mass media, international organizations, non-governmental organizations and separate political figures, big economic corporations, and social movements took their place. This point of view is also reflected in the book of two famous neo-liberals Robert Keohane and Joseph Nye “Power and Interdependence”.² While it is still difficult to imagine any conflict or global economic strategy without the U.S. contribution to it, it is important that even superpowers today are not able to control to the full extent the influence of these new international relations’ actors. In these conditions the type of conflict in today’s world has changed as well. We do not have a new world order yet, however we have all the conditions for it to be uncovered.

CONFLICTS OF THE FUTURE

Today we can observe the disintegration of the world system. After the ideological blocs of democracy and communism, which controlled the world for a half of the 20th century, have felt apart, the new political order based on the “international security” concept of the UN is now loosing its authority as well. The justifications of this fact can be found in the impossibility of the new conflicts’ resolution—**ethnic conflicts** of the 20th-21st centuries.

This type of conflicts has always been one of the most difficult to resolve because the background they involved were often connected to the special social, ethnic, economic, political and other conditions. In many cases it is not so easy to understand the motivations of the parts involved in the conflict. While in the 18th and 19th centuries the diplomacy was only about power and the division of territories was a usual thing, nowadays the demarcation and delimitation of one’s state territory is practically very rare, if not impossible. Moreover, the ethnic conflict is a unique type of conflict because the division of the territory would not often solve all the problems for the conflicting parts. The most outstanding in this context would be the Israeli-Palestinian conflict, which has in its goals from the Palestinian side (its terrorist groupings) the complete destruction of the state of Israel, and the conflicts between the peoples of Caucasus, where the goal of the states’ sovereignty establishment transformed, together with the islamization of the region, into the war against not only Russian control, but also against Muslims of “traditional beliefs”, for establishment of Islamic State on the territory of Caucasus.¹

The refugees’ settlement problem, political implications, possible economic default, and what is more important, the continuing ethnic confrontations, which cannot usually be stopped by peacekeeping missions, are only part of difficulties faced. It is also important to notice that the Mass Media influence is very powerful today and the views it creates have thousands of ways to be interpreted around the world...

¹ Kenneth N. Waltz, *Theory of International Politics*, McGraw-Hill Humanities, New York, 1979

² R.O.Keohane and J.S.Nye, *Power and Interdependence*, Longman Publishing Group, New York, 2000

¹ Сергей Маркедоннов (Sergey Markedonov), “Российская политика на Северном Кавказе: системный кризис и пути его преодоления”(“Russian policy on the North Caucasus: system crisis and the ways of its overcoming”), *Central Asia and the Caucasus* magazine, CA&CC Press, Sweden, 2(44), 2006, p.40

INTERNATIONAL LAW CRISIS

These "hearths of insecurity" (ethnic conflicts) now exist in different countries with different ethnic identities and socio-economic and political potential. Moreover, in conditions of today's undermined status of the international law and the states that contribute to war in some regions, these conflicts will become impossible to deescalate. When speaking about the undermined international law, I mean the latest events in South Ossetia and the process of reaction of different countries on it. In particular, the interpretation of the conflict as an aggression from the Russian side, supporting the Georgian position on Georgian territorial integrity with the people, whom the Georgians undertake a genocide (or so the mass killings of the people in South Ossetia by Georgians are called today) against. It is necessary to notice here also that the independence of Kosovo in February 2008 was supported by the Western countries (the U.S., Britain, Italy, Germany, France, and some more), while in Georgia, they support the concept of "territorial integrity". The conflicts, as the special representative of the EU in the South Caucasus Peter Semneby stated, are principally different and one cannot draw parallels between Kosovo and South Ossetia and Abkhazia.¹ However, what is the same about them, I would say, is the position of the West directed against Russia. The West now is trying to denominate Russia in the world economics and politics. Economically strong with high political authority Russia is never a good thing for the West. The political leverage through NATO is, however, half successful. Baltic states, Poland and the USA obviously share the position of isolation for Russia. This isolation following the comments of the position holders is to be implemented not only in the sphere of NATO cooperation with Russia, but also through the European Union in economic direction. The most outstanding in the first days after the conflict was the idea of excluding Russia from the G8. This however has already been reconsidered by some countries of EU. Even Britain, which considerably insisted on this mere against Russia, realized that the key aspects of cooperation on the world economic and political arena are too important to make them suffer in crisis. These spheres include, for instance, international security strategies, business with Russian companies all around the world (particularly in the U.S.), and many more. Now realizing these factors and having no concrete justification of Russian aggression, Europe and the United States despite all the threats and political leverage cannot isolate or "punish" Russia for its peacekeeping mission in Georgia.

Moreover, now the process of collecting justifications on Georgian aggression is in its active stage and Russia possibly very soon will present the European community and USA the official proof of the Georgian rude violation of the international law.

The analysis of the situation in South Ossetia given by the Ambassador Extraordinary Plenipotentiary and Vice-President of the Russian International Law Association Oleg Khlestov looks more real than the estimation described by the United States. He suggests that the consideration and estimation of the armed conflict should come from and be based on the international law norms where the rules of states' behavior are clearly written.² As Mr Khlestov notified, the involvement of Russian peacekeepers is stipulated by the UN Charter.

¹ «Не надо проводить параллели между конфликтами» ("Do not draw parallels between the conflicts"), The Kommersant Newspaper, 13.02.08, <http://www.kommersant.ru/doc.aspx?DocsID=852143&ThemesID=381>

² «Международное право на стороне России» ("International Law is on the Russian side"), The Independent Newspaper, 20.08.2008, http://www.ng.ru/politics/2008-08-20/3_kartblansh.html

According to the Dagomys Agreement (or Sochi agreement of 1992), the contingent of Russian, Georgian and Ossetian peacekeepers has been established on the territory of South Ossetia to prevent the escalation of the conflict.¹

This is just the most outstanding example of the weakening international law and its violation. There are some others, such as US' invasion of Iraq. The world community that time in 2003 split on the view of this American "aggression". However, the U.S. troops are still there holding the country in the arms of the American "oil appetites".

The system of the international law is undermined. The people that created it do not advocate it any more.

This picture will obviously have its implications on the world order.

A NEW WORLD ORDER (THE RESULT OF TWO TENDENCIES)

The two tendencies of the international law crisis and the ethnic conflict activation during the second half of the 20th and the beginning of the 21st centuries are giving way to the new international order that is to become multi-polar world with the two major states of Russia and China. The USA-led world constructed with and based on the support of the powerful international organizations such as NATO and UN, is now destroying itself from within. There is a tendency not only of Russia and China becoming world economics and political powers, but also of a multi-polar world's self-construction the examples of which now are Kosovo, South Ossetia and Abkhazia and in the near future might be Tibet, and finally Palestine! We are only to hope that Chechnya, Nagorno-Karabakh and other ethnic groups of the Caucasus would not lead their people to independence in such a bloody way.

The authority of the United States was undermined in Iraq in 2003, the authority of the EU and the USA was undermined in Kosovo, it was also the case in South Ossetia this year. The mass media war between the Western "allies" of Georgia from one side and the people, who desperately needed to uncover the "real deal" of this war from the other, has been a clear picture just the days after the conflict. What we see as a result of it, is that the most important actors of the international relations—Russia and the USA (excluding China, but not decreasing its international strength) are now confronting each other and heating the world for the different types of conflict escalations. In this process, however, America has the leading and initiative role.

Together with this, China increases its economic power in the world economy. It has concluded energy projects with Central Asian countries, deals with big Russian companies, acts as a security guarant in the region in the frames of international regional organizations. It has very well demonstrated its internal security during the Olympic Games in Beijing. All these factors are key conditions for China to become a real superpower in the next 10 years, as many experts predict.

South Ossetia and Abkhazia are to insist on their sovereignty. Russia would not, in my opinion, be the last and only country that recognized these states. One should not forget about the Middle East and some Latin American countries (Venezuela and Cuba) that have supported the Russian resolution of the conflict. There is, however, a great probability of other conflicts' revival in the Caucasus, such as Nagorno-Karabakh. But the possibility of the III World

¹ Official United Nations website, <http://www.unomig.org/media/headlines/?id=6611&y=2006&m=8&d=9>

War is a low one, because the people today have too much to lose in this war. A fragile and sensitive system of world economic relations and interdependence is a major factor that would not allow realist appetites of the leading politicians transform in such total conflict.

Along with the Western crisis of democratic values and international law and the Chinese rising, the increasing economic and security ambitions of Central Asian states in the frames of integration organizations, the most active of which are the Eurasian Economic Community (EurAsEC) and Shanghai Organization for Cooperation (SCO), as well as probable reorientation of the oil and gas transportation networks to China and the countries of South and East Asia, reflect rising importance of the Eurasian continent. Thus, the active part of the world will move from West to East. Now the center of the Earth, in Mackinder's theory "heartland", becomes not only strategically important, but active and authoritative as well.

CONCLUSION

The conflicting notions of modernization and globalization with traditional values of the states, a complex structure of the ethnic composition, and the increasing power of one day minor components of international life, nowadays make politicians, sociologists, and economists take them into account. This creates a structure of IR in which the ethnic conflicts became one of the most complex realities. Due to these conditions and the conditions of a uni-polar world, the

international organizations, such as the UN with the leading states in it, can no longer adequately and objectively define and resolve these conflicts. However, it needs to be noticed that without its humanitarian and peacekeeping initiatives, as well as different programs on Millennium Goals' realization all around the world, the situation would probably get worse. But the fact is that the uni-polar world is now realizes not only its economic prerogatives, but also political ones. Moreover, it realizes them in the harshest way—war. As the president of Kazakhstan Nursultan Nazarbayev said recently on the First Forum on security and cooperation problems in the Central-Asian-Caspian region in Almaty, "the states in their contradictions with other countries now more often use force and radical rhetoric, which strengthens mutual distrust and tension."¹

Thus, today we can see the weak positions of the international law, as well as the state, as the main unit of the international relations (Waltz' definition). However, this weakness now is not enough to destroy the "state system" of IR completely. But what we can observe is that the things are going to change if not in the system of IR then certainly in the world order from the USA-Europe format to the Russia-China one with the intensified attempts of the minor not-yet-recognized states on their self-identification. This, of course, will affect the whole world. For the states of Central Asia, in particular, the perspectives of the Shanghai Organization for Cooperation (SCO) interaction become more attractive in this context.

¹ Speech of the President of the Republic of Kazakhstan N.A. Nazarbaev on the III Meeting of the Ministries of International Affairs on the Conference on Interaction and Measures of Trust in Asia, 25.08.2008, Almaty; http://www.akorda.kz/www/www_akorda_kz.nsf/sections?OpenForm&id_doc=3D3500F3465F5735062574B000679BC7&lang=ru&L1=L2&L2=L2-16