

Russia and Its Neighbors: Integration or Disintegration?

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Globalization is having an enormous impact on international relations, but whether it will lead to greater stability or instability remains an open question. In some instances, globalization is creating the basis for democracy and greater prosperity, while in others it is contributing to greater turmoil and chaos. The latter has been the case in Russia and its neighbors in the post-Soviet space. Rather than fostering greater integration, the end of the Cold War and the forces of globalization have had a destabilizing impact there.

Many of the newly independent states that emerged after the disintegration of the Soviet Union in 1991 proved too feeble to exert effective control over their borders and even over their own territory. Ethnic strife and conflict have proliferated in many areas such as Chechnya, Abkhazia, Ossetia, and Nagorno-Karabakh. Many of the new states, moreover, are too weak economically to merge into a highly competitive world economy, and they remain dependent on close economic ties to Moscow.

The impact of these destructive trends has been particularly dramatic in Russia. While its political system is no longer fully authoritarian, neither is it fully democratic. Instead, Russia today is a quasi-democracy that has lingering aspects of authoritarianism, is subject to strong influence by vested interests, and is experiencing an ongoing power struggle between the center and outlying regions. Economic growth has stagnated, and industrial and agricultural production have plummeted. At the same time, the gap between the rich and the poor has widened. The privatization process has led to the wholesale stripping of state assets; their sale to a small group of entrepreneurs at rock bottom prices has allowed these entrepreneurs to become fabulously wealthy, even by Western standards. However, these entrepreneurs have put their profits in Swiss banks or off-shore accounts rather than investing in the modernization of Russia's industrial infrastructure. As a result, Russia's main exports continue to be raw materials at a time when the world economy is more and more dominated and driven by information technology.

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President Vladimir Putin underscored the degree of Russia's economic decline in his New Year's address to the nation shortly after taking over as interim president from Boris Yeltsin. In his address, Putin compared Russia not to the United States—the traditional standard of comparison in Soviet times—or even Germany, but to Portugal and Spain. To reach the production level of Portugal and Spain, Putin said, would take Russia approximately 15 years if Russia's gross domestic product (GDP) grows at a rate of at least 8 percent a year. As many of Putin's advisors have pointed out, it will be difficult for Russia to remain even a regional power, let alone a global power, without a reversal of these trends.

Policy toward the Commonwealth of Independent States

In the initial period after the collapse of the Soviet Union, Russian policymakers tended to neglect relations with the newly independent states. Instead, they focused their main attention on relations with the West. Since 1993–1994, however, the Commonwealth of Independent States (CIS)—the states located in the former Soviet space—has assumed greater importance in Russian policy.

Russia's interest in these states was emphasized in a decree signed by President Yeltsin in September 1995, which set out Russian strategy toward the CIS. The decree defined the objective of Russia's strategy as “the creation of an integrated political and economic community of states which can aspire to a respected position in the world.” This strategy, it said, should seek to “consolidate Russia as the leading force in the formation of a new system of inter-state political and economic relations on the territory of the post Union space.”¹

In effect, Russia has sought to use the Commonwealth of Independent States as a mechanism for integrating the post-Soviet space under its leadership. This effort has largely failed. Rather than greater integration, the Commonwealth of Independent States has been characterized by increasing fragmentation and disintegration. Intra-CIS trade has declined by over 70 percent since 1991.² More than 1,000 agreements have been signed, but less than 10 percent have been implemented.

Efforts to strengthen the CIS decisionmaking capacity have not succeeded. In December 1998, then CIS Executive Secretary Boris Berezovski tried to introduce a plan that would have turned the CIS Executive Secretariat into a powerful policymaking and supervisory body with himself as head. This plan was flatly rejected by Ukraine, Moldova, and Uzbekistan. It was also opposed by several key Russian officials—Prime Minister Evgeny Primakov, Foreign Minister Igor Ivanov, and CIS Cooperation Minister Boris Pastukhov—partly because they did not wish to see the influence of their own ministries over CIS affairs diminished and partly because they wanted to deny Berezovski a power base that he could exploit in Russian domestic politics.

On the economic side, there has been little progress toward real integration of these independent states. An agreement on creating a free trade zone was signed in April 1994, but it has never been implemented, largely owing to Russia's protectionist policies. Russia continues to levy excise and value-added taxes on intra-CIS trade according to country of origin rather than country of destination, as is re-

quired by the World Trade Organization. Ukraine, Moldova, and Kazakhstan, which depend heavily on Russia for export markets, have been particularly hurt by Russia's protectionist policies.

The free trade zone was supposed to have been introduced by January 2000. At the October 1999 CIS meeting in Yalta, however, Putin, then Prime Minister, made clear that Russia had no intention of changing its protectionist policies. If Moscow continues to refuse to change these policies, there is little chance that the free trade zone will ever be implemented. This could provide an incentive for countries like Ukraine, Moldova, and Kazakhstan to open up their economies more to the world market rather than integrate into a Russian-dominated trade area.

Moscow has been even less successful in coordinating defense policy. Yeltsin's September 1995 decree specifically called on the states of the Commonwealth of Independent States to develop a collective security system along the lines of the May 1992 Tashkent Treaty on Collective Security. However, Moscow has made little progress in creating such an alliance. Ukraine, Moldova, and Turkmenistan declined to participate from the outset. In the spring of 1999, Georgia, Azerbaijan, and Uzbekistan refused to renew their participation in the treaty alliance.

Moscow's efforts to turn the Commonwealth of Independent States into a cohesive political-military bloc have been hindered in particular by the formation of GUUAM, a regional grouping that includes Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova. These five countries have sought to coordinate policies in a number of areas, such as conflict resolution, energy supplies, and transportation.³ Recently, the group has begun to take on greater institutional form. In March 1999, the Defense Ministers of Azerbaijan and Georgia signed a memorandum on military cooperation within the framework of transatlantic and European structures and proposed the establishment of a multinational peacekeeping force to protect their energy sectors. A month later, Ukrainian, Georgian, and Azeri units held their first military exercise in conjunction with the inauguration of the Baku-Supsa oil pipeline. The three platoon-sized units practiced pipeline protection against sabotage and commando attacks.⁴

It is too early to say whether this group will really develop into a cohesive alternative to the Commonwealth of Independent States. The main obstacle to such a development is the group's diversity. Azerbaijan and Georgia have increasingly pursued a pro-Western course and have even expressed an interest in joining the North Atlantic Treaty Organization (NATO). Ukraine officially maintains a nonbloc position, but has strengthened its ties to the West, especially to NATO, in the last few years. Uzbekistan, on the other hand, has recently drawn closer to Russia and has shown a declining interest in GUUAM. Moldova's interest in GUUAM has also diminished lately.

This diversity is likely to make it difficult to develop a common policy in many areas. Indeed, it seems likely that the group will be increasingly limited to a "hard core" consisting of Georgia, Ukraine, and Azerbaijan (GUA) and that the extent of cooperation with Uzbekistan and Moldova will continue to diminish.⁵ At the same time, shorn of the weaker links, the group may become more cohesive and focus its efforts more on economic and security cooperation.

The Caucasus and Caspian Region: Waning Influence

The erosion of Moscow's influence in the post-Soviet space has been most dramatic in the Caucasus and Caspian region.⁶ Georgia and Azerbaijan have increasingly pursued pro-Western policies in recent years and have intensified their ties to NATO. Georgian President Eduard Shevardnadze has predicted that Georgia will be "knocking on NATO's door" within 5 years,⁷ while in December 1999 Azerbaijan's Foreign Minister Vilayet Guliev said that Azerbaijan intended to apply for "aspirant status in NATO." Units from Georgia and Azerbaijan are also participating in the Kosovo Force as part of a Turkish battalion.

Several factors have contributed to this erosion of Russian influence in the Caucasus and Caspian region:

Growing American Engagement

In the last several years, the United States has begun to play a much more active role in the Caucasus and Caspian region. Bilateral ties with Georgia and Azerbaijan have been strengthened. Washington has also played a major behind-the-scenes role in promoting the Baku-Ceyhan pipeline. If constructed, this pipeline will significantly enhance the economic prosperity and political freedom of maneuver of the countries in the Caspian region, especially Georgia and Azerbaijan, and reduce Moscow's ability to use the flow of energy as a means to expand its influence in the area. The United States has also strongly supported the Trans-Caspian pipeline that would transport natural gas from Turkmenistan to Turkey as an alternative to the Russian-sponsored Blue Stream, which would transport natural gas from Russia to Turkey underneath the Black Sea.

Turkish Activism

Also contributing to the erosion of Russian influence in the Caucasus has been Turkey's active policy in the region. While Turkey's relations with Central Asia have witnessed a slowdown since the mid-1990s, Ankara has strengthened its position in the Caucasus, which has emerged as a region of growing strategic interest and importance for Turkey.⁸ Relations with Georgia have intensified, especially in the military field. This military assistance, while limited, is part of a broader effort by Georgia to strengthen its independence and ties to the West, including NATO. Turkey has also strengthened ties to Azerbaijan and strongly backed Baku in its struggle with Armenia over Nagorno-Karabakh. However, Ankara has been careful not to be drawn militarily into the Nagorno-Karabakh conflict.

Turkey and Georgia have launched a joint initiative to create a South Caucasus Stability Pact. The pact, which was proposed during former Turkish President Suleyman Demirel's visit to Tbilisi in January 2000, would include Armenia, Azerbaijan, and Georgia, as well as Turkey, Russia (and possibly Iran), the United States, the European Union (EU), and the Organization for Security and Cooperation in Europe (OSCE). The International Monetary Fund (IMF) and the World Bank would

be asked to underwrite reconstruction aid for the region. The initiative, however, would not include Chechnya and the Northern Caucasus.

The pact is designed to increase Turkey's profile in the region, as well as to enhance Western involvement. By including not only Western powers, but also Russia, Turkey is, in effect, seeking to legitimize Western involvement in the area and implicitly asking Russia to view the region as an area of international cooperation rather than as its own backyard. The proposal has the support of Azerbaijan as well as that of key Western governments, including the United States.

At the same time, the energy issue has given the Turkish interest in the Caucasus and Caspian region a sharper focus. The Caspian region is a major source of the natural gas and oil that Turkey needs to meet its increasing domestic energy requirements. Ankara is particularly interested in the construction of a pipeline to carry Caspian oil from Baku in Azerbaijan to the port of Ceyhan on Turkey's Mediterranean coast. This would not only help meet Turkey's growing domestic energy needs but also increase its political influence in the region.

In addition to construction of the Baku-Ceyhan oil pipeline, Ankara is interested in the construction of a gas pipeline between Turkmenistan and Turkey. The line will provide the first viable export route out of Turkmenistan, enhancing its energy independence as well as viability as an independent state. The Turkmenistan-Turkey gas pipeline would parallel the Baku-Ceyhan oil pipeline and could sideline alternative routes such as the Russian Blue Stream project—dubbed Blue Dream by critics—to transport natural gas underneath the Black Sea.

The energy issue has given the historic rivalry between Turkey and Russia a sharper geopolitical—and economic—focus. Increasingly, Russia has come to see Turkey as a major rival for influence in Central Asia and the Caspian region. In some ways, the 19th century Great Game of diplomatic maneuver is being replayed in a new geopolitical context, with energy and pipelines replacing the railroads as the main means of extending political influence.

Lack of a Coherent Russian Policy

Russia's efforts to expand its influence in the Caucasus and Caspian region have been hindered by divisions within the Russian elite over policy toward the region.⁹ Whereas the Ministry of Defense, Foreign Ministry, and security services have pursued old-fashioned power politics based on coercion and intimidation in order to protect Russian political interests in the region, the economic elites centered around the gas and oil industries have favored a more conciliatory policy based on cooperation with the West and the Caspian states. Thus, the various Russian elites have often pursued policies that were at cross-purposes with one another, which has made it difficult for Russia to pursue a coherent policy toward the region.

Development of Multiple Energy Transport Routes

Not only has the development of multiple transport routes for the delivery of Caspian gas and oil significantly reduced Moscow's ability to dominate the region, but also it has opened up prospects for an increase in Western influence. Turkey's

ability to achieve its broader objectives in the Caucasus and Caspian region will heavily depend on the fate of the Baku-Ceyhan pipeline. Turkey has pinned its hopes for playing a major political role in the Caucasus and Central Asia on the construction of this pipeline, but construction has been plagued by delays and financing problems. Many Western investors are concerned that the pipeline is not commercially viable and have been hesitant to underwrite its construction.

The discovery of new oil deposits in East Kashagan in Kazakhstan could significantly change the Caspian equation and the struggle for influence there. Early estimates suggest that the East Kashagan reserves may match the total oil reserves in the North Sea. In order to be commercially viable, Baku-Ceyhan needs to pump 1 million barrels of oil a day. At present, Azerbaijan is not able to guarantee this amount. Kazakhstan oil could cover the deficit and ensure that the Baku-Ceyhan pipeline will be commercially viable.

Thus, Kazakhstan is likely to be a critical player in the Caspian equation. So far, it has sought to pursue a balanced policy between Russia and the West. Lately, however, there have been signs of a tilt in Kazakhstan's policy toward Moscow. If Kazakhstan were to decide to ship the oil from East Kashagan through Russia rather than via the Baku-Ceyhan pipeline, it could significantly undercut the commercial viability of Baku-Ceyhan and reduce the chance that the pipeline will ever be built.

While Russia's influence in the Caucasus has waned, Moscow remains an important political factor in the region. The political situation in the Caucasus is extremely fluid. Georgia's President Eduard Shevardnadze has been the object of two assassination attempts—both of which are thought to have been Russian inspired. If Shevardnadze should die or become incapacitated, Georgia's westward drift could significantly slow or possibly even halt altogether. Moscow is well aware of Georgia's vulnerability and has stepped up its pressure on Georgia lately, claiming repeatedly that Tbilisi is supporting the Chechen insurgents.

The situation in Azerbaijan is also tenuous. Azerbaijan President Heydar Aliiev has proved surprisingly adept at playing internal factions in Azerbaijan off against one another and resisting Russian pressure. Unlike Georgia or Armenia, Azerbaijan has not allowed Russian troops to be stationed on its territory. But Aliiev is in his late 70s and in poor health. His death or incapacitation could lead to unrest in Azerbaijan and provide an opportunity for Russia to regain lost ground.

The increasingly westward policy pursued by Georgia and Azerbaijan has increased the strategic importance of Armenia in Russian eyes. As a result, Russia has sought to intensify its ties in Yerevan, especially in the military sphere. However, Armenia has recently shown signs of wanting to pursue a more balanced policy and improve its ties to the West. A settlement of the Nagorno-Karabakh conflict would allow Armenia to reduce its dependence on Moscow and open up prospects for a normalization of relations with Ankara.

Ukraine: The Critical Swing Factor

An even more critical obstacle to Russia's forging a cohesive political-military bloc within the CIS is Ukraine's independent policy. As Zbigniew Brzezinski has

pointed out, the loss of Ukraine severely limits Russia's geostrategic options.¹⁰ A Russia that retains control over Ukraine could still be the leader of an assertive Eurasian empire. But without Ukraine, any attempt to rebuild the Eurasian empire would be difficult. Moreover, any new Eurasian empire without Ukraine would become more Asiatic and less European.

Ukraine has taken a minimalist approach toward cooperation with the Commonwealth of Independent States. Kiev refused to sign the Tashkent Treaty on Collective Security and is not a member of the Customs and Payments Union sponsored by Russia. It strongly opposes giving the Commonwealth of Independent States any supra-national functions, particularly in the political and security areas. Instead, it wants the CIS to become a loose mechanism for economic cooperation—a kind of glorified free trade zone. Ukraine's refusal to participate in CIS security structures significantly hinders Moscow's ability to turn the Commonwealth of Independent States into a cohesive political and military bloc.

At the same time, since 1995, Ukraine has significantly expanded its ties to the West, especially NATO. Ukraine was the first CIS state to join the Partnership for Peace (PFP), and it has been one of the most active participants in PFP exercises. Kiev also has a liaison officer at Supreme Headquarters Allied Powers, Europe (SHAPE) in Mons (Belgium), and in May 1997, a NATO information office was opened in Kiev.

The most important symbol of Ukraine's desire to expand ties to NATO was the signing of the Charter on a Distinctive Partnership with NATO at the Madrid summit in July 1997. While the Charter does not provide explicit security guarantees, it foresees a broad expansion of cooperation in a number of areas, such as civil-military relations, armaments collaboration, and defense planning. The Charter thus establishes for NATO a deeper relationship with Ukraine than with any non-NATO member except Russia.

Since signing the Charter, relations with NATO have grown closer. In March 2000, the North Atlantic Council held a session in Kiev; this was the first council meeting held in a non-NATO country. In June 2000, Ukraine hosted Cooperative Partner 2000 within the framework of the enhanced PFP program—the largest exercises ever conducted by NATO forces in a post-Soviet state. Ukraine has also allowed NATO to use the Yavoriv military range as a NATO training center.

The intensification of ties to Europe has been part of a broader effort by Ukraine to strengthen its ties to Euro-Atlantic institutions and is designed to underscore its "European choice." In June 1999, Ukraine signed a Partnership and Cooperation Agreement with the European Union. The agreement granted Ukraine special trade status and identified a number of areas for practical cooperation. In addition, at its Helsinki summit in December 1999, the European Union adopted a new Common Strategy for Ukraine. While the Common Strategy does not contain a commitment to membership, it acknowledges Ukraine's European aspirations and commits the European Union to expand cooperation in a number of areas, such as energy, environment, and nuclear safety.

The fact that Ukraine relies on Russia for 90 percent of its energy supplies significantly constrains Ukraine's political and economic freedom of maneuver and ties

Ukraine strongly to the Russian energy market. In an effort to reduce this dependence on Russian energy, Ukraine has expanded its ties to the countries of the Caspian Basin. Ties with Turkey, in particular, have been strengthened. In June 1997, the two countries signed an agreement for the construction of a pipeline between the port of Ceyhan on Turkey's Mediterranean coast and its Black Sea port of Samsun. From there, the oil will be delivered by tanker to the Ukrainian port of Odessa. Although the pipeline could help Ukraine to reduce its dependence on Russian energy, financial problems and the refusal of the Ukrainian Parliament to ratify some aspects of the agreement have delayed work on the project.

Similarly, Ukraine has sought to expand cooperation with Georgia, Azerbaijan, Moldova, and Uzbekistan within the framework of GUUAM. Ukraine's interest in GUUAM is, in large part, driven by its desire to reduce its energy dependence on Russia, although it also has broader strategic motivations. Ukraine hopes to become an important link in the Caspian energy transport network. Kiev is currently building a pipeline from Odessa to Brody on the Polish-Ukrainian border. Under the plan, Azerbaijani oil would be shipped by tanker to Odessa and then piped to Brody. At Brody, the line would branch into a Polish pipeline, which, in turn, would continue westward into Germany. In addition, Polish and Lithuanian ports could be used for transporting oil to Northern European markets.

The plan would enable Ukraine to become an important conduit for Caspian oil, to reduce its dependence on Russian oil, and to earn much needed hard currency in transit fees. At the moment, however, the plan remains largely on paper. Its realization will depend heavily on Ukraine's ability to carry out economic reforms that would create a positive environment for Western investment. Without such reforms, Ukraine will not be able to attract sufficient Western investment to make the plan a reality and will remain heavily dependent on Russian oil.

Ukraine has also sought to increase economic cooperation with Kazakhstan, another important player in the Caspian energy equation. In September 1999, Ukraine's President Leonid Kuchma and Kazakhstan's President Nursultan Nazarbaev signed a 10-year economic agreement. Under the agreement, Kazakhstan will supply Ukraine with natural gas and oil in return for deliveries of AN-74 aircraft and construction of tractor stations in Kazakhstan for repair of Ukrainian tractors, ships, and aircraft.¹¹ The two sides have also been discussing the possibility of transporting Kazakhstani oil via Ukraine to Europe.

The most important factor affecting Ukraine's political evolution, however, will be its relationship with Russia. In the initial period after the breakup of the Soviet Union, relations between Russia and Ukraine were strained, particularly because of Russia's reluctance to formally recognize Ukraine's borders. Until May 1997, Russia procrastinated in signing a state-to-state treaty recognizing Ukraine's borders. In addition, the Russian Duma passed several resolutions calling into question Ukrainian sovereignty over Sevastopol.

Ukraine's relations with Moscow have improved since the signing of the treaty in May 1997. Valid for 10 years with a possible extension for another 10 years, the treaty officially recognizes the immutability of existing borders. The treaty also removes Crimea and Sevastopol as points of contention in Russia-Ukraine relations (at

least for the duration of the treaty). In a separate accord, the two sides resolved the remaining details of the division of the Black Sea Fleet.¹²

While Russia did not come away empty-handed, the treaty significantly strengthened Ukrainian security on the whole. It also vindicated Kuchma's contention that strong ties to the West were not inconsistent with—indeed, could contribute to—better relations with Russia. Yeltsin's decision to go to Kiev and sign the treaty—after dragging his heels for 3 years—was at least in part motivated by his desire to counter Kiev's growing ties to the West. At the same time, it was an indirect acknowledgment that Moscow's hard line toward Ukraine had failed and had, in fact, been counterproductive.

The treaty significantly contributed to stabilizing Ukraine's relations with Russia, which continue to be hindered by several issues. Chief among them is Ukraine's failure to pay its debts for natural gas imports (estimated by Russia to be more than \$2.4 billion). In August 1999, Kiev agreed to transfer 11 bombers to Russia in partial payment of its debt. This action reduced the size of the debt, but it did not address the main strategic problem: Ukraine's dependence on Russian energy supplies.

Russia's ability to use natural gas and oil deliveries as political weapons is limited, however. Ukraine is a major transit route for energy shipments to Europe. Russia cannot cut off deliveries to Ukraine without cutting off deliveries to Europe—something it would be very reluctant to do, since this would have major economic and political costs for its relations with Europe. Ukraine could respond by disrupting the flow of gas and oil to Europe in retaliation for Russian actions. Thus, in the short term, a certain mutual dependency exists that limits Russia's ability to wield the energy weapon for political purposes.

This situation could change if the proposed second leg of the Yamal-Europe natural gas pipeline is completed. The proposed pipeline would transport 30 billion cubic meters of natural gas a year from Russia, across Belarus through Poland and Slovakia, to Europe and would enable Russia to eliminate the existing export route running through Ukraine. Poland opposes the construction of the pipeline because Russia would be in a position to pressure Ukraine by withholding gas,¹³ thereby influencing Ukraine's policy on a host of issues. Russia has justified the pipeline on purely economic grounds, but it seems part of a larger Russian plan to exploit Ukraine's economic weakness—especially its energy dependency—to increase Moscow's leverage over Ukrainian policy options.

The large Russian-speaking and ethnic Russian population in Ukraine—nearly 11 million or 22 percent of Ukraine's population—also provides a potential pressure point. However, while Russia has pushed for dual citizenship for Russians in Ukraine and the designation of Russian as a state language, it has not sought to mobilize the Russian population against the Ukrainian government. Nor does it seem likely to try to do so. There are several reasons for this restraint:

- There is no serious discrimination against Russian minorities in Ukraine.
- Russia is aware that playing the ethnic card could lead to major unrest and prompt a massive outflow of refugees into Russia, which Moscow would have difficulty in absorbing.

- At present, Russia is incapable of integrating Ukraine economically or occupying it militarily.
- Any effort to play the ethnic card would have serious consequences for Russia's relations with the West.

These factors are likely to continue to create incentives for Russia to refrain from trying to play the ethnic card in the future. Nevertheless, the future of Ukraine's relations with Russia remains uncertain. Much of the improvement in Ukrainian-Russian relations since 1997 has been due to the good working relationship between Kuchma and former Russian President Yeltsin and the pragmatic course that Yeltsin pursued toward Ukraine. But Yeltsin is now gone. The key question is whether Putin will continue Yeltsin's relatively conciliatory policy or return to the tougher line toward Ukraine that characterized Russian policy in the pre-1997 period.

In the short run, a major shift in Russian policy toward Ukraine seems unlikely. The Friendship and Cooperation Treaty, which codifies the borders, is valid for 10 years. Thus, it will be in effect for another 7 years, and Putin will be bound by it. Moreover, the Russian Duma elected in December 1999 is more moderate and "centrist" than the previous Duma, which was dominated by communists and nationalists. It is thus less likely to engage in the type of inflammatory actions taken by the previous Duma (for example, the 1993 resolution claiming Sevastopol as Russian territory) that poisoned Russian-Ukrainian relations.

The longer term remains less certain. A great deal will depend on Ukraine's ability to manage its domestic agenda and implement a program of economic reform. If it succeeds in using the current breathing space to relaunch economic reform, Ukraine will be in a much better position, both economically and politically, to withstand any Russian pressure, should it arise. But if it does not, Kiev may find itself increasingly dependent on the Russian market and have little choice but to integrate more fully into Russia's sphere of influence.

Central Asia: Back toward Moscow?

The prospects for a restoration of Russian influence in Central Asia are much better than those in the Caucasus and Ukraine. In Central Asia, Moscow has several advantages:

- The states of Central Asia are weak. The regimes lack legitimacy, and the states have weak national identities. Several of the states, especially Kazakhstan, have large Russian minorities. In addition, their economies are closely tied to Russia. Thus, they are highly dependent on trade with Russia. This gives Russia considerable leverage over Central Asian policies.
- Relations among the states of Central Asia are poor. Several Central Asian states, such as Kazakhstan and Uzbekistan, have unresolved territorial disputes. This allows Russia to act as a mediator and play Central Asian states against one another.

- All states in the region face external threats from Islamic insurgents. As a result, they feel insecure and desire outside assistance and protection. This provides opportunities for Russia to present itself as security manager of the region, especially since no other power has the willingness or ability to take on this task.

The growing threat from Islamic insurgents in the region significantly changed the dynamics of Russia's relations with the Central Asian countries. The incursion of Uzbek and Tajik guerrillas into Southern Kyrgyzstan in the summer of 1999, and the inability of regional actors to effectively deal with the problem, not only caught Kyrgyz President Askar Akaev off guard but also set off alarm bells throughout the region. Concern about the repercussions for internal stability was especially strong in Kazakhstan and Uzbekistan.

Russia has sought to exploit this increasing concern about the threat from Islamic insurgency to promote closer ties to the Central Asian states. The "fight against terrorism" was a major theme at the CIS summit in Moscow in January 2000. Since then, Russia has intensified its efforts to promote multilateral cooperation to combat the threat posed by international terrorism. At the end of March, for instance, the general staffs of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan conducted a joint exercise (CIS Southern Shield—2000) in Tajikistan designed to contain and repel an incursion by Islamic insurgents.

In addition, Russia has proposed setting up a CIS antiterrorism program and creating a CIS antiterrorism center. Both proposals were formally adopted at the CIS summit in June 2000. The center will be headed by Boris Melnikov, a lieutenant general in the Russian Federal Security Service. The CIS states have sought to limit the mandate and the resources of the antiterrorism center and prevent it from becoming a mechanism for pressure and domination by Moscow. Nevertheless, the proposal illustrates the way in which Russia has sought to use the issue of the "fight against terrorism" as a means to foster greater cohesion within the Commonwealth of Independent States and closer ties between Russia and the Central Asian states.

The shift in Central Asia back toward closer relations with Russia has been most visible in Uzbekistan. After 1991, Uzbekistan had sought to avoid heavy dependence on Russia or the Commonwealth of Independent States. However, the upsurge in Islamic insurgency has led Uzbek President Islam Karimov to seek close ties to Moscow. In December 1999, Russia and Uzbekistan signed an agreement on military cooperation. According to the agreement, Russia and Uzbekistan will not take part in military unions or military agreements directed against each other. Uzbekistan has also reduced its cooperation within GUUAM.

Kazakhstan has also shown increasing interest in improved ties with Moscow. As with Uzbekistan, this interest has been prompted by growing concerns about the threat posed by Islamic fundamentalism. But it also reflects disappointment in the level of support from the West, especially the United States. Many Central Asian leaders feel that the United States does not sufficiently appreciate their security risks. They have also been irritated by the strong U.S. emphasis on the need to improve their human rights record.¹⁴ As a result, they have increasingly turned to Moscow for assistance—assistance that Moscow has been only too willing to provide.

Moscow has also strengthened its ties to Tajikistan. Russia has had troops in Tajikistan since 1992, serving under the label CIS Peacekeeping Operations. Under a bilateral agreement signed in 1999, Russia received formal rights to base troops there. The change in the status of the troops was a distinction without a difference, however, since the CIS peacekeeping force involved only token participation by Kazakhstan and Kyrgyzstan.

New Accents in CIS Policy under Putin

The strengthening of Moscow's ties to Central Asia has been part of a broader shift in Russian policy toward the Commonwealth of Independent States since Putin assumed power. Since becoming Prime Minister in August 1999, Putin has given policy toward the CIS top priority. At the same time, he has begun to put his own stamp on CIS policy, making innovations in a number of areas:

Bilateralism. Putin has sought to use bilateral meetings with CIS leaders to advance Russian interests. The most important business at CIS meetings is conducted on the sidelines and backstage rather than in the formal CIS meetings. Putin used the CIS summit in June 2000, for instance, to hold a series of meetings with the presidents of CIS countries to discuss issues that had little to do with the Commonwealth of Independent States.¹⁵

Subgroups. Putin has put great emphasis on Russian-led subgroups. Such groups allow Russia to play the lead role in subregional affairs. The most prominent example is the so-called Caucasus Four, which includes Russia, Georgia, Azerbaijan, and Armenia. The group is designed to shape developments in the Caucasus in directions consistent with Russian interests and to counteract Western influence in the region, especially Turkey's proposal for a stability pact for the South Caucasus.

Security. Putin has emphasized security issues, especially the "fight against terrorism," as a means to foster greater cohesion within the Commonwealth of Independent States, particularly within Central Asia. This trend is reflected, in particular, in the two Russian initiatives approved at the CIS summit in June 2000—the adoption of the CIS program to combat terrorism and extremism, and the creation of a CIS antiterrorism center. In addition, there has been a visible increase in the influence of the security services on CIS policy. Putin has entrusted operational management of the Commonwealth of Independent States and its bodies to Sergei Ivanov, a former KGB official who heads the Russian Security Council. This decision effectively deprives the CIS Executive Committee and its head, Yuri Yarov, of any real power. In addition, in June 2000, Putin appointed Vyacheslav Trubnikov, former head of the Foreign Intelligence Service, to a specially created post with responsibility for CIS affairs.

Institutionalization. Putin has sought to give the CIS Collective Security Treaty (CST) greater institutional content. At the Minsk summit of the signatories of the Tashkent treaty in May 2000, heads of state of Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan signed three documents: Memorandum on the Effectiveness of the CST and Adapting It to Current Geopolitical Conditions; Procedure for Making and Implementing Collective Decisions on the Use of Force; and the

status and operating rules of the Council of Defense Ministers and the Committee of Security Council Secretaries of CST countries. These documents are legally binding, and their signing suggests that CST may be beginning to assume more concrete form, with signatories undertaking specific obligations.

In addition, Putin has begun to strengthen the CST's military dimension. In June 2000, the CIS Collective Security Council and defense ministers of the signatories of the CIS Collective Security Treaty approved Russian proposals to create three "regional groups of forces": a Western Direction group composed of Russia and Belarus, a Caucasus group composed of Russia and Armenia, and a Central group composed of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan.¹⁶ Each regional group will set up a joint staff, institute command and control arrangements, and establish common programs for military procurement.

Prospects for the Future and Policy Implications

To date, globalization has had a highly disruptive impact on Russia and the post-Soviet space. Rather than leading to greater integration and democratization, it has, on the whole, resulted in greater fragmentation and political turmoil. This has inhibited Russian efforts to turn the Commonwealth of Independent States into a cohesive economic bloc, although Moscow has recently had some success in restoring closer ties to Central Asia.

For the next decade or more, the post-Soviet space is likely to remain highly unstable. Most countries in the region will have difficulty integrating into the world economy. As a result, many of these states will remain highly dependent on trade with Russia. At the same time, ethnic tensions and territorial disputes are likely to continue to pose serious challenges to stability throughout the region and to Moscow's effort to create a cohesive bloc within the former Soviet space.

The process of democratization in the region is likely to be slow and highly uneven. None of the countries in the former Soviet space have strong democratic traditions or institutions. Many face significant political, economic, and ethnic challenges that will place heavy burdens on their fragile political systems. This is particularly true in Central Asia. Most of the current leaders in Central Asia are holdovers from the Soviet period. They have sought to use the transition to a market economy as a means to enhance their own political power and personal wealth. They have little interest in seeing a broad democratization of their societies and political systems because this would undermine their own political power. Furthermore, the threat from Islamic radicalism is likely to make many Central Asian leaders even less inclined to open up their societies and political systems, and could lead to growing repression and authoritarianism in many of the countries of the region.

In short, the situation in the post-Soviet space is likely to remain problematic for some time to come. U.S. interests can best be served by encouraging the emergence of geopolitical pluralism in the region. This policy should be designed to ensure that the countries in the post-Soviet space are able, to the extent possible, to choose their own geopolitical options and security alliances. These countries will want to continue

cooperation with Russia, but this cooperation should be voluntary and based on mutual advantage, not on economic pressure or political intimidation.

The top U.S. priority should be to support the emergence of a stable, independent, and democratic Ukraine. An independent Ukraine is a prerequisite for stability and security in Eurasia. If Russia regains control over Ukraine, it could still be the leader of an assertive empire. However, without Ukraine, Russia would have difficulty in rebuilding such an empire. Hence, the United States has a strong interest in supporting Ukraine's independence.

The second priority should be to support the construction of multiple pipelines in the Caspian region. This construction can help to strengthen the independence of the countries in the Caspian area and provide an important stimulus for the growth of geopolitical pluralism there. In this regard, the United States should continue to give strong political support to the construction of the Baku-Ceyhan pipeline.

At the same time, the United States should intensify its efforts to promote a resolution of the Nagorno-Karabakh conflict. A settlement of this conflict would remove a major source of instability in the Caucasus. In addition, it would allow Armenia to reduce its dependence on Moscow and create the possibility of a broad rapprochement with Turkey.

The ability of the United States to significantly influence developments in Central Asia is limited. Russia already has a strong foothold in the region and has recently begun to reassert its influence there. Moreover, the general weakness of democratic institutions in these countries and the growing trend toward authoritarianism places objective limits on how deeply the United States can—or should—become engaged in the region. The United States will need to strike a balance between its desire to promote human rights and its broader strategic interests in the region. While Washington should continue to encourage improvement of the human rights situation in Central Asia, this should not become the sole focus of its policy to the exclusion of other interests.

Geostrategically, the most important country in the region—and the one that should receive the highest priority in U.S. policy—is Kazakhstan. The transport of Kazakhstani oil through the Baku-Ceyhan pipeline will be essential if the pipeline is to be commercially viable. The United States should encourage Kazakhstan's integration into the world economy and its active participation in the development of a broad transportation network for oil and gas in the Caspian region. At the same time, the United States should recognize that Kazakhstan's national interests require that it maintain good relations with Moscow.

Finally, the United States should continue to help stabilize Russian democracy and encourage Russia's broader integration into a European framework. Progress in this arena will not come easily, but the difficulty does not diminish its importance. A democratic and increasingly stable Russia is likely to be a more cooperative partner over the long run than a frustrated, chaotic Russia continually searching for its place in the geopolitical sun. 🌍

Notes

¹ For the text of the decree, see *Rossiiskaia gazeta* (September 23, 1995).

² *Jamestown Monitor* 5, no. 177 (September 27, 1999).

³ Originally there were only four members: Georgia, Ukraine, Azerbaijan, and Moldova. Uzbekistan joined in April 1999, and the name of the group was changed from GUAM to GUUAM to reflect Uzbekistan's membership. For a detailed discussion of the group's origins and activities, see Taras Kuzio, "Promoting Geopolitical Pluralism in the CIS: GUUAM and Western Policy," *Problems of Post-Communism* 47, no. 3 (May/June 2000), 25–35.

⁴ *Ibid.*, 34.

⁵ The planned GUUAM peacekeeping battalion, for instance, will apparently be a tripartite unit and include a reinforced company of motorized infantry from Georgia, Ukraine, and Azerbaijan. Moldova and Uzbekistan will not participate.

⁶ For a detailed discussion, see Richard Sokolsky and Tanya Charlick-Paley, *NATO and Caspian Security: A Mission Too Far?* MR-1074 (Santa Monica, CA: RAND, 1999).

⁷ Andrew Jack and David Stern, "Georgia Plans to Seek NATO Membership," *The Financial Times*, October 25, 1999.

⁸ Zalmay Khalilzad, Ian O. Lesser, and F. Stephen Larrabee, "Turkish Foreign and Security Policy: New Dimensions and New Challenges," in *The Future of Turkish-Western Relations: Toward a Strategic Plan* (Santa Monica, CA: RAND, 2000), 21–51.

⁹ For a good discussion of these various differences, see Rosemarie Forsythe, *The Politics of Oil in Central Asia and the Caucasus*, Adelphi Paper 300 (London: International Institute for Strategic Studies, 1996). See also Abraham S. Becker, "Russia and Caspian Oil: Moscow Loses Control," *Post-Soviet Affairs* 16, no. 2 (April/May 2000) and Sokolsky and Charlick-Paley, *NATO and Caspian Security*, 32–33.

¹⁰ Zbigniew Brzezinski, *The Grand Chessboard* (New York: Basic Books, 1997), 92.

¹¹ *RFE/RL Newsline* 3, no. 183 (September 30, 1999).

¹² For a detailed discussion, see James Sherr, "Russia-Ukraine Rapprochement: The Black Sea Fleet Accords," *Survival* 39, no. 3 (Autumn 1997), 35–50.

¹³ Charles Clover and Christopher Bobinski, "Russia in Clash with Poland over Gas Pipeline," *The Financial Times*, July 25, 2000.

¹⁴ This was evident, in particular, during Secretary of State Madeleine K. Albright's historic visit to Central Asia in April 2000. Albright, the most senior Clinton administration figure to visit the region, irritated a number of the Central Asian leaders, especially Kazakhstan's President Nursultan Nazarbaev, by calling for an improvement in their human rights performance.

¹⁵ *Jamestown Monitor* 6, no. 123 (June 23, 2000).

¹⁶ *Jamestown Monitor* 6, no. 130 (July 23, 2000).