CHAPTER-V

PATTERNS OF REGIONAL INTEGRATION IN THE FORMER SOVIET CENTRAL ASIA

The disintegration of the Union of Soviet Socialist Republics (USSR) was one of the most important events of the twentieth century. In the immediate post-Soviet period, ideological and political vacuum was created in the five Muslim majority republics of Central Asia. The independence was so sudden and unexpected that these new countries did not know how they would cope with this new situation. They had neither striven nor were prepared for this independence. The countries tried to understand the most fundamental elements of statehood in the new unfurling geopolitical climate.

All the five countries were confronted by new issues that were common to all of them like the meaning and significance of state borders, cultural character of the state, citizenship, ethnic composition of the units, allies and rivals etc. Moreover their leaders did not know whether the national interest of these states would be fulfilled through independent national policies or in a kind of federation, confederation or a union. As regards the political development, should the countries look to the past (i.e. Soviet) or to the West on the Middle East or to Asia? How to cope up the newly unfolded geostrategic situation was the issue with which all these newly emerged state were confronted.

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Russian foreign policy in this period was influenced by a school of thought known as the Atlantist. It argued that the solutions to the current problems facing Russia could be solved only with the help of West and European countries. Russia hoped to become a prosperous liberal democracy based on the Western model with aid and assistance from the West. As such there was a desire to get away from the Central Asian republics. Moreover, preoccupation with her own political and economic turmoil did not allow Russia to pay much attention to the other former Soviet Republics. As such, Russia's then pro-Western Foreign Minister, Andri Kozyrev was ready to accept the independence of the new republics. In the abovementioned situation of geopolitical flux, it was felt that "at least a decade will be required before the full effect of these events on the politics of Asia can be tentatively generalized". The events and development also show that after 10 years of the disintegration of the

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3 It is generally agreed that as a consequence of growing disenchantment with the West and increasing nationalist sentiment in Russia, the 'Westerners' or the "Atlanticists" in the Russian foreign policy establishment lost their dominant position is 1993-94. On the ascendance now were the 'Eurasists', the 'geopoliticians' and the 'nationalists' among the various school of foreign policy thought in Russia.

4 Since the decade of the Seventies, Soviet growth rates slowed down. The economies of the Central Asian republics even lagged behind the national average, while their population growth rate was higher. In fact the republics existed on heavy federal subsides.


Soviet Union, a picture is emerging that shows tendencies of regional cooperation and integration among the five countries.

Initially, many pessimistic hypotheses were put forward regarding the Central Asian countries. Scholars cited that the disintegration of the major empires resulted in civil wars and regional conflicts. Same was forecast for the Central Asian countries. The bloody internal conflict in Tajikistan was cited to substantiate their claims. The developments have shown that the situation is not so pessimistic and the Central Asian countries have made their presence felt in the regional and international forum.

Another tendency that emerged in these countries was to redefine their self identity in new terms. But the problem in this was that neither of these countries had a distinct identity of their own. This was because Central Asia was used for the fulfillment of Moscow's objectives under the Soviet Union. While the Russian and Soviet development policies succeeded in furthering Russian national interest in Central Asia, these policies were not necessarily advantageous to the peoples of the region.

The Soviets developmental goals in general and their objectives in Central Asia in particular were formulated during the early years after the Bolshevist Revolution. Strong and systematic measures were taken to

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8 Ibid. p. 124
achieve these ends and were implemented relentlessly throughout the Soviet period. According to the expert critics, some of the most critical components of the Soviet policies in the Central Asia consisted of the following elements: (i) absolute control of political and military power by the Russian Bolsheviks (ii) large scale economic extraction, as well as creation and fastening of long-term economic and technological dependence upon Russia (iii) supplement destruction of traditional Muslim Central Asian society and culture and (iv) the creation and establishment of a new alternative Soviet (Russian) society and culture to replace the old. Under condition of such total centralization of powers political, economic, cultural etc. by Moscow, these countries were left with weak identity by which they could not assert themselves individually in the international community. The Central Asian countries have realized that only by resorting to “collective identity” can they have a better recognition globally.

Still, another factor to emerge on the scene was the impact of Islamic factor on the region and the danger of fundamentalist threat. The impact that Islam and Islamic fundamentalism would have in Central Asia has been interpreted in different ways by numerous scholars and commentators. Several Indian observers of the Central Asian scene felt

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that the fears about Islamic fundamentalism posing a genuine threat to the new post-Soviet regimes was exaggerated. Urbanisation, industrialization literacy etc. would act as a barrier for Islamic fundamentalism to gain ascendancy in the region.\textsuperscript{13} On the other hand, there are scholars who believe that the defining characteristics of the five Central Asian republics are their Islamic heritage. They predicted that the region would unite with the wider Muslim world to create a fundamentalist block.\textsuperscript{14} Between these two extreme opinions about the impact of Islam factor, it is widely assumed and has been proved by the developments also that Islam is not likely to be a potent force in shaping the future of the Central Asian republics.

Although the people are associating themselves with the traditional practices and culture of Islam, their religious awareness are not translated into a radical political behavior. Certain factors indicate that Islam will not take a revolutionary form in Central Asia. Firstly, 98\% of the Muslim population are Sunni Muslims and the Hanafi schools and not Shi’ite Muslim. This is against the interest of the radical Islamic clergy in Iran and in Central Asia and is in favour of the more constructive elements.\textsuperscript{15} Secondly, a variety of forms of Islamic revival has taken place. Sufism has also revived along with the revival of various other forms. Sufism in the mystical strand of Islam has traditionally been one of the most tolerant

\textsuperscript{13} Ibid. p. 3.
\textsuperscript{15} Ibid. p. 135.
forms of religion. It incorporates in itself the tenants of religions like Buddhism, Christianity and Shamam. Sufism shows tolerance towards all religions. Sufi does not believe in political parties and have no desire to preach a political cause and focus instead on ritual and tradition.\textsuperscript{16}

Unfortunately in Central Asia, many people neglect the diversity of Islam and expose the politicized form of Islam. Facts reveal that this is not the case.

From the above analysis, it is observed that the Central Asian leaders have proved wrong the apprehensions that this region would experience civil wars, regional conflict or other forms of instability. There is a serious effort by the leaders of these countries to bring stability in the region through regional co-operation. Each of the five countries have preserved their national independence and sovereignty and carved out a dignified place for themselves in the world affairs.\textsuperscript{17} They have taken many effective diplomatic and political initiatives at the U.N. and other international forum. On the basis of their membership of the C.I.S. they have preserved their essential links with Russia on a new basis. Efforts are also being made to expand ties with their Islamic neighbours like Turkey, Iran and Pakistan through their participation in the Economic Co-operation Organization (ECO). They have tried to reach out to the European Community, the United States, Japan, South Korea etc. Despite


\textsuperscript{17} Kaushik Devendra, "The Central Asian Republics: The Balance Sheet of A Decade of 'Ozod'", Eurasian Studies, 20, Special Issue, Summer 2001, p. 5.
their differing religious beliefs, they have made beneficial relations with Israel. Their relations with China and India are cordial. The success in resolving the bloody internal conflicts in Tajikistan by peacefully integrating the Islamic opposition in the mainstream politics of Tajikistan is remarkable. They have also evolved a strong joint response together with Russia to the threat of cross border terrorism and drug and arms peddling by Taliban. Although the political system has some major limitations that has invited criticism, it is creditable that the political system in the countries has not crumbled. It has adjusted itself to the changed situation. The leadership of the Central Asian Republics consists of former communists who have adopted nationalist profiles and adjusted their priorities to suit the nationalist needs of the new states.

As had been mentioned earlier, the passage of a decade of independence has indicated that these five countries will have to solve their problems themselves. Various options that could have filled the geopolitical vacuum in this "process of transition" in the region emerged but none could be a viable option in the long term. The negative consequences of transition have impacted these countries to a much greater extent than the European successor states of the USSR. Whereas the Baltic states and the Russian Federation are showing first signs of

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18 Ibid. p. 5-6.
stabilization, this is not the case in the Central Asian States.\textsuperscript{21} Central Asia is much more complex than its neighbours or the world expected. Its identity is not just religious or ethnic in character. There are many Russian speaking minority whose presence is crucial both for economic reconstruction and for keeping Russia friendly. Under these conditions only cooperation and integration can solve the Central Asian problem.

It has been observed that trends towards the integrationist policies in the long term have taken shape among these countries. Normally, integration is attempted at the regional level. But the Central Asian countries have a strong historical background of living together. Therefore integration in this region is attempted at both intra-regional and extra-regional levels since 1992.\textsuperscript{22}

While today, integration tendencies have strongly emerged in the region, it was not thought of as an option till the first half of the decade of 1990's. In 1994, Martha Brill Olcott had pointed out that integration here was like a myth.\textsuperscript{23} Various reasons were given for this. Rivalries existed within the region. The attempts made by these countries to explore developmental and economic relations with other international bodies in an effort to treat Central Asia as a single unit would remain a "spectre

conjured to ward off specific threats or problems". Another argument given was that the Central Asian countries had a weak state structure. As such these countries would not be able to create national consolidation and regional integration at the same time. Olcott believed that if at all regional integration and cooperation took place, it would be in minor incentives as education, scientific policy, media, environmental policy etc. Proponent of such views have been proved wrong. With more than a decade having passed of these countries having gained independence, it is becoming increasingly clear that these states are being drawn increasingly closer rather than being drawn apart.

Before going into the details of regional integration in the Central Asian countries, it would be proper to analyse regional integration tendencies in the post cold war era. Three elements are identified by analysts that constitute the core elements of integration. They are (i) the integrating countries should form a geographic region. It should have common historical experience and a sense of shared problems among a geographically distinct group of countries that constitute a region. (ii) The countries of the region should realise that there is a necessity of integration among themselves. There should be close linkages of a distinct kind, between these countries and societies. It means that the

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24 Ibid. p. 554
countries nor societies that are undergoing the process of cooperation should have more intense interaction among themselves than with the outside world.\textsuperscript{26} The countries should be willing for integration to take place. (iii) There should also be the emergence of an organisation that should facilitate the process of regional integration.\textsuperscript{27}

The abovementioned three criteria that are necessary for integration to take place are found in the Central Asian countries. As far as the first criteria of region is concerned, Central Asia is a region in a geographic sense Central Asia has been conceptualized as a region in January 1993 in Tashkent.\textsuperscript{28} Here the Presidents of Uzbekistan Turkmenistan, Kazakhstan Kyrgyzstan and the chairman of Tajikistan Parliament, concluded their discussion of common concerns with the decision that they would now be known as Tsentralnaya Azia.

Tsentralnaya Azia as a region has been defined suitably in the words of President Islam Kharimov of Uzbekistan. He notes that Central Asia is “conditioned by common territory, common communication means,

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\textsuperscript{26} Ibid.


\textsuperscript{28} Although Central Asia is a region in a geographical, historical and cultural sense the identification of Central Asia as a region had eluded a precise definition because the people of the region never thought of themselves as “Central Asians”. Geographically the region has been identified as the vast space between China and the Black Sea. In socio-cultural sense it has been used to define the lands that lay beyond the boundaries of the great sedentary civilization. But for integration to take place, any region should be conceptualized as such. Only then the various institutions can operate to promote cooperation and integration. Even Europe itself had to be conceptualized in its current form before the European institutions meant to tackle the process of integration in Europe came into existence.
basic and leading branches of economy, by need for joint exploration of water and energy resources. To say nothing about common culture, language and spiritual values of our nations that have deep penetrating common roots. The region has always been integrated in this or that form. The nations of Central Asia comprehended the need to rebuild their future with joint efforts after they gained their independence.29

As regards the second criteria on regionalisation or the necessity of integration, the analysis of facts show that cooperation and integration is necessary among the Central Asian countries. President Karimov’s views on the necessity of integration that “there is a series of initial conditions and pre-requisites for the integration in the Central Asian countries. They imply an equal standing level of economic development, similarity of social and economic problems, unified transport and energy supply, communications and water resources. Apart from this, there exists general threats to security of all the countries that inhabits this region. Among them are the drying of the Aral Sea, drugs and arms smuggling, emerging terrorism and religious fundamentalism, threats to escalation of tension and instability that comes from Afghanistan and a number of other factors. Such threats despite their apparent disparity are unifying factors because none of this threats may be surmounted autonomously, relying on ones own forces”.30 The developmental differentials between the states is

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30 Ibid.
narrow. It is also justified by the fact that the World Bank has categorized all the five Central Asian countries in the category of lower-middle-income countries.\textsuperscript{31}

While the first two criteria for integration i.e. region and regionalisation is met in the region, there are divergence, in opinion over regionalism i.e. the willingness of the countries involved to integrate. Kazakhstan is an avid supporter of integration with both Russia and the Central Asian countries. Turkmenistan has followed a policy of “positive neutrality” and has preferred to keep away from both the CIS and Central Asian multilateral cooperation framework. Turkmenistan puts more emphasis on relations with the Caucasus, the Middle East and Iran; Uzbekistan’s President Islam Karimov is a proponent of an independent “Uzbek Path”.\textsuperscript{32}

Moreover after the September 11 terrorist attacks Uzbekistan has assumed an independent stance and has extended air space and other facilities to the USA.

PROSPECTS OF REGIONAL COOPERATION IN THE FORMER SOVIET CENTRAL ASIA.

There are many reasons why integration should take place in Central Asia. There are many factors that are common to all these countries.


\textsuperscript{32} President Karimov’s rational for state policies is presented in his Uzbekistan on the Threshold of the Twenty First Century.
Firstly, these countries have lived together under the Soviet Union for more than 70 years. As such the political, economic, social and cultural environments of these countries have been shaped by the communist policy. Under these conditions it may be expected that the experiences from the Soviet era may form the basis for the future economic and social development policies. Second is the language factor. Although various languages are spoken in these countries, Russian is the common language. The absence of communication problem greatly facilitates cooperation within Central Asia.\(^{33}\) Thirdly, as far as the economic conditions are concerned, all these countries have comparable position. The economic strength of these countries derive from the availability of raw materials rather than production of finished goods. As such, no country possesses a competitive edge over other economies of the region. Fourthly, the Central Asian countries have a common heritage. The concept establishing a United States of all Turkish peoples within Central Asia dates back to the time before the czarist rule. Turkistan as a political entity did exist during the second half of the 19\(^{\text{th}}\) Century. In the early years of the Soviet Union, Central Asia was governed as the 'Autonomous Soviet Republic of Turkistan. In 1929, it was divided into separate republics, for example in 1924, the Tajik Autonomous Soviet Socialist Republic was created.\(^{34}\)

\(^{33}\) The Cyrillic alphabet was introduced during the second half of the 1930's, with the intention of documenting Central Asia's orientation towards Moscow. 

The last major factor that should promote integration is the overlapping areas of ethnic settlement within Central Asia. Since the creation of homogenous ethnic units is neither possible nor reasonable, these countries may prevent developments similar to those of former Yugoslavia through cooperation.

POSSIBILITIES AND AREAS OF REGIONAL COOPERATION

Various problem areas between the Central Asian countries are identified that may be detrimental to peace in the region. As such these are the main areas where regional cooperation should take place.

(i) **Boundary Issues**: The boundary of the five countries were arbitrarily established. It did not evolve from historical process or ethnic settlement patterns. "The border areas were drawn for political, administration entities that were never meant to become independent".35 Such arbitrary border demarcation has created ethnic problems in the post independent period of these countries.36 The present border in Central Asia is not conducive to the formation of nation-states.

A brief peep into history shows that none of these countries have ever historically existed within their present borders prior to the Soviet era. The delineations of the border were the creation of the Soviet Marxist

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35 Bigern Decordier, UN Coordinator in Southern Kyrgyzstan.
36 Fergana Valley which is an old cultural region has been distributed among Kyrgyzstan, Tajikistan and Uzbekistan. Two parts of the valley that belong to Uzbekistan are separated by an area that belong Tajikistan. Today the Fergana Valley is the region of ethnic tension. Rivalries between the Kyrgyz and Uzbeks led to bloody confrontation in Osh, Kyrgyzstan's second largest city in 1990.
theory of economic and political development for underdeveloped regions.\(^{37}\)

(ii) **Ethnic Problems**: The titular nations frequently represent the ethnic majority of the population of the new countries. Apart from this, there are a large number of minority ethnic groups in each of the countries apart from the large Russian population. This has been consistent source of conflict.

(iii) **Economic Issues**: With the exception of Uzbekistan, the economic situation of the other four countries is brittle. The economic basis for regional integration in Central Asia is shaped by the economic heritage of the Soviet Union. Under the Soviet system, the Central Asian countries were primarily the suppliers of raw material. For example, cotton was the specialisation of the Central Asian countries. However, all the republics had infant industries for the manufacture of technologically sophisticated products.\(^{38}\) Most of Central Asia’s economic problems are tied in one way or another to relations with Russia.\(^{39}\) The economic problems of these countries worsened during the early years of independence. All states witnessed rapid rise in inflation that reached around 2,000 per cent in Kazakhstan and around 1,200 percent in Kyrgyzstan. By 1995 both of these states along with Uzbekistan had


\(^{38}\) For example, Uzbekistan manufactured transport planes.

brought inflation down to under 100 per cent but the impact of inflationary trends upon public confidence had been devastating.⁴⁰

Given the similar nature of economic problem, the economy can be major area of cooperation and integration.

(iv) **Conflicts over the use of natural resources, particularly water.**

One of the main environmental issues posing, a threat to political stability and economic development in Central Asia is water resource. According to the Chairman of the World Commission on Water for the 21st Century Ismail Senageldin. “Unless we change our ways, we will soon be facing a serious water crisis. Consequently, competing claims to water between uses within countries and between countries will have to be managed in a cooperative rather than confrontational fashion.

In a region where agriculture plays a pivotal role in economic growth and where there is limited industrial production, water sets the rules for the relationships formed among the Central Asian states. Conflicts have taken between Krygyzstan and Uzbekistan over the use of the waters of Syr Darya. The countries can solve this problem in an amicable manner by having an understanding among themselves regarding sharing of the waters.

(v) **Ecological Crisis**: The region faces a number of ecological problem that are common to all the countries. Aral Sea which was till 1960 the fourth largest Inland Sea in the world has now diminished to one-third

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⁴⁰ The figures are taken from Economist Intelligence Unit, Country Profile, 1995-96.
of its original size and it is estimated that it will completely disappear by 2015 if no preventive action is taken. The drying up of the Aral Sea was the result of the Soviet-era irrigation policies to ensure maximum levels of cotton production. It was done by massive water withdrawals from the Amu Darya and Syr Darya. With independence, the Central Asian states has inherited “one of the worlds most staggering disasters of the 20th century”.

The shrinking of the Aral Sea has led to the problem of desertification. It has now claimed an area of about 200 km from the shoreline. It is covered in dust and salt, causing changes the microclimate of the region. It has also affected the livelihood of the regions inhabitants.

The mismanagement of water resources in the region has created drought conditions in Central Asia. It has created pressure on the population for their survival. If no sufficient measures are taken to ensure the survival of the population in the most vulnerable areas, a mass migration of environmental refugees may occur, putting more strain on the resources of the neighbouring states.

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42 UN Environmental Programme.
Another environmental problem is the destruction of the fish population in the Aral Sea. Before 1960, fishing was a thriving business in the Aral Sea. The increasing amount of pollutants entering the Aral Sea has seriously negatively affected the fishing in the Sea. The shrinking of the Aral Sea has also adversely affected the fishing industry. As the Aral Sea began to shrink rapidly, fishing boats and their communities were left high and dry, sometimes tens of kilometres from the old shoreline.\textsuperscript{44}

\textbf{DIVERGENT PERCEPTIONS ON INTEGRATION}

Regional cooperation means that there should be a certain level of policy harmonization which in turn leads to a degree of common assumptions, beliefs, practices and procedures, among the countries involved. There are various issues on which the countries have common approaches for example, national legislation on various issues has been separately adopted in each of the countries, but it tends to be drawn from models developed in Russia. As a result of this the legal and regulatory practice tends to be uniform throughout the region. Moreover, all the five countries have a highly paternalistic and a hierarchical political culture.

However, there are bases for divergence of political opinion.\textsuperscript{45} This divergence is because of the Central Asian states have widely differing national resource endowments, substantially different national


\textsuperscript{45} Kubicek, Paul, "Regionalism, Nationalism, and Realpolitik in Central Asia" \textit{Europe Asia Studies}, Vol. 49, No. 4, 1997, p. 652.
development strategies and significantly different domestic political constituencies standing behind these strategies.

The five states of Central Asia shared many cultural structural and institutional similarities at the time of the breakup of the USSR. All these countries had a similar cultural traditions and shared the common Russian language. The bureaucrats in these countries worked in a similar way while the specialists also had a similar training. The economies of all these countries specialised in the production of primary commodities. Despite these similarities, these countries were different in their natural resource endowments; for example agriculture makes up a large proportion of employment in all the Central Asian countries but its contribution to the overall gross domestic product in the states varies. In Kazakhstan, Turkmenistan and Tajikistan, agriculture contributes to less than 10 per cent of the countries GDP while in Kyrgyzstan it is more than half of country’s GDP and in Uzbekistan it is about 30 per cent.

The Central Asian countries has a personalistic nature of politics. In this the individual leaders preference has played an important role in the selection and implementation of policies. Although all the Central Asian leaders adhered to the same communist party doctrines during the Soviet period, their world views were quiet different. These differences had a bearing on the adoption of differing development strategies.

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The three outstanding issues that confront the Central Asian countries are security, development and democracy. The progress towards democracy in all the Central Asian states has been limited. Under the Soviet Union, each of the Central Asian republics was administratively managed by a local communist party first secretary. By the end of the first decade of independence, all the governments of Central Asia had ‘presidents’.47 But in all cases these Presidents were leaders who came from the high rungs of the Soviet establishment. All the Presidents have been given the power to rule by decree with the force of constitutional law.

Taken a holistic picture, there are two competing policy orientations that is being followed by the Central Asian Countries. The pro-reform countries include Kazakhstan, Kyrgyzstan and Tajikistan while the statist-oriented countries include Turkmenistan and Uzbekistan.

Kazakhstan is a pro-reform country. Its president Nursultan Nazarbayev was one of the early champion of post-communist reform. Many reform initiatives have been taken in Kazakhstan like adoption of a tradable currency in November 1993; privatization of the major sectors of the economy like industry, telecommunication, energy; lifting of subsides on all consumer goods and phasing out many industrial subsides, major reduction in the number of government employees etc. It created stable legal and regulatory structure for commerce and adopted a progressive civil code establishing the framework for commercial

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47 Nazarbayev’s speech to the Kazkh SSR Supreme Soviet, 10 December 1991.
transaction and property rights. Numerous other initiatives at market reforms have been undertaken. Even at the critical juncture when there was the collapse of the financial markets in Russia, President Nazarbayev was firm on Kazakhstan’s reform programmes and he ‘pledged to continue the promising advances towards an independent, open and free market economy.48

Kazakhstan was host to the December 1991 conference of former communist party officials that produced the “Alma-Ata Declaration”, the legal instrument that brought about the end of the USSR. The Alma-Ata Declaration also established the loose coordinating community called the “Commonwealth of Independent States” Kazakhstan was thus symbolically the resting place of communism and the birthplace of the post-communist order. The Kazakhstan President, Nursultan Nazarbayev stood for democratic change within the former USSR. In the coordinating conference on Assistance to the New Independent states that took place in Washington in January 1992, the then US President George Bush noted that “in Central Asia, President Nazarbayev is the leading fight for reform”.49

Kazakhstan has taken steps to integrate into the international community of nations joining the UN in 1992. It joined the World Bank, the International Monetary Fund, the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD). It has also started the process of accession to the World Trade Organization. It was also the initiator of the ‘CIS Customs Union’ that attempted to implement the goals of the CIS founding documents by maintaining a ‘common economic space’ throughout the former USSR.

Nursultan Nazarbayev has been criticised for attempting to monopolise political power. His government has been criticized for not implementing various rules that have been made. It is ranked 84th on the Transparency International Corruption Perception Index.

Kazakhstan’s foreign policy has a east-west and northern orientations. The east-west dimension relates to the polices relating to oil and gas routes. The European and global market lies to the west while China’s market lies to the east. The northern policy orientation is a result of the continuing influence of Russia with which Kazakhstan has the longest continuous bilateral border in the world.

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53 Kazakhstan maintains a commitment to multiple outgoing oil pipelines but also supports such initiatives as the Trans-Caucasus Baku-Ceyhan Pipeline.
In sum, Kazakhstan is a reform-oriented country facing significant
governance challenges and problems of social inequality. Its policies
have not created the level of prosperity sufficient to enable a distribution
of the economic benefits of transition. But Kazakhstan has always been
pro integration. It has opened its markets to the foreign competition.

Krygyzstan: It also has a pro-reform strategy. President Askar Akayev is
politically well entrenched and occupies popular support. Kyrgyzstan is
physically divided between the northern and southern regions. While the
northern region is linked to Kazakhstan and the world economy, the
southern region is inextricably linked to the Uzbekistan economy by
geography, infrastructure and culture. Akayev has sought to improve
relations with his neighbours primarily to reduce tension in the southern
region. With the emergence of Taliban in Afghanistan, Kyrgyzstan
government has focussed attention on its vulnerability to terrorism.

In foreign trade liberalization efforts, Kyrgyzstan’s record of
achievements has been unmatched. Kyrgyzstan was the first Central
Asian country to withdraw from the rouble zone. Not only that, it was
also the first Central Asian country to adopt a western style civil code, a
modern legal and regulatory framework, to liberalize prices, to overhaul its
financial and banking system, to privatise large industrial facilities and
to adopt a relatively open competitive political system.54

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54 Bransten, Jermy, “Krygyzstan: a democracy only for the rich”, RFL/RL Newsday 14th
October, 1997.
In sum, Kyrgyzstan introduced the most determined, pro reform polices in the entire CIS. Because of this Kyrgyzstan quickly became the recipient from the international donors. But the promised benefits of rising prosperity remained elusive for the masses. 55

Tajikistan: It is committed to the reform path but due to poverty its capacity to carry out reform is very little. As such Tajikistan’s reform strategy is dependent upon improved cooperation with Central Asian neighbours. Tajikistan history of the recent past, economic isolation, mountainous topography and poorly developed physical infrastructure make it one of the world’s most remote and difficult to integrated its economies. Today Tajikistan is one of the world’s poorest countries. 56

These developments show that despite its limitations, Tajikistan is a supporter of cooperation among the countries.

Turkmenistan: It has a statist orientation. Turkmenistan has undertaken commercial relations with other countries but has done this without, market reform. It is because of its vast natural gas resources that it has the luxury of independent decision making. Due to its nature of political system, the Turkmenistan President Mr. Saparmurad Niyazov has the monopoly on political power. As such he can take long term decision for Turkmenistan.

Turkmenistan has adopted an assertive posture of national self-reliance based on its gas and oil wealth. It’s President Niyazov has termed

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56 International Monetary Fund, Republic of Tajikistan: recent economic development, *International Monetary Fund Staff Country Report*, No, 00/27, March 200.
This as a policy of ‘positive neutrality’. This policy means three things: First, Turkmenistan sought to maintain as much distance as possible from Russia without giving up the big Russian gas market. At the same time Turkmenistan would not give up access to the western gas markets that Russia continued to control in the first decade of independence. In other words, Turkmenistan would now compete with Russia for access to the western markets. Second, it meant policies of self interest with its southern neighbours.

Turkmenistan’s economic development in the years ahead rests upon the country’s ability to break out of the cycle of excessive government controls and crony capitalism towards a modern economy based upon international standards. The sensitive border issues with Uzbekistan complex the Turkmenistan policy makers to maintain good relations with Uzbekistan.

In sum, Turkmenistan puts less emphasis on Central Asian regional cooperation and more emphasis on relations with the Caucasus, Middle East, Indian and the Caspian littoral countries. Uzbekistan It is the most populous Central Asian country. Its economy is more diversified than either of the four economies. The Uzbekistan President Islam Karimov is a proponent of an independent ‘Uzbek Path’.

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57 Ibid. p. 176.
58 President Islam Karimov’s rationale for state policies is presented in his Uzbekistan on the Threshold of the Twenty First Century, New York, 1998.
Certain policy decisions have been taken by Uzbekistan that cannot be described as being conducive to integration efforts. These include its governments controlled prices, strict controls on foreign currency, banking and trade etc. Its policy of maintaining an over valued currency has resulted in border constrains in Central Asia. In July 2000, Uzbekistan took the unusual step of adopting an additional level visa controls, stepping out of the unified Soviet visa regime by making it mandatory that the Kyrgyzstan residents apply for visa to cross into Uzbekistan.\(^59\) Such a decision has been taken because Uzbekistan being at the hub of the region’s infrastructure in terms of transport, energy use, sustainable water policy, communication, currency, trade environment attracts the movement of a lot of people.

After the disintegration of the Soviet Union, Uzbekistan first priority was to become self sufficient. As such Uzbekistan focussed on oil and gas production in the period 1992-95. It helped it to completely eliminate the oil imports and at the same time led to increase in gas exports. In agriculture, Uzbekistan shifted from cotton to food grains to boost its food self sufficiency.

Uzbekistan’s policies may be described as neo-mercantilism but it has created conditions that constrains its ability to democratise internally. Even after a decade of independence, the politics is far from pluralistic or competitive. The political process is carefully monitored and controlled.

If the internal policies become more open and democratic, the economic and other policies of the government shall directly benefit the masses.

In conclusion, regarding the role of policies of the five Central Asian countries on cooperation, it is observed that these countries recognize that regional cooperation is a solution to the common problems. These countries have made policies for cooperation but these policies were uncoordinated and frequently conflicting. This may be due to domestic compulsions, but the fact is that for integration to take place, such domestic compulsions have to be overcome. Another important conclusion is that bringing greater democratic decentralisation within each country shall result in better cooperation.

REGIONAL INTEGRATION EFFORTS THROUGH COOPERATION

The Central Asian countries have realized that they have certain interests in common which may be solved through mutual cooperation. As such they have tried to evolve a more meaningful regional cooperation. Even before the collapse of the USSR, the leaders of the republics held a series of talks to discuss the common problems. The opposition leaders also called for a loose political association of these five countries. Sometimes even the pan-Turkic ideas were propagated. The decisions of the slavic heads of states on 8th December, 1991 to form a Commonwealth further gave an impetus to collaboration efforts. In response to this the Central Asian leaders met in Ashkabad and they decided that they would seek the
membership of the Commonwealth of Independent States but on the condition that they would be treated as equal members. Thus on 21 December, 1991, the eleven states met in Alma-Ata and formerly announced the creation of the CIS.

The Kazakhstan President Nursultan Nazarbayev had put a proposal in the Ashkabad about a Central Asian Union but the idea was not very well appreciated. Turkmenistan was not interested in any form of collective deal within the CIS. Moreover there were fears that any closer union would be dominated by Uzbekistan.  

A summit took place in Tashkent in January 1993. It was attended by the Presidents of Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan and the Chairman of the Tajikistan parliament. In this meeting it was decided that they would now be known as Central Asia (Tsentralnaya Aziiia). Earlier this region was known as Middle Asia. It thus now encompassed the previously excluded Kazakhstan President Nazarbayev thus continued to make his intentions clear that these successor countries would be best served within the CIS.  

It was in this summit at Tashkent that the Presidents of the five Central Asian republics for the first time officially formulated the ideas on

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62 BBC Summary of World Broadcast, Su/1579 B/1, 6 January 1993.
regional cooperation. The arrangements of the Commonwealth of Independent State (CIS) had not fully realised the goals of promoting regional Eurasian cooperation. Because of the shortcomings of the CIS, over the past decade, the Central Asian states have repeatedly made efforts at policy correctives with the intention of creating a new foundation for post independence inter states cooperation. The recent outbreak of insurgency and terrorism have created a region wide sense of alarm and this has in turn contributed to a renewed sense of urgency to find formulas to enhance cooperation in the region. Regional cooperation efforts in Central Asia can be studied on various issues like economic, security, ecological etc.

**Economic Cooperation In Central Asia:**

When the centre-periphery relationship collapsed following the disintegration of the Soviet Union, it was found necessary by the newly independent states to build and put into operation a whole mechanism of economic aspects like tax, bank, credit and budget and also the market infrastructure in order to ensure that the states economy does not get disrupted.63

When the CIS was formed, efforts were made to ensure that the fragile economies of the Central Asian countries were not adversely affected.

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A wide range of urgent economic problems confronts the Central Asian republics. These problems cannot be faced alone by these countries. As such these countries have resorted to regional integration. The process of globalization and internationalisation of economies along with the international division of labour has rendered the traditional politics of support for free competition by one given country ineffective. No single country can today resist the rigid competition in the world market alone. As a result of this, there is a search for new form of international interactions that would provide sustainability of development of separate countries in the system of the world economy. One such form of international interaction is integration of countries on various kinds of inter-states unions, including large-scale regional economic complexes with common territory, management devices, financial system economy, citizenship and foreign policy.

The added advantage of regional integration is that it not only protects from a global competition but also protects against the economic expansion supported by globalisation. Globalisation and integration are interconnected process, that will shape the global economic development in the coming decades. For the leading advanced countries, the regional economic integration is a way of bringing together and uniting efforts with the aim of preserving imposed order in the world economy. But on the other hand, regional integration for the developing countries is the only opportunity to resist the negative consequences of globalization and
checking the expansionist tendencies of the economically powerful countries.

Thus regional integration is the only way for the newly independent states of Central Asia to overcome the common Soviet inherited economic structure and to find their worthy place in the world economic community. The economic integration of the Central Asian states is an objective and a natural process conditioned on the national interests of the countries of the region. In many respects, the necessity of economic integration in the region is based on deep rooted interdependence and mutual economic complimentarities of the countries of the region. Besides the deepening integration process gets major importance nowadays for the maintenance of both regional and national security of the Central Asian states.

At the meeting in January 1993, in Tashkent, the leaders of Central Asian countries discussed the idea of forming a common economic area similar to the model of the European Community. In this meeting, the formation of expert committees at different capitals of the region was accepted. The committee for energy would work in Bishkek, the petroleum committee in Ashkabad, cotton committee in Tashkent and the grains committee in Alma Ata. The leaders also attained unanimity in the matters of giving humanitarian help to Tajikistan and at establishing an information network covering all Central Asia that could be realised by using the Tashkent radio and television and publishing a regional newspapers to be printed in Alma Ata. A hard attitude was adopted against Russia. This meeting had
a mixed effect. Though some parts of the work on regional economic and financial cooperation was put into life, the efforts to establish a television Program and newspaper was not realized because of disagreement between the countries over the choice of language.  

In January 1994, Kazakhstan and Uzbekistan made an effort to abolish all customs among themselves and to establish a common economic field that would help in the coordination of their economic policies. Kyrgyzstan also became a party to this later on. But Tajikistan and Turkmanistan were not very receptive to this idea. Efforts to expand the common economic field have been going on.

The first concrete step in the process of regional cooperation has been the establishment of the Common Central Bank. At present this bank has over 20 million dollars. Further cooperation has taken place and an economic union between Uzbekistan, Kyrgyzstan and Kazakhstan is established since 1996. Turkmenistan and Tajikistan stayed out of this venture.

A Custom Union was set up in December 1995 by agreement between the four states of Belarus, Kazakhstan, Kyrgyzstan and Russia. It was joined by Tajikistan in December 1995. It resulted in the formation of another Custom Union agreement in February 1999. These agreements culminated in an agreement signed in Astana in April 2000. It

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led to the establishment of a new Eurasian Economic Community (EEC). The ECC will not erode the sovereignty of the member state, but it does delegate some negotiating responsibilities with the international organisations. The EEC will be managed through an Inter-States council, an Integration Committee, an Inter Parliamentary Assembly and an EEC court. The EEC shall have greater enforcement powers than the current Customs Union. Provisions are that if a member states refuses to abide by the EEC rules, then it can be excluded from the Union. It is seen as a step towards ASEAN or NAFTA – type of regional international organisation.\textsuperscript{66} There are provisions for weighted voting and financing scheme under the EEC. Russia will exercise forty per cent of voting rights and shall bear forty per cent of the expenses of the organizations. Kazakhstan and Belarus have twenty per cent of the shares while Kyrgyzstan and Tajikistan shall have a share of ten per cent. The charter of the EEC has specified that vote on a major policy issue shall require at least two thirds support. It means that Russia will have the support of two other states to carrying out any policy issue.\textsuperscript{67} Such a mechanism ensures that the organisation will be democratic in nature and will look into the interests of all the countries. To ensure a balance of interest in the supreme body of the EAEC each country has one vote, and the decisions are accepted by consensus.

\textsuperscript{67} \textit{The Times of Central Asia}, 5, July, 2001, p. 6
Among the various organisations in the region, the Eurasian Economic Community (EAEC) occupies a special place. This organisation unites the countries with a population of over 180 million and an extensive territory, rich natural resources and advanced industrial infrastructure. It has a real chance to become a self-sufficient player in the world market. To achieve these purposes, the community has the status of an international organization with precise structures and mechanism to execute decisions. The Customs Union did not have this provision. It is important that the countries of EAEC should ensure that the agreements achieved before should be continued. The uniform economic space of the Customs Union continued till the year 2000. Interactions were expanded in the legal, cultural and educational spheres.

The EAEC has various features, Firstly, the countries of the EAEC believe that in the first stage, the powers would not be delegated to supranational structures. In this way the independence and sovereignty of the countries would be maintained. Only after the consolidation of the community, powers would be delegated from the inter state to supranational bodies like the European Union.68

There are provisions that allow joining the World Trade Organization by the five Central Asian countries as a uniform group on acceptable conditions. The interests of the members will be advanced and protected in the world markets.

Besides, the EAEC differs from other regional organizations in terms of their purpose and terms of their achievement. At present the strategy of development of the EAEC has been outlined till 2015. The member countries of the EEC shall have a uniform methodology of statistics of foreign trade in the coming two years. In the same period, the rules form one country of the EEC to another shall be unified.

From 2004, the EEC is supposed to proceed to the coordinated system of measures ensuring economic security of the member countries. By 2005, the general approaches to the coordinated boundary policy will be introduced; also the multilateral boundary cooperation will be advanced. By 2006, it is planned to finish arrangement to license units on external borders of the member states. By 2010 the complete arrangement and organisation of the coordinated protection of external borders of the EACE countries shall be completed. Also by 2010 it is supposed to create a uniform control system of customs services and to cancel the customs control on borders between the EAEC states. By 2015, the uniform boundary control system of the members of the EAEC shall be created.69

The Integration Committee and Commissions of the permanent representatives were formed at the first session of the EAEC Interstate council on September 14, 2001 in Almaty. The first general secretary of the EAEC was elected.70 The structure of the secretariat of the EAEC

69 Ibid. Pg.
70 Griogry Rapota, the former first vice minister of the industry and new technologies of the Russian Federation was the first General Secretary of the EAEC.
Integration Committee was authorised, as also the budget of the Community for 2002.

The base list and minimal rates on the excise-duty goods made and imported to the members states of the community also were authorised at the first session of the EAEC interstate council. The agreement on information exchange in the sphere of boundary policy was also accepted.

As a whole it can be said that the coordinated actions of all five members countries of the EAEC have begun real economic integration in the region.

The Economic Cooperation Organization (ECO) can be a medium to promote integration among the five countries on the one hand and at the same time can promote integration of these countries with the world. The ECO was formerly a small trilateral organisation. It has now become a large regional organisation with ten members. Iran, Pakistan and Turkey formed the Regional Cooperation for Development in 1967, which changed name as ECO in 1985. Its basic charter however is the Treaty of Izmir of 1977. In 1990, this treaty was reviewed in accordance with the increase of the ECO members and in 1992, Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan and Afghanistan become its members. Since its expansion in 1992, the ECO attracted interest as a large

\[71\] The goals of this organisation are expansion of mutual trade, promotion of conditions for sustained economic growth in the region and consolidation of cultural and spiritual affinities.

\[72\] During the Ashkabad ECO summit in May 1992, the Kazkh President did not accept the invitation for being a member of this organisation. However Kazakhstan became an ECO member in June 1992.
regional organisation and as the most significant prospect for reorienting the trade in Central Asia. This enlarged body has 325 million people that is spread over eight million square kilometers. Today the ECO provides a forum for discussion of regional disputes and for peaceful cooperation between the original members and the newly independent members countries. Although the prominent members of the ECO like Turkey, Iran and Pakistan have used the organisation to promote their interest in Central Asia. Yet ECO has some creditable achievements especially in the field of transport and communications. Central Asia has been linked with the Persian Gulf after the completion of the Tejen-Sarraks Meshed – Bandar Abbas railway line. India, Iran and Trukmenistan have signed a tripartite transit agreement for the utilisation of the route. After the joining of the Meshed – Tehran rail link, Beijing has been connected to Tehran and Istanbul through Urumchi, Almaty and Tashkent. The Transatlantic railway line will be carrying a load of 7 to 8 million tones per year. Through an agreement signed by Uzbekistan, Azerbaijan, Turkmenistan and Georgia, the Transcaucasus rail route to Europe has been opened. It will enable the landlocked Central Asian region to join the global trade and economic mainstream.

Another important element of the transport network is the pipeline system for oil and natural gas transport. At present, gas from Turkmenistan and oil from Azerbaijan and Kazakhstan are sold within the former Soviet Union. The summit of the ECO took place in May
1997 in Ashkabad to discuss ways to transfer the Central Asian region's oil and gas and to expand transportation between the member states. An agreement has been signed between Uzbekistan and Turkmenistan for construction of a gas pipeline that will run through Afghanistan and go to Pakistan. The Turkmenistan-Iran section of this pipeline is in the process of construction.

Apart from transport and communication, there are other areas also in which the ECO is trying to bring cooperation. In the Quetta meeting (Pakistan) in 1993, Turkey, Iran, and Pakistan decided to form funds to support the Muslim republics of the former Soviet Union. In the third ECO meeting in Islamabad in March 1995, the first executive steps were taken with the signing of the accounts and preliminary documents related to the establishment of ECO's different institutions. Among these institutions and accords are the ECO Trade and Development Bank, the ECO Reinsurance company, an agreement on the simplification of visa procedures for ECO businessmen etc.

The work scheme of ECO has focussed on trade as a means of promoting regional cooperation. The quantity of trade among the Central Asian countries is very low. It indicates that there is potential for increasing mutual trade among the member countries. An advantage of promoting mutual trade is that it helps to evolve complimentarities in the economies of the member countries. It enable pooling of resources for

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73 Iran Review, No.6, May 1997.
establishing infrastructural links and industrial projects. A protocol of Preferential Tariff Arrangements, involving a 10 per cent reduction, has already been signed and is being implemented as the first step towards the eventual elimination of trade barriers in the region.74

The institutionalization of the ECO summits after the first summit meeting held in Tehran is 1992 has given the organisation a new dimension and character, thus stimulating the process of international cooperation and intra-regional integration. The various institutions of the ECO are located at many places like its secretariat is in Tehran, the Trade and Development Bank is in Istanbul and there is an understanding among the member countries that the ECO Reinsurance Company will be in Pakistan. Such a sharing of institutional location is not conducive to economic efficiency but it may lead to demand, for common institutions.

In sum, it can be said about ECO that although it has great potential to create regional cooperation, it has not achieved the desired impact. Although at present the intra regional trade is at a low level, it can be tremendously increased.

The Central Asia Economic Union has been renamed as the Central Asian Economic Community in 1998. Tajikistan joined this later. It has made modest progress in the direction of regional cooperation by identifying about forty joint projects and establishing a Central Asian

Development Bank to execute them. Currently the focus is on twelve important projects.

Another element that has led to integration effort in Central Asia is that there is a realisation among the leaders that the problems of development must first be addressed at the regional level before taking them up at the global level. The linkages that had been established in the vital spheres would thus necessarily be maintained in order to ensure that the period of transition is smooth. To use President Karimov’s words, "The republics economy emerged and developed within the constraints of the former Union. A single transport and power system bound it to other regions by a tightly knit economic network."\(^{75}\)

This induced a certain level of enthusiasm about establishing regional economic links. But because in most cases the economic requirements of the Central Asian states overlap, there exists an element of competition rather than complementarity. Despite this a number of measures towards integration were undertaken and many agreement were signed. In 1991 an agreement to form Inter-Republican Council of Central Asian Republic and Kazakhstan was signed. Thus initiative was never realised. The Presidents of Kazakhstan, Krygyzstan and Uzbekistan signed the Treaty of formation of Unified Economic Space in 1994 so as to

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accelerate the integration process. The document laid a firm foundation for economic cooperation based on the principles of friendship and neighbouring relations, equal rights and non-interference in domestic affairs.

The Central Asian Regional Cooperation Conference held in Kyrgyzstan in June 1995, formulated cooperative solutions to the areas of political, social, environmental, demographic and economic problems. This conference resulted in the Issyk-Kul Regional Cooperation Declaration. The three countries of Kazakhstan, Kyrgyzstan and Uzbekistan have developed the Economic Integration 2000 Programme which was adopted at the Bishkek meeting of the council of Prime Ministers.

In sum it can be said that although a serious and concerted effort is being made at economic integration, yet a lot more needs to be done. Given the fact that the economic structure of the states do not compliment each other, the creation of a single economic territory becomes questionable. The trade policy has many unresolved questions. At the present time when there needs to be policy harmonisation on many economic issues, the establishment of a free trade area or a common market is an overly ambitious step. Instead, the creation of smaller cooperative ventures may be more fruitful.

Some measures for integration in Central Asia may be suggested. Firstly, the national legislations that regulates the economic activity of the five country should be harmonized to the extent possible. Secondly, there -
should be homogenous economic conditions in which the companies and enterprises in these countries operate. Thirdly, there should be coordinated policies in the field of industrial manufacture. Further, the manufacturers that represent the states should have the Government support. Fifth there should be development of scientific, technical and industrial cooperation among the private enterprises. Sixth, there should be joint programmes and investment projects in many inter-connected areas. Lastly, the activities of regional organisation should be focussed on economic development, transnational planning for infrastructure and transport, environmental problems and natural resources management and human contacts especially in the fields of tourism, culture and education.

Security Cooperation In Central Asia:

Under the Soviet Union, all the countries of Central Asia were located in the Turkestan Military District. But with the collapse of the Soviet Union the strategic equation changed. Four new strategic issues emerged immediately. What would be done with the strategic forces that were deployed around the USSR? Second, should the new countries form national militaries, national border guards or the national special forces? How would the troops and the military equipments be divided. Lastly, the questions revolved around the weapons production and testing facilities. Various meetings were held on these issues in Minsk (February
1992), Tashkent (May 1992), Moscow (July 1992) and Bishkek (October, 1992).

With the passage of time more and more security related issues emerged and each added to the levels of complexity to the regional security debate. The Tajikistan issue got linked up with the Afghan guerillas and the role of Russia. On the question of the military cooperation with the outside world, the Russian position hardened around the issue of NATO enlargement plans. The next issue related to the capture of Afghanistan by the Taliban and the consequent fall of Taliban. The last issue relates to the rise of Islamic fundamentalism in Central Asia and the growing fears of the 'Wahhabism' and the fears of the establishment of a Caliphate that aims at uniting all the Muslims in Central Asia.

The CIS Collective Security Treaty was adopted at the May 1992 summit in Tashkent. It provided that aggression or the threat of aggression against one country would be regarded as aggression against all the participants in the treaty. This treaty also paved the way for the abolition, on 30 June 1992, of the Soviet era Turkistan Military District.

Shanghai Cooperation Organization: While the Central Asian governments have not been successful in cooperating to achieve many

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77 Wahhabism follows the teachings of Muhammed ibn Abdal Wahhab. It call for the restoration of the Islamic authority and purification of the states forum outside influences.
common regional economic and political objectives, they have found common cause in security related issues. This has impelled them to form new form of alliances. Shanghai Cooperation Organisation is one such effort to sort security related issues. This organisation aims to establish a coherent security and foreign policy framework among the great and small powers of the Central Asian region.

The Shanghai Cooperation Organization (SCO) was launched on June 15, 2001. The Presidents of China, Russia and the four Central Asian countries of Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan – met in Shanghai to sign a declaration establishing the new regional body to promote peace, stability, economic and trade ties. A Shanghai convention on combating terrorism, separatism and extremism was also signed. The Shanghai Cooperation Organization thus covers all the security related issues.

The origin of the Shanghai Cooperation Organization can be traced back to the Shanghai 5. It owes its origin to the 26th April, 1996, joint border agreement between China, Kazakhstan, Kyrgyzstan, Tajikistan and Russia. In the beginning the aims and objectives of the grouping was vague. The document said that the leaders of the member counties would establish a collective range of confidence building measures in the field

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80 Prior to the formation of Shanghai 5 in 1996, Russia, Belarus, Kazakhstan, Kyrgyzstan had signed a wide ranging agreement on the Regulation of Economic and Humanitarian Integration. Its broad objective were establishment of a Custom union, development of common energy and transport system, harmonisation of legal systems and coordination of foreign policy. It came to be known as Agreement of Four.
of military cooperation along their common borders. The focus was to settle the border issue between China and Soviet Union.

It took five years of understanding and cooperation to convert the Shanghai Five to Shanghai Cooperation Organisation (SCO), a formal regional alliance for security and economic collaboration.

A four point proposal was put forward about the SCO by the President of China Jiang Zemin. First the SCO should recognise the differences of the nations and find ways to adapt to each other's unique characteristics. Second, an anti-terrorist centre should be established as soon as possible. Third, the six countries of the organization should carry forward the spirit of unity to solve the problems through friendly consultations, and four, the organisation must adhere to the principle of being open. It means that it should not be aligned nor should it target any particular country. The declaration said that the "Shanghai spirit" defined by mutual trust and benefit, equality, consultation, mutual respect and common prosperity which was developed in the course of the Shanghai 5, is a treasure accumulated through the member states cooperation in the recent years. It is hoped that the Shanghai 5 will be able to build into a higher level of cooperative organisation and will help the member states to share opportunities and deal with the new challenges and threats more effectively. The Shanghai spirit should be carried forward and developed into multilateral relations of the SCO countries in the 21st Century. It has

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been decided that all SCO members will strictly abide by the UN charter, respect each others independence, sovereignty and territorial integrity, not interfere in each others internal affairs etc.

There are many others clauses envisaged in the SCO. They are (i) The Shanghai Cooperation Organization plans to expand cooperation among the member states in political, economic, trade, scientific and technological realms.\textsuperscript{82} (ii) The SCO shall pursue a policy of non-alignment. It will carry out various dialogues, exchanges and cooperation with any other country that expresses a desire to talk. (iii) The SCO is willing to accept new members who agree with the organisations aims, tasks, principles and provisions. (iv) The SCO gives special emphasis to regional security. All the member states shall cooperate with each other in implementing the Shanghai treaty on the crackdown on terrorism, separatism and extremism, including establishing an SCO anti-terrorism centre in Bishkek, Kyrgyzstan (v) The SCO will start negotiations within the SCO framework for trade and investment facilitation. It shall support and cooperate with each other on major international and regional issues.\textsuperscript{83} (vi) The maintenance of global strategic balance and stability under the present international circumstances has been attached special significance. A SCO charter on this is being prepared.


\textsuperscript{83} Ibid.
The Shanghai cooperation organisation has been hailed as a new model of regional cooperation.\textsuperscript{84}

It has so far made a distinct impact in the region but whether it will be an autonomous power centre in the world is too early to say.

The SCO has an impressive track record in the formative phase (1996-2001) which saw the transformation of Shanghai Five into SCO. It proved the critics wrong who had reservations about the ability of the Central Asian countries to cooperate with each other. The five years of cooperation has laid the basis of an understanding and an experience of working together that paved the way for moving forward and forging a partnership for security and development. In a meeting in July 2000, the head of states of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan agreed to deepen interstate cooperation in diplomatic, commercial, military and technological and other areas with the purpose of reinforcing regional security and stability.\textsuperscript{85} The leaders pledged new cooperative initiatives in combating drug trafficking and weapons, in fighting terrorism, political extremism and separatism and in resolving disputes over transboundary resources such as water, energy and transport infrastructure.

The SCO is a good effort at regional cooperation. The Bangkok based Asia times has called the SCO an agreement useful to all the three parties involved: China, Russia and the Central Asian Republics.\textsuperscript{86}

\textsuperscript{84} *Peoples Daily*, Beijing, 15 June, 2001.
\textsuperscript{85} Text of Shanghai Five Summit Declaration, *BBC*, 6 July 2000.
\textsuperscript{86} Sirici, Francesco, “Shanghai Spirit may havn’t Asia”, *Asia Times, online*, 23 June, 2001.
It says that in this organization no body can assure hegemony. This is also the first time that an attempt to cope with the political vacuum in Central Asia is being made. At present Moscow may have a larger role but ultimately it will limit Moscow's role in the region.

Conference on Interaction and Confidence Building Measures in Asia (CICA)

CICA is a viable institutional mechanism to promote peace and security in Asia. The concept of CICA was proposed by Kazakhstan President in October 1992 and its inaugural summit was held in Almaty in Kazakhstan on June 4, 2002. The initiative for CICA was taken by Kazakhstan, a Central Asian country, but has been expanded to enhance peace, security and prosperity in Asia. It is being described by leaders as one of the skeletons of the future Asian architecture.\(^{87}\) It is however, yet to be proved and substantiated.

The inaugural summit of CICA was held in Almaty in Kazakhstan on June 4, 2002. The Almaty Act or 'The Declaration on Eliminating Terrorism and Promoting Dialogue among Civilizations' was adopted at the end of the meeting. The highlights of the Almaty Act include (i) the resolution that terrorism is a transnational threat and that it must be eradicated through united efforts, (ii) the condemnation of terrorism in all its manifestations, (iii) the assertion that terrorism cannot be justified on any ground whatsoever, (iv) the agreement that members states must not

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harbour terrorists or finance them, (v) the admission that separatism is one of the main threats to the stability and security in the region (vi) the agreement that the member states must not support any separatist movement on the territory of another states (vii) the rights of the people living under foreign occupation shall be recognized, (viii) the call for a crackdown on illicit arms and drug trafficking, and (ix) the appeal to the UN to play a central role in developing a framework to effectively meet the challenges of terrorism.

There are 16 signatory nations of CICA that includes the four Central Asian States of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Thus CICA aims to ensure security in Central Asia by targetting threats like terrorism separatism, drug trafficking etc.

**Cooperation in Coalition Campaign Against Terrorism**

The Operation Enduring Freedom was launched by the coalition forces against terrorism. In this operation Central Asian Republics have cooperated with the US. The cooperation of these countries proved vital in the demolition of the Taliban. This is a classic example of cooperation of the Central Asian countries with an external player.

Central Asia was immediately recognized as a necessary strategic asset for a US-led Afghan operations after 11 September. It thus took little time for Washington to seek cooperation from Central Asian Republics in the counterterrorist coalition. The Central Asian governments, being aware of their geographic importance to this international coalition, were willing
to enter into negotiations with Washington to discuss how they could help in the counter terrorism efforts. Kyrgyzstan and Uzbekistan allowed the US forces to organize operations in their territory. The US forces also covertly used the Tajik territory to stage special force operations into Afghanistan. 88

Uzbekistan has been most cooperative of all Central Asian Republics. This is because apart from its proximity to Afghanistan, it offers the best military and transport facilities. Uzbekistan offered access of the Khanabad airbase to the coalition forces. Following Uzbekistan’s lead Kyrgyzstan granted military access of its territory to Washington. The coalition forces led by the US has constructed an airbase which may be used both for offensive and humanitarian operations. Tajikistan is the third republic to offer access to military bases to the US led coalition force. It has allowed its territory to be used as a staging ground for covert operations.

The three Central Asian Republics have benefited from the cooperation that they have offered to the coalition. Tashkent has received US $ 25 million grant from Washington to purchase weapons and military equipment. Over the past 6 months the USA has promised approximately $ 160 million to Tashkent without any conditions attached. Similarly, the presence of the US military forces has injected approximately $ 14 million on into the Kyrgyz economy. It is expected that $ 40 m will be put into

the local economy by the end of the year. Furthermore, it is expected that Washington will grant Bishkek upto $ 8 million for military training and financing over the next two years. Tajikistan has been pledged $ 125 million without any conditions.

Because of the military cooperation, the Central Asian states have been further rewarded in the sense that its export restrictions have been loosened on arms sale. These countries have been promised more military aid and additional financing to be used for the purchase of weapons.

Cooperation on Border Issue

The border problems in the Central Asian countries arises out of the fact that none of the Central Asian states have ever historically existed within their present borders prior to the Soviet era. Many of the current states borders have resulted from a Moscow appointed commission to ‘re-district’ Central Asia. Even today several borders, particularly between Turkmenistan and Uzbekistan, Uzbekistan and Tajikistan, Tajikistan and Kyrgyzstan, and Uzbekistan and Kazakhstan have been established by popular usage. However, the popular usage has not legitimised most of these borders. This is apparent by the fact that the Central Asian countries are making efforts to solve the border problems. The Turkmenistan border with Uzbekistan is defined by the water course of the Syr-Darya river at some points, creating a continuous possibility of border redefinition. After talks with respect to the borders, Turkmen and Uzbek officials issued a
protocol saying neither had territorial claim on the other.\textsuperscript{89} In early 2000, Uzbekistan unilaterally commenced a survey of its border with Kazakhstan. After Kazakhstan officials publicly objected, a bilateral demarcation commission was established in February 2000.\textsuperscript{90} Tajikistan officials similarly objected to Uzbekistan unilateral border survey. As a result of this, in June 2000, the Tajikistan and Uzbekistan governments signed a memorandum to set up a joint inter governmental commission on the delimitation of their states border. It was decided that the delimitation would be based on the existing administrative territorial border.

The goal was to establish a framework for cooperations on issue of border guards issues of customs, migration and other forms of control.

The efforts to resolve the border issues has resulted in border tensions in certain cases.\textsuperscript{91} This is because of Uzbekistan’s unilateral initiatives on border issue, instead of easing tensions has increased tension on its border. On the one hand, Uzbekistan is trying to secure access to an Uzbek enclave in the Sokh region and on the other hand, it is placing landmines along its borders with Kyrgyzstan (1,099 km) and Tajikistan (1,161 km) as a counter insurgency measure. Sokh enclave is a Uzbek semi autonomous region which is accessible only via the Kyrgyz territory.

\textsuperscript{89} Turkmenistan, Uzbekistan Hold Border Talks, \textit{RF\textsubscript{E}/RL Newsline}, 26 June 2000.
\textsuperscript{91} Mokarenko, Tamara, “Soviet era borders contribute to Central Asia’s new instability”, \textit{Janes Intelligence Report}, Vol. 3, No.9, September 2001, p. 23.
Situated in the eastern Fergana region, 18 km south of Uzbekistan, the Sokh enclave is a growing source of tension between Kyrgyzstan and Uzbekistan. Over the past year, Taskent has intensified its pressure on Bishkek to give Uzbekistan a land corridor along the Sokh river that would join Sokh to Uzbekistan’s Rishtan region, in exchange for an equal parcel of land. In February 2001, there was frequent description of gas supplies from Uzbekistan to Kyrgyzstan for technical reasons. After this, the two states signed a secret memorandum in which Kyrgyzstan showed its willingness to follow the land swap deal.\footnote{Ibid pg 24}

While on the one hand there are cooperation efforts among the countries of the Central Asian region on the border issues, there are numerous instances of cooperation with extra-regional countries. The Kyrgyz-Chinese and the Tajik-Afghan border settlement is an examples of this. Kyrgyzstan shares a 858 km border with China. Since the border is causing instability it has become a bilateral issue. The governments of Kyrgyzstan and China signed border agreements in 1996 and 1999. The agreement tries to establish the roots for bilateral cooperation in other sectors. In the 1996 agreement China has been granted a major share of the contested territory.\footnote{Ibid.}

Tajikistan and Afghanistan share a 1206 km border. This border has the potential to create instability in the entire Central Asian regions. There are increasing problems with drug trafficking and illegal migration. All

\footnote{Ibid pg 24}
\footnote{Ibid.}
the five Central Asian have showed their concerns about the essential role that Tajikistan plays in regional security. They have revealed their disappointment in Dushnbe’s apparent failure to gain tighter control over its border regions.

The countries of the region met and it was decided that Dushanbe would bolster its border security over the past year. Even Russia has deployed its border guards on the Tajik-Afghan border.

The border demarcation is problematic in the Fergana Valley. Most of the valley lies within the territory of Uzbekistan but is bordered by Kyrgyzstan on the north, east and south, and by Tajikistan in the south west. The Uzbekistan-Kyrgyzstan and Uzbekistan-Tajikistan borders in the Fergana Valley is zig zag and moves back and forth across the valley’s main roadways. This results in a situation in which virtually all traffic and freight repeatedly crosses several international borders. Monitoring this is a tough task particularly in the age of globalization where people, capital, goods, services and ideas can move more swiftly across frontiers than ever before. Efforts are being to make realistic and long term cooperation in the Fergana Valley.

Cooperation over Water Disputes

Water disputes is one of the main environmental issue that poses a threat to political stability and economic development in Central Asia. Central Asia’s water supply derives from the regions two main rivers the Amu Darya and the Syr Darya. The rivers originate in the Tien Shan and the
Pamir mountains and cross all five states to finally flow in the Aral Sea.

During the Soviet period, water management was centralized and was under the authority of the Ministry of Land Reclamation and water resources in Moscow.

The increased concerns for potential conflicts among the Central Asian states emerges from the practice of swapping water for energy resources. Tajikistan and Kyrgyzstan are the upstream states and have sufficient water to meet not only their domestic needs but also offer water in exchange for gas and oil supplies to ensure energy levels in their states. On the other hand, the downstream states, Kazakhstan, Turkmenistan and Uzbekistan, although blessed with an abundance of gas and oil supplies are facing water shortages. The responsibility for decision-making on natural resources was given to each state and water became the exclusive property of the state according to their constitution.

The Central Asian governments have expressed their desire to resolve any security issue that may arise from water use. The Uzbek President Islam Karimov and his Turkmen counterpart Saparmurad Niyazov have constantly emphasized the importance of water resources and have characterized the resolution of any water disputes as the most pressing topic of the current time.

Realizing the gravity of the situation, the Central Asian governments have expressed their desire in maintaining regional stability on water related

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94 Biliouri Daphne, “Keeping the lid on Central Asia’s Water Dispute”, Janes Intelligence Review, April, 2001, p.12.
issues by cooperating on a bilateral level as well as adopting a regional approach.

Efforts have been taken at three levels (i) national, (ii) bilateral, and (iii) regional to arrive at an acceptable water distribution system. It should be acknowledged that the Central Asian countries face a problem of water distribution and not of water scarcity.

At national level, Tajikistan is working towards the development of the Sangtuda station. It would overcome the deficit of Tajikistan's electric power. The privatization of the energy sector is also being done. Although such steps will increase the electricity costs nevertheless it will minimize the dependency of each country on its neighbour and at the same time shall enhance the efficiency of electricity.

At bilateral level, the upstream states have taken steps that will lead to the efficient use of the water resources. The Uzbek Kyrgyz relationship is an excellent example of the level of cooperation that exists. Kyrgyzstan is looking into new ways of minimising its depending on Uzbek energy sources by entering into discussions with other Central Asian states for new sources of gas supplies and by developing its potential for hydroelectric power. Kyrgyzstan is hoping that the privatization of the energy sector will allow a more cost-effective system of energy generation at regional level.

At the regional level, so as to ensure a joint approach regarding the management of the Central Asian rivers and other waterways, the
structure of the Basin Management Committees (BVO’s) was established. These are regional organizations that are administered by the national representatives from all the five states and is responsible for the regulation and distribution of the water resources of the Central Asian region.

The BVO’s face the problem of lack of funding, infrastructure maintenance, training of personal and legal status. Despite the requirement for financial support from all states, the national governments do not have the budget to ensure the proper running of these organisations. At the same time, no changes to the national legislation have taken place to officially recognize the BVO’s as an authoritative institution regarding water management in the region.

The water related issues have other geographical and geopolitical dimensions too. The mismanagement of the water resources has resulted in serious droughts in Tajikistan and Uzbekistan. Lack of rainfall or snowfall in the area adjoining the Aral sea has resulted in the worst drought in about 90 years.

The role of external actors cannot be ignored-China, anticipating water shortages in the whole of the Asia, has made a strategy to divert water from rivers Irtysh and Ili, which are the main rivers of Kazakhstan to its western region of Xinjiang. This is an impoverished and backward region of China. China hopes that assured water supply in the region will
cause economic development in the region and thereby weaken the actives of the separatist movements such as the Uighurs.95

China plans to divert about 1.5 billion cubic meters from the Irtysh river. Considering that the total volume of the river is approximately 9 billion cubic meter, the result of this diversion would have catastrophic result for Kazakhstan. Diversion from the Ili river will be equally devastating since the river water feeds the Lake Balkash which is essential for the development of Kazakhstan's industrial sector.

Thus, although efforts are being made for water management in the region, much more has to be done. Some suggestions may be given for this

(i) It is to be ensured that dissemination of knowledge and information at all levels among the Central Asian state should take place. Scientific data and access to all relevant data should be accessible by all involved parties at all levels. This step will allow a consensus to be established regarding the water resources.

(ii) A political framework should be established that will allow the discussion of problems and disagreements before they erupt.

(iii) Agreements in the area of water issues should be promoted on a national, bilateral and international level.

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95 Ibid.
(iv) The sectors in which the water is being used like agriculture, industry, heating purposes etc. should be discussed. A strategy should be evolved accordingly,

(v) Financial support and funding of the water management system should be ensured.

(vi) Sustainable development strategies should be promoted.

**Aral Sea and Regional Cooperation**

Once the fourth largest inland sea in the world, the Aral Sea has now diminished to one third of its original size and it is estimated that it will completely disappear by 2015 if no preventive action is taken. The Aral Sea started drying up because of the Soviet era irrigation policies that aimed to maximize the levels of cotton production. Massive amount of water was withdrawn from the Amu Darya and Syr Darya. It thus robbed the Aral Sea of its normal water drainage.

After gaining independence, the Central Asian states made efforts among themselves and with the international agencies to address this problem. However, this problem was attended even during the Soviet period and efforts were made to restore the Aral Sea by diverting the Siberian water south, but the effort was not successful. The Central Asian state formed an Inter states Commission for Water Coordination (ICWC) in 1992. The ICWC developed a common strategy of national water use in the Aral Sea Basin and a framework for interstate legislative and normative acts regulating joint water use. At the same time, with the
financial support of the World Bank and other international institutions, the Aral Sea Water Treaty was signed and an Interstate Council for the Aral Sea Basin problem (ICAS) was established to implement the treaty. In 1994, the ICAS set up an International fund for the Aral Sea, in which each country was called to contribute 1 percent of its GDP.96

The five Central Asian countries also established a joint commission for water coordination to regulate water distribution in the basin and at the same time consolidate country positions for the adoption of regional water strategy. The countries also approached the World Bank and in 1992 the World Bank was asked to coordinate international aid in responses to the crisis in the Aral Sea Basin. A World Bank team visited the region in September 1992 and prepared a report on its findings. Later on, in an international conference sponsored by the World Bank, the United Nations Environment Programmes (UNEP) and the United Nations Development Programme (UNDP) that was held in Washington in 1993, the Bank's proposal was discussed. This conference was attended by the representatives of the five republics as well as other international organizations and the donor agencies. On the basis of the World Bank's recommendation, a joint World Bank UNEP and UNDP team visited the region in May 1993 and prepared a programme for donor financing in collaboration with the Central Asian Republics. This programme consisted of 19 projects for the first stage of a three-phase programme to save the

96 Ibid.
Aral Sea. The Central Asian Republics in turn established regional organizations – the Interstate Council, the International Fund for Aral Sea and the Executive Committee to implement the programme.\(^97\) Greater use of agricultural drainage water and waste water, as well as the introduction of more salt-tolerant crops is envisaged. The government leaders also plan to reduce the amount of land for cotton so that large amount of water will be pumped back into the Aral Sea.\(^98\)

Although efforts are being taken by the countries of the region concerned as well as the international agencies to redeem the Aral Sea, as of now the Aral Sea is an environmental catastrophe. The water level is declining and ecosystem is being degraded, causing a deteriorating environment and declining living conditions and health of the people living around its shores. Now that efforts are being made to save the Aral Sea, it is hoped that the region should be able to avert this environmental tragedy.

**CASPEAN SEA AND REGIONAL COOPERATION**

After the Soviet break-up, differences have arisen among the Caspian Sea States (CSS) on the status of the Caspian Sea. Different countries had various stand on this issues. Russia wanted the Russo-Iranian treaty of 1921 and 1940 to be valid. Thus Russian contention was that the Caspian Sea should be exploited with the agreement of all the littoral


states without dividing the sea into national sectors. Both Russia and Iran had a convergence of the position that both the sea bottom and the water surface of the Caspian Sea should be utilized equally by the Caspian Sea States. Azerbaijan and Kazakhstan did not accept this view because they accounted for 80-90 per cent of about 115 to 130 barrels of the proven oil resources in the Caspian. The share of Russia and Iran is reported to be negligible.

Azerbaijan wanted to treat the Caspian Sea as a lake dividing it into national sectors – both the bottom of the sea as well as the volume and surface of the water - thus providing exclusive rights of the state. Kazakhstan wanted to divide the Caspian on the basis of the Law of the Sea, thus providing division of only the bottom of the sea into national sectors.

Amidst this confusion, different countries adopted different stand on this issue. Even as the status of the Caspian Sea was being discussed, Azerbaijan, Kazakhstan and Turkmenistan, exercising their sovereign rights, formed an international consortia and called for tenders for the exploitation of oil and natural gas. Azerbaijan formed the Azerbaijan International Oil Consortium (AIOC) that includes British Petroleum, Amoco, Pennzoil, Unocol, Exxon etc.

The formation of the organization of the Caspian Sea States (CASCO) in February 1992 was an effort at regional cooperation on this

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issue. The members are Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan. These are the littoral countries of the Caspian Sea.

The CASCO can be regarded as a part of the long term economic programme of Iran.\textsuperscript{100} CASCO is also the center of negotiations for the expansion of the means of transport, widening of ports and the campaign against pollution in the Caspian Sea. At the same time CASCO also forms a forum for multilateral negotiations for the development of cooperation in the energy field.\textsuperscript{101} In the October 1994 meeting of CASCO, Russia suggested the formation of a multilateral co-ordinating committee which should have the power of deciding the question of exploitation of the natural resources in the Caspian Sea.

Russia’s official position is that the Caspian Sea should be considered a closed lake and that the legal norms relating to the Exclusive Economic Zones of the coastal countries as laid out in the UN convention on the Laws of the Sea should not be followed. The treaties signed between Russia and Iran in 1921 and 1940 on the status of the Caspian Sea provides the countries sovereign rights over water upto 12 miles from their coast.\textsuperscript{102} The Russian stand is that the rest of the Caspian Sea must become free zone where each littoral state has equal

\textsuperscript{101} Ramazani, R.K., “Iran’s Foreign Policy: Both North and South”, \textit{Middle East Journal}, Vol. 46, No.3, Summer 1993.
\textsuperscript{102} At present, the legal regime of the Caspian Sea is based on two treaties signed between Iran and the USSR: The Treaty of Friendship dates back to 1921 and the Treaty of Commerce and Navigation was signed in 1940. The 1921 treaty repels the provisions of the Turkmenchai Treaty (1828), which banned Iran from forming a navy, and grants the two signatories equal rights to navigation and warships. The 1940 Treaty drawn on this area to prohibit the passage of vessels carrying flags other than the two signatories.
right in developing oil reserves. In addition, Russia stresses that international law cannot be applied to this region because littoral countries have not concluded any agreement on the application of such standards to the Caspian Sea. After the disintegration of the USSR, the CIS member states guaranteed in the Alma-Ata Declaration in 1991 to respect the former USSR’s international engagements, which included the succession of the 1921 and 1940 treaties.

In this context, two solutions are possible—either the delimitation of the sea between the littoral states or the development of cooperation among the littoral countries based on the existing legal status by taking into consideration the rights and interests of the littoral countries. After the negotiations, in February 1995 in Ashkabad, some of the littoral countries agreed on the maintenance of the current regulation of fishing and economic zones, with an extension of the coastal fishing zones to 20 miles. Kazakhstan and Azerbaijan refused this agreement and insisted to grant the Caspian Sea a new status. They have tried to redefine the current legal status of the Caspian Sea to obtain unilateral advantage. As expected, Russia is openly opposed to the approaches of these two countries. These conditions make the creation of an organization of cooperation in the Caspian region problematic. The stand of Kazakhstan is completely opposed to that of Russia. As such two alternatives emerge—the Caspian could be considered an international lake and must be equitably

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103 Kazakhstan conducted seismological studies to evaluate its resources, which totaled about 10 billion tons of oil and 2000 m³ gas.
divided among all the littoral states, or it may be considered a sea and in this case international legislation can be applied and the sector of each country must be delimited. Azerbaijan stand is that each country that has access to the Caspian has complete sovereignty over its corresponding territorial sectors. The stand of Turkmenistan is similar to those of Kazakhstan and Azerbaijan, although like Iran it is in less hurry to resolve the legal questions surrounding its Caspian borders. Turkmenistan is clearly much more involved is natural gas and the related infrastructure projects than in large-scale development of oil exploration and extraction of the Caspian shelf. Unlike the other states in the Caspian basin, Turkmenistan is less concerned with oil deposits than natural gas. It has large reserves of natural gas and its immediate goals are much more concerned with exporting gas and in establishing infrastructure.  

The efforts of various countries on this issue is different. In 1994, Azerbaijan signed a contract with an international consortium for the exploitation of oil reserves. Moscow says that the claims of Azerbaijan to extent it sovereignty on part of the Caspian Sea do not have any legal basis. Azerbaijan, in order to neutralize any possible protests of Moscow and not to cause any rupture in the new process, proposed the participation of the Russian company Lukol in the consortium. A preliminary promise was also made for the use of Russian pipelines to transport the Caspian oil.

Kazakhstan, on the other hand, has softened its position on this problem. Since 1996, Almaty has declared that the government was ready to discuss with Moscow the future delimitation of the Kazakh sector in the Caspian Sea and invited the Russian companies to take part in the development of oil resources in the Kazakh Sector. Iran has brought a proposal to establish an organisation of Caspian region states that would aid in resolving existing and future political and economic problems in the region. In this context, Iran has been maintaining a reserved position concerning the legal status of the Caspian Sea. Russia supported Iran’s initiative in 1992 to conclude a treaty on regional cooperation in the Caspian Sea and to constitute a regional organization in order to solve all related problems.

In the 1996 meeting in Ashkabad, the five littoral states announced their points of view concerning the Caspian Seas legal regime. In the meeting two different theories were presented. The first was the viewpoint of Iran, Russian Federation and Turkmenistan. It stressed cooperation, mutual understanding, demilitarization and determination of the Caspian Sea’s legal states based on the five countries’ agreement. This view envisaged that 45 miles of coastal waters would belong to each of the countries and the rest of the sea would be under common ownership. The second theory was that of Azerbaijan. It emphasized the division of the Caspian Sea.
It will take some more time when the Caspian littoral countries arrive at an amicable solution on the Caspian issues. The developments till now show that the countries are ready to compromise on this issue.

There have been other instances of regional cooperation among the Central Asian Countries. In 1995, the four Central Asian countries except Turkmenistan decided to form a Central Asian Battalion as a joint force for peace keeping operations. These countries hope that Turkmenistan, despite its policy of positive neutrality will join this battalion.

PROBLEMS IN REGIONAL INTEGRATION

Though the Central Asian countries have made various attempts at cooperation, there are many potential areas of conflict between them. It may retard or slow the pace of integration. Many irritants exist among the countries.

Turkmenistan has from the beginning adopted a policy of positive neutrality. This status has been recognized by the United Nations at the end of 1995. Through this policy Turkmenistan prefers to go alone. President Niyazov of Turkmenistan has avoided any commitment to any regional block or collective arrangement. Thus Turkmenistan has kept the CIS at an arms length: in May 1992 it refused to sign the Commonwealth Collective Security Agreement and these rejected sending of the Turkmen troops in Tajikistan. The strength behind Turkmenistan’s positive neutrality was that it had the economic potential to go alone. It felt that collective

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105 Martha, Bill Olcott, “Ceremony and Substance: The Illusion of Unity in Central Asia”, in Mendalbaum eds, Central Asia and the World, p. 17
agreements or regional cooperation might tie its hands in seeking to exploit these resources to the full. The policy of positive neutrality of Turkmenistan means three things. First, Turkmenistan sought to maintain as much distance as possible from Russia without giving up the big Russian gas market, and most of all, without giving up access to western gas markets that for the first deeds of independence Russia continued to control. Second, it means policies of self interest with Turkmenistan’s southern neighbours. Third, it meant drawing into Turkmenistan foreign investment and foreign commercial debt to the greatest extent possible in order to revitalize the gas-related industry and build a Kuwait - style emirate in Turkmenistan.

The Central Asian regional cooperation has suffered on account of clash of leadership ambitions between Uzbekistan and Kazakhstan. Among the five Central Asian States, Uzbekistan and Kazakhstan are the most influential ones with regard to their populations, economy, military power, demography and geography. The population of Kazakhstan is 18 million while that of Uzbekistan is 23.1 million; their GDP amounted to 55.2 and 54.5 billion dollars and their armed forces had 40,000 and 25,000 men respectively. The demographic structure of Uzbekistan made it

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very influential. It has a relatively homogenous population where Uzbek represent more than 75 percent of the whole population. Under these circumstances, the two countries compete for leadership in the region. The struggle for leadership between these two countries is also apparent between the Presidents of the two countries. Whereas President Nazarbayev of Kazakhstan was the innovator of many ideas of cooperation, President Karimov of Uzbekistan consistently rejected them. Kazakhstan initiative to creates a Central Asian Union was in response to Russian endavour in Belarus and Ukraine. In addition, Kazakhstan’s cooperation with the Central Asian States had been its first experience of external cooperation without Russian supervision.

Because of the rivalry between the two leaders most of the gestures of friendship and cooperation remained only on paper and in many instances the two countries followed independent path. Uzbekistan was more concerned with its domestic ‘Islamist’ opposition and actively participated in the Tajik-Afghan crisis, while Kazakhstan continued its ‘integrationist policy’ and nation building process.

Uzbekistan because of its large population and the existence of great number of Uzbek minorities in other countries has an edge over Kazakhstan. Uzbekistan’s central location is the region has also been acknowledged by Russia.

Some old tensions date back centuries. Regarding the water issues, Tajikistan and Kyrgyzstan have plentiful supplies of it on which both
Uzbekistan and Turkmenistan depend. Difficulties have been apparent in this area, particularly because of plans by the two former states to divert some of their water eastwards or southwards in deals with China and Pakistan. Turkmen-Uzbek relations have also been soured by the water issues, as Uzbekistan's use of shared rivers has a major impact on the amount of water available to Turkmenistan. Although several meetings have taken place among the concerned parties, the continued centrality of water to the economic future of the region makes further conflict likely.

Relations between the states are also complicated by the ethnic distribution of the population which has left sizeable minorities outside their nominal country though often in areas contiguous to it. Though the leaders have rejected irredentist claims, the treatment of minorities always has the potential to become a bone of contention.

The unequal distribution of economic resources and development potential in the region may also be problematic in regional integration. Problems have arisen over the introduction of new currencies, payments for goods and the relative prices at which natural resources will be exchanged between neighbours. For example, in early 1995, Uzbekistan threatened to cut off gas supplies to southern Kazakhstan unless it met its debts. While most of these tensions have been resolved by diplomatic means, the smaller states remain vulnerable to pressure from their large neighbours, with Uzbekistan and Kazakhstan possessing substantial
armed forces that could in theory be used to impose their will in the region.108

The difference between the development levels of the republics during the Soviet era and the different economic and political policies applied by the Republics in the after Soviet transition period has also made the relations between the republics complicated. While Kazakhstan and Kyrgyzstan were more willing to pass into market economy and to open their markets to foreign investors, Uzbekistan and Turkmenistan followed a more supervisionary methods concerning the polices of foreign investment and economy.

The differences in the levels of democratization process in the countries also influence the level of cooperation between the countries. Kazakhstan and Kyrgyzstan adopt a liberal government style and Uzbekistan and Turkmenistan adopt a more authoritarian form of government. It may negatively affect the cooperation effort.

The artificially drawn borders of the Republic may causes problems in political and ethnic matters. It may hamper cooperation effort. In this context Tajikistan's request for Bukhara and Samarkand form Uzbekistan and Uzbobistan's request of the Osh region form Kyrgyzstan have caused many problems till now and may continue to cause problems in the future. The competition between the Republics, in obtaining the necessary foreign investments and aids is also a situation that hinders cooperation.

The countries competes with each other rather than compliment each other. Moreover, the economies of these countries are not complementary. Because of this the countries have established relations directly with foreign countries and multinational companies. International relationships today are determined more by economic factors rather than by cultural and religious ones and as such it is difficult to understand what kind of relationships will develop among the Central Asian countries in the near future.

The very dependence of the geostrategically located Central Asian countries on Russia is also having its bearing on the cooperation and integration efforts. The Soviet system that had created a dependence on the centre instead of the constituent Republics themselves has collapsed. Yet the Central Asian countries try to establish good relations with Russia. The five countries have so far not been able to have a common stand with regards to Russia.

Integration is a time taking geopolitical process. Concrete efforts have been taken among the countries towards integration. The leaders of these countries are maintaining caution. It was aptly summed by President Akayev of Kyrgyzstan when he said ‘running ahead can result in no less harm than being left behind’. The Chairman of the council of Federation of Russia, E. Stroev has also stuck a similar notes. He commended the Russian approach of gradual movement from one form

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of integration to another. The integration has to be an evolutionary process. President Nazarbayev has also similar views. In his words, “each country is preoccupied with resolution of its own vital problems and the process of establishing authentic statehood has only just begun.\textsuperscript{110} This proves the veracity of the fundamentals of geostrategy and their implication for the region and its consequent importance for its immediate neighbourhood and the entire Eurasian landmass.