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## Evaluation of Threat of Religious Political Extremism Development in the Central Asian Region

Many experts believe that the present situation within the scope of the problem of religious-political extremism distribution can radically change towards its escalation in perspective. On the one hand, we have to recognize evident positive consequences of the anti-terrorist operation in Afghanistan in respect of battling extremist organizations acting in the Central Asian region. Regional radical organizations suffered huge and almost unrecoverable damage to organizational, human and financial resources. In general, positions of radical islamists acting in the region were considerably weakened and at present the threat of religious-political extremism is reduced to minimal chances for its practical scaled realization similar to the 1999-2000 events in Uzbekistan (Surkhandarya) and Kyrgyzstan (Batken).

Along with that it is fully evident that military success (defeat of the Taliban and the IMU in Afghanistan), repressive success inside some countries of the region in battle against radical islamists, in general against religious dissidence, proceeding from reasonable logic, cannot cause euphoria. Considering the military and terrorist threats, for the Central Asian countries as well, that were coming from the Afghan territory have been only minimized, this success has temporary character, and consequently potential threats coming from extremist organizations to the Central Asian countries still remains.

We can suppose that as a result of a qualitatively new process of active, claimed for consistency, battle of the world community against terrorism after September 11, 2001, a number of the most dangerous extremist organizations in Central Asia proceeding from tactical reasons will have to turn down violent actions in their activities and turn to "quiet" underground work. Despite central loss of positions radical Islamic organizations in general did not turn down a perspective of active, including armed, activities in the frames of this region. At that it is fully evident that the level of threat to the Central Asian states would have different character in accordance with a number of parameters. So it would represent the greatest threat traditionally to Uzbekistan, Tajikistan, and Kyrgyzstan. Authoritative British World Markets research center prepared an analytical report on "index of terrorist activity in all the countries of the world", in which Tajikistan holds the 22<sup>nd</sup> place in the world rating, and Uzbekistan along with Kyrgyzstan are on the 27<sup>th</sup> place. The level of terrorist threat in Kazakhstan at that "can be referred to as insignificant" [1].

Along with that experts note that "today it is almost impossible to predict where and when terrorist acts would take place relying only on analysis of statistics. The new generation of terrorists has "hyper-mobility" and "travels" around the world quicker than its pursuers. That means that risk of a sudden blow on any state or international organization always exists" [2]. This means that the line of stability and security between different countries of the region drawn in that research has relative character and the risk of distribution of threat of extremism, of committing terrorist acts is rather high in the whole

region, and, consequently, a possibility of being involved in the orbit of international terrorism objectively exists for Kazakhstan as well. In this connection it is necessary to concentrate on studying issues of strategic importance for evaluation of potential for development of this problem. It is absolutely evident that perspectives of religious-political extremism development in many respects depend on a number of objective and difficult-to-predict external and internal factors.

**The group of external factors** that promote development of extremism in the short- and medium-run would include such diverse but at the same time interrelated aspects as:

- *Development of the general world situation in respect of battle against terrorism and extremism;*
- *Process of geopolitical struggle around the region;*
- *Regional conflicts in the Islamic world countries, including those situated close to the Central Asian borders.*

**Development of the general world situation in respect of battle against terrorism and extremism.**

Globalization as well as wider internationalization of the world extremist community form an undisputed fact faced by the world today. Extremism and its extreme manifestation – terrorism – discontinued being local phenomena and gained international, global, character on the juncture of the twentieth and twenty first centuries. It is absolutely evident that the world community under crisis of existing mechanisms of preventing threats to international security entered a lengthy stage of instability, uncertainty, and reduced security. In connection with this we can mark out presence of the following trends:

- *Grounds for the growth of radical movements still exist; first of all it is based on the growing disproportion in economic development of the world community between the group of countries of the wealthy West and other countries;*

- *Maintenance of "double standard" policy regarding extremist and terrorist organization would serve as one of the main determinants for distribution of this threat in the world;*

- *Radical religious-political organizations acting on behalf of Islam took firm leading positions in the global extremist community of the second half of the twentieth century and by present time. The growth of world activity of various Islamic extremist organizations almost throughout the world obtained steadiness. According to some evaluations, the period until 2010 will become critical in respect to display of terrorist threats. At that the Middle East region, Southern Asia, some European countries, post-soviet states, and the US will traditionally be the main hotbeds. However today we can clearly trace a trend towards expansion of global areas of extremist organizations' activities;*

- *Quantitative and qualitative transformations in the extremism's evolutionary process appeared clearly in the recent years. At present according to different*



*sources more than 100,000 radical Moslems are under direct influence of Palestinian and Afghan Jihad in Algeria, Sudan, Saudi Arabia, Central Asian countries, the Philippines, and etc. Intensive expansion of human resources is possible on the base of already existing extremist organizations;*

- *Extremist groups actively use achievements in modern technology in their interests, including the military sphere. The most dangerous in respect of qualitative transformation is a risk of application of weapons of mass destruction (biological, chemical, and nuclear) or its separate components for terrorist attacks.*

Despite evident understanding of an obvious fact of global threat of extremist and terrorism growth and distribution, the task of the world community of uniting joint efforts against the common evil in the practical point of view looks rather problematic and turns on two main reasons. Firstly, previous forms and mechanisms of broad multilateral cooperation similar to the UN do not work in the most critical moments, judging on the recent events in Iraq. Correspondingly, new forms of interaction, new mechanism of counteracting threats to international security are needed. The second reason, which is closely interrelated with the first one, is based on the fact that each separate state in its strategy of maintaining security still follows its national interests, and owing to the fact that those interests are different in different countries they cannot coincide, and sometimes even oppose each other.

So it is impossible to figure on efficiency in battling this threat in a separate country, region of the world, outside of the world scope, without complex systematic approach of the world community.

#### ***Islamic factor in geopolitical struggle for influence in the region***

The main peculiarity of the present stage of geopolitical game development in the region with participation of the world powers concerns the fact that outgoing fundamental changes can have serious and far-reaching consequences for security and geopolitics of the whole Central Asian territory. It is absolutely evident that the presently observed process of growing rivalry between the geopolitical players for influence in the region along with positive moments has also significant negative risks and threats for this region's countries. The main negative factor concerns the fact that the observed growth of sharp contradictions in the general balance of interests of the main geopolitical players in the region, first of all, such as Russia, the US, China, and Iran, in perspective can become a source for intensification of internal and external threats to security in the Central Asian countries. In this connection, as it is rightly noted by S.Akimbekov, "position of the Central Asian states looks not very stable. On the one hand, beginning of confrontation in the region between interests of such states as Russia, the US, China, Iran, Pakistan, and some others, may lead to crisis in Central Asia. On the other hand, crisis in the Central Asian states can provoke critical phase of struggle of interests for influence in the region" [3].

Within the scope of our problems potential threat is based on the fact that among a broad set of instruments of influence various extremist organizations can become an opportune and very efficient instrument for protect-

ing interests of external subjects in the process of struggle for influence in the region. As it is known, such policy of the so-called "regulated extremism and terrorism" was actively applied in the period of the Cold War between the USSR and the USA, and promoted distribution of this threat in the modern world to a great extent.

In general, despite objectively low chances of using extremist organizations as an instrument of pressure in the close perspective, in our view, we should not exclude a possibility of their involvement in aspiration of various subjects, including Islamic countries, for strengthening of their position in the region. At that, however paradoxical it may seem, radical islamists can be used as an instrument for the backing of consolidated Islamization of Central Asia, as well as for the countries directly interested in maintaining soviet structure in the region's states. Radical groups in Central Asia can be used as a force for settlement of necessary tactical tasks directed towards destabilization of the public-political situation in the countries of this region, kindling of inter-confessional and international enmity, inspiration of separatist and other destructive spirits, and etc. Legitimate necessity for external interference as a peacekeeper, a regulating force, that appears in such conditions allows subjects of geopolitical game in the region to settle their strategic tasks. This scheme is rather easy and, importantly, was practically coped with in the period of the so-called Cold War.

In general, a possibility of using radical Islamic organizations, the still existing interest and the need for such methods for the subjects of geopolitical game in the regional for settlement of their strategic tasks have a strong potential of development of religious-political extremism threat in Central Asia.

#### ***Regional conflicts***

Interdependence of distribution of radical Islamic organizations in the Central Asian region with regional conflicts is obvious and appears in the form of a peculiar exclusive circle: regional conflicts in Islamic world serve as a source for development of extremist organizations, simultaneously Islamic radical organizations themselves represent the mostly interested permanent source of continuation of conflicts. Despite absence of a common controlling and coordinating center radical organizations acting in different conflict areas permanently maintain close correlation with each other on the principle of communicating vessels. We can mark out the following conflicts that are in certain dependence of each other and have the greatest influence on the situation in Central Asia:

***Firstly, the Arabic-Israeli conflict – as a factor of global influence on development of Islamic extremism in the world, including the Central Asian region.***

***Secondly, the Indian-Pakistani conflict – as a factor of regional importance having significant direct influence on distribution of Islamic extremism in Southern Asia and Afghanistan;***

***Thirdly, the Afghan conflict – as a factor that has the greatest direct external influence on distribution of radical Islam in the Central Asian region.***

The first two conflicts, the Arabic-Israeli and the Indian-Pakistani ones, are the most lasting conflicts of the modern life, and unfortunately, there are no serious grounds to hope for their prompt regulation so far. To all



appearances, these conflicts will keep exerting negative influence on distribution of Islamic extremism in the world community, in particular, in the Middle Eastern, as well as Southern and Central Asian countries.

Concerning Afghanistan, despite the anti-terrorist operation carried out in this country, elimination of a problem of direct expansion of radical islamists into Central Asia in close perspective, the situation in the country still is very complicated, without clear definite positive perspectives. The facts prove that the military operation for liquidation of terrorist infrastructure in Afghanistan related to Al-Qaeda and the Taliban was not led to its logic completion. The 2002-2003 report of the International Institute of strategic research devoted to Al-Qaeda's activities reads that the network's potential still exists: among 18 thousand common members of the organization not more than 2 thousand guerillas died in Afghanistan.

Afghanistan still contains all preconditions for appearance of new contradictions and conflict lines that may develop into military clashed. Many experts believe that the present situation in this country in many respects is similar to the period before 1994 when the Islamic movement of Taliban came to power in this country. In this connection in case of transition of the cryptic stage of the conflict into the open, armed form as a result of critical intensification of growing internal contradictions or in the form of collision of geopolitical interests, a possibility of appearance of radical islamists in the political stage of Afghanistan is rather high. It is obvious that potential intensification of the situation in Afghanistan with participation of radical islamists would play an exclusively negative role for security in Central Asia. A natural interested ally to radical islamists of Afghanistan again would be radical Islamist opposition of a number of Central Asian countries. Judging on the events the remains of Afghan radical organizations are trying to restore contacts with leaders of a number of underground extremist organizations of Central Asia and the Caucasus for renewal of activities in those regions.

So, the Afghan conflict continued being the leading destabilizing factor for the closest environment, including the Central Asian countries.

**A group of internal factors** for potential distribution of religious-political extremism is closely connected with development of modernization processes, as well as a number of other aspects of political situation development, first of all concerning replacement of political elites in the Central Asian states.

The Central Asian states are not simply on a certain stage of modernization, but in a continuing process of radical breaking of current political and economic foundations. Naturally, in the present complicated transit conditions a number of problems appears, which serve as basis for appearance of many negative occurrences, including extremist. I should specify that economic factors and low living standard of the population only do not represent the prime cause for appearance of extremism. But along with that, the worsening social-economic situation and related to it low living standard, unemployment, corruption, and unfavorable demographic situation represent a good foundation for distribution of any doctrine ideas, including radical ones, despite strict control of special services. Considering the fact that Islamic

movements in the countries of this region in essence are protesting movements, their rows are permanently replenished with socially aggrieved citizens. Experience of Middle Eastern countries proves that the Moslem population that keeps living in difficult financial conditions and unfair unequal conditions for a long time becomes more and more inclined to an opinion that a state based on religious principles would be more economically stable and socially fair for its citizens. Principles of isolation and autarchy applied at present by some countries of the region lead to failure of any model of development, to social-economic stagnation, and consequently, to decrease of national security from any threats, including extremism.

Efficiency of natural modernization is directly dependent on stability of state institutions, stability of political elites in the region's countries.

Meanwhile, a peculiar "phase of coming scaled changes" related to change of political elites in a number of the region's countries has started in Central Asia. Within a scope of our problems in connection with this circumstance, we can suppose development of the following trends:

- In the process of political struggle Islamic theme will again become demanded by political elites and counter-elites, as well as by various opposition groups. In conditions of an accelerating process of re-islamization of societies in Uzbekistan, Tajikistan, and at some rate in Kyrgyzstan, the necessity of applying of the most important religious resource in the process of coming to power, legitimating of its presence in Moslem societies is an obvious fact. In turn, application of Islamic themes, manipulation with religion in political purposes, as proved by the recent experience of some region's countries, inevitably leads to abrupt acceleration of activities of various religious-political forces, including those having radical direction.

- The period of objective weakening of political elites caused by possible repartition of power in conditions of absence of stable state institutions would be perceived by radical Islamic opposition as a favorable situation for consolidation of own positions and beginning of an active phase of actions.

So, at present we can mark out presence of the following medium- and long-term trends:

- Problems of religious-political extremism despite undertaken measures will keep existing as a medium- and long-term threat or challenge to national and regional security of the Central Asian states;

- Notable stable increase of followers of radical Islamic organizations as the strongest protesting force in the region will keep existing in the number of Central Asian states. This growth is objectively conditioned by presence of a number of external and internal factors;

- Expansion of areas of radical islamists' activities is observed, and at present their activities spread to greater territories of the Central Asian region. However there are the so-called areas of greatest activity, with South Kazakhstan oblast in Kazakhstan, Jelalabad, Osh, and Batken oblasts in Kyrgyzstan, almost whole territories of Tajikistan and Uzbekistan among them. However a peculiar epicenter of activity and distribution still is the Fergana valley in Uzbekistan;

- At present Khizb-ut-Takhrir party holds the leading positions in the region among religious-political organi-

zations with extremist orientation. The main reason for such a phenomenon, in the views of experts, is that local reformation (salafist) movement has not formed structurally and ideologically yet, and, for example, many religious political structures in Uzbekistan, like "Adolat" of the beginning of 1990's are rather successfully suppressed by the state. Islamic political parties from Arabic countries that already had strong branched international network, solid experience of legal and illegal propagandist work turned into a more favorable situation. Their theorists have already developed some religious-political and economic schemes of possible arrangement of a future Moslem state with "verily Islamic fair ruling", found

theological arguments for their ideals; attempts of their realization forced them also to develop well-known methods of strategy and tactics of opposition political struggle [4].

• However, it is not excluded that in perspective under pressure of various circumstances appearance of new known and unknown radical Islamic organizations, including those engaged in terrorist activities, in Central Asia would be possible. For the countries of the region this can mean that the center of world terrorism would gradually shift to Central Asia.

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#### NOTES

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3. Акимбеков С. Афганский узел и проблемы безопасности Центральной Азии, Алматы, 2003, - 400 p. (P. 383).
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## Modern Threats to the Central Asian Countries' Regional Security

**G**lobalization as a phenomenon of the new century brought many positive elements into our life; their maximum application in the interests of development of the region's countries is a task of prior importance.

At the same time accelerating globalization processes made the region's countries face an entire complex of negative consequences that were fraught with many threats.

Such alarming phenomena of the modern life as terrorism and organized crimes, political and religious extremism, separatism, inter-ethnic conflicts, as well as illegal arms and drug circulation today represent a real challenge to stability and security not only in Central Asia, but also in the whole world community.

In other words, the threat of distribution of new challenges gains global character and if we do not take joint efficient measures it would destroy principles of the whole civilized world.

Issues of collective actions and joint cooperation for the purposes of neutralization of threats coming from new challenges are especially urgent also for the Central Asian states. This is conditioned by the fact that under influence of the above-mentioned factors the modern political and economic situation in Central Asia is characterized by insufficient stability and sweeping growth of tension. Moreover, the region due to its geographic location is situated as if in the front of counteraction to the new threats, and, consequently, permanent threat of destabilization of the general situation still exists here; it can destructively affect economic as well as political relations not only between the region's countries.

As it was proved by practice, problems of maintaining state, and even more, regional security faced by the Central Asian states cannot be settled with episodic and single efforts of separate countries or even a group of countries.

Due to this it is supposed that combined and coordinated measures are needed to suppress hotbeds of distribution of new challenges represented first of all by terrorism and extremism, as well as illegal arms and drug circulation; and we made sure of this on the example of efficiency of the anti-terrorist coalition's actions in respect of the situation in Afghanistan.

It is generally admitted that new threats and the problem of Afghanistan, which borders Tajikistan and remains one of the main spots for destabilization of the situation not only in the Asian region, represent sections of one chain. And this provides for consolidation of battle against drug-trafficking, coordination of efforts of the region's countries for rendering overall assistance to Afghanistan in fortifying its central powers, and settlement of this country's social economic problems.

Instability and long devastation, hopelessness and poverty made this country a staging area for distribution of international terrorism, extremism and drugs. In this respect elimination of terrorism in this country, as well as rendering of overall assistance for its social economic rehabilitation represent tasks of prior importance. At that I should note that the measures taken by the world community to return Afghanistan for peaceful life within the

rows of civilized states represent only the beginning of a long process requiring common coordinated policy of the interested countries in settling issues of post-conflict regulation in Afghanistan.

Speaking on the necessity of mutually coordinated collective actions in maintaining regional security we should take into account one more aspect of objective reality in Central Asia represented by growth of military presence of states that are not situated in this region but have geopolitical interests here. In this connection in our view the region's countries at present need to carry out thorough work for rapprochement of their own positions and positions of the states that marked their presence here by the armed forces in some extent.

A complicated territorial structure of people's settlement in the region, as well as numerous internal and external problems provide for a necessity of building an efficient system of regional security, demand interested approach of all the countries to settlement of security issues.

The present situation requires concentration of efforts of all the region's countries for counteraction to new threats. The recent events in Afghanistan show that remains of the Taliban movement and Al-Qaeda forces grew more active, to all appearances they managed to regroup and now they are still able to distribute destabilization factors throughout the region.

Growing activities of a known extremist party of Khizb-ut-Takhrir, which is prohibited in most of the region's countries, cause special concerns.

The issues of coordination of potential of all the region's countries gain special importance.

In this respect certain hopes are pinned on consolidation of versatile cooperation between the region's countries on the bilateral basis as well as in the framework of existing regional and sub-regional organizations, such as the CIS, the EEC, the CST Organization, the CAS. More active application of the SCO's potential is also observed as a perspective.

Practical realization of such an inter-regional agreement as the Tashkent agreement on battling terrorism, decisions and documents accepted in the framework of the Commonwealth for the arrangement of activity of the anti-terrorist center, operative formation of efficient mechanisms of the CST Organization as a full-scale regional organization in our view would provide for considerable decrease of the threat of distribution of the above-mentioned destabilizing factors in the region's countries.

Efficient involvement of regional and national programs for battling terrorism, illegal circulation of drugs, as well as more active external political interaction of the region's states for the purposes of working out a common position on urgent problems of international and regional policy would also promote these purposes.

Along with that, we should admit that the process of real many-sided interaction of the region's states in the issues of security maintenance at present is on the initial stage of its formation. We can only establish so far that the existing sub-regional and regional institutions despite their numerous numbers failed to become efficient



factors in maintaining regional security. Probably the region's countries still have to reveal their potential in this direction.

On the background of growing urgency of the security maintenance issues one more efficient method of settling problems related to security concerns further deepening of economic integration on the regional level for further development of the region's national economies.

Undoubtedly there is a close dependence between national and regional security and country's economic position. Economic decline and worsening of social-economic life of the population, growing poverty, social inequality, and unemployment create grounds for development of extremism in its different forms. And this leads to growing tension in society, creates threats to political stability and security of a country and the region.

Integration processes in the region are closely related to the trends of further social-economic, political, and cultural modernization, to formation of a basis for national sovereignty, and to reintegration to new world realities. On the one hand, the integration processes can be viewed successful considering their accelerated institutionalization. Within a considerably short historic period of time after gaining independence the Central Asian countries created various organizations of intra-regional as well as international character that can serve as a real foundation for maintaining regional security and stability.

At the same time integration processes in Central Asia have a number of particularities, which should not be ignored. First of all this concerns issues related to development of many-sided cooperation in transport communications, joint use of water and energy resources of the region, legal registration of crossing state borders between the region's countries, as well as the environment.

Economic ties between the region's countries in these directions, in fact, have no alternative and form the basis for economic component of relations between the region's states. Economic security and stability in many respects depend on mutually beneficial cooperation of these countries within the above-mentioned aspects. Consequently, any statements on regional integration, close economic ties between the Central Asian countries

would be indeterminate without optimal interstate relations in these directions of cooperation. Capability of the region's states to follow a common external political line in overcoming external challenges and threats to security and stability in many respects will depend on the ability of the countries to settle those problems.

Simultaneously, following the nuances of the problems having purely economic character it is necessary to strive for avoiding their politicization. Accordingly, it is important to secure their settlement on fair and equal base considering interests of all the states in this region and observation of earlier signed agreements on them.

The Republic of Tajikistan as an integral part of this region and the whole world community naturally is a direct participant of the above-mentioned sub-regional and transcontinental changes, so it cannot remain aside of the occurring processes. Consequently, Tajikistan is interested in consolidation of efforts of the region's countries for maintenance of collective security and stability in the regional scale with involvement of all the interested sides. Such interest is grounded by the fact that full-scale stability and security in the region meets strategic tasks of the country's foreign policy, which is directed towards creation of mostly favorable external conditions for settlement of important issues related to the state's social-economic development.

Proceeding from everything mentioned before, we can make a conclusion that regional security system in Central Asia, in my view, should be based on a common political position and should guarantee military political and social-economic stability, as well as provide for geopolitical balance between the world and regional centers of power. This should be a system of collective actions of the region's states directed towards prevention of threats and realization of national interests based on objective mutual complementation and mutual dependence.

The region's countries cannot consider their national security separately from each other, as they face common problems of international terrorism, religious extremism, separatism, drug-business, as well as other threats to their security.

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## Does the USA Really Threaten Central Asian Region?

There a lot of reasons that should be taken into consideration to clarify this matter, so the article given is an attempt to make some conclusions in the field of political psychology, because the problem touches not only the sphere of international policy but the human feelings and sentiments as well.

We'll mainly talk about the situation in Kazakhstan not because it is the largest country in the region: the territory of Kazakhstan is larger than the territory of the entire Central Asia. In times of Soviet Union this region used to be called as "Kazakhstan and Central Asia" and it was reasonable. In the USA all the Central Asian republics are known as so called "Stans" because of their names, including Pakistan and Afghanistan. Such term makes nothing for understanding Central Asia is rather large region and the situations in all five countries of the region are very different. We are different not only considering the key point of the article, but almost in all spheres of the life.

The Republic of Kazakhstan is one of the countries of so called Commonwealth of Independent States, which is known now as NIS (Newly Independent States). It was one of the 15 main Soviet republics ("souznaya respublika", as it was called in the USSR) of the former Soviet Union, having taken one of the leading positions. But for the global community we are still "terra incognita" – cause Kazakhstani people gained the independence and sovereignty only 12 years ago. So let us give a reader just a little information.

The Republic of Kazakhstan is located in Central Asia and bordered to Russia in the North and West, China in the East, Kyrgyzstan, Uzbekistan and Turkmenistan in the South. The country covers an area of 2.7 million square kilometers (it is the sixth place in the world, conceding to Russia, China, USA, Australia and India), which is approximately the same size as Western Europe. In terms of land mass, Kazakhstan is the ninth largest country in the world and the second in the NIS.

Kazakhstan is the unique country among the Central Asian ones, has a significant industrial share in the economy. 99 from 105 elements of Mendeleev table, are revealed in the kazakhstani ground. Kazakhstan occupies the first place in the world on stocks of tungsten, second – on chromium, phosphorus ores, third – manganese ore, fourth – lead and molybdenum, and eighth – iron ores. Kazakhstan shares the larger portion of the northern and half of the eastern littoral of the Caspian Sea – the largest ever sea on the planet. On the territory of the country it has been discovered nearly 160 deposits of oil and gas. Their reserves - known to this day - are approximately equal to present day resources of the whole of the Western Europe. These oil and gas fields contain about 20,000,000,000 barrels of oil and 700,000,000 ton of gas condensate. Sum total of the cost thereof is estimated in the region of USD 4 bln. The Tenghiz field only ranks as one of the largest deposits of the world.

The total population of Kazakhstan is about 17.5 million, making it one of the most sparsely populated countries in the world, with an average population of approximately 6.2 people per square kilometer. 56% of kazakhstani population – are urban and 44% – rural.

The population of Kazakhstan is ethnically diverse – according to the latest census, the Kazakhs are the largest among the country's 126 different ethnic groups, accounting 55% of the whole Kazakhstani people. The second are Russians – 37%.

Kazakh ethnos was formed from the different nationalities, belonging to various ethnic, anthropological and racial types. The state language is Kazakh, a Turkic language, which is spoken only by approximately 40% of the population; Russian is spoken by more than three-quarters and is also officially recognized for using in the state matters. [1]

The ethnic diversity of the population has afforded the state a variety of different religions; the major among them is Islam, which is estimated to be practiced by about 14% of Turkic (Muslim) peoples. **The state constitution is enshrined that Kazakhstan is a secular state.** It is necessary to point out, that Kazakhstan is the only secular state in the Central Asian region, in which the influence of political Islam may be estimated as minimal. First of all, it could be testified by the fact, that the daily life is not instituted by Islam norms. An overwhelming majority of the Kazakhs do not visit mosques each Friday, do not hold on Islam instructions about five times daily prays, women and girls do not close down their faces, and, more over, they try to be dressed by the last European trend. As contrary to the Central Asian neighbors, even before Revolution the Kazakhs tried – if they could allow – to give education both for daughters and for sons. The education was always highly valued in the Kazakh society (just for information – the modern level of literacy in Kazakhstan – is 99,5%). [2]

By the constitution, Kazakhstan is the presidential republic. It means that pursuant to the Constitution of our country the president institutes the reference directions of foreign policy and introduces it on the international arena. The state information of bilateral relations of Kazakhstan with the particular countries, contacts to the international organizations, and the situation in the world and separate locales are regularly reported to the president.

The legal base of foreign-policy activity is ensured with Parliament of Republic and its applicable committees. By the constitution of the Republic of Kazakhstan it is declared that for the supply of the uniform state line in a realization of foreign policy and its eligibility, the development of common policy of diplomacy is an exclusive prerogative of the president. In daily practice it is realized through the Ministry of Foreign Affairs.

The republic has refused its nuclear state status and signed the agreement SNV-1, the Lisbon protocol with a consequent entrance to the Agreement for non-proliferation of nuclear weapons and etc. With the purposes of further cooperation in the field of safety and defense conversion, sciences and engineering the special place was occupied by the "Charter about democratic partnership", signed by the presidents of Kazakhstan and USA in February, 1994.

Involvement of Republic of Kazakhstan within the framework of NATO program "Partnership for peace" became the following step on the path of supply of de-



fensive capability of the country by the realization of teaching and interchanging programs of the military men, regular contacts in the field of military cooperation at the two-sided level.

Republic of Kazakhstan has already got its own history of the foreign policy; it includes three main periods, such as:

- formation of national security concept (the first part of the 1990<sup>th</sup>);
- development of foreign policy and its doctrine under the conditions of international transformations (second part of 1990 – the beginning of the XXI century);
- Kazakhstani foreign policy after the terrorist acts in the USA in September, 11th, 2001, that have changed the structure of international relations and strategic priorities.

At the first and second periods foreign policy of the Kazakhstani leadership was aimed for the creation of favorable conditions to proper integration into the world community as a sovereign state and to find its place there.

The relevant stage of the foreign policy of Kazakhstan during which it has come on international arena as a new independent state was completed. It was a stage of knowledge of the world and global community, presentation of Kazakhstan and its foreign policy.

On December 2, 1991, at the press-conferences devoted to the results of the first presidential election of the Republic of Kazakhstan its President Nursultan Nazarbayev has outlined Kazakhstan's foreign policy, identified its numerous directions and noted that Kazakhstan should become a bridge between Europe and Asia due to its geopolitical location.

Kazakhstan tries profitably to use it, for example – in 1992 the Republic offered an idea to establish the structure possible to provide security policy on the Asian continent. One can think that if it had been the initiative of a more influential and powerful state it would be more effective. But from the other side, there are many disputed problems among the major Asian countries (as between India and Pakistan or India and China), which would be a reason for some distrust for any of counter-partner. "Multivectoral foreign policy and the dis-involvement of Kazakhstan from all the large inter-state conflicts, allow it to develop the process of the confidence in Asia in the most perspective plan". [3]

Nobody could argue that now the USA is the most powerful country in the world. Cooperation with the USA would develop any state, cause it may sufficiently invest its economy. The USA is the center of antiterrorist coalition, aiming to eliminate the threat from the millions of people on the planet. Most of all, it is the impact American armed forces that now the drug traffic, beginning from Afghanistan, could be annihilated. One of the directions of the President Bush administration's foreign policy is – the attempts to fight totalitarian regimes in such countries as Iraq, South Korea and the other ones.

It's clear for almost every American citizen. But from the other hand, the Americans realize even might be not less than this fact, that there is the hostility towards them in the world. It is clear that for most of Americans it's rather offensive and insulting. There is an attempt to give some thoughts about this idea in given article.

Speaking about the American presence in the region, it is possible to track three reference directions of similar infiltration: "...western think-tank institutes realizing the

monitoring and observation of political processes in the region, transnational corporations leading the mining of natural resources, and, at last, military bases of NATO countries supplying the West military-strategic control for a situation in the region and around it". [4] In the given paper the basic notice will be given to the last fact, as to most noticeable and, thus, arising the greatest resonance in society.

As a whole by 2001 the secret trilateral balance between concerns of Russia, China and USA was added up in Central Asia. In this geopolitical triangle Russia was occupying a dominating stand. However the situation has varied after September 11th.

It is possible to expect that a positive answer to a problem of a long-term presence of USA in the region, in the most cases could raise some alarmed estimation of the given presence. As it was clear from mass media a lot of people not only in Central Asian, but in Russia too, expressed rather strong feelings of anticipation and annoyance, when they had known that the US would land their air forces in the region.

Some experts are too radical in their prognosis: N.Masanov, for example, considers, that "as soon as West and, first of all, the USA discover a mutually acceptable solution of an Iraq problem, they will without delay set about Central Asia". [5] What are the reasons of such perceptions in the public opinion in the given region, in particular in Kazakhstan? Why? What is so terrible to be anxious? [6]

The different groups of the population have showed different reasons for such attitudes to this problem. In general the majority dissatisfaction is understandable, since the elders and the middle-aged have been grown on the anticipation to the USA: the youth is more loyal, but even 20 years old guys and girls were the members of the youth (or children) Communist organizations.

If we want to know the roots of such stereotypes, if we want to understand some prejudices of the public opinion in any of the Newly Independent States we should primarily talk about its background.

The mentality of people who are at the age of 35 and older and who have been grown up in the Soviet Union had been formed up under the Soviet ideology.

The eldest post-soviet politicians generation is at the age of 70-75 now. They, of course, remember the times of Stalin. And among them we can meet the most firm anti-americanists.

It was usual for the peoples of two major forces of the "cold war". Rather similar situation was in the States at the time of senator McCarthy in the 50-60<sup>th</sup> years of the last century, the other period of sharp anti-soviet feelings was the period of president Reagan, who had appealed to the crusade against the "Empire of evil" – the name he gave to the USSR. The elder Americans can remember this, and to be honest, in American history such campaigns were not the main and constant directions of internal policy as they were in the Soviet Union.

Daily ideological "treatment" was the essential part of the life of the soviet society.

"The faith in Idea conscientiously cultivated at first by revolutionaries – professionals, and later – by the propaganda of the Management System, and sometimes by the propagation, and sometimes also by violence applied in masses, just had a bad, let down our people, having wrapped up into the policy of a self-destruction. Such hell torments, through which the soviet people had passed in



the 30<sup>th</sup> (and not only) years, were possible to be justified only by something exclusive, for example, by the temptation to creation something that nobody had ever made. The people of Soviet Country sincerely believed, that they were the unique people, unique country and that they were born to create miracles, to make "a fairy tale be the truth" (the words from the popular Soviet song). [7]

As one of the consequences of such mentality is the belief that Soviet people should have played its great role in History – to be Rescuer of all the oppressed mankind. And this great Idea demanded the great victims and must be defended from the numerous enemies.

Almost all of us has been grown up with the deep consideration that our motherland is the superpower, and it was the truth, and the other deeply rooted idea was that the USA was our enemy number one.

One could say that Soviet (or Communist) ideology had proved its incredibility and it was one of the reasons of the USSR collapse. Obviously, it's true. But there is another side of the matter. We can compare it with an illness: very often even if a person got well, he might have some after-effects that could spoil his life for a long time.

Such "after-effects" formed the main characteristics of the public opinion in the all post-soviet countries (may be, by the exception of Baltic states). But one may argue that the basement is similar for the most part of the adult population of all former Soviet states, without any exception. The prosecution of the Russians in Baltic states, probably, too, is the same consequent of that way of thinking, when someone always becomes an enemy, if something goes wrong "on the path to the light future". The other bright sample is the regime of Saparmurad Niazov in Turkmenistan. The familiar habits to explain everything by the enemy's intrigues follow from the danger of the "Great Idea".

"The idea of forming paternalist state based on the noble ideals of freedom, equality and brotherhood step-by-step had turned into the social utopia, having all-embracing nature and claiming to be the absolute truth, that allowed to esteem all remaining theories and views as delusion or intentional lie, or as benighted or mislead people demanding their re-education. And, what is essentially important, the speech went on not about simple violence, and not much about violence, but about ideological therapy disconcerting national soul and made it to trust in their exclusiveness and eliteness". [8]

When we were kids it was the international imperialism and the USA. Since the childhood we had to be well informed about the situation on the international arena. The population in all post-Soviet countries is still considerably much politicized – for example, daily news programs necessarily mirrors international relations and very often they start from the international news.

As cable TV is very popular, many people used to watch Russian channels – not because they seem to be more interesting than Kazakhstani ones – we know that the situation in our country depends on the situation in Russia.

"The Political forces in NIS are frequently taken up a position concerning the former parent state – Russia. And, accordingly, Russian resource is utilized in their interests and concerns or countered to it. Therefore, the attitude to this or that foreign policy is inescapable in the most cases, as early or late the necessity to be determined with the geopolitical priorities (or is forced from the outside) arises". [9]

It is possible to remark that there is a perception in the public opinion of the post-soviet people that the measures conducted by USA under the slogan of the operations unity of all countries against international terrorism, including trainings of antiterrorist divisions in Georgia made by the American instructors, the creation of temporary (?) military bases in Uzbekistan and Kirghizia, the magnification of the financial aid can be done by the different purposes – either to help in strengthening of stability in the indicated states, or to attempt them to the more closely attachment to USA, or to ease-in their dependence of Russia, or all of this taken together.

As a whole by 2001 the secret trilateral balance, between concerns of Russia, China and USA was added up in Central Asia. In this geopolitical triangle Russia was occupying a dominating stand. However the situation has varied after September 11<sup>th</sup>.

In this respect Kazakhstan is the most stable Russian partner in the region – other Central Asian republic claiming on to be a leader in the region – Uzbekistan has made its choice in favor of USA.

Despite of some variations of Russia's role in Central Asia, for Kazakhstan its strategic interests in the relations with Russia prolong to be saved. [10]

In the mentality of Kazakh people strong Russia is a guarantor of Kazakhstan security, first of all from China – this fact was historically added up and locked. For anybody it is not a secret, that almost half of territory of Kazakhstan on the Chinese maps represent as Chinese lands.

Also we should take into consideration that peaking of extremism and terrorisms problem in Central Asia – infiltration of Islam warriors in the south of Kirghizia, activating of Islamic Movement of Uzbekistan, irreconcilable part of Integrated Tajik Opposition with immediate Taleb's support – constructed in 1999-2001 years a substantial threat for countries of the region. This threat for Kazakhstan was and still remains, probably, more severe, than for its neighbors, as the Islam influence in Kazakhstan – as contrasted to the other Central Asian states, is very gentle (as it was already marked above). In this sense it might be the first goal for Islam extremists' aggression.

The geopolitical position of Kazakhstan is that, that traditionally Russia is its main partner in security and safety matters. Almost three centuries back, tending to avoid expansion from China, Kazakhstan was voluntarily connected with Russia, while the majority of the Central Asian countries were conquered by Russia.

As well as the fact of the extremely expressed extent of russification, or, more precisely, "acculturation" selecting Kazakhstan from the other post-soviet states, speaks for the benefit of it, too. [11]

The disintegration of the Soviet Union has entailed the strong offset of the firm priorities of the foreign policy that seemed to be very stable. The multicolor mosaic in perception of foreign-policy realities replaced black-and-white "outlook". It is enough to recollect, that the former battle opponents of the Soviet contingent in Afghanistan like Masud or Dustum, having turned – hardly probable – not into the friends from former enemies, or the other sample: NATO countries – major opponents of the period "of cold war" today are perceived as the partners in the anti-terrorist fight.

The similar examples once again urge to convert to the proverb that "there are no friends in politics, there are the common interests only". These samples are totally referred to the sphere of foreign policy.



As it is known, the comprehension of the national concerns in the public opinion of a country is necessary to support its foreign-policy course. Before disintegration of the Soviet Union everything was just clear enough to us – we were Soviet people and our country – USSR defended our concerns and interests on the international arena. After disintegration of the USSR the structuring processes of our society have aroused a crisis of social identity. If earlier for the majority of the inhabitants of the Soviet Union, and in particular for the majority of the adult population of our republic, their outlook of a world “that each of us had, let it was illusionary, and in many respects distorted, but nevertheless the definite integrity. That was impossible without the comprehension of the both – social, and national identity. Now some kind of the “outlook of the world” had been destroyed and the reasons of this process are quite clear. Former “outlook” does not work, and nothing is offered.

Gaining the most effective realization of the concept of foreign policy it is necessary to improve a system of informational – analytical supply of process of acceptance of foreign-policy solutions.

### CONCLUSION

The events of September 11, 2001 and the followed collapse of the Taleb regime in Afghanistan have changed the geopolitical situation in the whole world. The USA has reinforced its ties within NATO; more over the fact that Russia with its Central Asian allies and Caucasian countries joined the coalition, made it more strong and solid.

The presence of the USA military bases in the Central Asian region which is traditionally concerned to be the Russian national interests sphere, can't help raising some questions.

How will the fact of American air forces presence influence the Kazakhstani foreign policy? And what changes will be supported by the Kazakhstani people?

“It is apparent, that Russia does not leave and hardly ever will leave from Central Asia. Just because there is not only its political and economical concerns. There is a shield that protects it from the unpredictable afghan-pakistani boiler with its extremists, separatists, hits and the other similar contingent who knows only how to live by war”. [12]

On the first view it is not clear what for the Americans have come in the republics of Central Asia. Because it is obvious that the threat from the Islamists has already become the myth for them.

In the opinions of the majority of Kazakhstani politologists, first of all the arrangement of the American military bases in Central Asia bears in itself an element of concealed threat to China.

Studying a map of Central Asia and marking the places of the American bases dislocations on it, even a person unsophisticated in military could see, that the matter is here not so much connected with Afghanistan, but much more with China. [13]

Let us take one of scenario. Recognizing that China today substantially is the most dangerous opponent of USA both in political, and in economical aspects, it is possible to suspect, that *the operation in Afghanistan became the beginning of an implementation of “Chinese plan”* (is marked in italics by the author).

“Most likely in such situation the Peoples Republic of China will be pulled for support to Russia and India. The political-military axis Moscow-Beijing-Delhi can become a force, with which it will be impossible not to be considered. Including to republics of Central Asia. “They can be clearly made to understand, that *“the American umbrella”* in case of the internal conflicts *will not save their political regimes”* [14] (italics is marked by the author).

After the formation of the block China-Russia-India the Americans will be forced to leave. The basic reason of such outcome of events is USA itself. Already now the significant part of the population of USA requires from the president Bush administration the convulsion of the Afghan operation and to bring up millions dollars in its own economics instead of wasting them into a fire of war.

In that case what state would be Kazakhstani partner #1 in the matter of state security? It is difficult to answer, cause Kazakhstan is interested in powerful Russia, but not China. I tried to show that such perceptions in the public opinion objectively flow out from Kazakhstan's geopolitics and history (that's why the attitude of Kazakhstani people may be rather different from the ones of their neighbors). And the attitude of the Kazakhstani public opinion to the USA – positive or negative – will depend on that factor.

We are not waiting for the war, but... “Now nobody can give any guaranties that the movement of «Taleban» or something similar will not arise again. If it were so, whether three thousand American guys begin to defend us”. [15]

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This article was presented in English.



## Alternative Methods of Counteraction to Narcotization Growth

Narcotism and problems related to it, such as drug-related crimes, worsening of nation's gene pool, distribution of AIDS and other virus diseases, undoubtedly represent one of the most urgent negative factors in modern life. It is more than evident today that tough repressive measures never provide the wishful result: even such a mighty American anti-drug organization as the Drug Enforcement Administration (DEA) turns to be unable to stop stable growth of narcotism in the USA. It is known that at least 20% of all detected crimes in the CIS countries relate to storage, transportation, or sale of drugs; but total percent of detection of such crimes is unknown, and there is a suspicion that it is not high. Despite all efforts of the proper authorities, each regional center in the CIS has well-known places or even entire regions, where drugs are traded: this business's profitability covers any expenses related to its illegal character. Narcotism that just recently was a marginal phenomenon now sweepingly conquers more and more groups of population: it has already affected secondary and higher schools, it got into the armed forces and law enforcement agencies, and even in district centers or villages one can see people in the state of drug intoxication. It is rather easy to guess that higher level of drug-related crime detection would produce a situation when jails would not have enough place for all criminals.

Situation with drugs in the Republic of Kazakhstan is characterized by significant intensification with stable negative dynamics despite taken measures. According to the Committee for battling narcotism and drug-business of the republic's justice ministry, weight of drug-related crimes in general criminality in the recent ten years grew four times and formed more than 10% (5,010 – 17,687 crimes) in 2002.

According to the General Prosecutor's office, over 47 thousand people (47,241) were registered on the books for non-medical consumption of drugs in the beginning of the year; 1,722 of them were under-age people, and 4,700 were women. At that just ten years ago there were only 13,500 people on the books for non-medical consumption of drugs.

In general 32,022 people are registered with "narcotism" diagnosis throughout the republic; 3,758 are women, and 312 are under age people.

According to a multilevel research held by the Republican Center of medical and social problems of narcotism, 1,7% (254 thousand) people have steady dependence on drugs; the risk group on this profile formed over 11% (1,689) of the republic's population. This is official statistics. A number of experts believe that real figures are ten times higher.

All this proves that there were some mistakes in tactics and strategy of battling drugs. Tough measures had been expedient when narcotism only started spreading and it could be liquidated on the initial stage. But now, when it became a mass phenomenon, its suppression requires scaled repression that we cannot admit for number of material and moral reasons. And sporadic measures of counteraction to drug-business and narcotization of society, for example, separate campaigns and op-

erations, only promote consolidation and extension of drug-business, clearing it from "strangers".

As a result we have got permanently increasing number of drug addicts, narcotism among younger people, and growing number of crimes related to drugs. And if we want to have future in such conditions, we should look for a way out of this situation. The materials offered here contain brief analysis of "problem knots" of modern anti-drug policy and review of some alternative variants of battling narcotism that can be (or have already proven to be) efficient.

### WHAT IS NARCOTICS?

First of all, we should note that neither European legislation contains distinct and clear juridical definition of the term "narcotics". If we define it as "intoxicating substances" then the group of narcotics would certainly include alcohol, nicotine, and caffeine; and if we consider "substances that cause propensity" as narcotics, then the overwhelming majority of substances, circulation of which is prohibited by law at present, would not fall under this definition as many of them do not cause addiction and even a desire for its repeated consumption. So, we can say only the following more or less unambiguously about narcotics: this includes prohibited psychoactive substances (or substances changing the state of perception). Legal psychoactive substance (for example, alcohol) cannot be referred to as a narcotic and propensity to it cannot be considered as narcotism.

Lists of "prohibited substances" form the essential of any anti-drug law. The most exact legal definition of "narcotic" reads that this is "a substance included in the proper List". However drug market does not stand still; tens of new substances able to cause narcotic effect are synthesized every year but are not included in the Lists just for the reason that by the moment of approval of that List's next edition they simply did not exist. We can cite as example the activities of American professor, Alexander Shulgin, who synthesized over 100 kinds of various psychoactive preparations within ten years; all of them are described in details in his monograph Tihkal including sadly known MDMA better known as "ecstasy". It turns that each additional edition of "lists of narcotic and prohibited preparations" call new more and more dangerous substances into being. For example, ban for morphine at times gave a rise to heroin, and ban for cocaine led to spreading of amphetamines.

### PROBLEM OF NARCOTICS

Why some psychoactive substances should be banned, and other should not? The answer to this question is not as simple as it seems at the first sight. It is known that introduction of a new psychoactive substance into cultural life of a nation had always entailed repressive measures. So, appearance of tobacco in Russia (XVII century) right away generated the proper law according to which exposed smokers were publicly whipped. Throughout the XVI century governments of many European countries issued similar laws against tobacco and coffee. Repressive battle against non-medical use of nicotine and caffeine had been led for at least one



hundred years and finished fully only after bourgeois revolutions in the leading European countries. The problem predilection for these substances nevertheless remained, however, it is minded not by policemen but by society and doctors. Probably, the same would happen by the time with other psychoactive substances, but it is too early to speak about this so far.

### HISTORIC EXPERIENCE

Historic experience proves that legislative battle against consumption of any substances would be led permanently without guarantee of definitive victory. Moreover, when the number of respectable consumers of a substance reaches a certain critical point then the proper law is no more fulfilled, at that sometimes politicians even forget to abolish it. The much more perspective way of battling misuse of psychoactive substances is provided by anti-nicotine campaign led in the USA and some European countries at present. Combination of propagandistic actions with administrative limitation of places for smoking, as well as precedents of suits filed by tobacco consumers to its leading producers already cause noticeable decrease of smokers today. Unfortunately, it is impossible to apply such measures against producers of so-called "narcotics" as all of them are illegal and, consequently, are not accountable to their customers or state authorities engaged in trade and quality control.

### WHAT DO WE KNOW ABOUT NARCOTISM?

Illegality of narcotics also does not allow making up reliable statistics of its consumption. Circulation of prohibited psychoactive substances is almost monopolized by the "black market" and total volumes of its trade can hardly be estimated. Drug addicts are "driven into underground", they conceal their predilection and very seldom seek medical aid. Anonymous polls on "have you ever tried narcotics?" allow to get some idea of only the number of people, who episodically consume (or consumed) prohibited psychoactive substances, but not of the number of drug addicts. On the other hand, police statistics reflect only the number of detainees, and medical data shows only number of those asking for aid. Those figures are much lower than those specialists get in anonymous polls. So-called "approximate evaluations" are also often cited; at that nobody explains criteria of those evaluations. Consequently we cannot receive objective idea of real scale of this disaster and are forced to judge about this basing on very inexact data.

A man who never had close relations with consumers of prohibited psychoactive substances as a rule is unable even to distinguish a drug addict on appearance. We can live for years next door to a drug addict, work in one group with him and have no suspicion of his predilection. At the same time we often blame everybody, who in our view behaves inadequately, dresses strange, listens to unpleasant music, and does not drink alcohol, for narcotism. Since such behavior (along with episodic consumption of prohibited substances) is peculiar to a rather big part of modern youth, certain people, mostly of mature age, get an impression of perhaps general narcotism among the young generation. So, lack of information about narcotics and its consumers considerably distorts perception of this problem.

Unfortunately, we receive the most specific and detailed information from those who have already joined to

consumption of prohibited psychoactive substances but had not yet felt all negative consequences of their consumption in full. This information usually has apologetic character, though it is natural. On the other hand, we hear threatening anti-narcotic invectives from those who never tried narcotics, will never try them, and knows nothing about them. Incompetence of such propagandists is more than obvious, and their activities rather promote popularization of narcotics than help battle against its consumption.

### WHAT SHOULD WE KNOW ABOUT NARCOTISM?

Meanwhile, the truth is much simpler than it is used to think. Narcotism is a new disaster, not "plague of the XXI century", but a phenomenon standing in one row with alcoholism and nicotinism. The difference is only that formation of dependence for the beginning injection drug consumer develops much faster than for alcoholics or smokers; but this is caused by the way of its administration rather than by a narcotic itself. High mortality among drug addicts most often is related to consumption of primitively produced substances and abuse of sanitary norms during their consumption. The same could be observed among alcohol consumers during the last anti-alcohol campaign, when consumption of technical spirits and other substitutes grew. Difficulties in treatment and social adaptation of drug addicts are partially related to the fact that psychological specificity of substances consumed by them is obscure for most of doctors and social sphere workers so far. Notably, by the way, we have not reached great success even in treating predilection to alcohol though an alcoholic's psychology has been studied in the best way possible.

As distinct from alcoholism, narcotism does not cause aspiration to anti-social behavior; majority of social problems related to it are entailed by the fact that narcotics are prohibited and their circulation is concerned with criminality. Repression promote frequent rise of price for prohibited preparations (this entails preference to injections as the most economic way of consumption, as well as all "drug-related" thefts and robberies); repression promotes narcotism spreading in jails where drug addicts get; but the most unpleasant thing is that the need to escape repression turn a drug addict into an "underground person" or a "partisan", and this develops romanization of his activity and creates a pseudo-heroic halo that has considerable influence on teenagers. Moreover, according to observations of narcology experts, prohibition can provoke consumption: two thirds of young people consume narcotic substances for the first time to satisfy their curiosity and a wish to find out what is behind that prohibition. (For details turn to Ф. Райс "Психология подросткового и юношеского возраста". – St.-P., 2000.) American specialists hold the same view: "Demonization of narcotics can make them attractive for teenagers, who are peculiar to rebellious behavior on a certain stage of life". But if we allow drug addicts to buy the desired product on legal basis and for real price, then he would turn into an "evil genius of the epoch", into the one, who he is in fact – into a free-will patient earning for drugstore. And his example would inspire nobody then.

By the way, legislative base for such permission is already available. After all, the overwhelming majority



of substances causing dependence in fact are not prohibited: they are prohibited only for non-medical use, so they are produced or imported and sold at drug-stores for proper prescription. And we need not much for this: to recognize drug addicts as sick people and start giving them such prescriptions. This policy was carried out by the Soviet government in 1920's in conditions of considerable spreading of addiction to morphine and cocaine; as a result the USSR had practically overcome narcotism.

#### PECULIARITY OF MODERN SITUATION

Modern specificity consists in the fact that we have decades of repressive battle against narcotism behind. Over this time we got powerful police structures that are not interested in reduction of funding (that would certainly take place if narcotism decreases). On the other hand, we have the already formed drug market that also would not like to lose its super-profits. On the third hand, part of population not related to narcotics perceive drug addicts as criminals, so they would hardly be able to take in remission of repressive measures adequately. All this would certainly lead to a situation in which "legalized" drug addicts and doctors, whom they would be able to apply for aid, would experience intensive pressure from all sides. Virtually, many officials of European organizations trying to invent the "Harm Reduction" program based on liberal methods of battling narcotism already face such pressure.

We should not forget also that narcotism is not an independent disease, but a symptom of various psychic disorders causing difficulties in social adaptation. Narcotic environment gives a peculiar "pseudo-socialization" to a drug addict: there he finds a company of associates, support and mutual aid (at least, at the start), possibility for self-actualization and character formation; and romantics of "conspiratorial activity" considerably rises his self-appraisal. It is naive to think that majority of drug addicts would willingly part with this environment and change their "underground" for cheap legal narcotic. So, drug circulation liberalization would also unlikely find support among its consumers.

The situation in the 1920's was absolutely different. Drug addicts were "victims of war" and the society treated them like this. There we no structures interested in carrying out repressive policy and spreading of narcotism in the country. Drug addicts themselves were also not consolidated and mainly treated their predilection as a vice. For this reason at that time the problem could be settled on the "drugstore" level; today powerful support of state structures interested not in "battling narcotism" but in its real overcoming is needed to settle this problem. However, none of such structures expressed its interest and provided support to organizations working on reduction of harm from narcotism so far.

#### NARCOTICS AGAINST NARCOTICS?

The so-called "Dutch experience" finds even less support of our authorities despite the fact that on September 24, 2002 President N.Nazarbayev ordered members of the republic's Security council to study experience of countries that partially legalized narcotics. That experience consists in the fact that as long ago as in the end of 1970's the Netherlands' government permitted licensed sale of the least dangerous narcotics from the List of prohibited substances in special places without

introducing changes to that List. So it made an attempt to force out illegal market of "heavy narcotics" (substances that cause strong dependence) with the help of legal market of "light narcotics" (psychoactive substances that do not cause strong dependence). That attempt in general was a success: though the "heavy narcotics" market was not liquidated in full, spreading of narcotism was actually stopped. Light narcotic consumers, the number of whom had grown considerably, proved themselves to be saner and less conflict than alcohol consumers. The "Dutch experience" has already been applied by Czech and Belgian governments. At present majority of European countries practice deliberate shift towards greater drug tolerance. Recently the United Kingdom legalized medical use of marihuana. Germany approved a law on establishment of Fixerstuben – network of points for free distribution and use of light narcotic preparations throughout the country. The first points already work in Hamburg, Hanover, and Frankfurt. Even America – a country where the battle against Colombian narco-barons has become national kind of sports – wavered. California citizens by majority of votes approved an election initiative that legalized growing marihuana and its using for medical purposes. And the Arizona initiative was even more radical – it permitted doctors to prescribe any preparations to patients in case of medical necessity. Alaska, Colorado, Nevada, Oregon, and Washington also positively voted for the issue of medical use of marihuana.

Notably, those initiatives are not new. As long ago as in November 1998, the UN Secretariat got an unusual letter. Not only the theme of that message was unusual – the letter contained a demand to revise "strategy of war against narcotics that proved its unfoundedness" – but also level of signers. Former UN Secretary General, Perez de Cuellar, US Ronald Reagan administration's Secretary of State, George Shultz, former Greek Prime Minister, Andreas Papandreu, Noble Prize laureate, John Polani, and many other world-wide known people were unsatisfied with war against narcotism.

The traditional opinion about the "Dutch experience" is wide of the mark. It is generally considered that Holland "legalized narcotics", and as a result Amsterdam became "Mecca for drug addicts". In this connection I should remind once more that even "light narcotics" in Holland are not legalized: they are still included in the list of prohibited substances, and nobody abolished the proper law. What concerns narco-tourism, it represents considerable source of income in Holland and, in general, favors its prosperity.

It is clear that the "Dutch experience" is at present unacceptable for Kazakhstan as well as for almost all the CIS states, first of all, for the reason that our societies are not ready for it so far. However, digressing from our "here and now" we can't help admitting that the Netherlands' government acted very rationally. If that decision does not entail noticeable negative consequences in the near future, then many other governments would follow this example.

#### NARCOTISM VACCINE?

An attempt for differentiation of prohibited psychoactive substances into "light" and "heavy" is also not insensible. Despite the fact that almost no research of influence of these substances over human organisms is carried out, it is already known today that many of them



have much weaker capability to form dependence than the "legal" ones like alcohol and nicotine.

Meanwhile, the same Holland's experience proves that harm from their distribution is incommensurable with losses caused by attempts of their elimination. The only thing needed to decrease those losses is to revise the term of "big scale" for "light narcotics" for greater volumes and change preventive punishment for its distributors from criminal into administrative. Even such slight changes would introduce disunity into the environment of drug traders and eliminate the dangerous trend towards replacement of "light narcotics" by "heavy" ones that is characteristic for modern drug market. Namely "heavy narcotics" usually cause formation of dependence that is customarily called narcotism. By the way, just recently Russia accepted amendments to the Federation's Criminal Code, in particular, to the article 228 concerning drug-related crimes. The new Criminal Code of the Russian Federation will enter into force on March 16, 2004. According to the new amendments this article, as well as articles 228.1 and 229 of the Criminal Code considers volumes of narcotic remedy, psychotropic substance or their analogue exceeding average one-time dose of consumption ten and more times as big, and the volumes exceeding that dose fifty and more times as specially big volumes. At that the volume of average one-time dose of narcotic remedy or psychotropic substance, according to the State Duma member, lawyer, and famous Russian attorney, Lev Levinson, would be revised and increased.

In conclusion I would like to offer brief review of preceding in the form of several theses:

1. In conditions of mass spreading of narcotism repressive measures do not provide proper effect. On the contrary, their application would keep from correct evalua-

tion of scale of this disaster, control over narcotics turnover, treatment and social rehabilitation of drug addicts.

2. Narcotism as a disease has only few peculiarities that distinguishes it from alcoholism and other similar pathologies. Dangerous specificity of narcotism is entailed, mainly, by its illegality, due to drug narcotics trade and consumption almost get out of state control.

3. For this reason it is expedient to replace accents in battling narcotism from punitive to medical and instructive measures. Only this can decrease prestige of narcotism, turn a drug addict from "dangerous criminal" into "social invalid", who he is in fact.

4. It is expedient to consider an issue of revising lists of prohibited psychoactive substances and reduce them, increase "big volumes" applied to some substances, and rise scientific grounding of prohibitions for one or another substance. Differentiation of narcotics for "light" and "heavy" (with proper measuring of "big volumes" and preventive punishment) also will allow hitting illegal market of substances that cause strong dependence.

5. All these reforms can be carried out without introducing considerable changes into anti-narcotic legislation, and consequently, without contradiction with proper international conventions it is based on.

6. Realization of the offered reforms needs only one thing: serious interest not in permanent battle against narcotism, but in full and final victory over it. Formation of such interest among people that have the proper power is an issue for rather short time: everything depends on the term how soon the problem of narcotism would apply to them personally. With modern speed of its distribution it may happen rather soon.

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## Drug Business in Central Asia: Case Report and Ways of Treatment

**D**rugs turned into one of the most serious threats to modern civilizations in the twenties century. Narcotism got character of a global problem faced by the whole humanity. According to the UN, 8 million people of the world presently take heroin, 150 million people take marihuana and similar substances. Money flows circulating through drug trade channels reach 8-10% of the whole world trade turnover (up to 0.5 trillion US dollars). So, giant sums turn over in the sphere of criminal drug-business; these volumes in a different situation could settle numerous most urgent problems of poor countries. In practice this "dirty" money become a source of innumerable troubles, reason for many bloody conflicts, thousands and thousands deaths of citizens in dozens of countries, hidden springs of coups and political murders.

According to evaluations of UN special institutions, mafias involved in drug trafficking get 90% of "added value" of heroin, while those who process it get 2%, and growers get 6%. Retail opium traders receive 2%. And 57% of cost of heroin that filled the USA is added inside the United States.

The humanity takes narcotics since ancient times. There is a hypothesis that the first acquaintance of human-being with narcotics took place approximately in the period when modern anthropological type of human-being was formed, or about 40 thousand years B.C. Considering the fact that I make this report in Kazakhstan, where one famous Kazakh poet and public figure, Olzhas Suleimenov, published an interesting book titled "Az i ya" in the 1970's, in which he proved ethnic succession between modern Kazakhs and ancient shumers, I would specially note that shumers in fact were well aware of effect of some narcotics and used them for their purposes. This is proven by historic documents that kept till the present time. At that shumers that inhabited Mesopotamia knew right psychotropic properties of thebaic poppy. Clay tables discovered by archeologists in Nippur contain recommendations for production and utilization of opium. At that shumers called opium as "gil" that meant "joy". Apart from opium shumers knew and used psycho-pharmacological effects of many other plant substances.

Knowledge about opium's properties got to Egypt from shumers, and later to Persians; the last, as we known, made active attempts to get to Central Asia directly, and moreover traded with this region. Later opium started being widely used by Greeks and Arabs. Perhaps, Homeros in his poems described episodes when one Zeus's daughters added some juices into wine that warriors drank; under influence of that drink they forget pain and fear. Some researchers are disposed to consider that the term "nepentes" used by Homeros means namely opium. We can find records about opium and its influence over people in works written by Herodotos, Aristotle, and Plinius. Historians know the Mycenaean (Cretan) civilization very well, but not many people know that this civilization also concerned with cult of popper. In ancient Crete statues of popper goddess were decorated with incised popper bulbs with "divine" juice oozing out of them, poet Hesiodos describes

Mykena as a city of popper. By the way, there is also another version, but also related with narcotics. "Mykos" in Greek (that formed the name of Mykena) means "mushroom". According to an ancient legend appearance of Mykena was related to narcotic vision of this city's founder after he ate a hallucinogenic mushroom. Phytogetic narcotics were known in Central Asian region from time immemorial. 1,800 kinds of plants containing narcotics grow on the territory of CIS countries. At that both citizens of settled civilizations and the nomads used them. Famous historian of the antiquity Herodotos Halikarnasseus describing famous warriors of Eurasia's boundless steppes – the Scythians, noted that they had a custom of taking narcotic-containing seeds of hemp plants (*Cannabis sativa*). According to Herodotos the Scythians burnt seeds of hemp and inhaled smoke, so they fell into narcotic trance.

Many other nations that tried to spread their ascendancy to the Central Asian region in different historic epochs also knew narcotics very well. The Arabs bringing the word of the Prophet to nations conquered by him simultaneously expanded borders of planting opium popper from Asia Minor to China. Inside China since ancient times people used another narcotic – hashish – as an anaesthetic for surgeries. By the way, narcotics were used also by the Hindus. In the "Rigveda" epic literature the holy drink of "soma" was prepared, in particular, of Hindu hemp.

Some Siberian tribes took fly-agarics to achieve ritual ecstasy; and Siberia, according to statements of some historians, is fore-homeland of some nations inhabiting Central Asia now. In this respect it is enough to mention the Kyrgyz nation in connection with their celebration of 2,200<sup>th</sup> anniversary of Kyrgyz state organization this year.

Finally, I should mention one rather reliable version about the origin of the "hashish" term, all the more it is very instructive in one respect I shall also mention later. The state of Ismailits existed in Middle Ages in northern Persia, it was headed by the spiritual tutor "mountainous monk" Khassan ibn as-Sabbah. An unassailable mountain stronghold of Alomuth was its administrative center. Ismailits' warriors reminded Japanese ninja – they were fearless and ruthless. According to a legend they reached such qualities through systematic taking of narcotics. The warriors themselves were called in the East "hashishins" (from Arabic "hashshashin"). European crusaders transcribes this as "assassins". In this form this term was included in French and some other European languages in the meaning of "murderers". At that it meant cynical, guileful, and ruthless murderers. This is understandable as Ismailit warriors owing to affects of narcotics carried out terrorist acts often publicly and even did not try to escape being sure that they would get to paradise. Marco Polo very figuratively wrote about this. So in case of those Middle Age Ismailits we deal with the use of narcotics for achievement of rather obvious political and religious purposes.

In general, as a professional historian (as one of my profiles) I should note that crusaders in addition to all the bad they have done, have one more heavy sin – they brought opium to Europe from the Middle East. Before



crusaders Europe had not known taking of strong narcotics. However, for a long time opium was used in Europe mainly not for narcotic intoxication. Many famous names of European celebrities were related to opium. So, famous doctor and humanist Theophrastos Bombast von Gogengeim, nicknamed Paratsels, prepared the first medication from opium. He called opium itself, probably, to spite legends and prejudices that existed at that time, as "stone of immortality". In the seventeenth century doctors in England discovered new ways of receiving medications on the base of opium. One of such preparations was called "laudan" ("laudanum"). This term is used in famous novel by Collins "Moonstone". In 1805 pharmacist Zertyuner evolved the first alkaloid of opium and called the new preparation as "morphine" from the name of god Morpheus – patron of dreams. In 1853 doctor from Scottish Edinburg, Alexander Bood, invented a needle for injections. That invention made a revolution in medicine, but simultaneously led to more frequent use of morphine.

In the East the situation with opium developed even more dramatically. Opium as narcotic received from opium popper, as we have said, was known in Asia since ancient times. But opium can be viewed as a publicly important factor only approximately since the eighteenth century. Mass taking of this narcotic started right in that century. At that it was related to policy carried out by the British colonial company that held monopoly of opium production in Bengal. Great volumes of this narcotic were carried over from there to China. The Chinese authorities tried to resist to this expansion to the best of their ability as by that time this country has already lost its former power. In 1820 they introduced ban for opium imports. But the British trying to save their profits organized contraband import of narcotics to China and lobbied compulsory actions against China in the government of Her Majesty. The first opium war broke out in 1842, during which very strong British fleet made the Chinese government to reject the ban for British opium imports.

The second opium war started in 1857. But this one involved a coalition of the United Kingdom, France, and the United States against China. The Chinese army of course could not resist such armada and it lost the war. Moreover, the ruined country then was forced to start planting its own opium popper to settle its financial problems.

In 1906 China cultivated and harvested about 30 thousand tons of opium and imported about 3.5 thousand tons. Notably, these are rather curious figures, as they mean that in the beginning of the twentieth century China produced almost the same volume of opium as Afghanistan produces today.

The national movement gradually grew strong in China and beginning since 1907 the policy towards extermination of opium production started being realized. And that policy was efficient – every year narcotics production decreased a[approximately by 10%. Having reached an agreement with the United Kingdom, simultaneously China started decreasing opium imports. This process was not easy as 10 million Chinese drug addicts (with the population of about 450 million in China at that time) tried to deliver narcotics for themselves in different ways, and first of all, through contraband supplies.

Of course, China was far from being the only Asian country that produced and consumed narcotics. Drugs

were well-known also in Southern and South-Eastern Asia, and in the Middle East. In Persia, for example, up to 10 percent of the population in many cities took opium, as estimated in 1914.

Opium and morphine, naturally, were used also in absolutely medical purposes. In this quality they also represented articles of the world market. However, it had already been evident at that time that real trade turnover of this category of products obviously did not correspond with the existing medical needs. For example, it is known that before 1909 the United Kingdom exported average of 132 tons of morphine only to China. According to specialists' evaluations (the matter concerns the first evaluation of experts from the international organization of the League of Nations) made in 1931, the whole world demand for morphine was only about 10 tons, so morphine exports to China many times exceeded medical needs and quite evidently was caused by other considerations. For inquiry: according to specialists' evaluations, the present gross global morphine consumption is about 16 tons a year. The example of morphine exports to China is interesting also in another respect. After rational bans for import started being introduced, in particular, through receiving obligatory certificates of the Chinese government attesting that a certain batch of morphine in fact was necessary for medical purposes, smuggling developed highly. According to the League of Nations, only in the five year period between 1925 and 1930 about 72 tons of morphine were imported to China as contraband.

Narcotics distribution in Europe started approximately since the nineteenth century; at that, initially it was distributed mainly within the circles of creative elite. It is known that Charles Bodler, Theofil Gautier, Rimbaud, and Zigmund Freud were taking drugs. One more factor was characteristic for Europe concerned with narcotism spreading. If before that all medications including those containing narcotics were prepared only at drug-stores, then approximately in the end of the nineteenth century the progress in the industrial sphere came to pharmaceuticals. Medications started being produced at large enterprises, correspondingly, in big lots. So, if before that a client could receive narcotics as a medication from a concrete pharmacist, who produced it, then the market of such preparations changed qualitatively – it had become more available and got "depersonalization", if we can say so – drugs (narcotics) became a patent mass product. Naturally, expansion of so-called "domestic" narcotism has become the inevitable consequence. The United Kingdom, where this problem became the most urgent, was the first to adopt a special normative act on toxic substances and drug-stores in 1908.

Right before the World War II science made its next contribution in history of narcotism development. The Swiss chemist, Albert Hoffman synthesized lysergic acid in 1938, at that a few years later Hoffman accidentally tried effect of the new substance himself and found out that it causes unusually strong hallucinations. That was LSD. At that, initially scientists of different countries tried to use it in medicine in treating various psychic disorders, in particular, schizophrenia. But this had not produced special effect.

In 1953 writer Oldos Huxley inclined to mysticism and philosophizing tried influence of that narcotic on himself and wrote a literary work titled "Gates of perception", in



which he in fact propagandized use of narcotics. That book became popular especially among the appearing movement of hippie.

The problem of narcotism in the United States in the beginning of the twentieth century was even more urgent than in Europe. According to the US government, for example, in 1902 only 3-8% of sold cocaine was used for medical purposes in big US cities. By the beginning of the World War I (1914) opium consumption showing per head in the USA several times exceeded similar showings of European states. In fact there was unhampered access to narcotics in the United States; and only after adoption of Harrison's law on narcotics the situation in this sphere started being controlled by the state at least in some extent.

As a Russian representative, I would briefly mention the situation with this problem in my country. Russia is a vast country, and in different periods of its history the problem of narcotism had different parameters in its various regions. In some parts of the Russian empire narcotics were known since ancient times. But, as a historian interested in those issues, I want to note that if we turn to the problem related to opium, then the abrupt burst of narcotism took place in the beginning of the twentieth century. The last Russian emperor Nikolai II was forced even to approve a law on June 7, 1915, by his imperial command "On measures for struggling against opium smoking". It is characteristic that this law was in force on the territory of Priamurskiy and part of Irkutskiy provinces. Russian historians believe that this is explained by the fact that after Russia's defeat in the Russian-Japanese war in 1904-1905 many Chinese and Koreans migrated to the Far East (the first factor), as well as, by another fact that Turkestan joined Russia in the nineteenth century (the second factor).

Narcotics got wide distribution in the years of revolution and the civil war. But already on April 9, 1924, a special commission for organization of struggle against drug distribution was established in the USSR. On December 22 of that same year decree of the all-Union Central executive committee and the Council of People's Commissars of the Russian Federation introduced criminal responsibility for drug distribution. In 1934 the USSR adopted normative ban for opium popper and Hindu hemp sowing (except crops used for medical and scientific purposes). In the period of Nikita Khrushyov in the end of 1950's and beginning of 1960's new Criminal Codes of Union's republics toughened and expanded criminal responsibility for crimes related to narcotics. Criminal responsibility since then was applied not only for sale of narcotics, but also for purchases, storage, transportation or consignment of drugs not for sale. Later changes related to struggle against drug-business were introduced to criminal legislation more than once (in 1974, 1977, 1982, and 1987).

Since January 1, 1997, Russia gave effect to a new Criminal Code, and in 1998 it adopted a new law on narcotics. Legislators regarded as possible not to apply criminal responsibility for consumption of narcotics. So, the view that narcotism, first of all, is a sickness but not an offense, won. At that drug production and distribution started being persecuted much tougher. In particular, disclosure of even a few grams of heroin, that is a usual dose, with a drug-trader assigned for retail sale, may entail imprisonment for up to ten years. Despite obligations that Russia undertook with accession to the Council of

Europe, there are many adherents to death penalty for drug trade among Russian politicians. Nevertheless, only toughened measures of criminal repression, obviously, cannot settle this problem. Over 1,200 crimes related to drug business are disclosed in Russia every week. Only in the period since the Committee for control over illegal drug circulation in Russia started working in July, 2003, over 20 tons of narcotics were seized in Russia.

But, let's return to modern problems of drug business in Asia. They are related, mainly, to opium and preparations produced with it. Namely these problems would be the center of our attention.

The main region for opium popper growing in the nineteenth and most of the twentieth centuries included countries of the so-called "golden triangle" – Burma (presently Myanmar), Laos, and Thailand. Areas sown with popper there exceed 200 thousand hectares, and production varies within the range from 1,260 tons in 2000 to 2,000 tons harvested nine years earlier.

Specially troubling situation remains in Myanmar, the world's second largest cob opium producer after Afghanistan. The situation here is a little similar to the Afghan. After the military coup in 1988 the new power concluded an armistice with the largest insurgent groups, such as the army of Kokang and the army of the United state of Va, with a condition of non-interference of military power into drug-business of the rebels. Often drug-business is based on solidarity of various ethnic groups of the population. As a result of such policy of the powers neither programs for development of alternative agriculture now international isolation considerably affect the volumes of narcotic production. Only periodical droughts change the showings. The country gives 90% of opiats in South Eastern Asia. Drug-dealers' money in Myanmar work in legal economy long since. Drug-flows from Myanmar are directed towards Thailand and China.

However the largest opium group narcotics producer today is Afghanistan. A number of states neighboring Afghanistan including the post-soviet republics, turned into a corridor for drugs delivery to Europe. For example, the number of people involved in one way or another into the drug circulation sphere in Central Asia at present, according to evaluations of independent experts, exceeded one million people. For comparison: in Colombia and Pakistan this number forms about 1% of economically active population, in Bolivia it is 10%, and in Peru it is 3%. Every year up to 20 thousand people die in the CIS countries because of poisoning by narcotic. The share of crimes related to narcotics in developed western countries reached 2/3 of the total number.

Bloody civil war in Afghanistan continuing for 20 years at rather great extent is financed by money received from opium production. Afghanistan's retarded economy turned to be finally broken after Taliban came to power in most of its territory. In such conditions the confronting sides often considered drug business as the main article of its revenues. As a result drug production abruptly shot up. If in mid 1980's Afghanistan produced about 50 tons of opium per year, then in 1990 it already got 600 tons. In 1996 Talibs that appeared in the country expanded areas under narcotic containing crops by thirty percent, at that by that time they had already controlled over 96% of territories growing opium popper. And only in 1999 areas under opium popper crops in the part of Afghanistan controlled by Talibs increased from 64 to 90.5 thousand hectares. Talibs, according to wit-



nesses, levies a kind of tax on narco-mafia of 10% of its profits. Often they prohibited farmers from sowing wheat and dictated them to plant opium popper for fee. Agriculture of this plant was improved simultaneously. According to some data, crop capacity in 2000 in Afghanistan was 48 kilograms per hectare, this exceeded similar showing of this country's closest competitor in the world – Myanmar – 3-4 times. As a result up to 90% of Afghanistan's economy was related to drug growing and procession.

The year 1999 had become a year of record – Afghanistan harvested 4,581 tons of opium. And the whole world opium harvest that year was 5,770. So, Afghanistan contributed 79% in the world volume. So Talibs led Afghanistan to the leading position in the world in heroin production. By mid 1990's greater part of underground heroin producing laboratories were situated in regions of Pakistan neighboring Afghanistan, their number reached one hundred. Victory of Talibs allowed to relocate those laboratories inside Afghanistan, mainly in the country's south. Afghan provinces of Kandagar, Nangarkhar, Uruzgan, and Gilmend were the leading for areas under opium popper crops and for drug production. The northern anti-Taliban alliance also was not sinless, it produced about 3-4% of the whole production volume. Akhmad Shah Massoud, like Mullah Omar, issued a decree on ban for opium popper production, and it also was not observed. The northern center of drug production in Afghanistan was the city of Faizabad. Over 400 heroin producing laboratories worked throughout the country in general.

In fact, opium is milk received from incision of opium popper bulbs. This, by the way, form the essence of literal translation of this term from Greek (opion – means "popper sap" in Greek). One popper bulb produces approximately 0.02–0.05 grams of cob opium. Most frequently incisions on popper bulbs and gathering of resinous sap are made by hand, but recently also mechanical technology of processing opium popper was invented. Opium popper differs in quality in different parts of the globe, it depends on content of morphine in it. Sorts of Asia Minor and the Balkans are valued mostly.

I'll make a reservation, that the term of "opium" widely used in mass media in fact is not strictly scientific. Often people understand different though related to each other substances under this term. There is opium as initial product received from popper. But for higher price of product and extraction of desired qualities this initial product undergoes special procession. Such procession produces several kinds of products that are called differently, and ignorant people often get tangled in such names. Some of those products can include processed opium (an extract used by drug addicts for smoking), medical preparations of opium (they can have a form of tablets, solutions, or powder), opiats (morphine, heroin, codeine, dionine, and others). Specialists also mark out "alkaloids of opium", though this term in many respects coincides with the term "opiates". Alkaloids represent active components of opium, and their content in opium is different (morphine forms from 3% to 23%, narcotine forms up to 10%, codeine forms up to 2%, papaverine does not exceed 1%, other alkaloids form even less volumes). In general there are over 20 alkaloids.

There are different technologies of processing opium, they depend on purpose whether the product is intended for drug intoxication or for medical use. By the way, opiats in medicine most frequently are used in the

form of solutions, and in narcotism they are in the form of solid substances. Interestingly, the ways drugs addicts take opium also vary, it is concerned with the strength of opium's effect over the organism. People in Iran and Turkey use opium for food, in China they smoke it, and in Europe and the USA they take it through injections. The strongest narcotic effect is gotten after intravenous injection. At that this specific narcotic intoxication begins when a needle from syringe is still in the vein. There is even a special term for this condition – "flash".

In the recent time the theme of heroin narcotism is the most urgent. Heroin is a semisynthetic derivative of morphine. The first time it was received in Germany in 1898 by Henry Drezer. In chemically pure condition heroin represents gray-brown powder. Heroin is 25 times more efficient than morphine and causes addiction two times faster. Moreover, specialists believe that heroin causes addiction faster than all other drugs – strong physiological dependence appears already after two days of intakes. For this reason it is not used in medicine, as well as for the reason of high risk of overdose with lethal outcome in case of its use. The different between heroin and morphine also consists in the fact that heroin can easily get to brains, while morphine cannot.

Modern methods of processing allow to produce one kilogram of pure heroin from ten kilograms of opium. This volume is equal to about 200 thousand drug injections! In order one could realize the level of danger from delivery of Afghan heroin to the world markets, I can cite figures of potential demand for heroin in the United Kingdom or Italy, where it is equal to approximately only eight tons a year. And Afghanistan's potential in case of procession of the whole harvested opium in separate years reached 458 tons of heroin.

The record high supply of Afghan drugs to the world market led to the decrease of price for narcotics, at that quality of Afghan narcotics did not worsen. The price for one kilogram of opium in 1999 inside Afghanistan fell by 40%. As a result 80% of heroin consumed in Europe was supplied from Afghanistan, and consumers included approximately one million people.

Because of fall of price for opiats, as well as because of pressure from the world community on July 28, 2000 Taliban leader, Mullah Omar, issued a decree that banned cultivation of opium popper in the country. Formally all popper crops had to be annihilated. However in practice this decree was not observed. Talibs in a pointed manner destroyed crops, but at that often they destroyed popper bulbs after the opium harvest had been gathered from them.

Russians have a saying: "There could be no fortune, but misfortune helped it". In 2000 Afghanistan suffered drought, so opium harvest was small. We can state assuredly that if Talibs were not eliminated from power as a result of the anti-terrorist operation, then opium production growth would have been rising rapidly.

However liquidation of Taliban rule by no means meant radical improvement of the situation. Furthermore, in the period of that anti-terrorist operation (autumn 2001) people kept sowing opium popper throughout Afghanistan, even in liberated provinces. Karzai's government adopted a normative ban for production and distribution of narcotics in January 2002. The new government in Kabul tried to arrange propaganda within rural population of the country. Simultaneously the ef-



forts to support this course with economic measures were taken: the European Union assigned 70 million dollars for payment of compensations to farmers who would turn from sowing opium popper to cultivation of other plants. It was supposed that for each hectare freed from popper crops its owner would receive about \$350. Nevertheless, assistance of the world community turned to be not well considered. Firstly, the assigned sum turned to be not enough. Secondly, throughout the year 2002 Afghanistan was receiving humanitarian aid that included wheat. As a result, the price for wheat grown by local agrarians fell because of that free wheat. Many farmers turned back to growing opium popper as a high-profit agriculture that provided stable income in Afghanistan. Profits from popper growing were 38 times higher than those received from growing grain-crops. The cost of popper grown on one hectare could form about 16 thousand dollars. For one kilogram of opium an Afghan farmer could receive dozens of times more dollars than for kilogram of rice (only about one dollar) – crop requiring much care.

The US-led anti-terrorist operation actually had poor influence on the situation with drug business in Afghanistan. Narcotics still form a source of enrichment of local authorities, who often recognize Karzai's government rather formally and use money received from trading drugs to maintain their own armed formations. According to head of Afghanistan's state commission for struggle against drugs, Shamsa Ansari, the government managed to destroy only 25 thousand hectares of opium crops, but about 60 thousand hectares more remained untouched. The square of crops compared to the last year of Taliban rule even expanded in average throughout the country by 30%. As a result over 2.5 thousand tons of cob opium were harvested. The cost of Afghan opium harvest formed 1.2 billion US dollars (for comparison: the whole Afghanistan's budget forms about 4.4 billion US dollars). The military command did not resort to means available in its arsenal. For example, according to mass media, fungous mustiness had been elaborated in the USA long ago; sprayed on opium popper plantations it is able to destroy all the crops. The world information agencies informed also that three years ago the Institute of genetics and experimental biology of plants of Uzbekistan's Academy of Sciences created a special biological substance – fungus – destroying crops of opium popper fully. But achievement of the scientists found no demand.

Last year Afghanistan harvested impressive volumes of opium popper – 3,400 tons. This year, according to UN experts' forecasts, it will produce about 3,600 tons. Final data had not been totaled now and we can find different evaluations. But it is absolutely evident that this year's harvest is greater than the last year's. It is stated, for example, that its cost forms 2.4 billion euros. Sometimes we can see figures that some Afghan provinces (like Kunduz, for example) had opium harvest growth of 100% compared to the last year. New territories were allotted for opium crops, for example, in mountain range of Khazarajat in the country's center. According to the UN, 50 new laboratories producing heroin from opium appeared in southern and eastern Afghanistan within one year. Benefits and possibility of job placement in this business remain very high, while risks are obviously insignificant as the great number of those involved in opium popper cultivation among Afghan residents really means

obvious impossibility of using tough police punitive measures against them.

We should admit that external aid provided to the new Afghan government is not efficient enough. According to German newspaper *Die Welt*, only from the EU in 2003–2004 Afghanistan will receive about 100 million euros for maintenance of Afghan families and realization of programs related to cultivation of cultures alternative to opium popper. 75 million euros more are assigned by the EU on creation of legal system and training of employees for special divisions for struggle against narcotics. The total European aid to Afghanistan in 2001–2006 period is expected to form 1 billion euros. Nevertheless, considering evaluations of the UN that annual opium turnover in Afghanistan forms 30 billion US dollars (13 times more than international aid), it is evident that only financial measures of struggle against this evil have low efficiency. The same UN experts point out that at least 1.7 million farmers in Afghanistan are involved in opium popper cultivation.

Deputy special envoy of the UN Secretary General on Afghanistan, Nigel Fischer believes that this country will succeed in doing away with opium popper cultivation not earlier than in 5–10 years, at that he referred to the example of Thailand, where this process took a quarter of century. Today we sometimes find many reproaches in Russian mass media on the anti-terrorist coalition command that it struggles drug business inside Afghanistan inefficiently. Meanwhile, this criticism is not always defensible. Burning of opium plantations with napalm would not provide settlement of the problem. Such measures would destroy very tenuous comparative stability in the country that at present allows the world community to carry out arrangements for Afghanistan revival from ruins step by step.

As a result the course towards non-admission of outlet of drugs from Afghanistan to external markets gains really great importance. However, this is also an uneasy task. More than ten main directions of exporting opium and heroin were set from Afghanistan long ago. The main directions, unfortunately run to the north from Afghanistan. Two thirds of the total "exports" of Afghan narcotics are sent in the Central Asian direction.

Meanwhile, not long ago the situation was different. The northern direction has become prior for drug traders after disintegration of the Soviet Union, when guarding of southern borders in the new independent states considerably weakened on objective reasons.

The routes for the Afghan drugs to the East along the Karakorum highway to China and to the west through Iran to Europe are complicated due to the fact that the Chinese and Iranian governments very toughly counteract to drug business activities on their territories. China determined death penalty for trading or transporting of one kilogram of opium or 50 grams of heroin.

Iran sentences for death penalty for 30 grams of heroin or 5 kilograms of opium though in the recent years under pressure of the world community execution of death penalty has considerably decreased. Active actions of the Iranian government led to the situation that previously popular drug-traffic from the region of "Golden crescent" now lost its fame. Dozens of tons of drugs are seized in the Afghan-Iranian border every year, hundreds of drug couriers die in shootings. Iran built a grand system of engineering erections along the Afghan border to



resist drug-trafficking from that country; it consists of canals and ditches, concrete barriers, and observation towers. Of course, Iran does not manage to close its border with Afghanistan tightly, but along with frontier guards in the recent years the struggle against drug business in this country involves officials from other special services more actively. So in June 2001 Iranian special services carried out a grand operation. About 12 thousand drug traders and consumers were detained within four days. Nine people from drug-mafia were killed in shootings with police. About 500 kilograms of narcotics were withdrawn from illegal turnover. Afghan drugs, of course, pass through Iran also. The number of drug addicts in Iran with its present population of about 65 million people forms 1 million 200 thousand people, 800 thousand people more take narcotics from time to time (3% of the country's population). About 3,000 Iranian soldiers and policemen died in scuffles with drug-dealers in the recent twenty years.

Southern routes of Afghan drugs through Pakistan for the volumes of supplies also represent a window to the world of drug business. They mainly lead to ports in Southern Asia, then they are delivered by sea to the Balkans, and further to developed western countries. Many competing criminal cartels control these traditional routes of drug-trafficking. A number of countries (Egypt, Israel, and Turkey) very actively struggle against drug-related criminality, especially when it related to extremist Islamic groups. Nevertheless, significant part of Afghan drugs get to the world markets through Pakistan. There is another route through Pakistan by which drugs further are transported to the north. Cargo goes from Jelalabad to Peshavar through the north-western border province in Pakistan. There border territories are poorly controlled by the Pakistani government; real power here belongs to Pushtun tribal leaders. The main number of large opium processing laboratories is also concentrated there.

The old exotic method of drug smuggling is actively used here in the recent time. Up to half a ton of heroin are delivered per year from Afghanistan to Pakistan by about 300 carrier pigeons. Drug dealers buy pigeons in Pakistani cities and bring to their farms in north-western border province. After the birds adapt they are passed to the Afghans returning home from Pakistan. In Afghanistan drug trading group members take those pigeons. They tie a metal tubule to the bird's foot, fill it with up to 10 grams of heroin, and let the bird fly away. Pigeons fly through the border and land on their native dovecote. According to SANA agency, owner of 6–8 pigeons can forward up to 2 kilograms of heroin a month this way.

In May 2003 the Pakistani authorities announced detention of the largest batch of heroin in the country's history. The Reuters agency reported that a group of smugglers was disclosed on the Afghan-Pakistani border at night. In response to a demand to surrender the criminals opened fire. Shooting continued for more than 30 minutes. After the criminals were liquidated Pakistani frontier guards discovered 1,350 kilograms of heroin in one cave. The cost of this quantity of heroin in the world market exceeds 500 million dollars. So, we see that the quantity of Afghan narcotics in this country is great.

From the Pakistan city of Peshavar narcotics are transported through mountain passes to Gorno-Badakhshan-

skaya oblast in Tajikistan and further through Kyrgyzstan to Russia and Europe. Borders of Tajikistan, Turkmenistan, and Uzbekistan are the most vulnerable and, consequently, the most attractive for drug-mafia. In most of Central Asian countries the authorities lose the struggle against drug business so far. Insufficient financial provision plays not the least role in this: young independent states are unable to assign necessary means for struggle against drug-business.

Considering the fact that average salary of Tajikistan citizens is very low - 15–20 somoni a month – drug dealers can easily find people willing to risk their freedom and sometimes even lives for promised sums (about 100–200 dollars) for drug transportation. Often drug-mafia uses other methods as well. Afghan smugglers carry off Tajiks to their territory and force their relatives to work as drug couriers threatening to kill hostages.

Tajikistan is the main trans-shipment point en route of Afghan drugs to Europe. In the recent three years this republic builds up its efforts in struggle against drug-business. According to the permanent Tajikistan representative at the UN, Rashid Alimov, at present Tajikistan seizes over 80% of heroin and opium of total volume of these narcotics seized in Central Asian region, and 70% of the CIS's seizure. According to the UN Tajikistan now reached the fourth place in the world for the volumes of heroin seizure.

Russian frontier guards make major contribution in struggle against drug business in Tajikistan; at present 16 thousand of them stay in this republic. The 201<sup>st</sup> Russian moto-infantry division also plays an important role in this. All together they cut off 11 directions of the Tajik-Afghan border. However these units cannot carry out operative searching activities beyond the strictly determined area of responsibility. In 2002 Russian frontier guards detained over 12.6 tons of drugs on the Tajik-Afghan border. The share of heroin in seized narcotics formed over 5.53 tons. For comparison, in 2001 over 4 tons of drugs were seized with 2.3 tons of heroin. In 2002 frontier detachments went into scuffles with armed abusers of border 37 times, during which they liquidated 41 abusers. One Russian frontier guard died and 8 were injured in fighting on the Tajik-Afghan border.

Russian frontier guards seize approximately half of the whole volume of narcotics that all law enforcement structures in Tajikistan manage to seize. Meanwhile, experience of many countries prove that success of struggle against drug business is impossible in conditions of weak work of state authorities inside the country. In the United States coastguard and other analogues of frontier services, according to some evaluations, seize only 10% of drugs flow, and other services seize 20%–30% of drugs more inside the country. Drug-mafia exists side by side with extremist formation. So there is no wonder that 54 caches with ammunition were uncovered on the Tajik-Afghan border last year. Over 6,300 units of large-calibre weapons, 1,250 grenade cups, and over 510 mines were found. The largest batch of narcotics of 400 kilograms of heroin for the sum of about 100 million dollars was seized in Tajikistan in August 2003. In general 2,700 kilograms of heroin were confiscated that year (incomplete data).

Nevertheless, the CIS experts believe that not less than 300 tons of narcotics are transported through Tajikistan a year. Kyrgyzstan also turned to be involved in drug business. Narcotics get there from several direc-



tions: by the Khorog-Osh highway, through Gornyi Badakhshan, the Tajik city of Khujand, as well as through mountainous tracks to Batken. Representatives of different layers of Kyrgyzstan's population are involved in drug business. According to the World Health Organization, narcotism incidence in the recent 15 years grew more than five times. Compared to 1996 the volume of heroin seized in 2000 was 852 times greater. Only within 2002 drug smuggling here grew by 74%.

The situation in neighboring Kazakhstan is not better. According to Kazakhstan's interior ministry, about 13 thousand drug-related crimes were disclosed in the republic in 2002, including over 4,200 cases of drug sale. 16.6 tons of narcotic substances were seized from illegal turnover. However the share of heroin was evidently low – only 95.3 kilograms. Meanwhile, the main volumes of Afghan narcotics get to Russia namely through Kazakhstan; and in Russia with all difficulties and shortcomings in the work of law enforcement authorities, their success is much more impressive. For example, in 2001 Russian special services seized 75 tons of drugs including 3.5 tons of heroin. In January 2003 a record large batch of heroin – 100 kilograms – was seized in "Gazel" automobile on the Russian-Kazakhstani border. For this reason we welcome results of the recently carried out large-scale operation of "Barrier" in Kazakhstan that provided seizure of 3 tons of narcotics (including 500 kilograms of heroin) and detention of 1.5 thousand people. Nevertheless narcotism advances: at present each one hundred people of Kazakhstan's population include almost 300 drug addicts.

The length of Uzbekistan's border with Afghanistan is much shorter than Tajikistan's and Turkmenistan's; only 137 kilometers. In 1993–1994 the main "window" on the Afghan border was the Uzbek city of Termez. Further the drug-traffic led through Karshi, Bukhara, Urgench, to the Karakalpakstan capital of Nukus and further by highways to the Ustyurt plateau to Kazakhstan and Russia. At present, according to the UN, the main flow of drugs goes through Kushka (Turkmenistan) and region of Khorog-Osh (Tajikistan – Kyrgyzstan). Over the years of independence Uzbekistan's special services seized about 30 tons of narcotics and 76 tons of precursors, in particular, acetic anhydride, which is one of the main components for heroin production.

Having for the status of a neutral state in 1995 Turkmenistan later refused from assistance of Russian frontier guards in protecting its southern borders. And that border, especially in Serakhs-Kushka region – the juncture of border of Iran, Afghanistan, and Turkmenistan, was vulnerable for drug smuggling even in soviet times. Turkmenistan, as practice proved, unfortunately, is unable to provide full control on the border. In the recent years drug-mafia actively develops a "window" on the border near Serakhs, where a big transport junction is being formed. From Serakhs and Kushka the main "track of Afghan heroin" passes through Mary and Tejen to Ashgabad and further to the port of Turkmenbashi on the Caspian. Then by sea, the legal status of which is disputed by the Caspian region states still, drugs get to Azerbaijan and Russia. Accusations of the Turkmen authorities about their involvement in Afghan drug smuggling that are frequently found in different states' mass media, nevertheless, at least, require evidences. The fact of these drugs transit through Turkmenistan's territory is insufficient, and evidences of some former officials of the Turk-

men government who now form the opposition should be checked.

The cost of drugs grows dozens of times during transportation through Central Asia. The price grows most abruptly after successful crossing of the Russian border.

One should not think that Afghan heroin trading brings supreme threat only for the countries that form the main market for it. The world practice proves that his is not true. Great harm us caused also to the countries that produce (grow) drugs, and those lying on the way of drug transit. Population in those countries inevitably gets involved in the process of drug consumption; moreover this process there develops much faster than in the countries that are direct addressees of narcotics. At times this phenomenon is related to peculiarities of "technology" of the most criminal drug-business. Criminal groups are interested in creation of an original market of service – higher demand of volunteers who are ready to risk their freedom, or even lives, by transporting drugs. One of the simplest and at the same time efficient ways to achieve this is to involve drug addicts into this activity paying them in doses of drugs for this service. On the other hand, those forces turn to be not interested in social economic progress of the regions of drugs transit. Because in this case the market of volunteers would decrease; finally, any normally functioning economy, as a rule, leads to improvement of the state machinery that includes law enforcement authorities, this also does not favor drug business.

In order to understand in what directions the Afghan drug-mafia can evolve we should turn to similar example from experience of another region of the world. The world market on one more strong narcotic – cocaine – considerably yields to heroin. According to the UN evaluations, potential of cocaine production at present is approximately on the level of 1,250 tons, at that 90% of cocaine are produced in three countries: Bolivia, Colombia, and Peru. The process of drug growing also develops in the region of Latin American Andes. In the recent 15 years it grew approximately 3.5 times.

Only about 30 years ago only few spoke of cocaine drug-mafia seriously. Cocaine production in South America was insignificant, it was based on primitive technologies. Drug-trafficking to the United States represented a primitive chain involving not numerous and poorly equipped groups of smugglers. Couriers with many presently well-known drug-barons among them, like Pablo Escobar, carried only small batches of this drug.

But approximately since mid 1980's really revolutionary changes took place in this criminal business. Processes of cocaine production and transportation was set on well-considered base. It grew complicated and turned into a multifunctional mechanism with regulated specialization like in the system of advanced western industrial management. Cocaine barons' criminal groups acquired not only modern means of transportation like aviation, ships, and others, but also the staff of chemistry scientists and lawyers. They established stable ties with state officials that could assist in the least risky actions of dispatching drugs to the USA. Even a special insurance fund to provide uninterrupted work of cartels was created; this allowed to attract big investments in this business. Finally, transnational network of criminal communities controlling the whole process from growing coca bushes to banking operations for legalization of criminal profits was formed around co-



caine drug-trafficking. Aspiration of criminal groups for active influence on the political life of their states has become natural stage of cocaine octopus development. Some cocaine cartels even created multi-million funds for promotion of advantageous figures to the post of head of state. On the other hand, attempts to struggle against drug-dealers from the authorities led to the situation that cocaine barons started concluding unions with various radical extremist rebellious organizations existing in Latin America, like, for example, Sendero Luminoso. That group assisted in organizing production and dispatch of drugs through regions that were under their control, went into actions with police and government armed forces. Notably, traditional routes of cocaine delivery into the world market started chang-

ing in the recent years: apart from the USA drug producers attempt to deliver cocaine to Western Europe through Balkan countries and Italy. So, qualitative improvement of cocaine drug-structure took place in historically short period that allowed to broaden areas of its expansion.

Perception of the need to intensify measures of struggle against drug-trafficking from Afghanistan grows in the CIS countries gradually. In 2002 an idea to create the CIS Anti-drug center on the analogy with the CIS Anti-terrorist center was advanced.

*To be continued.*

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## Drug-trafficking and Problems of Regional Security in Central Asia

If there is a word that can briefly and capaciously characterize results of struggle against narco-industry in Central Asia, then this word is "disappointment".

The US anti-terrorist military campaign in Afghanistan led to replacement of political elite in this country but did not change basis of its economic and military-political power that is based on drug business sphere. Naturally, it would be naive to expect fast settlement of this problem in a country, where only drug economy existed for decades, determined the main Afghanistan's export article and specific character of internal narco-investments. But temporary neutralization of the Taliban movement decreased certain military threat for Central Asia's regional security but, at the same time, increased the level of narco-threat for the region; at that its decrease to all appearances was not among the purposes of that campaign as the US feared to lose the Northern Alliance as an ally. Drawing a historic analogy we would see that similar situation once was observed in Myanmar (Burma), when after declaration of its independence in 1947 the United States fearing communists to come to power in that country started actively supporting tribal leaders who were drug traders. As a result we can see that Myanmar at present is the second largest opium producer after Afghanistan.

The most negative scenario of these two countries' development is the Colombian variant of narcocracy that would hide behind the front of civilized state institutions and staking on narco-economy. The UN statistics clearly shows what it is. According to it the present price of opium in Afghanistan is \$283 per kilogram, so the total cost of 2003 harvest, according to experts' evaluations, is \$1.02 billion, that is equal to 23% of Afghanistan's GDP. Taking into account production of heroin and its transportation this sum rises to approximately half of the country's GDP. Almost 2 million people are involved in opium production. As a result income from involvement in drug business per head varies from \$259 in the north to \$1,000 in the south. No wonder that Khamid Karzai's program on replacement of drug crops by agricultural plants this year failed. The perspective of long-term neighborhood with drug-economies is the first important problem that threatens regional security in Central Asia.

The second problem is related to the similar situation in which international terrorism once actively developed in the period of "Cold War", when for a long time both the USA and the Soviet Union considered it only as an instrument of global geopolitical game. Video of September 11, 2001, clearly showed us the result of this. However sad it is, but similar situation is observed also in the sphere of struggle against drug business, in which the policy of double standards (when political situation determines the scale and depth of counteraction to narco-expansion) is similarly dangerous.

At present among four existing drug traffics towards Russia (eastern (Central Asia), southern (Caucasus), south-western and western (Slavic-Moldavian), north-western (Baltic)) namely the Central Asian direction has become the most intensive, though not all experts agree

with this point of view. In particular, despite the fact that Kazakhstani special services are concerned with possible worsening of criminal situation in Central Asia in connection with forecasted growth of drug transit, they do not consider that the main flow of Afghan drugs passes our region. Head of economic security department of Kazakhstan's National Security Committee, Nurgali Belisbekov, believes that 30% of heroin produced in Afghanistan are transported through Central Asian countries, and 70% pass through contraband channels in Iran and Pakistan. At the same time, we cannot but agree with the fact that modern drug traffic represents a two-way traffic, as drugs go not only from Central Asia to Europe, but also vice versa. In particular, formation of new ways of drug-trafficking takes place in consequence of the fact that Europe becomes center of production and consumption of synthetic narcotics that are supplied to Northern and Southern America, as well as to Central Asia.

As for real volumes of Afghan drugs transported through the region, according to the Agency on control over drugs under the President of the Republic of Tajikistan, the showing of narcotics seizure in Tajikistan in 11 months of 2003 in comparison with the 2002 showing almost doubled. In particular, if in previous year the republic's law enforcement agencies and Russia's Federal Security Service in the Republic of Tajikistan seized 4,987.5 kilograms of drugs from illegal turnover within 11 months, then this year this figure reached 8,818.3 kilograms. Proceeding from the fact that only one tenth part of total drug trade volume is usually detained these figures are impressive. The Agency's analysts believe that the increase of showings directly relates to abrupt growth of narcotics production in Afghanistan in the recent years. Presently Afghan drug traders took all measures to maintain the 30% production growth. They expanded areas sown with drug-containing plants especially in northern provinces of Afghanistan, increased capacity of mini-plants, and created additional laboratories for heroin production. The Agency's specialists believe that drug production growth in Afghanistan would not fall for at least two coming years.

But the reason of Central Asian drug-traffic activation lies not only in geographic closeness of the region to Afghanistan, but also in underbellies that Central Asia has and narco-mafia is well aware of.

1. Internal regional contradictions and conflicts between countries of the region, that do not favor efficient coordination of their activities in counteraction to drug-business. Though in the recent time the countries started making attempts to overcome those negative trends. In particular, this is proven by the UN Administration on drugs and crimes initiative to create the Central Asian regional information coordination center for control over drugs. But again there is a question why this initiative arose within the UN but not within the region?

2. Difficult social-economic situation in some Central Asian countries that have no prospects of improvement so far.

3. Considerable level of corruption in Central Asian countries' law enforcement structures. As it is known,



corruption is a key that may open almost any door, even on the border.

4. Certain threat of coalescence of drug-mafia with state authorities in some Central Asian countries.

5. Unfortunately, the accent still is made only on forcible measures of struggle against drug trade and drug mafia with minor eye to preventive work.

6. Activation of extremist and terrorist organizations in Central Asia that is extremely beneficial for drug mafia on two reasons:

- This draws away attention of the region's law enforcement structures;

- This provides a possibility to unite efforts with terrorist organizations for the purpose of destabilizing the region. Reality of such cooperation is even more probable in periods of replacement of political elite in some Central Asian countries that can lead to appearance of narcocracy representatives in the highest structures of state power.

All this creates favorable conditions to consider our region as favorable transit area; considering reduction of prices for some kinds of drugs in the recent time, in particular, for heroin, the region also appears as an area for sale of part of drugs. Notably, Kazakhstan's place in this area in prospects may become one of the most unfavorable for the reason of improvement of economic situation in the country that increases solvent consumer market.

As for real threat of extremism and drug-business integration into one efficiently acting organism, it leads us to the third important problem related to drug-trafficking and threats to the regions. By the way, this problem often is missed though its analysis plays important role in investigating trends and prospects of global and regional drug market development. The matter concerns appearance of ideological foundation of drug trade that started being considered by many people as one of efficient instruments of fighting against the West and its

allies. This is a very dangerous trend that proves formation of such a phenomenon as drug-ideology; to fight against it only by forcible methods would be the same as to crush a fly with a steam-roller. When drug production and trade pass from the sphere of ordinary illegal business into the sphere of ideological confrontation, this proves the necessity to introduce significant changes into the arsenal of struggle against drug industry. Moreover, we should not forget that priority of struggle against terrorism that is adopted in many countries of the world should not move aside the necessity of fighting against drug industry that not only corrodes state organism from inside but also is one of the main financial bases for numerous radical organizations in many countries of the world.

As for the perspectives of Central Asia in struggle against drug trafficking, they will fully depend on capability of states of the region to realize the necessity of joint counteraction to drug business. Unfortunately, at present we get a feeling that Central Asian countries are not ready for such interaction so far. Though such regional organizations as Collective Security Treaty Organization and the Shanghai Cooperation Organization involving almost all Central Asian countries except Turkmenistan, may have certain potential in settling this problem, strange though it may seem. These two organizations showed their capability to transform with the appearance of terrorist threats to the region. But the growing destabilizing role of drug business in Central Asia may favor creation of certain structures for battling drug industry by analogy with anti-terrorist centers. If this does not take place then once we would witness appearance of a narco-monster that would replace all our states, as it happened in some regions of the world, the names of which have already become edifying.

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## Drug Economy in Afghanistan and Drug-trafficking in Central Asia: Problems for Regional Stability and Possible Solutions

Central Asian states have become major transit-countries for opium and heroin from Afghanistan to the Russian and Western European market. The main transit country still is Iran, but the accent is shifting towards other routes through Central Asian Countries.

### BACKGROUND

Drug trafficking and the problem of heroin addiction in Central Asia existed only on a very limited scale before 1990. Drug users were mainly soviet veterans of the Afghan war.

The civil war in Afghanistan has contributed to the development of a vibrant opium economy in Afghanistan. To date it is estimated by UNODC that income in Afghanistan from opium farming and trafficking is equivalent to more than 50 % of the GNP of Afghanistan. Afghan Opium production in 2003 was estimated at 3.600 t. More that 2/3 of all opiates worldwide are produced in Afghanistan.

In recent years opium production has spread to the northern provinces of Afghanistan. Provinces strongly affected are Balkh (Mazar-e-Sharif), Kunduz, Takhar and in particularly Badakshan. Trafficking through the Central Asian States to Russia and Europe has significantly increased.

Experiences in other parts of the world, mainly the so-called Golden Triangle and the cocaine-producing countries in South America, have shown that an efficient drug control has to have a regional approach in order to be successful. Even if opium production takes place almost exclusively in Afghanistan now, the problems arising from it can not be combatted in Afghanistan alone, but need to be tackled in a regional, Central Asian context.

After 1992, the new Central Asian States have been ill-prepared to cope with this intensive drug problem and may in some cases not have realized the extent of the challenge that is now before them: Heroin provides money for weapons and all kinds of illegal activities, thereby keeping conflicts alive or feeding new conflicts; it undermines legitimate governments and the rule of law, corrupts institutions and creates narco-economies that are ill-equipped to deal with the changes and challenges of the Global Economy. But our understanding of how exactly the drug economy works in Central Asian Countries is still not very exact; all the more appreciable is the initiative by KaISS that has brought us together here to learn more about the nature and extent of the problem and to think about steps to take.

### THE AFGHAN OPIUM ECONOMY

As legal farming and economic activity was disrupted by the civil war, poppy production became an attractive investment and source of livelihood for small scale farmers and often nowadays their only solid basis.

While opium and increasingly heroine are exported, precursors, weapons and other goods are imported by drug smuggling networks.

Unfortunately, profits from the illicit drug business are not contributing to the social development of Afghanistan, but are largely concentrated in the hand of regional warlords and spent upon arms and militia, thus not creating economic values but instability.

The opium economy undermines the ability of the central government in Afghanistan to establish the rule of law, increase security and promote peace. Afghanistan is now, as both President Karzai and members of his government as well as UN SGSR Brahimi have said recently, in a very real danger to develop towards a «narco-state» and thus a source of instability for the whole region: Drug smuggling networks become the breeding ground of other criminal activities, like hostage taking, corruption and terrorist activities.

### CONSEQUENCES FOR CENTRAL ASIAN COUNTRIES

#### 1. The Health Problem

Drug trafficking through Central Asia has become a major threat to health and well-being of the local population. We witness a significant rise of drug addicts in the wider region: In the recent years, Central Asia has seen one of the fastest rises of opiate abuse worldwide. The number of registered drug users registered with health authorities showed exponential growth rates that have more than tripled between 1992 and 2000. UNODC has estimated that between 0.3% to 2.1 % of all the total Central Asian population are drug users. Problem drug users in Central Asia are estimated at 393.500 people.

In very few years the percentage of problem drug users in the population of the Central Asian States has even surpassed the percentage of problem drug users in Western Europe.

Furthermore the pattern of drug abuse has changed significantly. For example in Kyrgisistan the number of injecting drug users increased significantly from 13 % in 1993 to 65 % in 2001. Thus the risk of blood transmitted infections, like HIV/Aids, has risen through intravenous drug users.

#### 2. Drug trafficking as a political problem

As has been said above, drug production, trafficking and drug use can seriously undermine not only a society, but also and mainly the rule of law, the economical organisation of a country, the legality principle and thereby national stability. Colombia is a very pertinent example for this.

- Another disturbing aspect of the drug trade is its function as a source of funding for other illicit and destabilizing activities: for example, payment for arms and logistics for insurgent groups in the respective country itself, and probably terrorist activities. Even if it has never been possible to prove the connection between



Afghan opium cultivation and trade with Bin Laden, a strong conviction remains that this was probably the case, and gains from the drug trade have been linked to the financing of various violent dissident groups in Asia.

- Drug trade always entails rising numbers of drug consumers in a country. A rising number of drug consumers means also consequences for the economy and for public health. A substantial part of the young population gets to be incapacitated as a potentially productive work force; the emergence and the spread of HIV infections pose a major strain on the public health sector. Other obvious side effects are a rise in common criminality and a fostering of corruption – corruption within law enforcement agencies in particular and in the public service in general. Drug trade is a threat to any country's political stability in the long term.

## COMBATTING DRUG TRAFFICKING

### 1. The International Community

Combatting drug production and trafficking, in particular, needs international cooperation. In the case of Afghanistan, a broad international coalition has formed for that purpose that comprises as main players UNODC and the so-called «lead nations» that, on the demand of the Afghan Government and the United Nations, have taken over specific responsibilities. The United Kingdom has taken on the lead role in combatting drug production and trafficking in Afghanistan (i.e. the provision of alternative livelihoods for farmers etc.); Italy's responsibility is the reconstruction of the Justice Sector (i.e.: Combatting corruption in the police, judiciary etc., and Germany has taken on the lead role in the reconstruction of the National Police and Border Police. The reconstruction of the Afghan Drug police is part of this effort.

### 2. Drug and Border Police in Afghanistan

Eliminating illicit drug cultivation and trafficking in Afghanistan is an important step towards securing Afghanistan's future as a peaceful and prosperous state. Apart from meeting its international responsibility, creation and application of anti-narcotic strategies are elementary to prevent domestic parallel power structures from undermining the authority of the central govern-

ment, and state building efforts in general. Four key areas need to be targeted:

- Improving Afghan drug law enforcement capability
- Building up alternative livelihoods for poppy farmers
- Strengthening Afghan drug control institutions and
- Developing prevention programmes.

Germany has taken on the responsibility of coordinating the reconstruction of the Afghan National and Border Police. In the framework of police reconstruction, the circumstances in Afghanistan require a further expansion of the drug police, in particular to key poppy growing areas, and the creation of quick impact forces against drug smuggling, in particular in the border regions. The Border Police, likewise, plays a crucial role not only in preventing drug smuggling. Due to the high activity of organized crime, in particular drug dealing, and the resurgence of terrorist groups in the border regions, the setting up of an effective border police structure is of major importance for the stability of Afghanistan and its neighbouring countries.

UNODC's crucial role in the building of regional cooperation against drug trafficking is going to be the subject of another statement so it shall not be discussed here but I think I can correctly state that the emphasis of UNODC's efforts lie in strengthening law enforcement capacities, border control, drug legislation and coordination of alternative development.

## CONCLUSION

Stability of Central Asian states is endangered by the multiple effects of drug production, drug use and drug trading. Opium and its derivatives coming from Afghanistan play the most important role in this context. Their impact on Central Asian Societies needs to be reduced. That will only be successful if Central Asian Countries and the International Community can agree on a long-term, comprehensive strategy. Interdiction and law enforcement strategies can not be the only pillar of such a comprehensive strategy. It needs to take into account social development and alternative sources of livelihood as well as a strategy in fighting corruption and strengthening the judiciary sector.

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## German Role in the Common European Policy on Security and Defense and in the Future of a "European Army"

### QUESTION SETTING

Germany is the most influential economic both political partner and the participant of the international relations in Europe and in the world. In the field of a policy of safety of Germany the United Nations and OSCE are connected by membership with NATO and WEU. Being the key player of the European Union, Germany became the active participant of development of the all-European policy of safety and defense. In modern conditions maintenance of national safety of Germany directly depends not only on internal political choice, but depends on joint, collective actions in the given direction of all countries – members of the EU.

The understanding of national safety was always identified with military safety, ability of a state to protect from armed attack from the outside. New calls and risks in conditions of process of globalization have set the task of strengthening of a political role of the European Union by creation of the General foreign policy, a policy of safety and joint defense. The aggravation of global problems in second half of XX century has led to occurrence of new measurement of safety, its nonmilitary aspects. The European safety is a wide complex of questions, including not only military factors, but also ecological, economic, nuclear, power, demographic, food and other kinds of safety. The necessity of preventive crises settlements, struggle against the international terrorism and criminality are included.

In this connection the concept of safety developed on the basis of the all-European cooperation, includes both traditional protection against military threat, and parameters of so-called "soft safety" – maintenance of internal stability of the countries and regions of Europe, interest in steady economic prosperity and social happiness of the Europeans. Development of social measurement and filling with the new contents of social policy of EU due to efforts of social democrats of Germany have led to other mutual relations in the field of safety. The question is not only prevention of military conflicts which now have accepted local forms, but also creation and expansion of well organized safety zones where multilateral cooperation («Pact of stability») can be developed freely.

Thus, the value of civilized factor grows and direct dependence on this factor of ways and mechanisms of safety. It is obvious, that conflicts in the Balkans and in other regions go to unresolved social problems, and the most restrained social groups serve as a nutrient medium for extremism, ethnic and religious conflicts, and terrorism. Not casually a support of the international terrorism carrying threat to safety for the whole world, are the most unsuccessful regions and countries (for example, Afghanistan, Iraq etc.). So this is a non-conventional and innovative approach to judgment and development of safety issues of the European Union. With some care it is possible to assert

on formation in Europe of new political culture in the field of safety.

Due to foreign policy initiatives of the German party, especially concerning stability of Europe, during the last years accelerates the process of political unification. The events of the end of 2001-beginning of 2002 in the world once again have convincingly confirmed an idea of architects of new Europe that *process of political integration will remain uncompleted until the European architecture as working elements will not include safety and defense.*

### GERMANY SEARCHES ITS POSITION IN THE WORLD

G.Shroeder's government as against H.Kohl's previous management declares a new political role of Germany in EU, about strengthening of the influence during decision-making. It is meant, that Germany reassessed its opportunities of interaction with an external world both within the framework of the EU, and behind its limits: it is not previous Germany, "repenting for sins of national socialists" and "justified" against the nations. Germany became "the locomotive and a nucleus of integration of Europe" and in this process it has a leading political role [1].

After the German people found in 1990 their unity, the Federal Republic of Germany found new quality. In its foreign policy there was a process of overcoming of a psychological condition of "limited actions" which directly has been connected with results of the Second World War, with special position of the German state, consisting in restriction of the foreign policy sovereignty of Germany from the side of powers – winners for all next decades. Reconsideration by Germans of role and place of their state has been connected with search of own "I" in European and world politics of safety, first of all with development of crisis events in the world in overcoming of which Germany has to participate.

War in the Persian Gulf and later events in Somalia have shown, as far as interests of the country outside Europe and as far as closely foreign policy steps of Germany can be strongly affected and how they are connected to expectations of its partners and allies in the NATO and in European Economic Community. Germany has refused from direct participation in war, despite of the US offer, but has given extremely financial help to allied powers, having allocated 17 billion marks. In connection with war chancellor Helmut Kohl declared that Germany cannot take any more the discharged position, and should take a share of responsibility for maintenance of the international stability, but for this purpose it is necessary to enter into the structure of constant members of Security Council of the United Nations [2]. So, during the war in the Persian Gulf just united Germany wasn't ready for resolute foreign poli-



cy actions, in particular concerning participation in war of German armies.

Discussions of those years have shown ambiguity of positions of political forces in the country concerning, whether can and whether Germany is ready to undertake the increased international responsibility, including participation of German divisions in operations of the United Nations on maintenance of peace outside the region of the NATO. The centers of confrontations and local wars which have arisen on the European continent (event in republics of former Yugoslavia), danger of penetration of international terrorism and Islamic fundamentalism to Europe have forced to transfer political discussions to the Bundestag and to include in the agenda discussion of a question of participation of German divisions outside the country, in particular in the Somalia and Bosnia.

So, during the civil war in Somalia the advanced divisions of the Bundeswehr within the framework of forces of the United Nations only after long delays and long disputes inside Germany could arrive to Mogadishu. During events in Somalia internal political struggle concerning the new global responsibility of Germany proceeded, and the federal government had no precise representation and complete picture about the activity on realization of humanitarian actions in each concrete case.

Concerning the begun confrontations on the Balkans the initial decisions of Bonn were basically against military methods of the decision of the Yugoslavian problem. Germans referred thus to the historical reasons – anti-German moods among Yugoslavs have excluded participation of a land forces of Germany in operations of the international peace-making forces, but have given military planes and ships of support, and also medical and humanitarian help. The Yugoslavian crisis has specified on unresolved question of that time: whether Germany is ready to play a supervising role and at the same time to unite the West-European countries within the framework of the general foreign policy and a policy of safety.

CDU/CSU Parties alliance was ready to expand borders of participation of the Bundeswehr outside Germany and aspired to change the Basic law so that the Bundeswehr could operate both within the framework of the mandate of the United Nations and outside, first of all in operations on peace establishment. Social democrats and liberals adhered to other position connected to an opportunity of participation of the Bundeswehr only in forces of the United Nations on peace maintenance. They have acted against decisions CDU/CSU on this question and even have made a complaint in Federal constitutional court. In July 1994 the court has made a decision that the direction of divisions of the Bundeswehr out of NATO zone limits is allowable if it is supported by majority of the Bundestag.

All three crises and war have forced to search for new approaches in realization of foreign policy of Germany within the framework of the Western world. The searches started by a management of H.Kohl, found the national – state integrity. Foreign policy interests and priorities have been determined not within the framework of military-political communications with the countries of the West, and in system of the West-Eu-

ropean cooperation. It was powerful foreign policy success of incorporated Germany at chancellor H.Kohl. Government of Shroeder aspires "to use the tools of joint European foreign policy and a policy of safety in order to make Europe capable in the field of foreign policy" [3].

Thus Germany, without considerable changes in foreign policy, is objectively compelled to operate independently in more severe constraints of a choice between the NATO and Europe, not losing the foreign policy initiative within the framework of EU aside its military-political consolidation. *"The question is consciousness of the matured nation which shouldn't feel the superiority or inferiority in relation to other nations which does not refuse the history and the responsibility, looking thus forward... Our neighbors also know, that they can trust more to us, than it is more we, Germans, trust in own forces"* [4].

### NEW ROLE OF BUNDESWEHR

The Bundestag on December, 6, 1995 has approved participation of 4 thousand military troops of the Bundeswehr in the measures on settlement of crisis in Bosnia undertaken by the United Nations. During the government of a social democrat of G.Shroeder in 1998-1999, division of the Bundeswehr operated in Kosovo and Macedonia, and since 2001 850 soldiers of the Bundeswehr and the German special troops participate in operations on territory of Afghanistan. Soldiers of the Bundeswehr in 90th took part in eleven peace-making and humanitarian operations on different continents – in Europe, Africa, Asia and Oceania. The given experience became completely new to armed forces of Germany. During 40 years Bundeswehr has been intended for "regional defense", that is for protection of state territory against external threat, so today it has other functions.

"Maintenance of military potentials, – according to the purpose of the Bundeswehr, – should be prevention of crises, and their use should remain extreme means of peace policy", – [5]. In new international conditions the new changed role of the Bundeswehr consists of its use alongside with the British and French forces in other regions, including outside the zone of NATO responsibility. In qualitatively new status the Bundeswehr already acted at Balkans and during the conflict in Kosovo.

The former chairman of the NATO Military Committee, German general Klaus Naumann, who with general Wesley Clark negotiated in October 1998 in Belgrade with Milosevic the withdrawal of the bulk of Serbian forces from Kosovo and tried during the ultimate last mission to Belgrade in January 1999 to persuade Milosevic to comply with the Western five demands for a settlement of the Kosovo, he criticized the Western "crisis management" in 1998-1999 before the break-down of the Rambouillet negotiation. Therefore, the crisis management missed the proper opportunity, when escalation into war with Serbia over Kosovo might still have been avoided. General Naumann has drawn as lesson from the failed Kosovo diplomacy before March 1999 that "crisis management can achieve its primary objective to avoid war only winning the initiative early and if possible by preventive action" [6].



Now the Bundeswehr is in a stage of reforming, including its modernization and re-structuring, there is a question on the military budget of the Bundeswehr, its number, reduction of army, on participation of women in armed forces, etc. By 2006 according to the governmental program, it is supposed to finish reform of armed forces of Germany which will represent not only overland defensive forces which were the basic force of the NATO in Europe, but become alike to the all-European military contingent – mobile forces of fast response.

Reforming of the Bundeswehr became not only the internal business of Germany, but also its considered in the context of safety of Europe and the NATO. The Bundeswehr, being “center of military Europe” within the framework of the NATO on continent, has rather low military – technological level of the German armed forces. The budget policy of the German government concerning the Bundeswehr was the lowest in Europe during the long time that does not meet the modern issues of organization of the European defense and forces of fast response.

The prospective increase of soldiers of the Bundeswehr will allow growing of German defensive component in EU. Despite the accent on safety issues and defenses of EU, the German management wants to be in alliance with NATO. Nevertheless, in the future the Bundeswehr will be much wider and will take part within the framework of so-called Allied European command the zone of the responsibility of which will be extensive space from Turkey up to Norway.

German experience on reforming the Bundeswehr, including gradual withdrawal from a general conscription to creation of professional army will be taken into account at similar reforms of the French and Netherlands armies.

#### CONTRIBUTION OF GERMANY INTO CREATION OF EUROPEAN SYSTEM OF SAFETY AND DEFENSE

The uniform system of the European safety and defense is in process of formation in which the Federal Republic of Germany inputs significant initiatives. Thus the real contribution of Germany into creation of the European system of safety and defense according to the contract on European Union is defined.

Germany has a common position with France in safety and defense system engineering, and has a compromise character. Germany does not exclude the NATO from the system of “rigid safety” of Europe, and Europe has a role of performance of defensive problems, and European Council deals with edition of instructions on the European military operations.

Political initiatives of Germany in the field of safety of EU proceed from ruling Party-coalition SPD/Green. There is an idea of strengthening of a foreign policy priority and military component in activity of EU. As for example, Statement of Mr. Gerhard Shroeder in December 1999 for deputies of National meeting of France and Mr. Joschka Fisher inside Germany and abroad testify to it [7].

The decisions of the European Council on the planed common European security and defense policy at the end of the armed hostilities with Serbia over Kosovo in June 1999 have made obvious the need for

going beyond the original concept of the “Petersberg Tasks” for the WEU, decided in 1992 in a different situation and later worked into the Amsterdam treaty, as well as further than the limited vision of the Maastricht and Amsterdam treaties on common European security policies.

In 1999 at summit of EU in Cologne city, Germany initiated the decision on transfer of military-political functions of WES to the European Union that actually meant inclusion of the West-European union in structure of EU. Thus, Germany has successfully repeated its attempt of 1996-1997 when at summit of EU in Amsterdam Germany has suggested together with France, Italy, Belgium and Luxembourg to perform the project of “Gradual integration of WES into EU”, meant for 10 years. However the project has been rejected by Great Britain.

In Cologne under the initiative of Germany “the Pact of stability” for Southeastern states was accepted. The pact guaranteed a leading role of the European Union during normalization of a situation in former Yugoslavia and stabilization of conditions at border of EU. Simultaneously acceptance of the Pact has considerably strengthened foreign policy positions of Germany on the Balkans.

This is, however, not the purpose of the Helsinki and Nice decisions in the year 2000 by the EC nor the issue addressed by the further decisions of the Foreign and Defence ministers of the EU partner states on force goals and general military missions for the European crisis reaction corps, to be created by 2003. The official European Agenda is narrower than the tasks, which could, at least by the Balkan experience, confront the EU in case of American insistence on “European action” for conflict prevention (one of the explicit missions in the “Petersberg Tasks” and an ensuing escalation of the crisis without US and NATO participation.

The EU, at that time still the old EC with its inter-governmental political cooperation in international affairs and an elaborate, well-organised consultation mechanism, lacked a political objective, a strategy for success, the means to carry it out and the coherence to act effectively.

The common foreign, security and defence policy, especially all crisis management and conflict control policies with the use of force or even only of certain military means such as transport aircraft, relief convoys on the ground or teams for water drilling, road/bridge and power-line reparation, mine clearing, distribution of food and medical assistance in theatres of armed hostilities (such as in Somalia or Bosnia and Kosovo), will remain concerted operations between national contingencies and services, each one under the ultimate authority and the national jurisdiction of their respective governments. The different constitutional regimes with the German one, even since 1994, still a particular case.

Germany is a supporter of the further synchronization of a joint external and defensive policy, its institutionalization and creations of the all-European foreign policy structure, capable to become “the Ministry for Foreign Affairs and defenses of EU” and to create the Military committee. These structures are directed first of all for development of strategic planning. In 1999 the post of the General Secretary of EU, which



became the actual coordinator of the general external and defensive policy of the European Union was established. The former General Secretary of NATO H. Solana occupied this post.

On a post of the head of Military committee from candidates applying for this post from France, Finland, Italy and Spain the NATO and the USA, the German general was chosen that meant positive opportunities of Germany to maintain the neighbor equal relations with Atlantic in a situation of becoming aggravated relations between EU on the one hand, and USA and NATO from another hand.

In December 1999 at summit of EU in Helsinki the heads of the countries-members of EU made a decision on creation of forces of fast response of the European Union which should participate in settlement of regional conflicts, without NATO help.

The official German interpretation of the Helsinki and Nice EU documents mentions that "only possible developments of a crisis will tell, whether the EU or NATO will act militarily" and that therefore "consultation and cooperation" between the two organizations constitute "a key function", i.e. "in times of crisis", in order "to involve the alliance comprehensively in the decision-making process, which can lead to an EU operation".

Model for creation of fast response force most likely is the group of armed forces «Eurocorps» in structure of five European countries – Germany, France, Belgium, Luxembourg and Spain. This group created in 1993 is equipped with the advanced arms and represents the most efficient military troops in the Western Europe. The German-French command, German-French soldiers and German-French arms plays leading role in "Eurocorps", and official language of this military organization of Europe are German and French.

In March 2000 the prototype of a political and military staff of forces of fast response with the headquarters in Brussels was created. The Bundeswehr together with the French army becomes a center of uniform armed forces of EU. Strengthening of the European war industry is supposed also on the basis of the ex – German agency of arms.

In November 2000 at the Brussels session of Ministers for Foreign Affairs and defenses of the countries of EU the structure of a management was determined, questions of interaction and management of the General external and defensive policy were considered, and also the concrete contribution of countries – participants to uniform armed forces of EU, a framework of the strategic responsibility of the European forces and their position concerning the NATO was determined.

The programme of the German army for a new, brigade-oriented structure of the land forces with two mobile divisional headquarters for command and control of functional force elements or "tailored packages" in specific deployments for specific missions, each capable of commanding and supporting three to four brigades or brigade-size combat groups in international security contingencies, the whole laid out for up to 150,000 soldiers, in NATO roles and for non NATO roles with the EU force, the OSCE force or the UN force, show the way to go beyond the narrow limits of the 1992 "Petersberg Tasks", if the need to do so, were to arise.

The pledged German contingent to the EU crisis reaction corps of 115,000 soldiers in land forces for the crisis deployment of up to 60,000 in one contingency mission and one year at 60 days notice on call, would be composed of a total of some 18,000 soldiers. The German example shows that with less than 20,000 military personnel, one European country could fill a third of the bill for the 60,000 strong European crisis reaction force component in one contingency mission [8].

The Germans made the greatest contribution into forming of armed forces of EU – 14,000 soldiers and France – 12,000 soldiers. Germany gives overland forces, Air Forces, Navy and accessories. The Bundeswehr is included in multinational military groups of fast response, including German-French-Belgium, German-Netherlands and German-Danish troops. The Chief of the German Defence Staff – Inspector General of the Bundeswehr, general Harald Kujat, is on record for example since March 2001 with the public warning that the limits of the personnel reserves for crisis deployment of German units have reached with what is now in the Balkans.

### THE KEY ISSUES OF SAFETY AND DEFENSE POLICY

1. Development of uniform strategic foreign policy by leaders of the European Community. Radical change of geopolitic situation in the world in the beginning of XXI century urgently required modernization and revision of the general (collective) approaches of understanding of safety of the European Union and definition of its defense.

2. Distinction of conceptual approaches and existence of several variants of becoming of uniform system of the European safety and defense. The developed concept of military safety on a level of the national states, at a level of EU is in process of development. Denmark is not ready to transfer a part of the sovereign rights in the institutes, neutral states of EU has a special positions (Austria, Sweden, Finland).

3. The incorporated Europe and its military forces are not ready and have no opportunity to operate independently in prevention, localization of military conflicts outside the continent. Political efforts of leaders of Germany and France are limited, as well as joint on behalf of EU. Unsuccessful attempts of settlement of Middle Eastern crisis by spring of 2002 testify to it.

4. The general policy of safety and defense of the incorporated Europe has no other methods in struggle against the international terrorism, violence, conflicts, than the military operations of the NATO concerning Iraq, Yugoslavia and the territory of Afghanistan.

5. Long process of institutionalization, concerning registration of the general foreign policy and policy of safety and defense in separate structures with separate bodies and budget. Creation of uniform European forces has a number of organizational, financial and political difficulties.

6. Legal registration of the general foreign policy and policy of safety and defense is required. The constitutional basis in the long term can become the European charter developed by the German party (Nice, December 2000) – the basic law of EU including a component of safety and defense.



7. Decision-making process should be changed. Discussions in EU on this question delays development of military-political process in EU.

Germany participates in development and acceptance of the major decisions on optimal reforms in this direction. Without overcoming the difficulties and problems efficiency the importance of the European policy of safety and defense can be doubtful. The German position in EU in a consensus with other states

resulted in appreciable results in the all-European policy, at the given stage there is a probability that the policy of Germany will allow to expand a spectrum of approaches, tools and participants of the all-European process which are busy with searches of more reliable organization for a guarantee of the safety, will allow to strengthen foreign policy potential of the European Union.

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This article was presented in English.



## Modern Trends of the World Commodity and Financial Markets Development

### INTRODUCTION

The last year turned to be one of important stages for the world economy. The concerns related to the fact that 2003 could become the third year in a row characterized by the decrease of general growth rates did not prove to be true. However development of numerous economic processes in developed countries on the results of the year has not gained stable positive dynamics yet. Analysis of the main economic trends also demonstrated high level of influence caused by the political economic situation over the main segments of the world economy – the commodity and financial markets.

Military campaign in Iraq, instability of the US economic development perspectives, as well as euro's strengthening over dollar had destabilizing influence over the main markets. Only by the end of 2003 the world economy started demonstrating gradual features of getting out of recession.

In general, despite the fact that the first trends of reanimation are extremely unstable, namely the year 2003 can become the start of a new cycle of economic growth and put an end to the depression period.

### THE WORLD OIL MARKET

Analysis of the world oil market development dynamics held on the results of 2003 allowed to reveal the following trends.

**Firstly, adjustment of data on the world oil reserves for higher figures** took place. In the beginning of 2003 the world oil reserves, according to the German branch association of Mineraloelwirtschaftsverband, reached a record level of 165 billion tons in comparison with estimations of the previous year that formed 140 billion tons.

Along with that experts mark out considerable exceeding of general oil reserves in the world over the indicated data in view of presence of heavy oil in bituminous sandstone and slates that cannot be economically developed in modern conditions. Considering this fact the data on the world oil reserves can be adjusted for higher figures in prospects.

The reason for noticeable increase of oil reserves in the present stage was revaluation of reserves in Canada, according to which the data on oil reserves were adjusted from 1 billion tons to over 24 billion. The increase of data was conditioned by significant price growth and application of technologies that rise profitability of heavy oil development.

So, Canada's share in the global reserves grew to almost 15% and the country took the second position in the group of ten oil-richest countries and pushed Iraq aside with its share of over 9%.

Saudi Arabia still remains a leader possessing over one fifth part of the world oil reserves.

Only Canada and Russia are not members of the OPEC among the countries possessing the largest reserves; at that Russia's reserves exceed 8 billion tons that corresponds to the share of 5%.

OPEC's total share in the global reserves after Canada's advancement decreased from 80% to 68%. The United States managed to increase its share from 15% to 26%. Western Europe's share forms about 2%.

**Secondly, growth of demand** for oil was observed, and it was rather stable last year. In general demand in 2003 grew by 1.01 million barrels a day (1.3% compared to 2002) and formed about 78.4 million barrels a day.

The increase of the main oil consumption volume was ensured by the Asia-Pacific states. Their demand grew by 3.3% and formed two thirds of the world demand growth (21.6 million barrels a day).

Japan, China, South Korea, India, and Indonesia are big oil consumers in the Asia-Pacific region.

According to preliminary evaluation, oil consumption growth in China formed one third of the world oil consumption growth (over 70 million tons or 3 million tons more than the previous year's imports that was 67 million tons).

**Price dynamics.** Throughout the year 2003 the world oil market was in the situation of permanent instability and periodically went through price shocks.

According to evaluations of the Reuters information agency, average cost of futures contracts on Brent brand (the main oil price indicator) at the IPE international oil exchange in London in 2003 formed \$28.48 per barrel and exceeded similar 2002 average showing (\$25.03) by 13.8%. Within the period between 1984 and 2003 the Brent oil price reached its highest level in 2003 except for 2000 when that showing was \$28.5.

Maximum level of price for Brent crude oil over the year was registered in February within the diapason between \$34 and \$38 per barrel. In the end of the year the price level fluctuated within the frames of a \$28-\$31 per barrel price corridor.

The main factors that had influence over the market developing dynamics last year were the following:

- ✧ Geopolitical tension and situation around Iraq;
- ✧ Instability in oil supplies from Venezuela and Nigeria;
- ✧ Periodical change of oil product commodity reserves in industrial countries;
- ✧ OPEC's regulating decisions.

In general the price situation in the world oil market in 2003 mainly suffered influence of subjective factors that decreased significance of economic factors determining demand and supply balance. Experts mark out that the main reasons for non-observation of oil prices for a rather long period within the frames of the pricing corridor worked out by the OPEC leadership (\$28-\$31 per barrel) were political factors and actions of exchange speculators.

### Forecast

According to experts' forecasts, the **world demand** for oil will grow in 2004 by 1.05 million barrels a day or by 1.3% up to the level of 79.1 million barrels a day on the assumption of the world economic growth of 4%. The increase of the world demand for oil is forecasted mainly



because of oil consumption growth in the United States and China.

According to evaluations of the International Energy Agency (IEA), independent oil producers not included in the OPEC can expand their oil production in 2004 by 1.74 million barrels a day. Russia, Kazakhstan, and Angola can become the largest contributors into the oil production growth. Moreover, Equatorial Guinea, South Africa, Chad, Brazil, Ecuador, the United States, and Canada are expected to expand their oil production.

According to the forecasts of analytical companies polled by the Reuters agency, **oil prices** in 2004 will be considerably lower than in 2003. The forecasted oil price, according to 16 companies involved in the polls, is expected on the average level of \$25 per barrel of Brent oil in 2004.

Notably, the forecasted price was adjusted in the beginning of 2004 for the higher level in connection with the fact that oil production in Iraq formed 1.5 million barrels a day despite the plans of the Iraqi government to produce 2.2 barrels. Additional factor that favored the increase of forecasted price concerned significant increase of demand for oil in China.

According to the recent forecasted evaluations, average price for the Urals brand oil in 2004 can form \$23–\$24 per barrel with consideration of the fact that the forecasted Brent brand oil price would be \$1–\$1.5 per barrel higher.

Along with that maintenance of a rather high level of oil prices is forecasted for the first quarter of 2004; it is expected to stay namely within the frames of higher showing of the OPEC's price corridor (\$28 per barrel).

This in greater respect is related to the reduction of oil reserves in the United States that are on the record low level since the beginning of this year. The US Department of Energy registered decrease of oil reserves on the first week of this year by 5.0 million barrels to the volume of 264 million barrels, which is 3% lower than it was in the similar period of 2003. Oil reserves decreased in average by 11% in the recent five years.

Moreover, seasonable growth of demand for crude in the northern hemisphere will favor maintenance of rather high prices.

\* \* \*

Oil and gas condensate production in Kazakhstan in 2003 grew by 8.5% in comparison with 2002 and formed 51.3 million tons. Crude oil production grew by 7.7% and formed 45.3 million tons, and gas condensate production increased by 16.8% (6 million tons). Oil and gas condensate production in Kazakhstan in 2002 grew to 47.2 million tons (crude oil – 42.1 million tons, gas condensate – 5.1 million tons) from the level of 40.1 million tons in 2001.

In 2004 Kazakhstan forecasts production on the level of 58 million tons and oil and condensate exports of about 50 million tons. According to experts' evaluations, Kazakhstan is one of the countries that may make the greatest contribution in the world oil production growth this year.

The optimal level of the world oil price for the republic is \$20–\$25 per barrel. The present range of prices is rather acceptable for Kazakhstan.

Continuous trend towards the increase of Kazakhstan's share in the world oil exports under influence of such factors as expected growth of energy resource consumption in developed countries (in the Asian region) and gradual settlement of problems related to oil sup-

plies to the developed markets create preconditions for Kazakhstan in receiving high export revenues.

## THE WORLD NATURAL GAS MARKET

The world natural gas market analysis on the results of 2003 reflects positive dynamics of development. We can mark out the following main trends that influence the world natural gas market:

**Firstly, growth of demand for natural gas in the world market.** On the results of 2003 the world community's demand for natural gas grew by 3% in comparison with 2002. In the regional context, the Asian countries' demand grew by 2.1%, while the European Union and the USA demanded 1.1% more compared to 2002.

**Secondly, the world gas production growth,** caused by the increase of demand. Natural gas production formed over 2 trillion cubic meters in 2003; this is 4% more than in 2002. Russia, the USA, Canada, and the EU were the leaders in the world gas production in 2003.

**Thirdly, growth of the world price** for natural gas conditioned by demand growth. Positive dynamics in price growing that appeared in the beginning of 2003 continued till the end of that year. Natural gas price grew by 10.2% by the end of 2003 compared to the beginning of the year and formed \$108.8 per thousand cubic meters.

**Fourthly, adjustment of data on the world natural gas reserves for higher showings** took place. In the beginning of 2004 the world natural gas reserves were estimated at 158.2 trillion cubic meters or 9.8% (14.16 trillion cubic meters) more than it was in the beginning of 2003. The CIS states are still the world leaders for explored gas reserves; their share is 39% with Russia possessing about 30%; the next leaders include Middle Eastern countries with the share of 34%, among which Iran holds 10% of explored natural gas reserves.

### Forecast

The trend towards the increase of demand for natural gas can continue in the first quarter of 2004 in the view of toughened environmental protection norms and refusal from "dirty" kinds of fuel such as coal and mazut. Demand can grow by approximately 1.5% compared to the first quarter of 2003. It is clear that growth of demand for gas would cause price growth. Maximum natural gas price should not exceed \$110 per thousand cubic meters.

The US National Petroleum Council made a statement in the end of 2003 that the United States were not able to provide its growing need for natural gas by its own forces any more.

Greater need of the EU's energy sector for comparatively cheap and environmentally clean fuel is also forecasted. Namely natural gas is one of a few alternatives for the EU's energy sector according to the international environmental standards. This can appear as an additional stimulus for expansion of the world natural gas production, and, accordingly, for price growth.

\* \* \*

Kazakhstan holds the 15<sup>th</sup> place in the world and the fourth in the CIS for explored natural gas reserves at present. Natural gas production in the Republic of Kazakhstan grew by 22.1% in 2003 compared to 2002. According to the forecasts of the world natural gas market development, the growing demand and higher prices can



have positive influence over Kazakhstan's economy in respect of higher export revenues.

### THE WORLD FERROUS AND NON-FERROUS METAL MARKET

Analysis of the world ferrous and non-ferrous metal market in 2003 proves that the situation in this market was favorable for metal producers.

#### Ferrous metal market

The situation in the world ferrous metal market in 2003 was characterized by the following factors.

**Firstly, the world production growth** took place. According to the International Iron and Steel Institute, the world **steel production** in 2003 **grew by 6.7%**, and **cast iron production grew by 8.4%** compared to 2002; steel production was 459.142 million tons and cast iron output reached 320.8 million tons.

**China kept being the largest steel producer and consumer.** This country's steel sector developed rapidly. Steel production on the results of 2003 grew by 21% up to 112.3 million tons, and cast iron production increased by 18.0% compared to 2002 and formed 95.1 million tons.

**Secondly, price growth** was observed. In particular, **hot-rolled steel** price in January 2004 **grew by 25%** and formed \$432.5 per ton; **cold-rolled steel** price grew by **18%** and formed \$520 per ton; **flat rolled iron and steel** price grew by **15%** up to \$382 per ton compared to January 2003 showings.

Introduction of additional steel import duties by the United States and China served as the main factor for ferrous metal price growth.

#### Forecast

**Growth of demand** for steel is forecasted for the first quarter of 2004. In particular, the United States have already declared abolition of protective steel import duties in December 2003, while the EU raised its steel import quotas.

In this connection it is supposed that steel **prices** would have an **upwards trend** throughout the first quarter of 2004. At the same time production growth in the world ferrous metal market is expected to be insignificant – 1.8% compared to the similar 2003 showing.

#### Non-ferrous metal market

##### Aluminum

**Inconsistent trends** were observed in the world aluminum market in 2003.

**Firstly, aluminum oversupply** was observed in the market. According to the International Aluminum institute, aluminum production in the world grew in 2003 by 4.5% compared to the previous year, while consumption grew only by 2.4%. So aluminum oversupply in 2003 formed 962 thousand tons or 41% higher than the 2002 showing.

**Secondly, significant price growth** took place. Price for one ton of aluminum in January 2004 formed \$1,604. Compared to the similar 2003 showing the growth was 20%.

Positive dynamics in demand for aluminum and price growth in many respects were determined also by the **growing consumption of aluminum by China**. China's share in the world aluminum market at present is 20%. Aluminum consumption in this country reached 11.5 mil-

lion tons in 2003, while aluminum production volume was 5.5 million tons; it is 22% higher than in 2002. China became the world's largest aluminum importer in 2003 for having purchased about 6 million tons of this metal in the world market.

Another reason for rapid aluminum price growth in the recent months was revival of the US, Japanese, and South Eastern Asian economies.

#### Forecast

**Growth of demand** for aluminum by 3–4% is expected in the first quarter of 2004 compared to the similar 2003 showing. At that growth of South Eastern Asian countries' demand is expected to form about 5%, while the EU and the US demand is forecasted to grow only by 1.5%.

Despite this, aluminum supply will keep exceeding demand for about two or three next years and this misbalance is expected to grow in 2004.

Considering the fact that rapid world aluminum price growth in the last months of 2003 took place on the background of its growing reserves at exchange storehouses, we can forecast **deceleration of price growth** in the nearest prospects. In connection with this the aluminum price dynamics in the first quarter of 2004 can develop within the corridor between \$1,590 and \$1,600 per ton.

#### Copper

The situation in the world copper market in 2003 was characterized by demand and price growth.

**Firstly, copper production and consumption growth** took place. On the results of 2003 production growth formed 2.2% and consumption grew by 2.8% compared to 2002.

So, by the beginning of 2004 demand exceeded supply by almost 300 thousand tons. The last time copper deficit in the world market was observed in 2000, it reached 335 thousand tons. Next two years the market faced copper oversupply estimated at 760 thousand tons (2001) and 220 thousand tons (2002) by experts.

At the same time excess demand for copper over supply conditions the decrease of metal reserves at exchanges. Copper reserves at London exchange's storehouses by the beginning of 2004 decreased by 39% to 468 thousand tons compared to 2003.

**Secondly, price growth** took place. The world price for a ton of copper in January 2004 formed \$2,321 or 37% higher than it was in 2003. This is the record one year growth since 1994.

The copper price growth was caused by large-scale purchases of this metal by China. **Influence of Chinese economy** over the world copper market **grows** from year to year. Dynamic development of Chinese industry entails higher consumption of various metals including copper. The need of Chinese economy for copper grew by 10% in 2003 compared to the previous year. China became the world's leading copper consumer in 2003. At the same time refined copper and copper concentrate production inside China do not satisfy its growing demand for this metal.

Demand for automobiles and other copper-containing products in the United States also favored winding of prices.

#### Forecast

Forecasts of the situation in the world copper market in 2004 in favor of producers provides for **demand growth** over the year by 5%. Also continued influence of the



Chinese market is predicted. Joint influence of these factors can lead to **maintenance of refined copper deficit** in 2004. Copper deficit, in the view of experts, can grow to 380 thousand tons by the end of 2004.

These factors can form a foundation for maintenance of growing price trend. In this connection copper price growth to the level of \$2,350 per ton is expected to take place in the first quarter of 2004.

\* \* \*

In general the situation in the world ferrous and non-ferrous metal markets was characterized by demand and price growth in 2003 that had positive influence on Kazakhstan's economy.

Production growth in Kazakhstan's mining industry formed 8.8% in 2003 compared to 2002. Production of non-ferrous metal ores grew by 4.6%, and extraction of ferrous ores increased by 16.2%.

Metallurgy industry production exports grew in 2003 by 19% thanks to the increase of supplies of flat rolled metal by 37%. Supplies of Kazakhstani products to Asian countries grew by 25%: Chinese enterprises are the main consumers of Kazakhstani products in this region. Exports to China grew more than 1.5 times thanks to the increase of refined copper supplies by 26% and sale of flat rolled metal by 13% compared to 2002.

So, dynamic development of the world metal market and growth of demand for ferrous and non-ferrous metals would promote export growth and stimulate further development of Kazakhstan's industry.

#### THE WORLD GRAIN MARKET

The world grain market development dynamics in 2003 in many respects depended on situation in the wheat market. About 40% of the world production and 52% of the world grain trade involved wheat in 2003.

According to the results of 2003 the main trends of the world wheat market development were determined by seven main producing countries, such as the **EU, China, the USA, Russia, Australia, Canada, and Argentina**. Total export wheat supply from these seven producers formed about 59% of the whole world production as of the end of 2003.

The world wheat trade volume in 2002/2003 agricultural years decreased by 4.7% and formed about 104.8 million tons.

The European Union held the leading position in wheat imports; it purchased about 10 million tons or 1.8% more than in the previous year. The next were Brazil – about 6.7 million tons (wheat import was 5.8% less than in the previous year), Egypt – about 6.2 million tons (11.4% less), Japan – about 6 million tons (0.6% less), and Algeria – 4.8 million tons (6.7% more).

The main producing countries were the largest wheat exporters, they were: the USA – 25 million tons, the European Union – 15 million tons, and Russia – 10 million tons. At that, export volumes in comparison with the similar period of the previous agricultural year grew in the European Union by 30.5%, while Russian exports increased 2.3 times. Wheat production decrease in the USA by 17.4% led to the decrease of US exports by 4.4%. Despite this the USA remained a full-right wheat export leader in the world market.

Remainder of wheat in the end of 2002/2003 agricultural years formed about 171.5 million tons and decreased

by 14.3% compared to the similar period of 2001/2002 agricultural years. This decrease caused growth of demand for **wheat** and determined further **wheat price growth**.

The price growth was observed in East and South European countries, some Chinese provinces, as well as in Russia and Ukraine in 2003. Price growth in these regions was caused by low harvest that entailed significant decrease of internal production.

The grain market in other main food wheat producing countries, such as the USA, Canada, Australia that demonstrated significant wheat production growth in the second half of 2003, according to experts' evaluations, was characterized by moderate price growth. It started in these countries only in the fourth quarter of 2003 when mass wheat purchases by Japan, Taiwan, South Korea, and Egypt stimulated price growth.

All this led to the situation that **quotation of wheat prices** at Chicago exchange (SWOT) in the end of 2003 **reached maximum** showing in the yearly measuring.

Unlike the first half of 2003, when the market trends were mainly determined by military operation in the Persian Gulf, the situation in the wheat market in the second half of 2003 was determined by such factors as:

- *Activation of investment funds at the exchange, expectations of worse weather conditions, as well as technical tools of artificial quotation rise;*

- *The increase of American wheat sale.* On October 23, 2003, the US Department of Agriculture declared the exceeding of real weekly wheat sales estimated at 592 thousand tons over the planned volumes forecasted within the frames of 350–500 thousand tons. Purchases were made by Mexico, China, Brazil, Italy, and Spain;

- *A statement that some Chinese provinces delayed sowing of winter wheat because of unfavorable weather conditions.*

#### Forecast

According to experts' evaluations, the **world wheat production** by the end of 2003/2004 agricultural years will form 547 million tons, or 2.35 million tons less than the 2002/2003 agricultural year harvest. Not high harvest of wheat in the European Union and Russia would be compensated by rich harvests in Australia and other countries. The world wheat consumption forecast in comparison with the forecasts made in the beginning of 2003 was increased by 2 million tons to the level of 587 million tons in connection of the increase of US **wheat consumption** for fodder purposes. In connection with deficit of wheat resources in Europe and the CIS countries fodder use of wheat in the world forms 93 million tons; this is considerably below the acceptable norm. Gross volume of its use in food purposes forms a record level of 429 million tons.

**The world wheat trade** in 2003/2004 agricultural years will form about 96.8 million tons, or 6 million tons less than in the previous season. This is one of the lowest levels in the recent years. The world reserves in 2003/2004 agricultural years are estimated at the level of 131 million tons, or 32 million tons less than in the previous 2002/2003 agricultural years.

\* \* \*

The world grain market development dynamics has significantly changed geography, and, what is even more important, the volumes of realized grain in Kazakhstani market.



According to experts' evaluations, Kazakhstan exported over 5.6 million tons of grain to 40 countries in 2003, while in 2002 it exported only 4.2 million tons to 37 countries.

The main consumers of Kazakhstani food grain in 2003 were the CIS countries. More than 1.7 million tons were exported to Ukraine, and 726.6 thousand tons were supplied to Russia. At that in 2002 Russia purchased only 278 thousand tons, and Ukraine bought 51 thousand tons.

In accordance with the new food program Iran has reduced grain purchases. The 2002 export to this country formed about 794 thousand tons, but in 2003 it decreased to 116 thousand tons.

Significant growth was marked in exports to Jordan – 452.9 thousand tons, to Saudi Arabia – 322.6 thousand tons, to Tunis – 198.6 thousand tons, and to Turkey – 184.9 thousand tons. Concerning the European direction Italian market remained stable on the level of 260.7 thousand tons, and the French market purchased 269.2 thousand tons.

### THE STATE AND DYNAMICS OF FINANCIAL MARKETS

#### The world stock markets in 2003

Stock markets represent the most important component of the world financial market. In this connection it would be expedient to consider the most important components of the main world stock markets, namely: *American Dow Jones Industrial stock index, British FTSE 100 stock index, Japanese NIKKEY 225 stock index, and German Xetra DAX stock index.*

Dynamics of the main stock indexes in the world stock markets in 2003 was characterized by growing trend that continued almost throughout the year excluding short periods of price adjustment.

The following events had significant influence over the situation in the world stock market in 2003:

- **military campaign in Iraq.** *This factor had mostly negative influence over quotation of financial indexes as the market participants feared that the war could have negative influence of the US and British businesses;*

- **macroeconomic situation in the main world economies: the USA, the United Kingdom, Germany, and Japan.** Character and speed of revival were different in these countries. The USA demonstrated accelerating economic growth and investors were optimistic about it in the end of 2003; in Germany, the United Kingdom, and Japan investors showed low activity despite insignificant economic growth.

In general more detailed analysis of the main stock indexes showed that the German Xetra DAX stock index was the leading in the world financial market; its growth formed about 47% a year. The average annual growth of British FTSE 100 stock index formed 26%.

The US Dow Jones Industrial stock index was characterized by rather moderate growth. In the beginning of 2003 the index's dynamics was characterized by ascending trend that was maintained not long; decrease of quotations was observed afterwards. Investors were trying to take money out of the stock market on the background of uncertainty about the situation in Iraq. The growth trend was restored since mid March 2003, and was maintained till the end the year. Positive US economic show-

ings made significant contribution in Dow Jones Industrial growth dynamics. On the results of the year Dow Jones grew by 25.3%.

The Japanese NIKKEY 225 stock index (about 27% a year) in greater respect was affected by the current economic situation in Japan and a number of other very important economic factors.

#### Forecast

According to forecasted evaluations of the Reuters analytical agency that considered rather high influence of political and economic situation over the stock market development, in the first quarter of 2004 the world stock markets will experience continued moderate growth trend.

Improvement of the US economy's macroeconomic indicators with its highest growth rate among all industrial countries will become the main reason for stock index growing.

At the same time expectations in the US stock market will still be the background factor to determine British, German, and Japanese stock market dynamics.

#### Dynamics of the leading world currencies development

Dynamics of the main world currencies development in 2003 was determined by further consolidation of euro over US dollar. Over the year euro exchange rate over the US currency grew by more than 24% and reached the level of \$1.24 per euro in the end of 2003; this was the highest euro price since its introduction.

In general the decrease of the US currency's exchange rate over euro happened mostly as a result of a purposeful policy carried out by the US government that supports dollar devaluation pursuing its task for leveling the country's trade balance and stimulating internal production.

However, despite significant US dollar devaluation trade deficit kept growing throughout 2003. Average rate of trade deficit was on the level of \$40 billion with its record high showing registered in March of \$43.5 billion.

One more important factor that promoted the decrease of US dollar exchange rate and euro's growth was specificity of financial flows between the USA, Europe, Japan, and other centers of the world economy.

In particular, *trade operations in the United States* in 2003 caused outflow of dollars because of the increase of good imports from South Eastern Asian countries. *Financial operations*, on the contrary, were concerned with permanent inflow of US dollars mainly thanks to the increase of corporate investments from the European Union countries to the USA.

At the same time, the European zone itself did not have fundamental reasons that could support position of the European currency restraining its growth. The European Central Bank (ECB) did not hold interventions during 2003; this was conditioned by the ECB management's principal policy concerning methods of currency regulation. The Central Bank is a principal opponent to interventions as according to evaluations of the bank's experts it would have only short-term effect as the cross-flow of capital between the USA and Europe is too big and is connected with high transaction costs.

This created conditions in which experts made a conclusion that the European currency was overrated and its exchange rate did not correspond to economic realities in the European Union.



### Forecast

Forecasts on future correlation of euro and the US dollar are rather ambiguous at present. According to survey among 58 analysts held by Reuters agency in December 2003, euro's growth over dollar in January-April 2004 will form about 5% up to \$1.33 for 1 euro.

According to the American HBOS banking group's forecasts, euro would grow over US dollar by not more than 10-15% in 2004 as euro entered the last stage of its growth phase over US dollar.

As of the present day, euro approached critical level of exchange corridor that served as the base for euro zone countries' governments in calculating their state budgets for 2004. For example, euro exchange rate over dollar for France was 1 euro for 1.25 US dollars. In case the US currency exceeds the upper limit of this corridor euro zone states' budgets would face serious system crisis.

So, great devaluation of US dollar took place; the American currency lost 50% of its value over euro since October 2000. Consequences of the US dollar devaluation in the near perspective would cause significant influence over the state of the world financial market.

\* \* \*

The developing situation in the world foreign exchange market had certain influence over Kazakhstan's foreign exchange market that is characterized by a trend of tenge strengthening over US dollar at present. Significant inflow of foreign currency into the internal foreign exchange market favored this strengthening, and this, in turn, conditioned abrupt growth of operations both in the exchange and in the interbank market.

Considerable volume of foreign exchange takings conditioned by high prices for energy resources in the world market since the beginning of this year, as well as borrowing by the corporate sector and commercial banks from external markets were the main sources of foreign currency inflows.

In conditions of considerable inflow of foreign currency into the internal foreign exchange market the volume of pure purchases of foreign currency by the National Bank from Kazakhstan Stock Exchange and in the interbank foreign exchange market in 2003 formed about 2.2 billion US dollars.

Weight-average tenge exchange rate in 2003 formed 149.45 tenge per US dollar. Since the beginning of the year tenge nominally strengthened over dollar by 8.03%.

Like in previous years cash foreign exchange market preferred US dollar, and, consequently, operations for purchase of this currency dominated in this segment of the market.

But, at the same time, according to experts' evaluations, further tenge strengthening over dollar may have negative effect on further development of Kazakhstan's financial market.

### CONCLUSION

In general, dynamics of global economic trends in 2003 had certain influence over the state of Kazakhstan's economic development. At that, this influence had both positive and negative aspects.

We can mark out the following among favorable factors:

**Firstly**, the situation in the world commodity markets (first of all, in energy, ferrous and non-ferrous metal markets) was characterized by high price dynamics. This circumstance favored growth of Kazakhstan export's value, as well as allowed increasing its physical volumes.

**Secondly**, the trend towards economic growth improvement in the CIS countries that are traditional partners to Kazakhstan has expanded possibilities for Kazakhstani exports and boosted interstate cooperation development.

**Thirdly**, in conditions of the world globalization process intensification, placement of part of reproduction process of the world's leading producers' finished goods production oriented to the CIS consumer market in Kazakhstan was livened up. This led to certain expansion of local crude and componentry application.

Along with that we should mark out the following unfavorable factors:

**Firstly**, impetuous globalization of the world economic system and modern peculiarities of the world division of labor do not promote active overcoming of crude orientation of the republic's economy and restrain processing industries development. As a result the threat of growing dependence of the republic on external supplies in the presence of potential of own production arises.

**Secondly**, unstable prices in the world commodity markets that in many respects were conditioned not only by economic, but even more by political factors in the recent time, create additional risks for export-oriented branches of the republic's economy.

**Thirdly**, world economic realities at present are characterized by tough and often unfair competition and protectionism; this leads to economic discrimination in the world markets that concerns Kazakhstani producers also. At that, in connection with not high competitiveness of domestically produced goods the process of satiation of Kazakhstani market with imported goods livens up.

So, maintenance of rapid GDP growth on the level of 7-9% a year requires activation of measures for economic diversification – accelerated development of agriculture and processing industry. This would allow using not only advantages of positive trends in the world economy, but also decreasing negative influence of global processes at a certain rate.

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## The Central Asian Partnership Initiative “Environment, Water and Security”

A ten-year experience of interaction between independent states of Central Asia (CA) showed that disembodied efforts of separate sectors, countries, and international organizations had not led to expected results or settled urgent problems concerning environment and development of CA. Another approach is required, it should be based on long-term internal processes within the region's countries with involvement of the interested parties and broad public, integration into international and regional programs and agreements, relying on accumulated world experience and own potential.

The CA countries have developed such an approach and offered a partnership initiative for sustainable development of the sub-region (CA Agenda-21) that was included in the Plan of Implementation accepted at the World Summit on Sustainable Development (paragraph 74)\*. The following prior purposes in the sub-region of CA were approved for its development by the decision of the fifth conference of ministers “Environment for Europe”\*\* until 2015:

**Purpose 1. Provision of stable functioning of water basin ecosystems that are vital for human life.** Prevention of degradation of ecosystems of water basins providing life in the sub-region.

1.1. Apportion of 20 cubic meters of water a year for ecological needs of the Aral Sea basin;

1.2. Integrate the Caspian ecological program into economic activities. “Expand the status of the ecological program to the level of a program on sustainable development of the Caspian region”;

1.3. Decrease the share of salted irrigated lands;

1.4. Increase shares of renewable sources of energy to 15% of primary energy supplies;

1.5. Expand squares of specifically protected territories within deltas and areas of river flow formations, as well as provision of a full-valued water-preservation regime there.

**Purpose 2. Rational water use and access to drinking water.** Provision of the population, industries and ecosystems with water with required quality and in sufficient volumes.

2.1. Decrease unproductive waste of water in irrigated farming by 2010 by 20 %;

2.2. Limit the norms of drinking water consumption within 250 liters a day per city resident and 100 liters a day per rural resident;

2.3. Increase coverage of the population with water-supply networks to 99% in cities and to 60% in rural areas;

2.4. Decrease irretrievable specific consumption of water in industries by 30-40;

**Purpose 3. Inter-sector partnership and consolidation of potential.** Creation and consolidation of mechanisms of coordinating interests and improvement of potential of the civil sector, natural protection, and water economy organizations.

The existing legal frames of relations between the CA countries, as well as between the sub-region and the world community do not allow maximum application of own potential as well as potential of the world community. **Regional Agreement on Partnership for Sustainable Development (SD) of CA** between all the interested parties – countries, donors, business and the civil sector, offered by the CA states' governments and supported by the Declaration of Ministers of environment of the UNECE on May 23, 2003, will allow consolidating the system of managing regional processes.

**The purpose of the Regional Agreement** – creation of favorable conditions for achievement of declared purposes on sustainable development of the sub-region.

**Distinctions of this agreement and other agreements:**

- 1) Clear obligations of the parties expressed in figures, time limits and indicators;
- 2) Participation of all the interested sides as partners, including business and NGOs;
- 3) Creation of the supporting regional legal base, regional organization and informational/network infrastructure.

**Preconditions for the Agreement**

- Global importance of ecosystems and security in CA;
- Common ecosystems, transport corridors, and geopolitical tasks;
- The main problems faced by the CA states cannot be settled alone (poverty, degradation of ecosystems, threats of terrorism);
- A political will for cooperation expressed by the countries on the highest level (Declarations of heads of state, existence of regional structures, plans and programs);
- Obligations taken by the developed countries to support efforts of developing countries and transitional economies for the purposes of sustainable development;
- Decisions of the Fifth All-European Conference of ministers “Environment for Europe”, “The Memorandum of mutual understanding and partnership for achieving purposes of sustainable development in CA” signed in Kiev
- Existence of similar many-sided agreements such as the NEPAD (New Partnership for Africa's Development, “the ACP-EU Partnership Agreement” (2000) – an agreement signed between the EU and a group of 77 developing countries, and etc.

\* [www.johannesburgsummit.org/htm/sustainable\\_dev/p2\\_partners\\_other\\_areas/central\\_asian.pdf](http://www.johannesburgsummit.org/htm/sustainable_dev/p2_partners_other_areas/central_asian.pdf).

\*\* [http://www.unece.org/env/wgso/index\\_kyivconf.htm](http://www.unece.org/env/wgso/index_kyivconf.htm).



**Supposed arrangements**

- Elaboration of a plan of concrete actions for each purpose of the Agreement;
- Organization of an extensive public process of discussions and consultations;
- Determination of principles of activities of the Agreement parties in the sub-region;
- Creation of a Public Council for SD in CA, sub-regional UN commission in CA, consolidation and expansion of authority of acting sub-regional organizations;
- Determination of potential participants and signing of the Agreement on the high level;
- Integration with processes in the CAC and the EEC, the World Economic Forum, Monterrey and Doha and others;
- Creation of a Public fund for SD with participation of governments, donors, business and the public;
- Creation of a sub-regional legal base that would be favorable for prior purposes of SD, including tax preferences for NGOs and business;

- Creation of information portal of CA's development.

**Expected results**

- Achievement of declared purposes of SD in the sub-region and fulfillment of obligations taken at the Millennium Summit, the World Summit on Sustainable Development, Monterrey, Doha and other forums;
- Attraction of investments for settlement of problems related to poverty, development and environment;
- Preservation of CA's ecosystems;
- Organization of a permanent process of sustainable development, involvement of NGOs and business;
- Consolidation of statuses of existing sub-regional structures, creation of sub-regional institutions for sustainable development;
- Provision of stability and security in the region.

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