

CONTENTS



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

Quarterly since 2003

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

Deputy Editor-in-Chief
Marian ABISHEVA

Responsible for publication:
U. Nysanbek
Design & Layout:
G. Khatkuliya, A. Sadvakassov

Translation by TANDEM Ltd.

Address:
87-b Dostyk Ave.
Almaty 050010, Republic of 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

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

Any of these articles should not be
reproduced without reference to the
magazine.
The opinion of the editorial board may not
coincide with that of the authors
of articles.

Printhouse of the
PA "School of XXI century"
Address: 23 Brusilovsky St., apt. 60,
Almaty, 050009, Republic of Kazakhstan

Circulation: 250 copies

BETWEEN THE LINES OF THE PRESIDENT OF KAZAKHSTAN'S STATE-OF-THE-NATION ADDRESS

Klara Sheryazdanova

International Confidence and Geopolitical
Responsibility 3

REGIONAL SECURITY

Murat Laumulin

U.S. Strategy and Policy in Central Asia 6

Renel Hanks, Gregory Gleason

The New North-South Foreign Policy Design.....12

Fatima Kukeyeva

The Project of the Big Central Asia: Estimation of the Idea.....17

Albina Salimbayeva

Nuclear Terrorism in the Contemporary World20

INTERNATIONAL RELATIONS

Konstantin Syroyezhkin

China in Central Asia: From Trade to Strategic Partnership.....23

Mitat Çelikkpala

Turkey and Central Asia: Capabilities of Cooperation31

Anar Khamzayeva

Kazakhstan: Gaining Ground as a Prominent
International Actor33

ECONOMICS

Gulnur Rakhatulina

Kazakhstan's Cooperation with the International Donor
Community and EU Member Countries36

EDITORIAL COUNCIL

- | | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bulat Sultanov | - Editor-in-Chief, Chairman of the Editorial Council, Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of History |
| Marian Abisheva | - Deputy Editor-in-Chief, Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Candidate of Political Sciences |
| Maulen Ashimbayev | - Deputy Head, Administration of the President of the RK, Candidate of Political Sciences |
| Sanat Kushkumbayev | - First Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Candidate of Political Sciences, Assistant Professor |
| Murat Laumulin | - Senior Researcher, Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of Political Sciences, Professor |
| Leila Muzaparova | - Deputy Director, Institute of World Economy and Policy at the Foundation of the First President of the Republic of Kazakhstan, Candidate of Economics |
| Marat Tazhin | - Minister of Foreign Affairs of the Republic of Kazakhstan, Doctor of Sociology, Professor |

РЕДАКЦИОННЫЙ СОВЕТ

- | | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Булат Султанов | - шеф-редактор, председатель Редакционного совета, директор Казахстанского института стратегических исследований при Президенте Республики Казахстан, доктор исторических наук |
| Мариан Абишева | - заместитель шеф-редактора, заместитель директора Казахстанского института стратегических исследований при Президенте Республики Казахстан, кандидат политических наук |
| Маулен Ашимбаев | - заместитель Руководителя Администрации Президента РК, кандидат политических наук |
| Санат Кушкумбаев | - первый заместитель директора Казахстанского института стратегических исследований при Президенте Республики Казахстан, кандидат политических наук, доцент |
| Мурат Лаумулин | - главный научный сотрудник Казахстанского института стратегических исследований при Президенте Республики Казахстан, доктор политических наук, профессор |
| Лейла Музапарова | - заместитель директора Института мировой экономики и политики при Фонде Первого Президента РК, кандидат экономических наук |
| Марат Тажин | - министр иностранных дел Республики Казахстан, доктор социологических наук, профессор |

International Confidence and Geopolitical Responsibility

KLARA SHERYAZDANOVA

*Research Fellow, Kazakhstan Institute for Strategic Studies
under the President of the Republic of Kazakhstan*

For the first time in the history of the Organisation for Security and Cooperation in Europe (OSCE), a former Soviet state, namely Kazakhstan, will chair it in 2010. This decision was taken at the meeting of foreign ministers of OSCE member countries in Madrid on 30 November 2007. All 56 member countries unanimously approved Kazakhstan's candidacy. This decision serves as recognition of Kazakhstan's real achievements in the sphere of building a democratic society and a liberal market economy. It should be noted that Kazakhstan's chairmanship of the OSCE was to some extent possible thanks to the high level of trust and reputation enjoyed by Kazakh President Nursultan Nazarbayev, whose active international, reformist and peacekeeping policies became invaluable assets in the Kazakh bid.

The fulfilment of this foreign policy objective – to be elected OSCE chair – is seen as clearly proving the correctness and the timeliness of the task set by President Nursultan Nazarbayev in his state-of-the-nation address entitled “A new Kazakhstan in a New World” on 28 February 2007. In this address the head of state promoted the achievements and world potential of his country. He stressed the importance of a new Kazakhstan's standing in a new world. Among 30 priority aspects of our domestic and foreign policy, he specified new international responsibility, multi-vector foreign policy and fighting global threats, strengthening Kazakhstan's role and authority as a responsible participant in regional cooperation and the international community, ensuring deeper and mutually beneficial integration between regional countries, developing a more favourable business climate in Central Asia, establishing Kazakhstan as a centre of intercultural and interdenominational accord in developing a “dialogue of civilisations” and promoting understanding between East and the West on key problems of the modern world order.

The OSCE has 56 member countries. Its budget stood at €168.2m in 2006 and it employed about 3,500 people. In addition, there are 19 missions operating in the former Soviet countries. Of these, 14 missions are headed by representatives of NATO member countries and only one mission is headed by a Russian national (in Yerevan). There are no other CIS countries represented. In this context, it is important for our country that our election as OSCE chair indicates that the past scepticism within this organisation about the reforms

which we have conducted, the claims that they were not fully democratic, has now been overcome. Given Kazakhstan's high international standing, the OSCE rostrum will offer our country a greater opportunity to promote our initiatives on various modern problems that are important both for our country and for the European community. It is a chance to project our country's image on the European stage and to expand the Europeans' genuine interest in Central Asian developments.

The very fact that it was Kazakhstan that was put forward as a collective candidate by the CIS countries points to the high international reputation of the Ak Orda. Russian political analyst Vyacheslav Nikonov has said: “Russia is interested in constructive forces and declares that Kazakhstan is a very worthy candidate to chair the OSCE. This has nothing to do, however, with the fact that Russian-Kazakh relations are at a very high point. In recent years, our neighbour has been showing excellent economic results and the country is developing dynamically in the social sphere too. Now, we can speak not only of reforming the organisation, which has enjoyed little trust in the past, but also of Kazakhstan opening the OSCE chairmanship up to other CIS countries. After 2012, several other post-Soviet countries may compete for the OSCE chairmanship: Georgia, Ukraine, Armenia, Kyrgyzstan, Russia, Tajikistan, Moldova and Azerbaijan.”

The Russian RIA-Novosti news agency's political observer D. Kosarev has stressed that the election of the chair of the OSCE has always been a formal and opaque procedure. However, at the ministerial meeting in Madrid, the future of the organisation itself was seen to depend on the question of whether Kazakhstan would become the OSCE chair in 2009 or not. It was precisely this issue that deterred Russia and some other countries from leaving the organisation. Such a move would have devastated the OSCE because it would have stopped being a pan-European organisation; it would have become just one of many smaller European structures. The battle of Kazakhstan was waged over several years and it ended with a consensus. The Madrid meeting decided that the country would get the chairmanship in 2010 after Finland and Greece.

In any case, Kazakhstan's election should be regarded as a logical stage in the independent political and economic development of our country on a path of socioeconomic and political reforms. This bid is an important element of

the conceptual vision of a safe world whose roots were reflected in President Nursultan Nazarbayev's report at the Lisbon OSCE summit in 1996. Kazakhstan's OSCE chairmanship will become a powerful catalyst for the process of reform and serves as an additional proof of the correctness of the path towards further liberalisation and openness. It will help to support large-scale reforms and maintain high living standards. Kazakhstan is a collective candidate put forward by CIS countries and will undoubtedly pursue the line of the CIS countries, especially in reforming the OSCE and activating its potential. **As an active player in the OSCE, Kazakhstan understands that its election to the OSCE chair in 2010 is not just a great international trust but also a great responsibility for the future of this organisation.** We hope that the OSCE will manage to adapt to the changing reality, to preserve its authority in the international arena and to become a renewed floor for dialogue, uniting the Euro-Atlantic and Eurasian spaces.

The very fact of entrusting the 2010 OSCE chairmanship to this young country, compared to Old World countries, is a great political success for Kazakhstan. Our country is facing immense problems in carrying out political modernisation as explained by Kazakh Foreign Minister Marat Tazhin in his official speech at the Madrid meeting. The other participants in the meeting responded with understanding and the decisions were passed. Congratulations and eloquent statements are continuing to circulate, while Kazakh society itself is still in a state of euphoria. However, it is high time we returned to sober reflection and routine work. We must fully realise the political and practical importance of this high international status, where honour and responsibility are the twin reins which Kazakhstan should hold in its hands, firmly and confidently. Various requests and proposals are already being formulated about issues which Kazakhstan, as OSCE chair, may be able to help resolve. The range of views is very wide. However, we should not forget that the chairmanship lasts only for a year, while the unity of the European family should be preserved and the progress in OSCE activities should be maintained. It is not easy, as the chair, to win respect among OSCE member countries. One can discuss this topic endlessly and give any number of interviews to newspapers and television channels, but it is more important to try to define the most important problems in this regard.

We believe that Kazakhstan, as a member of the OSCE, cannot stand aside from fundamental questions such as how to ensure stability and security in Europe, including reference to US plans to deploy its anti-ballistic missile defence's components in Poland and the Czech Republic. This is an issue which concerns the interests of all European countries and people and has an impact on stability in Europe and the world. We think that Kazakhstan, as the OSCE chair in 2010 and the initiator of the Conference on Interaction and Confidence-Building Measures in Asia (CICA), could offer to **hold a joint OSCE - Collective Security Treaty Organisation - Shanghai Cooperation Organisation summit on security problems.**

The Kazakh head of state has repeatedly drawn the attention of the European public to the question of reforming the OSCE. This issue appears to top the agenda for a dialogue between Kazakhstan and the OSCE.

Kazakhstan will have to solve the problem of the geographical "unevenness" of OSCE activities and alleged double standards, especially towards the former Soviet countries.

If the proposals made by Russia at the Madrid meeting, about adopting the Charter of the OSCE and its basic activities on monitoring national elections, are not implemented by 2010, Kazakhstan, as the chair, will have to work on explaining and promoting them.

In this respect, Kazakhstan's main task will be the advancement of the Charter of the OSCE proposed by the CIS countries with **the final adoption of it at a summit of OSCE member countries in Astana. This would be a landmark event for this pan-European organisation.**

We think that with Kazakh chairmanship the OSCE will become a legitimate channel for pursuing Kazakhstan's national interests at a global level in international and legal, military and political, economic and humanitarian, international security and education spheres.

As chair of the OSCE, Kazakhstan will be able to use its record and its reputation to mobilise the efforts of the European countries to resolve existing conflicts within the pan-European sphere of interest. It is already known as the most stable country in the region, with no history of interethnic or interdenominational clashes. It is a reliable partner in the Central Asian region, with the resources and experience to be able to influence and cooperate with neighbouring countries.

Kazakhstan's chairmanship of the OSCE will facilitate the fulfilment of projects initiated by Russia and Kazakhstan's other CIS partners.

Another important problem which our country will have to work on with persistence and firmness is the **problem of international terrorism.** Terrorism is a global threat, both in terms of geography and significance. That is why fighting terrorism should become everyone's job – for governments, civil society and business. Of course, now and in the future much will depend on how the parties involved in this triangle will be able to find a common language, hold productive debates and draw conclusions and initiatives that are acceptable to everyone.

While discussing Kazakhstan's new status, we think the country should now start to consider **proposals on pan-European measures** to create and strengthen economic cooperation between states and business, for example holding a pan-European forum on global energy security or on issues of transport transit routes. In science and nanotechnology, Kazakhstan can organise a meeting of European scientists. In the culture sphere, it can offer to hold a European festival of original folk crafts, selecting several towns as festival centres. It should be noted specifically that in relations between Kazakhstan and the other members of the OSCE it is very important not to ignore any negative effects and trends which may emerge before the country assumes the chairmanship, so that it can do everything possible to prevent them. As a result, not only will our country win, but so will all the other OSCE member countries.

Unfortunately, Kazakhstan is continuing to be poorly represented in the OSCE staff at managerial level. Firstly, this issue has never been given proper attention, and, secondly, there is fierce competition. We think that Kazakhstan will now deal with this issue actively.

Now, several days after the eventful and complex meeting in Madrid, we should express gratitude to Russia for its active promotion of Kazakhstan's initiative to chair the OSCE and admit that this is a deserved stance taken by the strategic partner that Russia is for Kazakhstan. It is also extremely important to point to the support offered by other CIS countries and by the Spanish chairmanship of the OSCE for the practical resolution of the issue of OSCE chairmanship for the next few years.

Kazakhstan is facing serious problems as to how to activate the OSCE during 2010, what important problems to put on the agenda of this international organisation and what pan-European problems need collective resolution by OSCE member countries. Kazakhstan should make its own proposals, promoting Kazakh initiatives from scratch during the chairmanship. While avoiding the imposition only of

its own agenda on other countries, it should try to concern the OSCE with real deeds, to steer the organisation towards problems that indeed concern the European peoples, so that all member countries should feel they are an integral part of this organisation and equal partners in a constructive dialogue and cooperation. Future OSCE forums planned by Kazakhstan should show the organisation's readiness to react appropriately to the challenges of the 21st century. There is a need to set up a special state commission to make preparations for Kazakhstan's chairmanship of the OSCE. Ministers and heads of government agencies should be involved in drafting a Kazakhstan-OSCE 2010 preparation programme. We hope that our country will honourably justify the trust of the OSCE member countries and carry out with responsibility the huge obligations it will assume as the OSCE chair in 2010.

U.S. Strategy and Policy in Central Asia

MURAT LAUMULIN

D.Sc. (Political Science), Chief Research Associate, Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan

It goes without saying that American geopolitics and geostrategy are of a genuinely global nature and affect practically every region and every country. And Central Asia is no exception in this respect. America's influence there is of a multi-factoral and multi-level nature in every aspect - the political, military-strategic, economic, and ideological. From the very first days of independence, the Central Asian countries have been aware of America's influence (and pressure) in essentially every sphere.

In Central Asia, America is confronted with other world centers of power (Russia, China, the EU, Iran, and other Islamic states), which explains the fairly frequent contradictions. American policy in Central Asia depends to a certain extent on Washington's relations with these states, but it is not determined by them. On the whole, Central Asia's policy is part of the U.S.'s broader Eurasian strategy, which covers the Caspian, the Caucasus, Russia, Afghanistan, the Middle East, South Asia, and China.

It should also be said that America's Eurasian policy is part of Washington's much broader global strategy designed to perpetuate America's domination in the world economic and financial system and its military-strategic superiority. America is seeking greater geopolitical influence (in Eurasia among other places) and containment of potential rivals (China, the EU, and Russia), as well as struggling against so-called international terrorism (for control over the Islamic world).

Central Asia is an important, but not the only, element of the U. S. 's global strategy. At the same time, it is critically important for the U. S. 's Eurasian geopolitics to establish control over Eurasia. For this reason, Central Asia's role and importance for Washington will become even greater.

America's foreign policy is full of contradictions: its rational and well-balanced elements are combined with ideological approaches; presumptuous and even aggressive actions irritate the allies and provide the enemies with the chance to accuse the United States of Great Power arrogance and a unilateral approach to the world. This stems from the split in the American political establishment, which cannot be described as a group of like-minded people. Ideally, the administration should act as a closely-knit political and ideological team. The split in America's strategic community (and society) over the country's foreign policy affects U.S. conduct on the international arena to a certain extent.

This contradiction has an institutional aspect as well: together with the State Department and the National Security Council, the structures directly responsible for America's foreign policy, the Congress, the media, and public opinion (through the lobbying system and NGOs) largely shape U.S.

conduct abroad. In addition, since 2001, the Department of Defense acquired much more weight in foreign policy decision-making. This is only natural since the country has been de-facto in a state of war since the end of 2001.

THE EVOLUTION OF AMERICAN STRATEGY IN CENTRAL ASIA

Washington's Central Asian policy can be divided into several stages. At the initial stage (1991-1996), it was guided by several factors: first, the U.S. unofficially accepted Russia's geopolitical responsibility for the region and its interests; second, Washington was more concerned over the future of the Soviet nuclear potential deployed in Kazakhstan; third, America was uneasy about the potentially stronger position of Islamism, since Iran was one of the closest neighbors.

At the second stage (1996-2001), American strategy acquired new priorities: the Caspian's hydrocarbon reserves; and the pipeline later known as Baku-Tbilisi-Ceyhan, which bypassed Russia and Iran. In 1997, Central Asia and the Caspian were declared a zone of "U.S. vital interests" and were included in the sphere of responsibility of the U.S. CENTCOM. These changes were molded into the so-called Talbott Doctrine. The United States made it clear that it was not seeking monopolist strategic domination in the region, but demonstrated that it would not tolerate the attempts of other great powers to seek such domination. At this stage, Washington was no longer concerned about taking Russia's interests into account.

It was at this point that America revised its attitude to Turkey's and China's role in the region, which was previously considered a positive factor that might bridle Moscow (at least theoretically). It looked as if Washington had decided to unilaterally shoulder responsibility for the region. At that stage, the United States was actively promoting the BTC pipeline, as its key geopolitical project, to move Caspian energy reserves bypassing Russia and Iran. By the end of the 20th century, America began demonstrating a growing concern over the threat to the Central Asian countries posed by the Taliban in Afghanistan.

The 9/11 drama ushered in the third stage (2001-2005). The United States plunged into a wide-scale struggle against international terrorism represented by the militant Islamic radicals; it launched a military operation in Afghanistan and deployed its military bases in some of the Central Asian republics to carry out the counterterrorist campaign. It should be said that from the very start, George W. Bush's Republican Administration practiced new approaches to Central Asia, which became part and parcel of the general counterterrorist struggle in the wake of the stormy events of 2001.

In fact, the U.S.'s new Central Asian strategy became part of the National Security Strategy formulated at approximately the same time. The United States discovered that the region was indispensable with respect to its united antiterrorist front and energy security. It was at this stage that the United States tried to formulate its Eurasian strategy, which presupposed drawing closer to Russia and India for strategic purposes, more consistent relations with China, using Eurasian hydrocarbon reserves (of Siberia, the Caspian, and Central Asia) as an alternative to OPEC, enlarging NATO further to the East, and changing the nature of America's relations with its West European allies. This strategy inevitably affected Central Asia.

At that stage the U.S. first consolidated its military-strategic presence in the region and set about expanding it together with NATO. Washington stepped up its military-political cooperation with the Central Asian countries. It built up its pressure on the local states within the "support of democracy" strategy; its biting criticism of the human rights violations by some of the Central Asian regimes could not but have a negative effect on the nature of the relations between the local states and the U.S. Washington was very vexed by the more active involvement of the other interested powers (Russia and China), which tried on a bilateral basis and within multilateral cooperation in the form of the SCO to limit America's influence in the region.

The concern of the Central Asian governments as well as of Moscow and Beijing over the results of America's involvement mounted along with the wave of so-called Color Revolutions that swept the CIS in 2003-2005, which the United States peremptorily supported. The events in Kyrgyzstan, which removed President Akaev, and Uzbekistan, which had to quench the riot in Andijan in the spring of 2005, produced a negative response to the American strategy both in the local countries and in their "elder" SCO partners. In the summer of 2005, the SCO unanimously demanded that the United States specify the deadlines for withdrawing its military bases from the region. In the fall of the same year, the United States began its withdrawal from Uzbekistan.

Since 2005, the U.S.'s strategic circles have been discussing a new geopolitical project for a Greater Central Asia under America's aegis. Washington intends to tie Central Asia and Afghanistan and possibly other neighboring regions into a single military-strategic and geopolitical whole.

The United States is putting its new strategic approaches into practice, including with respect to Greater Central Asia. The novelty was part of Washington's strategy of global readjustment to the vast geopolitical Eurasian expanses, of which the Greater Middle East was a part. By 2006, American strategy and policy in Central Asia entered a new, fourth stage.

So far, America's future strategy has not acquired a clear form. It looks as if it includes the following elements: creation of Greater Central Asia to incorporate the region into America's strategic designs in Afghanistan, South Asia, and the Middle East; revival of the "containment" policy in relation to Russia (and probably China) in Central Asia; much more intensive confrontation with Iran; more active American involvement in the Caspian; NATO's greater role in Central Asia, etc.

The strategy was launched at a time when the region was living through serious geostrategic and political changes. The events in Kyrgyzstan and Uzbekistan in the spring of 2005 revealed that the Color Revolution strategies carried out in Central Asia had their limits. It became absolutely

clear that it was dangerous from the military-political and geopolitical viewpoint to artificially accelerate the regime change process using the methods that had proven relatively successful in Georgia and Ukraine.

America's relations with Uzbekistan took a drastic turn for the worse; the process that began in 2004 was brought to its peak by the Andijan events of May 2005. By evacuating the base in Khanabad America cut down its military presence in the region. At the Astana summit in early July 2005, the SCO members unanimously demanded that the U.S. and NATO make it clear how long they intended to remain in Central Asia. This was a serious geopolitical challenge engineered by Beijing and Tashkent in particular.

The United States preserved its military presence in Kyrgyzstan and Tajikistan. It is obviously resolved to fortify its presence in the so-called Greater Central Asian region. The new American strategy is designed to change the situation in its favor under the rapidly changing military-strategic and geopolitical conditions.

METHODS AND TOOLS OF AMERICA'S CENTRAL ASIAN POLICY

At the early stage, Washington was guided by two priorities and several issues of lesser importance when dealing with the newly independent Central Asian states. The United States recognized the five new Central Asian states immediately after the Soviet Union ceased to exist and established diplomatic relations with them. In 1992, the Congress passed the Freedom Support Act, under which American legislation was adjusted to the new geopolitical reality, in which there were fifteen newly independent states. The act helped to develop open markets, democracy, and civil society; it set up mechanisms conducive to trade, economic cooperation, and contacts in the sphere of education and ensured financial support of non-proliferation of weapons and demilitarization. The law was intended to strengthen the U.S.'s national security by preventing the restoration of communism and the emergence of religious extremism in Central Asia.

In July 1997, speaking at the Johns Hopkins University, Deputy Secretary of State Strobe Talbott described the U.S.'s foreign policy aims in Central Asia. He pointed out that successful economic and political reforms would promote stability and meet the interests not only of the regional states, but also of all the countries outside the region. Failure would encourage terror and religious and political extremism; more than that - it might end in war. He also pointed out that his country was very much interested in gaining access to the local oil reserves.

The United States was definitely determined to prevent a repeat of the 19th-century Big Game, in which the smaller countries would have been used as small change in the battle for energy resources initiated by Russia or any other country driven by neo-imperialist ambitions. In March 1999, when speaking at the Congress, Stephen Sestanovich, Ambassador-at-Large to the states of the former Soviet Union, confirmed the United States' continued adherence to these principles. He also pointed out that despite the rather shaky advance toward certain aims (such as democratic and economic reforms), Washington was determined to develop its relations with the Central Asian states.

The George W. Bush Administration that came to power in 2001 was very critical of the foreign policy course of its Democrat predecessor and formulated its own, typically Republican, priorities. However, prior to 9/11, the admin-

istration was not very concerned with the potential threat of Islamist terrorism; the "arc of instability," with Central Asia as its core, was not a top priority either. In Central Asia, America merely followed the course charted by the previous administration. During the 2000 presidential campaign, George W. Bush criticized those who said that the United States might have helped other countries develop their national and state structures and that it should have kept a lower profile on the international scene.

In Central Asia, Washington could effectively use two tools of political pressure: (1) the local regimes could be accused of human rights violations, criticized as authoritarian, accused of corruption, and urged to become more democratic; (2) financial economic, military, technical, and humanitarian aid could be cut down. During the election campaign, America's Central Asian policy became part of the domestic political struggle between the Republicans and the Democrats, which acquired even more vehemence as the 2004 presidential election drew closer.

Early in 2003, the American legislature was presented with bills that offered much harsher wording than before. They expressed "Congress' opinion," which meant that they were not binding. These documents spoke of the governments of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan as "dictatorships and tyrannies." Early in 2004, President George W. Bush announced that the budget of the National Endowment for Democracy would be doubled to pay for even stronger interference in the domestic affairs of the Middle Eastern and post-Soviet countries. The NGOs are openly integrated into Washington's general strategy aimed at America's global domination.

In 2005, at the beginning of its second term, the administration announced that it would carry out another "charge for democracy." On 18 May, 2005, when talking at a congress of the International Republican Institute (IRI), the U.S. president made no secret of his country's intention to actively encourage the Color Revolutions that, he asserted, would take place in the future. In August 2005, the United States announced that it had opened "democratic information centers" and that it was engaged in projects designed to keep independent media afloat in Kazakhstan and five independent radio stations in Tajikistan.

During 2004 and 2005, the situation in the CIS was developing under the strong impact of the events in Georgia, Ukraine, and partly Moldova, in the course of which the local regimes were replaced with pro-Western cabinets, while the new rulers demonstrated a strong desire to export Color Revolutions to other CIS regions. They did their best to support the opposition in some of the CIS members; the West, in turn, extended its direct political support to the opposition in Kazakhstan and Russia in particular.

The revolution in Kyrgyzstan and the events that followed it played a special role in America's Central Asian policy. At first the West and its epigones across the post-Soviet expanse hailed the regime change; the mounting political crisis in Kyrgyzstan, which caused destabilization, reduced to naught the efforts of the country's leaders to maintain any semblance of order, and the resultant political chaos forced the West to revise its regime change strategy in the CIS. It was obvious that the scripts written for the CIS European members were ill-suited to Central Asia. What was more, they were fraught with grave destabilization of individual countries and the region's geopolitical situation. Under these conditions, the West once more became aware of Russia's

stabilizing role as a regional factor of great importance and was forced to take it into account.

By 2005, Washington's regime changing strategy hit stalemate; America shifted its interests, either deliberately or due to the circumstances, to Kazakhstan. While the 2004 parliamentary elections in Kazakhstan were accompanied by the "change of the elite" scenario actively promoted by NGOs and funds of all sorts living on Western money, the presidential campaign of 2005 was unfolding in a very different context: the tactics and methods of interference had been readjusted. Two factors were responsible for this:

(1) apprehension of excessive destabilization as the result of a regime change (this had already happened in Kyrgyzstan) and

(2) Russia's possible interference or its vehement response.

Throughout 2004 and 2005, the threat of a U.S. initiated Color Revolution in Kazakhstan remained real. In his report of 18 May, 2005, the U.S. president predicted inevitable changes in Central Asia. When talking about the region, he never mentioned Uzbekistan, which suggested that Kazakhstan had been selected for "democratization." Together with "Kazakhgate" - type maneuvers, the Americans badly needed more tools to put pressure on Astana to protect themselves from any actions that might damage U.S. interests in the region.

The threat of another Color Revolution was averted by Astana's unambiguous response to the events in Kyrgyzstan and Uzbekistan, a well oiled mechanism of consultations with Moscow and Beijing, the delayed decision about the presidential election, as well as the unanimous position of the SCO members at the SCO summit in July 2005. As the date of the presidential election in Kazakhstan drew nearer, the danger of Washington's interference did not abate. The events of the end of the summer of 2005 confirmed that certain political forces of the United States had not abandoned their plans to stage a Color Revolution. The situation in Kazakhstan changed radically in the summer and fall of 2005.

AMERICA'S CHANGED STRATEGY IN CENTRAL ASIA

The tactics and strategy of America's Central Asian policy changed and acquired certain new elements. American experts suggested that U.S. policy in Central Asia should be restructured together with U.S. public diplomacy because of the mounting anti-American sentiments. The trend toward a reassessment of America's policy and much more desired military strategic cooperation with Tashkent was further consolidated by a series of terrorist acts in April and July 2004.

It was recommended that Washington increase pressure behind the scene on its Central Asian partners to promote political and economic changes. In the process, it should be guided by two geopolitical imperatives. First, it should go on detaching Central Asia from the Caucasus in the geopolitical context. American experts were convinced that the region was typologically closer to the Middle East and Southeastern Asia, while the Caucasus was much closer to Europe.

American analysts pointed out that Washington would get bad headaches if the Islamists acting in Central Asia grew more radical and more belligerent: if forced to deal with shady regimes for the sake of its continued military presence, America would run the risk of tarnishing its image as a liberal and benevolent force. If the United States,

they argued, became resolved to wage the "battle of ideas" on all fronts, it would need a much more coordinated and public diplomatic campaign to achieve positive results. It was recommended that Central Asia be included in the public statements on the need to observe democracy in the Muslim world.

Second, the United States was working toward developing a nationally oriented civil society in the Central Asian republics. Most of the expert community was convinced that the United States should support the idea of human rights and other aspects to which public opinion was especially sensitive. After a while, this would create a foundation for political movements able to act as a functional opposition to the ruling regimes, which was especially important in such states as Uzbekistan.

To put pressure on it, American analysts suggested that the U.S.'s military presence in the region should be diversified to make American policy there more flexible operationally and diplomatically. In this context, Kazakhstan was regarded as an alternative partner because of its highly promising economic and political potential.

Prior to the terrorist acts of 2004 in Uzbekistan, Washington planned to put pressure on Tashkent to force it onto the road of liberalization. If the Uzbek side refused to cooperate, the U.S. should be ready to re-deploy its military from Khanabad and Karshi to Kazakhstan or other Central Asian bases. The events allowed Islam Karimov to go on with the old policy or even to intensify it. The West, in turn, increased its pressure.

The United States could safely ignore the interests of Russia and China in the region as long as they did not counter the global antiterrorist struggle. The airbase in Kant (within the CSTO framework) and the SCO antiterrorist center in Tashkent did not add tension to the relations between Washington, on the one hand, and Moscow and Beijing, on the other, merely because the American side never looked at them as threatening to its interests. Moreover, NATO may even conduct joint military exercises with Russian troops in Tajikistan and Kyrgyzstan, while the SCO antiterrorist center in Tashkent might become a starting point for cooperation between the United States and the SCO.

America's strategy in Central Asia is determined, first and foremost, by geopolitical factors. This is the main thing about it. The United States has concentrated on its broader military-political contacts with the Central Asian and Transcaucasian states. This is the main aim of cooperation between America and these two regions. Washington obviously has no intention of encouraging agrarian reform and high technologies; it demonstrated no intention of increasing its humanitarian aid.

American analysts believed that the White House was not always aware that some of the Central Asian republics were unable to resolve their economic, political, and social problems, mainly because their democratic institutions were completely impotent and there was no elementary political culture indispensable to every contemporary state. If Washington insists on the present course, NATO, under U.S. leadership, will turn into the "region's gendarme" with a leading position in the Transcaucasus and Central Asia; this will allow America to outline the limits of Russia's influence in the region.

Washington has often indulged in headstrong policies that bordered on bluffing. In 2001, American politicians acquired the habit of making thunderous statements designed to convince Russia, Iran, China, and the Central Asian countries that

the United States intends to keep its military in the region for a long time to come. As a result, these countries could not demand that the U.S. withdraw from the region in 2002 when the counterterrorist operation in Afghanistan was over.

The American expert community believes that what they call "bureaucratic pluralism," or rather rivalry between the State Department and the Pentagon is the weakest point in America's policy in Central Asia. The State Department insists that today, when the Central Asian republics have found themselves on the frontline of the antiterrorist struggle, it is critically important to promote ideas of human rights and democracy. To achieve this, the State Department is pouring money into the independent media and journalism; it is helping to develop political parties, strengthen the freedom of religious convictions and the rule of law, and carry out local government reform and reform of the health system. Its annual reports habitually criticize all the Central Asian countries for their human rights violations.

The Department of Defense, in turn, concentrated on the security-related advantages created by cooperation with the region's states. In February 2004, when paying visits to Kazakhstan and Uzbekistan, Defense Secretary Donald Rumsfeld did his best to play down the criticism hurled at the Karimov regime for human rights violations. America's interests in Central Asia are connected with the defense secretary's plans to modernize the American army and re-distribute the American military bases on a global scale: they should be placed closer to the potential seats of conflict.

In 2005, the State Department, with Congress behind it, finally predominated: since that time on Tashkent's domestic policy has been criticized. On the other hand, the Department of Defense prevailed in its pragmatic approach to Kyrgyzstan and Tajikistan demonstrated late in July 2005 during Donald Rumsfeld's visit to the region.

In 2006, Washington shifted its accents. The official assessments of the situation in Central Asia changed. They were formulated by Assistant Secretary of State for European and Eurasian Affairs Daniel Fried at a Hearing of the House Foreign Affairs Committee Subcommittee on the Middle East and Central Asia. On 27 October, 2005, he said that America's strategy in Central Asia presupposed balanced regional cooperation in security, energy, and regional economic cooperation, as well as freedom through reforms. He noted that "Kazakhstan does have the potential to merge as a regional model," and described Kyrgyzstan and Tajikistan "as possible emerging reformers," while Turkmenistan "remains unfortunately an autocratic state... We are nevertheless pursuing a policy of engagement with the government, seeking cooperation where we can, and where there are clear benefits to our interests," he said. In Uzbekistan, "the United States will continue to speak privately and publicly about our concerns," he added.

Assistant Secretary of State for Economic and Business Affairs E. Anthony Wayne was much more specific when addressing the American Chamber of Commerce at approximately the same time: "As Kazakhstan's economy continues to develop," he said, "it will be an engine for growth within Central Asia." When talking about State Secretary Rice's recent visit to Central Asia, American analysts agreed that it was intended to specify America's interests in the region and to demonstrate them to the local ruling elites. America wanted Moscow to act in a similar way: to outline its interests, to coordinate them with those who rule the Central Asian countries, and to harmonize them, openly and unambiguously, with America's interests in the region.

When on a visit to Astana in mid-October 2005, Henry Kissinger made more or less similar statements. He said that Kazakhstan, as a country at the crossroads of the largest civilizations, played an important role in the region and the world. In fact, in 2005, the U. S. had to decide whether to fan another Orange Revolution or to follow the *laissez faire* principle. Washington opted for the latter.

The National Committee for American Foreign Policy (NCAFP), a public organization of several influential businessmen and politicians concerned with America's image abroad and the country's genuine national interests all over the world, has good contacts in the cabinet and the strategic establishment. In 2005, it made its contribution to the changed position of the White House with respect to Kazakhstan.

In the spring of 2005, it dispatched a sort of mini think-tank to Kazakhstan; eyewitness accounts, meetings, and consultations enabled NCAFP members to draw up an analytical paper that offered a balanced and objective assessment of the situation. The document left no chances for the opposition, while the White House was asked to support the current state of affairs in politics. The committee sent the paper to the U. S. State Department and probably played an important role in Washington's assessment of the situation in Kazakhstan on the eve of the presidential election and the prospect of a Color Revolution. In 2006, the NCAFP confirmed its recommendations.

In 2005, the American strategic circles presented a new geopolitical project: a so-called Greater Central Asia created with Washington's help. It presupposed that Central Asia and Afghanistan might be united into a military-strategic and geopolitical whole later connected to the so-called Greater Middle East controlled by the West (paper by the American Institute of Central Asia and the Caucasus dated March 2005).

It was intended to detach the extended region from the monopoly influence of the other great powers (Russia and China), to protect Afghanistan against the destabilizing influence of its neighbors (Pakistan and Iran), and to attach it to a much more stable and West-oriented Central Asia.

The new strategy was also expected to alleviate the fears that the Central Asian states might start thinking of American policy as a sporadic rather than systematic phenomenon. In other words, the local leaders might start doubting the United States' opportunity and resolution to insist on its regional presence in the face of Moscow and Beijing.

On the whole, the Greater Central Asian project completed and extended the earlier geopolitical project designed to set up a Greater Middle East and was supposed to pursue the same strategic aims, namely, diversification of strategic interests and stability in the region under American domination.

Under this plan, Washington should maintain an illusion of "geopolitical pluralism" to keep Russia and China happy by letting them indulge in self-importance. Together with the West, they should have been granted the status of the guarantors and donors of the modernization process. The American strategists, however, would have been much happier if the Russian Federation and China remained "benevolent observers," which means that they should be removed from the active geopolitical game. It was suggested that for the same purpose India and Turkey should be invited as unofficial guarantors.

The Andijan events and the radical changes in Tashkent's foreign policy endangered the part of the project related

to Uzbekistan. Initially the country was intended as an integration engine for Greater Central Asia through agreements with Pakistan, building a railway to Afghanistan in cooperation with Japan, creating a transport corridor to the Indian Ocean, and forming a free trade zone in the Ferghana Valley, in which other Central Asian countries were expected to be involved.

The economic section of the Greater Central Asian project presupposed that the local states would be incorporated as promptly as possible into the world financial and economic structures in which the West dominated; the region was expected to gain access to trade and transport routes to become an important center of international transportation of raw materials and commodities under American control. The agrarian sector was to be treated as a priority compared to industrial growth; agrarian policy was to be used to fight drug trafficking (here Kazakhstan's experience in fighting drug money laundering could be used, at least in part).

The project outlines several organizational-technical and diplomatic means to successfully implement America's strategy aimed at boosting the roles of the Pentagon and the State Department to make America's presence in the region even more effective. It was deemed necessary to increase NATO's role and importance as one of the key instruments of Washington's strategy. There were plans to set up a Greater Central Asian Council to allow the United States to coordinate regional policy on a permanent basis and even shape it; annual visits by the U.S. State Secretary to the Central Asian countries were intended as a regular feature of America's policy.

In 2005-2006, the U.S.'s policy in Central Asia entered a new stage. In the short-term perspective, the Greater Central Asian project looked like a folly. It was too difficult to implement in the conditions emerging at that time and in view of America's headaches in other parts of the world. In the mid-term perspective, however, we can expect that the present administration (or the one that replaces it) will arm itself with the project. After all, it contains all of America's main priorities and foreign policy aims, as well as the mechanisms needed to succeed.

The State Department applied the concept in practice in the fall of 2005 as Washington's official strategy in Central Asia. The region was moved away from the European department to the South Asian sector. Early in April 2006, the Greater Central Asian project was presented in Kabul as U.S. Central Asian doctrine currently in effect.

Under these conditions, it became absolutely clear that Kazakhstan was returning to the forefront of the U.S.'s Central Asian policy. What is more, Kazakhstan might be removed from Central Asia proper because of its geographic and geopolitical position: it borders on Russia, China's influence is increasing, while the situation around the Caspian and the future of Greater Central Asia depend on it.

Early in 2004, prior to the period of cooling off with the United States, Uzbekistan President Islam Karimov forced the offices of Western international organizations to re-register, which caused a lot of displeasure in the West. The Uzbek authorities were especially suspicious of such structures as George Soros' Open Society Institute, the National Democratic and the International Republican institutes. The Uzbek president preferred to ignore the protests and criticism of the West: he closed down the office of the Open Society Institute in the republic and tightened

his control over other Western democratic and human rights organizations that described themselves as international. The U.S. Congress responded by cutting down its aid to the previous volumes and made it much harder to receive it. The aid, however, was too small to seriously affect the country's economy.

The events of Kyrgyzstan that took place in the spring of 2005 urged Tashkent to adopt even harsher measures. They forced all the interested sides (the West, Russia, and China) to reach a temporary consensus in an attempt to avoid sudden and radical disruption of political and economic relations in Central Asia. This understanding, however, excluded Uzbekistan. The West remained convinced that Tashkent should be pushed toward radical changes in its domestic policy and in economy; it continued to interpret the events in Andijan in the anti-Karimov light. Tashkent deemed it necessary to curtail military and political cooperation with the United States and NATO and move closer to Moscow, an unprecedented move in the country's post-Soviet history.

These developments were fraught with geopolitical complications. There is no doubt that Washington will persist in its efforts to restore its presence, even at the cost of a regime change. Analysts believe that the events in Andijan were the first survival test. In any case, the West was increasing its political and economic pressure on the Karimov regime.

During the May 2005 events in Andijan, the regime demonstrated to the West (with Moscow's complete political support and the moral support of Astana) that it was resolved to cut short any destabilizing moves. More than that: Tashkent turned away from the West toward Russia. At the first stage (in 2004), America ignored Europe's demands that President Karimov be given an ultimatum: either he agree to an international investigation or he will have to face new sanctions in the form of an embargo on weapons deliveries; and Uzbek diplomats will be deprived of visas. The Americans did not dare to corner the president of Uzbekistan - they tried to invite him to participate in a constructive dialog on cooperation.

Uzbekistan became an apple of discord between the U.S. State Department and the Pentagon: indeed, what was more important: proliferation of democracy or the antiterrorist struggle? The Pentagon wanted to preserve the airbase, while the State Department was inclined to harsh measures, namely political changes as the basic factor preventing possible unrest.

America and the West as a whole found themselves in a quandary: continued pressing for a regime change might destabilize the situation. President Karimov, in turn, demonstrated that he never intended to carry out real economic reforms and liberalization. He intended to freeze the situation to preserve his regime and social stability. He even went as far as hinting that America should remove its bases from Uzbekistan.

While earlier American strategists intended to give Karimov some time (until 2006) to readjust his policy, under the new conditions Washington was forced to leave the Karimov regime to its fate. Starting in 2005, however, the United States could no longer put pressure on Uzbekistan partly because of the Russian factor. There was another consideration-possible destabilization might upturn Uzbekistan and the region along with it.

Despite the cooling off, the American strategic community (the National Defense University under the U.S.

Department of Defense and the National War College) warned that Washington made a grave mistake by withdrawing its military bases from Uzbekistan and stepping up its criticism of the Karimov regime, which had proven its viability and determination to use force to squelch the opposition. On the other hand, experts added that the threats to the regime were real and not an invention of the regime's propaganda machine. This group of experts, which worked for the Pentagon, suggested that America should pay more attention to Kazakhstan, which could offer an example of successful economic reforms carried out with U.S. support.

It was highly unlikely that Washington would perform another U-turn in its relations with Tashkent under the pressure of the American strategic establishment's pragmatic wing. This could have affected the interests of Russia and China in Central Asia. There was evidence that the United States had decided to wait until the political regime changed in Uzbekistan. In the summer of 2006, it became more or less obvious that Washington was adjusting its policy toward Tashkent; the contacts between the two countries resumed in August after Assistant Secretary of State Richard Boucher's visit.

CONCLUSION

Since 2001, America's policy in Central Asia has been defined by several geopolitical factors: the 9/11 events and the declared "war against international terrorism," America's policy in Eurasia and in the Middle East, relations with Russia, China, and the European Union, as well as the energy and oil factors. At the doctrine level, U.S. foreign policy was confirmed by the 2002 Strategy of National Security, which was partially revised and updated in 2006.

In recent times, four American analytic centers - the Harriman Institute at Columbia University, the Institute for Foreign Policy Analysis in Washington, the Central Asia-Caucasus Institute at Johns Hopkins University, and the Center for Technology and National Security Policy at the National Defense University - made an attempt to define U.S. policy in Central Asia. Details vary from one conception to another, but they all agree that America should preserve its geopolitical domination in Central Asia and through it in Eurasia too.

To guarantee the region's sustainable development, the geopolitical actors and parties involved should take the interests of all those involved into account. This particularly applies to Russia and the United States. Washington should take into account Moscow's interests in the region and its concerns about its strategic security. Under no circumstances should the United States undertake a regime change unilaterally, otherwise Russia will regard this as a "game without rules" and will respond accordingly.

The Central Asian states emerged onto the political scene as subjects of international politics more or less in their own right. This is probably the main change that occurred in the geopolitical situation in the region in the 21st century. This could not happen if any one power, the United States included, dominated there. If the process of transformation of the Central Asian states into "normal" states from the viewpoint of international politics goes on unabated for several more decades, it may trigger a consistent political and economic sustainable advance.

The New North-South Foreign Policy Design

REUEL HANKS,

Oklahoma State University

GREGORY GLEASON,

Marshall Center and University of New Mexico

Introduction.

For most of the past sixty years, both scholars and state leaders have approached the spatial orientation of foreign policy in regard to the Eurasian landmass through the unidirectional prism of an east-west axis. This paradigm was both theoretically and practically functional, as indeed the alignment of opposing poles of global political power hinged on the geographical extremes of west (the United States and its allies) and the east (the Soviet Union and its allies), with their boundary splitting Europe into distinct "western" and "eastern" portions accordingly, a division institutionalized by Winston Churchill's famous formulation of an "iron curtain." Geopolitical developments of the past fifteen years have rendered this orientation virtually obsolete, and a broad bi-polar model of geopolitics no longer fits an increasingly multi-polar global environment. In response, new paradigms focused on the spatial configuration of power and policy are emerging on the regional scale rather than the global, particularly in Eurasia, where in many cases former adversaries of the "east-west world" have become staunch new allies.

Indications of the shift in policy orientation are apparent in both the rhetoric and actions of U.S. policy makers, as well as within the structure of institutions charged with policy formulation and implementation. Secretary of State Condoleezza Rice's concept of an "arc of opportunity"¹ reaching from India through Central Asia, to the Caucasus would have been irrelevant if not nonsensical in 1990, but today highlights what may be called the new north-south foreign policy design for the region. Richard Boucher, the assistant Secretary of State for South and Central Asian Affairs, made clear the basic goals of U.S. policy in his testimony before the House International Relations Committee of the U.S. Congress:

...I am convinced that we are now seeing a new paradigm take shape, helped by a shift in the region's strategic landscape....Our goal is to revive ancient ties between South and Central Asia and to help create new links in the areas of trade, transport, democracy, energy and communications....we seek to preserve and enhance the ties of Central Asian countries to Europe...[and] recognize the ties between...Central Asia and the rest of the former Soviet Union...and...with China.²

This new approach has been enshrined by a structural shift in the U.S. State Department itself, when the five Central Asian countries of the former Soviet Union (Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan) were

moved in early 2006 from the bureau of European Affairs to a new geographical cluster, the bureau of Central and South Asian Affairs, linking them with Afghanistan, Pakistan and India. American foreign policy, at least in the regional context of central Eurasia, has rotated from a primarily east-west orientation to a greater north-south emphasis.

Integration along the North-South axis.

Lying at the heart of the new policy design is the concept of integration. Secretary Rice has made this explicit in her commentary regarding the region: "It represents what we are trying to do, which is to think of this region as one that will need to be integrated, and that will be a very important goal for us."³ The new policy design appears to be philosophically rooted in the ideas of classic functionalist integration theory as articulated by scholars such as David Mitrany, Karl Deutsch and Ernst Haas. Deutsch defined integration quite broadly as fusing "previously separate units into components of a coherent system"⁴, whereas Mitrany argued that the increasing complexity of challenges that modern nation-states are forced to address in what he termed "non-political" areas, like economic development, would push those states in the direction of greater collaboration in the political sphere. This process in turn would lead to increased stability and international peace, at least among the integrated states, since the costs of armed conflict would in most cases be prohibitive and counterproductive.⁵ Haas refined the basic concepts put forth by Mitrany into a neofunctionalist approach, holding that non-political and political integration could not be succinctly divorced, and emphasized that political actors would pursue integration only when such action was perceived as advantageous to their interests.⁶

In Central Asia, Greg Gleason identified three possible avenues toward integration in the post-Soviet era.⁷ While constitutionalism failed early on as an integrative mechanism, functionalism, often injected with a solid dose of hierarchical cooperation, has proven to be a workable strategy for security integration over the past five years, but almost entirely to the benefit of Russia, and not the United States. The Putin administration has also made considerable progress toward economic integration in the region as well, but in this area the United States has an opportunity to be more competitive with Russian interests than in the realm of security integration.

An important corollary to integration theory is that of "interdependence." Interdependence may be conceptualized as a mutually beneficial relationship stemming from integration, but in fact the benefits of such interdependence

are frequently asymmetrical, and in some instances even preponderantly negative for one or more partners (usually states) in the relationship. But in economic terms, integration and interdependence are often viewed by policy-makers as synonymous, and since the actors involved in the process enter into the relationship voluntarily (as opposed to a mercantile or colonial relationship), it is also frequently assumed that even an asymmetrical structure of benefits is nevertheless in the interests of all members of an integrated system.⁸

An accompanying assumption is that the sharing of this mutually-beneficial integrated relationship leads to greater stability and peace, as the actors involved now have greater motivation to avoid conflict. Kenneth Waltz challenged this assumption, and argued that at least in the case of *policy* integration, such a relationship may actually **increase** the potential for instability and conflict.⁹ Nevertheless, many of those formulating policy see integration, especially economic integration, as a stepping stone to increased political stability, and the process of interdependence as inherently beneficial. This perspective is apparent in the newly formed policy toward Central Eurasia, as witnessed by Mr. Boucher, who has held that "Prosperous countries that trade and share ideas are more likely to be stable, peaceful, and less vulnerable to the call of extremism."¹⁰

Integration via REMAP

The centerpiece of this revamped approach to regional economic integration is energy. Simply put, the emerging economies of South Asia are energy poor, and the emerging economies of Central Asia are either already energy rich, or indicate a potential to become so. The hydrocarbon energy wealth of Central Asia has been well-publicized since the early 1990s, particularly the sizable deposits of petroleum and natural gas in Kazakhstan, along with Turkmenistan's apparently abundant reserves of natural gas. The attention paid to Central Asia's vast pool of hydrocarbon energy resources has overshadowed the energy potential of the region's hydrocarbon poor countries, Kyrgyzstan and Tajikistan. Neither of these countries possesses significant oil or gas reserves, and coal deposits in both are modest in size.

However, the mountainous terrain of both states provides a huge potential for electrical generation via hydroelectric dams. Indeed, Tajikistan, the poorest country to emerge from the Soviet Union, has the world's greatest hydroelectric potential per capita, and Kyrgyzstan ranks in the top five countries in potential per capita hydro-generation. Bolstering the electrical generation potential of Central Asia is a large coal-fired capacity in central Kazakhstan at Ekibastuz, along with other locations. While the national economies of Kyrgyzstan and Tajikistan do not represent a large market for future electrical consumption in the near and medium terms, large markets for electrical power are developing to the south (Afghanistan, Pakistan, India) and to the east (China). Within the Central Asian region, Uzbekistan represents a potential market for electricity importation from its neighbors as well. Fortuitously, the electrical demand regimes of Central Asia and the emerging markets to the south complement one another — domestic demand peaks in Central Asia during the winter, while demand peaks in South Asia during the summer months.¹¹

The U.S. Trade and Development Agency (USTDA) announced the Central Asian Infrastructure Integration Initiative in October 2005, a program designed to strengthen the emergence of the energy, transportation and communications sectors in the region. A key component of this initiative is

a proposed Regional Electricity Market Assistance Project (REMAP), directed at creating a regional electricity market. According to the State Department website, REMAP seeks to build a "transparent and competitive regional electricity market, increase electricity trade to support hydro developments," lay the foundation for "market-based solutions for regional disputes related to hydro facilities and reservoirs, and [to] build institutional capacity for regulation."

In addition, promoting a regional electricity market in Central and South Asia is a development strategy widely supported by International Finance Institutions (IFIs). In addition to the USTDA, the European Bank for Reconstruction and Development (EBRD), Islamic Development Bank (IDB), Asian Development Bank (ADB) and World Bank (WB) have all indicated strong interest in promoting such integration. As recently as January 2007, the ABD committed \$3 million in technical assistance grants to the Multi-Country Working Group (Kyrgyzstan, Tajikistan, Pakistan and Afghanistan) to assess the problems and potential of an electrical power trading project that would, according to the ADB press release, "earn revenues for the Kyrgyz Republic and Tajikistan by allowing them to initially export 1,000 megawatts of electricity to Afghanistan and Pakistan...."¹² In November 2005 the CAREC Members Electricity Regulators Forum (CMERF) was established under the auspices of the ABD, with the goal of assisting member states (all the former Soviet Central Asian countries except Turkmenistan, plus China, Azerbaijan and Mongolia) to reform their power production capacity as well as to facilitate power exports.¹³

The economic rationale for the creation of a regional electricity market seems obvious to international donor agencies, policy makers and scholars of international relations and development. Yet several factors work in concert in Central Asia to inhibit large-scale integration of both the electrical market and the physical infra-structure required to transport power from the site of generation to the point of consumption. First, the post-Soviet Central Asian states have failed to develop an integrated, market-oriented energy trade regime among themselves, relying instead on cumbersome, unilateral barter agreements. This has been mostly due to concerns over maintaining as much energy self-sufficiency as possible on the part of state actors, and avoiding reliance on neighboring states for a significant portion of energy needs. Unless national energy policies are coordinated and rooted in market realities, it seems unlikely that the region can reach its full potential as a major electricity exporter.

Secondly, the transmission infrastructure in Central Asia is in many cases either woefully underdeveloped, or badly in need of rehabilitation. Donor organizations have commissioned a number of feasibility studies in regard to upgrading the electrical grid in Kyrgyzstan and Tajikistan, such as the Datka 500 kilovolt (kv) line in southern Kyrgyzstan and associated 220kv lines. Cooperation and investment from state entities in Central Asia is essential to the successful expansion and improvement of existing production and transmission facilities. Although the brunt of the cost would be borne by the IFIs and investment from the private sector, individual governments, especially those of Tajikistan, Kyrgyzstan and Kazakhstan, must be convinced to direct a substantial flow of investment capital into infrastructure that will be almost entirely export-oriented, at least initially.

The third potential hurdle to an integrated regional electricity market is centered on issues of efficiency, competi-

tive pricing and costs, and reliability. Over the long term, electricity producers in Central Asia must bring their costs and prices into line with global and regional markets. If this does not occur, consumer countries like China, Pakistan and India will simply expand domestic production capacity to replace non cost-effective imports. Furthermore, the Central Asian producers must convince the consumer countries that they are reliable partners in the power trade, and that they have the physical capacity as well as the political will to fulfill contractual obligations.

Integration via Transport Corridors.

In addition to creating a unified electrical energy market, the North-South policy emphasizes the expansion and improvement of transportation infrastructure, in terms of both roads and railroads, as well as pipelines for petroleum and natural gas transport. In the context of interdependence and integration, the Central Asian republics of the former USSR all emerged in a highly interdependent relationship, since they belonged to a single transport space. In some cases it was impossible to travel via road to some regions of Tajikistan, for example, without having to pass through Uzbekistan. In Uzbekistan, the main highway linking Tashkent and Samarkand, the country's two largest industrial centers, passes for several kilometers through southern Kazakhstan. This is also the case with rail transport in the region is several instances. Rail connections between Uzbekistan's Fergana Valley and Tashkent pass through Tajikistan, for example, and linkages between northern and southern Kyrgyzstan cross into Uzbekistan. On the other hand, overland transport connections to South Asia at the time of independence were rudimentary at best, and only recently have improvements been achieved in transport infrastructure, primarily with the support of IFIs backed by the U.S. government.

U.S. policy focuses on channeling transport infrastructure through Afghanistan, the geographical center of the entire region and a country in which the U.S. appears to have developed stable ties that are likely to persist for the long term. One of the first transport projects funded by the U.S. was construction of a bridge over the Panj river between Afghanistan and Tajikistan. Completed in August 2007, the 670-meter bridge cost \$38 million to build, but was expected to provide significant ancillary economic benefits to both countries.¹⁴ Trade between the two nations amounted to only \$25 million in 2006, but that figure is expected to double in five years as a result of the new connection, and the bridge, according to a World Bank report, will cut in half the time required for Tajik goods to reach the nearest seaport, which was formerly in Latvia but now is Karachi. According to William Wood, U.S. Ambassador to Afghanistan, total Afghan regional trade could increase by a factor of 25, as a result of the bridge's construction.¹⁵ Both countries have agreed to establish free trade zones on either side of the bridge in an effort to create growth poles, designed to foster further economic expansion.

The U.S. was also instrumental in pressuring the Uzbek government to reopen the Afghanistan-Uzbekistan Friendship Bridge, which connects the Uzbek city of Termez with Balkh province in northern Afghanistan. Initially refusing to open the bridge in November 2001 for "security reasons," in December of that year the Uzbek regime began to allow goods across the bridge, after negotiating with U.S. and UN officials. The bridge represents a key transportation chokepoint for Afghanistan, and is potentially more important than the new bridge across the Panj due to its ability to carry both

road and limited rail traffic. Although the internal railway system in Afghanistan is virtually non-existent, the bridge represents the ability to connect directly to Uzbekistan's rail network, which would allow for facile rail connections from northern Afghanistan to the remainder of Central Asia and other former Soviet republics.

Within Afghanistan, U.S. agencies have invested substantial amounts in revitalizing the road network since the ouster of the Taliban. In 2002 the United States Agency for International Development (USAID) awarded a \$200 million contract to a private construction firm to reconstruct a section of the "Ring Road" of the country. 482 kilometers between Kabul and Kandahar were completely repaved and widened, reducing the travel time between the two cities from two days to five hours.¹⁶ A second segment, stretching 557 kilometers between Kandahar and Herat, has been under reconstruction for the last two years, and when finished, will complete the "ring" of highway connecting all three major cities of the country.¹⁷ Subsequently, if the connecting highway spurs were improved between Mazar-e-Sharif and Kabul, and Kandahar and Quetta in northwestern Pakistan, Afghanistan would possess one of the most modern and efficient road systems in the region. More importantly for the process of integration, the transport time via truck from Karachi to the Afghanistan-Uzbekistan Friendship bridge would be cut to around four days.

The largest pipeline project, and the most important from the perspective of U.S. policy, is the Trans-Afghanistan Pipeline (TAP). Originally proposed by a consortium of western oil companies and the government of Turkmenistan known as CentGas, the project was actually approved by the Taliban regime in 1998, but little real progress has been made to date in constructing the pipeline, for a variety of reasons. The pipeline would reach from Turkmenistan into Afghanistan, paralleling the new highway between Herat and Kandahar, and from there would cross Pakistan before terminating in western India. The total cost of construction is estimated at \$2.5 billion.¹⁸ In 2002 a new agreement was signed by Turkmenistan, Afghanistan and Pakistan allowing the project to proceed, but continued activity by the Taliban in southwestern Afghanistan has prohibited any construction in that region. Were it to be completed, the pipeline would move 33 billion cubic meters of Turkmen gas annually to South Asia. The war to remove the Taliban regime in 2001, and continued terrorist activity in Afghanistan have delayed construction for the near term, although the countries involved appear to have the political and economic will to pursue the project under more stable conditions.

A similar project is the Central Asia Oil Pipeline (CAOP), which would carry petroleum from Uzbekistan and Turkmenistan to an oil terminal at Gwadar, Pakistan. Turkmenistan, Afghanistan and Pakistan all signed a Memorandum of Understanding in 2002, indicating their willingness to engage in this expensive project, but no construction has begun to date.¹⁹ The pipeline would cross western Afghanistan in an almost direct north-south route, but has suffered from the same delays as the gas pipeline, due to the continued political instability in that region.

North-South Integration and Geopolitics.

Little scholarly study has been devoted to the factors inhibiting integration in the emergence of a unified energy market along with a transport network, and moreover, scholars have paid little attention to the geopolitical aspects of U.S. policy targeted at developing greater integration

in central Eurasia. The north-south policy shift must be analyzed in the context of the emerging rivalry between the U.S. and Russia for influence in the region, with consideration of emerging Chinese interests as well, despite U.S. policy-makers consistently downplaying the geopolitical ramifications of the new policy orientation. Again to quote Richard Boucher: "We don't see a competition...[with] Russia and China....A lot of what we do here is to give the countries of the region the opportunity to make choices...and keep them from being bottled up between two great powers, Russia and China."²⁰

The Assistant Secretary's minimizing of great power rivalry in the region seems both diplomatic and disingenuous. Some might argue that simply attempting to prevent the "bottling up" of the Central Asian states amounts to a geo-strategic objective, and in fact is a rather clear indication of "competition" for influence in the region. Taken in this context, the north-south policy marks off a geopolitical strategy based on the obvious benefits of economic integration, but also designed to counter mounting Russian, and to a lesser extent, Chinese influence in Central Asia.

Russia's role in energy development in Central Asia is already significant, and Russian policy in the region is highly influential. Indeed, the Russian electrical grid system is already integrated with the system in northern Kazakhstan via several 500kv lines. Russian policy clearly strives to direct electrical integration northward towards the Russian market, while American policy provides a rationale for shifting the focus southward, to markets beyond Russian control and influence. The dynamic of this struggle for geopolitical leverage may well play a more important role in the success or failure of electrical integration and development in Central and South Asia than the economics of market forces and comparative advantage.

Indeed, some commentators argue that Central Asia is emerging as a geopolitical battlefield where the stakes of the contest extend beyond the region itself, and that a decline of U.S. influence there would result in accelerated policies of expansion on the part of both Russia and China. Stephan Blank has recently written:

There should be little doubt that imperial success in Central Asia would only encourage the rulers in Moscow and Beijing to extend further their hegemonic aspirations. Certainly they have long known that a great power rivalry or competition for influence in Central Asia is rising and regard any alternative method of building organized structures of relationships there as a threat to their vital interests.²¹

A political strategy utilizing increased economic integration with South Asia is one of the few geopolitical options left to the U.S. in Central Asia. The U.S. has dramatically improved relations with India over the last five years, and has a strong strategic relationship with both Pakistan and Afghanistan since 9/11. By attempting to steer the cluster of Central Asian countries toward the tier of strategic partners in South Asia through economic integration, U.S. policy-makers are attempting to offset the twin disadvantages they experience vis-a-vis Russia: geography, and historic ties.

While the U.S. can do little to offset the historic linkages between Central Asia and Russia, geography itself presents enormous challenges to the U.S. for the establishment and maintenance of geopolitical influence. Martha Brill Olcott has recently suggested that "No matter how enlightened, U.S. policy will only have a marginal effect of minimizing Russian or Chinese presence in the region, as geography...gives each more leverage."²² While the validity of this assertion

seems obvious, some of this locational disadvantage might be mitigated by drawing the Central Asian states closer to South Asian allies via economic integration under U.S. stewardship.

Beyond the geographic advantages Russia enjoys, there is also the advantage of extended historical linkages with all the former Soviet Central Asian states. These connections have enabled Russia to take a leading role in a series of newly-formed regional security and economic organizations, which greatly increase its leverage in Central Asia. In short, Russia has pursued its own policy of integration, at least on paper, more successfully than any effort the U.S. has mustered to date. At the same time, the role of the U.S. in these groups has been minimal, and it appears such will remain the case for the foreseeable future.

Russia plays a pivotal role in the Commonwealth of Independent States (CIS), the Shanghai Cooperation Organization (SCO), the Collective Security Treaty Organization (CSTO), and the Eurasian Economic Community (EEC, or EURASEC). The latter two groupings in particular are dominated by Russia. Evolving from the impotent Collective Security Treaty initiated in 1992, the CSTO is now viewed by some commentators as "a postmodern Warsaw Pact that could help Russia fully realize its aspiration for leadership of the post-Soviet space."²³

Moreover, in the past year Russia has successfully used the framework of the CSTO to court the Afghanistan administration, the closest ally the United States now has in the region. In March 2007, a delegation from the CSTO visited Kabul and according to a press release from the organization, developed "direct contacts" with officials of Hamid Karzai's government, intended to cultivate closer military and security cooperation between the CSTO and Afghanistan. Only a few days prior to this meeting, the Permanent Council of the CSTO met to cobble together a coordinated foreign policy for all member states, a clear sign that the CSTO is evolving towards something well beyond a simple security framework. This is made clear by the organization's leadership:

The CSTO is a living organism adapting to changing geopolitical realities. The main thing is to keep up the Organization's readiness to appropriately react to situations arising in the world...and which is even more important, the CSTO's ability to influence military-political processes in the region and the rest of the world....²⁴

In the case of both the SCO and the EEC, Moscow has made frequent allusions to a close coordination of policy between these organizations and CSTO, if not an outright merger. At the latest meeting of EEC member states in Dushanbe in October 2007, President Putin stated that Russia will shortly issue a draft proposal to create a common energy market among the member countries, a suggestion that must be met with considerable concern by American policy-makers. Under the voting framework of the EEC, Russia has twice the number of votes of Kazakhstan, and three more than Belarus, Uzbekistan, Kyrgyzstan and Tajikistan, allowing Russian policy and interests to dominate the group. The EEC is already moving rapidly toward the formation of a customs union among member states.

The EEC is not the only regional organization in which Russia is attempting to coordinate and influence energy policy. Earlier this month (November 2007) Prime Minister Victor Zubkov announced at a meeting of SCO countries in Tashkent that Russia would push for the formation of an energy "club" within the organization which would

regulate energy exports from Central Asia.²⁵ Were it to succeed, such an effort would incorporate the potential major obstacle to Russian control of Central Asia's energy resources — China.

Conclusion.

The North-South foreign policy design provides a strategy whereby American policy-makers hope to offset Russian goals of heavily influencing, if not dictating, Central Asian energy resources and economic development.

Promoting a unified electricity market and improved transportation linkages with South Asia present an alternative scenario to a single economic space dominated by Russia in the heart of Eurasia. But the viability of the policy has been damaged by continued violence and instability in Afghanistan, and now renewed political unrest in Pakistan. Russia continues to successfully draw the region's resources towards its territory, as exemplified by the recent agreement to expand the Prikaspiyskiy Pipeline in May of this year. Russia is the leading force in the drive to establish integration and interdependence in Central Asia, not the U.S. and its allies to the south.

If it is true that "...acquiescing to Moscow's objectives is certain to generate conflicts in the years ahead," and that "Such a policy will...reinforce Russia's expansionist ambitions in a region still prone to weakness..."²⁶, then new foreign policy strategies must be formulated for Central Eurasia which address U.S. interests in the region, both in terms of economic interests (the flow of energy resources into the world market) and geopolitical concerns (Russian regional domination). In the current geopolitical environment in the region, the reorientation along a north-south axis between Astana and Karachi offers some potential in this regard, although many obstacles remain to successful integration in the "arc of opportunity."

¹ Secretary Rice's comments are available on the U.S. State Department's website, at <http://usinfo.state.gov/utills>.

² Richard Boucher, Statement to the House International Relations Committee, Subcommittee on the Middle East and Central Asia, April 26, 2006.

³ Secretary Rice's comments are available on the U.S. State Department's website, at <http://usinfo.state.gov/utills>.

⁴ Karl Deutsch, *The Analysis of International Relations*, Englewood Cliffs, NJ: Prentice Hall Publishers, 1971, 158.

⁵ Mitrany's larger thesis is argued in *A Working Peace System*, Chicago: Quadrangle Books, 1966; and summarized in "The Functional Approach to World Organization," *International Affairs*, Vol. 24, No. 3, 350-363.

⁶ Ernst Haas, "Turbulent Fields and the Theory of Regional Integration," *International Organization*, Vol. 30, No. 2, *passim*.

⁷ Gregory Gleason, "Inter-State Cooperation in Central Asia from the CIS to the Shanghai Forum," *Europe-Asia Studies*, Vol. 53, No. 7, 1079.

⁸ A basic discussion of the theoretical aspects of integration and interdependence is found in Johan Galtung, "A Structural Theory of Integration," *Journal of Peace Research*, Vol. 5, 375-395.

⁹ Kenneth Waltz, "The Myth of National Interdependence," in Charles Kindleberger, editor, *The International Corporation*, Cambridge, Massachusetts: MIT Press, 1970.

¹⁰ Richard Boucher, Statement to the House International Relations Committee, Subcommittee on the Middle East and Central Asia, April 26, 2006.

¹¹ *Electricity Beyond Borders: A Forum Briefing Book*, produced by the U.S. Trade and Development Agency, 15.

¹² "ABD to Study Power Trade Potential to Afghanistan and Pakistan," January 22, 2007. Available at: www.adb.org/media.

¹³ Information on the CMERF can be found on the Asian Development website, www.adb.org.

¹⁴ "Afghanistan-Tajikistan Bridge Links Central, South Asia," August 29, 2007. Available at <http://usinfo.state.gov/xarchives>.

¹⁵ Ibid.

¹⁶ Afzal Khan, "Road-Building Given Top Priority in USAID-Financed Projects in Afghanistan," June 28, 2004. Available at: www.jamestown.org/edm.

¹⁷ Ibid.

¹⁸ Amin Tarzi and Daniel Kimmage, "Analysis: Pipelines or Pipe Dreams?," February 18, 2005. Available at: www.rferl.org.

¹⁹ Ariel Cohen, "U.S. Interests and Central Asia Energy Security," *Backgrounders*, No. 1984, November 15, 2006, 5.

²⁰ Richard Boucher, Testimony before the House International Relations Committee, Subcommittee on the Middle East and Central Asia, April 26, 2006. Quoted in Joshua Kucera, *Washington Seeks to Steer Central Asian States Toward South Asian Allies*, Eurasia Insight, 4/28/06. Available at: www.eurasianet.org/departments/insight/articles.

²¹ Stephen Blank, *U.S. Interests in Central Asia and the Challenges to Them*, Strategic Studies Institute, U.S. Army War College. Available at: www.StrategicStudiesInstitute.army.mil.

²² Quoted in Joshua Kucera, "Washington Seeks to Steer Central Asian States Toward South Asian Allies," Available at: www.eurasianet.org/departments/insight/articles.

²³ Adam Weinstein, "Russian Phoenix: The Collective Security Treaty Organization," *The Whitehead Journal of Diplomacy and International Relations*, Winter/Spring 2007, 168.

²⁴ Nikolai Bordiuzha, "Collective Security Treaty Organization," *International Affairs* (Moscow), Vol. 51, No. 2, 41. Bordiuzha is the Secretary General of the CSTO.

²⁵ Sergei Blagov, "Russia Urges Formation of Central Asian Energy Club." Available at: www.eurasianet.org/departments/insight/articles.

²⁶ Janusz Bugajski, "Russia's New Europe," *The National Interest*, Winter 2003/2004. Bugajski is writing about Russian policy in Europe, but his comments are relevant to Central Eurasia as well.

The Project of the Big Central Asia: Estimation of the Idea

KUKEYEVA FATIMA,

*The Head of International Relations and Foreign Policy of Kazakhstan Faculty,
Director of the Recourse Center for American and Democratic Studies*

The aim of my article is not to undertake a deep analysis of the Great Central Asia idea, but to discuss concept of regional strategy and geopolitical pluralism.

The events in Kyrgyzstan in March, the developments in Uzbekistan in May and particularly the SCO summit in July, put the Central Asian region at the focus of discussions in the leading American press. The newspapers such as the Washington Post, the Los Angeles Times, and the Baltimore Sun, the New York Times etc immensely increased their coverage of the region comparing to previous years. Such an intensity of the papers' coverage can be explained by the fact that GCA project is being widely discussed.

The US practical policy and diplomacy based on the American interests in the region were articulated by D.Freed, Assistant State Secretary for European and Eurasian affairs in the Congressional meeting of the Subcommittee for Middle Eastern and Central Asian affairs. Freed announced that American strategy in Central Asia envisages the balance of regional cooperation in the sphere of security, energy, economy and freedom through conducting the reforms.

That was the beginning of a new understanding of the region by the West. It is worthy to mention that State Department considers such an integration to be a natural and reasonable step. American government claims that the region faces the common challenges (terrorism, drug-trafficking, corruption, instable economy, and political regimes) and has the common cultural and historical links. The politicians agree that the enhancement of the political and economic integration will contribute to the stability, economic development and democratization of the region. The ultimate goal of the project is to make region stable, predictable and self-sufficient.

In his report, F.Starr emphasizes that the U.S. has to fulfill its obligations in the region and build its long-term policy strategy which should be more about using regional approach instead of focusing mainly on bilateral relations.

The project followed the pattern of "Greater Middle East" model, stating the necessity of integration of geographical space into the united regional "link" consisting of traditional Central Asian states (Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan), and, potentially, Afghanistan and South Asian states (Pakistan, India, Nepal, Sri-Lanka) in order to pursuit a common policy, of "democratization", economic development and security, according to the official version.

GCA includes Afghanistan which has to be joined to stable and Western-oriented Central Asian states, with the view to reduce internal and external tension in the country and in the region.

In the view of Washington, this would reduce Pakistani and Iranian influence on Afghanistan, stabilize the country internally, and improve the investment climate as well.

American experts argue that economy of Afghanistan and neighboring countries will never flourish in isolation. This is why the key issue in the regional development is trade which requires improvement of transportation, and constructing the pipelines transporting oil and gas from Central Asia to South Asia.

Thus, economically integrated Afghanistan would be a linking bridge between Central Asia and South Asia. This would lead to the economic growth of the countries involved, including Afghanistan.

American regional policy stipulates "geopolitical pluralism". Washington invites Moscow and Beijing to take part in the project as guarantors and donors into the regional modernization. The political part of the project claims that the U.S. does not intend to reduce Russian and Chinese presence in the region. Moreover, the U.S. invites these countries to be part of the modernization process.

At the same time, American analytics argue that the U.S. would like to clearly outline its interests in the Central Asian region. They continue by saying that Moscow needs to articulate its interests and negotiate over them with the ruling elites of the regional states. The experts claim that these interests should be harmonized with American regional strategy as well.

The American policy in the region focuses mainly on security, economic development and democratic reforms (the variation depends on their intensity and interlinks). The GCAP stipulates intensive cooperation of the U.S., China and Russia in creating single military, strategic and geopolitical whole consisting of Central and South Asia.

The White House is ready to facilitate Russia and China appreciation of their profits from the GCAP. The economic and social development would reduce poverty which causes extremist movements and illegal immigrants to Russia. The strengthening of border regimes would reduce the intensity of separatists in Xingjian region. The improvement of transport infrastructure would open new export routes for the Ural and Siberia therefore Xingjian would have access to the South.

Thus, American strategy of "geopolitical pluralism" in Central Asia envisages the balance of regional cooperation

in security, energy, economy and human rights through conducting the reforms. The U.S. claims that these goals can be achieved through regional approach.

However the GCAP is based on specific and non-equivalent aspects which are seen by Washington as single interdependent complex entity, shaping regional relations and processes.

Firstly, the GCAP is seen as artificial geopolitical model based on promotion of American interests.

It is interesting to mention that the majority of the American experts sincerely consider the GCAP countries the "stans", having, therefore, the common principles of political, social and economic development, similar interests and that they tend to have the similar reaction on the particular processes.

The principle point is that classical Central Asia, not mentioning the GCA, is not a single, monolithic construct. Kazakhstani scholars argue that Central Asia is not more than a handy geographical definition, which does not mean that all regional states are striving for their integration. Moreover, they are not similar as the subjects of international relations which can be measured by single indicators in conducting a certain foreign policy. In current situation, the regional states do not strive for interaction very much. Quite contrary, being purely guided by their national interests, the preferred ways of development and faced challenges, these states head very often the opposite directions.

The attempt to include Afghanistan which is not economically, politically and culturally linked with the rest of Central Asia in the pseudo united GCA region which will barely make a sense.

On other hand, the idea of the GCA is studied at different levels: the World Bank, Asian Bank of Development, U.S. Trade and Development Agency, USAID presented their projects. There is the statistical data that at least 100 projects and programs are implemented in the region by international organization, donor-states and regional countries.

The GCAP would contribute to the harmonization and development of transit routes, reduce obstacles for transit trade through bilateral and regional agreements. The projects and programs cover a very waste territory. Apart from traditional Central Asia and Afghanistan, Pakistan, Iran, Azerbaijan, Xingjian, the Ural, Western Siberia and Mongolia sometimes are also included. Experts argue that it is important to develop relations with Turkey, UAE and India.

Participation of Afghanistan in the projects is useful for regional cooperation in spite of the fact that rebuilding of instable Afghanistan would be made at the expenses of the Central Asian states. Stable Afghanistan would prevent the aggravation of the conflict and expanding of religious extremists into the territory of the neighboring states.

The U.S strategy of "Geopolitical pluralism" and the GCAP envisage the balance of regional cooperation in the sphere of security, energy, economy and human rights through conducting reforms. This strategy and concept are, in fact, contradictory with regional interests of Russia and China the countries playing significant roles in the region and regional processes. Consequently, any effort to realize the strategy and concept would face active and sometime coordinated resistance by the mentioned actors. According to the project, the U.S. invites India and Turkey, making them as well as Russia and China the guarantors of modernization process by increasing presence of former two states and reducing of latter two.

Neither China nor Russia would agree to be simple "favorable observers" meaning their derivation from the geopolitical game lead by the U.S. and stabilization of this altered geopolitical space under the patronage of the USA, which these countries will oppose.

China is concerned that the GCAP includes not only Central Asia and Afghanistan but also sometimes Xingjian which threatens Chinese territorial integrity. Moreover, the GCAP implementation may have a negative effect on Chinese mid-term and long-term objectives in the sphere of trade, energy and gas. China has become a big investor in oil field of Kazakhstan. The China's presence in oil and gas industry of Uzbekistan and Turkmenistan is growing. Small and medium entrepreneurs from China are investing in various sectors of Kyrgyz economy. Thus China is the one state which is invested in investment in this small and poor Central Asian country.

Russia takes Central Asia differently than the West. Taking into consideration the historical, military, political, economic and cultural links between Russia and Central Asia, Moscow has wide range of opportunities to strengthen its influence in the region.

Russia and China are concerned that while implementing the GCAP, the USA could realize a number of communication projects linking the Caucasus and the Pamir which are, in fact, anti Russian and anti Chinese. In the energy sector, for example, the certain conditions are being created to divert the energy pathways from China to Indian Ocean (India and Pakistan).

So it is possible that Russia would join hands with China to settle issues of common concern in the region. Kazakhstani scholars argue that Russia does not possess sufficient economic resources to maintain its geopolitical influence. Thus, it would share responsibility of stabilization of the region with Beijing.

In general, Russia will enhance cooperation within Organization of Collective Security Treaty and Shanghai Cooperation Organization. This would strengthen the recognition of Russian military standards in the region which is not in the Western interests. Central Asian states would possibly join this kind of cooperation, pushed by the threats from terrorism, extremism, drug trade, transnational crime.

The GCAP may not threat Russian and Chinese interests in the region. However, it is clear that Moscow and Beijing could oppose the Project. The project is seen as symbol of American long-term interests and its presence in the region which could undermine their own interests.

It seems not possible to evaluate the relevance of GCAP without taking into account the interests of the regional states to join this kind of partnership economically and politically. Central Asia is becoming more important in the context of world economy and geopolitics. The regional states are developing their transit capacities and exporting valuable goods to the world market. New oil and gas pipelines, highways outline can be already seen resembling therouts of the ancient Silk Road. The cumulative economic potential of Central Asia is growing.

Common strife for mutual economic and political cooperation between Central and South Asia brought them to capital of Afghanistan where they are beginning to realize common their interests and form Greater Central Asia as a region which can become a new factor of long-term growth of the world economy.

The successful implementation of the GCAP faces the following challenges: instability in Afghanistan, which ham-

pers transport communication between Central and South Asia; shift in Uzbek foreign policy; difficulties in the process of Central Asian integration when most of the states do not believe in successful integration without Russia (lukewarm support of Kazakh initiative of creating the Union of Central Asian states in 2005 is an example); the next challenge is the necessity to persuade Central Asian states to pursue economic and social changes initiated by the U.S. and to persuade them that the measures in the GCAP framework do not harm the neighboring powers.

The important issue is how the GCAP fits to interests of Central Asia, would the region be a subject or an object of international relations.

On the one hand, since the GCAP would probably include geopolitical maneuvers with the U.S., China and Russia, it does not fit interests of "traditional" Central Asian states, including Kazakhstan.

In geopolitical sense, the project is aimed to increase break of traditional ties of Central Asian states with Russia and, in perspective, with China. The attempt is made to reduce influence of Pakistan and Iran on Afghanistan. The project would break Central Asia from Eurasia and isolate the region from Russia and the rest of the CIS, and build fence between the region and China. Central Asian integration with Afghanistan would reverse the European vector of development of Central Asia and Kazakhstan, and therefore, suspend the process of modernization in the region. In this regard, artificial matrix of self-sufficiency of the region, cultural and historical closeness is being imposed for the purpose of shaping a common regional mentality.

This process could push Central Asia towards Islamic world, which the U.S. is intending to control through the Greater Middle East and the GCAP.

In the integration realm, the attempt is made to launch specific integration projects and possibly to reduce cooperation within OCST and SCO.

On the other hand, Kazakhstan is a proponent of regional cooperation and supports the GCAP if it serves strengthening of currently existing ties, security and stability in the region. In Kazakhstan's view, the GCAP should be seen as a civilizational and economic concept, but not as military doctrine and geopolitical strategy of the U.S.

Kazakh experts argue that the GCA should focus on the following priorities: regional transit trade; energy; development of transport infrastructure. However, it is necessary to take into consideration the considerable obstacles. They include the absence of coordination within regional states and international community, instability in certain states, differences in economic priorities, legislature etc.

Kazakhstan calls for solution of the existing problems and elaboration of common approaches towards the formation of a free trade zone and common market in the region. In this regard, Kazakhstan considers "Silk Way Strategy 2005" to be a positive step.

Afghanistan is crucial state in these processes. The nation-building and socio-economic rebuilding of Afghanistan gives new opportunities for regional cooperation. Kazakhstan has actively supported Afghan government's Strategy of development so called "Afghan contract" in the course of the recent conference in London. Kazakhstan is ready to assist Afghanistan in various fields.

Kazakhstan supports economic cooperation in the framework of OEC, SCO, EuraEC and regional program of SPECA. This would facilitate Afghanistan connection with the world, rebuilding of its infrastructure, and exporting hydrocarbons to growing economies of South Asia.

Kazakhstan's participation in the GCAP's subprojects, especially in the energy sector, is in the long-term interests of the republic. The project could be used if it is necessary as pressure leverage on China and Russia.

Thus, Kazakhstan and the other Central Asian states consider the GCAP to be a principle basis for economic the cooperation and security in the region, be distinguished from American geopolitical interests.

At least three Central Asian states: Tajikistan, Turkmenistan and Uzbekistan would have optional field for international cooperation and "access" to the world.

In the conclusion, I would say that the GCAP is a business project which is in general terms beneficial for Kazakhstan. Russia and China are free to propose the alternative projects, in the case they are not satisfied with the strategy of "geopolitical pluralism", and these projects would be carefully considered in Kazakhstan, because, due to its multivectoral foreign policy.

Nuclear Terrorism in the Contemporary World

ALBINA SALIMBAYEVA,

Lecturer of International Relations Department, Coordinator of the Recourse Center for American and Democratic Studies, al-Farabi Kazakh National University

Nuclear weapons and terrorism make a frightening sounding combination, and one that is increasingly being considered as plausible by some nonproliferation experts and policy makers.[1]

Concern about nuclear terrorism has been current since at least the late 1970s, when Louis René Beres published his seminal book, *Terrorism and Global Security: The Nuclear Threat*. Since that time two events have added incrementally to what is now a very grave level of international concern: the dissolution of the Soviet Union and its empire in 1991, and the destruction of New York's World Trade Center a decade later. The first raised the possibility, not previously contemplated, of functioning nuclear weapons falling into the hands of sub-national actors or 'rogue' states, while the second has permanently changed the view that terrorists were averse to causing mass casualties, the so-called 'proportionality principle'. [2]

Of all the terrorist threats facing the Central Asian States, Kazakhstan, the United States and the world, perhaps the gravest is the possibility of terrorists constructing or obtaining a nuclear weapon and detonating it in a city. If a terrorist group exploded just one nuclear weapon, hundreds of thousands of people could die. Because there is no effective protection against a nuclear blast, the only real solution is to prevent terrorists from obtaining nuclear bomb materials or weapons in the first place.

The Central Asian States, the United States and other countries are paying insufficient attention to this problem and, in some cases, pursuing policies that increase the risk of terrorists acquiring nuclear weapons. [3]

A terrorist attack on a nuclear research facility or commercial nuclear power plant could lead to the release of nuclear material. Additionally, as explained in the *British Medical Journal*, in 2002, an attack on stores of spent nuclear fuels poses as much, if not more, of an attack risk.

In addition to the reactors themselves, nuclear power plants harbour enormous quantities of radioactive materials in spent fuel pools. On average these spent fuel pools contain five times as much radioactive material as the reactor core, and they are housed in simple corrugated steel buildings even more vulnerable to attack than the reactor containment buildings. The vulnerability of nuclear power plants is highlighted by reports that 47% of US nuclear power plants failed to repel mock terrorist attacks conducted by the Nuclear Regulatory Commission during the 1990s. The results of an attack on either a reactor or a spent fuel pool could equal or exceed the effects of the 1986 Chernobyl disaster, which led to 30 acute deaths from radiation sickness, at least 1800 excess cases of childhood thyroid cancer, the evacuation of 100 000 people, and the radioactive contamination of vast tracts of land in several countries.

"Nuclear containment vessels are supposed to be able to withstand a crash from an aircraft, for example. It's not going to be easy for a terrorist to disrupt the operation of a nuclear power plant. There is, or course, the question of somebody on the inside who wants to betray the plant. That's another question, but there are ways to deal with that - two man rules, you have background security checks, etc.," says physicist Ivan Oelrich.

Given that benefits of nuclear technology are tied to the potential for nuclear terrorism, experts underscore the constant need for security. Some, such as Paul Leventhal of the Nuclear Control Institute, even call for development of alternative energy sources to avoid disaster at the hands of nuclear terrorists. [4]

A second way extremists could exploit radioactive materials would be by creating a "dirty bomb" by loading a conventional bomb with radioactive materials. They would disperse when the bomb exploded. [5]

Pavel Felgenhauer, an independent Russian military analyst, says corrupt elements in former Soviet republics could sell nuclear material for such bombs. "The fact that these materials have been spreading out from the former Soviet Union and the fact that terrorists do get their hands on such kind of materials or can do that, the facts exist. And maybe we just don't know all of the story at all," says Felgenhauer.

Physicist Ivan Oelrich says highly radioactive material would create a genuine physical threat, but it could also kill the terrorists before they had a chance to explode the device. He says low-grade radioactive contamination also could spread psychological terror.

"To be honest, the health dangers would be virtually zero. But people would know, 'Oh, they've put radioactivity into the building, I'm not going to work there.' It might be that because of the reaction, you know, we're human beings and not always rational, and from reaction of people you might have to abandon a building, not because it's actually dangerous, but because people think it is," says Oelrich.

Diversion of Nuclear Material or Weapons

The threat from radiological dispersion dims in comparison to the possibility that terrorists could build or obtain an actual atomic bomb. An explosion of even low yield could kill hundreds of thousands of people. A relatively small bomb, say 15-kilotons, detonated in Manhattan could immediately kill upwards of 100,000 inhabitants, followed by a comparable number of deaths in the lingering aftermath.

Fortunately, bomb-grade nuclear fissile material (highly enriched uranium or plutonium) is relatively heavily guarded in most, if not all, nuclear weapon states.

Nonetheless, the possibility of diversion remains. Massive quantities of fissile material exist around the world. Sophisticated terrorists could fairly readily design and fabricate a workable atomic bomb once they manage to acquire the precious deadly ingredients (the Hiroshima bomb which used a simple gun-barrel design is the prime example). [6]

- Terrorists might be able to purchase existing nuclear weapons on the black market.

- Terrorist groups may soon be able to create "improvised nuclear devices" (IND). According to a February 2007 report issued by British think tank Chatham House:

- "A so-called Improvised Nuclear Device (IND) could also be produced using much larger quantities of lower-grade, less enriched U-235. The device might then 'fizzle' rather than detonate its entire mass instantly and efficiently. But if the resulting explosion were to be equivalent to just one or a few kilotons of TNT rather than tens of kilotons, terrorists could still find this option attractive."

- It is possible — although so far not highly probable — that a terrorist group could build a nuclear weapon. [7]

A nuclear weapon requires either highly enriched uranium (HEU) or plutonium. Fortunately, these materials are not found in nature and are difficult to produce. This means there are only two plausible ways for terrorists to acquire nuclear weapons. First, they could steal an intact nuclear weapon from existing arsenals or purchase a stolen weapon. More likely, terrorists could acquire the material needed to build a nuclear weapon and the expertise to construct a workable bomb from this material.

Because only a relatively small amount of HEU or plutonium is needed to build a bomb, terrorists could feasibly steal enough material to build one or more nuclear weapons. A crude nuclear weapon would use 40-50 kilograms (88-110 pounds) of HEU; a more sophisticated design would require 12 kilograms (26 pounds) of HEU or 4 kilograms (9 pounds) of plutonium. The theft of HEU would be especially worrisome, because it is relatively straightforward to make a bomb using this material.

Unfortunately, there are numerous potential sources of nuclear weapons and weapons materials worldwide and several types of shortcomings in current security and accounting measures, some of which we list below.

- Several countries possess large stockpiles of civil plutonium for use in nuclear power reactors. Civil stockpiles stored in Belgium, France, Germany, India, Japan, Russia, and the United Kingdom comprise more than 230 metric tons of plutonium. Despite these enormous stockpiles, France, India, Japan, Russia, and the UK continue reprocessing in order to produce more civil plutonium. While civil plutonium is not "weapon-grade," it can still be used to make nuclear weapons.

- The United States has a relatively small amount of civil plutonium compared with these other countries because it decided in the 1970s to suspend the separation of plutonium from civil spent nuclear fuel. But under the Bush administration's proposed Global Nuclear Energy Partnership (GNEP) program, the United States would reverse course and begin large-scale reprocessing to extract plutonium from civil spent fuel.

- Russia and the United States possess enormous stockpiles of military plutonium from dismantled nuclear weapons. Russia's stockpile comprises some 150 metric tons and the U.S. stockpile comprises 100 metric tons. Each country has pledged to dispose of 34 metric tons, but neither effort has gotten off the ground. Moreover, the method they have chosen - turning the plutonium into fuel for nuclear reactors - could actually increase the risk of plutonium theft unless stringent security measures are applied.

- HEU is used to fuel well over 100 research reactors worldwide in dozens of countries. Many of these facilities are in academic or industrial settings with inadequate security - making them even more attractive targets for terrorists seeking nuclear weapons materials.

- In 2005, the U.S. Congress eliminated long-standing restrictions on exporting HEU to other countries for the purpose of making medical isotopes.

- Russia and the United States possess enormous stockpiles of military HEU. Russia has more than 1,000 metric tons, half of which it now considers "excess" to its security needs and is being converted to low-enriched uranium that cannot be used for weapons. The United States has more than 700 metric tons, of which it has declared 174 metric tons as excess. The HEU conversion and disposal programs in both countries are proceeding slowly, and even after their completion, each country will be left with more than 500 metric tons of HEU - enough for 10,000 simple nuclear weapons.

- Thousands of so-called tactical nuclear weapons - many of which are quite small and do not have electronic locks to prevent their unauthorized use - are stored in Russia, some in poorly secured locations. In addition, the United States maintains some 150 tactical nuclear weapons in Europe as part of NATO forces, and stores roughly 1,000 such weapons within its own borders.

- Tons of Russian nuclear materials are stored under inadequate security. During the Soviet era, the state limited access to cities in which these materials were stored, but did not keep strict account of the material or worry about theft by citizens who did have access. Since the collapse of the Soviet Union, that is no longer a viable strategy. Security upgrades (such as fences and controlled access) have been made to many sites, but not all.

- Even in countries such as France, Japan, and the United States, security measures for protecting weapon-usable materials from theft are probably inadequate to protect against contemporary terrorist threats. [8]

International community is concerned about nuclear terrorism, so there several documents were adopted to combat with this threat. For example, the UN General Assembly on April 13, 2005, adopted by consensus an International Convention for the Suppression of Acts of Nuclear Terrorism ("Nuclear Terrorism Convention") addressing the unlawful possession or use of nuclear devices or materials by non-state actors. The Nuclear Terrorism Convention calls for states to develop appropriate legal frameworks criminalizing nuclear terrorism-related offenses, investigate alleged offenses, and, as appropriate, arrest, prosecute, or extradite offenders. It also calls for international cooperation with nuclear terrorism investigations and prosecutions, through information-sharing, extradition and the transfer of detainees to assist with foreign investigations and prosecutions. With its focus on the investigation and prosecution of individuals, the Nuclear Terrorism Convention also addresses to a limited extent the treatment of detainees.

While its initial Russian draft was proposed in 1997, the Nuclear Terrorism Convention is the first anti-terrorism convention adopted since the attacks of Sept. 11, 2001. The treaty opens for signature Sept. 14, 2005 and enters into force thirty days after it is signed and ratified by at least 22 states.

The United States has welcomed the treaty, which could dovetail with the Bush administration's evolving neomultilateralism, characterized by international cooperation among sovereign states, manifested by parallel or joint action towards common goals on a domestic or international level, accompanied by corresponding developments in treaty-based and UN-based international law. Consistent with past expressions of Bush policy, such as the promotion of the Proliferation

Security Initiative, the Nuclear Terrorism Convention does not emphasize the role of international bureaucracies, in contrast to, for example, the International Criminal Court ("ICC"). At the same time, the Nuclear Terrorism Convention does envision detainee reports in some instances being made to, or through, the UN Secretary General.

One question of significance will be how the experience with the Nuclear Terrorism Convention impacts the development of a Comprehensive Convention on International Terrorism. The United States, Russia and others, praising the adoption of the Nuclear Terrorism Convention, all have pointed to the need to continue forward towards bringing a Comprehensive Convention on International Terrorism into being.

The Nuclear Terrorism Convention speaks to values and themes articulated to varying degrees in the past by the United States and its allies:

- outlawing and condemning terrorist activities;
- demonstrating global unity in opposition to terrorism;
- treating terrorism as a matter subject to domestic and international law;
- challenging states to use, and if necessary adapt, their domestic legal systems to combat terrorism;
- looking to states to cooperate as sovereign partners in the fight against terrorism, doing so within the context of domestic legal actions, as well as through related international mechanisms such as sovereign-to-sovereign extradition (but, as mentioned above, not by utilizing a free-standing international bureaucracy like the ICC, differences over which have contributed to Transatlantic friction);
- nevertheless using the United Nations as an international forum to develop inter-state cooperation, as a gathering place for sovereign partners;
- using international law as a basis and framework for action, and using the United Nations as a forum for developing international law;
- doing so by means of sovereign states voluntarily entering into an agreed international legal framework, through formal treaty-making, voluntarily accepting obligations to

take action as independent sovereign states, and manifesting compliance with their treaty-based obligations in parallel through domestic legislation;

- including within this purview statements of the rights of detainees.

As can be seen, these themes touch on values held, for example, by both Europe and the United States. It gives security a high priority; grounds security in law, including international law; is UN-centered; and is sovereignty-based, calling for international cooperation among independent sovereigns joined in a common cause and acting together or in parallel as sovereign partners. [9]

The other document concerning nuclear terrorism was adopted on July 15, 2006. It is the Global Initiative to Combat Nuclear Terrorism which was launched by President Bush and President Putin in St. Petersburg, Russia to expand and accelerate the development of partnership capacity to combat the global threat of nuclear terrorism.

On October 30-31, 2006, representatives from the governments of Australia, Canada, China, France, Germany, Japan, Italy, Kazakhstan, Morocco, Russia, Turkey, the United States, the United Kingdom met in Rabat, Morocco and reached agreement on a Statement of Principles for the Initiative, as well as a Terms of Reference for Implementation and Assessment. The International Atomic Energy Agency has been invited to serve as an observer to the Initiative.

The Global Initiative to Combat Nuclear Terrorism is open to other partner nations who share the common goals of the initiative and are actively committed to combating nuclear terrorism on a determined and systematic basis. [10]

So, the international community must do more to prevent terrorists from buying, stealing, or building nuclear weapons. Because the nuclear terrorism (the possibility that terrorists might acquire and use nuclear weapons) is an urgent and potentially catastrophic challenge to global security. Nuclear weapons, the most powerful weapons of mass destruction (WMD), use the energy produced by reactions within and between atomic nuclei to generate tremendous explosive force, heat, radiation, and other harmful effects. [11]

SOURCE LITERATURE LIST:

1. Amy Zalman/<http://terrorism.about.com/b/2007/11/15/nuclear-terrorist-threat-skewed-by-mistaken-assumptions-says-analyst.htm>
2. Robin Frost. Nuclear Terrorism Post 9/11: Assessing the Risks, October, 2003/<http://www.cda-cdai.ca/symposia/2003/frost.htm>
3. Nuclear terrorism/Union of Concerned Scientists / 06/06/07/http://www.ucsusa.org/global_security/nuclear_terrorism/
4. Peter Fedynsky. Preventing Nuclear Terrorism, 25 October 2006/<http://www.voanews.com/english/archive/2006-10/PreventingNuclearTerrorism2006-10-25-voa59.cfm?CFID=221040903&CFTOKEN=88886850>
5. Amy Zalman. Nuclear Terrorism - Types of Nuclear Terrorism/ <http://terrorism.about.com/od/n/a/NuclearTerror.htm>
6. What if the terrorists go nuclear? October 1, 2001/<http://www.cdi.org/terrorism/nuclear.cfm>
7. Amy Zalman. Nuclear Terrorism - Types of Nuclear Terrorism/ <http://terrorism.about.com/od/n/a/NuclearTerror.htm>
8. Nuclear terrorism/Union of Concerned Scientists / 06/06/07/ http://www.ucsusa.org/global_security/nuclear_terrorism/
9. Steven C. Welsh. Nuclear Terrorism Convention: International Convention for the Suppression of Acts of Nuclear Terrorism, May 17, 2005/<http://www.cdi.org/news/law/ntc.cfm>
10. <http://www.state.gov/t/isn/c18406.htm>
11. http://www.nti.org/h_learnmore/nuctutorial/index.html

China in Central Asia: from Trade to Strategic Partnership

KONSTANTIN SYROYEZHKIN,

*D.Sc. (Political Science), Professor, Chief Research Associate,
Kazakhstan Institute for Strategic Studies under the President
of the Republic of Kazakhstan*

Today China leaves no one indifferent: some experts are overenthusiastic about its socioeconomic reforms, while others fear the threats stemming from the country's new role in the world. Both groups have a right to their opinion, but in real life nothing is ever quite so black and white.

China is a dynamically developing country, but its "growing might" should not be overestimated: it is accompanied by growing problems. I am convinced, first, that in the context of world and regional security, these problems taken together are much more ponderous than "China's might."¹

Second, all those who tend to overestimate "China's might" are breeding irrational fears and all sorts of phobias, are not allowing the world to adequately assess the country's foreign policy, and are reviving fears of "China's demographic and economic threat to the countries it borders on." This is obviously an overstatement. China's stronger economic position in Central Asia as a whole and in Kazakhstan in particular has become obvious, but not dramatic. Its share of foreign direct investments and foreign trade volume in Kazakhstan do not exceed 10 percent.² China's share in the other Central Asian countries is even smaller. Today, China badly needs new sources of raw materials (energy resources in particular) and markets for its products. Central Asia (especially Kazakhstan) is highly attractive in both respects. The trade and economic relations between China and Central Asia are developing entirely within the worldwide economic globalization trends.

It should be said in all justice that due to its specifics and the nature of the relations among the actors involved in the region, this process is potentially dangerous to national security. This is the background against which China's presence in Central Asia is assessed.

Seizing the Opportunity

The Soviet Union's disintegration and the appearance of new independent states along China's borders radically changed its geopolitical role in Central Asia. The deep political and economic crisis in which Russia and the new Soviet successor states in Central Asia found themselves removed the "threat from the north" and allowed Beijing to concentrate on "strengthening China." On the one hand, it addressed the domestic economic problems in order to revive Greater China. On the other, it used specific mechanisms of its own to influence the world and regional processes.

The Chinese leaders knew that the regional rivalry between Russia, Turkey, Iran, and the United States would aggravate instability in the Central Asian states and the still unresolved problems among them. Beijing preferred to avoid direct involvement in the unfolding confrontation.

China relied on the trade and economic advantages it had already acquired in Central Asia and on domestic tools to limit the negative impact of the regional processes on its Muslim areas. In all other respects, the country preferred the traditional wait-and-see millennia-tested tactics. The Chinese leaders reconciled themselves to a certain extent with America's presence in the region, which was helping to curb Iranian influence, promoting no matter how limited market reforms, and reducing the impact of the nationalist political forces. Russia, which was keeping Turkey's influence within certain limits, was also acceptable.³

The situation in the region (with the exception of Tajikistan) was described as "relatively stable," which was very important for China's Central Asian policy. It was commonly believed in China that the region owed its stability to the fact that "despite considerable changes in the states' political structure and renaming or eliminating the former Communist parties, real power belongs to the reformers in the communist leadership."⁴

¹ For more detail, see: K.L. Syroezhkin, *Problemy sovremennogo Kitaia i bezopasnost' Tsentral'noy Azii*, KISI, Almaty, 2006.

² For more detail, see: K. Syroezhkin, "Kazakhstansko-kitayskoe torgovo-ekonomicheskoe i investitsionnoe sotrudnichestvo: sostoianie i problemy," *Kazakhstan v global'nykh protsessakh*, No. 1, 2006, pp. 43-49.

³ See: *Zhongya yanjiu* (Central Asian Studies), No. 1-2, 1992, pp. 14-15; L.C. Hurris, "Xinjiang, Central Asia and the Implications for China's Policy in the Islamic World," *The China Quarterly*, No. 2, March 1993, p. 125.

⁴ *Zhongya yanjiu*, Summary issue, 1993, p. 24.

This explains why together with the task of limiting the impact of Islamic fundamentalists and pan-Turkists on their Muslim regions, the Chinese leaders have been exerting great efforts to "support the current political power in the Central Asian states" for the simple reason that it "is demonstrating caution in its attitude toward pan-Turkism and fundamentalism and strictly limits the spheres of their influence. This is especially true of Islamic fundamentalism."⁵ China strove to preserve stability in its predominantly Muslim regions, which directly depended, according to the central and regional government, "on the situation in the newly independent Muslim neighbors."⁶

The most urgent political goals of China's Central Asian policy in the early 1990s were described as follows:

- * achieving border settlement;
- * limiting the influence of pan-Turkism, political Islam, and ethnic separatism on the fairly unstable Muslim Xinjiang-Uighur Autonomous Region of China, which borders on Central Asia;
- * establishing wider bilateral trade and economic contacts with the Central Asian countries to preserve China's limited political presence and to extend its economic presence as much as possible in order to set up "outposts" on the vast Central Asian market;
- * ensuring political balance in Central Asia in an effort to maintain the current political regimes, on the one hand, and to preserve the current disagreements among them, on the other.⁷

From the very beginning, China has been and continues to practice a differentiated approach to the new states proceeding from the following factors:

- * The state's geopolitical situation and its role in post-Soviet Central Asia; its socioeconomic potential; the degree of its activity; and the prospects of using it in the interests of China's border areas;
- * Political balance, the leaders' ability to control the economic and political situation at home, as well as the degree of social and ethnic stability, which would exclude the negative impact of Central Asia's social, political, and ethnic processes on China's border regions;
- * The activities of religious organizations and the degree to which religion (Islam in particular) affects the country's foreign and domestic policies;
- * The nature of relations with the Russian Federation, the Muslim world, China, and other subjects of international law;
- * Compatibility of specific countries' type of socioeconomic and political development with the "Chinese model" and "China's foreign policy goals."

The above explains China's heightened interest in Kazakhstan and Kyrgyzstan. The former has the longest land border of its neighbors with China with 11 contested stretches; Kazakhstan has considerable economic and resource potential; there are no immutable religious traditions inside the country, while some of the Uighur separatist organizations are based on its territory. The latter deserved China's attention because some of the border stretches needed specification; the country has attractive resource potential; Islamic influence inside the country was fairly limited, while some of the separatist Uighur organizations favoring Xinjiang's independence were stationed on its territory. Tajikistan attracted attention merely because the common border needed specification; Uzbekistan deserved attention as the only Central Asian country that tried to apply the "Chinese model" at home, while Turkmenistan, which maintained contacts with the Taliban since the latter half of 1994, also deserved its share of attention. Uzbekistan was seen as an unquestioned regional leader and the most promising trade, economic, and political partner, while Turkmenistan was regarded as a sustainably developing state. According to Chinese analysts, "compared with Kazakhstan and Kyrgyzstan, Uzbekistan and Turkmenistan are facing less serious problems... Industry and social life in both countries are fairly regulated."⁸ This description was probably prompted by their "closeness to the Chinese model," the type of reforms launched by Islam Karimov and Saparmurat Niyazov and the absence of serious problems in relations with these countries: there are no border problems; and there are no considerable ethnic diasporas that play a great role in China's relations with Kazakhstan and Kyrgyzstan.⁹

This differentiation can be easily detected in the volume and nature of trade and economic contacts with the region's countries in the early 1990s: Kazakhstan was the leader, while the shares of Uzbekistan, Tajikistan, and Turkmenistan remained negligible.¹⁰

In the latter half of the 1990s, China readjusted its approaches to include geostrategic considerations in its economic interests. This explains the rapid growth of trade and economic contacts with Uzbekistan, Kyrgyzstan, and Tajikistan, as well as the qualitatively new level of relations with Kazakhstan.¹¹ This also explains the closer attention to the collective security issues and the "struggle against Islamic fundamentalism" in China's relations with the Central Asian countries.

In April 1996, China initiated the Agreement on Military Confidence-Building Measures in the Border Regions, signed in Shanghai, and the Agreement on Mutual Reduction of Armed Forces in the Border Regions, signed in Mos-

⁵ Ibid., p. 29.

⁶ L.C. Hurris, op. cit., p. 125.

⁷ See: *Dongou Zhongya yanjiu* (Research on Eastern Europe and Central Asia), ed. by Zhang Baoguo, Urumqi, 1999; *Zhongguo yu Zhongya* (China and Central Asia), ed. by Xue Jundu and Xing Guangcheng, Beijing, 1999, pp. 183-224; *Zhongguo yu Zhongya yanjiu wenji* (Collected Studies of China and Central Asia), ed. by Wu Fuhuan and Cheng Shiming, Urumqi, 1998, p. 7.

⁸ *Zhongya yanjiu*, No. 3-4, 1994, pp. 28-29.

⁹ See: *Dongou Zhongya yanjiu*, No. 2, 1997, pp. 29-32.

¹⁰ For more detail, see: K.L. Syroezhkin, "Kitay i Tsentral'naia Azia: politicheskie otnosheniia i torgovo-ekonomicheskoe partnerstvo," *Kazakhstan-Spektr*, No. 1-2, 1997, pp. 61-67.

¹¹ In June 1997, the Chinese National Petroleum Company won a tender under which it acquired 60 percent of shares of Aktiubinskneft Joint Stock Company. This brought China into the oil-and-gas sector of Kazakhstan and the "project of the century"-an oil pipeline from Western Kazakhstan to Western China.

cow in April 1997. They served as the foundation for the Shanghai Five, which was transformed into the Shanghai Forum late in the 1990s and into the Shanghai Cooperation Organization in June 2001. Significantly, as early as the mid-1990s, Beijing realized that the organization it had set up could serve as the vehicle of its interests in Central Asia. In any case, it was the Shanghai Five which, starting in April 1997, altered the bilateral format - China and four post-Soviet republics - to a five-sided format, within which each of the five members played an independent role. It was through this structure that China settled one of its major problems - the controversial border stretches.¹² Other border issues remain shelved.

Many important geopolitical problems were likewise settled through this structure; it was in Shanghai that the strategic alliance between Russia and China took shape. During a visit to Shanghai, President Yeltsin described it as a "counterbalance to Western domination" and added that the diktat of one state could not be accepted.

On 4-6 July, 1996, during his official visit to Kazakhstan, Jiang Zemin upheld a similar position. Speaking at the Kazakhstan parliament, he described his country's approaches to the world's most outstanding issues and clearly pointed out: "The unjust and irrational world economic order should be changed" through closer cooperation along the South-South line. China claimed the copyright on this idea and, in view of its geopolitical situation, offered its services as coordinator.¹³ In other words, back in 1996, Beijing formulated a new idea of confrontation between the blocs of the developing and developed countries; the latter were openly invited to trim their requirements in favor of the Third World.

This period should be summed up as follows: China fully exploited the opportunity presented by the Soviet Union's disintegration and the geopolitical vacuum in Central Asia to, first, settle its border issues. It profited from the settlement, while the Central Asian states lost a trump card that could be potentially used in their later talks with Beijing over pressing issues. Second, China not only gained a strong economic position in all the Central Asian republics, but also developed its Greater North-West with the help of the republics' economic potential.¹⁴ Third, by signing agreements with the local countries, China enlisted them as allies in the struggle against ethnic separatism. More than that: by the same token, it split the "Muslim unity" of the Xinjiang peoples and the autochthonous Central Asian nationalities to a certain extent. As a Shanghai Five member, it became immune to the interference of third countries in the "Uighur factor." Fourth, Russia and the newly independent Soviet successor Central Asian states, badly hit by the political and economic crisis, were no longer a "threat from the north." China used this historic chance to concentrate on its domestic problems, economic

development, and reestablishment of Greater China. Finally, China fortified its position in all the Central Asian countries, mainly through its economic presence and as a key member of the emerging regional security system, of which the Shanghai Five was one of the links.

The SCO as a Mechanism of Influence

By mid-1999, the situation in the region, as well as more active American efforts to build up its influence there,¹⁵ forced China to look for a mechanism of its direct involvement in the security issues in Central Asia. The Shanghai Five was selected as this mechanism.

On 5 July, 2000, the Dushanbe summit approved of the sides' efforts to develop the Shanghai Five into a regional structure of multilateral cooperation. The summit outlined the specific threats - international terrorism, religious extremism, and ethnic separatism - "which threatened regional security, stability, and development," as well as illegal trade in weapons and drugs, and illegal migration.¹⁶

The Five members planned to draw up a multisided program, sign all the necessary multilateral agreements and treaties, organize regular meetings of the heads of law-enforcement structures and of border guard and customs services, and carry out antiterrorist and anti-violence training exercises patterned on the countries' needs.

China needed this as badly as Russia and the Central Asian countries: by that time, the common regional threats had become an unwelcome reality and a destabilization factor in the region and elsewhere in the world. It was these developments that changed the local attitude toward China's presence in the region. Uzbekistan, which was facing the very real possibility of being drawn into a civil war, was probably the first to feel the reality of the threat. This explains why President Karimov deemed it necessary to point out at the summit: "The presence of two great powers - Russia and China with their huge potential - in Central Asia in the current situation does not merely guarantee peace and stability in our region, it also contributes to its sustainable development."¹⁷

This opened more "windows of opportunity" for China to be used without irritating Russia and raising a new wave of fear about "Chinese expansion." Direct confrontation with the United States was equally unwelcome.

The anniversary summit of the Shanghai Five held on 14-15 June, 2001 was expected to resolve the problem. Uzbekistan's membership and the Declaration on the Creation of the Shanghai Cooperation Organization (SCO) demonstrated that a new international structure had arrived on the scene.

China deliberately concentrated on economic cooperation within the SCO, and neither was the statement by Chinese Foreign Ministry Spokesman Zhang Deguang accidental, who said: "Neither the Shanghai Five nor the SCO are alliances; they will never develop into a military bloc or

¹² The main border agreement with Russia was signed in November 1997; and the additional agreement in October 2004. The border agreement with Kazakhstan was signed in April 1994, and the additional agreement in September 1997. The dates for Kyrgyzstan are July 1996 and August 1999, respectively; for Tajikistan, they are February 1999 and May 2002.

¹³ See: *Kazakhstanskaia pravda*, 6 July, 1996.

¹⁴ For more detail, see: K.L. Syroezhkin, *Problemy sovremennogo Kitaia i bezopasnost v Tsentral'noy Azii*.

¹⁵ For more detail, see: K. Syroezhkin, "Central Asia between the Gravitational Poles of Russia and China," *Central Asia: the Gathering Storm*, ed. by Boris Rumer, M.E. Sharpe, Armonk, New York, London, 2002, pp. 109-207.

¹⁶ See: "Dushanbe Declaration of Heads of State of the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan," *Kazakhstanskaia pravda*, 13 July, 2000.

¹⁷ ITAR-TASS, 5 July, 2000.

any other collective security system."¹⁸ First, it did not irritate the other regional players (the U.S. in particular); second, by that time Beijing had obviously concluded that it would not build up its influence in the region through a regional security system. Indeed, in this respect, the Shanghai Forum was much weaker than the CSTO. Third, any emphasis on the security and military-political cooperation issues limited the geographical extent of China's involvement in Central Asia, since Turkmenistan and Uzbekistan would have been left outside the sphere of Chinese influence. For obvious reasons, China did not want this. On the other hand, everyone was prepared to accept the economic issues, which allowed China, with much larger resources than before, to increase its influence in Central Asia. Two key questions remained unanswered: Who will fund the project and how? How can the integration processes within the CIS and the CAEC be harmonized with the integration processes within the SCO? There were no answers to these questions, but some experts correctly believed that when developing the SCO in the economic sphere, "it is extremely important to avoid obviously unrealistic, but fashionable integration ideas."¹⁹

The events of 9/11 and America's interference in the Afghan conflict that followed destroyed China's geostrategic constructs, which since the late 1980s remained riveted to the formula: "While relying on the North stabilize the Western sector and concentrate on the East and the South." Prior to the counterterrorist operation in Afghanistan, the formula remained highly effective. The American military bases in Central Asia undermined it.²⁰ Without real tools of influence in the region to be used to remove the challenge, China had, on the one hand, to strengthen the armed groups deployed in the XUAR to protect its own safety. It also invigorated the process of setting up antiterrorist structures within the SCO and established closer contacts with its members to limit

American influence in the region and preserve its position in the regional security structures. It is commonly believed in the West that the events of 9/11 and the American military presence in Central Asia undermined the SCO's regional security role and slowed down Beijing's growing influence by undermining its position.²¹ Chinese experts are convinced of the opposite.²²

Something bothered China more than anything else in the context of the various opinions of the Central Asian states on the Iraqi issue²³ and Uzbekistan's withdrawal from what was done within the SCO²⁴: the public and the region's political leadership might learn to take America's military presence on their doorstep for granted and an alternative to Russia's and China's security guarantees. The fears were well-founded: the U.S.'s promises of investments and political support tempted the leaders of Uzbekistan and Kyrgyzstan, who sincerely believed that Washington had readjusted its attitude toward the local political regimes. Indeed, the United States first demonstrated that it was prepared to fight Islamic fundamentalism and terrorism with much better effect than the SCO; second, America was building up its military presence in Central Asia with Russia's tacit agreement and against the background of its nearly normal relations with the United States.

At that time, China was concerned not only about preserving its economic position in the region; it also had to address two no less important tasks: limit America's political presence and its influence on the local political elites and preserve Central Asia's political regimes and relative local political stability. For obvious reasons, the PRC did not need a seat of tension fanned by the Islamic factor on its borders. The problems were resolved thanks in particular to the SCO collective security mechanism (part of the SCO Agreement and accompanying documents), with the help of which Beijing was closely monitoring developments to prevent anti-Chinese

¹⁸ ITAR-TASS, 5 July, 2000.

¹⁹ V.V. Mikheyev, "Obshchie problemy realizatsii interesov Rossii v ShOS. Predlozhenia po povysheniu effektivnosti ee raboty," *Problemy stanovleniya Shanghaiskoy organizatsii sotrudnichestva i vzaimodeystvia Rossii i Kitaia v Tsentral'noi Azii*, Institute of the Far East, RAS, Moscow, 2005, p. 28.

²⁰ According to Ge Dide, an expert at the National Defense University of the Chinese People's Liberation Army, "Beijing is very concerned with the appearance of American armed detachments at China's western borders for the first time in its history... Their presence will ease NATO's expansion to the East and tie together the American military contingents in Europe and the APR." Ge Dide is convinced that the United States will have enough troops at the military bases in Afghanistan and Central Asia to ensure operational control over certain zones and objects in China (quoted from: A.F. Klimenko, "Znachenie Tsentral'no-Aziatskogo regiona. Razvitiye strategicheskogo partnerstva mezhdru Rossiei i Kitaem v ramkakh ShOS i nekotorye napravleniya sovershenstvovaniya etoy organizatsii," *Problemy stanovleniya Shanghaiskoy organizatsii sotrudnichestva i vzaimodeystvia Rossii i Kitaia v Tsentral'noi Azii*, pp. 65-66). According to Xing Guangcheng, Deputy Director of the Institute for East European, Russian and Central Asian Studies, Chinese Academy of Social Sciences, "The PRC is not interested in the prolonged American presence in Central Asia close to its borders and does not support it. This threatens China's interests" (Xing Guangcheng, "The Shanghai Cooperation Organization in the Fight against Terrorism, Extremism, and Separatism," *Central Asian and the Caucasus*, No. 4 (16), 2002, p. 19).

²¹ According to one of the leading American experts in central Asia Eugene Rumer, "A regional power broker prior to 11 September, China now finds itself marginalized, displaced, and virtually alone, pondering the unenviable (for Beijing) option of playing second fiddle to the United States and a host of its newfound best friends. No matter how much China gains from the U.S. military campaign-and there can be little doubt that it has been a beneficiary of the campaign against the Taliban and the ensuing blow to operations of its own Uighur militants-U.S. preponderance in Central Asia must be a serious setback to the government that aspires to the role of the Asian superpower" (E. Rumer, "Flashman's Revenge: Central Asia after 11 September," *Strategic Forum* (Washington, DC), No. 195, December 2002, p. 3).

²² According to Zhao Huasheng, Director of the Department of Russian and Central Asian Studies at SIIS, "It is true that the geopolitical changes in Central Asia in the wake of 9/11 came as a surprise to China. Notwithstanding, its impact on China and China's self-assessment of its situation are not as strong and pessimistic as perceived by some foreign analysts" (Zh. Huasheng, "China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia," *Central Asia and the Caucasus*, No. 5 (29), 2004, pp. 121-122).

²³ The war on Iraq demonstrated that there was no unity in the SCO: Russia was dead set against the war, while China was more cautious in its rejection of it. Tajikistan, Kazakhstan, and Kyrgyzstan announced that they were neutral "within the framework of international law." Uzbekistan whole-heartedly supported America.

²⁴ Uzbekistan took part in two out of six meetings of SCO representatives held in April-May in preparation for the St. Petersburg summit. The two sittings it attended dealt with economic cooperation and the draft SCO Charter; the four other sittings discussed regional security issues, which Uzbekistan ignored.

alliances. The same document transformed the CIS-China borders into a zone of multilateral economic cooperation. The SCO member states, China in particular, the common antiterrorist and antiseperatist efforts, and the economic prospects were attractive enough for new members, including those that had no common borders with China. Being aware of its competitive advantages over Russia,²⁵ China hoped, with good reason, to become the SCO's first fiddle, if the organization's economic component came to the fore.

The special meeting of SCO foreign ministers held on 7 January, 2002 in Beijing tied SCO stability to the new geopolitical conditions. By stressing the Afghan problem and pointing out that the U.S. and the SCO had different ideas about its settlement,²⁶ the PRC and Russia hinted that they were prepared to tolerate America's military presence in Central Asia up to a certain point and under certain conditions. Russian Foreign Minister Igor Ivanov pointed out: "It is for the SCO, which unites like-minded neighbors tied together by many years of cooperation and tradition, to become a systemic element of regional security and development. The regional states alone are responsible for the political climate in the region and the forms of development and cooperation prevalent here."²⁷

The St. Petersburg summit of June 2002 strengthened the SCO mechanisms still further. The SCO Charter specified the rights and duties of its members, which was absolutely indispensable in the new geopolitical situation in Central Asia.

It is no accident that the document stated that illegal actions against the SCO's interests were inadmissible. Art 13 of the Charter was very explicit on the issue: "SCO membership of a member State violating the provisions of this Charter and/or systematically failing to meet its obligations under international treaties and instruments, concluded in the framework of SCO, may be suspended by a decision of the Council of Heads of State adopted on the basis of a representation made by the council of Ministers of Foreign Affairs. If this State goes on violating its obligations, the Council of Heads of State may take a decision to expel it from SCO as of the date fixed by the Council itself."

The above was introduced into the Charter for obvious reasons: the positions of some of the members remained vague. None of the members made any official statements contradictory to the agreements reached within SCO (the January 2002 meeting of the foreign ministers confirmed these agreements), but relations among the members had become significantly cooler.²⁸

This happened because the situation in Central Asia was developing under the impact of the U.S. and its European allies, which moved to the fore in ensuring regional security and pushed the Russia-China tandem aside. The local leaders became less enthusiastic about the SCO and its system of regional security: its prospects were assessed in the context of the relations between each member country and the United States, the PRC, and Russia, as well as the relations within this geopolitical triangle. The position of certain member states changed under the fear of Russia's "imperial ambitions," China's "expansion," and the White House's lavish investment promises.

The years 2003 and 2004 were spent searching for a way out. Judging by certain Chinese publications, Beijing reached important conclusions.

* First, America's military-political presence in Central Asia would remain a more or less permanent factor in the near future: neither China nor Russia, no matter how displeased with it, could do anything about it.²⁹

* Second, "Russia is growing weaker-it can no longer dispatch adequate forces to Central Asia,"³⁰ which meant that, on the one hand, it would hardly be able to fulfill the mission of squeezing the United States out of the region the Chinese strategists entrusted it with. On the other, China might build up its (primarily economic) influence in Central Asia.

* Third, the Iraqi crisis would not end soon; this buried the hope of sustainable fuel deliveries from the Middle East, which meant that their geographical dimensions should be extended to Russia and the Central Asian states.³¹

* Fourth, Beijing, which needed a stable strategic rear area, was more than concerned over the rivalry among Russia, the U.S., and China in Central Asia.³² This meant

²⁵ Beijing proceeded from the dynamics of its economic and military potential. Whereas in 1990, there was parity between the Chinese and Soviet GDP volumes, in 2000, the Chinese GDP was five times larger than Russia's. Military experts have calculated that by 2010-2015 Beijing will achieve nuclear parity with Moscow (see: S. Strokan, "Shanghaiskaia gramota: nachalo novogo etapa v istorii Tsentral'noy Azii," *Kommer-sant-Vlast*, 26 June, 2001). China was prepared "to extend all possible assistance to Kyrgyzstan in case of more aggression by fighters." It was with Chinese assistance that not only Uzbekistan, but also other Central Asian countries hoped to increase the number of countries involved in securing their safety and achieving at least minimal economic prosperity.

²⁶ See: "Sovmestnoe zaiavlenie ministrov inostrannykh del stran-chlenov ShOS," *Renmin ribao*, 16 January, 2002.

²⁷ RIA "Novosti," 7 January, 2002.

²⁸ In the majority of cases Uzbekistan invariably took a special position. For example, President Karimov called on the SCO not to hurry with the planned SCO antiterrorist structure based in Bishkek (the headquarters) and Beijing (the Secretariat). In St. Petersburg he addressed his colleagues, particularly Jiang Zemin, with the following words: "The SCO stands a good chance of developing into a serious factor of world politics if it soberly assesses the post-9/11 world. The world is changing together with the balance of forces. Pragmatism of Russia and the United States and the leaders who signed the Russia-NATO documents spoke of a sober approach and understanding of the new situation. We should take this into account." Translated into ordinary language, this meant that the member states were advised to coordinate their actions with the United States. The puzzled journalists wanted to know: "Have the presidents noticed that the U.S. was virtually present at the summit?" *Vremia novostey*, 10 June, 2002.

²⁹ See: Zhao Huasheng, "ShOS i sootnoshenie velikikh derzhav na fone novoy situatsii v regione TsA," *Analitic*, No. 1, 2003, p. 5.

³⁰ Li Lifan, Ding Shiwu, "Geopolitical Interests of Russia, the U.S. and China in Central Asia," *Central Asia and the Caucasus*, No. 3 (27), 2004, p. 140.

³¹ See: *Ibid.*, p. 142.

³² Chinese experts suggest three possible options: 1. *Continued balance of interests and status quo*, if the United States "restrains its ego-tism," takes account of the U.N.'s role and decisions and of other international instruments, and discusses with Moscow its most important decisions on global issues and seeks Beijing's opinion. 2. *Confrontation of the powers and clashes among them*, if "Russia is aware of the limits of its retreat in the face of the growing threat to its Central Asian interests emanating from the United States." 3. *The powers will refuse to maintain the balance of forces in the region*, consequently there will be chaos, if "Russia, after weighing up all the 'pros' and 'cons,' abandons its claims to regional leadership" (Li Lifan, Ding Shiwu, *op. cit.*, pp. 144-145).

that "what China, Russia, and the U.S. ultimately need in Central Asia is a multilateral cooperation framework. Mere bilateral cooperation can hardly settle the issue of multilateral relations."³³

* Fifth, no matter which points the Chinese experts disagreed on with respect to the role and prospects for the SCO,³⁴ they all agreed that the structure should be preserved, since "the SCO is the most convenient and legal channel of such communication and a reliable instrument of coordination in Central Asia."³⁵ Chinese experts pointed out: "After a long period of deliberations and careful preparations Beijing acquired its Central Asian strategy. Since then, China has been using the SCO to be actively involved in all regional issues, to develop its relations with the local countries, to contribute to their stability and prosperity, and to look after its own strategic interests concentrated on developing local resources." This meant that "China should build its Central Asian strategy on the SCO; it should consolidate its positions, and improve its mechanism to get rid of its functional shortcomings in order to make it the regional leader."³⁶

* Finally, China aimed at greater economic involvement in the region through bilateral and multilateral projects within the SCO. In October 2003, the Atasu-Alashankou oil pipeline project was revived. The minutes of deliberations were signed in 1997; in September 2004, a Program of Multisectoral Trade and Economic Cooperation was signed in Beijing. It created a basis not only for broader trade and economic relations, but also for deeper integration into all economic spheres.³⁷ This strategy remained unrealized for political reasons—the wave of Color Revolutions that swept the CIS.

At the New Stage

The events in Georgia and Ukraine (in the fall of 2003 and 2004) and especially in Kyrgyzstan (the spring of 2005), which added another element of uncertainty to the post-Soviet situation and the U.S.'s involvement in them, urged the PRC to take a fresh look not only at the threats coming from the post-Soviet territory, but also at the nature of its relations with Russia and America within its Central Asian strategy. V. Mikheev was quite right when he said that China

had to choose between Russia's and its own course or place its stakes on the American factor.³⁸

The dilemma caused by the regional threats and, to a greater extent, by the regional policies of the three largest extra-regional actors was real. Their strategic interests (the fight against terrorism, religious extremism, and drug trafficking) were the same; they disagreed over the priorities and held different ideas about tactics and methods.

Beijing is placing its stakes on supporting the existing political regimes; it plans to build up its influence in Central Asia through large-scale economic projects. The United States, on the other hand, hopes to expand its influence by "removing authoritarian political regimes" and "exporting democracy." Russia has chosen the middle-of-the-road course: while not actively opposing the "export of democracy," it is trying to use the struggle against real threats to enlarge its military-political presence.

Second, the Color Revolutions made it absolutely necessary to identify its attitude to the Central Asian political regimes and the opposition. Russia's adjusted policies toward the CIS members and their political regimes could not pass unnoticed in China: before the Ukrainian developments, Russia concentrated on supporting the current political leaders. After the Orange Revolution, it is guided by its national interests and the level of any political leader's loyalty to Moscow.

Third, the need emerged to decide whether the SCO could be used to settle regional conflicts. The events in Kyrgyzstan confirmed beyond a doubt that neither the CSTO, nor the SCO were prepared to act collectively in the face of a crisis in any of the member states. Beijing found itself in a difficult situation: as one of the key SCO members, China could have suggested certain steps designed to localize potential conflicts. At the same time, it would like to avoid any accusations of interference in the domestic affairs of other countries, as well as another wave of fear about "Chinese expansion." In the absence of ready solutions, Chinese experts and diplomats spared no effort to find out the opinions prevalent in the Central Asian expert communities. One thing was absolutely clear: the continued American military presence in the region was a

³³ Zhao Huasheng, "China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia," *Central Asia and the Caucasus*, No. 6 (30), 2004, p. 92. He offered the following options: "(1) The United States becomes an observer or interlocutor in the Shanghai Cooperation Organization; (2) China becomes an observer or interlocutor in NATO's Partnership for Peace program and takes part in its actions together with Russia; or (3) all three powers find some common ground in the framework of the Shanghai Cooperation Organization and NATO's Partnership for Peace program" (ibid., p. 94).

³⁴ See: V. Mikheev, "Kitai i ShOS: problemy vzaimodeystvia 'velikikh derzhav' i perspektivy organizatsii," *ShOS: stanovlenie i perspektivy razvitiia*, KISI, Almaty, 2005, pp. 31-44.

³⁵ Li Lifan, Ding Shiwu, op. cit., p. 144.

³⁶ Ibid., pp. 141-142, 144. Zhao Huasheng was even more specific when pointing to China's role in Central Asia; he wrote: "Securing Central Asia as China's stable strategic rear area depends on three conditions. First, on resolving the disputed border issues between China and Central Asia and maintaining peace and security in the border areas. Both tasks have been entirely fulfilled, save a few remaining negotiations over uninhabited and inconsequential border areas. Second, on the Central Asian nations adopting a good-will foreign policy toward China and China maintaining fairly good bilateral relations with the Central Asian nations. Third, on Central Asia not falling under the control of any major power or group of major powers, especially those that have complicated geopolitical and strategic relations with China. It can be inferred that, as another basic principle and target of China's Central Asian policy, China must maintain amicable relations with the Central Asian nations and prevent these nations from being controlled by any major power or group of major powers" (Zhao Huasheng, "China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia," *Central Asia and the Caucasus*, No. 5 (29), 2004, p. 119).

³⁷ The program contained 127 projects in 11 economic branches; development of transport infrastructure, energy, ecology, and drinking water were the top priority spheres.

³⁸ See: V. Mikheev, "Kitai and ShOS: problemy vzaimodeystvia 'velikikh derzhav' i perspektivy organizatsii," p. 32.

destabilizing factor.³⁹ China could not cope with the problem single-handedly; more than that - it wanted to avoid a direct confrontation with the United States.

The above crystallized into China's Central Asian tactics and the use of the SCO mechanisms. Beijing was playing three games simultaneously: Russia's fears about the Chinese influence should be alleviated; the United States, its political role in Central Asia needed trimming, should not be irritated; China should acquire a reliable rear area and gain access to the local hydrocarbon and other resources. China's position in the geopolitically more important APR should be consolidated.⁴⁰

This is how the results of the SCO summits in Tashkent (June 2004) and especially in Astana (5-6 June, 2005) should be interpreted. They demonstrated that, first, Beijing, which posed as the key investor in economic integration, insisted on the speediest possible implementation of the SCO economic projects; second, in the future the SCO would develop into a global structure; third, the SCO members were not happy about American domination in the region and America's "export of democracy." Finally, the SCO intended to lower the level of the American presence (particularly its military-political presence) in Central Asia.

Western experts readjusted their opinions accordingly: in the past, most of them displayed no concern over the SCO as a mechanism for limiting America's presence in the region.⁴¹ While before the Astana summit the Western official structures lauded the SCO's antiterrorist efforts and its struggle against religious extremism and drug trafficking, as well as its contribution to economic integration and transborder safety,⁴² they changed their tune after the summit to one that was more critical and anti-Chinese.⁴³

The West is worried about several issues: (1) A new strategic alliance is emerging in the heart of Asia that may potentially be aimed against the West; (2) Beijing, not Moscow, is its true leader, which means that in several years the Central Asian republics will turn away from Russia to China; (3) India, Pakistan, and Iran have already indirectly joined the alliance (at least they demand a reduction in

the West's military presence in the region); (4) China is using the SCO not only as a foothold to fortify its presence in Central Asia, but also as a tool to oppose the U.S. -led alliance in the APR and to build up its own influence in Southwestern Asia, the Middle East, East Africa, and the Indian Ocean.

To a great extent these fears are justified. Russia and China deny any intention to turn the SCO into an anti-Western alliance and insist on its economic nature, but this prospect cannot be ruled out altogether.

The above confirmed the thesis that thanks to the SCO, Beijing acquired the entirely legitimate possibility of acting in the post-Soviet expanse according to the CIS's unwritten rules. What is more, this does not raise objections either from Russia or the Central Asian countries; in fact, China's involvement is approved. In other words, China acquired the possibility of playing, without hindrance, on the contradictions inside the CIS and among various groups in all the countries without being accused of expansionism and subversive activities.⁴⁴

Why did this happen in Central Asia where Russia had dominated for so long? The answer is easy: early in the 1990s when Russia vacated the region on its own free will, China merely seized the opportunity. In the middle and late 1990s, while Central Asia was busy identifying its geopolitical priorities, Russia was engaged elsewhere. First, it was building up contacts with the West and later it was engaged in sorting out its contradictions with it. Central Asia was obviously beyond the range of its attention. When it dawned on it that regional developments were threatening its security, Russia deemed it necessary to move into the region to fortify its position there. It became obvious that Russia's "imperial ambitions" were as strong as ever, which caused concern among the Central Asian republics.⁴⁵ Second, China, which had already entrenched itself, was regarded as a welcome alternative to Russia; Russia would have to prepare itself for stiff competition with the PRC. Early in the 2000s, America and NATO, which incorporated Central Asia into the sphere of their strategic interests,⁴⁶

³⁹ According to Prof. Zhu Zhenghong of Xinjiang University, "America's military presence and political influence in Central Asia added, to a certain extent, to the sociopolitical contradictions in the region's countries and created potentially destabilizing factors for their leaders" (see: Zhu Zhenghong, "Regional Security in Central Asia and Russia after 9/11," *Far Eastern Affairs*, No. 1, 2005).

⁴⁰ This perfectly fitted the PRC foreign policy doctrine, which the new generation of leaders changed a lot. The new strategy presupposed abandoning the passive wait-and-see policy designed to create a favorable external context for domestic reforms and shifting to an active policy. China wanted a more active role in global developments. There was a shift from the policy of predominantly bilateral ties to multilateral diplomacy, active and even aggressive protection of Chinese interests, Chinese businesses, and Chinese citizens abroad (see: V. Mikheev, "Vneshniaia politika Kitaia pri novom rukovodstve," *Azias i Afrika segodnia*, No. 12, 2005, p. 4).

⁴¹ See: Ch.E. Zigler, "Strategia SShA v Tsentral'noy Azii i Shanghaiskaia organizatsia sotrudnichestva," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 4, 2005, p. 21; G. Bates, *China's Security Interests and Activities with Central Asian States. Paper presented to the National Defense University Conference on Meeting U.S. Security Objectives in a Changing Asia. 22-23 April, 2004*, available at [http://www.ndu.edu/inss/symposia/pacific2004].

⁴² See: *Joint Statement by President George W. Bush and President Vladimir V. Putin on Counterterrorism Cooperation. 24 May, 2002*, available at [http://www.whitehouse.gov/news/releases/2002/05/24].

⁴³ See: "The Axis of Nay Sayers," *The Wall Street Journal*, 7 July, 2005; Ch. Brown, "Signals from Uzbekistan," *The Washington Times*, 15 August, 2005; "Russia, China Looking to Form 'NATO of the East'?" *Christian Science Monitor*, 26 October, 2005; "China's Question," *Project Syndicate*, 20 December, 2005.

⁴⁴ See: G. Kunadze, "Shanghaiskaia organizatsia sotrudnichestva - mistifikatsia ili real'nost'?" in: *ShOS: stanovlenie i perspektivy razvitiia*, p. 139.

⁴⁵ Here is one of the methods for choosing priorities: "Development of the CSTO will inevitably strengthen Russia's position both inside the structure and in the region. The Central Asian republics find the SCO more attractive because two powers seeking domination in the region - Russia and China - are involved in it. The SCO has no (openly demonstrated) anti-Western (anti-American) designs. The SCO is trying to exceed the limits of a military organization by expanding the cooperation fields with the member states" (E. Karin, "ShOS i ee znachenie dlia Tsentral'noy Azii," *ASSANDI-TIMES*, 25 June, 2004).

⁴⁶ See: A. Catranis, "NATO's Role in Central Asia," *Central Asia and the Caucasus*, No. 5 (35), 2005, pp. 37-44.

established their military presence in the region, thus challenging both Russia and China. Russia-China rivalry developed into a partnership in which China played the first fiddle for obvious reasons.⁴⁷

The newly developed partnership is burdened with numerous problems caused by the objective difficulties in the two countries' bilateral relations, Russia's and China's vague relations with the West and the United States as its part and the potential conflict between China's ambitions and Russia's historical memory of its domination. So far, the sides have to pool forces to downplay America's influence in Central Asia. In this respect, the partnership and the SCO, as its main instrument, are effective enough. So far, no one knows what will happen to the partnership and the SCO when China becomes stronger, while the common aim has disappeared.

After signing the Declaration on Establishing and Developing Strategic Partnership with Kazakhstan in

July 2005, Beijing demonstrated that it regards the region as a sphere of its strategic interests. So far, no one knows how China will act when the U.S. leaves Central Asia and when its partnership with Russia ceases to be a priority.

Chinese experts are making no secret of the fact that the SCO is a mechanism that allows China to be directly involved in the region and closely follow the local developments. It will act in its own interests, which, at some point, might clash with Russia's interests and strategy. In this case, China will probably ask the local countries to choose between its "investment potential" and Russia's "imperial ambitions." So far this is a probability that might become a possibility. Even though there is fear about "Chinese expansion," the political elite and the public of Central Asian countries regard Beijing as a possible alternative to Moscow. This should be taken into account.

⁴⁷ In October 2005, at a meeting of the SCO Council of Heads of Government in Moscow, Beijing revealed, for the first time at the high level, its geopolitical ambitions and claimed the role of the Central Asian leader by placing on the negotiation table a weighty argument in the form of \$900 million export credits for the SCO members with 2 percent interest and repayment period of 20 years. At the same sitting, Chairman of the PRC State Council Wen Jiabao outlined the economic priorities, which when realized would create conditions for a China-initiated free trade zone in the SCO expanse. He also pointed out that his country planned to increase the sum in the near future (see: *Xinhua*, 26 October, 2005). In ordinary language, this means that the head of the Chinese Cabinet was prepared to fund the SCO economy. It challenged Russia, which regards the region as its foreign policy priority, not the West.

Turkey and Central Asia: Capabilities of Cooperation

MITAT ÇELIKPALA

*Assistant Professor, Department of International Relations,
University of Economics and Technology (Turkey)*

As a regional power, Turkey is increasingly being faced with unwanted situations because of its geo-strategic gateway status both on the East-West and North-South directions, and the spillover effects of the instability emanating from its neighbors. Therefore, it is imperative for Turkey, regarded as a model country in the region, to develop certain solution oriented policies in order to resolve the surrounding instability. Otherwise, not only the regional power status of Turkey will be void, but also its spheres of influence will be lost to other regional and global power contenders.

When we look at recent history, public opinion seems to be highly critical of Turkey's ineffective regional policies due to economic, political and military reasons. Mostly unfair and unfounded, these criticisms either portray Turkey as a regional 'giant' who comes up with 'midget' policies, or claim that Turkey only follows the footsteps of global powers such as the US. In order to verify their claims, this approach uses Turkish position in Iraq war and the Middle East, Turkish-Russian and Turkish-Caucasus and Central Asian relations, and Turkey's Cyprus policy against the EU and Greece as examples of Turkey's secondary position.

The first problematic here is, within the international balance of power system, whether or not Turkey can act as a regional power and establish policies accordingly. When we look for a realist answer to this question, we have to consider the economic and power structures of Turkey, the priorities of existing governments, and Turkey's relations with regional and global powers.

Caucasus and Central Asia can provide us some of the most interesting case studies through which we can analyze the foreign policy processes and efficiency of Turkey. Recent developments in those regions and foreign policy responses of Turkey can help us understand the general outlook of Turkish foreign policy, its targets and priorities, as well as the policy making processes. Furthermore, this can provide us guidance in evaluating the efficacy of Turkey as a regional power.

It is very well known that Turkey shares ethnic and linguistic ties with the Turkic states of Central Asia as well as cultural and historical ties with all Central Asian Republics. Those ties have forced Turkey to be the first to recognize newly independent Caucasian and Central Asian republics

and the first to open embassies after the collapse of the Soviet Union. During these initial years of independence in addition to allocate all resources in hand for economic, social, cultural and political support, Turkish International Cooperation Agency (TİKA) was quickly set up in 1992 in order to provide technical assistance. In those years Turkey was an outlet for these Republics to reach out the outside world, and acted as an important partner for them in their integration with the international community. Turkey has provided assistance to all of Central Asian Republics in order to ensure that they become respected members of the international community, become a member of the UN, OSCE and NATO PfP program.

This year is the 15th anniversary of the establishment of our diplomatic relations with all these republics. All republics are now mature members of the international community and all of them have their own vision, well-established state structure and international relations. This is very in line with Turkey's objectives and policies aimed at that region. These policy preferences of Turkey are in fact very well known:

- a) contributing to the consolidation of state structuring,
- b) supporting political and economic reforms,
- c) promoting the integration with the international community,
- d) developing bilateral relations in all fields on the basis of equality, mutual interest and respect for sovereignty.

Within this perspective Turkey's policy towards the region is not intended to be a new hegemonic power or role model but just a partner and a good friend in all fields from culture and economy to trade and security.

What we need presently is developing a sort common vision with a political will to cooperate and step our relations much further. The leaders and elites of both Turkey and Central Asian republics are attentive that we have common interests in all fields from economy to security. In order to achieve these common interests both of the parties have to develop common strategic vision that we have to develop together. Normally this new policy orientation would have cultural, economic and security aspects.

Cultural aspect is very important and it is a fact that Turkey has a significant role in Central Asia's early educational and cultural life through the universities, schools and scholarships. In Central Asian countries, there are schools of Turkish National Education Ministry and private institutions. In 1992, Turkish-Kazakh International Hoca Ahmet Yesevi

University was founded in Turkistan city of Kazakhstan. Currently, more than 10,000 students are studying at this university. Furthermore, Turkish-Kyrgyz Manas University at which currently about 2500 students are studying was established in Kyrgyzstan.

Nevertheless the main pillar in the new strategic outlook would be trade and economy. At present, as result of good preliminary steps Turkey's economic relations with Central Asian countries have rapidly developed and big achievements have been done in the fields of trade, transportation and communication. Turkey is aware of the fact that permanent security and stability could be maintained in Central Asia by employment of economic resources in an efficient and equitable manner. Thus, Turkey supports policies which reveal potential of cooperation in the region. More than thousands Turkish firms operate in the region and Turkish companies have invested approximately \$5 billion. Turkish and Central Asian states' companies have number of joint ventures in Turkey, Russia and all over the Central Asia and the Caucasus. However these are just the beginning. Trade and economy will and should have to be the main pillars of the new common strategic outlook or partnership.

Kazakhstan and developing Turkish-Kazakh relations is the best example for this strategic vision and have to be extended to encompass all Central Asian republics. Turkey gave an utmost importance to Kazakhstan and its leading role in Central Asia. On 17 November 2006, President of Kazakhstan Nursultan Nazarbayev attended the summit meeting of the heads of Turkic-speaking countries hosted by Turkey. This event brought together Kyrgyz leader Kurmanbek Bakiyev, Ilham Aliyev of Azerbaijan and Turkish leader Ahmet Nejdett Sezer, who signed a joint statement on trade and economic cooperation. The statement calls for joint efforts against terrorism, separatism, drugs and arms trafficking. Speaking at the summit, Nazarbayev said Turkic countries should make effective use of their geographic position and the transit potential of the region, and ensure stable development through economic integration. Kazakhstan, which plans to launch its second communications satellite of the KazSat series in 2008, would cooperate in space research with other Turkic nations. In 2005, trade turnover between the countries reached \$556.8 million, showing 13.8 percent growth from the \$500 million level of 2004. Turkish sources forecast \$1 billion trade turnover volume this year.

Energy and energy related topics are the main driving forces behind these developing Turkish-Kazakh relations. In June 2006, Kazakhstan joined the Baku-Tbilisi-Ceyhan pipeline Project and made it as Aktau-BTC pipeline Project. More than that in July, transport and communications ministers from China, Turkey, Azerbaijan and Georgia gathered in Astana to discuss the potentials of a transport corridor linking Central Asia with the South Caucasus and Western Europe. The route, known as TRACECA or Transport Corridor Europe-Caucasus-Asia, allows for increasing the annual cargo shipment capacity, taking into consideration the railway passage through

the Bosphorus now undertaken by Turkey, up to 30 million tons. Askar Mamin, transport and communications minister of Kazakhstan, indirectly addressing Moscow, said Kazakhstan as a transit country had to consider all possible routes of export from the point of view of their competitiveness. Baku-Tbilisi-Kars railroad which links Central Asia to Europe is under construction, thus a good and vital opportunity for this common strategic vision. Kazakhstan also ponders on the construction of an oil refinery on the Black Sea jointly with Turkey and India. There is also some other common projects on the table like to extend Samsun-Ceyhan petroleum bypass pipeline and to expand Baku-Tiflis-Erzurum natural gas pipeline via Trans Caspian natural gas pipeline.

Shared political goals of playing greater role on international scene will undoubtedly give new impetus to strengthening ties between Turkey and Kazakhstan. Astana has always supported the Turkish bid to join the European Union, just as Turkey welcomes Kazakhstan's drive toward the WTO. Speaking at the Assembly of the Peoples of Kazakhstan in October this year, Nursultan Nazarbayev made a significant symbolic gesture of Turkic unity, saying it was high time to replace the Cyrillic script used in Kazakh language by Latin, adopted by all Turkic-speaking nations of Central Asia except Kyrgyzstan and Kazakhstan. But far more important and palpable is the economic content of the newly-shaped integration between Turkic countries.

The other topic that forces Turkey and Central Asian countries to cooperate is the security related topics. Turkey has always shared the concerns of Central Asian Republics about radical religious movements, terrorism, drugs and weapons trafficking which threatens their security and stability. Within the framework of agreements on combating terrorism signed with these countries, Turkey has provided for them with necessary equipment, financial assistance and military education. In all international fora, Turkey has suggested to develop a multi-dimensional, comprehensive approach to the problems of Central Asian countries by giving increased attention to the security dimension and economic-environmental issues along with human rights and democratization. Turkey stresses that specific conditions of these countries should be taken into consideration while criticism on human rights and democracy issues is directed to them. On the other hand, Turkey suggests to these countries that any step taken for the advancement of democratization and human rights would enhance internal peace and accelerate the process of integration with the international community.

In sum, Turkish policy makers are very well aware of the fact that permanent security and stability could be maintained in Central Asia by the utilization of economic resources in an efficient and equitable manner. Nevertheless, any policy which disregards the Central Asian countries expectations and priorities would be destined to fail. Therefore, Turkey will and would support policies developed by the regional actors that reveal potential for cooperation in the region.

Kazakhstan: Gaining Ground as a Prominent International Actor

ANAR KHAMZAYEVA

*Research Fellow, Institute for World Economy and Politics
under the Foundation of the First President of Kazakhstan*

The existing geopolitical and economic realities of the contemporary era call forth the need for countries to formulate rigorous foreign policy strategies. The Republic of Kazakhstan has forged a viable foreign policy, successfully adopting a pattern of comprehensive engagement in international affairs, thereby ascertaining the country's appropriate and dignified position in the system of international relations.

The annual Address of President of Kazakhstan Nursultan Nazarbayev to the people of the country, entitled "The New Kazakhstan in the New World", is fundamental in evaluating what has been achieved so far and in setting forth imminent as well as far-reaching development objectives. More specifically, the President has emphasized that: "by cooperating with other countries in resolving significant issues, ranging from energy security to epidemics and environmental disasters, we will continue to strengthen our role and prestige as a responsible member of international community".¹

A well balanced multi-vector foreign policy course of the country that is entirely consistent with its geopolitical location and national interests was meant to establish constructive relations with the global power players, primarily Russia, China, the US and European Union. And while Kazakhstan is gradually gaining weight as a significant geopolitical actor, its relations with the leading world powers are reaching a new dimension.

Presently, an active phase of adaptation of the state to the new geopolitical conditions and setting foreign policy priorities, which correspond to the place and role of Kazakhstan in the world community, has been completed. The international prestige of the country as a promoter of peace and security has over time been substantially boosted.

October 2007 marks 15 years since the diplomatic relations were established between the largest states of the post-Soviet region – Kazakhstan and Russia. In the course of this period Kazakhstan-Russian strategic relations, based on principles of mutual respect for sovereignty, territorial integrity and long-standing ties, have undergone a considerable evolution.

During the working visit of President Narzabayev to Moscow back in 1998, a comprehensive document was

signed – "Declaration on 21st Century Eternal Friendship and Alliance". It is important to emphasize that neither Russia, nor Kazakhstan, have an analogous agreement signed with any other country in the world. Thus, a strong foundation for qualitatively new type of an alliance was put in place, held by solid threads of integration in economic, military, scientific and cultural areas.

The intensity of interaction between Kazakhstan and Russia can be judged by the volume of bilateral trade. In 2006 the given indicator amounted to \$12.8 billion, having increased in comparison with 2005 data by 34.5%. In the coming years the growth of trade turnover is expected to reach \$20 billion.

The two-sided agreements on the Caspian oilfield exploration, in the sphere of peaceful use of nuclear energy, military-technical contacts, interaction in the framework of the Collective Security Treaty Organization and joint utilization of the space station "Baikonur" serve as the prime examples of constructive and effective collaboration between Kazakhstan and Russia.

The relations between the two countries are further boosted by cooperation in reforming the CIS, creating the common economic zone, constructing the new Russian-Kazakhstan space complex "Bayterek", implementing the first Eurasian development bank projects, as well as the joint projects on improvement of transport infrastructure in the framework of international "West-East" route. The main parameters of the collaborative effort are defined in the "2007-2008 Joint action program of Kazakhstan and Russia".

It must be stressed that to a large degree, a high level of trust between President of Kazakhstan Nazarbayev and President of Russia Putin has contributed to the strengthening of relations of strategic partnership in all vital spheres, especially as far as energy is concerned. The level and rate of economic development of both nations closely align in many respects, allowing them to invest capital into economies of each other. Moreover, while Russia at the present moment is implementing the National modernization projects, it is argued by the Russian research community that the experience of Kazakhstan in the sphere of conducting liberal reforms in areas such as electricity market and pension reforms is useful for Russia.

¹ The Address of the President of the Republic of Kazakhstan N. Nazarbayev to the people of the nation "Kazakhstan-2030" strategy at the new stage of development of the country. — <http://www.akorda.kz>

On the whole, Moscow is beginning to look at its closest neighbor. Some observers believe that the "deteriorating relations with the US and a number of European countries are making Russia search for reliable partners. Becoming aware of interdependence and synergy of efforts of growth of Russia and Kazakhstan gives birth to predictability in relations, which in turn, becomes the bases of adherence to a common course of action".²

It is vital to emphasize the role of Kazakhstan as Russia's reliable partner in counteracting escalating traditional and non-traditional challenges and threats, including drug trade and international terrorism. In 2006 Kazakhstan has intercepted 25 tons of narcotics substances from Afghanistan en-route to Russia and Kazakhstan's national security services confiscated more than 25 thousand leaflets of extremist content, ten terrorists and five people suspected in financing of illegal weapons smuggling were handed over to Russia. Hence the level, scale and depth of Kazakhstan-Russian interaction create a firm ground for further strengthening of mutually beneficial strategic relations between the two neighbors.

People's Republic of China is the second largest regional partner of Kazakhstan. Thanks to energetic and goal-oriented efforts of President Nazarbayev and Chinese President Hu Zintao the relations between the two countries have reached the level of a strategic partnership. Close ties between Kazakhstan and China are developing on the bases of a consensus, mutual respect, and need for provision of long-term national state interests.

The interaction between Kazakhstan and PRC, since diplomatic relations were established some 15 years ago, has matured and developed. There is a notable degree of effectiveness of cooperation in trade, energy, cultural, transport and environmental spheres between the two countries. The bilateral trade has reached \$8.358 billion in 2006, having increased by 22.8% in comparison with the 2005 level. In January-June of this year it amounted to \$5.67 billion. Kazakhstan remains the second (after Russia) largest trading partner of China in the CIS and in Eastern Europe. Kazakhstan and China are planning to increase the volume of trade to 15 billion US dollars by 2015. The Kazakhstan government has created favorable conditions for investments of Chinese capital into the economy of the country, which has contributed to the overall improvement of economic cooperation.

In December of 2006 during the state visit of President Nazarbayev to China "The cooperation strategy between Kazakhstan and China in the 21st Century" and "The framework of development of economic cooperation between China and Kazakhstan" were signed, called forth by the need to align the scale and quality of Kazakhstan-Chinese relations in accordance with its real potential.

The state visit of President Hu Zintao to Kazakhstan in August of this year marked a new stage of development of bilateral relations and contributed to their substantial improvement. The last three years can be termed as a stage of a substantial progress in interaction between Kazakhstan and China. In 2005 Chinese-Kazakhstan relations have seen a new important phase of advancement – reaching the level of a strategic partnership.

Kazakhstan is viewed in Beijing as a state that is in a position to become one of the world's largest oil exporters

in a near term future. In the framework of the 2003-2008 Program of cooperation between China and Kazakhstan, the comprehensive economic projects are being successfully implemented. The largest bilateral agreements today include construction of the second "link in the chain" of the Alashankou-Atasu pipeline that will stretch to the Caspian Sea, as well as construction of the new transit gas pipeline from Turkmenistan through the territory of Kazakhstan to China, with a transit capacity amounting to 40 billion cubic meters of gas annually during the first stage of implementation of the project.

There is furthermore a growing tendency for China to participate in development of the non-raw material sector of Kazakhstan's economy: cooperation in the sphere of communication, transport, mining, processing, chemical, advanced technological production, agriculture, tourism is among the priorities in this regard.

A joint fund for financing of projects in the sphere of infrastructure and processing industry is being planned. Kazakhstan is attracting large Chinese investments for the construction of the international center of free trade "Khor-gos", a technological village "Alatau-City", transforming Almaty into the regional financial center, and development of infrastructural projects. At the same time the Chinese market stands as one of the most attractive for Kazakhstan: Kazakhstan business circles are making efforts in creating joint enterprises in China.

The Republic of Kazakhstan and the PRC are closely interacting at the regional and global levels in addressing issues of peace and security. Joint bilateral and multilateral (in the framework of the Shanghai Cooperation Organization) anti-terrorist trainings serve as an example of a fruitful cooperation in the sphere of security and collaboration in this sphere is on the rise. Beijing is actively participating in the activities of the Conference on Interaction and Confidence-building measures in Asia (CICA), and has supported the initiatives on holding conferences on world and traditional religions. Thus, all of the above stated points to the fact that both countries are striving for development of strong and long-term relations based on friendship, mutual trust and respect.

As President Nazarbayev has repeatedly emphasized, strengthening relations with the United States also constitutes one of the priorities of foreign policy of Kazakhstan. The United States became the first country to recognize Kazakhstan and to enter into diplomatic relations in 1991. In 2001 Presidents of Kazakhstan and the US have defined the relations between the two countries as a genuine strategic partnership. The cooperation between them is characterized as vigorous interaction in economic, energy, military-political, scientific and cultural spheres. By the end of 2006 trade turnover between Kazakhstan and the US amounted to \$1.6 billion. The US investments in Kazakhstan at the beginning of this year reached \$13.8 billion and constitute 30% in the common basket of direct foreign investment. At the same time the US intended on doubling the volume of its investments into the economy of Kazakhstan in the next five years.

The visit of President Nazarbayev to the US in 2006 has contributed to further intensification of the Kazakhstan-US relations, which in the opinion of the majority of experts, became one of the most important foreign policy events of last year. As President Nazarbayev has accentuated "...the visit has placed our interaction at a new orbit and became a

² I. Shmelev, M. Yazenko, Russia-Kazakhstan: from strategic partnership to an alliance// RIA News, 2 May 2007, <http://www.rian.ru/analitics/20070502/64747633.html>

kind of 'a breakthrough' in the history of relations between Kazakhstan and the US". The joint Kazakhstan-US declaration, signed by the end of the meeting of the two Presidents has become a significant political document, reflecting high principles of cooperation between Kazakhstan and the US.

During the current year the most vital spheres of trade and economic cooperation became the issues of Kazakhstan joining the WTO, further intensification of bilateral economic cooperation and attraction of the US investments into the economy of Kazakhstan, in particular in the sphere of machinery building and agriculture. Washington supports Astana's goal in joining the WTO.

As it is known, the strategy of Kazakhstan joining the top 50 most competitive nations in the world and diversification of the economy of the country mean that the country aims to overcome its raw material dependency and create the kind of infrastructure that allows it to be technologically advanced. In this context, a discussion of the possibility of the US participation in the sphere of development of new technologies and advanced production in Kazakhstan gains special attention.

The Kazakhstan-US cooperation in the sphere of nuclear nonproliferation served as an example of a successful collaborative endeavor. In the framework of the Nunn-Lugar program, the strategic offensive armament and nuclear weapons infrastructure were destroyed, defense facilities were frozen, export control systems were established and control over nuclear material was improved. In the opinion of an influential US Republican Senator Richard Lugar: "by giving up the world's fourth largest nuclear arsenal and by closing down the Semipalatinsk testing facility, Kazakhstan has demonstrated a political will, wisdom and adherence to a stable and secure world".

Kazakhstan and the US are actively cooperating in provision of peace and strengthening regional and international security. Washington views Kazakhstan as a regional leader and an important partner in the framework of upholding new security architecture in Afghanistan. Of no less significance is presence of a small Kazakhstan contingent in Iraq. Kazakhstan participates in extensive NATO programs, aimed at widening cooperation in the sphere of defense build up, as well as deepening a political dialogue on democratic reform issues.

A crucial sphere of bilateral cooperation is the implementation of the Program on prevention of proliferation of biological weapons, as well as the second stage of the Houston Initiative. In the framework of the second stage of the Initiative the Memorandum on understanding between the US and Kazakhstan up to 2010 in the sphere of small and medium-sized business was signed. In the future the strategic partnership between Kazakhstan and the US is expected to develop dynamically and expand in scope and capacity.

A significant priority of foreign policy of Kazakhstan is the development of relations with the European Union. A solid legal framework was instituted with the signing of the Partnership and Cooperation Agreement. Kazakhstan stands as a largest trade and investment partner of the EU in Central Asia and the Caspian region. While in 2005 the volume of trade between Kazakhstan and the EU amounted to \$15.3 billion (which is more than the total trade turnover of all seven states of Central Asia and the Caucasus), in 2006 it amounted to \$23 billion. At the present moment the EU ac-

counts for 40% of external trade turnover and around 36.7% of accumulated foreign capital in Kazakhstan economy (\$17.6 billion). Having reached a new stage of diversification of its economy, Kazakhstan stands as a favorable and reliable partner for companies of the EU countries in attracting European technologies into a non-raw material sector.

Quite significant is the visit of President Nazarbayev to Brussels, which took place in December 2006, in the course of which the Memorandum between Kazakhstan and the EU on mutual understanding in the sphere of energy and the Agreement on cooperation in the sphere of peaceful use of nuclear energy were signed. The ninth session of the Cooperation Council "Republic of Kazakhstan – European Union" held in February of this year was meant to further intensify a constructive dialogue between Kazakhstan and the EU. The central theme of discussion between the members of the Council was placing cooperation between Kazakhstan and the EU at a qualitatively new strategic level. The steps being taken by Astana in maintaining domestic political stability and implementation of reform policy are being greatly acknowledged in the EU.

It should be emphasized that in the new EU Central Asia Strategy for 2007-2013 period, adopted in June of this year, the interests of states of the region were taken into consideration in the process of development of programs and projects. As the Minister of foreign affairs of Kazakhstan Marat Tazhin has noted: "it is important to adhere to the principle of equal partnership, which means an equal access for the European investors to Central Asia as well as Central Asian investors to European energy system".³

Investment and industrial innovative spheres, small and medium size business, transport and space explorations are some of the prospective spheres of cooperation between Kazakhstan and the European Union. Undoubtedly Kazakhstan is yet to unravel a potential, found in its flourishing ties with the European Union.

Kazakhstan is a regional power with a steady economy and a successful model of interethnic consent. Since the moment of gaining sovereignty, the Republic has proven to be one of the most sustainable and reform-oriented states in the Central Asian region. GDP increase for the first quarter of 2007 amounted to 10.3% in comparison with the analogous period of last year. The volume of industrial production grew by 9.6%. It is generally projected that sustainable economic growth will prevail for the next three years, with an annual GDP rate reaching 9%.

Since 1994 more than \$70 billion of direct foreign investment were poured into the Kazakhstan economy. At the same time Kazakhstan is an active investor into economies of other states. Currently the volume of Kazakhstani investments abroad has reached \$26 billion.

While addressing the 62 session of the UN General Assembly in September of this year, President Nursultan Nazarbayev emphasized that thanks to a rapid economic growth, Kazakhstan, which has formerly been a recipient of foreign assistance, is now in the group of countries – "new donors".

Indeed, as traced throughout this paper, there is some considerable evidence that the Republic of Kazakhstan is quite confidently transforming from a country, being part of a zone of interests of global world powers, into a prominent international actor in its own right that aims to make a difference in the evolving international environment.

³ "Europe is closer", 03.07.2007., «Dialog.kz», <http://www.dialog.kz/site.php?lan=ru&id=94&pub=193>

Kazakhstan's Cooperation with the International Donor Community and EU Member Countries

GULNUR RAKHMATULINA,

Chief Researcher of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Holder of a PhD in Economics

1. The Current State of Cooperation between Kazakhstan and the International Donor Community

Kazakhstan, as a member of the United Nations since 2 March 1992, has been taking an active part in the work of this leading international organisation.

Representative offices of a number of UN specialised agencies, funds and programmes have been set up and are actively operating in Kazakhstan. They aim to provide Kazakhstan with a wide range of technical, advisory and financial aid.

The UN is currently represented by 15 organisations in Kazakhstan: the UN Development Programme (UNDP), the UN Children's Fund (UNICEF), the UN Fund for Population Activities (UNFPA), the UN Drug Control Programme (UNDCP), the UN High Commissioner for Refugees (UNHCR), the UN Volunteers (UNV), the UN Development Fund for Women (UNIFEM), the International Labour Organisation (ILO), the UN Educational, Scientific and Cultural Organisation (UNESCO), the World Health Organisation (WHO), the UN Industrial Development Organisation (UNIDO), the World Bank, the International Monetary Fund (IMF), the Joint UN Programme on HIV/AIDS (UNAIDS) and the Department of Public Information (DPI).

The UNDP's activities in the country are significant for Kazakhstan's sustainable development. This organisation is actively involved in improving the living standards of Kazakhstan's population, conducting management and democratic reforms and using the country's natural resources efficiently.

The UNDP has helped Kazakhstan draft a number of very important documents: the Blueprint on the Social Protection of Kazakhstan's Population, the law *On the Civil Service*, the law *On the Ombudsman*, the State Programme for Developing Rural Territories in 2003-2010 and others.

The UNDP has made significant efforts to ensure the implementation of the Plan of Action to Improve Women's Conditions in Kazakhstan. The UNDO and UNIFEM also helped to draft and fulfil the Plan to Implement Provisions of the Blueprint on Abolishing All Forms of Discrimina-

tion against Women, involving a great number of parties concerned.

Jointly with UNAIDS and other UN agencies, the UNDP is fighting the spread of HIV/AIDS in the country. In particular, it helped to adopt the Programme to Fight the Epidemic of AIDS in Kazakhstan in 2001-2005.

Jointly drafting and implementing the UN Development Assistance Framework (UNDAF) in 2005-2009 will further strengthen partner relations with both UN agencies and other donor organisations through holding regular coordinating and thematic conferences.

The UNDP played a key role in attracting the Kazakh public's attention to the Millennium Development Goals. Cooperating with the Kazakh government, the UNDP led efforts to prepare the Report on Millennium Development Goals in Kazakhstan in 2002, which was the first report of its kind in the CIS.

Developing and implementing the UNDP **Country Programme Document for Kazakhstan 2005-2009 is important for the country's development.** This provides for support for achieving the national goals specified in Kazakhstan's medium-term development strategy until 2010 and the long-term Kazakhstan-2030 Development Strategy. The country programme is an integral part of implementing the priorities and partnership strategy of UNDAF in 2005-2009. *The country programme defines three main aspects of the UNDP's activities: reducing and monitoring poverty in the country, democratic management and development, environmental protection and sustainable development.*

The UNDP country programme in 2005-2009 is being carried out in close cooperation with UNICEF, the ILO, UNIFEM, the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the OSCE, the International Migration Organisation and others.

Cooperating in these spheres with the UNDP will certainly become an important factor in Kazakhstan's sustainable development and successful solution of the national task to achieve the Millennium Development Goals.

In addition, in order to improve the efficiency of the activities of the UNDP and other international organisations in Kazakhstan, we believe, these organisations should cooperate more closely with the Kazakh government, NGOs

and civil society. Despite the implementation of the country programme in Kazakhstan, the living standards of the population, state management, environmental protection and its impact on the health of the nation have not been properly improved in the country. That is why strengthening cooperation between the UNDP and other organisations and the country's ministries, departments, NGOs and the scientific community will help efficiently to tackle the tasks that will ensure Kazakhstan's sustainable development.

2. The Current State of Cooperation between Kazakhstan and the EU

A priority of Kazakhstan's foreign policy now is the further development of cooperation with the EU. This aspect has special significance in connection with the expansion of the EU and its readiness to develop a political dialogue with Kazakhstan.

The following measures have boosted cooperation between Kazakhstan and the EU:

1. The creation of a legal basis for expanding trade and economic relations between Kazakhstan and the EU

The Partnership and Cooperation Agreement between the Republic of Kazakhstan and the European Union came into force on 1 July 1999. This agreement defines a legal basis for expanding trade and economic relations between Kazakhstan and EU member countries. For example, the agreement specifies conditions for carrying out business and attracting investment, as well as the crossborder movement of services and revenue raised from investment, and measures to protect intellectual, industrial, commercial and property rights.

Bilateral cooperation bodies set up under this agreement, such as the Cooperation Council at a ministerial level, the Cooperation Committee at the level of deputy ministers and the Parliamentary Cooperation Committee, have been holding regular meetings since 1999.

With the aim of discussing topical issues of economic cooperation, as well as access to one another's markets for goods and services, the parties concerned set up the Trade and Investment Subcommittee, which is now also responsible for supervising cooperation in the transport, energy and environmental protection spheres.

The implementation of the Partnership and Cooperation Agreement will assist economic development and reforms in Kazakhstan and create conditions for close relations between the EU and Kazakhstan in all spheres. In particular, it provides for most favoured nation treatment in trade between Kazakhstan and the EU and bans quantitative restrictions on imports.

In addition, the agreement encourages Kazakhstan's membership of the WTO, because many of its provisions on trade are based on WTO principles.

Moreover, Kazakhstan has signed bilateral agreements with many EU member countries. Their implementation will become an important factor in increasing the efficiency of cooperation between Kazakhstan and the EU.

2. Expanding trade and economic cooperation between Kazakhstan and the EU

Kazakhstan is the EU's largest trade and investment partner in Central Asia. The EU is also a major trade partner for Kazakhstan.

An analysis of trade between Kazakhstan and the EU makes it possible to detect a positive trend (Table 1).

EU member countries account for 36.8% of Kazakhstan's total foreign trade.

Kazakhstan's major EU trade partners are Italy (36.4% of total trade between Kazakhstan and the EU), France (16.5%), Germany (10.3%), the Netherlands (8.4%), Great Britain (7.3%) and Spain (4.6%).

EU member countries account for the bulk of Kazakh exports. The main consumers are Italy (41.6% of total Kazakh exports to the EU), France (20.3%), the Netherlands (10.4%), Great Britain (6.9%), Spain (5.7%) and Germany (3.2%). Kazakh exports to the EU mainly consist of oil and petroleum products, metals, farming produce, chemical and mineral products and textiles.

Its imports mainly consist of "investment imports" (machines, equipment and facilities, electro-technical devices, vehicles and chemical products). EU countries account for 24.7% of Kazakh imports. Major suppliers are Germany (28.8% of the total EU supplies to Kazakhstan), Italy (22.7%), Great Britain (8%), France (7.1%), Poland and Sweden (4.9% each).

Table 1. Trade between Kazakhstan and EU member countries

(million USD)

Year	Exports	Imports	Trade	Balance
1994	497.0	587.5	1,084.5	-90.5
1995	1,116.2	491.9	1,608.1	624.3
1996	1,095.0	553.8	1,648.8	541.2
1997	1,707.5	925.0	2,632.5	782.5
1998	1,685.6	1,015.3	2,700.9	670.3
1999	1,283.4	931.9	2,215.3	351.5
2000	2,073.7	1,016.4	3,090.1	1,057.3
2001	2,014.9	1,507.5	3,522.5	507.3
2002	1,553.1	1,530.8	3,083.9	22.3
2003	1,985	2,056.5	4,041.5	-71.5
2004	6,991.6	3,500.8	10,492.4	3,490.8
2005	10,999.4	4,287.8	15,287.2	6,711.6
2006	16,553.8	6,256.3	22,790.1	10,297.5

Source: Kazakh Statistics Agency

EU countries have invested over \$35bn in the Kazakh economy, or 53% of the total investment placed in Kazakhstan (\$67.7bn). Major investors in Kazakhstan are the Netherlands (\$21.2bn), Great Britain (\$6.9bn), France (\$3bn), Germany (\$1.72bn) and Italy (\$0.9bn).

The EU is interested in Kazakhstan because of its rich hydrocarbon reserves, consistent economic reforms and steady high economic growth over the past years.

3. The development of cooperation between Kazakhstan and the EU in the energy sector

An important sphere for Kazakhstan is the development of relations with the EU in the energy sphere.

The new Energy Strategy adopted by the EU in March 2006 (the Green Book which assumes, according to European Commission experts, that 25% of EU energy imports will be supplied from the Caspian Sea region) attaches special significance to developing an energy dialogue between Kazakhstan and the EU.

Promising spheres for developing cooperation are:

- under the TRACECA international transport project;
- under the INOGATE international programme to transport oil and gas to Europe;
- under multilateral accords on transiting energy in accordance with the Energy Charter.

The TRACECA project has been drafted to further develop the Caucasian and Balkan corridors, and it is important for increasing Kazakh oil and gas exports to the European market. Developing these transport corridors is acquiring special significance due to future growth in oil extraction in the Caspian Sea region and the reconstruction of the Aktau sea trade port.

TRACECA provides for measures to transport oil through the following ports:

- Burgas and Varna (Bulgaria);
- Burgas and Alexandroupolis (Greece);
- Burgas and Vlora (Albania);
- Constanta (Romania) and Trieste (Italy).

These routes will make it possible to tackle the problem of oil traffic congestion in the Bosphorus and the Dardanelles and expand capacities of exporting oil from Kazakhstan to Europe.

Another important programme to develop Kazakhstan's oil and gas sector is the INOGATE programme to transport oil and gas to Europe. This programme defines conditions for integrating various Kazakh oil transporting modules into the Caucasus system. A framework agreement on an institutional basis for creating an interstate system to transport oil and gas has been adopted at an interstate level to implement this programme. This agreement will establish common rules and mechanisms to ensure the efficient use of an interstate system to transport oil and gas in line with norms and practice existing in the international oil and gas industry.

Joint projects drafted by the EU will become an important factor in developing the Kazakh energy sector, modernising oil and gas transporting infrastructure and attracting large investment in the basic sectors of the economy in the future.

Kazakhstan is also taking an active part in the Energy Charter Treaty. For example, Kazakhstan and other countries involved in the treaty are preparing proposals for the Transit Protocol under the Energy Charter Treaty. This protocol will ensure safe and reliable transit of Kazakh oil and gas to world markets in the future.

Kazakhstan and the EU are also at present developing cooperation in the nuclear sphere. The Kazakh parliament

has ratified an EU-Kazakh agreement on cooperation in the nuclear security sector. This agreement will expand relations in the context of the peaceful use of nuclear energy, tighten safety measures and adopt modern nuclear technology in the field of industry and energy.

4. The implementation of various EU technical assistance programmes

Kazakhstan's strategic role in the region helps the country actively implement various EU technical assistance programmes.

The EU opened its bureau to offer technical assistance to Kazakhstan in late 1992.

Technical cooperation between Kazakhstan and the EU is being conducted under the TACIS programme (Technical Aid to the Commonwealth of Independent States) since 1991, TEMPUS (technical assistance in the educational sphere) since 1994, Copernicus, Europartenariat and others.

Projects to support small and medium-sized businesses, privatisation and structural overhaul and investment in human resources in Kazakhstan received about \$200m no-strings aid under the TACIS programme in 1993-2006 (over a half of all technical assistance offered to Kazakhstan by the West).

The EU has been fulfilling the Central Asian Drug Action Programme (CADAP) since late 2001. This programme aims to improve control services at regional airports, strengthen cooperation between the law-enforcement agencies of Central Asian countries in fighting drug trafficking, creating a single information network for coordinating the activities of the Kazakh National Security Service, the Border Service of the Kazakh National Security Service, the Interior Ministry and the Customs Control Agency.

The EU Border Management Programme for Central Asia (BOMCA) entered its active phase in 2003.

The further development of technical cooperation between Kazakhstan and the EU will solve the problems of diversifying the country's economy, boost its competitiveness and strengthen stability and security in the region.

5. The expansion of the EU Troika-Central Asian dialogue

The EU Troika-Central Asia dialogue is one of the instruments of interregional cooperation with the EU.

The fourth meeting in this format was held at the level of foreign ministers in Astana on 28 March 2007.

The meeting discussed the new draft EU Strategy for Central Asia in 2007-2013, which was adopted on 21 June 2007, and issues of the socioeconomic development of Central Asian countries, trade between regional countries and fighting common threats and challenges.

EU officials said the meeting had shown the Central Asian partners' readiness for fully-fledged cooperation to implement the new strategy.

However, in addition to positive trends in expanding trade and economic relations between Kazakhstan and the EU, there are some unresolved problems:

1. The absence of a common strategy for developing economic cooperation between EU member countries and Kazakhstan

EU member countries have not yet adopted a common strategy for developing cooperation with Kazakhstan.

For example, their active investment policy mainly aims at Kazakhstan's extractive sector with priority given to oil and gas.

In this connection, the development and adoption of a **common strategy for the development of economic coop-**

eration between EU member countries and Kazakhstan at an interstate level is very topical. This strategy should define the priorities in cooperation between the countries.

2. Strict measures to protect the internal market adopted by the EU

EU member countries are currently observing strict measures to protect their domestic markets. For example, the EU has introduced quotas for importing steel, textiles, grain, meat and other farming produce from Kazakhstan.

These issues are being addressed at an intergovernmental level at the moment.

In particular, in line with the European Commission's resolution in October 2002 and accords reached later, eight Kazakh enterprises have been allowed to supply fish products to EU countries since October 2004.

The Kazakh government and the EU are currently preparing an agreement on the trade of certain steel products, which should replace a similar agreement signed in July 2005.

At the same time, the issues of lifting restrictions on mutual trade are being resolved very slowly, and this is negatively affecting the expansion of trade and economic relations between the countries.

3. The lack of coordination in tariff and customs policies among CIS countries

The lack of coordination in tariff and customs policies among CIS countries is a specific obstacle to developing trade and economic relations between Kazakhstan and the EU.

Russia is the largest transit country in the CIS, but its international transit railway tariffs, set by the Russian Transport Ministry, are far higher than the Kazakh tariffs, which reduces the competitiveness of Kazakh products supplied to EU markets.

A similar situation has emerged with energy transits. CIS countries have not yet drafted common approaches to setting tariffs for transiting oil and gas.

Issues of customs policy in the CIS have not been tackled either, and this is also hampering the efficient development of cooperation with the EU.

Therefore, one of the main factors in successfully developing mutually profitable economic cooperation with EU countries is the adoption of coordinated tariff and customs policies among CIS countries.

* * *

As a result, an analysis of the state of economic cooperation between Kazakhstan and the EU has made it possible to draw the following conclusions:

1. The further development of cooperation between Kazakhstan and EU countries is a priority aspect of Kazakhstan's foreign policy and an important factor in sustainable economic development.

2. Creating a favourable investment climate and actively attracting European capital are significant factors in diversifying Kazakhstan's economy and boosting its competitiveness.

3. Using the EU's integration experience, as the most successful and advanced integration union in the world, is useful for Kazakhstan.

4. Adopting a strategy for developing economic cooperation between EU countries and Kazakhstan is of immediate topicality.

6. Recommendations on the Further Development of Cooperation between Kazakhstan and the EU

For further expanding relations between Kazakhstan and the EU, it is feasible to **draw up a strategy for developing cooperation between Kazakhstan and the EU**.

This strategy should define the priority aspects for developing cooperation between the EU and Kazakhstan in the political, economic and social spheres, as well as education, culture and environmental protection.

While drafting the strategy it is important to take into account the following points:

- the strategy should become a conceptual document defining the development of relations, covering priority issues, between Kazakhstan and the EU in the long term.

- the strategy should be based on the common interests of Kazakhstan and the EU, and should encompass the whole potential of further developing relations between the parties in various spheres.

In the security sphere of the strategy, it is necessary to draft a **programme for military and technical cooperation** between the two parties for solving common security problems such as terrorism, extremism, drug trafficking and illegal migration.

In the economic sphere of the strategy, it is necessary to draft and adopt the following programmes:

– a programme to develop the Kazakh energy sector

This programme should aim to draft measures to develop cooperation between EU member countries and Kazakhstan in the energy sector.

Under this programme, it is also necessary to envisage adopting joint steps to implement the following projects:

1. constructing major inter-system power lines in Kazakhstan;
2. integrating Central Asian pipelines into the Druzhba–Adria oil pipelines;
3. expanding the capacity of the Caspian Pipeline Consortium (CPC) pipeline;
4. supplying oil into a Burgas–Alexandroupolis oil pipeline;
5. running a project to create a Balkan pipeline consortium;
6. running a project to build a southeastern European pipeline (Constanta–Omisa–Trieste);
7. running a project to build the Odessa–Brody oil pipeline;
8. running a project to build a trans-Caspian gas pipeline;
9. adopting modern technology to extract and process coal resources in the Kazakh coal industry;
10. creating joint ventures to produce energy resources.

– a programme to develop the Kazakh metal industry

This programme aims to develop cooperation between EU member countries and Kazakhstan in the metal sector.

Under this programme, it is feasible to take measures on:

- a) adopting modern technology for extracting and processing ferrous and non-ferrous metals;
- b) creating joint metal ventures.

– a programme to develop the Kazakh transport sector

This programme aims to draft measures to develop cooperation between EU member countries and Kazakhstan in the transport sector.

Under the programme, it is necessary to envisage measures to develop transport infrastructure in Kazakhstan. In this connection, it is timely to build international railways and roads jointly in Kazakhstan, to renew the aircraft fleet, to modernise Kazakh airports and to install modern radio-technical and electro-technical equipment for controlling air traffic.

– **a programme to develop the Kazakh agricultural sector**

This programme aims to develop cooperation between the EU and Kazakhstan in the agricultural sector.

Under this programme, it is feasible to envisage measures to adopt modern technology for producing farming produce, to create joint enterprises and to establish systematic control over the production at all levels of the food chain.

– **a programme to diversify European investment**

This programme aims to devise a mechanism to attract EU investment to the Kazakh economy. It is very important to resolve the issues of diversifying economic development and creating production with high added value, and this will help to fulfil the Strategy for Kazakhstan's Industrial and Innovative Development.

Under this programme, it is necessary to adopt measures to create a favourable investment climate in Kazakhstan. In this connection, it is feasible to envisage tax benefits in the form of a moratorium on taxation during the first three years of production, increasing the flexibility of the country's tariff policy and simplifying customs procedures for importing equipment. It is necessary to protect European investors by adopting efficient legislative and practical mechanisms to safeguard the interests and rights of investors in fulfilling investment projects in the country, by simplifying bureaucratic procedures, by offering objective and first-hand information, and by developing infrastructure and other measures that help to improve Kazakhstan's investment climate.

Under this strategy, it is feasible to create a *Kazakh-European centre for business cooperation*, which will aim to offer European companies and enterprises information about Kazakhstan's investment climate, economic situation and potential, priorities in economic development and promising projects in industry and agriculture. This centre will offer Kazakh companies and enterprises information about possibilities for developing businesses in EU member countries, their legislation and opportunities for creating joint ventures and running projects in various sectors.

In the social sphere under this strategy, it is necessary to draft and adopt a **programme for Kazakhstan's social development**.

This programme mainly aims to adopt joint steps to increase the living standards of the people of Kazakhstan.

Under this programme, it is expedient to envisage offering financial and social aid for Kazakh emigrants returning to Kazakhstan.

In the educational and cultural spheres of this strategy, it is necessary to develop and adopt a **programme to expand cultural relations between EU member countries and Kazakhstan**.

This programme mainly aims to create favourable conditions for developing culture, education and tourism in Kazakhstan.

Under this programme, it is feasible to envisage creating a *Kazakh centre* at the country's embassies in Euro-

pean countries, in order to promote the history, customs, language, art and music of Kazakhstan and other Central Asian countries.

Under this programme, it is also feasible to envisage funds for educating Kazakh students at EU universities and for organising joint educational programmes, courses and master classes involving well-known teachers and experts invited to Kazakhstan from abroad, leading to the award of international certificates to Kazakh students.

In developing tourism under this programme, it is necessary to draft measures to create the relevant infrastructure in Kazakhstan, offer financial aid in creating and promoting advertising projects about Kazakhstan in European media outlets, in order to help to create the positive image as an attractive tourist destination.

In the environmental protection sphere of this strategy, it is necessary to draft and adopt a **programme for environmental cooperation between the EU and Kazakhstan**.

This programme mainly aims to create a favourable environmental situation and promote environmental protection in Kazakhstan.

Under this programme, it is expedient to envisage creating a *Kazakh committee for economic cooperation with the EU*, which will aim to intensify environmental protection cooperation with the EU via joint environmental projects and programmes and signing necessary accords, as well as assisting the practical fulfilment of the existing legislative and contractual basis.

This committee should monitor the environmental situation in Kazakhstan and initiate various environmental projects, attracting financial resources and the EU's advanced technologies.

The implementation of these programmes will further develop political and economic cooperation between Kazakhstan and the EU and, therefore, stimulate the steady economic growth of Kazakhstan, which will be an important factor when the country comes to join the World Trade Organisation.

* * *

The EU is already a successfully integrated economic community and one of the powerhouses of the world. Expanding the EU will make it possible to increase the European market further and strengthen the EU's economic potential in the future.

The trend of growing EU geopolitical ambitions in the world also concerns the Central Asian region. The EU's main interests in the region are to ensure security and stability in Central Asia, as well as expanding economic relations, especially in the energy and transport spheres.

The EU's new strategy on partnership with Central Asian countries will become an important factor in the further development of mutually beneficial cooperation between regional countries, increasing competitiveness and sustainable growth in Central Asian countries in the future.

Under this strategy, it is feasible to take steps to expand integration between Central Asian countries, which will strengthen stability and security in the region, repelling existing global challenges.

It is worth noting that a priority in Kazakh foreign policy is in fact the further development of cooperation with EU countries.

The implementation of these recommendations will help to achieve this objective.