

**Energy, Economics, and Security in Central Asia:  
Russia and Its Rivals**

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## FOREWORD

The collapse of the Soviet Union in 1991 led to the creation of five new states in Central Asia. These states: Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan, have become both the object of international rivalries in Central Asia and the sources of new political forces as they act to enlarge their independence in world politics. This monograph attempts to trace the importance of the new forces unleashed by the advent of these states by focusing on the struggle around energy and security issues involving them.

These issues will have significant impact upon the security of the Middle East; the Commonwealth of Independent States, especially Russia; South Asia; and even China. Already the impact of these new states is making itself felt in international politics in these regions.

The Strategic Studies Institute is pleased to offer this report as a contribution to greater understanding of Central Asian issues whose significance in world politics can only grow.

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Acting Director  
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**BIOGRAPHICAL SKETCH  
OF THE AUTHOR**

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## SUMMARY

Five Central Asian states emerged out of the Soviet Union's Central Asian republics in 1991. Although U.S. policymakers presumed that Iran would inevitably sweep them into its sphere of influence, this has not happened. Nor is it likely to occur. Instead there has developed a multi-state competition for influence and even control of these new states. This competition involves Russia as the leading force in the area and Moscow's main rivals are Turkey, Iran, Pakistan (and India), China, and the United States. This rivalry is particularly strong in the struggle among these states to gain positions of leverage over the energy economy, i.e. production, pipelines, and refining in Central Asia because this region is blessed with enormous energy deposits. These deposits are crucial to Central Asia's integration with the world economy and economic progress. Indeed, energy exports may be the only way these governments can hope for any economic stability and progress in the future.

Therefore, whoever controls the energy economy will determine the destiny of the region. This monograph offers a detailed look at how and why Russia is trying to control that economy and thus the destiny of these states, as well as the strategies of its rivals. Moscow is aiming to reintegrate Central Asia into an economic, political, and ultimately military union with Russia. It is trying to dominate their economies and subject them to Muscovite direction. Russia, therefore, resorts to blocking energy production, hindering foreign firms' activities in Central Asia, obstructing exports, and conducting currency policies that export inflation. Russia also has devised policies that coerce Central Asian states into giving Russians residing there dual citizenship. All of these policies signify Russia's efforts to fashion a new model of economic and, hence, military-political hegemony over the region and a new form of Central Asia's colonial dependency upon Moscow. The monograph argues that though Moscow is conducting a strong policy, it is not ultimately able to achieve such control because Central Asian states have alternatives in other states and because of Russia's own economic weakness.

Presently, none of Russia's other rivals for influence in Central Asia are able alone to check Russia's renewed imperial

thrust. Should they combine their efforts, an option that has some limited possibility of fruition, they might achieve something in the way of lasting positions of leverage over Central Asia. But China is likely to be an exception to that general trend. China, arguably, is driven by compelling energy and political needs of keeping its own Muslims docile to expand its economic and political influence into Central Asia. Although for now cooperation with Russia is a greater priority for China, in the longer term there are significant possibilities for China to become Russia's main rival in Central Asia. These conclusions derive from a detailed examination of the role Central Asia plays in the international policies of Turkey, Iran, India-Pakistan, and China. In all these cases, energy and transportation, as well as the Islamic factor, figure prominently in efforts to gain leverage. However, detailed examination of their policies suggests that if Moscow's rivals act alone, except for China, they cannot save Central Asia from Russia.

Implicitly, however, a second factor is operating that will make any Russian effort to reimpose empire difficult. Russia's own economic situation will not permit it to use its economic power to lift up and modernize Central Asia. Rather Central Asia will remain trapped in an inequitable division of labor and backwardness, not to mention authoritarianism, that will not lead to internal stability. Indeed, quite the opposite will be the result if Russian imperial policies prevail. Therefore the monograph argues that the U.S. policy that has essentially accepted Russian policies here is mistaken. If we want to foster conditions of economic growth, democratic progress, and global integration, we should promote policies that open Central Asia to foreign investment and economic growth. We should not consign the region to a Moscow-directed integration that leaves it as the backward raw materials periphery of a stalled Russian economy. That policy can only lead to further instabilities and conflicts in the area which will then increasingly bring all of the rivals into the conflict zone. Such an outcome conforms neither to Central Asia's interests nor to those of the great powers which contend for influence there. In that case regional economic and political rivalry could become an intractable international military rivalry.

## ENERGY, ECONOMICS AND SECURITY IN CENTRAL ASIA: RUSSIA AND ITS RIVALS

### Introduction.

Five new states emerged in Central Asia when the Soviet Union collapsed. They are Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan. Then Secretary of State James Baker and many U.S. pundits expected these largely Muslim republics to fall soon to Iranian or fundamentalist influence. This view stemmed from a superficial wrongheaded reading of the area.<sup>1</sup> Instead, a complex, multi-state rivalry to influence and control Central Asia's destiny, trade, and resources, especially Kazakhstan's and Turkmenistan's oil and gas, has developed. The main players are Russia, Iran, Turkey, India, Pakistan, China, and the United States. Israel and Saudi Arabia play a lesser role.<sup>2</sup>

Russia's sustained effort to subordinate Central Asia to its policies is the most strongly perceived aspect of this rivalry. However, Central Asian states are not helpless before foreign machinations. The earlier view about the imminence of Iranian takeover that U.S. policymakers had postulated has not been borne out by events. Rather, Central Asian states are enhancing their ability to deal freely with Russia's rivals.<sup>3</sup> Since Moscow openly employs economic pressure and a coercive energy policy to compel Central Asian reintegration with Russia, those sectors figure most prominently in this rivalry, whose outcome has vital consequences for both regional as well as Russian security.

All the rival states' influence over Central Asia affects important, often vital interests. For example, Israel aimed to divert Central Asian states from pro-Iranian policies, prove its *bona fides* in the Muslim world, and prevent nuclear proliferation from Kazakhstan to other Muslim states.<sup>4</sup> In the future U.S. interests here could become vital if Russia or China enters local conflicts. But to best understand what is now taking place in this rivalry the focus should be on the international struggle over Central Asian energy resources. This struggle takes place in the broader context of the rivals' efforts to influence Central Asia's economic and political global integration. Focusing on the rivals' economic policies, especially in energy,

clarifies that context and this rivalry.

### **Energy as the Crucial Sector.**

The enormous energy resources of Russia, Kazakhstan, and Turkmenistan are vital to their economic and political future. For all three states energy exports are the main, if not only, path to the world economy and vital resources for future investment and growth.<sup>5</sup> That is also true for China, Iran, and Turkey, if not India and Pakistan. Energy producers' competition for markets is a major factor of security policies.

The struggle to control energy resources, the pipelines through which they travel, and trade routes is widely regarded as a new form of the pre-1945 Great Game between the Russian and British empires in Central Asia. Already Central Asian efforts to act independently in their foreign economic policies have led to Russian acts of economic warfare. Russian policies regarding Central Asian economic and energy issues reject the notion of a benign threat assessment in the CIS' energy producing areas. Thus in energy and economic policies no quarter is given or asked. Rather Russia reacts hyper-sensitively to any sign of Central Asian self-assertion and sees foreign threats everywhere. Moscow's actions show that it rejects the belief that,

If carefully articulated, Russian interests will find broad support because few people have any great interests in generating more 'great games' between East and West or between North and South.<sup>6</sup>

Instead Russian actions demonstrate that this view is as unfounded and naive as the earlier belief about imminent fundamentalism. Russian threat perceptions impel Moscow to transcend reintegration on mutually agreed upon bases and resort to outright coercion and efforts to restore a neo-colonialist relationship of dependency upon Moscow. That coercion does not aim at immediate and total integration which is presently beyond Russia. Rather, Russia is creating conditions for future integration based on what it can afford and control now. Moscow can control energy since its pipelines and refinery capabilities enable it to shut off energy to and from Central Asia.

Moscow began using energy to compel Ukraine, the Baltic

states and Belarus into submission when Gorbachev tried to hold the USSR together.<sup>7</sup> In 1989-91 he habitually threatened to cut off energy supplies to these rebellious states. Though some predicted that the Soviet collapse would also trigger Russia's and Central Asia's collapse, Russia aims to reintegrate the Soviet 'economic space' on a Moscow-centric basis using energy coercion as a key lever.<sup>8</sup> But its efforts to control energy production and shipments stimulate this rivalry among other producers, international oil companies, and states who would be energy consumers.

Russia also desires the lucrative benefits accruing to key players in the world energy business. Thus it restricts Central Asian states' exports, and redirects energy trade flows to it and its transport network. There also is at least some official Russian interest in OPEC.<sup>9</sup> In April 1994, Russian Energy Minister Yuri Shafranik stated a wish to further oil cooperation with Iran.<sup>10</sup> This coincided with reports of Moscow's desire to ease the embargo against Iraq. Analysts, like Valerii Lipitskii, argue that Arab states should invest in Russian oil to prevent a Western "takeover" of the oil and OPEC's ensuing decline. They also urge the Arabs to buy Russian arms.<sup>11</sup> Therefore, a deal with Iraq or OPEC may be brewing even as Russian pressure upon other CIS states' energy resources grows. That would strike at the U.S. policy of dual containment of Iraq and Iran.

In its 1994 Russian National Security Concept, the journal *Obozrevatel'-Observer* stated that the entire current security agenda boiled down to two linked issues: supplying Russian fuel and raw materials to other members of the CIS, and Russian troops' combat role in conflicts within the former Soviet borders.<sup>12</sup> This observation dramatized the importance of Russia's control over Central Asian energy by linking it to Russia's military operations in the CIS. This report (for that is the form this "Concept" took) also thereby highlighted the centrality of energy issues for Russia vis-a-vis Central Asia. The concept statement also noted CIS members' growing dependence on restoring foreign trade with Russia, especially in energy. This dependence would now make it possible for Russia to regain its influence over Central Asia through further integration with the world economy. Russia had subsidized CIS energy use for years through 1993, with almost no reward. Instead, as the price of the influence which subsidies brought to Moscow, Russia had accepted

massive economic losses and diverted its vital foreign trade away from customers paying market prices. Thus, to regain that foreign trade and to force Central Asia into further dependence on the Russian economy, *Obozrevatel'*-Observer argued that Russia must charge world market prices and end the subsidies.<sup>13</sup>

Meanwhile Russia's energy industry faces collapse, declining production, under-investment, and massive state arrears. The worst outcome for the industry and Russia is the emergence of new Western-backed competitors in its non-paying customers' lands. Russia's previous subsidies supposedly prove its benevolence towards those customers, but cannot be sustained. Therefore, Russia insists other states pose an energy threat.

But Russian coercion obliges Central Asia to reply in kind even though it is landlocked and far from major world trade routes. To trade abroad freely, they must invest massively in transportation and infrastructure. Those sums are beyond them and existing transportation systems all traverse Russia since Soviet planners promoted regional dependence on Moscow. Because Central Asia, as a whole, also faces desperate and worsening economic, demographic, and ecological problems, investment in transportation and infrastructure must be foreign.<sup>14</sup> Only oil revenues, or their prospect, can finance the investments needed to modernize and diversify local economies. Otherwise, Central Asia must rely on Russian transport and refineries for oil. This would be a disaster since control over transportation is a precondition to control of Central Asia.<sup>15</sup> Whoever controls trade and pipeline routes will decide the region's destiny.

Accordingly, Russia's energy policies particularly endanger Central Asia and Azerbaidzhan. Russia "blackmails" Kazakhstan and Turkmenistan over energy exploration and transshipment and holds them "hostage."<sup>16</sup> Western observers also note Russia's "proprietary attitude" towards local oil deposits.<sup>17</sup> Still more dangerous is past Russian policy towards Azerbaidzhan. Russia coerced Baku into granting Lukoil, Russia's oil company, a 10 percent share of revenues from future Caspian Sea oil finds without Lukoil putting up a kopek of equity. Russia also tried to prevent Western investors, led by a British Petroleum consortium, from operating there.<sup>18</sup> On April 28, 1994, the Russian government sent London a demarche claiming a right to veto any exploration in the Caspian Sea, and that oil projects in

the Caspian Sea "cannot be recognized" without Russian approval. It thus threatened Azerbaidzhan's oil projects and the Chevron-Tengiz and Caspishelf projects in Kazakhstan (led by Mobil, BP, British Gas, Agip, Statoil, Total, and Shell).<sup>19</sup> The letter states:

The Caspian Sea is an enclosed water reservoir and an object of joint use within whose boundaries all issues or activities including resource development must be resolved by all the Caspian countries. Any unilateral actions lack a legal basis.<sup>20</sup>

This letter is instructive in several regards. It asserts Russia's preemptive rights over Caspian energy ventures (and implicitly over all energy ventures in the CIS).<sup>21</sup> Thus the letter confirms Russia's belief in its proprietary and imperial rights across the CIS over energy.<sup>22</sup> Its timing and address to London also suggest Russia's determination to extrude Western investment and influence from CIS oil producing states.

The demarche's blunt tone, and address to London, not Baku, also suggests that Russia sees this as an East-West issue. The destination shows Moscow's disdain for Azerbaidzhan's or other littoral states' sovereignty. If London or the West yields, Moscow seems to believe, so will Baku. Evidently the Ministry of Foreign Affairs and other high officials assume that if the Azeris and other littoral states are not dominated by Russia they will implicitly revert to an anti-Russian Western sphere of influence. This principle underpinned Soviet policies, and much of Tsarist thinking as well. Therefore this letter displays a continuing Brezhnev-like doctrine of diminished sovereignty for other CIS members and mafia-like tactics of threatening that bad things will happen unless Russia gets its percentage. Although Prime Minister Viktor Chernomyrdin denied knowledge of this letter, once it was published abroad Russia's press reiterated its arguments and threat assessments.<sup>23</sup>

However, by this demarche Russia has had to come out into the open. The use of such spurious arguments to deny states their territorial waters and sovereignty with no basis in fact or international law evokes past Soviet brazenness. It also shows Moscow's weakness, frustration, and desperation over its eroding imperial position. The letter's menacing tone actually reflects

Russia's awareness that Baku and the West were about to resist its pressure successfully. It may be the opening shot in a campaign, but the campaign is born of weakness, not strength. Thus Western and local resistance to imperial claims safeguards Central Asia's independence. Azerbaidzhan will not fall into Russian hands if its diplomacy remains wily and resolute, and if the West supports it.<sup>24</sup> Given time and wise local policies, such resistance could cancel any one power's overwhelming local hegemony. While that is a demanding condition for local and foreign statesmen, it is hardly an impossible one.

### **Russian Economic and Energy Policies.**

Russia does not hide its ultimate objective: to compel Central Asian reintegration on Moscow's terms, mainly by using economic means. Though the Russian forces deployed in Tadzhikistan's civil war give Moscow a military entree into the region, economic and political forces are Russia's most effective policy tools. For Russian elites economic factors objectively impel reintegration of the CIS. President Yeltsin and Premier Viktor Chernomyrdin have reiterated that economic unity is a prelude to military and political reunion of the CIS.<sup>25</sup> Although the specific forms of this reunion are to be decided, Russian leaders use economic factors at their disposal to shape their desired political ends. But at the same time they resent any other state's attempt to play this same game.<sup>26</sup>

Vice Premier Sergei Shakhrai asserted that Russia bears international legal responsibility for the Russians in the new states. Until their legal status is fixed, "We will be at the stage of a transitional period, and the methods and forms of Russian guardianship of compatriots will largely correspond to the quality of this transience."<sup>27</sup> Here again Russia is trying to diminish CIS members' sovereignty and make up unilateral legal pretexts for expansive political ends. The notion that Russia, or other states, have a unique international legal responsibility for their citizens abroad above that of the state where they reside is another example of the imperialist doctrine of extra-territoriality (that citizens abroad are not subject to the host country's laws but only to those of the country from which they are claimed--in this case--to have come). Such reasoning and political claims, in and of themselves, evince extremely dangerous trends in Russian policies vis-a-vis all its CIS

neighbors and the Baltic states which Foreign Minister Kozyrev lists as the "near abroad." And the means to enforce such claims is Russia's relative economic power vis-a-vis these states.

This power vis-a-vis Central Asia is therefore consciously deployed to secure preferential treatment for Russia's state interests and for ethnic Russians there. Ex-Vice Premier Aleksandr' Shokhin stated in November 1993 that Russia would deploy every instrument of economic policy to advance the causes of reintegration and of the Russian diaspora. He stated that the issue of Russian-speakers (not just Russians) abroad would appear and be tied to all economic negotiations with Central Asia and CIS members.<sup>28</sup>

In December 1993, at the Ashgabat CIS summit, Russia tried to push through a dual citizenship clause for Russians in the "near abroad." Kazakhstan's President Nursultan Nazarbayev publicly charged that this evoked the earlier Nazi policy towards the Sudeten Germans in the 1930s, and it was shelved. But Kyrgyzstan, whose economy is in tatters, agreed to it to stem the outflow of skilled personnel. Turkmenistan then followed suit. However, in early 1995, after a year of the kind of pressure on Kazakhstan's economy described here, Kazakhstan acceded to a far-reaching economic union pact with Russia and to a formula for dual citizenship.<sup>29</sup>

Russia not only wants to preserve Central Asia's dependence upon its economy, it also seeks to codify a lasting privileged position for Russians in Central Asia. Kozyrev stated that Russia insisted on putting the Central Asian States into the CSCE so that they could be arraigned there, for failing to protect the civil rights of their Russian speaking minorities.<sup>30</sup> In July 1994, Yeltsin's commission for questions of citizenship, helped by the Ministry of Foreign Affairs, drafted guidelines for Russian policy towards CIS states where Russians live. The draft went into effect in August and strictly tied economic and military cooperation with CIS states to observance of their Russian communities' rights and interests. It called for talks on establishing Russian language radio and TV service. Businesses with Russian workers and public Russian communal organizations should also receive Russian and local support. Additionally, a share of Russian credits to CIS members should go to support "Russian" factories, legalizing routine practice vis a-vis

Kyrgyzstan and Uzbekistan. This draft also represents extra-territoriality.<sup>31</sup>

Finally, more tangible oil interests are also at stake. Lukoil's president, Vagit Alekperov, observed that if Russia did not take such control over the Caspian shelf, it "risks losing its positions on the Caspian Sea."<sup>32</sup> This bluntness about the rivalry with Turkey is more credible than Russian or Turkish claims of concern for the environment.<sup>33</sup>

But Russia's policies must also be seen in their context of domestic pressure to support the Russian diaspora, or the imperatives of reform, or by both factors. For instance, ending energy and other subsidies for wasteful consumers and inflation trends involving the ruble are vital for Russia's own recovery. Since Russia, as the largest player in the CIS, cannot conduct an isolated economic policy, its major policies also have profound, sometimes unforeseen impacts, upon Central Asian states which also confront the contradiction between international responsibilities to each other and the CIS as part of economic interdependence and the imperative of domestic reform. All these contradictions can become intense, even irreconcilable, a fact rarely appreciated here or abroad.<sup>34</sup> Shafiqul Islam notes:

The R-5 agreement to create a new ruble zone and the CIS accord to create a new economic union are two concrete (and confused) responses to the conundrum that the Central Asian and other non-Russian republics of the former Soviet Union face: efforts to speed up the cessation of the former economic *dependence* on Mother Russia and the dismantling of the Union economy's centrally planned economic *interdependence* greatly compound the macroeconomic and

social costs of building a national economy where economic interdependence is determined largely by market forces. (Emphasis in original)<sup>35</sup>

Similarly, objective economic conditions prevent Central Asian states from operating armies for defense against very real regional threats. Since they cannot provide for their own security they need foreign help.<sup>36</sup> Naturally, he who pays calls the tune. However Russia shows its concerns about Central Asian

trends, it cannot remain oblivious to and aloof from them. Russian soldiers are obviously one of many means of enforcing hegemony.

Russian policies for gaining economic hegemony over Central Asia evolved through several stages after the USSR collapsed. At first subsidies to Central Asia for finished goods and energy products continued. Russia also let republican central banks issue ruble denominated credits so they could avoid economic contraction that began when Russia's Gaidar Government freed prices and launched economic reforms in 1992. This policy greatly stimulated inflation at home and undermined Russia's own economic interests. These subsidies cost an estimated 10-15 percent of Russia's GNP. Russia quickly decided to undo that relationship and force Central Asia out of the ruble zone and into a market-dominated system giving Russia substantial control over their economies.<sup>37</sup> In 1992-93 Russia began issuing ultimatums that the republics accept the Central Bank of Russia's monetary authority or stop issuing rubles as their domestic currency. That policy triggered a series of moves that ultimately broke down the ruble zone and led Central Asian states except Tadzhikistan to create independent currencies. Though these policies might seem to be a declaration of Central Asian independence, they only altered the form of dependence on Moscow.<sup>38</sup> Indeed they triggered Kazakh, Uzbek, and Kyrgyz charges that Russia exported its inflation to them, reneged on debts for goods obtained from them, and held their oil pipelines hostage.<sup>39</sup>

Russia decided that the old economic relationship greatly obstructed reform and its interests. Moscow also concluded that Russia could not house an expected flood of Russian emigres from Central Asia. In addition, Russia became convinced that Central Asia, if it became truly independent, would inevitably revert to a hostile power, probably radical fundamentalist Iran or some version of Pan-Turkism. A fourth, and possibly decisive consideration was that the government was under fierce attack for not protecting the Russian diaspora. Thus to maintain ethnic Russians' leading role in Central Asia's economy, prevent Islamic or Turkish revolution from spreading, and redress inflationary balances in the economy, a new policy and strategy whose objective was reintegration and strategic denial of these areas to neighboring states has emerged.<sup>40</sup> Accordingly, Russian policy in Central Asia has aimed to minimize and exclude any Turkish,

Western, and Iranian foreign investment or political presence in the region. The 1993 security and military doctrines explicitly state this objective.<sup>41</sup>

Russian experts and leaders asserted that foreign aid alone cannot overcome Central Asia's profound crises. They postulated that on its own the area will stagnate and become a major threat to Russia. The sole alternative then becomes reintegration.<sup>42</sup> Russia vigorously followed up this assessment by direct economic pressure on weak states like Kyrgyzstan to grant Russians dual citizenship and to hold Kazakhstan's oil pipeline projects "hostage."<sup>43</sup> For a long time to come, Russia can use its superior economic leverage to export its inflation by manipulating ruble balances and the supply of various vital petrochemical products. Such policies allow it to preserve a role in Central Asia as colonizer vis-a-vis the colonized. And as long as their oil economies remain undeveloped, the Central Asian republics will continue to be "quasi-autonomous appendages" of the Russian economy.<sup>44</sup> Russia also apparently intends for the West to continue to see the area through Russian eyes and accept this situation.<sup>45</sup>

Foreign energy and other investment to foster Central Asia's economic independence from any one dominant economy or polity is therefore essential to counter Russian imperial drives, though Moscow views that as a fundamental threat to its interests. The campaign against Azerbaidzhan's contract with the British-led consortium showed that. Thus, Moscow will make major efforts to use its control over Central Asia and fear of Central Asia's self-assertion as a way of winning friends in Asia. In other words, Moscow will invoke the specter of Islamic fundamentalism at every opportunity, even if it is irrelevant to actual regional conditions, in order to persuade other states that its hegemony there is legitimate.

For example, well aware of Chinese concerns about rising Islamic or Turkic solidarity in neighboring Xinjiang, Russia partly bases its entente with China on a common interest in quieting the area.<sup>46</sup> Moscow similarly deals with India as the most recent communique of Premier Narishima Rao and President Yeltsin attacking sectarian nationalism indicates.<sup>47</sup> Likewise, Turkey's initial efforts to invest in Central Asia, control the pipelines, and bypass Russia in that domain triggered an intense

military and political antagonism toward Turkey. Russia's successful resistance to Turkey in Central Asia and Transcaucasia was the result.<sup>48</sup> Finally, Moscow has also moved to keep Iran out by controlling foreign trade and energy routes, by making Iran depend on Russian arms sales, and by suppressing Baku's interest in reuniting with Iran's Azeri population in return for a non-aggressive policy in Central Asia.<sup>49</sup>

### **The Current Situation.**

Lately, emphasis has shifted to the struggle over energy pipelines and explorations. That shift reflects developments in Transcaucasia and the expectation of Western exploration and massive investment there and in Central Asia. Fear of Western presence has intensified Russian pressure in Kazakhstan and Turkmenistan for oil privileges and for Russians' dual citizenship. Kazakhstan grasps the meaning of Russian pressure and openly proclaims its need for Western support against those threats. Former Foreign Minister Kanat Saudabayev told NATO that Kazakhstan must act in the real world without firm guarantees that its security will not be at risk. Therefore it must strengthen its own and regional security, gain economic independence, and join the world economy. There is no option but for it to join associations like NATO to that end.<sup>50</sup> Ex-Prime Minister Sergei Tereshchenko was even more specific in talking about Kazakhstan's foreign economic relations. He said that Nazarbayev's personal participation in--and guarantee of--foreign ventures and of Kazakhstan's stable foreign relations was a major reason for foreign investment there.<sup>51</sup> These statements indicate the stakes of energy independence for Kazakhstan and show how much leverage Russia can employ to obstruct it.

Since Kazakhstan and Turkmenistan cannot refine and convert their energy products into finished goods, they turned to Russia to exchange oil for Central Asian cotton. But Russia learned that Central Asians preferred selling cotton to foreign currency buyers since Moscow was subsidizing their energy anyway. This forced Russia to look abroad for cotton, reduce purchases from Central Asia, and sell oil to Central Asia and others for foreign currency.<sup>52</sup> Transition to the market and global integration led to bilateral economic rivalry. Each side sought customers who could pay for their goods and options to avoid spending scarce foreign currency. That search added to Russia's motives to end

energy subsidies and destroy the ruble union.

Russia then shifted tactics to "get them (i.e., the oil-producing states-author) by their pipelines."<sup>53</sup> Exploiting Central Asian dependence on Russian pipelines, Moscow systematically coerced Kazakhstan and Turkmenistan. In November 1993, Gazprom, Russia's natural gas company, cut off Turkmen gas exports to Europe, their main source of profits.<sup>54</sup> Gazprom also made major demands on both states concerning oil exports. Seeing oil debts as a way to foster integration, Russia promoted debt for equity swaps where the equity was shares in state oil and gas firms.<sup>55</sup> That proposal meant effective Russian takeover of these companies.

Russia also pressured Kazakhstan for preference in granting exploration licenses and for participation in the massive Chevron-Tengiz project.<sup>56</sup> As in Azerbaidzhan, Russia then demanded sizable percentages of Kazakhstan's oil and gas revenues in return for use of its pipelines. Russia also reportedly demanded a 20-40 percent interest in Kazakh fields under exploration.<sup>57</sup> Russia also insisted that the oil then be loaded onto Russian tankers for export. Otherwise, as it has done in the past, Russia would continue to block plans to ship oil produced in Central Asia and Azerbaidzhan.<sup>58</sup> There are unconfirmed reports that Russia won this concession. If so, it was also helped by President Clinton's public support for the Russian route, and staunch U.S. opposition to any pipelines traversing Iran.<sup>59</sup> U.S. opposition to Iran's presence in Central Asian energy affairs removes effective alternatives to Russian control of pipelines.

Moscow also blocked almost all Kazakhstan's oil exports from May-August 1994. This deprived Kazakhstan of foreign energy sales, hard currency, and of means for developing economic ties with the West, and forced its refineries to stop production. Kazakh energy officials believed that the pressure was connected to Russian demands for a share in Kazakhstan's oil projects.<sup>60</sup> They duly hurried to commission construction of new pipelines and kept searching for alternate pipelines.<sup>61</sup> Here Russia signalled Kazakhstan and its potential Western partners that unless they recognized Russia's interest, they would not market any oil. Russian pressure also slowed the start of Chevron's Tengiz project and raised its costs. That led Chevron to cut back its

investment in May 1994. Since the project is a litmus test for foreign ventures, cancellation would be a catastrophe for Kazakhstan leaving it no option but Russia.<sup>62</sup>

Russia's pressure worked. By August 1994, Kazakhstan was allowed to send twice the previous amount of petroleum products through Russian pipelines and waterways.<sup>63</sup> Kazakhstanmunaigaz, an oil and gas producer, handed over its export transit volume of one million tons of oil to Russia's oil company, Rosneft, for reexport.<sup>64</sup> These actions had major economic and, ultimately, political implications. Kazakhstan's oil producers, bereft of currency income, had to assume high-interest bank loans. Industry experts said Kazakhstan must export at least 250,000 tons of oil to pay off the loans. Almaty counts on Moscow's consent to ship about 125,000 tons of oil through Russia in August and September 1994. Kazakhstan would receive about \$20 million (about \$160/ton—a ridiculously low price—author) from these exports.<sup>65</sup>

In Turkmenistan, Russia cut off Turkmen gas exports to Europe and tried to cut itself in on any future pipeline construction. Russia also apparently bought Turkmenistan's gas supply at low prices and resold it to Turkey at a 300 percent markup. In early 1994, Russia also negotiated with Turkmenistan, Iran, and Turkey to construct a pipeline to ship oil and gas from Turkmenistan to Europe and to build oil and gas complexes. But in June, Turkish papers wrote that Russian obstruction had held up work on the pipeline and no concrete project has been drawn up yet. Consequently the \$5 billion needed to lay the pipeline have not been acquired.<sup>66</sup> For Ankara, shipping this oil and gas through Turkey by 1996 is essential, so delay hits its vital interests.<sup>67</sup>

At the same time, Russia pressured Turkmenistan to grant the Russians there dual citizenship. Its pressure on Turkmenistan's energy programs was leverage to obtain this outcome. In Ashagabat, Turkmenistan reversed course and joined the CIS so Russia signed an accord with the Turkmen government granting Russians parity rights and pledging joint regulation of migration flows. Even so, Russian media attacked Yeltsin for selling out and not getting an ironclad agreement. The Russian media ignored the insult implicit in dual citizenship. But Turkmenistan hopes to gain from having Russian troops defend it against military threats or pressure on existing energy programs as it seeks

pipelines with its neighbor, Iran. In President Saparmurad Niyazov's words, "We have gained something by joining the CIS. We understand that. The only thing we don't want is to have the decisions that it adopts be binding on our country."<sup>68</sup> Such frank cynicism is refreshing, and shows Turkmenistan's confidence that it can escape dependence on Russia and still prosper.

For now authoritarian Turkmenistan appears relatively stable.<sup>69</sup> If it can resist pressure to alter its economic and domestic policies to Moscow's taste, it will prove Roland Dannreuther's assertion that Central Asia's current dependence on Russia is ending since Russia is retreating from Central Asia and the Muslim world and its leverage is diminishing accordingly.<sup>70</sup> Despite Russian pressure, Kazakhstan and Turkmenistan still have, and are exercising the option to find, other routes for their oil and gas.<sup>71</sup> Should other takers appear, they will move toward them to gain freedom vis-a-vis Russia. Washington's earlier preference for a Russian route certainly does not bind them. For instance, in January 1995, the Clinton administration reversed course and supported a pipeline from Azerbaidzhan (and by implication Central Asia) through the Caspian Sea, directly to Turkey.<sup>72</sup> This decision certainly offers Central Asian states more leeway in approaching pipeline issues.

But in military affairs Central Asia's dependence on Russia is unavoidable and facilitates Russia's enduring belief that its real border is that of Central Asia with China, Iran, and Afghanistan. However, Russian military assistance also means that Russia must spend scarce money to protect Central Asia. Russian costs in Tadzhikistan are high and growing, but no solution to that war is at hand. Russia, arguably, has guaranteed authoritarianism in Tashkent by sending troops to Tadzhikistan. But it cannot, in the end, break Central Asian progress and foreign economic integration.<sup>73</sup>

Too harsh a policy, by costing too much, could rebound upon a Russia that cannot afford an empire. Then Russia's allies' and clients' interests, not Russian ones, would dictate policy. That could be the real future of Russian relations with Central Asia. Strategic denial of Central Asia to foreign states in an era of a global economy is prohibitively costly, if not infeasible. Central Asia can relate to foreign states whose regional interests are incompatible with a new Russian empire, e.g. China,

Pakistan, Turkey, and Iran.

Too strong a Russian pressure could lead Central Asian states to resist Moscow or to collaborate with Moscow's rivals with possible Western and Japanese support in the background. Since Moscow cannot monopolize the region, and Russian populations are leaving Central Asia (emigration being about one million a year for the last 5 years), its current economic pressure on the region, though dangerous, may yet prove to be unsustainable.

The most recent developments in Azerbaidzhan suggest that Russia is encountering precisely these difficulties. Despite Russian pressure, Baku signed a contract with a consortium led by British Petroleum, SOCAR, including Lukoil, on September 20, 1994. Though Lukoil's presence at the signing signified its hopes for sizable revenues from the projects, the Ministry of Foreign Affairs publicly and strongly rejected Azerbaidzhan's right to make this contract. Thus internal policy divisions about Azerbaidzhan are roiling the Russian government. These factions may yet reunite over the pipeline issue, since a purely Transcaucasian pipeline would freeze Russia out of the Transcaucasus and Central Asia while uniting those two regions. Accordingly, in the future, pipeline routes are the real question. Although Russia's factional divisions could possibly be exploited and demonstrate the continuing incoherence of Russian policymaking, viewed in the context of the drive for reintegration and control over oil by controlling pipelines, the Ministry of Foreign Affairs will likely reunite with the Ministry of Fuel and Energy and Lukoil to secure their interests at the next stage.<sup>74</sup> But in any case, Russia will not soon cease trying to subject Transcaucasia and Central Asia to its interests and compel reunion. To determine if Russia can overcome potential or real rivals in Central Asia we must look at Russia's challengers there.

### **Russia's Rivals in Central Asia.**

Even if Central Asian states are helpless "appendages" of Russian policy that depend on its economy and army, other states seek a long-term foothold precisely in those sectors where Russia aims to dominate: energy, transportation, and trade. Just like Russia, some rivals evince a great fear of Islamic assertiveness.

Iran, however seeks to exploit and facilitate this force. Other states' involvement is growing and revolves around strategic goals similar to those animating Russian policy. The themes that drive Turkey's, Iran's, Pakistan's, China's, India's, and U.S. policies (as well as those of Israel, Japan, and Saudi Arabia) in Central Asia are energy, Islamism or Turkic solidarity, and a broader relationship with Russia. Often, though not always, these themes have a negative aspect. Russia's rivals are motivated not only by economic opportunity but by a desire to deny either Islam, or Russia--or both--from dominating the region. Japan, for example, aims to check Russia in Asia due to the frosty Russo-Japanese relations.<sup>75</sup> Therefore, Tokyo is displaying a rising interest in Central Asian economic growth. Japan sponsored Central Asian states' membership in the Asian Development Bank and explores bilateral oil and pipeline deals and economic assistance programs there.<sup>76</sup>

*Turkey.* Turkey's approach to Central Asia has invoked Islamic and Turkic solidarity and Realpolitik to restrain Russian influence. At its grandest, Turkish policy, outlined by the late Premier and President Turgut Ozal, sought to enhance Turkey's international presence from the Adriatic to the Great Wall of China, wherever Turkic peoples were involved. Though attacked as neo-Ottomanism or reborn Pan-Turkism, it was more a policy of economic penetration, especially in the Black Sea and Central Asia, and of cultural diffusion, a kind of civilizing mission to show the superiority of Turkey's brand of a secular, modernizing, Islamic state to younger brothers. Ozal's thinking and policy reflected Europe's ambivalence about including Turkey in the West and the exuberance following the Gulf War and fall of Soviet power. Backed by the Bush administration, Ankara pursued a greater economic presence around its borders to stabilize those areas, generate a new rationale for Turkey's inclusion in the West--its "civilizing mission" to Central Asia and Transcaucasia--and present a counter-model of a secular, democratic, Westernizing Muslim state that would check Iran ideologically and Iran and Russia politically.<sup>77</sup>

Turkey has invested several billion dollars in Central Asia, mainly in culture, education, telecommunications, and transportation to draw Central Asia closer to it and to the West. However, in 1994 Turkey has little to show for the policy. Today Turkey is in headlong retreat from Ozal's grandiose vistas. Its

inability to help Azerbaidzhan in the Nagorno-Karabakh war and refusal to confront Russia there allowed Russia to deny Transcaucasia and Central Asia to Turkish military influence. Unable to project military power, Turkey has lost ground. Its Central Asian trade, despite its investments, is still small, and cultural tensions inherent in posing as Central Asia's big brother have arisen. For Central Asia today, the West is the West, not Turkey.<sup>78</sup>

At home Turkey suffers from massive inflation and a persistent Kurdish insurgency. This insurgency apparently has caused half the annual inflation rate of 70 percent. Turkey's military talked of martial law, or of intervening in Azerbaidzhan but could do neither. Meanwhile Islamic parties have made major gains in Turkish politics.<sup>79</sup> Ankara's post-Cold War security policy exceeded its means. As the threat of imminent politicized Islam in Central Asia receded, the United States lost interest in Turkey as a model, though it occasionally invokes that line.<sup>80</sup> More importantly, U.S. aid to Turkey is now tied to a concessionary human rights policy toward the Kurds. Increasingly Turkey feels isolated and neglected by allies who, it believes, cannot fully grasp the nature of the looming Russian or other threats facing Turkey.<sup>81</sup> These domestic and foreign policy setbacks have hobbled Turkey's drive to become a great Central Asian factor.

Finally the centerpiece of Turkey's grand design to become the Rotterdam of the Middle East is endangered because Russia fights Turkey's pipeline policies. As part of a solution to the Nagorno-Karabakh war involving territorial exchanges, Turkey aimed to create a pipeline from Central Asia and Azerbaidzhan through purely Muslim territories that bypassed Russia and Iran.<sup>82</sup> It is unlikely that this can be achieved. Russian pressure on the producers, and negotiations with Greece to reroute Greece's pipeline to Russia from the Black Sea through Bulgaria's coast to Thessaloniki, aim to outflank Turkey and its policies of closing the Bosphorus to tankers, allegedly on ecological grounds.<sup>83</sup> In any case, the Kurdish insurgency makes Turkey's oil policy moot since it takes place where the pipelines are intended to go and the Kurds have repeatedly targeted these pipelines.<sup>84</sup> There is also a growing likelihood that Russia will support the Kurds against Turkey and further deflect Ankara from a vigorous international policy.<sup>85</sup>

All these developments exposed the shaky foundations upon which Ozal's vision rested. Clearly, only with vigorous and consistent U.S. support can Turkey counter Russian policies. Unless that support is forthcoming, constant and tangible, and there is no real reason to expect it as President Clinton's preferred pipeline policy shows, Turkey will either have to make a deal on Russia's terms or join a broader anti-Russian coalition on its allies' terms. When we also assess Turkey's meager cultural and historic connection with Central Asia, it becomes clear that the joint U.S.-Turkish initiative in 1991-92 deeply misread Turkey's true possibilities. Turkish success now depends upon resolving its domestic problems and upon lasting, vigorous, Western backing. Otherwise, in Central Asia Turkey will be marginalized and distracted by unsolved domestic problems.

More recently Kurdish, domestic, economic, and Iraqi issues led Ankara to mend relations with Iran and Iraq. As resistance to America and disillusionment with the West grows, that move is eminently sensible if Turkey seeks an enhanced position in the CIS and more flexibility to resolve the Kurdish problem's foreign dimensions. President Suleiman Demirel's trip to Tehran in July 1994 was very successful. The communique and post-summit reports stated that both states discussed cooperation on shipping Central Asian energy through Iranian and Turkish pipeline routes that would bypass Russia.<sup>86</sup> While this is far from an alliance, and motives for cooperation transcend Russian policy, both states' desire to increase their leverage in the CIS is only possible by joint action.

*Iran.* Washington also misread Iran's policies and prospects in Central Asia in 1991-92. Top policymakers believed that since the new states were Muslim ones, all Muslims were alike and inherently predisposed to Khomeinism-the root of all evil. They thus injected much nonsense into the public debate, e.g. asserting that the differences between Sunni and Shiite Muslims that are a major obstacle to Iranian domination were meaningless and that all Muslims were "pretty much the same."<sup>87</sup> Therefore they were naturally vulnerable to Iranian-type rule. This misguided viewpoint perpetuated the stereotype that the Central Asian states were helpless objects of others' designs.<sup>88</sup>

In fact Iran's Central Asian policy has been quite cautious.

In Transcaucasia, Tehran has supported Christian Armenia against Azerbaidzhan through 1994, fearing irredentism among its own large Azeri population. If Iran has conducted terrorism and subversion in Central Asia, it is well hidden. There is also no concrete evidence that Iranian versions of Islam have displaced indigenous Islam. Though Iran's relationship with Russia is traditionally wary and edgy, its discords with Moscow are confined to media polemics, not open rivalry.<sup>89</sup>

This is not to say Iran has been quiescent or passive. Rather it seeks to enhance its ties in Central Asia through bilateral accords on pipelines and the construction of transportation routes, railways, air travel, roads to ports like Bandar Abbas, and so forth. Iran also promotes multilateral fora like the Muslim Economic Cooperation Organization (ECO). Earlier it challenged Turkey's Black Sea Economic Cooperation Zone and pipeline aims by creating a Caspian Sea organization. Iran also particularly cultivates Turkmenistan and Kazakhstan on pipelines and transport networks.<sup>90</sup>

Iran's relationship with Moscow is complex. Iran needs Russia to gain entry into Transcaucasia, reassure its neighbors in the Gulf, and depends upon Russia as a major arms supplier when few will sell it arms. It also is allegedly susceptible to Russian appeals to keep Westerners out of the Caspian Sea. But it also suspects Russian aims in Tadjikistan's civil war where Russian troops are keeping a Soviet-type regime in power, ostensibly against Iranian-type fundamentalists.<sup>91</sup> While Iran's connection to the Tajik rebels is unclear, Tehran is not eager for Russian troops to dominate Tadjikistan. Therefore, it offered Iranian forces as peacekeepers to help settle the war, something Russia staunchly rejects.<sup>92</sup>

Internally Iran also confronts a severe economic and political crisis. Rioting at home is spreading as regions demand more autonomy from Tehran. Economic distress is real and pervasive, and Iran remains isolated from the West.<sup>93</sup> These factors threaten Iran's stability and underscore the fact that Iranian Islam might be a weapon of terror abroad, but has no answer to the Muslim world's problems and is subject to the same disenchantment and disillusion that incites other fundamentalist uprisings. While Iran regards Russia as part of "the West," it focuses its anger and disappointment on Washington, whom it

accuses of blocking pipeline deals with Kazakhstan and Turkmenistan.<sup>94</sup>

While there are signs of rapprochement with Turkey on Kurdish, Transcaucasian, pipeline, and religious issues, both states' volatile internal situations preclude easy formation of a successful united front against Russia in Central Asia. Too many domestic constituencies in both states will oppose a deal unless both governments gain considerable backing abroad and overcome their internal economic problems.<sup>95</sup> That is the precondition for Iran and Turkey to achieve their individual and joint (but differently conceived) minimum goal of Central Asia's economic freedom from Russia. Thus Iranian Foreign Minister Ali Akbar Velayati recently stressed that peace in Tadjikistan is tied to all Central Asia's independence (i.e. if Russian troops leave or are balanced, these states gain more freedom to draw closer to Iran). Local economic growth could then preserve and consolidate that independence.<sup>96</sup>

In the context of Iran's internal crisis, Iran alone neither can, nor will, directly challenge Russia in Central Asia. Nor will it align with Western policy as did Turkey. Since repeated hints of a desire to approach the United States went for naught, Iran ultimately risks strategic isolation from the big powers.<sup>97</sup> Rapprochement with Turkey is helpful but goes only so far, as does an approach to Pakistan or India. India and China firmly oppose any "Islamic policy" in Central Asia and will not contest Russia on those grounds. Instead, they will support Russian efforts against national or religious outbreaks in Central Asia to defend their own domestic stability.<sup>98</sup> If Central Asia is important to Iran, the demand for influence there will add to pressure for radical internal transformation to enhance Iran's capabilities. By all accounts that is currently almost impossible to achieve due to Iran's political gridlock.<sup>99</sup>

Iran's options are limited to economic penetration and support or to attempts to expand its cultural-ideological influence. Economic weakness holds it back from a major role in Central Asia. Although Iran sponsors the Central Asian states in the Economic Cooperation Organization (ECO) and has the major goal of reestablishing the medieval silk road from the Middle East to China, it cannot offer the tangible support these states need. Furthermore, its price for doing so is regarded with

suspicion.<sup>100</sup> Nor have Iran's cultural and ideological aspirations fared well. The Sunni/Shiite religious cleavage and the Turco-Iranian cultural/ethnic divide in Central Asia hinder Iranian influence despite Iranian and pro-Iranian claims that local culture basically derives from Persian culture.<sup>101</sup> Central Asian elites also view Khomeinism negatively, being educated in a more technocratic Soviet style. Across Central Asia Islamic parties are the opposition, and the regimes in power, particularly Uzbekistan's, suppress them ruthlessly. While in time this resistance to any reform may bring a politicized Islamic party to power, the very nationalism that animated Iran since 1979 will help block Iranian expansion.

Lastly, all the CIS' Muslim rulers know that Iran supported Armenia in its war with Azerbaidzhan lest Azeri nationalism stir up Azeris in Iran who feel oppressed by Tehran. This has not helped Iran abroad, especially in Baku. Reportedly during Aliyev's 1994 visit to Tehran, Iran's leaders sought his support for their efforts against the Arab-Israeli peace process in the name of Islamic solidarity. That gambit led him to chastise Tehran's double standard of support for Armenia.<sup>102</sup> More recently, Uzbek President Islam Karimov again charged Iran with supporting fundamentalists who want to subvert his government and provoked Iran's expected counterblast.<sup>103</sup>

Consequently Iran alone cannot threaten Russia's regional interests despite mounting Russian hysteria over fundamentalist Islam. That hysteria owes more to atavistic Russian political-cultural traditions and to the need to justify Russia's new nationalism and neo-imperialism at home than it does to reality.

Indeed, Iran competes with Pakistan, as with Turkey, for influence over Central Asian energy and economies. The rivalry with Pakistan, like the resulting cooperation with India, is recognized abroad. Iran's foreign relations, therefore, hardly manifest a purely Islamic policy.<sup>104</sup> Like Turkey, Iran will remain a player, but it cannot unilaterally and fundamentally assist Central Asia or meaningfully shake the emerging status quo. If it expands its rapprochement with Ankara, Iran could conceivably block Russian ambitions and be a force upon which Central Asian states might rely. But first both states must radically change their policies, an unlikely prospect.

*Pakistan, India, and Central Asia.* Upon becoming

independent, Central Asian states also found themselves involved in Pakistan's security agenda. Pakistan's interest in Central Asia sharply increased after the USSR collapsed (since it perceived a new strategic opportunity there). But Pakistan's policies inevitably led India to show more interest in the region, too. Central Asia in the Indo-Pakistani rivalry is more than a sideshow. It is potentially Pakistan's or India's strategic rear and, as such, merits both states' cultivation and close attention.

Pakistani perceptions and policies reflect the melange of Islamic, geopolitical, and economic interests cited above. Stresses on transportation linkages, at home to unite its disparate provinces, and abroad to integrate first Afghanistan and now Central Asia, are central and longstanding pillars of Pakistan's strategy.<sup>105</sup> Once Central Asia became free and Moscow's influence in Afghanistan died, unexpected strategic vistas opened up to Pakistan's policymakers. They saw their opportunity in a context that tied together Islamism, geopolitical and strategic rivalry with India, and economic opportunity through trade and transport.

Apparently, all factions in Pakistani politics agree on the importance of the Central Asian opportunity presented to Islamabad. But they disagree on whether to emphasize Islamic unity against India, the creation of an economic hinterland and vast market for Pakistani goods and services to join Central Asia and Pakistan through major land and air transportation routes, or Central Asia as a strategic rear against India.<sup>106</sup> Pakistan's military is preoccupied with attaining such a rear against any future Indian war. Pakistan would then allegedly have access to military supplies that the superior Indian navy and air force could not interdict.<sup>107</sup> This projected Central Asia includes Afghanistan and Xinjiang, China's Western province, with a large Muslim population of Kazakhs and Kyrgyz. The economic objective in this analysis is an integrated bloc from these areas, with a Pakistani transport hub, especially its roads and ports.<sup>108</sup>

Pakistan attempted all three objectives: strategic-political, economic, and religious-ideological. It quickly recognized the new states and sponsored Pakistani Airlines (PIA) linkages to the area and schemes of transport projects and oil pipelines through Afghanistan into Pakistan and its ports.

Political support, economic integration, and Muslim solidarity, it was believed, would pave the way for the broader strategic unity envisioned in the strategy.<sup>109</sup>

However, this strategic vision becomes unrealizable because it is beyond Pakistan's capabilities. Nor does it square with Central Asian interests. These governments cannot form an Islamic league and benefit too much from trade with India just to gratuitously enter the Indo-Pakistani rivalry. Second, Pakistan cannot become a regional economic powerhouse. It lacks both the resources and direct overland routes to Central Asia. To gain that direct access it must link up with Xinjiang or Afghanistan. Both options are currently out of the question. China strongly opposes any "Islamic" policy and pursues a policy to integrate Xinjiang's economy with its own and Central Asia's economies to make the latter states more dependent upon China.<sup>110</sup> For the same reasons it strongly opposes Pakistan's sponsoring of Muslim separatist movements in India and an independent Kashmir.<sup>111</sup>

Afghanistan's continuing civil war also precludes major investment there to build a trade route. No major foreign investment will be forthcoming while fighting continues. Furthermore, Central Asian states told Pakistan that they regard any Pakistani sponsorship of fundamentalist Afghan parties a hostile and inflammatory act.<sup>112</sup> Even in 1991, they warned Pakistan that such policies would provoke the Tajiks there, lead to a breakup of Tajikistan, generate violence, massive refugee flows, and trigger an unacceptable possible domino effect.<sup>113</sup> This warning mandates Pakistani caution in Central Asia.

Finally, Pakistan's Islamic offensive in Kashmir, support for Indian secessionists, and interest in Central Asia registered in New Delhi as parts of an anti-Indian Islamic policy. India reacted quickly to expand trade and economic ties with Central Asia and cooperate with Iran and Russia against Pakistan's influence. The recent Yeltsin-Rao declaration showed their joint opposition to any efforts to incite inter-ethnic or inter-religious discords and to destabilize states, governments, and borders.<sup>114</sup> That joint policy dates from 1992. India's ambassador to Russia then commented that "Close to our borders lies an important area of Asia, in which peace and stability are in our common interests. Remembering this, we would like to build up our joint efforts in this direction."<sup>115</sup> Subsequently,

experts from both states viewed Central Asia as veering away from Turkish influence and expressed joint concern about a long-term period of unrest and instability that fundamentalists will try to exploit.<sup>116</sup> Accordingly, India supports Iran's efforts to build a railway to Turkmenistan to divert trade from Pakistan.<sup>117</sup> And in state visits Central Asian and Indian leaders openly express their antipathy to fundamentalist politics.<sup>118</sup>

Therefore Pakistan, like Russia's other Muslim rivals, cannot hope, on its own, to be a regional guarantor or hegemon. Any effort to do so will disrupt overall regional power balances, greatly increase instability, shatter its alliance with China, and highlight Pakistan's inability to conduct a grand strategy and policy. Pakistan can only achieve meaningful success in Central Asia if it moderates its aims and collaborates with other rivals of Russian policy, e.g. Iran and Turkey.

Clearly Russia's Islamic rivals in Central Asia cannot supplant Russia unless they collaborate together. Even then it is doubtful that they have the necessary economic and ideological requirements to overcome Russian influence in Central Asia. Neither the fundamentalists nor prophets of Pan-Turkism or Pan-Islamism can compete with Russia or China, and the West, led by the United States.<sup>119</sup>

*China.* China is Russia's likeliest and strongest future competitor in Central Asia. This is not by default. China, as Russian and Western observers understand, has many important advantages in the contest. A recent Russian analysis concludes:

China, moving gradually toward a leading position in the struggle for influence in the post-Soviet era, has similar geographical advantages (of bordering directly on the area--author). It has far fewer limitations than its Middle Eastern rivals. A regulated economy, which is more compatible with the economies of the Central Asian republics, a secular state, and available financial means are also on the plus side. China offers the Central Asian states the use of its territory to gain direct access to the Pacific and on to the Far East and Southeast Asia.<sup>120</sup>

Analysts are fully aware of China's growing wealth, power,

and reach across Asia. China is, in many ways, stronger than Russia. Furthermore, Russia now needs Chinese help to enter East and Southeast Asia.<sup>121</sup> More importantly, China has a mature, well-conceived strategic concept that addresses its interests and goals in Central Asia. Not surprisingly, its concept also connects the questions of trade routes, transportation networks, Islam, and energy.

For now, China's objectives are to preclude rising Islamic or nationalist agitation among its Muslim peoples (Kazakhs, Kyrgyz, Uighur) in Xinjiang and its Western provinces bordering Kazakhstan and Kyrgyzstan. China has good reasons to fear Islamic unrest. In 1990, the widening division between the coast and the periphery in economics and the devolution of powers to regional governments led Western Xinjiang, on Central Asia's border, to become a center of uprisings, undoubtedly inspired by the centrifugal tendencies already visible across the Soviet border. China had to send 200,000 troops there. That revolt culminated an apparent series of constantly spreading annual uprisings since 1980 that have not yet ceased. China has not crushed Xinjiang's underground, and anti-Chinese feeling is pervasive due to Chinese immigration, economic differentials among the population, and the Chinese political domination.<sup>122</sup> Given the oil deposits, the nearby location of the Lop Nor nuclear center, and the looming succession struggle in Beijing, this unrest and the threat it spawns had to be curbed.

China believes it can temper, if not minimize, the potential for such Pan-Islamic or nationalist agitation by an economic policy that more closely integrates Xinjiang and Central Asia with the Chinese economy. This policy objective is achievable only if China can establish intimate trading ties in Central Asia, support existing governments and their relationship with Russia, and greatly upgrade Xinjiang's economic development and integration with its Eastern and coastal provinces. The intended goal is to reestablish and expand the old silk road into a modern trade route integrating Central Asia, Western China, the interior, and Coastal China into one network. Developing Xinjiang's enormous Tarym Basin energy deposits is essential to this end because China has now become a net energy importer.

Since China's energy consumption and demand are expected to grow sharply, stability in Xinjiang and Central Asia is vital for

China's continued economic growth and modernization.<sup>123</sup> Otherwise, China's ability to sustain its political posture and economic growth will come into question. Equally importantly, unless China faces the problems confronting Beijing in its Muslim provinces: a devolution of power to the regions and economic imbalances among them, ethnic unrest will increase.<sup>124</sup> Projects to link Turkmen and Kazakh energy deposits to pipelines running through China rather than Russia are being encouraged.<sup>125</sup>

Strong ties with Russia and support for its Central Asian policies are steps toward that goal. Strong trade relations and development of Xinjiang's economy and oil deposits are other steps. Those policies also support China's larger international economic strategy of gaining more energy and growing presence in Asia's international economies.<sup>126</sup>

Therefore, China prominently celebrates every advance in oil production from 11 million tons from local fields in 1993 to the scheduled 17 million in 1995.<sup>127</sup> Integrating Central Asia's large energy deposits with China's would reduce pressure on the Tarym Basin, stimulate regional and political integration of Central Asia and Xinjiang with China's coastal provinces and Beijing, and ease ethnic tensions.<sup>128</sup> Vice Premier and Politburo Member Zou Jiahua, on an inspection tour to Xinjiang, tied all this together, noting that higher production, particularly in energy, was significant "in promoting the sustained growth of China's oil and gas production; as well as in stimulating Xinjiang's economic development, consolidating the frontier, and enhancing unity among nationalities in the region."<sup>129</sup>

China's strategic profile in Xinjiang is also intimately tied to the larger problems of China's role in Asian security and its intense search for hegemonic positions in the offshore oil deposits located in the South China Sea. As a Japanese analysis observes, China's success is bound up with ability to build infrastructure and transportation capabilities.<sup>130</sup> Second, China's role as a factor of Asian stability is bound up with its ability to produce enough oil and gas and stabilize its economy. Therefore policies to meet rising demand for energy are directly linked to Xinjiang's stability and growth. Failure here means that China must move more into its offshore areas and further buildup its already growing navy which has heightened security anxieties across Asia.<sup>131</sup>

Central Asia's rising importance for domestic stability, economic growth, self-sufficiency, and Asian policy has a flip side. Any serious outbreak of instability in Xinjiang or Central Asia strikes at vital Chinese interests and demonstrates a vulnerability that China must suppress or coopt. Since China and Russia are both vulnerable to Islamic based threats, their collaboration in Central Asia should be expected for some time to come. This common threat perception of assertive Islamic or nationalistic forces is part of the larger basic harmony in views and strategic interests that has led to Sino-Russian entente in Asia. China clearly benefits greatly from this relationship.<sup>132</sup>

These considerations also explain China's coolness towards Turkey, which Beijing has long suspected of harboring Pan-Turkic designs on Chinese Muslims.<sup>133</sup> For a while China encouraged Iran and Russia against Turkey's efforts which it regarded as support for pan-Turkism. But that support also implies that China will not support any Iranian adventures in Central Asia.<sup>134</sup> Similarly, China strongly opposed Kashmir separatism, even if it weakens India, for fear of Islam.<sup>135</sup>

But despite China's present cooperation with Russia in Central Asia, China is likely to emerge over time as the great counterbalance of the Central Asian states to exclusive dependence upon Russia. The reasons for this are China's weight, growth, the urgency of its interests, ability to influence events, and determination to play a role in the area. As China's and Asia's need for energy grows, China's need to stabilize Central Asia and prevent disruptions in energy and trade will grow. Ultimately this will lead Beijing to invest more political as well as economic resources and to expand its influence there. These factors are already visible in the growth of trade with China and the Central Asian states' search for alternative pipelines to Russia. Since both South Korea and Japan are also interested in investing in pipelines through Central Asia and China, so, too, will their leverage in Central Asia grow. Ultimately this trend can only diminish Russian influence, especially if Russia cannot mimic China's rapid economic growth.

China is altogether a more substantial partner than any other potential Russian rival. And Chinese interests are incompatible with reformers and religious fundamentalists in

power. For Kazakhstan and Uzbekistan, it will be necessary to play off Moscow against Beijing to avert excessive dependence on either one. Although both Russia and China must find positions in Central Asia's economy, Russia's attraction is based on existing infrastructure and past ties, and will likely siphon resources out of the area without materially helping to develop it. China's attraction is based on a self-sustaining dynamism that sees it to its advantage to develop Central Asia and truly integrate it into China's economic orbit. Though China and Russia are now allies, a long-term distancing and even mutual rivalry in Central Asia is likely, and more probable since only China has the local means and ability, and perhaps the will to challenge Russian regional interests. Certainly China sees itself as only now beginning to play its rightful role in world affairs due to its wealth, power, and status. That feeling can only grow as those attributes increase and they could easily lead to a clash of vital interests in Central Asia.

*The United States.* Central Asian trends do not directly affect vital U.S. interests, yet both the Clinton and Bush administrations have expressed interest in Central Asia's democratization, development of market economies, denuclearization, and in discouraging fundamentalism. A governing principle of U.S. policy has been its determination, as part of the broader policy of dual containment of Iraq and Iran, to obstruct Central Asia's rapprochement with Iran. In practice, the main line is, as Under Secretary of State Strobe Talbott stated, "focusing on those areas of the globe where success in one country or region will have an influence on surrounding areas."<sup>136</sup> This means that support for Central Asian reform focuses mainly on Russia in the belief that if reform succeeds there it will likely succeed among Russia's neighbors. This point appears as well in President Clinton's 1994 national security statement.<sup>137</sup>

However, real Russian reform should renounce neo-imperialist programs that coercively diminishes CIS members' sovereignty. Unfortunately, the opposite is happening. This does not necessarily mean that reform in Russia has failed. Rather, reform is not what foreign supporters claim it to be, i.e., a model for Central Asia or a basis for an end to empire.<sup>138</sup> Indeed, it is reformers who tried to force Central Asia into a Russian bloc. When we cast foreign states as models for third

parties, those models: Turkey, and certainly Russia, take their role too seriously. Since Russian policy in Central Asia evidently tends towards neo-colonialism, any "strategic alliance with Russian reform" means in practice accepting Russia's neo-colonial relationship to Central Asia. This relationship cannot sustain true market reforms or promote democracy in either region.

U.S. calls for democratization, open doors for U.S. investment, and support for Russia as a model and leader embrace a contradictory logic since support for Russia means excluding foreign investment and hindering democracy which cannot flourish in conditions of neo-colonialism and Central Asia's blasted ecologies and economies. Today, Russian pressure on Kazakhstan may lead Chevron to reconsider its investment in the Tengiz oil fields that is a litmus test for other Western investment.<sup>139</sup> We cannot reconcile demands for an open door and democratic market, while supporting renewed Russian hegemonic aspirations.

### **Conclusions.**

Central Asian states, on their own have, made initiatives for more unity and not submission to Moscow or anyone else.<sup>140</sup> The United States should encourage these joint efforts as well as multilateral Western projects to meet regional economic and ecological needs. Inclusion in a Russian bloc inhibits Central Asia from real integration with the global economy at a time when it is not standing still but seeking that integration.

This analysis strongly suggests that Russia is overplaying its hand in Central Asia. Russia can obstruct the Kazakh and Turkmen economies through its energy policies. But it then risks inflaming all of Central Asia's desperate economic-ecological situations and civil strife, such as presently exists in Tadzhikistan. By forcing these states into a subservient backwardness, Russia promotes conditions that virtually guarantee continuing conflicts. Nor can Russia afford to reconstruct Central Asia's economies to prevent future crises. A policy that therefore ignores the region and focuses on Moscow abets its current but misguided policies.

When viewed strategically, Central Asia, because it is marginal to the West and important to the states discussed here,

becomes a prime example of how multilateral Western and Russian help could jointly ease tensions in potential future hot spots. Moreover, the threat here is not Islam, as such; political Islam (the idea that the religious authorities and political authorities should be the same or closely connected) has no answer to Muslim civilization's present crisis. Rather political Islam is a cry of despair over the failure of other alternatives. Therefore we should not adopt policies that intensify the chances for Western failure in Central Asia by not offering even a minimum economic program of reconstruction.

Two conclusions flow from this. First, it is in everyone's interest that Moscow and Washington help Central Asian states reach full economic sovereignty and development. U.S. support for Muscovite economic domination of local economies and energy industry through its pipelines sends Moscow the wrong signal regarding Russian imperial proclivities and tempts Moscow into unaffordable engagements. That outcome will profoundly disturb the whole region.

Nor will Russian domination contribute to the flowering of market economics and democracy in these states. Rather that kind of domination integrates them as backward dependencies into a Moscow-centric economic system where Moscow has every reason to continue supporting Central Asian authoritarianism. That makes Central Asia once again a center of instability and the object of strong international rivalries. Since Central Asia is increasingly important to China, Turkey, Iran, Pakistan, and India, a Moscow-oriented policy also weakens possibilities for a broader Asian security system.

The second conclusion follows from this first one. Iran's ability to threaten Moscow's or Washington's vital interests here is steadily declining. Tehran is actually in retreat in the Middle East and faces daunting domestic problems. U.S. policy in Central Asia should not be based on an Iranian threat but rather address real issues like economic reconstruction.<sup>141</sup> That is where all foreign efforts should go. The International Monetary Fund (IMF), behind which stands the West, has recommended a single package for Central Asia much like the one it recommended with disastrous results for Russia.<sup>142</sup> This will not save Central Asia from an economic catastrophe. Instead, following the IMF plan will lead them into deeper dependence on Russia and shatter

economic-political stability in Central Asia. Rather, it is imperative that the Central Asian states trade freely with whomever they want and sell and ship their oil as they please. In that manner they can avoid undue dependence on any one state.

There are several reasons for this. First, if foreigners are excluded, Central Asians will have to rely on antiquated, backward, and inadequate Russian infrastructure for their energy production, extraction, and transportation that will only further blight the already blasted Central Asian ecology.<sup>143</sup> Western and Japanese technology, on the other hand, offers much more ecological promise and is more economical. Second, it is in the West's interests to diversify oil suppliers, adding downward pressure on oil prices and blocking Russian imperial temptations. That policy might move Russia to reform its antiquated and crisis-plagued energy economy rather than trying to avert the needed structural reforms as has been the case until now.<sup>144</sup> Only Central Asian revenues and a lack of competition enables Russia's energy industry to carry on its ruinous course and avoid the needed reforms.

By fostering Central Asia's gradual but genuine integration with the West, the United States can help it overcome its problems and adopt rational and beneficial economic policies that create real conditions for the political reforms we seek. One rational step would be for Central Asia to deepen its ties with the ECO despite the former internal Turco-Iranian rivalry there. The ECO offers a Persian Gulf alternative to Russian trading routes. The ECO could help efficiently exchange Iranian refined oil for Central Asia's electricity surplus and local infrastructural improvement. Local manufacturers and producers of consumer goods should benefit from a larger market with greater ability to market their product. And the ECO could usefully discuss regional and transnational cooperation in economics, ecology, and even security.<sup>145</sup>

Promoting Central Asian regional integration, sustained economic reform, and economic growth meets local needs and interests. Regional cooperation blocks Russian neo-imperialism, diverts Russian energies to more cooperative avenues, and aids Russian democratic reforms. Policies encouraging neo-imperialism in Central Asia help neither Russia, Central Asia, nor the United States. Regional integration also hinders Iran from maximizing a

negative influence when the inevitable crisis appears. It also prevents any one power from feeling aggrieved or threatened by local developments since all will benefit. Economic advancement undercuts fundamentalist appeals that are based on modernization's failures to date in the Muslim world. U.S. promotion of regional cooperation strengthens our calls for political reform because we then join with developing indigenous forces who demand reform and a devolution of power. And lastly, promoting such ventures creates a local balance that deters a new great game and rivalry among other states.

Though these are not vital U.S. interests, they are vital for local and adjoining states, none of whom alone can contest Russia's imperial thrust. But that thrust cannot remedy either local conditions or Russia's weakness. Rather, Russia's imperial drive compounds both problems. While Central Asia itself may not be seen to be vital to the United States, the explosion that will ensue if we abandon the region to Moscow will spare nobody from its wrath.

#### **ENDNOTES**

1. Many of these views were based on assumptions made by Paul Goble, the State Department's expert at the time on Soviet nationalities, e.g. Shiite and Sunnis were "pretty much alike." David Hoffman, "Iran's Drive to Rebuild Seen Posing New Challenges to West," *The Washington Post*, February 2, 1992, p. A1; and A.D. Horne, "U.S. Loses Specialist Fluent in the Nationalities," *The Washington Post*, January 14, 1992, p. A7.

2. Anoushiravan Ehteshami and Emma C. Murphy, "The Non-Arab Middle East States and the Caucasian/Central Asian Republics: Iran and Israel," *International Interactions*, Vol. XII, No. 1, April 1994, pp. 95-104; Robert O. Freedman, "Israel and Central Asia: A Preliminary Analysis," *Central Asia Monitor*, No. 2, 1993, pp. 16-20.

3. Roland Dannreuther, in "Creating New States in Central Asia," *Adelphi Papers*, No. 288, March 1994, asserts this argument quite forcefully.

4. Ehteshami and Murphy, pp. 95-104; Freedman.

5. Fiona Hill, Pamela Jewett, *"Back in the USSR": Russia's Intervention in the Internal Affairs of the Former Soviet Republics and the Implications United States Policy Toward Russia*, Cambridge, MA: Strengthening Democratic Institutions Project, John F. Kennedy School of Government, Harvard University, 1994, *passim*; Jerry F. Hough, "Russia Aims Its Oil Weapon," *New York Times*, June 17, 1993, p. A25; "President Demirel Inaugurates the Second ECO Summit," *Newspot*, July 15, 1993, p. 2.

6. As stated by Paul A. Goble in "Russia as a Eurasian Power: Moscow and the Post-Soviet Successor States," Stephen Sestanovich, ed., and Foreword, *Rethinking Russia's National Interests*, Washington, DC: Center for Strategic and International Studies, Significant Issues Series, Vol. XVI, No. 1, 1994, p. 47. For Russian threat assessments, see "Former Soviet Resources: Is Russia Being Cut Out?", *Current Digest of the Post-Soviet Press*, (henceforth *CDPP*), Vol. XLVI, No. 43, November 23, 1994, pp. 10-12.

7. Hill and Jewett, Andranik Migranyan, "Unequal Partnership," *New York Times*, June 23, 1994, p. A23; and the blunt remarks of Vitaly Naumkin, "Russia and the States of Central Asia and the Transcaucasus," in Robert D. Blackwill and Sergei A. Karaganov, eds., *Damage Limitation or Crisis? Russia and the Outside World*, CSIA Studies in International Security No. 5, Washington, DC: Brassey's Inc., 1994, p. 199.

8. Paul A. Goble, "CIS, Boom, Bah: The Commonwealth of Independent States and the Post-Soviet Successor States," in Allen C. Lynch and Kenneth W. Thompson, eds., *Soviet and Post-Soviet Russia in A World of Change*, Lanham, MD: University Press of America, 1994, pp. 192-193; Hough, p. A25; Hill and Jewett, Steve Levine, "Moscow Pressures Its Neighbors To Share Their Oil, Gas Revenues," *The Washington Post*, March 18, 1994, p. A24; J. Robinson West, "Pipelines to Power," *The Washington Post*, June 8, 1994, p. A23; Elizabeth Teague, in John W.R. Lepingwell, Alexander Rahr, Elizabeth Teague, and Vera Tolz, "Russia: A Troubled Future," Radio Free Europe/Radio Liberty Research Report, Vol. III, No. 24, June 17, 1994, pp. 9-10.

9. Moscow, *ITAR-TASS* in English, January 29, 1994, *Foreign Broadcast Information Service, Central Eurasia*, (henceforth *FBIS-*

SOV)-94-020, January 31, 1994, p. 1; "Cutting Back Oil Exports Under Consideration," *FBIS-SOV-94-027*, February 9, 1994, p. 22; *Moscow Kommersant-Daily* in Russian, June 21, 1994, *FBIS-SOV-94-120*, June 23, 1994, p. 25.

10. Teheran, *IRNA* in English, April 19, 1994, *FBIS-SOV-94-076*, April 20, 1994, p. 17.

11. Moscow, *Nezavisimaya Gazeta* in Russian, March 30, 1994, *Foreign Broadcast Information Service, Central Eurasia: FBIS Report* (henceforth *FBIS-USR*)-94-041, April 20, 1994, pp. 31-32.

12. Moscow, *Obozrevatel'-Observer* in Russian, Special Supplement 1993, December 14, 1993, "Russian National Security Concept for 1994," *FBIS-SOV-94-038-5* (Supplement), February 25, 1994, p. 40.

13. *Ibid.*, pp. 43-44.

14. Boris Z. Rumer, *Soviet Central Asia: A Tragic Experiment*, Winchester, MA: Unwin Hyman, 1989; and William Fierman, ed., *Soviet Central Asia: The Failed Transformation*, Boulder, CO: Westview Press, 1991.

15. Mahnaz Z. Ispahani, *Roads and Rivals: The Political uses of Access in the Borderlands of Asia*, Ithaca, NY: Cornell University Press, 1988. The centrality of transportation is apparent to all players in Central Asia today, e.g. Iranian Minister Velayati's observations that in his negotiations with Kyrgyz officials those issues increasingly dominate the agenda and in his broader remarks, Tehran, *IRIB Television Second Program*, in Persian, *Foreign Broadcast Information Service-Near East and South Asia*, (henceforth *FBIS-NES*)-94-161, August 19, 1994, p. 37; and Tehran, *Voice of the Islamic Republic of Iran*, in English, August 14, 1994, *FBIS-NES-94-158*, August 16, 1994, p. 63.

16. LeVine, p. A24.

17. *Ibid.*

18. Stephen Blank, *Energy and Security in the Transcaucasus*, Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War

College, September 1994.

19. John Lloyd and Steve LeVine, "Russia Demands Veto Over Caspian Oil Deals," *Financial Times*, May 31, 1994, p. 2.

20. *Ibid.*

21. *Ibid.*

22. LeVine, p. A24.

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24. Michael Specter, "Azerbaijan, Potentially Rich, Is Impoverished By Warfare," *The New York Times*, June 2, 1994, pp. A1,10.

25. *Ibid.*; Blank, *Energy and Security*, *FBIS-USR*, July 7, 1994, pp. 31-32; Naumkin, p. 199; Yuri V. Gankovsky, "Russia's Relations With the Central Asian States Since the Dissolution of the Soviet Union," in Hafeez Malik, ed., *Central Asia: Its Strategic Importance and Future Prospects*, New York: St. Martin's Press, 1994, pp. 121-123; John Lloyd, "Slav States Pledge Economic Union," *The Financial Times*, July 12, 1993, p. 2; Moscow, *Russian Television Network*, in Russian, July 15, 1992, *FBIS-SOV-92-137* July 16, 1992, p. 21.

26. Moscow, *Novaya Yezhednevnyaya Gazeta*, in Russian, July 6, 1994, *FBIS-SOV-94-131*, July 8, 1994, p. 1; Moscow, *Trud*, in Russian, July 6, 1994, *FBIS-SOV-94-135*, July 14, 1994, p. 10.

27. *Ibid.*

28. Hill and Jewett, p. 36.
29. Almaty, *Kazakhstanskaya Pravda*, in Russian, January 21, 1995, *FBIS-SOV-95-017*, January 26, 1995, pp. 67-68.
30. Moscow, *ITAR-TASS*, in English, July 8, 1994, *FBIS-SOV*, 94-131, July 8, 1994, p. 10.
31. Moscow, *Kommersant-Daily*, in Russian, July 29, 1994, *FBIS-SOV-94-147*, August 1, 1994, p. 1; Moscow, *Rossiyskie Vesti*, in Russian, August 16, 1994, *FBIS-SOV-94-159*, August 17, 1994, pp. 12-13; Moscow, *Rossiyskaya Gazeta*, in Russian, September 22, 1994, *FBIS-SOV-94-187*, September 27, 1994, pp. 1-4.
32. Moscow, *Segodnya*, in Russian, July 6, 1994, *FBIS-SOV*, 94-129, July 6, 1994, p. 5.
33. Moscow, *Segodnya*, in Russian, July 1, 1994, *FBIS-USR*-94-077, July 19, 1994, pp. 53-54.
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36. Susan Clark, "The Central Asian States: Defining Security Priorities and Developing Military Forces," *Ibid.*, pp. 177-206.
37. Ilya Prizel, "The United States and a Resurgent Russia: A New Cold War or a Balance of Power Recast?," in Stephen J. Blank and Earl H. Tilford Jr. eds., *Does Russian Democracy Have a Future?* Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, 1994, pp. 142-143.
38. Hill and Jewett, p. 30.
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June 22, 1993, *FBIS-SOV-93-119*, June 23, 1993, pp. 43-44; and Nazarbayev's Complaints from *Madrid ABC*, in Spanish, March 23, 1994, *FBIS-SOV-94-059*, March 28, 1994, p. 52.

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42. Gankovsky, p. 121.

43. LeVine, p. A24; Melvin, pp. 27-55.

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45. *Ibid.*, p. 138.

46. Rajan Menon, "Russia, America, and Northeast Asia After the Cold War," *Ibid.*, pp. 258-259; Moscow, *ITAR-TASS World Service*, in Russian, June 28, 1994, *FBIS-SOV-94-125*, June 29, 1994, p. 3.

47. Moscow, *Interfax*, in English, June 30, 1994, *FBIS-SOV-94-127*, July 1, 1994, p. 4. S. Nihal Singh, "Indo-Russian Goals for Central Asia," *International Herald Tribune*, September 22, 1993, p. 8, gives a fuller strategic background for these shared aims.

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50. H.E. Kanat Saudabayev, "Kazakhstan and NATO-Towards an Eurasian Security System," *NATO's Sixteen Nations*, No. 2, 1994, p. 33.

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52. Moscow, *Kommersant-Daily*, in Russian, May 5, 1993, *FBIS-USR-93-070*, June 7, 1993, pp. 27-28.

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54. Julie Corwin, "Too Close for Comfort," *U.S. News & World Report*, February 7, 1994, p. 43.

55. Moscow, *Kommersant-Daily*, in Russian, December 7, 1993, *FBIS-SOV-93-234*, December 8, 1993, p. 2.

56. LeVine, p. A24; RFE/RL Daily Report, April 6, 1994; RFE/RL Daily Report, February 10, 1994.

57. *Ibid.*; Ahmed Rashid, "Renewed Hegemony," *Far Eastern Economic Review*, February 24, 1994, pp. 22-23; RFE/RL Daily Report, September 1, 1994.

58. Blank, "Turkey's Strategic Engagement," pp. 75-77.

59. Ann Devroy, "Clinton Pledges Increase in Aid to Kazakhstan, Citing Reforms," *The Washington Post*, February 15, 1994, p. A4.

60. Moscow, *Interfax*, in English, June 24, 1994, *FBIS-SOV-94-123*, June 27, 1994, p. 62; RFE/RL Daily Report, June 29, 1994, Moscow, *Interfax*, in English, July 20, 1994, *FBIS-SOV-94-140*, July 21, 1994, p. 62.

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62. Andy Pasztor, "Chevron Cuts Investment at Big Project in Kazakhstan, Hits Impasse on Pipeline," *The Wall Street Journal*, May 9, 1994, p. A3; Moscow, *Segodnya*, in Russian, July 19, 1994, *FBIS-USR-94-085*, August 8, 1994, pp. 77-79. Apparently Russian tactics have also led British Gas and Agip of Italy to reconsider their \$6 billion investment in Kazakhstan's Karachagansk natural gas field. Russia is openly negotiating for participation, using its pipeline system as leverage. "Kuwait by the Caspian?", *The Middle East*, October 1994, p. 32.

63. Moscow, *ITAR-TASS*, in English, August 4, 1994, *FBIS-SOV-94-151*, August 4, 1994, p. 36; Moscow, *Interfax*, in English, August 10, 1994, *FBIS-SOV-94-155*, August 11, 1994, p. 5.

64. Moscow, *Interfax*, in English, August 3, 1994, *FBIS-SOV-94-151*, August 4, 1994, p. 36.

65. *Ibid.*, pp. 36-37.

66. Corwin, p. 43; Moscow, *Izvestiya*, in Russian, April 7, 1994, *FBIS-SOV-94-068*, April 8, 1994, pp. 10-11; Moscow, *ITAR-TASS*, in English, April 5, 1994, *FBIS-SOV-94-066*, April 6, 1994, p. 46; Ankara, *Turkish Daily News*, in English, June 21, 1994, 94-123, *Foreign Broadcast Information Service, Western Europe*, (henceforth *FBIS-WEU*)-94-122, June 24, 1994, pp. 45-46.

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68. "CIS Summit: Some Gains, New Snag on Karabakh," *Current Digest of the Post-Soviet Press*, (henceforth *CDPP*), Vol. XLV, No. 52, January 26, 1994, pp. 17-18.

69. David Nissman, "Turkmenistan (Un)Transformed," *Current History*, April 1994, p. 186.

70. Roland Dannreuther, "Russia, Central Asia and the Persian Gulf," *Survival*, Vol. XXXV, No. 4, Winter 1993, p. 94; this is his more general theme.

71. For one example of the search for more freedom, Steve LeVine, "Central Asians Cut Loose From Moscow," *Financial Times*, January 27, 1994, p. 2. More recently the European Bank for Reconstruction and Development has expressed interest in constructing an oil pipeline to supply oil from the Caspian Sea; Moscow, *ITAR-TASS*, in English, November 18, 1994, *FBIS-SOV-94-224*, November 21, 1994, p. 60.

72. Stephen Blank, "Russia, the Caucasus, and Europe," paper presented to the Annual Convention of the International Studies Association, Chicago, IL, February 22, 1995.

73. Dannreuther, "Russia, Central Asia, and the Persian Gulf," pp. 99-102.

74. Azer Mursaliyev, "Russian Government At Odds With Itself Over Oil Deal," *Moscow News*, September 30, 1994, pp. 1, 5.

75. *FBIS Pacific Rim Economic Review*, August 10, 1994, pp. 13-15; *Ibid.*, January 12, 1994, pp. 6-7; *Ibid.*, August 24, 1994, p. 8.

76. *FBIS Pacific Rim Economic Review*, August 24, 1994, p. 8; Ahmed Rashid, "No Smoke Screen," *Far Eastern Economic Review* (henceforth FEER), December 16, 1993, pp. 46-47.

77. Thomas L. Friedman, "U.S. To Counter Iran in Central Asia," *The New York Times*, February 6, 1992, p. A3; John E. Yang, "U.S., Turkey Pledge Aid to New States," *The Washington Post*, February 12, 1992, p. A30.

78. Blank, "Turkey's Strategic Engagement," pp. 55-88; and "Conclusions and Recommendations," *Ibid.*, pp. 88-98.

79. *Ibid.*, pp. 70, 93.
80. *Ibid.*, p. 92; Ankara, *Turkish Probe*, in English, August 5, 1994, *FBIS-WEU-94-161*, August 19, 1994, p. 44; Istanbul, *Turkiye*, in Turkish, May 1, 1994, *FBIS-WEU-94-088*, May 6, 1994, pp. 51-52; "Will Turkey be the Next Iran," *U.S. News & World Report*, June 6, 1994, pp. 41-42.
81. Henry Kamm, "Turks Fear Role in Asia of Russians," *The New York Times*, June 19, 1994, p. 4.
82. John Murray-Brown, "Prestige in the Pipeline," *Financial Times*, September 7, 1993, p. 18.
83. RFE/RL Daily Report, July 28, 1994.
84. Blank, "Turkey's Strategic Engagement," pp. 75-77.
85. Istanbul, *Ozgur Ukle*, in Turkish, July 18, 1994, *FBIS-WEU-94-143*, July 26, 1994, p. 50; RFE/RL Daily Report, September 8, 1994.
86. See the reports from Istanbul, *TRT Television Network*, in Turkish, July 27, 1994, and Ankara, *Anatolia*, in English, July 27, 1994, in *FBIS-WEU-94-146*, July 29, 1994, pp. 53-54; and "Demirel: Turkey and Iran Acknowledge Responsibility for Stability of the Region," *Newspot*, No. 14, August 5, 1994, p.1. Recently Turkish and Iranian officials, "worried about Russia's growing influence in Central Asian energy projects," came together in Ankara for high-level consultations on joint projects. Ankara, *Turkish Daily News*, in English, November 24, 1994, *FBIS-WEU-94-232*, December 2, 1994, p. 65.
87. These were Paul Goble's statements in Hoffman, p. A1; Horne, p. A7.
88. *Ibidem.*
89. David Menashri, "Iran and Central Asia," paper Presented to the conference, "Central Asia Meets the Middle East," Tel-Aviv University, Tel Aviv, October 12-14, 1993; Ehteshami and Murphy, pp. 83-95. This is also recognized by more sober Russian observers, e.g., Moscow, *Izvestiya*, in Russian,

October 29, 1993, *FBIS-SOV-93-210*, November 2, 1993, p. 20, which attributes Iran's inability to expand in Central Asia to economic weakness.

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91. Tehran, *IRNA*, in English, July 21, 1994, *FBIS-NES-94-141*, July 22, 1994, p. 53.

92. *FBIS-NES-94-161*, August 19, 1994, p. 38.

93. Scheherazade Daneshkhu, "Iran Simmers With Discontent," *Financial Times*, August 14, 1994, p. 4; Elaine Sciolino, "Iran's Difficulties Lead Some in U.S. To Doubt Threat," *The New York Times*, July 5, 1994, p. 1, 47; James Bruce, "Land of Crisis and Upheaval," *Jane's Defence Weekly*, July 30, 1994, p. 30.

94. Tehran, *Salam*, in Persian, May 23, 1994, *FBIS-NES-94-131*, July 8, 1994, p. 56.

95. On Turco-Iranian cooperation, see, e.g., Tehran, *Voice of the Islamic Republic of Iran, First Program Network*, in Persian, July 25, 1994, *FBIS-NES-94-143*, July 26, 1994, p. 54; Ankara, *Turkish Daily News*, in English, July 22, 1994, *FBIS-NES-94-144*, July 27, 1994, p. 70.

96. Tehran, *IRNA*, in English, August 10, 1994, *FBIS-NES-94-154*, August 10, 1994, p. 47.

97. Daneshkhu, p. 4.

98. For example, J. Mohan Malik, "China, Central Asia, India, and Pakistan Come Face-to-Face With Vigorous Separatism," *Defense & Foreign Affairs Strategic Policy*, September 30, 1993, pp. 10-13.

99. Sciolino, p. 1; Daneshkhu, p. 4.

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102. "Middle East", *CDPP*, Vol. XLVI, No. 27, August 3, 1994, pp. 21-22; Moscow, *Nezavisimaya Gazeta*, in Russian, June 21, 1994, *FBIS-USR-94-088*, August 15, 1994, pp. 103-106; Tehran, *Tehran Times* in English, August 9, 1994, *FBIS-NES-94-156*, August 12, 1994, p. 40.

103. Moscow, *Nezavisimaya Gazeta*, in Russian, June 21, 1994, *FBIS-USR-94-088*, August 15, 1994, pp. 103-106; Tehran, *Tehran Times* in English, August 9, 1994, *FBIS-NES-94-156*, August 12, 1994, p. 40.

104. Moscow, *Izvestiya*, in Russian, October 1, 1993, *FBIS-SOV-93-192*, October 6, 1993, p. 1; Ankara, *Turkish Daily News*, in English, August 30, 1994, *FBIS-WEU-94-173*, September 7, 1994, pp. 71-73.

105. Pakistan's policy in the region is the subject of many sources which shall be listed here and below in subsequent end notes. Syed Rifaat Hussein, "Pakistan and Central Asia," Colonel David O. Smith, ed., *From Containment to Stability: Pakistan-United States Relations in the Post Cold War Era*, Washington, DC: National Defense University Press, 1993, pp. 191-215; Hafeez Malik, "New Relationships Between Central and Southwest Asia and Pakistan's Regional Policies," in Malik, ed., pp. 249-260.

106. Dietrich Reetz, "Pakistan and the Central Asia Hinterland Option: The Race for Regional Security and Development," *Journal of South Asian and Middle Eastern Studies*, Vol. XVII, No. 1, Fall 1993, pp. 28-56; Ali Abbas Rizvi, "Pakistan and Security of Central Asian States," *Asian Defence Journal*, May 1994, pp. 54-57.

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108. Reetz, pp. 37-41.
109. Rizvi, pp. 54-546; Malik, pp. 249-260; Reetz, pp. 28-56; Paul Proctor, "PIA Moves to Capture Growth in Central Asian Business," *Aviation Week & Strategic Technology*, August 10, 1992, pp. 38-39.
110. Ahmed Rashid, "The China Factor," *FEER*, January 13, 1994, pp. 12-13.
111. *Ibid.*
112. Reetz, pp. 49-50; Samina Yasmeen, "Pakistan's Cautious Policy," *Survival*, Vol. XXXVI, No. 2, Summer 1994, p. 130.
113. Reetz, pp. 49-50.
114. Moscow, *Interfax*, in English, June 30, 1994, *FBIS-SOV-94-177*, July 1, 1994, p. 4.
115. Moscow, *Rossiyskaya Gazeta*, in Russian, July 31, 1992, *FBIS-USR-92-107*, August 24, 1992, p. 45.
116. S. Nihal Singh, "Indo-Russian Goals for Central Asia," *International Herald Tribune*, September 22, 1993, p. 8.
117. Moscow, *Izvestiya*, in Russian, October 1, 1993, *FBIS-SOV-93-192*, October 6, 1993, p. 1.
118. Delhi, *All India Radio News Network*, in English, January 5, 1994, *FBIS-NES-94-003*, January 5, 1994, p. 49, 114. This is also the conclusion of an Indian analysis that explicitly calls for supporting Russia's leadership here and cooperation among India, Russia, and China to that end of stabilizing Central Asia. P. Slobdan, "International Aspects of the Conflict Situation in Central Asia," *Strategic Analysis* (Delhi), June 1993, pp. 265-281.
119. This emerges clearly from the discussion below of Chinese interests and from assessment of U.S. power vis-a-vis that of these players taken individually.

120. Irina D. Zvyagelskaia, "Central Asia and the Caucasus: New Geopolitics," in Vitaly Naumkin, ed., *Central Asia and Transcaucasia: Ethnicity and Conflict*, Westport, CT: Greenwood Publishing Group, 1994, p. 133. For Western observers, see Justin Jon Rudelson, "The Uighurs in the Future of Central Asia," *Nationalities Papers*, Vol. XXII, No. 2, Fall 1994, pp. 301-306, and Ross H. Munro, "China's Waxing Spheres of Influence," *Orbis*, Vol. XXXVIII, No. 4, Fall 1994, pp. 585-606.

121. Moscow, *Nezavisimaya Gazeta*, in Russian, *FBIS-USR-94-041*, April 20, 1994, pp. 33-35. It is worth noting that although this dimension of Sino-Russian relations is stressed, the author, Sergei Vostrikov, says nothing about Sino-Russian relations in Central Asia, an omission worth pondering.

122. Munro, pp. 585-606; Gaye Christoffersen, "Xinjiang and the Great Islamic Circle: The Impact of Transnational Forces on Chinese Regional Planning," *China Quarterly*, No. 133, March 1993, pp. 130-151; Lilian Craig Harris, "Xinjiang, Central Asia, and the Implications for China's Policy in the Islamic World," *China Quarterly*, No. 133, March 1993, pp. 111-129; J. Richard Walsh, "China and the New Geopolitics of Central Asia," *Asian Survey*, Vol. XXXIII, No. 3, March 1993, pp. 272-283.

123. Harris, pp. 113-118.

124. Christoffersen, pp. 136-151.

125. Keith Martin, "China and Central Asia: Between Seduction and Suspicion," *RFE/RL Research Report*, Vol. III, No. 25, June 24, 1994, pp. 31-34; Munro, p. 604.

126. *Ibid.*, pp. 118-130; Christoffersen, pp. 136-151; Walsh, pp. 279-281; Munro, pp. 598-605; Moscow, *Nezavisimaya Gazeta*, in Russian, August 3, 1994, *FBIS-USR-94-101*, September 15, 1994, pp. 1-5.

127. Beijing, *Xinhua*, in English, July 7, 1994, *Foreign Broadcast Information Service: China* (henceforth *FBIS-CHI*)-94-130, July 7, 1994, p. 72; Beijing, *Xinhua*, in English, July 20, 1994, *FBIS-CHI-94-140*, July 21, 1994, p. 47.

128. Christoffersen, pp. 136-151; Harris, pp. 118-130.
129. Beijing, *Xinhua Domestic Service*, in Chinese, *FBIS-CHI-94-143*, July 26, 1994, p. 18.
130. Ikuo Kayahara, "Will China Succeed in Implementing Energy Strategy?" *Sekai Shuno*, May 10-17, 1994, U.S. Embassy, Japan, Translation, pp. 21-24.
131. *Ibid.*
132. Stephen Blank, "The New Russia in the New Asia," Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, 1994, discusses the broader aspects of this "alliance" but Chinese officials are very unsentimental about it.
133. Walsh, p. 278.
134. "Washington Whispers," *U.S. News & World Report*, September 4, 1994, p. 10.
135. Rashid, *FEER*, January 13, 1994, pp. 12-13.
136. Under Secretary of State Strobe Talbott, "Promoting Democracy and Prosperity in Central Asia," address at the U.S.-Central Asia Business Conference, Washington, DC, May 3, 1994, *U.S. Department of State Dispatch*, Vol. V, No. 19, May 9, 1994, p. 280.
137. *Ibid.*, President William J. Clinton, *A National Security Strategy of Engagement and Enlargement*, Washington, DC: U.S. Government Printing Office, July 1994, p. 19.
138. If anything the open scorn of Russia's leaders for the sovereignty of the republics is being ever more openly voiced as is pressure for economic integration, e.g., "Moscow," *Interfax*, in English, August 18, 1994, *FBIS-SOV-94-161*, August 19, 1994, p. 1; and "Rumyantsev Calls for CIS to Be Turned Into Russian Union," *RFE/RL, Daily Report*, August 29, 1994.
139. Pasztor, p. A3.

140. Moscow, *Nezavisimaya Gazeta*, in Russian, July 12, 1994, *FBIS-USR-94 081*, July 28, 1994, p. 5.

141. William E. Odom, "This Time Let's Dispense With the Moral Self-Indulgence," *Washington Post Weekly*, October 24-30, 1994, p. 23; Laura Drake, "Still Fighting the Last War," *Middle East Insight*, Vol. X, No. 6, September-October, 1994, p. 41. It is revealing that in an interview in the same issue of this journal, Martin Indyk, the National Security Council official for the Middle East, does not even mention Central Asia in discussing policy towards Iran, "Peace and Containment", *Ibid.*, pp. 30-37.

142. Kiaras Gharabaghi, "Development Strategies for Central Asia in the 1990s: In Search of Alternatives," *Third World Quarterly*, Vol. XV, No. 1, March 1994, p. 117.

143. *Ibid.*, pp. 112-113.

144. Peter Fuhrman, "What Boris Gives," *Forbes*, August 15, 1994, pp. 42-43; RFE/RL Daily Report, August 10, 1994, gives evidence of the crisis in Russia's energy industry.

145. Gharabaghi, p. 116.

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