

RUSSIAN STRATEGY IN CENTRAL ASIA

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The mass unrest in Kyrgyzstan which escalated into an anti-government coup, the events in the Uzbek city of Andijan, and the presidential election in Kazakhstan, which also took place in 2005, drew the attention of the world community to the Central Asian countries. Whereby the situation in this section of the “arc of instability,” which encompasses the south of the Russian Federation, is arousing very justifiable concern among Russians. After all, the matter does not concern some abstract corner of the earth, but a significant part of the former Soviet Union, four million square kilometers in area and with a population of more than 50 million people (seven million of whom are Russian-speaking citizens). Historical development and long years of coexistence with the peoples of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan have made Russia an interested party in their fates. This is shown by the special demands of official Moscow’s foreign policy in Central Asia and gives rise to the need for its rapid and targeted adjustment.

Conceptually, Russia’s strategy in the region is aimed at achieving the strategic goals envisaged in the foreign policy conception approved by the country’s president. The following tasks are of paramount importance:

- ensuring that alternative security systems are not created in Central Asia without the Russian Federation’s participation, and counteracting attempts by third countries to reinforce their military presence in this region;
- expanding Russian capital in the key branches of the economy of the region’s republics, and ensuring the unhindered functioning of their transportation corridors and distribution lines, including those relating to fuel and energy;
- providing universal protection of the rights and interests of Russian citizens and compatriots, and strengthening the status of the Russian language and culture of Russia’s nationalities;
- consolidating multilateral structures with the participation of the Russian Federation, and strengthening their key significance in ensuring stability and security on the state’s southern borders.

When carrying out the designated tasks, not only must the objective difficulties created by globalization be dealt with, but also problems generated by local development. Globalization has reopened this region, since for several centuries it was closed off to the rest of the world by Afghanistan, Iran, China, and Russia. New actors have appeared with significant financial and military-political potential. As for the local specifics, their most distinguishing feature is monopolization of power by a narrow circle of people, the family-clan composition of the ruling elite, and the impetuous striving for a leader personality cult.

Russia’s foreign policy efforts in Central Asia are concentrated in three main areas: bilateral cooperation, multilateral interaction on security problems, and economic integration.

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Russia's main military-political and economic partner in the region is Kazakhstan. The strategic nature of their relations is determined by its geopolitical position, immense economic and raw material potential, the significance for Russia of the unique Baikonur space-launch complex, and the presence of a more than 4-million-strong Russian diaspora in the country. Bilateral relations are characterized by active multifaceted cooperation and a stable contractual-legal base reinforced by more than 270 signed treaties and agreements. The main documents are the Treaty on Friendship, Cooperation, and Mutual Assistance signed on 25 May, 1992 and the Declaration on Eternal Friendship and Alliance signed on 6 July, 1998.

Intensive political contacts are maintained at the highest level. For example, on 9-10 January, 2004, Russian President Vladimir Putin made an official visit to Kazakhstan, and on 17-19 January, 2005, Kazakhstan President Nursultan Nazarbaev made a similar visit to Russia. At the beginning of 2006, Vladimir Putin took part in Nursultan Nazarbaev's inauguration and signed a Treaty on the State Border between the Russian Federation and Republic of Kazakhstan on 18 January.

In Russia's foreign economic relations with the CIS republics, Kazakhstan occupies third place after Belarus and Ukraine, and in Russia's total trade turnover with the Commonwealth states, this republic's share amounts to 15%. Russia's percentage in goods exchange transactions with Kazakhstan is 24.7%, whereby in the structure of Russian export, the leading place is occupied by production of the fuel and energy complex and machine-building. Interregional ties play a significant role in the development of bilateral economic cooperation. Border trade accounts for more than 60% of the total mutual trade turnover.

A key area of cooperation is the fuel and energy complex, including in power engineering (the energy systems of these states operate under parallel conditions), atomic power engineering (joint development of uranium deposits in Kazakhstan), the oil and gas industry (the transit of oil for export through Russia, the purchase and marketing of Kazakhstani natural gas for delivery to the markets of third countries, and the implementation of joint projects for developing hydrocarbon resources of the northern Caspian). Deliveries of raw materials to Russia have increased, including energy resources, ferrous metals, and agricultural products. Eighty to ninety-five percent of the coal, metal ores and concentrates, gas condensate, synthetic corundum, ball bearings, polymers, plastics, and textiles exported by Kazakhstan are sent to Russian, as well as 40-60% of the products from the non-organic chemical industry, machine-building complex, rubber, and wool. The export of grain has significantly risen by more than 700,000 tons. In 2003, Kazakhstan turned from an importer into a supplier of electric power to Russia (4 billion kWt/h), the cost price of which is twice as low as the Russian.

Cooperation is successfully developing in investments. As of January 2006, more than 1,200 enterprises with a share of Russian capital were operating in Kazakhstan. The joint company ZAO KazRosGaz founded in 2000 with the participation of Russia's Gazprom Company is actively developing its activity. The creation of a joint venture with Russia's Joint Energy Systems (RAO "EES Rossii") is being completed, which will work on the basis of the Ekibastuz Hydroelectric Power Plant-2. Bashneft, which has become the second Russian company after LUKoil in Kazakhstan's oil and gas sector, is carrying out drilling work in the south of the Aktiubinsk Region. Russian car factories are also noticeably stepping up their activity, whereby not only in the export of cars, but also in the expansion of assembly production at joint ventures created in Kazakhstan. A 2.6 billion dollar investment project of the Caspian Pipeline Consortium has been implemented.

Russia is using the Baikonur space-launch complex located in Kazakhstan, the rental term of which has been extended until 2050. On the basis of bilateral intergovernmental agreements signed in December 2004 and January 2005, a space missile complex called Baiterek is being created at this

spaceport and work is being carried out to create and launch Kazakhstan's KAZSAT communication and broadcasting satellite.

Delimitation of common borders of more than 7,500 km in length has been completed, and on 18 January, 2005, the presidents of both countries signed a Treaty on the Russian-Kazakhstan State Border in Moscow.

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As for partnership with Kyrgyzstan, its significance from Russia's viewpoint is defined by this state's geopolitical status in a region which is strategically important for the Russian Federation and has a large Russian-speaking population (approximately 550,000 people, 15,000 of whom are Russian citizens). The country's president, Kurmanbek Bakiev, is set for further strengthening bilateral relations, including in the military-political, economic, humanitarian, and other spheres, as well as for ensuring the rights of the Russian-speaking population. He clearly emphasized these intentions during meetings with Vladimir Putin in May in Moscow and in July 2005 in Astana. And on 4-5 September of the same year, Kurmanbek Bakiev made a working visit to Moscow, on the outcome of which a joint program statement by the Russian and Kyrgyzstan presidents was adopted. A corresponding contractual and legal base is being consistently formed. Under the Treaty on Friendship, Cooperation, and Mutual Assistance of 10 June, 1992, more than 100 agreements were signed regulating specific areas of bilateral cooperation.

In 2005, the volume of bilateral trade reached 423,79 million dollars, which is 35% more than in 2004, although its commodity structure did not significantly change. The main articles of Kyrgyz export to the Russian Federation are cotton, tobacco, clothing, glass, sugar, and several types of electric equipment. What is more, at the end of 2003, deliveries of electric power began. The predominant import items from Russia are petroleum products, ferrous metals, lumber, paper, and transportation equipment. An important positive aspect is the gradual expansion of direct commercial ties at the interregional level, primarily with the participation of regions of the Urals and Siberia. Mutual trade is unable to develop more dynamically due to the low solvency of Kyrgyz economic entities, the underdevelopment of payment relations, differences in the regulatory-legal base of these countries regarding taxation, foreign trade activity, as well as in the sphere of financial-credit and fiscal policy, and reorientation of some of Kyrgyzstan's export, such as cotton and rare-earth metals, to other markets.

On a bilateral foundation and within the framework of the Collective Security Treaty Organization (CSTO), military and military-technical cooperation is developing steadily, including with respect to the infrastructure and development of the Russian military base in Kant—the aviation component of the CSTO Rapid Reaction Collective Forces in the Central Asian vector. On 11 August, 2005, an intergovernmental agreement on the status and conditions for the presence of the Russian aviation base in Kyrgyzstan came into force.

Official Bishkek is confirming its interest in expanding cooperation in education, culture, and science. One of the most important factors of the Russian cultural-humanitarian presence in the republic is the Kyrgyz-Russian (Slavic) university which opened in 1993.

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On 25 May, 1993, Russia and Tajikistan signed a Treaty on Friendship, Cooperation, and Mutual Assistance. What is more, over 100 bilateral interstate, intergovernmental, and interdepartmental

agreements have been signed regulating cooperation in the political, economic, military, humanitarian, and other spheres.

The Russian Federation is one of Tajikistan's main trade partners. It accounts for 13.7% of the republic's entire foreign trade turnover. The main problems deterring growth in trade turnover between these countries are difficulties with the transportation of freight across the border and through Uzbekistan and Kazakhstan. The numerous customs barriers and high transportation fees are leading to a significant increase in price of the products being delivered, and in some cases are even making traditional goods exchange economically inexpedient. Along with this, a serious hindrance is the low solvency of the economic entities of both sides, the debts between them, the non-streamlined nature of the financial support system of transactions and treaties, and the underdevelopment of the local banking sphere.

Until Russian President Vladimir Putin made an official visit to Dushanbe on 16-17 October, 2004, Russia essentially did not show any interest in the privatization projects in Tajikistan and was unwilling to create joint ventures. But during this visit, intergovernmental agreements were signed on early settlement by Tajikistan of its debt to Russia by transferring the control systems of the Nurek space area of 250 million dollars to the Russian Federation and investment of the rest of the debt of 50 million dollars in construction of the Sangtudinskaia Hydropower Plant-1. An agreement was also signed on the share of Russia's Joint Energy Systems in this process (the total investments by the Russian side amounted to 250 million dollars). In addition to this, the Tajikistan government and the Russian Aluminum Company signed an agreement on long-term cooperation envisaging this company's participation in the projects to finish building the Rogunskaja Hydropower Plant costing 550 million dollars (the ceremony to launch this work was held in Rogun on 26 September, 2005), to build a new and also modernize an active aluminum plant costing 600 million and 150 million dollars, respectively, and in other areas. In 2005, Russia's Joint Energy Systems and the Tajikistan Ministry of Power Engineering coordinated a plan-schedule for building the Sangtudinskaia Hydropower Plant to be carried out in four years. For this purpose, a joint Sangtudinskaia Hydropower Plant-1 joint venture was created. It was founded by ZAO Inter Russia's Joint Energy Systems with 75% of the shares in the authorized capital and the Tajikistan Ministry of Power Engineering with 25% of the shares. On 15 April, 2005, the official opening of the Sangtudinskaia Hydropower Plant-1 construction site took place. All in all, by the end of 2005, 55 joint Russian-Tajik enterprises were already operating in the republic, and the total amount of Russian investments is to be brought up to 2 billion dollars.

What is more, in May 2003, the Tajikistan government and Russia's Gazprom signed an Agreement on Strategic Cooperation which envisages the organization of geological survey and drilling work at Tajikistan's gas-bearing fields, the development and operation of its fields of blue fuel, and the construction of new and reconstruction of active pipelines. And in December 2004, a Program of Joint Action in the oil and gas industry was signed, according to which as early as 2005, both sides began preparing a feasibility report on survey and research work in the promising gas-bearing areas of Sargazon, Rengan, Sari-Kamysh, and Ialgimzak. At the beginning of 2004, the Resonance enterprise in Ekaterinburg signed a statement on the creation of the OOO Kanimansur Joint-Stock Company for refining "tails" of the Adrasmansky Mining and Enrichment Combine and the Western Kanimansur field for extracting silver and rare-earth metals. The Russian side is willing to invest 3 million dollars in these endeavors.

The Intergovernmental Commission for Economic Cooperation (ICEC) was created which envisages, among its priorities, cooperation in electric power and development of Tajikistan's natural resources. A bilateral working group was formed to analyze questions relating to finishing the construction of the Vakhsh cascade of hydropower stations, and prospects for creating joint ventures and financial-industrial groups on the basis of the Tajik Vostokredmet complex. What is more, within the

framework of the ICEC, sub-commissions on military-technical and interregional cooperation and on interaction in power engineering were formed. The draft of an agreement prepared as early as 2000 on further development of relations between the Russian Federation constituents and administrative-territorial units of Tajikistan is being reviewed, in which the main principles of interregional contacts are envisaged.

On 6 April, 2005, Tajikistan President Emamoli Rakhmonov made a working visit to Russia. During his talks with Vladimir Putin, the prospects for development of trade and economic relations, cooperation in power engineering, and interaction in the border area were discussed. And on 6 October of the same year, both presidents ceremoniously opened the Tajikistan Culture Days in the Russian Federation in Moscow.

Cooperation is also developing in the military sphere. After the interstate treaty of 16 April, 1999 came into force, the Russian 201st Motorized Rifle Division deployed in Tajikistan was transformed into a Russian Federation military base. And in the summer of 2005, Russian border guards transferred responsibility for protecting the Afghan section of the republic's state borders to the Committee for Protection of the State Border under the Tajikistan Government.

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Based on the current special features of its development, Turkmenistan is manifestly distancing itself from Russia by limiting bilateral cooperation to the necessary minimum level for its economy. The country's leadership is still relating with mistrust to everything Russian, believing that the actions of the Russian Federation are not promoting strengthening of the personal power regime, which is obviously the most important thing for official Ashgabad. The presidents of both states discussed the prospects for expanding relations between the two countries during Saparmurat Niyazov's visit to Moscow on 21-22 January, 2006, but there have been no practical shifts so far.

Among the more than 90 interstate, intergovernmental, and interdepartmental documents regulating bilateral interaction, agreements in the fuel and energy sphere dominate. The main one is the Agreement on Cooperation in the Gas Industry of April 2003 which envisages an increase in the export of Turkmen gas to Russia until 2028 and the implementation of joint projects in this sphere. In compliance with the agreement, 4.850 billion cubic meters of blue fuel were delivered to Russia in 2004. In the future, its deliveries are supposed to increase by 70-80 billion cubic meters every year.

After the slight upswing noted between 2003 and the beginning of 2005 generated by the implementation of projects in the gas sector, economic relations have been declining, with the exception of a contract costing 13 million dollars for modernization by St. Petersburg's OAO Power Machinery of the energy equipment at the Mary Hydroelectric Power Plant. This work has already begun. Other large-scale initiatives of Russian business have ground to a halt. For example, referring to insufficient funds, Ashgabad has put off indefinitely a contract entered with OAO Vyborskiy Ship-Building Plant to build the Ekerem port on the Caspian, although the Russian company drew up and presented all the project documents to the customers. The question of the Turkmen side paying its debts to several Russian companies for goods and services delivered has still not been resolved. What is more, the republic has not responded to the proposal by Russia's economic entities on mutually advantageous partnership. All the accumulated problems have led to a decrease in bilateral trade turnover. In 2005, it amounted to 375.5 million dollars, which is 3.5% less than in 2004.

Negative phenomena are becoming aggravated in Turkmenistan's economy and finances, the situation in these spheres totally depends on the export of energy resources. According to the evalua-

tions of foreign experts, more than 50% of the country's population lives below the poverty line, unemployment reaches 30%, and in the unfavorable northern and northeastern regions to 70%. Against this background, social apathy is rising, and drug addiction, alcoholism, crime (primarily among young people), and infectious diseases are becoming increasingly widespread.

But the most distressing problem is the status of Russian-speaking citizens in Turkmenistan. And although the republic's president, Saparmurat Niyazov, halted implementation of a decree on the mandatory choice of one citizenship, either Russian or Turkmen, official Ashgabad is delaying making a decision on continuing the talks with Russia on this topic.

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Recently, relations have been successfully developing between Russia and Uzbekistan. For example, during Uzbekistan President Islam Karimov's working visit to the Russian Federation in June 2005, questions were discussed regarding the fight against international terrorism, the situation in Central Asia aroused by the May events in Andijan, and the current state and prospects for trade and economic cooperation, primarily in the fuel and energy complex. And during Islam Karimov's visit to Moscow in November of the same year, a Treaty was signed on alliance relations between Russia and Uzbekistan.

The Russian Federation, which accounts for approximately 19% of Uzbekistan's foreign trade volume, is its most important economic trade partner. Between January and June 2005, the volume of bilateral trade reached 806 million dollars (39.2% higher than the indices for the same period in 2004). Bilateral relations are regulated by approximately 150 treaties and agreements, including the Treaty on Intensifying Economic Relations for 1998-2007. An intergovernmental commission for cooperation in this sphere has been created, the eighth meeting of which was held in October 2005. But due to the changing circumstances, some of these documents are no longer pertinent. In the context of bilateral cooperation, official Moscow is striving to fill the Treaty on Strategic Partnership between the Russian Federation and Republic of Uzbekistan of 16 June, 2004 with real content, as well as ensure efficient cooperation in such areas as defense, security, and others.

Russian Federation companies are showing more interest in investing in the Uzbekistan economy. For example, as early as December 2002, Russia's Gazprom and the Uzbekneftegaz Company entered an Agreement on Strategic Cooperation. And in the near future, there are plans to sign a production sharing agreement (PSA) which envisages producing 5 billion cubic meters of gas a year at the fields in the republic's Ustiurt Region. Russia's OOO Tekhnik acquired 92% of the shares in the Uzbek Podshipnik Company. In April 2004, the Uzbekistan government and Uzgushtsutsanoat Association signed a memorandum with Russia's OAO Wimm-Bill-Dann (WBD) on attracting investments into OAO Toshkent sut (the Tashkent Dairy Combine). WBD is investing 7.3 million dollars in its modernization, which is to be completed in 2008. In August of the same year, OAO Moscow Telephone Network acquired 74% of the shares in the Uzdunrobit Company, the leading operator on Uzbekistan's mobile phone market with a total transaction sum of 121 million dollars.

In June 2004, a consortium of investors, of which OAO LUKoil and the Uzbekneftegaz Petrochemical Concern are members with a share of 90% and 10%, respectively, signed a PSA with the Uzbekistan government for the development of a group of gas fields, Kandym-Khauzak-Shady. The term of this document is 35 years, the total amount of investments will reach approximately 1 billion dollars and the annual production volume will up as much as 9 billion cubic meters. (In November of the same year, an act was signed on its entry into legal force.)

As of October 2005, 360 enterprises with a share of Russian capital are operating in Uzbekistan, and the representative offices of 66 Russian companies have been accredited, including Zarubezhneftegaz, LUKoil, Aeroflot, Transaero, and others. And several branches of Uzbek banks have opened in Russia, while more than 100 enterprises are operating, including around 70 joint ventures created with Uzbek representatives.

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One of the most important areas in official Moscow's strategy in Central Asia is ensuring national security, which is due to the unprotected state of Russia's southern borders under conditions of the growing transit of drugs from Afghanistan to the CIS republics, to Russia itself, and on to Europe. Along with the bilateral format, cooperation in these areas is also being carried out within the framework of the Collective Security Treaty (CST) signed on 15 May, 1992 in Tashkent by the heads of six CIS states: Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. In September 1993, Azerbaijan joined this treaty, and in December of the same year, Georgia and Belarus signed on. But in April 1999, Uzbekistan, Azerbaijan, and Georgia did not sign the statement on its extension, each stating its own reasons for this refusal.

In May 2002, the CST was transformed into the Collective Security Treaty Organization (CSTO), on 7 October of the same year, a Charter and Agreement on the Legal Status of the CSTO were signed, then all the member states ratified them and on 18 September, 2003, these documents came into force. The CSTO is helping Russia to coordinate collective measures in the fight against international terrorism, the illicit circulation of drugs and weapons, organized crime, illegal migration, and other threats to national security in Central Asia. In order to carry out these tasks, meetings of working groups and consultations of experts are regularly held to assess and analyze the situation in the CSTO's zone of responsibility.

An important step in developing cooperation in the fight against terrorism was the ratification in May 2001 of basic legal documents on the creation of a Rapid Reaction Collective Force Group (RRCFG) of the Central Asian Collective Security Region, their composition and deployment, formation, and functioning procedure. In compliance with the mentioned documents, in the summer of the same year, these subdivisions were formed. They have 1,600 members, one battalion each from Kazakhstan, Kyrgyzstan, Russia, and Tajikistan, a commander has been appointed and a Permanent Operations Group of the RRCFG Headquarters has been created, which is deployed in Bishkek. In 2004, a decision was made on increasing the size of the RRCFG —Kazakhstan, Kyrgyzstan and Russia are to send another battalion each to swell the ranks, and Tajikistan will send two. But prior to this, on 23 October, 2003, an official opening ceremony of the Russian air base in Kant, Kyrgyzstan, took place, which reinforced the aviation component of the RRCFG.

Nevertheless, Russia's cooperation with the Central Asian states in security is developing under difficult conditions. An extremely serious problem in this area is achieving unity among the states of the region themselves. This is aggravated by their differences regarding definition of state borders and unresolved problems relating to the national minorities densely populating their territories who are the citizens of neighboring states. The existence of armed NATO forces in these states is also having a negative effect on the situation in the region. These include the U.S. military bases deployed in Dushanbe and Kulob in Tajikistan and in Manas in Kyrgyzstan. There is a Bundeswehr air base in Termez in Uzbekistan, the infrastructure of which regularly uses airplanes of the Dutch, Belgian, Swedish, Norwegian, Danish, British, French, and Greek armed forces to transport servicemen and freight to Kabul.

During her trips around the Central Asian countries, U.S. State Secretary Condoleezza Rice confirmed the White House's intention not to leave this strategically important region when she spoke at the Gumilev Eurasian University in Astana, Kazakhstan on 3 October 2005. What is more, she stressed that the United States is willing to help the countries extricate themselves from regional self-isolation by integrating into world affairs, thus ensuring the possibility of drawing up their own political and economic strategy independently and freely, without a backward glance. In her opinion, it would be ideal to direct integration processes toward South Asia, include Afghanistan and Pakistan in them, and build a bridge over the Caspian and Southern Caucasus with direct access to Western Europe. In this event, Central Asia, according to her, could become a true crossroads of strategic commodity and financial flows and an economic magnet. Condoleezza Rice also spoke about retaining America's presence, including military, in the region on 11 October in Bishkek. In so doing, she insisted that a "race of interests" should not be set up among the different countries in Central Asia, where there should be enough room for everyone.

After the Americans withdrew their military contingent from the air base in Khanabad in November 2005 at Tashkent's request, the military base in Manas, Kyrgyzstan, occupied the leading place in the U.S.'s Central Asian group, where 3,000 of its soldiers and military hardware are stationed. A large amount of technical airfield, navigation, reconnaissance, and search-and-rescue equipment has been moved there, including helicopters; military cargo planes, electronic warfare planes and unmanned reconnaissance airplanes are located at the rented airfields. From the operative and strategic viewpoint, these facilities make it possible to control the entire region, including Afghanistan's air space, as far as the Indian-Pakistani border. The western regions of China and Kazakhstan's largest cities are also in the target range of U.S. fighter planes.

During the above-mentioned visit, Condoleezza Rice insistently emphasized that the U.S. bases in Central Asia are control points for the coalition forces, by means of which it is possible not only to ensure participation in the Afghan operation, but also resolve other questions, for example, in combating the consequences of natural disasters, and rendering medical and other humanitarian assistance. She defined the time the White House's military contingents would remain in the region very vaguely—until the end of the operation. But other official U.S. representatives have repeatedly admitted that Washington does not intend to withdraw from Central Asia, since it must increase its constant support of democratic institutions, local nongovernmental organizations, and independent mass media.

Official Moscow's stance regarding the U.S. military presence in Central Asia is ambiguous. Of course, Russia does not welcome the prolonged presence of NATO military contingents in a zone of its strategically important interests with respect to ensuring the Russian Federation's national security. Nevertheless, considering the threat of terrorism coming from Afghanistan as the most dangerous, the Kremlin believes that it and the White House have common goals in the region, and there is a sufficiently broad field of interaction with the Central Asian countries and other states of the international antiterrorist coalition for reaching them. Therefore, to intercept the drug threat coming from Afghanistan, Russia is interested in maintaining direct working contacts with NATO in this region. This kind of cooperation promotes the fight against terrorism, the spread in weapons of mass destruction, and drug trafficking.

What is more, according to Russia, the most promising area for strengthening security in Central Asia is multifaceted economic relations and the creation of a regional common market capable of putting an end to mass poverty. Carrying out these vitally important tasks will help to form effective democracy in the Central Asian states, as well as make a significant contribution to ensuring their civilized development. The local elite welcomes this policy, at least in words. But the implementation of integration projects is being detained by the above-mentioned struggle for leadership in the region between Kazakhstan and Uzbekistan, rivalry among the family clans in essentially every Central Asian state, and several other reasons. In this respect, it should be noted that until recently two very similar

structures functioned in the region—the Central Asian Cooperation Organization (CACO) and the Eurasian Economic Community (EurAsEC). Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, without Russia, belonged to the first, and the same states (apart from Uzbekistan), Belarus, and Russia were members of the second.

In order to avoid this extremely expensive duplication, Russia entered the CACO in October 2004 and actively worked on specific proposals to unify the integration process. What is more, an analysis of the region's economic problems confirmed that not one of the major projects drawn up via the CACO—hydroelectric, transportation, food, and so on—could be put into practice. First of all, there are no mechanisms in the Organization for executing the adopted decisions, and second, implementation of these tasks is being hindered by the already mentioned struggle between the Uzbekistan and Kazakhstan presidents for supremacy in the region. In order to breathe life into the CACO projects, the Russian Federation suggested resolving the problem of hydroelectric regulation as the first step by creating a joint working group with the EurAsEC for drawing up a coordinated mechanism for monitoring the efficient use and development of the resources of the Syr Darya and Amu Darya river basins. What is more, even prior to this, on the basis of decisions adopted in April 2003 on joint measures to build hydroelectric facilities in Tajikistan and Kyrgyzstan, the heads of the EurAsEC states coordinated questions of joint financing of this work—building the Sangtudinskaia and Rogunskaja hydropower plants in Tajikistan, and the Kambaratinskaia Hydropower Plant-1 and Hydropower Plant-2 in Kyrgyzstan.

Along with this, Russia proposed eliminating duplicated functions in other areas of the CACO's activity. A logical conclusion to this RF policy was the initiative on uniting this organization with the EurAsEC put forward by Russian President Vladimir Putin at the CACO summit on 6 October, 2005 in St. Petersburg. Incidentally, the participants in the summit unanimously approved this proposal. And at the next meeting of the heads of EurAsEC states on 25 January, 2006 in St. Petersburg, all the necessary formalities were coordinated. They primarily concerned Uzbekistan, since the other CACO participants are already EurAsEC members. In this way, a common international regional economic organization was created of which Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan are now members, with Ukraine, Moldova, and Armenia assuming the status of observers. This move should promote a revival in cooperation among the economic entities of Central Asia. In recent years, a free trade zone, without exemptions, has been created in the EurAsEC. With the formation of the Customs Union, an agreement is being carried out on unified measures of non-tariff regulation, and several international legal acts have been adopted aimed at conducting a coordinated customs policy and forming a common customs territory. The work of the EurAsEC is being carried out within the framework of the Priority Areas of EurAsEC Development for 2003-2006 and Subsequent Years approved by the heads of the member states. A schedule indicating the specific time limits for implementing the planned measures is appended to this document.

What is more, Russia and the Central Asian states are continuing to focus particular attention on further strengthening relations within the Shanghai Cooperation Organization (SCO), to which Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan belong. Its growing authority, due to practical cooperation in trade and economic, scientific-technical, humanitarian and other spheres, has drawn the attention of several other major Asian states. In particular, India, Iran, Mongolia, and Pakistan obtained the status of observers in the SCO in 2005.

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Implementation of the Central Asian vector of Russia's foreign policy largely depends on the extent to which official Moscow is capable of helping its partners efficiently resolve their economic

problems. As we have already noted, the most important ones are as follows: hydroelectric, transportation, food, unemployment, migration, ensuring national security (fighting crime, the drug threat, and terrorism), humanitarian (including secular education), and so on.

Based on the new geopolitical and geo-economic realities in the region and the shortage of resources, Russia must clarify its goals in it by adjusting its long-term strategy of action and the priorities for carrying it out. In so doing, the growing differentiation of the Central Asian republics should be kept in mind, as well as the potential conflicts in interests between the Russian Federation and other economic and political players, particularly the U.S., European Union countries, and China. The main format for implementing the Kremlin's strategy will apparently continue to be bilateral cooperation. Its goal is to activate economic relations in different forms, bilateral and multilateral, and at different levels, government and business. It also aims to gradually increase the degree of mutual dependence of economic structures, which will make it possible to create favorable prerequisites for transferring later on to closer integration forms of economic relations. Along with this, it is necessary to encourage border and interregional contacts, create joint ventures, and involve Russian private capital in carrying out pilot projects in Central Asia. With respect to certain commodities, primarily fuel and energy, it is expedient to consolidate positions on the foreign markets, reinforcing this process with corresponding interstate and intergovernmental agreements stipulating a special mechanism for production cooperation, such as privileged delivery conditions for cooperation production. And relations with partners should be built on mutual openness and willingness to take each other's interests into account.

In the multilateral format, the goal of Russian strategy should become the formation with participation of the Russian Federation of a regional economic group, and in the most desirable final version, the creation of the confederation on the basis of an economic and currency alliance, along the lines of the European Union, for which it is necessary to ensure more efficient participation of the Central Asian states in integration processes within the EurAsEC and the CSTO.

A significant, but still untapped, reserve of Russian foreign policy in Central Asia is the human rights sphere. Its potential can be realized by targeted financing of the nongovernmental institutions of a civil society advocating a real advance in democracy in the region and the protection of human rights. When carrying out these tasks, it is expedient, following the example of the U.S. and several EU countries, to create a special fund by involving federal budget resources to support the development of democracy and strengthen the sovereignty and independence of the CIS states, as well as several public funds which would finance work with the states of the region in the human rights sphere. Resource repletion of foreign policy in this area would make it possible to protect the rights and interests of Russian compatriots, and strengthen Russia's linguistic, educational, cultural, and information presence.

In relations with other economic and political players, particularly the U.S., the European Union countries, and China, it is important to follow a rational and clear foreign policy in order to prevent Central Asia from turning into a new battle field. And the most dangerous scenario of development for Russia is destabilization, the collapse of the current secular regimes in the region's republics, new interstate conflicts on their territory, and the rise to power of regional extremists.