

# **CENTRAL ASIA IN US STRATEGIC INTERESTS**

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*Submitted by:*

**Khekato Aye**



**CENTRE FOR RUSSIAN, CENTRAL ASIA AND EAST EUROPEAN STUDIES  
SCHOOL OF INTERNATIONAL STUDIES  
JAWAHARLAL NEHRU UNIVERSITY  
NEW DELHI - 110 067  
INDIA  
2001**



# JAWAHARLAL NEHRU UNIVERSITY

SCHOOL OF INTERNATIONAL STUDIES  
NEW DELHI - 110 067

Centre for Russian, Central Asian &  
East European Studies

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## CERTIFICATE

This dissertation entitled "**Central Asia in US Strategic Interests**" submitted by **KHEKATO AYE**, Centre for Russian, Central Asia and East European Studies, Jawaharlal Nehru University New Delhi, for the award of the degree of **MASTER OF PHILOSOPHY**, is an original work and has not been submitted so far in part or in full, for any other degree or diploma of any other university.

This may be placed before the examiners for the award of the degree of the Master Philosophy.

Shams-Ud-Din

(Supervisor)

S.K. Jha

(Chairperson)

18/7/2001

Chairperson  
Centre for Russian, Central Asian  
& East European Studies,  
School of International Studies,  
Jawaharlal Nehru University  
New Delhi - 110 067

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# CHAPTER ONE

## Introduction

The year 1991 was a momentous year. The disintegration of Soviet Union in 1991 was a historical event which had international repercussions. It marked the end of an era of cold war and ushered in a new international dispensation, a period that is referred to as the Post Cold War. On the other hand it led to the emergence of new independent states in Central Asia and Eastern Europe. The heartland of international communism for once was fragmented into fledgling states which at large found themselves exposed to the realities of sustaining themselves as states and the consequent challenges and obstacles from both within and without.

This introductory chapter provides a bird eye view of the Central Asian states. For clarity and understanding, it has highlighted the brief history of the emergence of the newly independent states of Central Asia. It also gives a brief description of the present situation in these new states and the emergence of a “new great game” politics in the region.

The term “Central Asia” usually refer to the whole or any part of an area that extends from the Kipchak Steppes of Central Russia to the Great Wall of China. However, in this study, Central Asia is rather used in a restrictive sense. It refers to present five independent states of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan which were political units of the former Soviet Union.

The States of Central Asia were brought into the Russian fold largely during the second half of the nineteenth century. They were previously conquered partly for traditional reasons of security, and for protecting the open Southern border of the Steppe and desert. Besides, there were also economic motives at play. There was

pressing need for a secure supply of cotton at a time when the American Civil War threatened the supply from across the Atlantic which in a way open up opportunities for Central Asia's raw materials and markets. Above all, Russians felt the need to show up its great power status by means of military success after it faced the humiliation of the Crimean War and in a way ambition of local Generals ensured that military solution were sought for problems which might otherwise have been settled by diplomatic means<sup>1</sup>.

In simple words the thrust of imperial policy in Central Asia was economic and security rather than social and cultural assimilation. Russian Empire, then had in a way essences and semblance's of what is usually called as colonies in these outlying region. The status differed from that of other parts of the empire in several ways. Its inhabitants were known as *Inoroditsy*, it implied an alien and inferior political status, which was not applied elsewhere in other Russian region. The whole territory was not even fully incorporated into the empire. The *Khanate of Khiva* and the Emirates of Bukhara remained nominally sovereign as protectorates bound to Russia by one-sided treaties, which included them in the Russian customary union<sup>2</sup>.

By the late 19<sup>th</sup> century, Russia had conquered the last independent Khanates nomadic lands of Central Asia. After the break up of the Tsarist Empire, Central Asia was included into the Soviet fold from 1918 onwards. Authoritarian Communist Party rule was aggressively imposed resulting in massive loss of life from collectivization, so called purges and famine. The disintegration in 1991 caught these republics by surprise and their new found independent identities caused more of uncertainties and confusion for the leaders as well as the peoples. They quickly demanded that the new

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<sup>1</sup> Geoffrey Hosking. "Russian Empire. How and why." *Russia-People, and Empire 1552-1917*. Harbers Collins Publishers 1997, P.38.

<sup>2</sup> *Ibid.*; pp. 338-339.

States be included as equal partners in the Slav-formed commonwealth of Independent States to acquire a sense of collective security for existence, and were subsequently admitted on Dec 21<sup>st</sup>, 1991<sup>3</sup>.

The collapse of the Soviet Union in 1991 has led to the creation of five independent States in Central Asia. These new States of Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, Tajikistan, borders Russia in the north. China in the eastern flank, Middle East to its southwest and South Asia on the Southeast. Majority of the people of these States speaks Turkic language and are mostly Sunni Muslims; Tajikistanian speak an Iranian language and some are Shiia Muslims. Most Central Asian peoples have closely related historical and cultural affinity.

The strategic significance of the region is derived from the fact that Central Asia borders two great powers of China and Russia out of seven Nuclear States of the World, including India and Pakistan as new entrants. It also finds itself at the crossroads of different regions and states big and small forming the Asian heartland. With the completion of the popularly conceived Trans-Asian Railways project, and the developments of roads and air communication, the geo-strategic trade and economic significance of Central Asia will rise further; for it will start to serve as a land route for considerable cargo flows from Asia and the Pacific region to Europe and West Asia, as well as from West to East.

The creation of the new independent States in Central Asia and the Caucasus has led to the developments of a new field of study for Scholars and research analysts. Political analysts and policy makers unlike the earlier "Soviet nationality" studies deal with the new politics largely revolving round the natural gas deposits in the region

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<sup>3</sup> Jim Nichol: "Central Asia New State, Political Development and Implications for US Interests" Foreign Affairs, Defense and Trade Divisions. March 31, 2000.

and its possible impact in the sub-continent, and the world at large. A notable break with past research was inevitable given the scale of the changes that has led to the current focus on the Caspian region. The first is the emergence of independent States in Central Asia and Caucasus; and, the second development has been the evolution of partnership between some of these new States and foreign oil and gas companies partnership driven by the shared objective of producing and exporting the hydrocarbons of the Caspian Sea basin. As one begins to address the issue of volatile politics and international speculation in Caspian oil and market, the zone of interest expands dramatically in all directions, stretching from China in the east to the Black Sea to the West and from Russia in the north to the Persian Gulf in the southwest. The literature on Caspian energy in this way replaces a conceptual map based on Soviet era with a new political geography for the region that is driven by oil.

Today, Central Asia has been placed at a significant position in international politics because of its abundant natural resources – particularly hydrocarbons. It is estimated that oil deposits in the region could be as high as 200 billion barrels, second only to the Middle East. The natural gas deposit could be 8000 billion cubic meters, only less than those of Russia and the Middle East. According to the United States department report, released in 1997, the petroleum and natural resources could be converted into 4000 billion U.S. dollars. Besides, this region is also rich in iron, copper, lead, chromium, gold and other non-ferrous metals, and rare metals. For instance, uranium deposits in Tajikistan stand for one seventh of the total uranium deposits in the world. It becomes more and more obvious that in the light of the declining petroleum and natural gas resources in the Gulf region, the anxiety on who controls this two kinds of strategic resources in Central Asia to dominate the international energy market in the 21<sup>st</sup> century becomes more pertinent, and to the



extent of even controlling the economic lifelines of some countries. As one of the few regions of the world that contains abundant unexplored natural resources, Central Asia accordingly has an added strategic importance<sup>4</sup>.

The Caspian Basin happens to lie near the center of a huge area, that in 1991 it became an almost overnight world's most important and contentious geographical no-man's-land. With the collapse of the Soviet Union, Central Asia and the South Caucasus emerged from direct subordination of Moscow for the first time after more than a century. This geographically vast and culturally diverse area was suddenly opened to geographical competition from all sides. The independence of the region's weak, uncertain and fragmented new States is visibly still fragile, and neighbouring countries, China, Pakistan, Iran, Turkey, Ukraine and, of course, Russia cannot help but be interested and involved in its future, oil or no oil. Nor the US can afford to ignore Central Asia and the Caucasus as it continues to define its role for more so image as the one remaining super-power. From the international relations perspective, the Caspian energy rush is most significant as a playing field in which different States are trying to position themselves favourably in the new power balance in the region to replace the previous Russian hegemony.

The New Central Asian region is witnessing an increase in diplomatic activity, which, some scholars have termed this as the "New Great Game" in Central Asia. However, this new great Game is primarily about the oil and natural resources. Russia is also strengthening its economic and military ties with all countries of the region. For Russia, Central Asia remains to be seen as a part of its "near abroad;" a natural sphere of influence in which Russia has strategic as well as political interest.

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<sup>4</sup> Ma Jiali: "Central Asia Geo-Strategic Situation and Big Power Politics". *Contemporary Central Asia*. 3(1); April 1999, pp.39-46.

Politically, it has to compete with other influences particularly those from the Muslim world. Strategically, Russia's disengagement from Central Asia to a large extent will expose the region to a vulnerable 'outside' interest, which expresses tendencies to rapidly fill its strategic vacuum. The new thrust of Russia's foreign policy has to deal with persuasive economic dependence of Central Asian States on Russia. Similarly, Central Asia also continues to be central to Russian's policy in the sense that Moscow relations to Central Asia are one of the best indicators of its foreign policy intention vis-à-vis militarily, economically and politically to the outside world at large.

In case of China's too, involvement with Central Asia is multi-dimensional, albeit of certain nature. It had expressed its great concern with the new developments in the region because of its geographical proximity. China sees the new geographical landscape of Central Asia as a mixed blessing. Three out of five successor States of former Soviet Union have contiguous border with China; their Independence has drastically undermined China's previous common border with Russia, especially in the North West of China. It has also created a large buffer zone between China and Russia. Moreover, the independent States in Central Asia provide China's blooming exports with a ready-made market. China's flourishing trade with Central Asian States has made her a significant partner outside the CIS framework.

It is seen that political instability and ethnic tension in the newly independent Central Asian States threatens to spill over into China's Xinjiang Uighur Autonomous Region in the North-West, which is most vulnerable to the influence of ethno-nationalism and radical religious movements such as Islamic fundamentalism. This vulnerability comes from single fact of ethnic diversity in Xinjiang. The shared religious belief, cultural and common cultural heritage with their kin in Central Asia still retain a powerful internal threat to China's sovereignty. However, any ethnic and

separatist tendencies in Xinjiang are regarded as threatening to China's national security and territorial integrity, particularly, only when it is seen to have some input of outside influence. On top of that, China has to settle its territorial disputes with the new States. The challenges to China is that it has to come to grip with the dynamic changes in Central Asia and at the same time to develop a coherent foreign policy to deal with the region.

Meanwhile, different powers both big and small as well as regional groupings have over the years shown special interests of varying nature in Central Asia. The United States, Germany and Turkey are implicitly showing their interests through economic investment, military cooperative initiatives and full diplomatic representation. The European Union, experienced in implementing large economic and humanitarian programmes in the region, is working hard to present itself as a significant political partner. Parallel to these, NATO is for the first time, attempting to influence its presence directly beyond the Ural Mountains through the participation of Central Asian countries in the North Atlantic Cooperation Council (NACC) and Partnership for Peace (PFP). With popular diplomatic initiatives in the region. Iran, too, wants to gain grounds, its harbors in the Persian Gulf are proposed as the best route for the shipment of goods and raw materials to and from Central Asia.

All these mentioned actors consider that they have legitimate interests to defend in Central Asia, which has the propensity to coincide. However, the threat of potential and negative consequences of ethnic turmoil in the post Soviet order is at greater risk with different external actors' hard bent to entrench themselves in the region for one reason or the another. All foreign countries involved in Central Asia are making important investments in the energy sector, necessitating international agreements concerning the transport routes westwards. Having gained full political

sovereignty, the Central Asian governments perceive the involvement of these various States and international institutions in their region as one of their basic guarantees for their stability, independence and economic development. They also use foreign policy as a maker of differentiation in their relations with the world community. Competition between geographical interests, and perception of all regional and non regional States, will necessarily not lead to any open conflict but may make it more difficult to resolve basic security clashes in the economic and military spheres.

These new States 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 and political autonomy in world politics. This study also attempts to trace the importance of the new forces unleashed with the advent of these States by focussing on the struggles around energy and security issues involving them. These will have significant impact upon the security formula in 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 and in these regions. The United States' policy in this region includes fostering stability, democratization, free market economy and trade, the denuclearization in the Non- Russian States, and adherence to international human rights standards. This is supplemented by another US priority that is discouraging attempts by radical regimes and groups to block or subvert progress towards achieving these goals. US foreign policy is directed with the aim of integrating the Central Asian countries into international community so that they follow responsible security and other policies, and to discourage xenophobic and anti-western orientations that threatens regional and international peace stability.

Since mid-1990s the US has strengthened its “New Central Asia Strategy” by making use of all sorts of measures. The target for these new strategies is to consolidate its status as the sole super power, to restrain Russia in the North, to guard against Islamic world in the South and to contain China in the East. The US has increased its economic assistance and investment in Central Asia. The US is also taking advantage of Central Asian Countries weaknesses: common economic difficulties and their psychological eagerness of acquiring wealth through the oil and gas resources .The US has lured the Central Asian States with capital investment and compelled the latter to adopt democratic institution in Central Asia and, also, by providing the youth in the region with opportunities of studying abroad in order to foster a pro-US and pro-West social base.

The US has also increased cooperation with the Central Asian countries in the military and security field in the region, being concerned with the rise of China, the possible re-vitalization of Russia, and the existing existence of Islamic activities. The Central Asian countries too have responded equally well to the tune of US by exhibiting a common willingness to conduct joint military co-operations. By taking advantage of these mindsets the US led NATO has succeeded in establishing “peaceful partnership” with Kazakhstan, Uzbekistan, Turkmenistan, Kirgizstan, Georgia and Azerbaijan. Other military cooperation includes constituting the “Central Asian Peace Keeping Forces” (CAPKF) with the participation of troops from Kazakhstan, Uzbekistan and Kirgizstan, and conducting a joint military maneuvers with some other Central Asian countries.

Today, US and many Western countries are striving to acquire interest in oil exploration, refining and processing in the Caspian Basin through their MNC's, while Russia wants to retain its hold over joint oil exploration. There is also an open

competition between the big powers for new trade routes. The opening and development of new routes undermine the monopolist's hold enjoyed by Russia and, therefore, it sees the opening of new routes as the source of penetration of Pan-Turkish and pan-Islamic concert in Central Asia. However, as of now, there is no Islamic concert in Central Asia. On the contrary, there is fierce competition among the neighbouring Muslim countries, namely Iran, Pakistan, Afghanistan, and Turkey for alternate routes and influence building in the region. Once again Afghanistan is becoming an important target of the new great game. The presence of transitional communities in the form of Central Asian nations and the legacy of Soviet occupation has further complicated the nature of these new games, but essentially it is concerned with low politics.

Though the US interest in Central Asia is multi-dimensional the whole policies revolve round economic interest, in its proper analysis. The control of oil is visibly the US prime foreign policy objective as it helps to establish its hegemony in the world. In the name of accessibility to oil at a reasonable price, the US government has even justified the possibilities of extending direct control of oil by even sending its troops if the need be. Caspian oil provides US important opportunity to enhance its capabilities and to manipulate its domestic oil industries and, also, to keep its natural oil reserves home at bay. It is argued that US interests in Caspian oil are largely influenced by the rapid and uninterrupted developments of friendly market emerging from the Caspian Sea regions, so as to reduce its dependence on the Persian Gulf sources of oil. At the same time, this trend enables the containment of Iran-Islamic fundamentalism and restraint of Russia's expansionist tendencies, thereby creating export opportunities and jobs, and nurturing pro-Western and Democratic States with market oriented economies. The existence of unexplored hydrocarbon of world's

significance and ambitious plans for the development creates pre-requisites for transforming Central Asia's sub-region into one of the nerve centers of world policy over the next ten to fifteen years.

Apart from political economy, it is to be seen that in the first year following the collapse of the Soviet Union, Islam and the feelings of ethnic identity were practically seen to be one and the same. The beginning of the Islamic renaissance is connected with the growth of nationalism and a slowly growing awareness among the intelligentsia that was reflected in the rebirth of Islamic traditions. It was precisely at this time that the people of Central Asia developed a strong desire to become a free nation, a religious and cultural community, and not a part of the Soviet people.

The Central Asian leaders such as president Karimov of Uzbekistan, Niyazova's of Turkmenistan and Nazarbayev of Kazakhstan had tremendous faith in their own strength and hopes for a massive aid from a foreign countries rather than relying on Russia. The president of Turkmenistan places paramount importance on his seemingly inexhaustible hydrocarbon resources, and dreaming of turning his country into a second Kuwait. The case of Uzbekistan is less straight forward, based on the intensive development of complex links with many different, western and eastern States, and also on the intention of playing a similar role that was played by Tunisia in the 1960's or even that of Turkey in Central Asian today. It is to be noted that today Central Asia has distanced away from Russia largely because of religious differences, and Islam is one of the most important factors in widening the cultural and psychological gap between the two largest civilization enclaves of the former Soviet Union. The reorientation of the historical memory of the indigenous peoples is among the other factors, they in retrospect have developed a sense of being conquered by Russia and themselves been rendered as subject to stay under it.

The increase in cultural distance is particularly felt by the indigenous Russian intelligentsia, especially the writers and artists who are beginning to realize that their art is becoming an archaic, that is the property of the past. A growing ethnic consciousness, which was ignored, if not suppressed under Soviet rule, is also helping to discourage closer links to Russia. This is now becoming one of the leading factors not only in public opinion, but also in the official ideology of the Central Asian countries. Similarly, those creating the new Independent States that their historical predecessors forcibly suppressed them within the Russian Empire feel national sensibilities more keenly<sup>5</sup>.

This process of turning away from Russia is being directly confirmed by the growing wave of immigration from central Asia by the Russian speaking population who, judging from their experience, sensed a sudden increase in ethno-cultural distance, particularly between the Slavic and indigenous populations. Thus it is seen that Russia's social cultural influence on the region is on the verge of decline.

In retrospect, throughout the Cold War, the landlocked Central Asian States remained isolated subjects of the Soviet Empire. Their emergence as independent States ended a long period of Russian domination and initiated a traumatic transition period characterized by serious problem in the new States. The Central Asian States are struggling with the legacy of the Soviet era. For the past six to ten years or so, the countries of Central Asia have changed drastically, advancing in some areas and regression in others. This process is furthered by the polarization of the region's various groups. Although the Central Asian republics have common history, each State has its own model for its future development. The 55 million people in this

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<sup>5</sup> Bruno Coppieters et. al., "Central Asia Region in a New International Environment," in *NATO Review* 44 (5), September 1996, pp. 26-31.



region are now confronted with several problems, which could threaten regional security, in that, with or without the development of gas and oil exports, the region is likely to remain fragile in the near future.

The Central Asian states are faced with multiple problems such as the rise of Islamic Extremism which emanates from the neighboring countries and spilling into their territory, thereby, threatening peace and stability in the region. Besides the above stated problems and issues, there are also issues of concern about the rising crime, corruption, terrorism drug trafficking, smuggling of arms and proliferation of weapons of mass destruction. Moreover, they are faced with common domestic problems, such a management of water resources in a scarce and land locked region.

The militarized conflicts near the borders of the newly independent states have serious security implications. The Central Asian countries have interminable territorial disputes with each other. Borders that have been determined during the Soviet Union period are mainly conventional, and some districts have been transferred from one republic to another for several times. The problem of mass migration and refugees has also become a major threat to instability in these regions. Due to unstable conditions within these States and Afghanistan, the influx of refugees has become a serious challenge for the Central Asian States. There is also an increasing ecological catastrophe due to the drying out of the Aral Sea and the Balkhosh Lake. The industrial output is declined, resulting in the food shortages in some States. This in turn, is increasingly dependence on foreign sources of food, especially in the case of Kyrgyzstan.

Lack of information and connectivity is another important factor, which prevents the central Asian States from charting close partnership in various economic, cultural and political spheres. Some of the States in this region have a relatively free

press whereas others exercise tight control over the press. In fact, communication space is also fragmented. Most of the information of Central Asian States comes mainly from Moscow. The Central Asian States suffer from a lack of information about their region. This region is also witnessing a decline in living standards of the people coupled with their deterioration in the educational system, literacy and qualification of workers. Moreover, the States are not in the position to execute their administrative functions and fulfill social responsibilities in the educational and public health domains. One witness open corruption and non-professionalism and withdrawal of the States from social obligations.

The economic, political, and public life of the Central Asian States was heavily dependent on Moscow. The current chaos of ethnicity and identity is the legacy of the Soviet era. With the disintegration of the Soviet Union, the Central Asian States for the first time faced the necessity of real cooperation with each other beyond Moscow's control. Their ties with each other, however, remain fragmented. The geographic independence of the Central Asian States necessitates cooperation to resolve water and land disputes, internal migration, and many other concerns. According to official sources, relations among the Central Asian States are flourishing. However such collaborative effort are in the purview of top officials, where the rest of the government establishment, as well as economic and cultural entities, are not involved. As a result, regional cooperation attempts typically has an official façade, concealing the isolationist at the top levels of State decision making and the resultancy growing this integration. It is to be seen that the Central Asian States are trying to depend on each other at a time when numerous common problems are reinforcing the need for integration and cooperation in the region. In the current

situation, the dynamics of the Central Asian States imply common consent, negotiation and accord<sup>6</sup>.

Central Asia which was organized into five republics, and continued in the same form as successors States of the Soviets disintegration. This could be construed as the most important contribution of the Soviet States, which created nations out of proto-nations and even clan, tribal and nomadic identities. However, the consolidation of national identities were still incomplete when the Soviet State disintegrated, and as a result many of these newly independent States are still grappling with sub-National identities that threaten some of these news Sovereign States.

Similarly, economic conditions and democratic developments effect inter-ethnic relations. On both these counts Central Asian States have encountered serious difficulties. The collapse of the former Soviet Center deprived this region of huge central subsidies as well as captive market for their products. Though some of these republics are endowed with oil and gas, they neither possess the technology nor capital to extract and process this resources. The Common Wealth of Independent States (CIS), which consist of eleven republics of former USSR, is still the largest trading partner, though relocations with other countries have started to improve and foreign investment has come in. All the Central Asian States have taken steps to strength their transition to market economy; they are at various stages of privatization, an important element of that process. For example, in 1997, the share of private sectors in (Gross Domestic Product) GDP was 55% Kazakhstan and 60% in Kyrgyzstan while it was 45% in Uzbekistan and only 20% and 25% in Tajikistan and

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<sup>6</sup> Meena Singh Roy, "Russia and Central Asia: Problems and Prospects," in *Strategic Analysis*, Vol. XXV, No. 3, June 2001, New Delhi, pp. 451-64.

Turkmenistan respectively. Similarly in the former two States price subsidies has mostly been withdrawn.

With the supply distributed from other CIS States and their economies been in equally critical shapes, dependence on those States was essential, although it was not very rewarding for Central Asian Countries in the initial years after Independence. In any case not all the States of the region are endowed with rich natural resources, and countries like Kyrgyzstan and Tajikistan does not into the same league as other oil and gas-rich Central Asian neighbours. Turkmenistan has almost one half of the proven gas reserves of the Central Asian regions and became the fourth largest exporter of gas in the world at the beginning of the nineteen-nineties. Uzbekistan was the only other net gas exporter. Kazakhstan, the only Central Asian net exporter of oil, has 85% of the region proven oil reserves and was the second largest oil producer of Soviet Union of the Russia and also provided one-fifth of the USSR's coal. This was the only republic in the region where agricultural employment was below industrial employment during the Soviet period, with a strong industrial sector.

Nevertheless, all the countries of the region faced sharp deterioration in growth performances. During 1992-96, real GDP declined on an average by 37% cumulatively, though it varied from 16% in the case of Uzbekistan to 60% in Tajikistan. However, positive growth truants have been visible since then, though they are still not out of their red and some of them have incurred heavy foreign debts. Some countries like Kazakhstan and Kyrgyzstan were badly hit by during the August 1998 financial crisis in Russia, which affected their exports to Russia and other neighbouring CIS States. The total external debts of the Central Asian States between 1992-98 increased nearly seven fold, reaching \$10.5 billion by the end of 1998. This too was from a non-existence basis at the time of their Independence, since Russia

undertook foreign trade liability of the former USSR. The debt to GDP ratio has grown from 74.4% to 109% in Tajikistan, from nil to 63.9% in Turkmenistan. Only Kazakhstan managed to bring it down from 43.2% to 20.6%. In the case of Uzbekistan, though it increased from 3.1% to 17.6%, it was within reasonable limits. While Tajikistan suffered immeasurably from a long and bloody civil war, the external debt of Kyrgyzstan and Turkmenistan are likely to create serious problems for their economies in the future.

Inflation is still high although it has been brought down dramatically from high levels. For example, Kazakhstan, whose inflation rate was more than 29.62% at the end of 1992, had brought it down to 11.3% by the end of 1997. Foreign Direct Investment has steadily grown over the year, from \$120 million in 1992 to more than \$7.6 billion by the end of 1997. But the bulk of it, \$5.7 billion or above 76% had gone to Kazakhstan mainly due to investment in the oil sector. While the economies of the countries of this region have become more or less stabilized, after near total destruction in the beginning of 1990's, the social sector is still in bad shapes and can create social and political unrest until urgent steps have been taken. Unemployment, both official and disguised, are at a high level. Real wages plummeted and, barring Uzbekistan, where it was more in 1997 compared to the beginning of 1993 and Kyrgyzstan, where it was roughly the same. Other States had registered a significant drop.<sup>7</sup>

The defence and security partnership with the Russia is also based on the realization that armed conflicts in and among some successor States could spill over to other States. Violation of external frontiers of one State creates security problems for some others. The Tashkent agreement of May 1992 by six member States for

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<sup>7</sup> Ajay Patnaik, "Central Asia Since Soviet Disintegration" *World Focus*, August 2000;pp3-6.

Collective Security underlined the need for greater defence integration. Russia, Armenia and all the rest of Central Asian States, excepting Kyrgyzstan, were signatories to the agreement. The concept of Collective Security, adopted at the Bishkek summit in February 1995 and subsequently strengthened by the rectification of a Collective Security Treaty by nine CIS member States, envisaged a common military and economic space.

Kazakhstan is actively searching ways for political and economic integration with Russia. Initiatives in this direction include the idea of a Eurasian alliance, and in the economic sphere, the creation of Financial and Industrial Groups (FIG). Kyrgyz's President Akayev is also actively striving for higher level of integration with Russia. Both the above States, along with Tajikistan and Belarus and Russia have set up a Custom Union as a first step towards greater integration. The fear of the rise of Islamic fundamentalism prompted Russia, Kazakhstan, Kyrgyzstan, and Tajikistan to enter into a series of agreements in 1994, dealing with cooperation and integration on border questions, the status of the Russian Border Guard Units on their territories, the service of local citizens in this Russian units, and the training of government officers. Thus Russia not only remains the most important neighbor of the Central Asian States but also the guarantor of regional stability in Central Asia.

Central Asia since 1991 has metamorphosed from being the periphery of a power to evolve as a center to a geographical space. Central Asia separates Russia and China from the zone of instability, which includes Afghanistan and the countries of the Islamic belt that includes Turkey, Iran and Pakistan. This makes the region one of the vital interests to States far and near. It can act as a buffer zone for Russia and China and also join forces with the latter to in the containment of religious fundamentalism and cross-Border terrorism, and prevent its spread into the Eurasians

space. Even if Central Asia cannot act as a buffer zone in the case of India, the latter can join forces with Russia, China and Central Asia to encircle and contain the forces of fundamentalism and cross-border terrorism.

The meeting of the heads of the Central Asia States in Almaty in October 1996 adopted a joint declaration to oppose the threat hanging over southern border of CIS. On the part of Russia, the principle of strengthening cooperation with Central Asian States was confirmed by the President Order of 14<sup>th</sup> September 1995 on the “Strategic Course of the Russian Federation with the States participants of CIS.” The President of Kazakhstan, Nazarbayev, in all his activities and declarations has expressed a firm desire for a complete integration with Russia and restoration of all ties broken as a result of disintegration of the USSR. President Akayev of Kyrgyzstan is also a supporter of close cooperation with Russia and the expansion of existing ties.

The consistent efforts to solve border problems between China and the former Soviet States of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan have further helped advanced the process of regional stability. Under agreements reached in Shanghai in 1996 and Moscow in 1997, several confidence building measures were taken that included reduced troop levels along the border, joint efforts to maintain regional stability and to work together against ethnic and religious separatism. The Bishkek summit of the Shanghai Five, in the following year, resulted in a formal declaration pledging to find a common approach to a host of security threats to the region, which includes concerns on international terrorism, drug trafficking, illegal arms trade, migration, and other forms of trans-border crimes, apart from commitment to a multi-polar world.

The events in Kyrgyzstan in August 1999 witnessed the incursion of fundamentalists, based in Tajikistan, from across the border to Uzbekistan – and this

lead to occupying of villages and of taking hostages – which further upheld the relevance of the Shanghai Five process, so much so that Uzbekistan, until now a reluctant neighbour, chooses to attend the recent Dushanbe summit in July 2000 as an observer.<sup>8</sup>

In short, Central Asian States have achieved a certain degree of stability after the initial few years of chaos, economic hardship, inter-ethnic tension, threat of radical Islam and so on. Even the Tajik civil war has abated and the reconciliation process has made progress. The newly independent States chose different routes to achieve stability, some by economic liberalization and liberal democracy, and others by regulated market and slow privatization with greater role of the State in economic and social matters, while preferring socio-political stability to instant democracy. The paths seem to have converged. Democracy, even in States that appear to be making a good headway, is still bogged down by personality cults and oligarchic controls. “Shock Therapy” method of quick transition to a market economy has given way to more gradualist approaches. States that looked authoritarian at the beginning are starting to see merits in political pluralism, even forming national coalitions with former enemies like in the case of Tajikistan. Central Asian State governments are withdrawing from more and more areas and are instead focusing on limited areas that can target over smaller sections of the population. Religious revivalism has been witnessed in all the States, yet these societies have remained steadfastly anti-fundamentalism and so do the States that are broadly advocating secularism. Inter-ethnic tensions have receded, mass exodus of Russian speaking population had

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<sup>8</sup> Uzbekistan joined the Shanghai Five Summit on 14<sup>th</sup> June 2001, which was held in Beijing (China). The focus of this dissertation could not, however, take into complete consideration on day to day recent developments. Also see, Amit Baruah, “Putin, Jiang oppose NMD,” in *The Hindu*, New Delhi, 15 June 2001, p. 12.



stopped and there are even reports that some of those who have left earlier are now returning back. These societies are far less nationalistic and have realized the merits of remaining multi-cultural and multi-ethnic. With things appearing relatively better, the Central Asian States can look forward to period of stability and progress in the near future.

This dissertation attempts to study the US perspective of the new Central Asian States. It also deals with the more important aspect of its strategic interest and the policies it seeks to further in the emerging relations and interactions with this newly formed States. The study covers the major interests that came about and came into prominence since the disintegration of Soviet Union till date and the foreseeable prospects in the near future.

This Dissertation has been divided into five different chapters which, apart from the panoramic picture of the region as an introductory chapter i.e. Chapter-One, deals with the important areas of US interests in the region and the emerging relationships between Central Asia and the United States.

Chapter-Two deals with the “Geo-political Interest”: the political development in the Central Asian regions and the US deep concern about these new developments. This chapter clearly shows that the Central Asian region had become a region of the “Great Game Politics” of the world. Here an attempt has been made to cover certain interested countries that are involved in the Great Game Politics, as their involvement has considerable impact on the relationship between Central Asia and the United States.

Chapter -Three, “Economic Interest,” gives a broad picture of the economic potentialities of the Asian States and the United States strategic interests in exploiting

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these resources. An effort is also made to project the enrichment of the region and the possible clash of interests between the contending interest parties.

Chapter- Four is on “Security Interest” and this chapter attempts to study the new security developments in the Central Asian countries, and the United States interests in creating a new security environment to propagate itself as a sole super power – thereby containing the others from power politics. This chapter also gives a clear reason for the close security cooperation between the Central Asian States and the United States.

Chapter Five serves as “Conclusion.” The fifth and the last chapter of this dissertation highlight the policies pursued by the new Central States toward the United States. An effort is also made to analyze the overall policy development vis-à-vis the United States and its possible consequences in the near future. This shall therein present an assessment, based on the above four chapters reading, that might be conclusive of our understanding of politics in Central Asia. It goes on to analyze the foreseeable conflicts that are likely to take place between different participating countries, particularly the presence of United States in Central Asia.

## **CHAPTER TWO**

### **US Geo-Political Interest**

With the disintegration of the Soviet Union, a new history has been created ushering the era of the end of cold war politics and the emergence of Uni-polar world headed by the US. Similarly, the disintegration has also led to the emergence of new independent states in Central Asia, such as Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan. The emergence of these new states created political vacuum in Central Asian region, which was earlier under Soviet domination. Following the collapse of the Soviet Union, major world powers such as Russia, China and US began to penetrate into this region. Besides these big powers various, neighbouring as well as outside powers started to penetrate into these new states leading to the development of "New Game Great" politics in the region. But unlike the old Great Game, this new was game concerned with the politics of oil and natural gas resources.

#### **Central Asia's Geopolitical Significance**

The geopolitical significance of the Central Asia lies in the fact that it is situated in the heartland of Asia and acts as the gateway of Europe. This region is encircled by two powerful nuclear states of China and Russia. Any global or regional conflicts would have direct impact on the neighbouring countries for which China and Russia are seriously considering the new developments and is increasing their political activities to hold over this strategic region. The US on the other hand does not want to be a mere spectator, knowing the strategic importance of this region. Soon

after the disintegration of the Soviet Union, it has recognized the independence of all the Central Asian countries and had successfully established its diplomatic relation with all these states. Though the primary interest of the US is guided by economic motives, the security interest does play a vital role.

The US wanted to bring the Central Asian states under the sphere of its influence in order to contain the rising power of China and suppressing the possible revitalization of Russia. Similarly, its policy aims at the dual containment of Iraq and Iran and moreover, it wanted to keep the Central Asian region free from the influence of Islamic fundamentalism so that its interest in the region is safeguarded.

The significance of the new Central Asian states also reflects in terms of economic and demographic potential, geographical location, the nature of their relations with other states, primarily with neighbouring countries as well as their role in regional and global international organisations. With the dissolution of the Soviet Union, the geopolitical scene of the Eurasian continent has altered fundamentally. The sudden change of geo-political situation and the inherited weakness of these states created a political vacuum that attracted various powers from both within and without. Soon after this ground breaking development a paradigm shift evolved, defining Russia, US, Turkey, and Iran as major players in the entire southern tier of the former Soviet Union, i.e. the Caucasus and Central Asia. Russia was correctly identified as the retreating hegemonic power whereas Turkey and Iran were seen as competitors for power in especially the six Muslim states of Central Asia and Azerbaijan that gained independence<sup>1</sup>

In international relation the security of the state occupies a prominent position

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<sup>1</sup> Omirserik Kasenov. "Central Asia: National Regional and Global Aspect of Security." Himalayan and Central Asian studies. Vol. I; No. I, April-June 1997. pp.30

with increasing focus on the defence of the territory. The result of this thinking has led to the understanding that the state is the ultimate arbiter in international relations, where each state is governed by power politics, seeking to maximize its security, if necessary at the expense of others. In many cases, this has led to an assumption that security of one state result in the insecurity of another, and similarly it is presumed that state actors interact with each other on the basis of interests and gains. State power is generally understood as shaped by the extent of territorial control and the possession of natural resources. In the case of Central Asia, the role played by Russia had been of a similar nature as other European colonial powers, playing the role of the ultimate arbiter, leaving little or no space for outside interference until the collapse of the Soviet Union. But accounting for the remaining Russian factor, throughout the 1990s, the security of Central Asia has been increasingly linked with the areas on its Southeast than to its Southwest. Thus Afghanistan, Pakistan and China in particular are the countries that form an increasingly crucial part of Central Asian security.

Conversely, the emergence of independent and unstable nations in Central Asia has considerably influenced the geopolitics of South Asia and China. The cross border, ethnic and religious links between these states are significant. Moreover, ancient economic links and trade routes are being revived, and the interaction between the regional states has increased considerably. But most importantly the Afghanistan factor is a major security concern that affect all regional states and links the security to one another. Similarly, there is an increasing linkage between Central Asia and China, and this new development is likely to have significant impact on international politics in both Asian and the global context.<sup>2</sup>

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<sup>2</sup> Svante E. Cornell and Maria Sultan, "Geopolitics and Strategic Ailments in Caucasus and Central Asia," *Journal of International Affairs*, Vol.4, No.2, Summer 1999.

During the Cold War, political analysts in the US and other countries focussed on the global arms race and problems of strategic stability, all with the purpose of preventing a nuclear world war. Today, there is no longer a confrontation between the super powers and their military blocs. Today, the complex problems relating to regional and ethnic conflicts have come to the forefront. Central Asia and the Caucasus had witnessed share of such conflicts since the collapse of the Soviet Union resulting in the rebirth of eight new states such as Armenia, Azerbaijan, Georgia in the Caucasus and Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Uzbekistan in Central Asia. In the past several years, major issues related to the situation in these regions have increasingly drawn the attention of the Western world and the US in particular. Some in the West have expressed concern that the Muslim population of Central Asia and Azerbaijan might prove to be fertile soil for the spread of Islamic fundamentalism, which some analysts have even forecasted as the major threat to the West in the 21<sup>st</sup> century. By monitoring the activities and policies of interested neighbours such as Russia, China and Iran in this region, the US could able to formulate its own policies.

### **Us and Its Rivals: Competition for Influence in Central Asia**

The increasing interests and competition for power in Central Asia and the Caucasus can largely be explained by the fact that this region is rich in natural resources. For the western world, and particularly the US, access to these resources is of tremendous strategic importance. The US has long been looking for a way to free itself from its dependence of oil from the Persian Gulf. With proven reserves comparable to those of Saudi Arabia, Central Asia and the Caucasus could prove to be a viable alternative. The US has also realised that access to these natural resources

would be possible only if Central Asia and Caucasus become politically stable. Only in a climate of stability, can there be the co-operation necessary for regional economic development allowing these countries to benefit from their natural resources. This is the main reason why the potential conflict, which could erupt in the region, have become a great concern for the interested parties and particularly the US.

The bountiful resources of Central Asia are perhaps the keys to understanding the high level of international interest in the region. The fact that the region's potentiality of wealth can only be realised if its natural resources have a secure and stable routes to international markets. On the other hand, with fierce competition between countries wishing the selection of pipeline routes may tempt the external actors to intervene on behalf of one party to a conflict or even attempt to play conflicting parties against.<sup>3</sup>

In recent years, there has been a trend towards development of two rival sets of alliances in Eurasia, that is western oriented alignment led by the US including, Turkey, Israel, Georgia and Azerbaijan. On the other hand a group of states resisting US and Turkish influence in the Caucasus and Central Asia which is led by Russia and Iran including Syria and Armenia. For these parties their expansion towards Central Asia become an important issue. In this context, Uzbekistan's roles become crucial. Uzbekistan is the only Central Asian State to pursue a proactive and independent foreign policy, exemplified in its relation with both its neighbours and great powers. It has also developed its close military and security relations with NATO and for the first time seems to hedge its bets on US supports, but has lately shown signs of turning back towards increasing security co-operation with Russia and

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<sup>3</sup> Bruce Pannier, "Central Asia: Western Officials Visit to Tajikistan, Turkmenistan," *RFEL/RL*, Correspondent Reports, Prague, 19 January 2001.

China. Giving the strategic value of Uzbekistan and its role as a regional player in its own right, the future course of the country's policy attached great importance to the security of Eurasia. The Caucasus and Central Asian region are witnessing an increased interest from the political and business communities of the world. One main reason for this has been the development of Caspian oil and gas, which has attracted various private as well as state, owned companies from Norway to Japan. The western interest in the production and the export of oil from the Caspian Sea has been one of important factor in raising the Caucasus and the Central Asia in the eyes of the policy makers in the West. However, important the oil has been, it is nevertheless far from being the only factor affecting the geo-strategic importance of the region.<sup>4</sup>

Ever since 1991, a struggle has been underway for economic and political influence in this southern realm of the former Soviet Union, a struggle that has been termed as a renewal of the great game. While Russia has been attempting to reassert its influence over former dominions, new actors such as Turkey and Iran immediately entered the race in which they at first could not accurately gauge their place. Similarly, many outside actors such as US and European Union has also entered the race. However, the EU's only priority is in the economic sphere. In the years immediately following the dissolution of the Soviet Union, three main powers had observable and explicit interest in the Caucasus and Central Asia, that is Russia the old hegemon, as well as Turkey and Iran. In Central Asia, Pakistan is a player not to be undermined. The US has stepped up its involvement in the region noticeably only in the late 1990s, but plays an increasingly important role today.<sup>5</sup>

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<sup>4</sup> Guang Cheng Xing, "Security Issues in China's Relation's With Central Asia". *Ethnic Challenges Beyond Borders*. Edt. By Yongjin Zhang and Rouben Azizian. Macmillian Press Ltd. London, 1998, p, 216.

<sup>5</sup> Proceedings of International Workshop, "Conflict in Central Asia and the Caucasus", Center for Political and Strategic Studies, June 15-16, 1998, Washington DC.



suppressing the indigenous security dynamic".<sup>1</sup> This principal could be easily seen during the post war and cold war settings. Afghanistan by 1990 was drawn into the Soviet sphere of influence. Similarly, Pakistan along with Iran and Turkey since the 1940's had come to play crucial role in American efforts to contain the Soviet Union through its members in the Baghdad Pact, which was later renamed the Central Treaty Organization (CENTO).

Another development was the deterioration of the previously amicable Sino-Soviet relations to the freezing point. During this time when Afghanistan and Russia had strength their relations, Iran, Turkey and China came to play lesser roles in the Central Asians sphere. None of these states enjoy either direct or indirect relation with the republics of Central Asia during the cold war. This means there was an interruption of the ancient trade routes, the most famous of which being the "Silk Road". In fact, Central Asia's main access to the sea was historically passing through the present day Pakistan, but after its incorporation in the USSR and the final delineation of Central Asia internal borders in 1936, the region became economically linked to the Soviet's planned economy, governed from Moscow. Cold war politics in this manner locked into place the security of the USSR's southern border for a considerable amount of time. Afghanistan was helplessly falling into the Soviet orbit, which adversely affected Pakistan.

On the other hand, Pakistan and Iran became the crucial US allies. But this situation changed in the 1970's. The 1979 Iranian revolution deprived Washington of a crucial ally, weakening its position in Asia and the Middle East, although the new Iranian regimes relation with Moscow remained cool. Meanwhile, Afghanistan slipped into instability by the mid-1979, thereby, precipitating a Soviet military intervention in 1979,

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<sup>1</sup> Quoted in Svante E Cornell and Maria Sultan, "The Asian Connection: The New Geopolitics of Central Eurasia," *Caspian Brief*, December 2000.

In the early 1990s, the US has established its diplomatic relations with the countries in the Caspian region, and declared its support for their independence. However, till the first part of Clinton administration the US refrained from pursuing an active policy in the region until the end of the Chechen war. Washington officially backed Ankara's bid for influence and promoted the "Turkish model", but refrained from pursuing an active policy in the region. By the late 1990s, US suddenly changed its policy and started to focus its interest towards the Central Asian countries. It was partly due to the Pentagon's own self-induced priorities and partly because of the oil companies interest, and much of the respect for Russia lost due to Moscow's military defeat in Chechnya. In fact, this increased American involvement has been instrumental in altering the regional balance of power. Whereas Russia and Iran had the upper hand in the rivalry against Turkey, the strengthening of the Turkish-American efforts has restored some form of tranquility in the relations between the two states, and probably even tipping the balance over to the Turco-American side.

The Clinton administration has emphasised the forging of closer US relations with the Central Asian states. US policy goals include fostering stability, democratisation, free market economies, free trade and transport throughout the Eurasian corridor, de-nuclearisation in the non-Russian states, and adherence to international human rights standards. And above all, US priority is to discourage attempts by radical regimes and groups to block or subvert progress towards these goals. US policy also aims to integrate these states into the international community so that they follow responsible security and other policies, and to discourage xenophobic and anti-Western orientations that threatens regional and international peace and stability.

The US interest in Kazakhstan includes promoting the removal of strategic

nuclear weapons located on its territory and the security of other nuclear materials. Thus the last remains of the nuclear weapons were removed in 1995 through what was called 'Project Sapphire'. The US similarly, has some economic and business interest in Central Asia, particularly in oil and natural gas development in Kazakhstan, Turkmenistan, and Uzbekistan. The US also expanded its ties with Kyrgyzstan because it had made an early commitment to bring democratic reforms. The US continues to be concerned about human rights and problems of civil liberties in Turkmenistan and Tajikistan. In Tajikistan the US humanitarian aid is focussed on population displaced by civil war and other urgent needs. Similarly in Tajikistan, the US administration has provided security assistance for countering narcotics, non-proliferation of Islamic rebels, and ethnic tensions<sup>6</sup>.

The US First Lady Hillary Clinton's visit to five Central Asian countries in 1997 was a part of the US interest in Central Asia. Her trip, which focussed on human rights and women's issues, has been viewed as an attempt by the Clinton administration as the region's of importance.<sup>7</sup>

### **US Political Engagement in Central Asia**

Today, Central Asia is in the forefront of US agenda. The US has full diplomatic missions in all Central Asian capitals and official visits have been organised at the level of Vice President, Secretary of State and Secretary of Defence. It has also increased its political contacts with the Central Asian countries by inviting state leaders of the Central Asian countries to visit the US. Similarly, senior civilians

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<sup>6</sup> S. Talbott Details US Approaches to Caucasus, Central Asia. *Strategic Digest*. 27(9) Sept.1997; pp. 1378- 1383

<sup>7</sup> Central Asia and Caucasus. *Monthly update*. Augusts 1997. Center for Political and Strategic Studies.

and the military officials of the US and NATO have also made frequent visits to Central Asia. The US hopes that such exchange will enhance mutual understanding, reduce each others suspicion and drive a wedge between Central Asian states and Russia. Besides, the US continue to carry out psychological warfare by financing the scholars and socialites of the Central Asian countries to visit the west in order to transform them into pioneers of the peaceful evolution. Similarly, the US has also established is teaching institutions in Central Asia, provided youth in the region with opportunities to study abroad in order to foster a pro-US and pro-West social base<sup>8</sup>.

Since the collapse of the Soviet Union, contrary to several experts' predictions, they have not oriented their foreign policies toward the Islamic world but rather towards the advanced industrial world. Moreover, they are not engulfed by Islamic radicalism as some have anticipated. Besides, they had resisted the Russian imperial hegemony more successfully in economics fields than have ever expected. After World War II, the US initially built its "containment strategy" in two zones, western Europe at one end of Eurasia, and Japan, South Korea at the other. As Soviet power projection capabilities grew in the late 1970s, and as the oil reached the Persian Gulf, states fell into war and political instability. The US added this Central Asian region as the third strategic zones interrelated with the first two zones. The Soviet hegemony over the Persian Gulf would have provided Moscow with powerful leverage against the US key allies. The so-called "Carter Doctrine" of 1980, marked this change in the Cold War strategy. The Reagan Administration continued formalising its military component in the central command. President Bush used this command in 1991, to role back Iraqi aggression, although it was initially designed to

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<sup>8</sup> Coppieters, Burno and others. "Central Asia Region in a New International Environment." *NATO Review*. 44(5) Sept. 1996, pp. 26-31

resist Soviet military aggression in the region. In other words, it turned out to have unanticipated utility.<sup>9</sup>

This is a highly instructive point. Such unanticipated utility is not limited to the central command. The entire security system of three interrelated strategic zone also serves purposes other than containing Soviet power. It has provided a security context without which Western economic interdependence and uninterrupted prosperity could not have emerged even if there had been no Soviet threat. A large community of states have gathered within the system to create numerous organisations for economic and political co-operation such as, IMF, the World Bank, the European Union, and ASEAN and significantly created bilateral links throughout East Asia, and complex banking arrangements in the Middle East and the Persian Gulf region. Without this security structure such co-operative endeavours would have been impossible. In other words, the disappearance of the Soviet threat has not rendered obsolete the US led security system, which was created to contain it. The popular impression that the end of then Cold War has removed the need for US leadership in these three strategic zones is proved to be wrong. In some ways, it has become more important even after the dissolution of the Soviet Union. This is certainly true in the Caucasus and Central Asia. Ironically, most Central Asian states of the former Soviet Union wanted the US to continue in these three zones of security system and wanted to share its benefits which they were denied through out the Cold War. This is precisely why the Central Asian states are looking for a close co-operation with the US.

With the increase in diplomatic activity among the great powers in Central

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<sup>9</sup> Jim Nichol, "Central Asia's New States: Political Developments and Implications for US Interests," Foreign Affairs and National Defence Divisio, March, 31, 2000. Washington, D.C.

Asia, such as Russia and China, the US is no exception from this power politics. Soon after the collapse of the Soviet Union the US had established its diplomatic relations with all the Central Asian countries. The US had also supported their admission to the Organisation on Security and Co-operation in Europe (OSCE), NATO, and other western organisations<sup>10</sup>. The Congress is at the forefront in urging the formation of coherent US policies for aiding these new independent states of the former Soviet Union, and had approved the Freedom Support Act and other legislation for this purpose.

The high Congressional interest in Central Asia was reflected in passage of 'Silk Route' provisions in late 1999, that is the Consolidated Appropriations, PL106-133 that authorised and enhanced US policy attention and aid to support conflict amelioration, humanitarian needs, economic development, transport and communications including energy pipelines, border controls, democracy, and the creation of civil societies in the South Caucasus and Central Asian states.<sup>11</sup> The US has encouraged the Central Asian states to become responsible members of the international community. Similarly, the administration has supported the integrative goals through bilateral assistance and through co-ordination with other donors, including regional powers such as Turkey.

The US Administration has used various organisations and other means to discourage radical regimes groups and Islamic fundamentalists that used repression or violence to oppose democratisation from attempts to gain influence. With independence, all the Central Asian states professed desire for good relations with both east and West as a means of demonstrating independence. Though all the Central

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<sup>10</sup> Nalin Kumar Mohapatra, "Caspian Cauldron: Role of States and Non- State Actors", *Contemporary Central Asia*. Vol.3 No.3, December, 1999, pp.48-49.

<sup>11</sup> *Ibid.*, Jim Nichol, March 2000.

Asian leaders publicly embraced Islam but have displayed their hostility towards the Islamic fundamentalists. At the same time, they established some ties with Iran for trade and aid purposes.

The US is currently trying to reduce its dependence on Arab resources of oil, and believe that cultivating Caspian oil would broaden its oil buying options. However, it is seen that US policy still fails to address certain regional phenomena. There is little understanding of the various reasons for conflict in the region. The prevalence of corruption is rarely factored into policy-making decisions, rendering numerous regional policies ineffective. Although the US is one of the biggest players in the region, it is still seen to be quite uninformed regarding basic issues in these states.<sup>12</sup>

The present scenario of political developments in Central Asia continued to reflect the old political system, with most of the state apparatus run by former communist party elite's who are more or less dependent on Russia. The President of Kazakhstan, Turkmenistan, and Uzbekistan are former republic communist party leaders. While the president of Tajikistan and more liberals Kyrgyzstan were lower level communist party officials. The communist parties in these states continue to operate under new names, and their members hold many positions in the political and the economic systems. The US and other western countries have worked with the existing leaderships and elite's in Central Asia recognising that these elite's may continue to hold power for some time. At the same time, the US and other Western states hope to foster gradual transition in these states to democracy and full independence, to discourage a transition to fundamentalist and xenophobic rule.

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<sup>12</sup> Lt.Gen. William E.Odom, "US Policy Towards Central Asia and South Caucasus", *National Security Studies*, Hudson Institute, Washington DC, 1996.

## **Democratisation Process in Central Asia: US Response**

Today in Central Asia, significantly, there are few positive signs of democratisation. In early 1992 all the Central Asian governments has given assurance to the US that they will pursue the process of democratisation. They also pledged to join the OSCE in early 1992 and that they would abide by its principles. During the visit of the president Nazerbayev to US in 1994, he and President Clinton signed a Charter on Democratic Partnership recognising Kazakhstan commitment to the rules of law, respect for human rights and economic reforms. However, the State Department's country reports on human rights practices in 1999 concludes that President power in Kazakhstan and Kyrgyzstan overshadows legislative and judicial powers, and that Uzbekistan, Turkmenistan, and Turkmenistan have lost ground in democratisation and respect for human rights. The Congressional Commission on Security and Co-operation in Europe held a hearing on Uzbekistan on October, 1999 in which the chairman of the representative Christopher Smith terming Uzbekistan as "one of the most repressive NIS", by citing religious and political persecution. Similarly, on February 29, 2000, Representative Dan Burton called for the administration to assist democratic media in Kazakhstan and to urge Nazarbayev to end repression and to hold a national dialogue with the opposition<sup>13</sup>.

It is to be noted that the recent elections in the Central Asian states clearly reflects the gradual transition of political process towards democratisation, even though the outcome is not so significant In early September 1999, the Tajik legislature set the presidential election for November 6, 1999, only after a popular referendum

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<sup>13</sup> Talbott details, "US approach to Caucasus, Central Asia," *Strategic Digest*, Vol. XXVII (9), September 1997, pp. 1378-83.



approved constitutional changes, where the opposition Islamic Revival and Democratic parties was legalised and allowed to gather 100,000 signatures to register nominees. However, the nominees complained that they did not have enough time to gather signatures and also that president Rakhmanov's appointees at the local level blocked the signature gatherings. After Rakhmanov was declared the only candidate, an international outcry contributed to hurry registration of one opposition candidate who later refused to run the election. Rakhmanov won the presidential race with 96.9% of 2.88 million votes cast.

Similarly, the election to the lower legislative chamber was set for February 27, 2000 and run off on March 12. Over 104 UN and OSCE observers monitored the race. They praised the political pluralism of the vote, since voters were presented with a genuine and broad range of alternatives, but concluded that the election process must be improved to meet the minimum democratic standards for equal, fair, free, secret, transparent, and accountable elections. They also raised question about the freedom of the media, the independent election commission, the questionable de-registration of some candidates and the transparency of vote tabulation.<sup>14</sup>

According to OSCE report, the recent indirect election in Kazakhstan upper legislative chamber which was held in September 1999 was marred by harassment of monitors and cited reports that Kazakh officials had warned local legislators not to vote for the opposition. Similarly, Election to Kazakhstan's lower legislative chamber also took place on October 1999 with OSCE observers monitoring the race. The OSCE concluded that this election was "a tentative step" towards democratisation, but decried the biased local electorate commissions, unfair campaign by pro-government parties, and harassment of opposition candidates. Similarly in December 12 1999,

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<sup>14</sup> Op.cit., Jim Nichol.

election to the Turkman legislature (*Mejlis*) were held. However, president Niyazov rejected the role of parties, stating that partnership could lead to clan rivalries. Instead he directed the groups to nominate professional candidates. Prior to the election, Niyazov stepped up his repression of political and religious dissidents. The OSCE refused to send their monitor citing governmental control over the electoral process. Changes to the constitution were introduced in late December 1999 at a joint meetings of the *Mejlis*, the quasi-legislative Khalk Maslahaty and Niyazov's National Revival Movement in which they concluded in naming Niyazov as president for life. The US State Department termed the life term as signalling Turkmenistan's disregard for its OSCE commitments and a further step backward on the path towards democracy.

The election to the Uzbek legislature (*Oliy majlis*) were held on December 5, 1999. In this election the OSCE decided not to deploy observers on the grounds of deficient electoral laws that precluded free and fair elections and that local officials interfered with nominations and electoral commission. In late November 1999, Karimov and Abdul Khafiz were registered to run in the January 9 2000 presidential election. Karimov won with 91.9% of 12.1 million votes cast, with 95.1% turnout. However, the State Department announced in December 12, 2000, that this election was neither free nor fair and offered Uzbekistan's voters no true choice. They also criticised the Uzbek government refusal to register opposition parties and candidates.<sup>15</sup>

Similarly, the recent election in Kyrgyzstan legislature on February 20, 2000 reflected the further erosion of Kyrgyzstan earlier signalled progress in regional democratisation. According to the State Department report under new laws 15 seats in the upper chamber was set aside for party list voting. The central electoral

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<sup>15</sup> Op.cit. Jim Nichol.

commission ruled that 16 parties out of 27 legally registered were disqualified from fielding party list candidates though it says that such candidates could instead seek single member seats. The major opposition Democratic Movement of Kyrgyzstan Dignity Party block was initially registered but then decertified. The OSCE on February 8 criticised the de-certification as a narrow interpretation of the law and as restricting popular choice in the election. There were about 120 OSCE observers and 2000 local observers who monitored the election. The OSCE monitors pointed to the problems such as the disqualification of prominent opposition parties and the pro-government composition of electoral votes, they also criticised the continued government harassment of opposition candidates, politically motivated court decision of disqualifying some opposition candidates and irregularity in vote counting.

The State Department Spokesman, James Foley, on March 14 stressed that “the US is disappointed in the conduct of the 2000 parliamentary election in Kyrgyzstan”, which “amounted to clear setback for the democratic process”. Similarly, on March 23 he criticised Kyrgyz authority for forcibly suppressing a peaceful demonstration and for arresting Kulov the day before on vague charges of committing crimes several years ago. All these elections in the region have clearly shown that the development of true democratic institutions in the region is still a long way to go. The state is still seen to be autocratic and the state power continues to be in the hands of former communist elite's. .

### **Obstacle to Peace and Stability**

Drawing from the preceding view, it can be stated that US presently, wants desires for peace and stability, so that its economic investments and assets are not disturbed by unstable factors of political or social from both within and without. Similarly, the US

is very concern about the lack of information and connectivity in the Central Asian states. They are also very critical of Central Asian region about the human rights violation and lack of transparent democratic political structure. This region has also been engulfed with ethnic conflict and turmoil. The region is also witnessing an increase in fundamentalist activities in the neighbouring countries such as Afghanistan, which is considered to be one of the most destabilising factors in the region. It not only affects the new Central Asian region but is also seen to be a major threat to international community. This is why the major big powers such as US, Russia, China, India and many countries both within and out side the region has voiced their serious concern about the existing terrorism based in Afghanistan headed by Osama Bin Laden. They even demanded that Osama Bin Laden be handed over to the US in the interest of the international community.<sup>16</sup>

The US also committed to offer international military educational training (IMET), grants and other military aids with all the countries except Tajikistan. During his visit to the US in February 1994, president Nazarbayev signed a memorandum on US-Kazakh Defence Co-operation, including talks on defence doctrine, training and budgets. An effort to foster military co-operation were also furthered, where all the Central Asian states except Tajikistan joined NATO Partnership for Peace (PfP) by mid-1994. Similarly, in August 1995, Kyrgyz and Uzbeks officers and troops had participated in PfP exercises in Louisiana, and likewise Kazakhstan joined the exercise in North Carolina on September 1996.

During the Soviet period, central authorities used propaganda and education attempts to inculcate an overarching and transcended Soviet identity, but this found

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<sup>16</sup> Jyotsna Bakshi, "Sino-Russian Strategic Partnership in Central Asia", *Strategic Analysis*, Vol. XXV, No. 2, May, 2001, p. 173.

only modest appeal among most Central Asian people. More significant was the spur given by the delineation of republics that led to the growth of Kazakh, Kyrgyzs, Tajiks, Turkman and Uzbek national identities. With the collapse of the Soviet Union most Central Asian supported redefining, but basically retaining this national identities, while others emphasised primary identification with tribe, clan, family and relation. Islamic religion also provided a significant and growing sense of identity by differentiating Muslims from non-Muslims. This is one of the most important reasons for the growing prejudice against ethnic Russians. However, it is seen that in the foreseeable future Central Asia will refer more to a geographical region than denoting a shared identity in terms of a common religion and aspirations.

The US has generally viewed a democratising Russia as being able to play a stabilising role in Central Asia, though there has been increasing emphasise that Russia should not seek to dominate the region or exclude western and other involvement. Some observers even warn that Russia might soon reabsorb Central Asia into a new empire. Others, however, doubt such capabilities because of what they view as Russia's weak economy, political, ethnic and military disorder, but nonetheless endorses monitoring Russian actions that might infringe on the independence of the new independent states.<sup>17</sup>

### **Conflict Resolution: Job One for United States**

In the most substantial US foreign policy addressed on Central Asia and the South Caucasus, US Deputy Secretary of State Strobe Talbot asserted that, "conflict

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<sup>17</sup> op.cit. Jim Nichol.

resolution must be 'job one' for US policy in the region".<sup>18</sup> The importance of resolving, minimising and preventing conflicts in this strategically important region is becoming crucial knowing that the continuation of violent conflict in this states would hinder or warp political and economic reforms and would provide opportunities for external actors such as Russia and Iran to meddle in their internal politics the US also wanted to develop the potentialities of the region so as to make this region as supplier of oil and natural gas resources.

It is to be seen that the US involvement in the area will continue to be as part of multilateral endeavours, whether through the United Nations, Organisation for Security and Co-operation in Europe or ad-hoc coalitions of local states which will certainly include Russia. While the US might prefer that Russia to handle peacemaking and peacekeeping duty in this region, there are complaints from America, Azerbaijan, Georgia, and Uzbekistan that Moscow is either biased or incompetent and put Washington in a difficult position. Though the Clinton administration has decided that US must play a greater role in regional conflict resolution, Russia is certain to be included through multi-lateral efforts, provided it proves to be a "responsible player." In part, this is due to the importance of adopting a policy that does not make Moscow feel threatened nor excluded by the US in her "near abroad". This is especially true in the light of planned expansion of NATO. Moreover, Washington has neither the capacity nor the feeling for unilateral peacemaking or peacekeeping efforts in this region which is half a world away.<sup>19</sup>

In the recent years, the US has spelt out its clear goal in Central Asia. Apart from the geo-strategic dimension of the region as the gateway to West Asia, East

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<sup>18</sup> William E. Sanford, *Monthly Update*. "Conflict Resolution: Job One for US", Central Asia and Caucasus, August 1997, Center for Political and Strategic Studies, Washington DC.

<sup>19</sup> Op.cit.William E. Sanford.

Asia, South Asia and Russia, the vast natural and human resources are seen as one of the most strategic importance for the US. Not only is Washington trying hard to get the new states of Central Asia oriented towards the Western democracies, but has also started to challenge Russia's domination in the "near abroad." The way the State Department is endorsing construction of new oil and gas pipelines towards the southern direction reflects a major shift in US policy to break Russia's grip on Central Asian oil exports.

A renewal US efforts to restore peace in Afghanistan is yet another dimension. The US has been able to bring about a unanimous agreement among all the Afghan factions except the Taliban militia to work for a peace settlement in war ravaged Afghanistan. At the three day testimony before the US Senate Sub-Committee on Far Eastern and South Asian Affairs concluded on June 27, 1996, the various Afghan factions preferred a mediation led by the UN rather than the Organisation of Islamic Conference (OIC).

Throughout the first half of 1995 the US tended to give a tacit mandate for the phenomena of the Taliban which was encouraged and supported by Pakistan. The US believed that the Taliban's espousal of Islamic revolution, primarily a Puritan Sunni Islamic organisation will not have a boomerang effect at the regional or international level. Not only did it remain supportive of Pakistan action in war-torn Afghanistan but was dismissive of the Afghan government's accusation that Pakistan is constructing a road to Central Asia through Afghan territory and described it as no different from such accusation by Kabul in the past. While playing along with the Taliban the US is now making a renewed effort to regulate the changing power matrix within

Afghanistan.<sup>20</sup> The nature of such American compliance to Pakistan's regional strategy strongly underlines the significance of new security partnership. As US Defence Secretary Perry stated that "Washington's final decision to go ahead with 368 million dollars worth of arms transfer to Pakistan and its apparent downplaying of the recent Sino-Pakistan weapon relationship are not isolated events in the new strategic partnership between the US and Pakistan".<sup>21</sup>

Whereas, to dispel the Pakistani worries a marked shift from the previous role of containing communism, the new task for Pakistan is that of playing the stabilising role in the post-Soviet Central Asian space. However, it is important to note that the timing of the US diverging of Pakistan's attention on the landlocked Afghanistan, once again, corresponding to the formers evasive position on Kashmir vis-a-vis India. Not only has the US considerably dampened some of its earlier moves on the Kashmir issue but also advised Pakistan to forget about the issue in favour of maintaining a status quo for the time being. In return the US has shown willingness to endorse Pakistan position on Afghanistan which converges with the larger US strategic interest in the post-Cold War era. The move is important particularly in terms of allaying Indian suspicion over the Brown Amendment.

On the other hand it may be a good thing for Pakistan to see it as an great opportunity to revive its fortune by spelling its geo-strategic value once again, and of course not to become a frontline state but a gateway for Western businessmen to Central Asia. The increase in diplomatic activity since September 1995, following the Taliban success over Herat and Shindad airbases clearly indicated close US-Pakistan co-ordination to obtain unity among various Afghan factions to overthrow Rabbani

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<sup>20</sup> P. Stobdan, "The US Interest in Central Asia: New Agenda for Pakistan", *Strategic Analysis*, August 1996, pp. 829-831.

<sup>21</sup> *ibid.*, p. 832.



from Kabul. During 1995, the US led by Senator Hank Brown and Deputy Assistant Secretary Robin Raphael has been working seriously on different ways and means to get a breakthrough in Afghanistan.

Following Robin Raphael's meeting with the leaders of the Afghan groups, Pakistan's Foreign Minister Asaf Ahmed Ali visited Northern Afghanistan to win over Uzbek warlord Dostum's support for the Taliban. It was followed by Benazir Bhutto's unscheduled visit to the Uzbek capital to muster diplomatic support from Uzbek president Karimov to resolve the situation in Afghanistan. While Robin Raphael visited Afghanistan for the second time in less than six months in 1995, Uzbek warlord Abdul Rashid Dostum visited Washington via Islamabad and Tashkent in the same month, notwithstanding the serious efforts to allay the suspicion of Iran over its involvement in promoting the Taliban. However, so far Pakistan has failed to bring about any consensus and avert a conflict of interest over Afghanistan. In fact, not only Tehran has been accusing Pakistan of gross interference in Afghanistan's internal affairs, but also openly siding with groups supporting the Rabbani government.

The new security partnership between Pakistan and the US also underlies the combined objective of containing Iranian influence in the politically fragile but strategically important region of Central Asia. They are also aware of the growing strength of Islamic extremist forces in Iran in the recent years and the implications it may have on Central Asia. Interestingly, the US and Pakistan are placating Uzbekistan to be an actor in their combined game in Central Asia. Tashkent has already started to act as a regional actor while endorsing some of the US-Pakistan design for the region.

The US supportive attitude towards the Taliban also stems from the latter's

pledge for banning opium cultivation in Golden Crescent. However, there is no indication so far to suggest that the opium pouring out of Afghanistan has declined with the rise of the Taliban. Pakistan quest for a direct overland trade route to Central Asia has so far been frustrated by the civil war in Afghanistan. The successful completion of the 130 Km long railway project linking Central Asia with Iran sponsored by Turkmenistan, Iran and India, was inaugurated in May 1995, With the completion of this project Pakistan has resorted to open infringement on Afghanistan territory by constructing and repairing the 900 Km transit route through the North Western provinces of Afghanistan which was under the control of the Taliban forces. Both politically and from the operational point of view, the task however, may not be that easy. Nevertheless, Islamabad believes that it can obtain Western support to complete the transit route to Central Asia.

The renewal of US-Pakistan strategic access has much more in substance than it appears to be. History, of course, has taken a reverse position. The Russians in the past dreamed of reaching the warm sea by occupying Afghanistan. Today, it is the US and Pakistan's dreaming of reaching the "heart land" by occupying Afghanistan. The British burned the fingers in Afghanistan long ago as the Soviet Union did in the recent past. Perhaps, now it is the time of the US and Pakistan to experience the same. One can only advise them to learn from history that the Afghans are furiously proud people who do not compromise their identity.<sup>22</sup>

It is seen that the rich natural resources of the Central Asian region have become a focal point of US business interests and strategic planners. Moreover, the US has deeply concerned about the possible proliferation of weapons of mass destruction and the growing drug trade in Central Asia. Though the developments in

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<sup>22</sup> *ibid.*, p. 829-832.

Central Asia do not directly affect the vital US interests. Nevertheless, both the Clinton and Bush administration have articulated an interest in the region in bringing about the democratic governments through open and free elections. It also emphasised its interests in bringing the open market reforms, de-nuclearization and keeping the region free from Islamic influences as a part of its multilateral endeavours.

## CHAPTER THREE

### US Economic Interest

After the disintegration of the Soviet Union, many new independent states have emerged on the Caspian shores and Central Asia, such as Russia, Azerbaijan, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan and Uzbekistan. For many of them the possession of energy has become one of the main political factors in determining their position in the international arena. The Caspian energy resources plays an important role for other new states of the Trans-Caucasus and Central Asia, which could become transit countries, thus acquiring access to the Black Sea basin and Western Europe, or to South and South East Asia. The possession of energy resources means that the Caspian states have been included in the global oil business, which mainly develops in the Middle East. Soon after the disintegration, these new independent states in the Caspian region were in search for a counter balance to Russian influence. The US, Turkey, Iran, and West European countries play the role of such counterbalances. For the US the development of this region is a kind of political and strategic investment in the future and moreover this process weakens its traditional rival Russia.<sup>1</sup>

#### History of Oil Politics in The Region

From a historical and geographical perspective, the region's location and its mineral resources had attracted many outside powers, and at one point of time this Caspian region was the focal point for competing civilizations among the Persian, Arabic, Chinese,

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<sup>1</sup> Artyom Malchim, "The Caspian Zone: Russia and The Moslem World", *Bulletin of Analytical References Information*, N8 (86), 1999, pp. 17-18.

Turks and the Europeans. This is also the landmass for which the British geo-political theorist's Mackinder coined the term "Eurasian Heartland" in the early 20<sup>th</sup> Century. He was of the opinion that whosoever would hold this region could rule the whole world.<sup>2</sup>

While referring to the Caspian region, Brezezinski, the National Security Advisor to former US president Jimmy Carter in his writing to Foreign Affairs pointed out that, there is a zone of instability that includes Central Asia and the Caucasus. Similarly, Samuel Huntington extended the history of "Clash of Civilization" from Bosnia to Caucasus and Central Asia. In the 21<sup>st</sup> Century, Caucasus and Central Asian States continue to gain importance due to the combination of strategic, political and economic factors that came into operation during the 1990's after the disintegration of Soviet Union. Some analysts even compare the current situation that is going on in this region to the 19<sup>th</sup> Century rivalries between England and Russia. While the perception of present actors have changed in comparison to the past players the basic objective remain the same, namely gaining power and influence in this vast landmass with huge natural resources.<sup>3</sup>

Similarly, this region has long been the arena of political and military battles. The interest of Persian, Russian, Ottoman and British Empires have clashed here for many Centuries. The organizers of the oil business, Nobel, Rotschild and Rockfller, laid the foundation for the oil boon in the Caspian region, one hundred years ago. Later, the region lost its geo-political significance when it came under the control of the Soviet Union. For the most part of this century, there were only two states on the shores of the Caspian Seas, that is, Russia and Iran. Both these states had other energy deposits and neither of them

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<sup>2</sup> H. Mackinder," The geographical Pivot of History," *Geographical Journal*, Vol. .20, No.4, (AP-1904), p.421.

<sup>3</sup> Nalin Kumar Mahapatra."Caspian Cauldron:Role of State and Non-State Actors," *Contemporary Central Asia*.Vol.111, No.3,December 1999,p.40.

showed a heightened interest in Caspian reserves until the disintegration of the Soviet Union<sup>4</sup>.

### **Significance of the Caspian Region**

It is said that Central Asia shores has abundant natural resources, particularly petroleum and natural gas. It is estimated that the oil deposits in the region could be as high as 200 billion barrels of oil, second only to the Middle East and the natural gas deposits could be 8000 billion cubic meters, only less than those of Russia and the Middle East. According to US State Department Report released in 1997, the petroleum and natural gas resources in Central Asia and the Caspian Sea could be converted into 4000 billion US dollars. Besides, this region is also rich in iron, copper, lead, chromium, gold and many other metals

It becomes more and more obvious that in the light of the decline of petroleum and natural gas resources in the Gulf region, who controls these two kinds of strategic natural resources in Central Asia could be able to dominate the international energy market in the 21<sup>st</sup> Century and even control the economic lifelines of some countries. As one of the few regions in the world, which contains abundant unexplored natural resources, Central Asia accordingly has very high strategic importance in international politics.<sup>5</sup>

The disintegration of the Soviet Union in December 1991 has given rise to a host of dramas and tragedies that has steered over Soviet security for quite sometime. The most negative long-term consequences was the breakup of a uniform economic mechanism, which engendered the economic deterioration of all former republics, and

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<sup>4</sup> Artyom Malchim, op.cit. pp. 17-18.

<sup>5</sup> Ma Jiali, "Central Asia: Geo-Strategic Situation and Big Powers Politics", *Contemporary Central Asia*, Vol.3 (1), April 1999, pp. 39-46.

also the territorial division of the Soviet inheritance along administrative lines which causes displeasure and mutual claims of newly sovereign neighbors. A definite tension has risen in connection with the partition of the Caspian Sea so rich in hydrocarbon raw materials among the littoral republics and Iran. The presence of numerous transnational companies further complicated the issues. These companies act on the policy of divide and rule leading to the scenes of drama played on the Caspian, unknown to history so far.

Till 1991, there were two states, which had sovereignty over the Caspian Sea. According to Soviet-Iranian Treaty 1921, the Caspian Sea was regarded as an economic entity and could be used only with due account of the interest of the two countries. And by the agreement of 1940, it was considered “an inner water basin of the two countries” and was therefore closed for foreign vessels.

With collapse of the Soviet Union a new situation was created in the Caspian region. However, the Soviet-Iranian agreement was still internationally recognized, and Russia was still considered as the legal successor of the USSR while Iran has retained the former position. They believed that three new Turks states will proceed from the need to preserve the Caspian Sea in the common use, while the coastal republics will have only ten mile shelf in their possession, as an internationally accepted rule, as far as inner bodies are concerned.

The leaders of the newly sovereign states of Kazakhstan and Azerbaijan favour new approaches to decide the status of Caspian Sea by taking into account the changed geopolitical condition resulting from the disintegration of Soviet Union. They favoured a division of the sea on the basis of 1982 convention Law of sea according to which states are entitle to claim up to 12 nautical miles of sovereign territorial sea, between 200 to 300 nautical miles of continental shelves depending on the configuration of the continental

margin and a 200 nautical miles of exclusive economic zone.<sup>6</sup>

The President of Azerbaijan G.Aliyev was the first person to violate the status quo. He set up a government owned company headed by his son N. Aliyev, and assisted in organizing an international consortium consisting of nine foreign companies in 1994. It also envisaged an increase in oil extraction from 10 to 40 million tons by the year 2008 with Azerbaijan receiving 70% of the expected income. Similarly, the President of Kazakhstan Nazarbayev supported President Aliyev's stand. But it was seen that he was primarily pushed by external powers especially the US, whose companies are anxious to develop Caspian oil deposits. The Turkmenistan President Niyazov also used the foreign firms for developing the oil and gas deposits but he left a loophole for a compromise with Russia and Iran, because he sees that the status of the Caspian Sea was not agreed by all the five states.<sup>7</sup>

In recent years there has been an increase in the struggle over energy pipelines and explorations in the Central Asian regions. The trend is partly due to developments in Trans-Caucasus and the expectations of western exploration and massive investment in the region. Another reason has been Russian pressure over Kazakhstan and Turkmenistan for oil privileges as well as dual citizenship of Russians living in this region. Knowing fully well of the Russian threat they clearly articulate its needs for western support against those threats. This is clearly seen from the speech made by Foreign Minister Kanat Saudabayev during his meeting with NATO members in 1995 that "Kazakhstan is obliged to pursue its foreign policy in the context of the existing balance of forces and interests, with certain states becoming stronger and other nation growing weaker and with no firm guarantees that zones of conflicts or instabilities will not appear in direct

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<sup>6</sup> Nalin Kumar Mohapatra. op.cit.p. 41.

<sup>7</sup> J.Starchenkov, D.Sc., "Passions Around Caspian Oil," *Russia and The Moslem World*, N3 (81), 1999, pp. 12-14.



proximity to Kazakhstan or jeopardize its security

As a consequence, the republic of Kazakhstan has no alternative but to strengthen its own regional security, strive to attain real independence, and become gradually integrated into the world community. To improve international situation and in order to strengthen security and stability, it is most important to develop international contracts and cooperation. The role of international organization including NATO can hardly be overestimated.”<sup>8</sup>

Similarly, Prime Minister Tereshchenko even made more specific in talking about Kazakhstan’s foreign economic relations. He stated that “we have been convinced repeatedly that our foreign partners as serious guarantee of the development of economic ties with Kazakhstan is the level of its interstate relations with other countries, the existence of contracts and agreements that determine priority spheres of cooperation, direct participation in negotiations in large projects by the head of our state and other leaders, and the course that is being pursued towards strengthening political stability in the republics.” This statements indicates the stakes of energy dependence for Kazakhstan and unintentionally displays Russia’s points of leverage or pressure that it can employ to obstruct this goal.<sup>9</sup>

## **The New Great Game: Oil Politics in Central Asia**

With the disintegration of the Soviet Union, the rich harbour oil and gas resources of the former Soviet Union and Central Asia has once again become the global economic issue. These new developments have been termed by some scholars as the “new great

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<sup>8</sup> Stephen Blank, “Energy, Economic and Security in the Central Asia: Russia and Its Rivals,” *Central Asian Survey*, Vol.14(3), 1995, p.382.

<sup>9</sup> *ibid.*, p. 382.

game” politics. However, this new great game is different from the 19<sup>th</sup> century great game politics between Tsarist Russia and the British Empire. The old great game was a game of colonization and military contest between the two empires. The British Empire feared that the Tsarist Empire was striven to weaken and destabilize its hold over India whereas the Russians believed that the British were engaged in sabotaging their attempts to occupy Central Asia. Afghanistan was caught in this great game and ultimately became a buffer state.

The new great game has nothing to do with the politics of two imperialist powers. It is all about creating an influence by neighbouring countries. It also relates to politics of exploration and control over the rich natural gas and oil resources in the region. Many western MNC's and especially the US are striving to acquire interest in oil exploration, refining, and processing in the Caspian basin, while Russia wants to retain its hold over joint oil ventures. The new game is also about new trade routes. The development and opening of new routes undermine the monopolized hold enjoyed by Russia and therefore it sees the opening of new routes as a source of penetration of pan-Turkism and Pan-Islamism in the region. However, as of now there is no such Islamic concert in Central Asia. On the contrary, there is a fierce competition among neighbouring Muslim countries, such as Iran, Turkey, Pakistan and Afghanistan for alternative routes and influence in the region. Once again Afghanistan is becoming an important target of the new great game. The presence of transnational companies and the legacy of Soviet occupation have further complicated the nature of this new game for the past few years.<sup>10</sup>

As far as the economic dimension of Central Asia is concerned, the Caspian Sea occupies a prominent position. It is said that Caspian Sea has an abundant oil and natural

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<sup>10</sup> Shams-Ud-Din, “The New Great Game in Central Asia,” *International Studies*, Vol.34 (3), 1997, pp. 339-340.

gas resource second only to the Persian Gulf and it continues to draw global attention. During the Soviet period, there was no significant conflict over Caspian Sea hydrocarbons. Moscow used to occupy a dominant position over these resources with little interference from Iran or any outside powers. Moreover the Soviet energy development was not the Caspian but western Siberia. With the collapse of the Soviet Union the Caspian equation was fundamentally transformed. Instead of two states of Russia and Iran, there are now five independent entities such as Russia, Iran, Kazakhstan, Turkmenistan, and Azerbaijan all striving hard to have an access to these rich resources.

Beyond the five littoral states there are several other countries like Armenia, Georgia, Turkey and even Ukraine which have expressed their deep concern for the development of this rich natural resources. The prospect oil and gas reserves have continued to attract the international commercial interest around the globe, from the Balkans to the far East. The European powers and US also have an economic stake in the participation and development of oil and gas in the Caspian Sea. This radical change in the regional power alignment and the perceived size of the oil and gas bonanza were responsible for the ensuing multi lateral struggle over the disposition of the Caspian basin resources.

The economic politics of the Caspian hydrocarbons focuses on three broad issues. First, ownership of the sea beds resources. Second participation in the international development fund that has been formed to exploit these resources. Third, construction of rules and ownership of the pipelines were linking the Caspian Sea to world markets. This clearly reflects the growing competition among the regional as well as global powers for control over these natural resources. Thus Caspian development constitutes an important

problem of international affairs that act across economies, political and security.<sup>11</sup>

The existence of hydrocarbon's raw materials of world significance and ambitious plans for exploration transformed the Central Asian sub-region into one of the nerve centers of world policy today. Already the US and West European oil Corporation and banks have accelerated their expansion into the region. Kazakhstan, Uzbekistan, and Turkmenistan have become the principal focus of their attention. In Kazakhstan, private companies are interacting quite closely with this government. Of all the states in Central Asian sub-region, this country has the highest level of cooperation with the West. This is clearly seen from the close coordination of its economic policy with the IMF which it has signed a standard "standby" Stabilization Agreement. Even more illustrative was the adoption of a charter establishing strategic partnership relations between Kazakhstan and the US. In Turkmenistan, which does not conform much to the Western understanding of democratic criteria, until recently the contracts have been mainly along the lines of the private sector and influential lobby groups of highly placed western politicians.

It is to be noted that sub regions resource potential cannot be developed without the closest interaction of a triad of West Europe Japan Corporations and US. This is true with the increase similarity of interest and coordination of actions among these three countries. Similarly, if China offers the necessary guarantees and open up its territory for laying pipelines and to the delivery of raw materials to Japan, there may be political consolidation between the US, China and Japan triangle.<sup>12</sup>

As western oil companies made substantial inroads into existing oil fields into the region they have created a climate of intense competition between companies and states

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<sup>11</sup> Abraham S. Backer, "Russia and Caspian Oil: Moscow Loses Control," *Post-Soviet Affairs*, Vol. 16(2), April-June 2000, pp. 91-92.

<sup>12</sup> Zhukoz and Reznikova, "Central Asia in World Politics and Economies," *Problems of Economic Transition*, Vol.38 (8), December 1995, pp. 59-81.

within the region. The Caspian basin oil contract with Azerbaijan is such an instance. This contract was concluded in October 1994 between Azerbaijan, a consortium of Western oil companies and Russian Lukoil. The Russian government protested against this contract, because Azerbaijan unilaterally changed the earlier convention on exploitation rights to the Caspian Sea. Iran, Kazakhstan, Turkmenistan, and Russia created regional organization of Caspian Shelf states for coordination within this region. But this group could not pressurize Azerbaijan either into changing the oil deal or coordinating within them, because of the divergent individual interest of the states involved.

Iran had already offered Azerbaijan mineral prospecting rights on Iranian shores. While Kazakhstan and Turkmenistan has signed an agreement with western consortiums for development and prospecting oil on their Caspian shores. Azerbaijan is determined to follow an oil policy suited to its interest. Since then, various US companies have advanced to the north and west of Azerbaijan coastline. Thus Amoco, Exxon, and Uco are continuously working in this region.

Besides, Azerbaijan US oil companies like Exxon has foothold in Kazakhstan. Chevron is also running in the Tengliz field. US Mobil has also gained contracts throughout the Central Asian republics. These companies like all other companies in the region have to face various problems such as the dependence on Russian pipelines in Novorossiisk. This problem was overcome by the setting up of the Caspian pipeline consortium between ten companies including those of Russia, Kazakhstan and Oman. This deal ensures that Kazakh oil will flow through Russia. Alternative routes through Turkey are also being examined. But the severe political problems between Armenia and Azerbaijan had lead to the closure of Armenian land routes from the Caspian region of Turkey.

A rail route between Iran and Pakistan has been completed, and construction of an Iranian gas pipeline from Turkmenistan to Europe via Iran and Turkey has been taken up. However, Iran has its share of problems in the region. It attempts to build tie with both Azerbaijan and Armenia, have run into trouble with the Azeris. The US has put pressure on Azerbaijan to marginalised its partnership with Iran. Moreover, Azerbaijan growing relationship with Israel has disturbed Iran.

Today, friction between Azerbaijan and Iran is no longer a secret. Iran has also not been able to make any substantial inroads in Uzbekistan, which has depended more on Turkish, and Western oil companies. In Tajikistan Iran has effectively played the role of peace broker between government and anti-government forces. But the situation here continues to be tenuous. Iran faces severe hostility from the US, which has labeled it a rogue state. The US energy policy is linked to its strategic as well as commercial interest. Thus President Clinton denied Conoco a billion-dollar deal with Iran in 1995. The US officials have called for isolation of Iran and a policy, which would ensure minimal involvement by Iran. It is with this policy that Turkey has been encouraged by US not only to provide an alternative model, but also to take control of new trade routes.

Turkey has worked in the Central Asia republics through the Economic Cooperation organization. The Turks have set up the Turkish International Cooperation Agency (TICA) for building cooperation with this region. Turkey, however, has not made the impact that was expected of it, except in Uzbekistan. Russia has held on to its interest in Central Asian republics by forming of CIS, the establishment of an economic zone with Kazakhstan and the hold on the old pipelines and refineries. This has continued to make Russia a key player in the region. Thus it is to be seen that the large number of western and Iranian contracts continued to collaborate with Russia in the oil ventures. Despite the search for new routes Russia continues to have the hold over the major

traditional routes. Moreover, Russia have emphasized its intention of being a major collaborator in the Central Asian republics both in economic and defense matters.<sup>13</sup>

Like Turkey and Iran, China also want to enhance its sphere of influence in the Caucasus and Central Asia. Its policy of economic reforms is in fact, appreciated by all countries of this region. China's primary objective in this region is to maintain its territorial integrity by ensuring that the Xinjiang-Uighur Autonomous region, which was historically a venue of Turkic and Muslim separatist agitation. China is also rapidly emerging as industrial power, which require large amount of oil and gas supplies. Although China has significant oil and gas resources, it still needs more due to the rising demands by its industries.<sup>14</sup>

There has been a major shift of oil policies in Turkmenistan in the past few years. Turkmen which was for a long time been regarded as one of the poorly developed republics of the former Soviet Union has at last proceeded along the path of market reforms. It continued to put the main emphasis on the development of the oil and gas sectors, which is practically the only source of currency income of the country. To increase the output of the dwindling quantities of the oil mine, the government has radically changed its policy in this field, and started to rely on foreign capital and experience. On January 20 1997, a Protocol on Mutual Understanding was signed with the British company Monument Oil and Gas and the American Mobil Oil. According to it, the Anglo-American Consortium received the exclusive right to conduct negotiations for the signing of a contract on dividing the product of the development of oil bearing area in the west of Turkmenistan.

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<sup>13</sup> Anuradha M.Chenoy, "Political and Economic Process in the Central Asian Republics," *International Studies*, Vol.34, No.1, January-March 1997, pp. 302-305.

<sup>14</sup> Nalin Kumar Mohapatra."Caspian Cauldron:Role Of State And Non-State Actors." *Contemporary Central Asia* .Vol. 111.No.3,December.1999, p.48.

The contract will cover an area of about 20,000sq.km. from the Chechen Peninsula to the southern border with Iran. The area consists of a dozen of oilfields including all major deposits in the west of the republic, excluding the area transferred several years ago to Argentinean company (Bridas) for prospecting and mining. The oil mined in the area will belong to Turkmen and western companies. Specialists of the consortium regarded the oil deposits in the area as quite considerable.

The decision to draw the foreign companies to increase the volumes of oil, can be explained by the inability of the state-owned company (Turkmaneft) to tackle the ambitious tact's put forward by the president Saparmurad Niyazov. By inviting the western firms on its oil projects the Turkmen will be able to secure a growth of oil mining, which will enable it to create a new route for the export of oil. They may include a new northern pipeline to Kazakhstan and a new southern Iran, as well as the transportation of oil by tankers across the Caspian Sea to other two oil pipelines under construction for their piping of Azerbaijan oil to the Black Sea via Russia and Georgia.<sup>15</sup>

The US continued to retain its anti-Russian and anti-Iranian position in the Caspian region. The US government has declared the Caspian region as a zone of its "strategic interests" and supported Aliyev's desire to completely divide the Caspian Sea. Similarly, it granted oil credits to Azerbaijan, Kazakhstan, Turkmenistan, and encouraged its companies to develop the raw material resources of these states. It is to be seen that many foreign companies such as Turkey, Britain, France and some other countries are also working in the same interest.

In addition, the US has promoted NATO expansion to the east. The newly sovereign Caspian republics were drawn in the NATO sponsored undertaking called

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<sup>15</sup> Daima Timergaliyeva, "Turkmenia Draws Western Companies for Oil Mining," *Russia and the Moslem World*, N4 (58), 1997, pp. 30-32.



“Partnership for Peace.” With the increasing US and its allies interest in the region, Russia has lost its former economic and military might as a great power in the region. In 1998 President Yeltsin and Nazarbayev signed an agreement under which the bed of the Caspian Sea was divided along the middle line and a considerable part of the surface remained in common use, which clearly reflects the Russian recognition of the claim of new independent states on the Caspian basin.

On the contrary, Iran has strengthened its position and is calling for the need to observe the principle of accord among all Caspian states on all matters pertaining to the legal status of the Caspian Sea. They confirm that they will adhere to the treaty made between Iran and Russia signed in 1991 and the Treaty on Trade and Navigation between the two which was signed in 1940, which are the only international documents regulating the legal status connected with the Caspian Sea. Iran still hold that division of this Caspian Sea has not taken place so far, but evidently it will take place in the near future.

During the Russia-Chechen war in 1996, the Turkish government actively supported the separatists by supplying large quantities of arms and even sent their volunteers Mujahideen to take part in the fight against the Russian armies in its drive for having an oil pipeline on its territory. Similarly, the Georgian Eduard Sevardnadze who was an ally of Turkey has supported the idea of the constructing of Baku-Jeikhan pipeline and the transport corridor recommended by Turkey and western countries.

For Kazakhstan, which was locked in the very heart of Asia, the transportation of fuel is of paramount importance. As a result of democratic reforms, the greater part of the privatized enterprises of the mining industry has fallen into the hands of joint Kazakh and foreign firms, predominantly Americans. It is said that in 1996 the US received 50% of share in the Caspian pipeline consortium, whereas Russia has 24%, Kazakhstan 19% and Oman received the remaining 7% of share.

It is to be seen that Iran, as one of the biggest oil and gas exporter is not interested in the emergence of new competitors on the world market. But having suffered from the economic sanctions on the part of the US and looking for a way out from international isolation, Iran is ready to render as much assistance as possible to Turkmenistan and Kazakhstan in laying out pipelines on its territory right up to the Persian Gulf, or to the pipeline which will be built in the direction of Turkey.<sup>16</sup>

Russia is witnessing a steep decline in its economy over the past few years and is no longer in a position to maintain its traditional and historical hold over the Central Asian economies. All the Central Asian republics have diversified their political and economic ties with the outside world particularly with the western countries that have surplus capital and modern technologies. Central Asia and the Caspian region being rich in hydrocarbon resources and other valuable minerals have attracted many western countries and multinational corporations. Their geopolitical location in the heart of Asia and close to the borders of Russia and China, the Indian subcontinent, Iran and the Middle East added to the value in the eyes of the west. It is seen that Russian trade and investment in the Central Asian republics have declined, while countries like Japan, South Korea, China and western countries especially the US have increased their investment over the years

## **Caspian Region and The United States**

The US has declared the region of the Caspian Sea as a zone of its strategic interest. The US Secretary for Power Industry, Bill Richardson, has stated that his country is about to take diplomatic steps aimed at stabilizing the situation in this region

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<sup>16</sup> G.Starchenkov,D .Sc.' 'Passions Around Caspian Oil," Russia And The Moslem World.N3(81) 1999.pp.12-14.

so rich in oil resources. Though the Secretary did not elaborate clearly but reiterated that Caspian region remains as a priority in the zone of the crucial strategic interest of the US. According to Reuters from Hudson, Texas, where the 17<sup>th</sup> World Energy Congress took place, the US accelerated the implementation of all its oil projects in order to satisfy the requirements of its own and those of its allies. This is why Bill Richardson has visited the Caspian region of Azerbaijan, Kazakhstan, and Turkmenistan. These are the places where the US has the greatest oil interest.

The disintegration of the Soviet Union made it possible for the US to establish a new world order and the post Soviet region into a supplier of colonial commodities, and first and foremost the hydrocarbon resources. In 1998 the State Department issued a Special Memorandum, which stated that among other things that “to deprive Russia of the right to have their oil and gas resources of Central Asia and the Trans Caucasus as one of the main guarantees against the restoration of the Soviet empire in one way or the other”,<sup>17</sup> The practical work on implementing this scheme was entrusted to the IMF and the World Bank as well as transnational companies.

The US also forced the Central Asian republics to go for democratization and market reforms. The impoverished republics were offered financial assistance with the condition of implementing privatization, the opening of borders and liberalization of domestic and foreign trade. After the US has declared the region of Caspian Sea as a zone of its strategic interest and ensured a guaranteed protection of transnational companies, the latter began to penetrate actively in the fuel and energy complexes of the newly sovereign republics. At present these companies possesses up to 50% of capital in oil and gas enterprises of Azerbaijan and Kazakhstan, and the US Mobile Company has acquired even 52.4% of the share of Turkmenistan Consortium. It is to be seen that the influence

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<sup>17</sup> Ibid., pp. 14-18

of transnational companies in the republics of the former Soviet Union has grown considerably over a period of time, which often runs against the Russian proposal for the integration of newly independent states.

As of now, the US companies control 80-90% of Azerbaijan oil. US companies also dominate in Kazakhstan oil projects. On September 14, 1998, another contract was signed between Kazakhstan and the US Philips Petroleum Company on investment in the development of oil and gas deposits in the Kazakhstan sector of the Caspian Shelf. The Japanese National Oil Corporation also took part in the project. And the total sum of the deal reached up to three billion dollars. The US and other Western countries also financed other sphere of industries. For example, Japanese and US companies have agreed to take part in the construction of gas and condense plants in Atyrtau and aluminum and chemical plants in Pavlodar in Kazakhstan. Japan will grant a credit of one billion dollars for thirty years to build social projects. The US Philips Petroleum will take upon itself the building of a plant to produce liquefied gas. Kazakhstan will be relieved from the need to lay out its own gas pipelines for its consumers.

Russia may not like the behavior of the US in the Caspian Sea region but it has no opportunities to compete with it in investment policy to say nothing of political opportunities. The US Secretary of Power Industry, Bill Richardson during his trip to the Caspian region also tried to settle the sea disputes between Azerbaijan and Turkmenistan. The amount of oil deposits in these places are estimated at 100 million tones which the US would not like them to slip away.<sup>18</sup>

The US recognized the independence of Uzbekistan on December 25, 1991, and opened up an embassy in Tashkent in March 1992. The US believed that its own interest

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<sup>18</sup> Gayaz Alimov, "The USA is Laying its Hands on the Richness of the Caspian Sea," *Russia and The Moslem World*, N11 (77), 1998, pp. 17-18.

would be served by development of an independent, stable, prosperous and democratic Central Asia. As the most populous country in Central Asia and the only one that borders all the other. Uzbekistan plays a vital role in the region. The US accordingly has developed broad relationship covering political, military, non-proliferation, economic, trades, assistance and related issues. This has been institutionalized through the establishment of the US-Uzbek Joint Commission, which held its first meeting in February 1998.

Uzbekistan has been a strong partner of the US on foreign policy and security issues ranging from Iraq to Cuba, nuclear proliferation to narcotic trafficking. It has sought active participation in Western security initiatives under the Partnership for Peace, OSCE, and the Euro-Atlantic Partnership Council. Similarly, the Uzbekistan view its ties with the US as balancing regional influences, and values Uzbekistan as stable, moderate force in a turbulent region, a market for US exports, a producer of important resources and the regional centre for pipelines, transportation, communication and other infrastructure in which US firms seek a leading role. The US urges greater reforms as necessary for long term stability and prosperity. Registration of independent political parties and human rights initiative by NGOs would be an important step. Enforcement of institutional safeguards ensuring personal, religious, press freedom and civil liberty is also needed. The US also urges to continue support on UN peacekeeping efforts in Tajikistan and Afghanistan and neutrality towards the Afghan factions, as these measures are necessary for the economic prosperity of the state.

The US trade and investment with Uzbekistan grew rapidly and US export reached 352 million dollars in 1996. The Uzbekistan large consumer market, educated workforce and potential as a production and distribution based for goods for the region warrant US interest. Trade relations are regulated by a bilateral trade agreement, which

entered into force on January, 14 1994. It provides extension of Most Favoured Nation (MFN) status between the two countries. The US additionally granted Uzbekistan exemption from many US import tariffs under the generalized system of preferences on August 17, 1994. Similarly, the bilateral investment treaty was signed on December 16, 1994 between Uzbekistan and the US. The US-Uzbekistan Civil Aviation Agreement was signed on February 27, 1998, which provides for open skies, offers potential for greater expanded air transport by US carriers to the region.

Between 1992 and 1998, the US has provided roughly 144 million dollars in humanitarian aid, technical assistance and investment support in Uzbekistan. These programmes were designed to promote market reforms and to establish a foundation for an open prosperous and democratic society. The technical assistance to Uzbekistan promotes sound fiscal and management policies, important private business operations, a competitive private sector, citizens participation in political and economic decision making, improve sustainability of social benefits and social services, private investment in the energy, reduced environmental risk to public health, and other multi-sector reforms programmes. Other programmes include business training, subsidies for business development, environmental and science education and environmental preservation.. All these programmes also show that US have great interest in building a close and stable relationship with the region.<sup>19</sup>

It is to be seen that the US have established a close relationship with the government of Kazakhstan especially in economic and bilateral agreements. On February 18, 1993, the Bilateral Trade Agreement was signed between the two countries. This agreement provides for MFN status for products of both countries improved market access and provides non-discriminatory treatment for US goods and services in

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<sup>19</sup> "US-Uzbek Relations," Report of the *US States Energy Information Administration*, July 2000.

Kazakhstan and vice versa. The agreement also provides strong intellectual property rights protection in reaffirming commitments to international agreements. Similarly, the bilateral investment treaty was signed on January 12, 1994. The treaty guarantees non-discriminatory treatment for US investment and operations in Kazakhstan, hard currency repatriation rights, expropriation compensation and the right to third party international arbitration in the event of a dispute between a US company and the government. Agreements for the avoidance of double taxation was also signed. This tax treaty clarifies tax treatment for investors and in many cases reduces or eliminates tax liability at the source, thus supporting greater investment. The agreement also provides relief from double taxation, assurances of non-discriminatory tax treatment, cooperation between Kazakhstan officials and US and the exchange of tax information.

The Overseas Private Investment Corporation (OPIC) has also signed a bilateral agreement with Kazakhstan authority, and authorizing OPIC to provide loans, loan guarantees, and investment insurance to US companies that invest in Kazakhstan. Meanwhile, OPIC has supported six private investment firms that include Central Asia among the countries in which they make investments. Similarly, the export-import bank of the US (EXIM Bank) grants short and medium term credit insurance, medium and long term loan guarantees and direct loans to American firms trading in Kazakhstan. EXIM Bank requires an irrevocable letter of credit or guarantee from the Kazakhstan EXIM Bank. EXIM Bank also signed a Project Incentive Agreement with the Kazakh government and the National Bank of Kazakhstan. Under this agreement US exports for major projects in Kazakhstan could be financed via an EXIM Bank guarantee, without a sovereign guarantee from the Kazakhstan government. National Agency for Foreign Investment (NAFI), a branch of the Ministry of Economy is the implementing agency for this agreement.

The US Trade and Development Agency (TDA) is also authorized to operate in Kazakhstan. The TDA provides funding for US firms to carry out feasibility studies of major projects in developing countries. TDA has provided 3.9 million dollars funds to nine feasibility studies in Kazakhstan, including coal mine. development, bank automation, gold mine development, gas pipeline, dairy modernization, custom automation, oil field development, gold production and construction of offshore infrastructure for oil field development. In July 1994, the Central Asian-American Enterprises Fund was incorporated to promote the development of emerging private sectors in the five Central Asian countries of Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Azerbaijan. The fund has been capitalized by the US government at 150 million dollars over the next three to four years. The fund is managed by a Board of Directors and has an authority to make debt and equity investments and offer technical assistance to promote new enterprises in the Central Asian states. The funds concentrates mainly on promoting small and medium size companies. The fund gives preference to projects in infrastructural sectors such as food processing, textile manufacturing, distribution and transportation and consumer goods production.

It is to be seen that the Caspian Sea and Central Asia continued to attract the global international oil companies due to its abundant unexplored and unexploited energy resources. The US is seen to be the major power players in the region with the increasing nexuses between US oil companies and American government to control the resources in this region and the resultant US support to Taliban with the hope of securing safe routes for oil through Afghanistan has been well demonstrated. The Central Asian leaders became obsessed with projected pipelines, potential routes and the geo-politics that surrounds them. The struggle for oil and influence by the big powers such as Russia,



China and the US including neighbouring, Iran, Afghanistan, Pakistan and Turkey; the Central Asian states themselves and the most powerful player of all the oil companies, constitute what is called "the new great game".

Today's great game is between expanding and contracting among the companies. As weakened Russia attempts to keep a grip on what it still views as its frontiers in Central Asia and control the flow of Caspian oil through its pipelines, the US is thrusting itself into the region on the back of proposed pipelines which would bypass Russia. Similarly Iran, Turkey and Pakistan are building their own communication links and wanted a safe route for future pipelines. China wants stability so that its Xinjiang Autonomous Region which are mainly populated by the same Muslim ethnic groups as in Central Asia, are not threatened by the political instability in the Central Asian region. Besides, China also wanted to secure the necessary energy resources to fuel its own rapid economic growth and expand its influence in a critical border region. The Central Asian states has its own rivalries, preferences, and strategic imperatives. and above all this, is the fierce competition, between the US, European and the Asian oil companies for energy resources in the region.<sup>20</sup>

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<sup>20</sup> Nalin Kumar Mohapatra, *op.cit.*pp.56-57.

# **CHAPTER FOUR**

## **US Security Interest**

Since the-mid 1990s, the US has strengthened its position in Central Asia by broadening and deepening its policies – strategic or otherwise. The target for the new strategy is to consolidate its status as the sole super power. This means that particularly in Central Asia its strategy is to Russia, its traditional rival power in the north, to guard against the Islamic World in the south and to contain China in the east. After realizing the importance of the region the US has increased its cooperation with the Central Asian Countries in the military and security fields. Concerned with the rise of China, the possible revitalization of Russia and the existence of Islamic extremist activities, the Central Asian countries too have a common willingness to conduct military cooperation with the US. The Asian states wanted to broaden their security and political network and engagements so that they would not fall under the tight monopoly of a power or two. By taking advantage of this mind set, the US led NATO had succeeded in establishing peaceful partnership with six Central Asian Countries - Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan, Azerbaijan and Georgia through a Partnership for Peace [Pfp] programme in order to accommodate those countries eager to join NATO.

### **Strategic Significance of the Region**

Central Asia has been considered as one of the most important region from the strategic point of view. During the 19<sup>th</sup> century the British and the Tsarist Empire had played a Great Game Politics to control over this strategic region for political and military expediency. But in the early 20<sup>th</sup> century the Central Asian region came under the direct

control of the Soviet Union and continued to be so till the disintegration of the Soviet Union in 1991. With the disintegration of the Soviet Union once again this region has become the attraction of the world politics. which some scholars has termed it as New Great Game Politics of the 21<sup>st</sup> century.

The strategic significance of the region also lies in the fact that it is located in the heartland of Asia and borders two of the now seven nuclear powers States i.e., Russia and China. The region also has a claim to the rich natural resources of oil, natural gas and many other valuable materials of world's importance. With the collapse of the Soviet Union, the Central Asian region had witnessed a tremendous political activity from both within and without The US is seen to be one of the major power players in the region, and is guided by multi dimensional interests. Though its primary objective is economic in nature, its security interests cannot be undermined.

In the after-math of the Second World War, the emerging bi-polar structure of world politics resulted in what can be termed as "overlay" of cold war politics over regional matters in most parts of the world. It was increasingly believed that interplay between the state actors and protagonists were leading to a situation where controversies at the global political level was overlapping the regional parameters of regional complexes.

The concept of regional security complexes bases itself on the existence of regional groupings of states whose security are inter- linked to each other. Accordingly, security studies traditionally takes place at the level of individual states or at the level of global politics, as the security of the given state is by necessity more dependent on what goes on in certain states .The regional security complexes may at times be observed by politics at the higher level, this is called "overlay". In Buzan's words, "overlay occurs when one or more external powers move directly into the local complex with the effect of

suppressing the indigenous security dynamic".<sup>1</sup> This principal could be easily seen during the post war and cold war settings. Afghanistan by 1990 was drawn into the Soviet sphere of influence. Similarly, Pakistan along with Iran and Turkey since the 1940's had come to play crucial role in American efforts to contain the Soviet Union through its members in the Baghdad Pact, which was later renamed the Central Treaty Organization (CENTO).

Another development was the deterioration of the previously amicable Sino-Soviet relations to the freezing point. During this time when Afghanistan and Russia had strength their relations, Iran, Turkey and China came to play lesser roles in the Central Asians sphere. None of these states enjoy either direct or indirect relation with the republics of Central Asia during the cold war. This means there was an interruption of the ancient trade routes, the most famous of which being the "Silk Road". In fact, Central Asia's main access to the sea was historically passing through the present day Pakistan, but after its incorporation in the USSR and the final delineation of Central Asia internal borders in 1936, the region became economically linked to the Soviet's planned economy, governed from Moscow. Cold war politics in this manner locked into place the security of the USSR's southern border for a considerable amount of time. Afghanistan was helplessly falling into the Soviet orbit, which adversely affected Pakistan.

On the other hand, Pakistan and Iran became the crucial US allies. But this situation changed in the 1970's. The 1979 Iranian revolution deprived Washington of a crucial ally, weakening its position in Asia and the Middle East, although the new Iranian regimes relation with Moscow remained cool. Meanwhile, Afghanistan slipped into instability by the mid-1979, thereby, precipitating a Soviet military intervention in 1979,

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<sup>1</sup> Quoted in Svante E Cornell and Maria Sultan, "The Asian Connection: The New Geopolitics of Central Eurasia," *Caspian Brief*, December 2000.

while Washington and Islamabad actively supported the anti Soviet Mujahiddeen forces. By 1980's Pakistan had replace Iran as the core US ally checking soviet expansion in Asia, and receiving several billion dollars in primarily military act. Meanwhile their common enmity with India produced close cooperation between Beijing and Islamabad particularly after the 1962 Indo-Chinese war.<sup>2</sup>

### **Potential Military Threats**

After the collapse of the Soviet Union Central Asian states have witnessed multiple security problems. Realizing the Central Asian region's vulnerability to such problems, the Central Asian States began to take protective measures by forming a collective security among the member states as well as involving outsiders such as OSCN, UN and NATO.

In October 1993, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan signed the "Bishkek Agreement" on the Concept of Military Security of the CIS member States. This document highlighted the major source of potential military threat for member states of the CIS, such as instability of the social, economic, military and political situation in a number of regions. The existence of military potential in certain States which exceeds their defence needs and the proliferation of nuclear and other weapons of mass destruction. On February 1995, at a CIS summit, a declaration of member states on the Collective Security Agreement and a concept of Collective Security were adopted.

However, the greatest handicap for the CIS states is the fact that their armed forces are still at the initial stage of formation. They were fragments of the armed forces of the former Soviet Union and therefore did not have a single internal system with

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<sup>2</sup> Svante E. Cornell and Maria Sultan, "The Asian Connection: The New Geopolitics of Central Eurasia," *Caspian Brief*, December 2000.

Command and Control, Communication, comprehensive supply system, mobilization readiness, and training of personnel and defence production. Despite these. after independence, the Central Asian States determined their general structure of the armed forces, Command and Control bodies of military policies and doctrines.

Though the official documents on military policy of the CIS Central Asian States did not specify probable enemies, it suggested in broad terms the source of potential military dangers of some neighboring states such as China, Iran, Afghanistan and Turkey. Among these states, China was proved to be the most powerful state with military potential, which includes nuclear weapons. The Lanchzou military district bordering Central Asia is seen to be the fourth largest Chinese military district where twelve Chinese land divisions were deployed. Similarly, the Lop-Nor Nuclear test site also lies in the same district.<sup>3</sup>

Another part of the myth about "the Chinese threat" was that Beijing could accuse the Central Asian States of allowing their territory to be used by some Uighur organization for subversive activities against China. Both in the Russian and western press, a number of publications has reported that the appliance of newly independent states of Central Asia stimulated the struggle of Turkic-Muslim peoples in China, mainly Uighurs, for their national independence. However, as of now in Central Asia there are no signs of any Pan-Turkic or Pan-Islamic solitary. The Central Asia states maintains the principle of non-interference in the internal affairs of other states and do not permit any organizations to under take any activities which might damage their relations with other countries including China. The registration of such organization is not permitted and their activities are prohibited.

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<sup>3</sup> Omirserik Kasenov, "Central Asia: National, Regional And Global Aspect of Security," *Himalayan and Central Asian Studies*. Vol.1 No.1, April-June 1997, pp.30-31.

Iran, which rated as the second world oil states after Saudi, raises about \$20 billion a year from oil sales, have considerable armed forces and is conducting a large scale programme of rearmament. Western states accuse Iran of creating an infrastructure for the production of nuclear weapons, mainly with the assistance of China. However, it is to be seen that Iran is unlikely to become a military threat to the Central Asian states. Iran is increasing its military potential in order to become a major regional power center in the Persian Gulf. This is along term goal of its external policy. Even though Iran has interest in the northern and northeastern parameter of its borders to Trans-Caucasia, Central Asia and Afghanistan, the lessons of the Iran-Iraq suggested that Iran would not use force, at least in the foreseeable future.

The real threat to the security of newly independent states of Central Asia is the situation on the Tajik-Afghan border which poses the danger from Afghanistan to Central Asia, the possibility of the new Central Asian states is cracking at the "Ethnic seams," as it is occurring now in Afghanistan.

The fracturing of the CIS Central Asian states along the Ethnic lines is a potential danger for Russia itself, since, as noted by some Russian analysts, this regions form the "soft under belly" of Russia. In response, Russia will have to build new state borders in an attempt to contain what is viewed as "Islamic Fundamentalism". Yet neither Russia nor the Central Asian States are able to equip new Inter-State CIS borders between themselves. According to Russian estimates the equipment of a kilometer border will cost not less than one billion rubbles.

The decision on whether to continue to guard the 1400 km long Tajik Afghan border or to leave Tajikistan and to start the construction of a new 6200 km long Russian Kazakh border is an acute issue for Russia. As a matter of the fact that the Central Asian States by themselves cannot effort the construction and equipment of new state borders.

Therefore, it is on the interest of Central Asian states to leave transport border between themselves, but to strengthen the protection of outer borders of CIS. especially the Tajik-Afghan section. Similarly, it is on Russia's interest to strengthen the states sovereignty and territorial integrity of the Central Asian states to promote the development of the economic and defense potential of the Central Asian states, and engage in military and political cooperation in order to protect the common borders of the CIS by means of joint forces. It is to be seen that the Treaties of Friendship and Cooperation and mutual assistance signed by Russia and Central Asian states pre- suppose mutual defense obligation in the event of aggression against any of the parties.<sup>4</sup>

### **US Military Strategy in Central Asia**

As the confrontation between Moscow and Washington grows, the US strives to consolidate its military ties with the former republics of former Soviet Union with a view to contain if not to isolate Russia from the rest of the world to the extend possible. The well known programme "Partnership for Peace", which have been evolved and introduced immediately after the desolation of the Soviet Union and oriented to the former Soviet Republics is widely used for this purpose.

The US has already entrenched itself in Ukraine, and the Trans-Caucasus and Central Asia, where the development of national armies proceeds under the patronage of US military experts. Most of the CIS countries had even voiced their desire to join NATO's forces in the near future. By strengthening its position in the Trans-Caucasus and Central Asia the US tries to weaken the influence not only Russia, but also Iran and China in this region.

Today, Russia is unable to put up with any serious competition to the US in

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<sup>4</sup> Ibid. pp. 32-33.



developing and transporting the fuels and energy resources of Central Asia. On the other hand, China has signed multi-billion contracts with Kazakhstan on developing oil deposits and mining in the western part of the republic and building several oil pipe lines from Kazakhstan to Iran and China by Chinese specialists. Now China is seen to be the main rival of the US in Central Asia, which Washington cannot reconcile itself with. In these conditions, the best strategy of the US will be its military presence which in the region. Judging by the stepping of the US military cooperation with Central Asian republics, Washington has been quite successful in this sphere. Uzbekistan has fully oriented itself to the US in building its national army.

For over six years now, this Central Asian republics have been receiving military hardware from the US. It is said that many Uzbek students are studying in US military colleges and institutions. Moreover, there are reports that the US intends to set up military bases in Uzbekistan territory. These reports are not groundless, for it is a known fact that the military connections of Uzbekistan with NATO countries are expanding. Similarly, President Askar Akyev of Kyrgyzstan regards military cooperation between his country and the US as quite successful. He also reiterated that Kyrgyzstan officers would be allowed to studying at US military schools and colleges. Besides, at present Washington is helping the Central Asian states in the formation and training of peacekeeping battalions in the region.

The US has even succeeded in coaxing neutral Turkmenistan to sign an agreement with the NATO co-ordination center on implementation of an individual programme from 1992-2000. This programme envisages the dispatch of Turkmen officers and military inspectors to NATO seminars and upgrading courses. These measures will be fully financed by NATO. US interest in Turkmenistan is quite obvious. It wants to control the

construction of oil and gas pipelines to Europe, Pakistan and the countries of Indo-China.<sup>5</sup>

Meanwhile, the presence of Russian military in Central Asia has been reduced to a minimum and soon there may be no Russian military bases in the region in the near future. If this process continues, Moscow will soon lose its influence on the region, and Central Asia will cease to be market for Russian arms, because these republics will equip their arms with US military hardware. The aims of these armies will largely differ from Russian interest. Moreover, some of these countries may soon find themselves in anti-Russian military alliances.

### **US and Shanghai-Five**

The Shanghai-Five, which was formed in 1996 by Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan, provides the formal structure and joint venture of Sino-Russia strategic partnership in Central Asia. It began with Confidence Building Measures (CBM) on the border and subsequently included other fields of cooperation.

China's policy of developing its western areas and Russia's policy of promoting regional integration through the Eurasian Economical Community (EAEC) and collective security treaty, aimed at strengthening possessions in their respective parts of Central Asia. China is utilizing the Shanghai forum for curbing Uighur separatism, and also getting access to the energy resources of Central Asia and Russia. It is not directly questioning Russia's traditional role, but is trying to fill up available spaces that includes military contacts.

Both China and Russia have increasingly realized that their domestic interest and internal security cannot be met without addressing the fluid security scenario in the

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<sup>5</sup> Mehman Gafarly, "The USA Consolidates its Military Ties with Central Asian Countries," *Russia and The Moslem World*," Bulletin of Analytical References Information, N6(84), May 29, 1999, p. 32-33.

contiguous neighboring states. The new phenomenon which is increasingly manifested as oscillating waves of Islamic fundamentalism has assumed a trans-border nature, whose manifestation cannot be checked by state power in isolation without allying with others.

The Russian-China relation which saw a positive turn in the 1980s under Mikhail Gorbachev continued to deepen steadily in the 1990s. During Jiang Zemin's visit to Moscow in 1994 Moscow visit the two countries made an effort to create a "Constructive Partnership oriented towards the twenty-first century." This mutual appreciation give a formal thrust to the idea of Shanghai Five and its increasing relevance.<sup>6</sup>

The example set by China and Russia was followed by other Central Asian States. Presidents Nazerbayev, Karimov, Akayav, Niyazov and Rakhmonov all from the Central Asian countries visited China and signed the documents of good neighboring relationship among these countries including China. In 1994, premier Li Peng of China paid an official visit to Uzbekistan, Turkmenistan, Kyrgyzstan and Kazakhstan and sought to assured the Central Asian leaders that China would be a friend of the central Asian countries, and that it would not pursue or aspire its political and economic influence in Central Asia. Similarly, China offered the Central Asian land-locked states an outlet to the sea on its Pacific Coast. The Chinese took particular credit in the earlier difficult year of the Central Asia's states bordering China in helping Russian and Central Asian countries in warding off severe shortages of food and consumers goods.

The Shanghai agreements also stipulated that the troops on their border areas would not attack each other. As a confidence building measure, the signatories would notify the other side on military maneuvers and exercises and friendly contest among the military personnel sides would be encouraged.

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<sup>6</sup> Jyotsna Bakshi, "Sino-Russian Partnership in Central Asia: Implications for India," *Strategic Analysis*, Vol.XXV, No.2, May 2001, p. 163.

The priority before Central Asia and Russia was the systematic transformation of domestic politics and economics. For this, they needed a stable and favorable external environment, and peace on the border. China also accorded the highest priority to the task of economic modernization that required peace on the borders. However, it is to be seen that Russia was not in a position to hold on to its historical control and influence over the region. Similarly, China's position and economic power were largely concentrated in its eastern coastal part, and China's position on its Western front in Central Asia was rather defensive. It wanted to forestall the possibility of the assertion of Uighur demand for Independence in Xinjiang. The newly independent states of Central Asia were extremely fragile and turbulence in Central Asia could spill over to their bordering areas. Therefore China and Russia decided to join hands for ensuring peace, stability and implementing CBMs, in the region.<sup>7</sup>

The Shanghai- Five, forum led by China and Russia, is beginning to take rapid strides as a sentinel in Central Asia. Its primary purpose at the moment is to try and insulate central Asia as well as Russia and China from the negative influences of Afghanistan's Taliban. But the prime issue is how long will the US refrain from openly opposing a Sino-Russia concert of power in Central Asia.

It is seen that today, Shanghai-Five have emerged as the prime movers in seeking to protect a wide area of Eurasian territory from the external affects of terrorism, which emanates from Afghanistan. Most dramatically, the new concerns of the Shanghai -five pertain to the global strategic interests of Russia and China. The smaller constituents of this Eurasian entity, namely, Kazakhstan, Kyrgyzstan and Tajikistan, do not obviously shared the global interests of either Russia or China. Yet the Shanghai-Five, which held a

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<sup>7</sup> Jyotsna Bakshi, "Sino-Russian Partnership in Central Asia: Implications for India," *Strategic Analysis*, Vol. XXV, No.2, May 2000, pp. 163-168.

summit recently in Shanghai on June 2001, has now expressed its deep concern on the plans of the United States for a Missiles shield programme. According to the forum “a chain reaction of missile and missiles technology proliferation”, will result from the current US moves to undermine a relevant US-Soviet treaty of 1972. Even the smaller states of the Shanghai-Five have join the Sino-Russia chorus in praise of Anti-Ballistic Missile Treaty utility as a diplomatic insurance against the current US moves to create a new global strategic architecture.<sup>8</sup>

For the US, which is being increasingly viewed even by some European States as a virtual or potential hyper power, the quest for a new global strategic order is not entirely defined in a Sino-Russian idiom. China and Russia tend to see Washington’s latest move as being symptomatic of a desire to perpetuate the dominance of the US as the sole super power. Washington however, tend to characterise a unipolar world as nothing more than a dispensation in which the US leads as the prominent power. The simple reason is that the US expects its supremacy to be openly acknowledged by its friends and allies and tacitly endorsed by those inclined to oppose it.

For Russia and China, a multipolar political order is desirable, so that they too can share power with the US in determining how the World should be governed. Through Shanghai Five, Beijing and Moscow have been able to affirm multi-polarity as a creed. The Chinese president, Jiang Zemin, has now given up his original vision of creating a tri polar world. As China watcher like Willy Wo-Laplum pointed out that during 1997 Mr. Jiang Zemin had envisioned a futurist Tri- polar world consisting of the US led Europe and on Asia by resurgent in China. If China has given up the dream of Tri-polar world, the reason has much to do with the US move to become the first invulnerable power.<sup>9</sup>

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<sup>8</sup> P.S. Surya Narayana, "Shanghai Five and The US," *The Hindu*, Monday, June 4 2001, p.11.

<sup>9</sup> *ibid.*, p.11.

It is seen that two reasons account for the relative failure of the US so far to position itself as a key strategic player in Central Asia,. Firstly, as keen Asian diplomats pointed out that, the US remained somewhat slow to have anticipated Russia's bid to re-establish its strategic control over the Central Asian States. They were the constituents of the former Soviet Union and surely the Russia under its earlier leader, Boris Yeltsin chose to play second fiddle to Washington in Central Asia. That will account for a certain initial leisureliness on the part of the US in seeking to spread its strategic wings across an uncharted Central Asia. However, the new president Mr. Vladimir Putin has acted quite quickly to retrieve Central Asia as Russia's forward base. The second factor, is that President Bush administration's recognition of China, rather than Russia as a potential threat to America's sentiments in the future. A policy quest by the previous US President Mr. Bill Clinton, to engage China was of course, preceded by his move for a firmer strategic clasping of an ally like Japan. So the US-China engagement until the year 2000 was balanced by Americans practice of placing premium on its forward presence in East Asia. Not surprisingly, then Beijing saw itself as being constrained by the US .The initiative of Shanghai Five by China clearly reflects China's concern about the new US policy in the Central Asian region.

What caused alarm to China and Russia was the latest comment made by the US president Mr. George W. Bush that he wants to seek peace by redefining war on America's terms. While this doctrine of confrontation largely applies to the Asia-Pacific theatre, China and Russia will like to access the US concern in regard to Central Asia in particular. China and Russia have already positioned themselves as the warriors against the Islamic fundamentalism that could spew out of Afghanistan. For the US, which does not discount Central Asia as a reservoir of conventional energy resources, the importance of this threat heightened by the Taliban challenge is indeed real and serious. Washington is keen to

pressurise the Taliban to hand over Osama-Bin Laden, and Mr. Bush may want to lead a war against international terrorism in America's own terms. Yet, the Shanghai Five consensus on a strict implementation of the UN arms embargo and other sanctions against the Taliban can only suit the US interest. The question arises, as whether the Taliban challenge the political terror or narcotic terror can bring the US closer to the Shanghai Five. Elsewhere, India and several others are keen on engaging or associating themselves with the forum. However, much will depend on how far the Shanghai Five will seek to coordinate the military strategies of its constituents in containing Islamic Fundamentalism. Russia is forming an unrelated Rapid Reaction Force for this purpose in conjunction with some of its Soviet- vintage fellow republics

### **NATO and Central Asian States**

NATO has been involved with the countries of the region since the moment Central Asian States gained independence. The announcement of the Soviet Union dissolution was made at the founding meeting of the North Atlantic Cooperation Council (NACC), in December 1991, and all the successor states of the Soviet Union which had formed the Common Wealth of Independent States entered the NACC the following March. The participation of Central Asian Countries in the NACC is confronting them with different type of multi-lateral consultation and diplomacy from the one it experienced in the CIS. With the exception of Tajikistan, all Central Asian countries have joined the Partnership for peace (PfP). Individual partnership programme have been developed between NATO and Kazakhstan, Kyrgyzstan and Uzbekistan. NATO has also received the PfP Presentation Document from Turkmenistan and the work is currently under way to develop Individual Partnership Programmes. The strategic objectives of NATO and PfP in this context can be summarized as follows:

1. To involve Central Asian Countries in the European Security architecture based on cooperative process and on mutual consultation in case of threats.
2. To increase military cooperation in the region and information exchange.
3. To contribute to stability in the region through democratic control over the military and balanced Civil-Military relations.
4. To increase inter-operability for inter-State peace keeping operations on the basis of a common conceptual approach<sup>10</sup>.

At their meeting in December 1995, the NACC member states stressed the importance of strengthening democratic control over armed forces, and developing strong civil military relations. They noted that this are essential elements of any mature democracy, while recognizing that each countries will need to develop its own particular approach based on its own national circumstances and characteristics. According to the central Asian government, the PfP programmes serves the objectives of strengthening and modernizing their national armies. They consider this cooperation supplemented by other military cooperation agreements with individual NATO countries, especially with the US, Turkey and Germany, as an efficient way of reducing their independence on Russia. Contrary to proposals by Moscow to reform the CIS armed forces, for reintegrating the forces in a common military structure, both Kazakhstan and Kyrgyzstan decided to strengthen their military independence with western support. This would give them a certain space to maneuver in negotiating the military integration process with Russia. Moreover Uzbekistan, Kazakhstan and Kyrgyzstan decided to create an international battalion for peace keeping operations which could be used under the UN but could also be helpful in avoiding foreign involvement in the region in case of ethnic conflicts spilling

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<sup>10</sup> Coppieters, Burno, et.al., "Central Asian Region in a New International Environment," *NATO Review*, 44 (5), September 1996, pp. 26-27.



over their borders.

In all the three countries of Uzbekistan, Kazakhstan and Kyrgyzstan, the Ministries of Foreign Affairs were initially seen to be more in favor of cooperation with NATO and NATO countries than the Ministries of Defence. The strong presence of Russian officers in the general staffs of the national armies and in the Ministries of Defence was considered by some foreign observer as a reason for the hesitant or even negative attitudes towards an active involvement in PfP. The necessity to modernize the armed forces and to strengthen national sovereignty was, however, the decisive motive for the heads of state of all three countries to go forward with the PfP program, even if financial restraints were expected to hinder full implementation.

The fact that Russia signed its Individual Partnership programme in June 1995 was a further incentive for them to cooperate with the western countries. NATO's expanding eastwards does not seem to be a direct cause of concern to Central Asian countries. They consider as a matter of the sovereign choice of all the states concerned but they did not publish official statements on this subject, thereby, avoiding polemics with Moscow. Even if they do not feel that their security interests are directly at stake, Central Asian governments do have to be attentive to the indirect consequences of NATO's enlargements.<sup>11</sup>

The security perception of Central Asian governments differs from those of the West and Russia. Contrary to some Russian views, the radical shift that has taken place in the military balance in Europe, as result of the gradual integration of former Warsaw Pact members into the western community, has not been perceived as a security threat by

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<sup>11</sup> Ibid., pp. 28.

Central Asian governments. Their cooperation with western governments remains, however, to a large extent and depend on the ability of NATO countries and Russia to avoid creating new lines of divisions. The west will especially have to be attentive that Russia does not become marginalised in their new security architecture in Europe, and the NATO military cooperation with Central Asian governments is not perceived in Moscow as another attempt to extend its sphere of influence. Any confrontation between Russia and the west will have far - reaching consequences for all countries involved in the Central Asian region. It may not only freeze governmental cooperation programme in the frame work of PfP, but also hamper the large economic investment plans in Central Asia, considered by all interested countries as been strategically important<sup>12</sup>.

The OSCE and NACC have been designed to supersede the post cold war conflicts in Europe, their extension into Central Asian continent requires new diplomatic skills from western governments. They have to demonstrate that they will not exclusively be attentive to their specific security interests, such as the settlement of only those ethnic conflicts that are impeding free access to raw materials, but they can address new security challenges in the Central Asian region, such as promoting ethnic and political integration, reducing the economic disparities and ensuring access of all countries to water resources. A preventive diplomacy focusing on the rights of the Russian minority in Kazakhstan as an indispensable part concerning the Russian population in the Baltic's, in order to preserve stability in the region.

Western governments rightly consider democratic control over the military as a necessary condition for peace and security. Western public opinion usually equates civilian control with democratic control. Civilian power and democracy, however, far from constituting synonymous concept in Central Asia. The lack of political integration of

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<sup>12</sup> Ibid., pp. 30-34.

the Russian minorities in civilian governments and their over representation in the higher military ranks causes destabilizing factors in the region, especially in Kazakhstan. A balance relationship between the different ethnic groups in all state institutions should be considered as a necessary pre-condition for an equally balanced relationship between civilian and military authorities. The OSCE and NACC pursue both these aims. The protection of minorities rights has developed into one of the core functions of the OSCE and is an integral part of the future security model of Europe. NACC members have stressed the importance of civilian-military relations for democracy. In this respect, the aims and strategies of both the OSCE and NACC are fully compatible and complementary in the process of building a comprehensive security order for the Eurasian continent.<sup>13</sup>

NATO presence in Central Asia and the Caucasus is increasing, but this expansion has taken place without any clear strategic thinking about the alliances' political goals and methods. Instead, individual members have pursued their own policies, and sometimes competing interests and aims. The result has been the development of vague commitments and understanding between NATO and its partner states in Central Asia and the Caucasus, the weight of which is poorly understood even among the parties themselves, much less by external observers like Russia, China and Iran.

This confusion is dangerous given the tenuous political arrangements in the Caucasus and Central Asia and this region's propensity for violent conflicts. The humanitarian impact of the fighting in Chechnya is devastating enough, but future conflicts could be larger, bloodier and may affect areas in Central Asia then to western interest. The expansion of presence in the Caucasus and Central Asia poses three specific challenges. Firstly local crisis could draw the alliance into the regional conflict which it

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<sup>13</sup> Guangcheng Xing, "Security Issues in China's Relations With Central Asian States," in Yongjin Zhang and Rouben Azizian, Eds., *Ethnic Challenges Beyond Border*, op.cit., pp.216-217.

will prefer to avoid. Secondly non- NATO states such as Iran and China have established interest in the region which could lead NATO into conflict with other countries it never intended to confront. Thirdly, and perhaps most likely, the contemporary economic and political interest of NATO members could undermine the alliance cohesion.

NATO presence in the Caucasus and Central Asia rises many difficult questions, as how best to engage Russia and provide out of area operations, about regional role of Turkey and also about the appropriate political focus of the alliance. NATO's activity in the Caucasus and Central Asia provides familiar problem of different strategic priorities and burden sharing uses within the alliance as well as introducing new ones, notably the weak, corrupt and unstable character of Caucasus and Central Asian regimes, and the high levels of domestic and international tension which this states confront, such as drug trafficking, Islamic fundamentalism and unrest among ethnic minority and religious groups. The local conflicts could drag NATO into a situation and the local government may even play the card of NATO for doubtful or dangerous policies.

The “Centrasbat II” exercise in Uzbekistan in 1998 demonstrates how NATO must be wary of its putative partners as it is of its opponent. The US wanted to hold the exercise in the northern Tashkent district where vulnerable industrial and nuclear power facilities were located, since the declared aim of the exercise was to practice disaster relief in the wake of a natural and industrial disaster. The Uzbek authorities, however, argued strenuously for the Ferghana valley, and area on the Tajik-Uzbek border, which has been the scene of, repeated clashes between the ethnic and clan groups. Uzbek officials clearly viewed the exercise as an opportunity to show their religious opposition groups.<sup>14</sup>

The Caucasus and Central Asia are most likely to effect NATO by way of a

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<sup>14</sup> Robin Bhatti and Rachel Bronson, “NATO’s Mixed Signals in the Caucasus and Central Asia,” *Survival*, 42(3), Autumn 2000, pp. 129-145.

political conflict involvement there with itself. Different levels of investment in both the strategic and the commerce will create different national preferences. NATO members are already worried that the alliance could be pulled into the region because of one member's interest. Denmark, Italy and US are key supporters of developing regional forces for the PfP, where by one or more NATO countries form stronger power ties with certain PfP countries. Other allies were skeptical of such an arrangement, and worried that this could lead certain states to secure a hegemonic position under the cover of the programme.

Similarly, difference also exists among the allies about how permanent a role of Turkey should play in the region. The US has actively supported a strong role for the Turkey as a lynch pin of commercial and security arrangements in the Caucasus, but European states are more ambivalent, pointing to human rights abuses against Turkey's Kurdish population and the dominant position of the military within the Turkish state. Turkish policies in the region, which have included repeated strikes across the Iraqi borders against Kurdish guerrillas. Troops maneuvers on the Armenian border in response of Armenian offensive during the Karabakh war, and by some accounts, attempt had been made to overthrow the Azarbaijan government in March 1995. All this seems overly aggressive and needlessly risky to central European states, which view this policy with the detachment born of safe distance.

Intra-alliance interests are also diversions over which areas of the globe should NATO pre occupies as it pursues its agenda. Differences also exist as whether the Caucasus and the Central Asia are the most appropriate of focus of western attention. For example, the millions of north Africans living in Europe make North African political stability and economic and developments as a far more pressing concern for western European politics and security. Where to spend NATO's scarce resources is also becoming

increasingly a subject of debate as allies redefine their geo-political priorities<sup>15</sup>.

### **Islamic Extremism and Militancy in Central Asia: A Common Threat**

The growing Islamic Militancy and extremism in the Central Asian region has emerged as a common threat for the countries of the region as well as Russia, China, India and the west. The Taliban controlled Afghanistan and its mentor Pakistan has emerged as a hot bed of international terrorism, illegal drugs and arms trafficking and Islamic extremism. Beginning with the capture of Kabul in September 1996, the Taliban militia made a significant gain in capturing almost 90% of Afghan territory. It is universally believed that, without the support given by the Pakistan army, a mere religious militia like the Taliban, could not gain such spectacular success. Saudi Arabia's financial assistance and drug money has also contributed to Taliban's gains. Pakistan, Saudi Arabia and the United Arab Emirates are the only three countries that have recognized the Taliban government. Initially, the Taliban forces also enjoy Washington covered backing.

The Taliban's objectives was to bring peace and unity to the war torn land although under a hard line and strict Puritanical Sunni Wahabi code of conduct. The Talibans supporters hope that they will help in laying overland routes to Central Asia across Afghanistan to Pakistan, thus reducing their region's dependence on northern routes via Russia. Washington has been keenly promoting western routes by bypassing both Iran and Russia. It is also interested in the southern route across Afghanistan by passing Iran. The US multi national UNOCAL and the Saudi multinational Delta have been interested in the gas pipe line project from Turkmenistan across Afghanistan to Pakistan and beyond.

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<sup>15</sup> Robin Bhatti and Rachel Bronson, "NATO's Mixed Signals in the Caucasus and Central Asia," op.cit., pp. 129-145.

However, subsequently, the Taliban fell out of favour with Washington owing to their dismal human rights records and harsh treatment of women, involvement in the drugs trade and above all refusal to surrender Saudi billionaire Osama Bin Laden, who has been accused of terrorist acts against the US. It is widely believed that a number of terrorist camps exist in the Taliban's controlled territories of Afghanistan. Such as India in Kashmir, Russia in Chechnya, China in Xinjiang and Central Asian states in the Fergana Valley area and the southern belt bordering Afghanistan are also facing the problem of international terrorism. In view of Islamic militant's attacks in Southern Kyrgyzstan and Southern Uzbekistan, the CIS countries formed the Common military Wealth Southern Shield-99 command and staff exercise. Such a joint exercise was reported to have taken place for the first time. The purpose of the exercise was to prepare for joint response not only to any conventional enemy but also to international terrorist groups. In the Shanghai Five Summit held in Dushanbe on July 2000, the problem of combating international terrorism, separatism, drugs and arms trafficking were given top priority.

It is seen that Russia is trying to craft together an anti-terrorist alliance of the major powers. It has set up joint working in Afghanistan both with India and US to meet the threat of International Narco-Terrorism emanating from there. Both Russia and the US have sponsored the UN Security Council Resolution on December 19, 2000 that has imposed additional sanctions on the Talibans, demanding that the latter closes the terrorist bases on its territory and surrender Osama Bin Laden within a month. It was extremely significant that China along with Malaysia has chosen to abstain from the Security Council Resolution. Thus, on the question of dealing with the Taliban challenged Afghanistan, the position of China and Russia are not identical despite the fact that the Shanghai Five has repeatedly emphasized the need for a joint fight against religious extremism and international terrorism. It is the strategy of the Talibans and their supporters in Islamabad

that all the neighboring countries should not unite against them, as they are able to deal with each neighboring country separately by offering promises of good behavior.<sup>16</sup>

### **Arms Control and Disarmament**

The major US security interest have included elimination of nuclear weapons remaining in Kazakhstan after the break up of the Soviet Union and also to control nuclear proliferation in Central Asia. After the collapse of the Soviet Union, the independent Kazakhstan was in theory, one the world's major nuclear weapons powers, though in reality these weapons were tightly controlled by Russia. Some elites in Kazakhstan even urged Kazakhstan to retain its status as nuclear power, The reality of Russian control, international pressure, and Kazakh popular opposition led the leadership to sign the Lisbon Protocol to the Strategic Arms Reduction Treaty (START) on May 22, 1992, and on December 13,1993 rectified the NPT of which it formally acceded in February 1994. All bombers and their anti-launch cruise missiles were removed by late February 1994, these nuclear warheads were either stored or returned to Russia.<sup>17</sup>

On March 28, 1994, Nazarbayev and President Yeltsin signed an agreement on removing nuclear warheads from Kazakhstan within 14 months to destroy all Kazakh missiles and Silos with in 3 years. Similarly, on April 21, 1995, the remaining nuclear warheads accounting nearly 1040, had been removed from the SS-18 Missiles and transferred to Russia, and the dismantlement of the SS-18 Missiles and Silos had begun. Meanwhile Kazakhstan Prime Minister, Akezhan Kazhegeldin announced that Kazakhstan was now a nuclear weapon free state. In December 1993, Vice-President

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<sup>16</sup> Jyotsna Bahshi, "Sino-Russia Strategic Partnership in Central Asia: Implications for India," *Strategic Analysis*, Vol.XXV, No.2, May 2001, pp. 173-174.

<sup>17</sup> Jim Nichol, "Central Asia's New States: Political Developments and Implications for US Interest," Arms Control and Disarmament, *Foreign Affairs and National Affairs Division*, December 19, 1996.



Gore and Nazerbayev signed a US-Kazakh Umbrella Agreement on obligating \$85 million in initial funds for the safe and secure dismantlement of approximately 104 SS-18 Missiles, the destruction of the Silos and related purposes.

As part of the tri-lateral statement signed by the presidents of the US, Russia and Ukraine at the US-Russia Summit in January 1994, the parties recognized that Kazakhstan, Ukraine and Belarus should be compensated for the value of the highly enriched uranium content in nuclear warheads located on Kazakhstan territory or already transferred to Russia and other costs of nuclear disarmament. Nazarbayev discussed compensation arrangements during his visit to US in February 1994 in compliance with agreements on June 30, 1996, at \$8.9 million in Co-operative Trade Reduction Program funds for the nuclearization, demilitarization, and enhancing the chain of custody had been obligated to Kazakhstan.<sup>18</sup>

Besides the Kazakh nuclear weapons, there are other nuclear researches and power reactors such as uranium mine and milling factories in Kazakhstan and Uzbekistan. Kyrgyzstan has a mining facility and closed uranium mines. Kazakhstan is reported to possess one fourth of the world's uranium reserves, and mines, mills and uranium used in nuclear reactors in most of the CIS. Kazakhstan and Kyrgyzstan reported that their mining and milling activities has resulted in massive hazardous radioactive waste dumps. Similarly Kyrgyzstan in 1996 reported that radioactive pollution of rivers flowing into the Cyr-Daryl River was threatening the multinational Fergana Valley water shade. Kazakhstan is also the site where the former Semipalatinsk nuclear weapons test sites were situated.

It is reported that many of the nuclear field cycle in Central Asia are under Russian gaurdianship. Western and NIS media reports of alleged diversions on nuclear materials to

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<sup>18</sup> [ibid.http://www.cnje.org](http://www.cnje.org).

radical third world regimes or criminal groups have raised concern over inadequate safeguards at these facilities. Easing some concern, Uzbekistan acceded to the NPT in mid 1992, accepting international safeguards that are being implemented. Similarly Kyrgyzstan acceded to the NPT on July 5; 1994. As on June 1996, about \$14.5 million funding was assigned to Kazakhstan by the US to enhance the Kazakhstan chain of custody over nuclear materials.

In November 1994, the US repackaged and removed about 600 kilograms of highly enriched non-irradiated uranium from the inadequate safeguarded ware house in Kazakhstan and shipped to the US. This "Projects Sapphire" operation occurred at the behest of Kazakh authorities and with the approval of Russia, under compensation arrangements broadly covered by the tri-lateral agreement. In October 1995, the Defence department agreed to assist Kazakhstan in sealing tunnels at the Semi- plant site to enhance security over nuclear waste. It is to be seen that after the collapse of the Soviet Union, the US had increasingly involved in Central Asia region. It has also increased its military assistance, which includes programme such as co-operative trade, foreign military financing, denuclearisation, and border security and law enforcement. Between 1992 and 1998, the US department of defence spent \$285.5 million on such programme in Caucasus and Central Asia.

A public comment made by the US military and civilian officials have clearly expressed a strong American interest in both the Caucasus and Central Asia and extending even to the possible dispatch of troops under some circumstances. The most notable example of US military involvement in September 1997, when troopers from the Elite-82 Airborne Division made a parachute drops over Uzbekistan. They had flown from 7700 miles from North Carolina in what was called as the longer non-stop Aerial deployment in US military history. After the drop, US Marine Corps General Jack Sheehan, commander

of the US Atlantic Command and NATO Supreme Allied Commander Atlantic, announced that if the UN decided to authorize a peace support operation involving Central Asia military forces, the US is ready to stand besides them and participate. His remarks appears to be the first such assertion of US willingness to dispatch military forces to Central Asia.<sup>19</sup>

Similarly, the US secretary of state Madeleine Albright had made it clear that “Assistance of the Strategically located and energy rich democracy of Central Asia and the Caucasus is strongly in US National interest.” The US central command’s sub-regional theatre strategy of 1999 states the importance of the south and Central Asia sub-regions will continue to grow as the economics of the countries and access to the sub-regions natural resources development. Centrasbat was expanded in 1998, with 1443 soldiers and officers and was repeated in September 2000.

It is seen that the US led NATO has been able to bring the Central Asian states under its influence through the PfP programmes. Thus with the exception of Tajikistan all Central Asian countries have joined PfP. Individual partnership programs has also been developed between NATO and Kazakhstan, Kyrgyzstan and Uzbekistan. NATO also received the PfP presentation document from Turkmenistan and the work is underway to develop and individual partnership programmes.

According to the Central Asian governments, the PfP serves the objective of strengthening their national army. They consider this cooperation supplemental by other military cooperative agreements with NATO countries especially with the US, Turkey and Germany as an efficient way of reducing their dependence on Russia, contrary to the proposal by Moscow to reform the CIS armed forces and reintegrating

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<sup>19</sup> Ibid.

their forces in a common military structure. Both Kazakhstan and Uzbekistan have sought to strengthen their military independence with western support before their modernization process. This will give them a certain margin for maneuver in negotiating the military integration process with Russia. Similarly, Uzbekistan, Kazakhstan and Kyrgyzstan decided to create an international battalion for peace keeping operation which could be used under the UN but could also be helpful in their region in case of ethnic conflict spilling over their borders.

### **Central Asia: Joint Military Exercises**

It is said that the US led NATO had sponsored joint military exercises in the region twice under the Partnership for Peace programme in southern Kazakhstan and Uzbekistan in 1997, and in Kyrgyzstan and Uzbekistan in 1998. This exercise included troops from NATO countries like the US and Turkey and also NATO allies like Georgia and Azerbaijan as well as Central Asian host nations.

But the NATO sponsored exercises were not designed primarily to practice combating extremists. Instead, the exercises stimulated in bringing relief to civilians after a natural disaster such as earthquakes or floods and also helped to prepare a Central Asian peacekeeping battalion that could be deployed abroad. Part of the exercises did stimulate in defending or liberating key facilities captured by terrorists such as airports or power plants. What they did not do, however was, to prepare the region for the actual threat that emerged in 1999. When the terrorists arrived in Kyrgyzstan they did not seize any major facilities. They remained lodged in remote high mountain areas, and Kyrgyzstan was left alone to confront them with only limited air support from Uzbekistan. The militants took hostages of four Japanese geologists. Concern from Tokyo, a major investor in Central Asia, prevented the

Kyrgyz army from taking stronger measures.

The threat from these militants, who called themselves as the Islamic Movement of Uzbekistan, has continued to be seen as a factor in the destabilizing factor to peace and stability in the region. They even seek to overthrow the governments of Uzbekistan to create an Islamic state. Uzbek authorities have clearly stated that the militants are responsible for trying to kill President Islam Karimov in February 1999 bombing in Tashkent. After the incident most of them escaped back into Tajikistan at the end of October and are still believed to be there. This necessitates the Central Asian states for cooperating with its neighboring as well as the external powers for combating terrorism. The President of Uzbekistan Karimov reiterated that NATO sponsored exercise in 1997-98 was the source of pride to the three governments who sent troops to participate. It will be a sign of maturity and stability to send troops abroad to keep peace in faraway lands. Similarly, President Vladimir Putin has stated in the CIS Interior Ministers meeting in early March 2000, that, terrorists have done great damages to Uzbekistan, Kyrgyzstan and Tajikistan and he firmly supported the idea of creating CIS anti-terrorism center for counter balance.

Similarly a joint military exercise was conducted in Central Asia involving seven nations known as "Southern Shield 2000." These nations consist of Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Armenia and Belarus. The exercise was a practice intended for preventing the kind of cross border incursion that occurred during 1999 in Kyrgyzstan. This military exercise began in Tajikistan. Unlike the previous exercise, which existed mainly on paper, thousands of troops were mobilized for the largest military exercise so far held in the Central Asian region.

It is said that in the summer of 1999 as many as 1000 Islamic extremist mainly of Uzbek origin, crossed into the mountains of southern Kyrgyzstan. The militants

seized villages, took hostages and held off the Kyrgyz army for two months. The militants were a problem not only for Kyrgyzstan and Uzbekistan, but also for Tajikistan, where they established bases after fleeing from Uzbek authorities. The Uzbek government had stated that the extremists were responsible for the acts of various kinds of terrorism in the region.<sup>20</sup>

Thus it is to be seen that the emergence of Islamic extremism in Central Asia have become a great threat to peace and stability not only in the region but the world at large. Similar views have been shared by many big powers such as China, Russia and especially the US, and despite their ideological differences, they will continue to support anti-terrorist movements in the years to come.<sup>21</sup>

After the collapse of the Soviet Union the strategic importance of Central Asia became more distinct. Both the US and Russia are viewing it as an area with vital interest. Similarly, China has expressed its great concern of the new security developments in the region. By way of expanding the scale and scope of rivalry and infiltration, all the relevant countries have been focusing on the strategic directions of the Central Asian countries and making full use of their respective political, economics and military advantages, in the hope to increase their own influence and bring Central Asian countries into their own favourable orbit. As the Deputy Secretary of NATO Clapper has clearly pointed out that “This Central Asian Region will play an extremely important role in the future global security structure.” It is hence easy to understand why the US led NATO is taking some notable actions in Central Asia, in today’s world politics.

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<sup>20</sup> Bruce Pannier, “Central Asia Joint Military Exercise Practices Common Defence,” RFE/RL Correspondent Report, Prague 29<sup>th</sup> March 2000.

<sup>21</sup> Ibid.

## CHAPTER FIVE

### Conclusion

With the changing geo-political situation, the Central Asian region which is endowed with rich natural resources has attracted the attention of the global as well as regional powers. It becomes apparent that the super power engaged in their struggle were following consistent geo-political policy and defined strategies for implementing their goals. Viewed from various angles, it becomes quiet clear that neither the weakened Russia nor the U.S. as a super power can remain impassive in the face of the future political developments and alignment of the key Central Asian region. The emerging super power such as, China also seems to be moved to a greater involvement in economic development. Even regional powers from India, Pakistan, Iran and Turkey are increasing their activities in their relationship with the countries of the Central Asian States, as they search for orientation and open up to outside influences.

The changes in the political geography of Europe since 1988. the end of the cold war and the fall of the Soviet empire have fundamentally altered the structure of the international system. This new history started to sweep aside the relations between the various world powers that had been built up over many years. The disappearance of the old frame work and opening up of new freedoms also brought challenges and dangers that are not easy to respond to. Even the last surviving superpower in this era has come to felt these problems. The U.S is not only well aware of its strength but also knows the limits within which it could act and continue to follow the old pattern based on historical experience and remains true to the Anglo-Saxon geographical tradition.

The U.S. tends to maintain its economy and military superiority in the region, and seeks to impede the hegemony of any challenges from Russian, China, Iran or any other powers. At the same time, it seeks to promote the expansion of market economy, democracy and securing free world trade. This political concept can comfortably encompass the expansion of NATO and will allow the stationing of troops in Europe as well as involvement in securities issues in the Asian Pacific region. This aspect shall help to establish the position of the US national interests, particularly in geo-political significant regions and to enable its military force to be applied in crisis areas.

From the 19<sup>th</sup> century till the collapse of the Soviet Union in 1991, the people of Central Asia have been left isolated and they are unable to determine their own economic and political destinies. They could not even be able to share a common identity in spite of their similar linguistic and ethnic heritage. Today, the States of Central Asia are finding it hard to face a new-world order despite over nine years of official sovereignty. Once again they are at the behest of foreign states as well as multi-national corporations who have a calculating eye for seeking new avenues of profit making.

The potential presence of oil and gas resources in the Caspian Sea basin is comparable to that of the Persian Gulf, making the region an area of international politics. The possibility of Central Asian and Trans-Caucasian oil pipelines connecting the fluid of international markets has started attracting investors into the region. The renewed oil competition has been compared to the Great Game of the 19<sup>th</sup> Century, when Victoria England and Tsarist Russia competed for the wealth of the region. Only this time, the charged is being led by multi-national corporations and policy planners rather than Monarchies and Emperors, this does not make it less fierce. After all many people in the



west are still not aware of the importance of the Central Asia as an oil producing region or of the possibility of violent confrontation as the areas grows in values.

Central Asian states should be cautious while dealing with various powered countries, since most of these countries are guided by their economic motives and less to do with the well being of the Central Asian region. At the same time realizing their inadequate technologies and weak economic position, they should encourage the joint efforts made by different multi-national companies especially the US firms at least in the initial stage of economic developments.

As of now, Russia is no longer in a position to play a committed role in central Asia as it used to be, because of its weak economic conditions, whereas the U.S, China and western European countries whose economies are strong have stepped up its activities in the region. However, the role of Russia cannot be undermined completely knowing the historical relationship and its close proximity to the region. Any powers trying to undermine the power of Russia would be counter productive to their interest as well as the region as a whole.

Following the disintegration of the Soviet Union, the U.S. has been following an active policy towards this region .The major goals includes support for sovereignty and independence of states, encourage the market reforms in the region, where the U.S. has significant commercial interest. Similarly, the US supported the diversification of world oil supplies to reduce their dependence on the Persian Gulf. In recent years the US has expressed its willingness to take part in the regional peace keeping operations in central Asia and Caucasus under UN authorization. The US has even offered to send peace-keeping forces in Nagarno Korabakh as part of international operation under the OSCE

and has held joint military exercises in Kazakhstan and in Black Sea under the programme for peace (PfP) of NATO.

The U.S. has not only strategic interests in these areas but has also declared its intention to pursue development of energy resources. The main objective of the U.S. pipeline diplomacy is to exclude Russia and Iran from all future pipeline projects. This will give a major advantage to the US in these areas. Washington wants all pipelines to pass through Georgia and Turkey even though it may be costlier than the pipeline going through Russia.

Although the US is critical of human rights record of the government in this region, it has been consistently supporting this region against the Islamic fundamental forces. Following the U.S. secretary of state Madeleine Albright's visit to Kyrgyzstan in April 2000, the U.S. has allocated an additional 3 million dollars in aid to Kyrgyzstan to defend itself from the terrorists and drug traffickers. Similarly in Tashkent Ms. Albright and Karimov discussed the issues of mutual concern like ensuring peace and security in the central Asian region and broadening of cooperation in combating international terrorism and drug trafficking.

The U.S. has been making a sustained human and financial investments in Azerbaijan, Turkmenistan, Kazakhstan and Uzbekistan, aiming to exploit the unexplored oil and natural gas deposits and establishing a long term agreement. At the same time the US seeks to promote the development of these countries and establishing democracies as a part of its political, cultural and technological involvement and also providing help in eliminating the environmental damage caused during the Soviet era and in fighting the organized crime.

Washington sees the co-operation in security issues with the Central Asian states as their major foreign policies. Thus the Central Asia military alliance was formed under its leadership and the maneuvers were held together with the US troops in the Steppes of Kazakhstan in September 1997 which clearly reflects Washington ability and readiness to secure its interests on a military front. In addition, the U.S. government has announced that it tends to include Central Asia in the area of responsibility of the Central Command of the US and assured their forces from 1999 onwards.

The U.S. activity is seen to be continuously challenged by Russia, which follow its traditional interests of considering the Central Asian states as its own sphere of influence and regards the strategic control of this region as an indispensable element for regaining its former of power. Moreover, Russia takes full advantage of the fact that the Central Asia do not have access to the sea and uses current arrangement of pipelines to enhance its foreign currency income, to control the flow of oil and natural gas and to prevent the building of new pipelines that are outside its influence. On the other hand the US is pressing to free these countries from their dependence on Russia through strategic positioning of new pipelines.

Both Russia and US are depending on this region to enhance their energy resources for their growing industrial demands. Similarly, China is seen to be expanding its mutual relationships with Central Asian regions. China has already decided to build 300km pipelines from Kazakhstan to Western China which clearly reflects its interest in the region and it regards itself as the competitor with Russia and US in the share of raw materials reserves of Central Asia.

As far as Central Asian region is concerned, the shortest transport route for oil and gas to the sea would be through Iran. However, Washington continuing policy of embargo against Tehran seems to counter to this solution. Instead, the US Government supported the plans for a pipeline from the Caspian Sea to the Turkish to the Mediterranean Port of Cyhan and another Transit route from the oil and gas fields of Turkmenistan via Afghanistan to Pakistan.

While the US, Russia, China and a small number of regional players are increasing their involvement in the struggle for influence in the region, there is no sign of common specific involvement on the part of the European Union. There are hardly few large oil companies, which makes their presence in the region. Apart from a few agreements, aid packages and reform programme, involvement in a pipeline project from Russia via Bulgaria to Greece and the basic agreement for the energy charter which is intended to secure a steady flow of energy between Central Asia and Europe, the European Union has not made any major efforts apart from oil ventures. Most of the European countries seem to rely on the political and strategic presence of the US in the region's for the supply of energy and economic stability.

However, it seems that irrespective of US remarkable involvement, the struggle for influence, economic benefit and the political alignment of the Central Asian countries will continue. This is partly because of the complicated transformation process and continued conflicts in the region make it difficult to offer any easy solution to the existing problems. This can be clearly seen from the past history that in a region where there are so many contradictory interests persists, there can be no simple solution.

Today, Central Asia is witnessing various threats and instability from both within and without. The on-going civil war in Afghanistan is seen to be one of the major factors that threaten the stability in the region as a whole. Afghanistan has become a safe haven for Tajikistan opposition fighters and the training ground for turning pro-Islamic fighters into professional Mujahideen. Drug lords in Afghanistan have also used Central Asia as a transit route for plying their trade, which has served to stimulate criminal activity in the Newly Independent States as well.

To date, Central Asia has been discussed primarily in terms of pipeline politics. Most of the analysts are devoting considerable attention to where pipelines are being laid, what the most likely routes would be, and the political fall out from this decisions. But energy politics has lead to the way for NATO military presence in the region. Though it is not clear whether this military activity is being guided by any kind of recognizable political strategy of the alliance goals. On the other hand it remain to be seen that the US led NATO would likely to play a continued role in the region as long as their interest in the region persist. It is also to be noted that all the Central Asian states except Tajikistan has become a members of PfP programmes under NATO, which clearly reflects the changed strategy of the Central Asian states towards the Western countries. In return these new states hope to avail new arms and technologies from the advanced Western countries for the development and protection of their member states. It is also to be noted that the co-operation of the Central Asian States with NATO is not aimed at damaging Collective Security system within the CIS framework. On the contrary, it acts to promote Central Asian security as a whole

The oil and gas reserves of Central Asian region are seen by the western countries as an important source to enhance their geo-strategic and economic interest in the 21<sup>st</sup> century. Though the US has multiple interests in the region, it is primarily concerned with the exploration of these energy resources. Knowing the potentialities of the region the US has established its oil and gas contracts with all the Central Asian states and now its firms are seen to be dominating the entire region. The US is even ready to send its army in this region for defending their economics interests if the need arises. On the other hand, these resources are perceived to be the main source of economic development by the Central Asian states. With the increase aid revenues from western countries, the Central Asian States would able to rebuild their own economy and stand on its own feet, thereby giving less space for Moscow to influence in their decision making process.

Similarly, development of modern market economies would free the Central Asian societies from the present economic crisis, which means that they have to increase their liberalization process in collaboration with outside powers especially with the US whose potential economies are innumerable and they can even looked upon, as the model of developments in the near future. Though the fact remained that the US has less interest in the Central Asian economic development, rather they are interested in its abundant energy resources. By taking advantage of this mindset the Central Asian states can able to develop their grave economic condition. Moreover, if these oil reserves were tapped and developed, thousands of jobs will be created for the US, Western as well as the host countries, which will be beneficial to all of them. The US should also ensure free access to these reserves for the benefit of both western and local economies. In order to protect the US and Western interests and to ensure free and fair access to the oil reserves in the

region, the US should strive to preserve the independence and economic validity of the new independent states of Central Asia.

The US should lead other western countries in implementing the programmes that support statehood, free market development and the rule of law in Central Asian States. The training for civil and security services of these countries should be stepped up, and economic reforms including privatization of industries and agriculture should be continued. The US should also recognize Russia as an equal partner in developing the oil resources on an equal footing. On the other hand, the US should demand that Russia stop fostering conflicts in the region. At the same time, Washington should promise that the interests of the Russian companies operating in the region would be taken into account in future oil developments. The US and its allies should support the OSCE efforts and initiate bi-lateral dialogue with leaders of the ethnic groups to assist them in finding a peaceful solution and also strengthening the secular Muslim countries against the Islamic Militant groups. Similarly, economic developments and support for basic human rights and cultural affinity with the west is seen to be a necessary measure to prevent the revitalization of Islamic politics in the region.

It is to be seen that the US strategic interests in the Central Asian states would continue to be strengthened at least to a foreseeable future irrespective of the cost involved, knowing fully well the strategic importance of the region. This can be clearly seen from the study as mentioned earlier on the preceding chapters. With the demise of the Soviet Union the strategic importance of the Central Asian region has been revived once again. Given the increased competition in the region involving Eurasia, Western as well as Asian powers, the importance of Central Asia is set to grow, perhaps more than any other region in the world. Today, Central Asia has become the region of the much-mentioned multi-world politics in the 21<sup>st</sup> century.

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