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# ***THE JOURNAL OF CENTRAL ASIAN STUDIES***

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# GLOBALIZATION AND EURASIA'S ENERGY SECTOR

**Michael Fredholm\***

**Abstract:**

In this article, it is argued that globalization, as interplay of relationship between the products, markets and the nation states, has thrown opportunities as well as challenges to the energy sector. While the former has been beneficial to humanity in different respects, the latter has triggered unprecedented malice and heart burning among the energy stakeholders in Eurasia due to changing geo-economic and geo-political scenario. For their constantly growing energy demand, many countries have included Eurasian energy in their foreign policy agenda, and have started protecting their respective trans-national energy companies with all sorts of security and logistics. There are other challenges to the region's energy sector in the foreseeable future: oil and gas resources are speedily depleting, their refinery capacity is shrinking, climatic change is badly affecting their locational deposits, major global powers are inspiring the funding agencies to sponsor alternative energy transportation corridors to scuttle monopoly of traditional energy buyers, and, above all, China is significantly factoring in region's "energy production consumption trade structure," to the detriment of other regional stakeholders, which is quite alarming.

As an alternative thereof, Fredholm suggests massive exploration and use of non-conventional energy resources to strike a balance between supply and demand improve energy efficiency and facilitate regional economic organization to play a proactive role in maintaining energy relationship between producers and buyers.

**Keywords:**

Russia, Central Asia, Globalisation, Energy, United States, Caspian Sea.

**Introduction: Energy Scenario:**

**A) Russia and the Global Energy Market**

Globalization has brought new vulnerabilities and opportunities in Eurasia's energy sector. In the transition from the command economy of the Soviet period to the market economy of the present, the Russian energy industry gradually changed its strategy. Market relations entered the picture and with them the understanding of the need for mutual economic development. Yet competition and geopolitical rivalry remain, in particular with regard to the final destination of the energy produced in the region. China, the European Union, and the United States all have interests to safeguard. Even so, globalization is changing the global market, making the energy sectors of these actors more interconnected than in the past.

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The effects of globalization are felt throughout Eurasia, including in Central Asia. Globalization is of itself neither good nor evil – but is a fact, akin to a force of nature. Globalization has been described as representing a coin with two faces, one bright and another dark. The one symbolizes economic prosperity and the other, social conflicts. Globalization can neutralize inter- and intra-state conflicts, but the phenomenon will also change social patterns and alter traditional ways of life.<sup>1</sup> Globalization brings changes, and for the Eurasian energy sector, the forces of globalization are changing what some believed were constants of the energy market.

The key energy relationship in contemporary Eurasia is that between Europe, in particular the member-states of the European Union, as a consumer and Russia as a producer. Production and trade volumes speak its own language, and in this, the energy trade between Europe and Russia dwarfs those between Russia and other markets. In production figures alone, Russia in 2010 produced 505.1 million tonnes of crude oil, as compared to 81.6 million tonnes by Kazakhstan and 50.9 million tonnes by Azerbaijan. In the same year, Russia produced 588.9 billion cubic metres (bcm) of natural gas, in comparison to 59.1 bcm by Uzbekistan and 42.4 by Turkmenistan. Russia dominated in trade volumes as well. Taking the trade in natural gas as an example, Russia in 2010 exported no less than 199.85 bcm, of which 186.45 bcm went to Europe and 0.51 bcm to China, as compared to 19.73 bcm by Turkmenistan (to Russia, Iran, and China in descending order) and 11.95 bcm by Kazakhstan (all of which went to Russia, mainly or entirely for re-export to Europe).<sup>2</sup>

Russia has the world's largest natural gas resources and often, including in 2010, produced more crude oil than Saudi Arabia.<sup>3</sup> Russia is also the fourth largest producer of electricity in the world. By 2010, the Russian energy sector supported approximately 12 per cent of the global trade in oil and coal and more than 20 per cent of the global trade in natural gas.<sup>4</sup> Russia in the same year supplied more than a third of natural gas imports to the European Union, which meant that Russia supplied almost a quarter of the European Union's total gas needs, and

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<sup>1</sup> Mushtaq A. Kaw, "Globalisation and Central Asian Space: Costs & Benefits," *Journal of Central Asian Studies*, 19(1), 2010, 41-54.

<sup>2</sup> BP, *Statistical Review of World Energy*, June 2011.

<sup>3</sup> BP, *Statistical Review of World Energy*, June 2011.

<sup>4</sup> *Kommersant*, 14 December 2010, citing Russian President Dmitry Medvedev on 13 December 2010. Medvedev described Russia's share in the natural gas trade as "a fourth" of the total. BP, *Statistical Review of World Energy*, June 2011, calculated Russia's share of the global trade in natural gas as 20.5%. While different sources employ differing calculations and statistics, Russia's share is of global significance.



Russia's share of the European Union's gas imports has tended to grow. Other natural gas imports derived primarily from Algeria and Norway. Natural gas forms more than a quarter of the European Union's total use of energy.<sup>5</sup> Besides, while the European Union produces the bulk of its electric power, this production is to a large extent based on imported resources such as natural gas and oil.<sup>6</sup> Russia also supplied approximately 30% of oil imports to the European Union.<sup>7</sup>

The energy sector is of key importance to Russia. Russian President Dmitry Medvedev in December 2010 noted that the energy sector contributed a third of Russia's GNP and that revenues from oil and natural gas formed 40 per cent of the state budget.<sup>8</sup> In fact, the oil and natural gas sector was then even more important to Russia than suggested by Medvedev. Of Russian federal budget revenues in 2010, no less than 46% derived directly from oil and natural gas revenues (a figure, it should be noted, that only included extraction taxes and export duties, not gains taxes, value added tax, and other taxes which contributed additional revenues).<sup>9</sup>

While Russia is dependent on revenues from its energy exports, many European countries are equally or more dependent on Russia as a supplier of in particular natural gas. Oil and natural gas can be transported by pipeline, sea, rail, or road. When it comes to natural gas exports, more than two thirds of international exports are still transported through pipelines. Natural gas is shipped as liquefied natural gas (LNG) to several important markets, including those in Japan and South Korea. Following a massive increase in LNG shipments from Qatar, LNG has reached the position of accounting for 30.5 per cent of the global gas trade. Unlike natural gas, the global trade in crude oil is primarily transported by oil tanker. Even so, very significant volumes are exported from Russia through pipelines.<sup>10</sup> This is not likely to change in the near future, nor should it.

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<sup>5</sup> BP, *Statistical Review of World Energy*, June 2011.

<sup>6</sup> Eurostat (European Commission), *Energy, Transport and Environment Indicators*, Luxembourg: Publications Office of the European Union, 2011; Eurostat (European Commission), *Panorama of energy: Energy Statistics to Support EU Policies and Solutions*, Luxembourg: Publications Office of the European Union, 2009, <http://ec.europa.eu/eurostat>.

<sup>7</sup> *Energeticheskayastrategiya Rossiina period do 2030 goda* ("Energy Strategy of Russia to the Year 2030"), Government of the Russian Federation Decree 1715-r, 13 November 2009, 8; Eurostat, *Energy, Transport and Environment Indicators*, 40.

<sup>8</sup> Both rely on statistics from 2008.  
<sup>8</sup> *Kommersant*, 14 December 2010.

<sup>9</sup> *Vedomosti*, 20 January 2011.

<sup>10</sup> BP, *Statistical Review of World Energy*, June 2011.

Pipelines are environmentally sounder than other types of transport. While the European Union approves of liberalized markets, market liberalization in itself will not reduce the risk of an unfavourable impact on the environment. Oil, for instance, is already being sold on the global market, and while the environmental threat from shipwrecked oil tankers has been reduced through better ships, it has not been eliminated. Natural gas too can be shipped in tankers as LNG, but this leads to increased tanker traffic. With current levels of demand, such huge volumes of energy are needed that oil and gas pipelines are still required, and they are both cheaper and environmentally safer than other modes of shipping.

However, when an expensive pipeline has been built, it cannot be moved. To invest in a pipeline leading to a single customer makes the supplier vulnerable to demands from the customer to re-negotiate the price of energy or cancels imports, after the investments have already been made and the project is committed.

In the transition from the command economy of the Soviet period to the market economy of independent Russia and Central Asia, the Russian energy industry gradually changed its strategy towards the energy-producing regions of the latter. Central Asia was no longer seen merely as a source of cheap energy; market relations entered the picture and with them the understanding of the need for mutual economic development.

The main drive in the command economy was not consumer demand or choice but the appropriate plan drawn up by government in which the national resources were allocated to fulfill political and social policies. Although Russia and the Central Asian republics upon independence reverted to market economic conditions, the thinking and mind-set of the command economy continued to affect their energy sectors. In particular natural gas, tied up in extensive pipeline infrastructure projects, remained closely connected to government policy. Likewise, energy pricing policies have only slowly caught up with market economy drives.<sup>11</sup>

Russia has repeatedly stated its ambition to become a regional leader in the sphere of Eurasian energy security. This ambition includes the provision of stable and predictable energy prices and long-term stability of energy demand and supply in Eurasia. From the outset, Russia wanted a full-scale economic and technological integration with the Eurasian system of energy communications in order to provide what

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<sup>11</sup> Michael Fredholm, *The World of Central Asian Oil and Gas: Power Politics, Market Forces, and Stealth Pipelines*, Stockholm University: Asian Cultures and Modernity Research Report 16, 2008.

it termed rational energy flows in Eurasia.<sup>12</sup> From the point of view of existing infrastructure, this made sense. In the Soviet period, the region's energy infrastructure was connected. To a certain extent, it would be rational to integrate new projects as well.

Yet competition and geopolitical rivalry remain, in particular with regard to the final destination of the energy produced in the region. China, the European Union, and the United States all have interests to safeguard. Besides, Russia's long-standing energy relationship with Central Asia should no longer be taken for granted. Turkmenistan since 1997 exports small volumes of natural gas to Iran and from late 2009 exports yet smaller, but growing, volumes to China. In particular the latter would have the potential to become a major destination for Central Asian energy, although the gains realized so far remain small.

Besides, transportation bottlenecks remain and infrastructure often remains insufficient for Central Asian gas and, to some extent, oil exports even to gain available market share in European markets. For exports elsewhere, such as to China or India, transportation bottlenecks still pose even greater problems.

### **B) Central Asia and the Global Energy Market**

Since the Central Asian gas and oil resources are landlocked and there is no obvious access to consuming countries, much of the debate has been devoted to geopolitical conditions, on the one hand, and cost-benefit analyses, on the other. Political scientists have investigated the former, while the industry has been more interested in the latter. A combined approach is needed. Transportation distances are undeniably long and at times difficult. Yet it is dangerous to separate the two questions of production and access. A pipeline built for political reasons may remain idle, if no oil or gas is produced to load it. On the other hand, there is little point in developing a field for production if political conditions preclude the construction of transportation infrastructure to carry the produce. It would for this reason often make better commercial and political sense to regard the various export routes as connectors, that is, extensions of the production field, instead of separate, politically driven projects. And it should be admitted, many projects are politically driven.

Besides, the Caspian Sea and Central Asia form a region rich in energy resources but geographically, it presents a number of unusual problems for oil and gas prospecting, exploitation, infrastructure development, and transit.

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<sup>12</sup> *Energeticheskayastrategiya*, 2009, 97.

First, there are logistical constraints. Land transportation infrastructure is not always well developed, and railways and highways are limited. With regard to the Caspian, the only way to bring in heavy equipment by sea is through the Volga River. Even so, certain types of floating oil production platforms for deep-water exploration and exploitation are far too big to move into the Caspian. Such equipment hardware is generally not available locally, since production platforms usually are built with parts from different countries. This means high costs for rigs and vessels. There are thus significant logistical constraints, and cycle times in exploration and exploitation are long.<sup>13</sup> This affects transportation as well. There are only some seventy oil tankers in the Caspian, and most are over-aged.<sup>14</sup>

Second, the often unstable relations and external agendas among the various countries of the region, and the fact that the issue on how to decide the legal status of the Caspian remains unresolved, hamper both prospecting and exploitation as well as the transit of energy resources.

Third, and of lesser importance, there are natural complications such as deserts and wilderness in Central Asia, recurring ice in the north of the Caspian, extreme depth differences at sea (from 5 to 1,000 m in the Caspian), and a high level of earthquake activity throughout the region.

Apart from these, there are more general problems, not unique to the Caspian and Central Asian regions. Many would argue that a sustained hydrocarbon export growth would mean that the states of the region run the risk of falling victim to "Dutch disease." This is an economic phenomenon (named after conditions in the Netherlands of the 1960s) in which increased exploitation of a nation's natural resources ultimately decreases its non-resource exports through the rise in value of the national currency, which makes its manufactured goods less competitive, thereby increasing imports, and decreasing productivity. Dutch Disease ultimately leads to de-industrialisation of a nation's economy.

The sustained export growth, and in particular the expectation of yet more impressive future growth, has led to surplus pipeline capacity with regard to oil (but not yet gas). The amount of locally produced oil in the region is much lower than the total oil pipeline network capacity.

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<sup>13</sup> Hugh McDowell, "Upstream and Downstream Oil and Gas Industry Potential in Turkey," *Caspian & Black Sea Oil & Gas Conference 2004*, Istanbul, 26-27 February 2004.

<sup>14</sup> Peter Reiniger, "Caspian Oil & Gas Transportation," presentation, Caspian Oil & Gas, Baku, 8-9 June 2005.

This causes much rivalry for oil among importers and pipeline operators.<sup>15</sup>

On the other hand, production costs in Central Asia for both oil and gas are significantly lower than in, for instance, Siberia. A key reason for the Russian natural gas producer Gazprom's long-standing interest in Central Asian gas is that the necessary investments for gas production in Central Asia are substantially cheaper (three to five-fold) than the investments needed for corresponding Siberian projects.<sup>16</sup> This will indeed make Central Asian gas a viable proposition for Gazprom even when the firm can no longer buy cheap gas directly.

However, there is also the domestic need for oil and gas to take into consideration. Domestic demand tends to grow, at least whenever the economy is growing. However, energy efficiency is a sadly neglected field throughout the former Soviet space. At times, domestic demand is growing faster than production can be increased. This is a particular problem for those economies that depend on the export of energy resources to bring in revenues. Due to the wasteful practices inherent in the Soviet system, all Central Asian energy producers need to improve energy efficiency, so as to allow more energy for export.

Among the Central Asian states at least Kazakhstan, Uzbekistan, and Turkmenistan have the capacity to produce more oil and gas than they need for domestic consumption. Kyrgyzstan and Tajikistan have important energy resources in particularly hydropower but lack substantial oil and gas deposits. Azerbaijan is an important energy producer in its own right as well as a potentially important transit country for Central Asian energy. The remaining states of the Caucasus, Armenia and Georgia, have insignificant and only small oil and gas reserves, respectively.

Unlike oil, which in Russia, Kazakhstan, and Azerbaijan was privatised soon after the dissolution of the Soviet Union and due to the existence of a global market proved easier to market under commercial conditions, natural gas remained the concern of governments. Throughout the post-Soviet period, natural gas exports were in the former Soviet republics generally conducted under bilateral intergovernmental agreements. These provided a framework for sales, transit volumes, and prices. At times, other issues such as storage and establishment of joint ventures in production were included as well. Within the framework of such intergovernmental agreements, the firms

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<sup>15</sup> Igor Tomberg, "Energy Policy and Energy Projects in Central Eurasia," *Central Asia and the Caucasus*, 48, 2007, 42.

<sup>16</sup> David Preyger and Vladimir Omelchenko, "Caspian Dilemma: How to Deliver Blue Fuel to the European Market," *Central Asia and the Caucasus*, 33, 2005, 125.

involved in the trade negotiated commercial contracts. These were usually supplemented by annual agreements that specified exact prices and volumes for the following year. This was particularly true for the special relationship between the Central Asian producers, Russia, and Ukraine but to some extent applied to most natural gas exports within the post-Soviet space.<sup>17</sup>

The Central Asian oil sector, although taken together still perhaps best described as semi-privatised, has been moving steadily into the global market. Transportation bottlenecks remain, as well as some political considerations with regard to export routes, yet pricing mechanisms and price levels have converged with those of the global market. A similar although slower process has been ongoing with regard to natural gas. Russian and Central Asian gas prices are moving in the direction of European price levels. In March 2008, the heads of the gas export monopolies of Russia, Kazakhstan, Uzbekistan, and Turkmenistan indeed jointly declared that from 2009, they would all sell gas at European market prices.<sup>18</sup> The subsequent financial crisis delayed but did not halt this development.

In addition, the Central Asians have been negotiating gas exports with China since 2006. In January 2008, they finally reached an agreement on pricing, confirming that a gas pipeline from Turkmenistan to China would be built and be in operation already in 2009. Many media reports concluded that the Chinese had outmanoeuvred Russia's Gazprom and would now acquire the gas supplies desired by Russia. Not so. Gazprom supported the Chinese deal, and a key company within the Gazprom group would build part of the pipeline to China. And why not? The Chinese pipeline would be loaded with gas from fields only then being taken into production, with Chinese investments, while the Russian pipeline system remained adequate for existing exports to Europe. The opening of the Turkmenistan-China gas pipeline in December 2009, in a ceremony attended by Presidents Gurbanguly Berdymammedov of Turkmenistan, Nursultan Nazarbayev of Kazakhstan, Islom Karimov of Uzbekistan, and Hu Jintao of China<sup>19</sup>, thus did not necessarily imply less gas for Russia or indeed for Europe as a whole.

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<sup>17</sup> *Natural-Gas Trade between Russia, Turkmenistan, and Ukraine: Agreements and Disputes*, 2008.

<sup>18</sup> Gazprom Press Release, 11 March 2008.

<sup>19</sup> *Caspian Investor* 12(10), 2009, 19-24. Later in the same month, the second segment and final part of the Turkmenistan part of the new Dowlatabad-Salyr Yap gas pipeline to Iran also opened.

### **C) Russia and China**

China has a great and growing need for additional energy imports. In 2010, China surpassed the United States as the world's largest energy consumer.<sup>20</sup> Diversification of oil and natural gas exports away from European markets to China is already underway, and both Russia and the OPEC member states of the Middle East intend to increase energy exports to China—at the West's expense.

China does not mind investing in dictatorships; countries such as Burma are already willing suppliers to China. However, for geostrategic reasons China is concerned about how to safeguard the transportation of imported resources back home. China regards Central Asian and Russian energy as particularly important in this respect since there is no need for transportation by sea, and thereby no need for protection by a blue-water navy. In case of a future crisis with the United States, China would be hard pressed to sustain imports through the existing sea lanes, since these would be exposed to and likely under the control of the United States Navy.

Even so, China and Russia still perceive each other as geostrategic rivals and potential strategic enemies.<sup>21</sup> Russia has been unwilling to accept the construction of an oil pipeline that would lead only to the Chinese market. To build such a pipeline now would, in case of future conflict, be a tremendous waste of resources. Although China and Russia signed a framework agreement in March 2003 to build an oil pipeline from Angarsk in East Siberia to Daqing in Heilongjiang province, northeastern China, the Russian political leadership realised the political risk in such a solution. Far better is then to build the oil pipeline from Siberia along a route, as proposed by Japan which offered to finance part of the project that would bypass China and terminate at Russia's Far East port of Nakhodka or somewhere in the vicinity of this port. While a pipeline terminating in Daqing in effect would be a hostage to Russo-Chinese relations, a pipeline to Nakhodka or thereabouts could be used as a means to export Russian oil by tanker not only to Japan but also to other foreign buyers in the Asia-Pacific region, including China. In June 2004, the director of the Russian Federal Energy Agency, Sergei Oganessian, went so far as to suggest that the Daqing pipeline might eventually be built, but only as long as the Nakhodka pipeline was constructed first and then only in parallel with this pipeline.<sup>22</sup> In the end,

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<sup>20</sup> BP, *Statistical Review of World Energy*, June 2011.

<sup>21</sup> Michael Fredholm, *The Shanghai Cooperation Organization: The Latest Chapter in the History of the Great Game or the Guarantor of Central Asian Security?* Stockholm: Team Ippeki, 2007.

<sup>22</sup> Dow Jones, *International News*, 4 June 2004.

both destinations would be implemented. The Eastern Siberia–Pacific Ocean (ESPO) oil pipeline would be built, as would a branch from Skovorodino to Daqing. Construction of the ESPO began in 2006.<sup>23</sup> Work on the branch to Daqing began in 2009 and the pipeline was inaugurated in August 2010 by Prime Minister Putin, with regular flow set to commence in January 2011.<sup>24</sup> However, almost immediately upon the opening of regular supplies a dispute arose over the pricing policy of the oil exported through the Daqing branch.<sup>25</sup>

The perceived strategic threat from a pipeline terminating in China was not only geostrategic but also economic. To invest in a pipeline leading to a single customer leaves the supplier, as noted, vulnerable to demands from the customer to re-negotiate the price of energy, after investments have already been made and the project is committed. Even so, Russia's 2009 energy strategy makes it clear that there will be an emphasis on export diversification to the Asia-Pacific region, in particular China, Japan, and South Korea. Russia hopes eventually to increase the eastern direction's share of its energy exports from 6 per cent to 22-25 per cent for crude oil and oil products, and from zero to 19-20 per cent for natural gas, explicitly to reduce Russia's dependence on exports of energy resources to Europe.<sup>26</sup>

Similar problems and concerns were seen in the natural gas market. The quest for exporting Russian natural gas to China began in March 2006, when then President Putin on the first day of a visit to China signed a joint declaration with his Chinese counterpart on energy co-operation and announced a number of agreements on energy supplies and joint ventures with the Chinese National Petroleum Corporation (CNPC), including one by Gazprom. A member of Putin's delegation later elaborated to the media: a natural gas pipeline would be built from Russia to China, to be commissioned in 2011. Putin himself told the press that the first stage of the project was the construction of a new gas pipeline, named Altai, from West Siberia to China's western border. This route had been chosen because deliveries from West Siberia seemed "easier to carry out and faster." In a second stage, another gas pipeline would be built from East Siberia. Exports from each project would total 30-40 bcm per year.<sup>27</sup> Gazprom President Miller later explained that

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<sup>23</sup> *Kommersant*, 18 April 2006.

<sup>24</sup> *Russian Petroleum Investor* 19(8), 2010, 7-10.

<sup>25</sup> *Asia Times*, 5 May 2011, [www.atimes.com](http://www.atimes.com); [www.transneft.ru](http://www.transneft.ru).

<sup>26</sup> *Energeticheskayastrategiya*, 2009, 10.

<sup>27</sup> RIA Novosti, 21 March 2006, "Meeting with Russian Journalists Following the Ceremonial Signing of Russian-Chinese Documents," 21 March 2006, [www.kremlin.ru](http://www.kremlin.ru). A Chinese newspaper explained that the Altai pipeline would run via Novosibirsk to the Russo-Chinese border and then onwards to Urumchi in



annual exports would total 68 bcm, with a projected throughput capacity for the western route of 30 bcm per year.<sup>28</sup> As for Putin, he later suggested that in ten to fifteen years, no less than 30 per cent of Russian energy exports would go to Asia—an ambition which Russian experts believed would be hard to realise.<sup>29</sup>

Russia and China have since repeatedly attempted to conclude major gas supply deals. They have not been successful because of the key issue of pricing. Simply put, Gazprom wants its natural gas sales to China to be comparable in profitability to the sales to Europe, while China wants to pay less, wishing to see imported natural gas close in effective price to domestic coal. With the rise of prices for the oil-linked natural gas for Europe, the gap between what Gazprom and its Chinese counterparts desire will widen.<sup>30</sup>

The Altai pipeline project remained on the Gazprom web site but was in time quietly put on hold until at least 2015-2018.<sup>31</sup> The project was not mentioned among important infrastructure projects in Russia's 2009 energy strategy.

In China, coal accounts for roughly 80 per cent of the overall domestic energy production. China has also made significant investments in renewable energy sources, in particular wind power which has grown 36-fold since 2005 and in 2010 contributed more than four times electric power than China's nuclear power plants, yet less than five per cent of China's total electric power production. Thermal power plants still produce the bulk (close to 80 per cent) of China's electricity production.<sup>32</sup> Domestic coal thus continues to provide the benchmark for what China is willing to pay for imported natural gas.

#### **D) Globalization, Climate and Technological Innovation**

Since the energy sector answers to and depends on the demands of both technology and politics, it is characterized by a rapid and often dramatic pace of change. Globalization forces the issue and is a powerful cause of

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Xinjiang, where it would link up with China's West-East gas pipeline. The second pipeline would run from Sakhalin to Vladivostok and thence into China's Heilongjiang province. *Wen HuiBao* (Shanghai), 21 March 2006, [www.whb.com.cn](http://www.whb.com.cn). Several details given by *Wen HuiBao* have since been proven wrong; however, the Altai pipeline project as fundamentally described here was later posted on the Gazprom web site, [www.gazprom.com](http://www.gazprom.com).

<sup>28</sup> Miller at the Gazprom annual shareholders' meeting, 30 June 2006, [www.gazprom.ru](http://www.gazprom.ru).

<sup>29</sup> *Nezavisimayagazeta*, 14 September 2006.

<sup>30</sup> Julian Lee, "Russia and China Fail to Reach Gas Supply Deal," *FSU Oil & Gas Advisory*, June 2011.

<sup>31</sup> [www.gazprom.com](http://www.gazprom.com); RIA Novosti, 24 August 2010.

<sup>32</sup> "China's Future Energy Prospects," *Quarterly Oil Demand*, July 2011.

transformation. At present, there is a sharp rise in demand for energy from newly industrialising economies. The supply side suffers from declining reserves in many countries, which makes it less responsive. There is a widely acknowledged need for environmental protection, which makes new infrastructure projects increasingly difficult and expensive. Globally, infrastructure is ageing. In some areas, there is weather-related damage previously not foreseen. There may also be attacks on existing energy infrastructure by terrorist groups, in particular in volatile regions such as the Middle East and parts of Africa but attacks could take place anywhere.

Unconventional oil and gas deposits are sometimes assessed to have the capability to change the global market for oil and gas, since they, like coal, are expected to be far more evenly distributed worldwide than conventional oil and gas reserves.

Unconventional oil deposits include, among others, tar sands and shale oil, while unconventional gas deposits can be found as, for instance, shale gas and coal bed methane (CBM), the latter in existing coal mines. Major shale gas deposits are believed to exist in several European countries. Major deposits of unconventional oil and gas have also been found in India, China, and other countries.

However, development and production costs still remain high. Drilling costs are significantly higher. In addition, the insufficient pipeline infrastructure in Europe and the high population density cause further problems in developing the deposits. Moreover, the environmental impact of production is very high compared to conventional oil and gas production, since it is often close to strip mining.

Even so, the appearance of unconventional oil and gas reminds us that the energy sources in current use today may not necessarily be the sources of choice for energy forever. A half-century from now, renewable sources of energy or even completely new ones may well prove to be of higher importance than present ones, in the same way that first oil and then natural gas replaced coal as the energy of choice in many industries.

The development of unconventional gas in China will be a significant factor in the energy exports from Russia and Central Asia. The potential for both coal bed methane (CBM) and shale gas is high in China. However, the projected production of 5 bcm per year of CBM in 2010 reached only a quarter of the planned level.<sup>33</sup> As for shale gas,

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<sup>33</sup> Julian Lee, "Russia and China Fail to Reach Gas Supply Deal," *FSU Oil & Gas Advisory*, June 2011.

commercial exploration in China can only be said to have begun in mid-2011 when the first round of shale-gas licenses was issued. A further problem is that shale gas production requires large volumes of water, which is not easily available in promising regions such as the Tarim deserts in Xinjiang.<sup>34</sup>

The ongoing climate change will bring implications for China's deserts. Its effects will also be visible elsewhere. The melting of the Arctic ice brings the prospects of the Arctic being ice-free, and thus navigable, during the summer months. This would open up a number of Arctic sea routes, including between China and the Far East and the North American east coast and between China and the Far East and northern Europe, including Russia's resource-rich Arctic territories.<sup>35</sup> These routes would be significantly shorter than the present sea routes through the Suez and Panama canals. However, the dynamics of climate change make it difficult to estimate when such routes would become commercially viable.

On the negative side, the warming of the hitherto frozen Arctic tundra will create problems in the construction and maintenance of land-based energy infrastructure. The ground, unstable if ice-free, may not be able to support overland pipeline infrastructure. This particularly applies to already existing infrastructure, which was constructed without adequate safeguards against this, at that time poorly understood, phenomenon.

High energy prices will eventually no doubt generate new technologies to develop energy resources in the Arctic. However, current prices remain too low to justify such technological developments. New technology is needed to enable drilling in deep water, as well as equipment that can withstand ice flows. Ice-capable technology of all kinds will be required, so as to allow access over time despite seasonal and year-to-year ice fluctuations, in gear for drilling and in anything from transportation infrastructure to refueling depots. Oil prices will have to rise and be expected to remain high enough over time to justify new, expensive infrastructure projects in an environment as hostile as the Arctic. This will particularly affect major projects the investment costs of which would take many years to amortize, that is, exactly the projects most needed to fulfill future demand for energy.

Proven oil and natural gas reserves are mostly concentrated in politically unstable regions and geologically challenging areas such as the Arctic. Coal can be found almost everywhere, but its use in energy

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<sup>34</sup> *Shanghai Daily*, 11 July 2011.

<sup>35</sup> Linda Jakobson, "China Prepares for an Ice-free Arctic," *SIPRI Insights on Peace and Security* 2, 2010.

production, like oil and natural gas, leads to the emission of greenhouse gases which causes environmental problems and climate change. Hydroelectricity, where available, can be used to offset some of these problems but harms the environment in other ways. Two quite different paths would seem to lead out of this conundrum: nuclear power and renewable energy. Renewable energy sources include energy generated from solar, wind, geothermal, hydro, ocean, and biomass (biofuels) resources. Although few would compare nuclear power to the currently favoured renewable energy sources, both types of energy have in common that they can minimize the need for fossil fuels. However, either type of energy poses additional problems.

The use of nuclear power became increasingly distrusted after the 1979 Three Mile Island, the 1986 Chernobyl, and the 2011 Fukushima disasters. As major disasters go, comparatively few people died, yet the media impact was significant. A cool-headed (or cold-hearted) analyst may argue that the safety record of nuclear power is not so bad after all, yet for political reasons the future use of nuclear power is in doubt in several countries, which means that other sources of energy will be needed.

On the other hand, with the exception of hydroelectricity, energy production from renewable energy sources remains insignificant in the energy balance of most countries including Russia and those in Central Asia, accounting for at most a few per cent of total production.<sup>36</sup> Renewables, when introduced, are primarily the result of direct policy tools like subsidies and regulatory measures. Pricing alone is insufficient to promote a switch to renewable energy. The same pattern can be seen in many other types of new energy developments. High energy prices and subsidies and regulatory measures have driven investments in, for instance, coal, biofuels, and coal-to-liquids, yet without significantly increasing efficiency.

Although the surviving residue of the old Soviet command economy, in the form of state control if nothing else, thus might, in fact, be ideal to enforce a move away from environmentally unfriendly oil and natural gas towards more wholesome renewable energy sources, this seems unlikely in the short term for two reasons. First, Russia and Central Asia already have substantial energy reserves in the form of oil and gas. Second, as long as the sustained exports of oil and gas continue to bring in very substantial revenues to the state budget, it seems unlikely that the political mood would encourage quite different and indeed alternative energy sources. As for Russia, the 2009 energy strategy

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<sup>36</sup> BP, *Statistical Review of World Energy*, June 2011.

concludes that Russia is in practical terms absent from the global renewable energy market, yet asserts that Russia will develop this sector and has the scientific potential.<sup>37</sup>

The global energy market faces challenges of an equally important but less spectacular kind as well. Refinery capacity is becoming a limiting factor in many parts of the world, with the potential drastically to affect the global trade in oil products. No more oil refineries are expected to be built in Europe, where there is a surplus of gasoline. Yet demand for middle distillates such as diesel fuel is expected to outperform that of gasoline.

In Europe, there is already a shortage of diesel fuel. Europe currently imports diesel fuel from Russia, the Middle East, and the United States. Most diesel fuel consumed in Europe comes from Russia. Besides, the volumes imported from the United States can be expected to decrease further. Imports from the Middle East might increase, but Middle Eastern diesel fuel exports to Asia are also expected to grow rapidly, which might leave Europe dependent on Russian imports. Europe thus sees a growing diesel fuel deficit. The opposite is true for gasoline. There is a surplus of gasoline in Europe, and this surplus is likely to increase. Gasoline is currently exported from Europe, Asia, and the Indian Ocean region to North America. In particular the United States imports much gasoline from Europe. However, should the United States see major growth in the use of diesel fuel, then there will be a diesel fuel deficit not only in Europe but elsewhere as well.<sup>38</sup>

Unfortunately, Russian refineries are frequently old and substantially behind global standards. Russia will have to expand and modernise its refining facilities, which is also evident from the 2009 energy strategy.<sup>39</sup> Another problem is that current policies instead of encouraging investments in new refinery capacity have led to the construction of often illegal mini-refineries. Although sometimes necessary for the supply of oil products to major industries within their region, regulatory means such as domestic pricing policies and existing export duties on oil products in this case failed to encourage needed investments. Instead these policies resulted in inferior refinery capacity with an output that failed to meet technological and legal standards.<sup>40</sup>

These dynamics will affect Central Asia as well. There are few refineries in Central Asia, and the existing ones are old. Azerbaijan has

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<sup>37</sup> *Energeticheskayastrategiya*, 2009, 9.

<sup>38</sup> Michael G:sonLöw, Presentation, NOG Seminar on “Energy Supply Changes, Trends, and Prospects for the Future,” 18 May 2011, Stockholm.

<sup>39</sup> *Energeticheskaya strategiya*, 2009, 3-4.

<sup>40</sup> *Russian Petroleum Investor* 19(3), 2010, 5-7.

two refineries, both near Baku, the Azerineftyag refinery and the Heydar Aliyev refinery. There are two refineries in Turkmenistan, the Seydi (Charjew) and Turkmenbashi. Uzbekistan has three refineries, at Fergana, Alty-Aryk, and Bukhara. Kazakhstan has three refineries, at Pavlodar, Atyrau, and Shymkent, but still must import oil products for its own needs from Russia, especially middle distillates such as diesel fuel. Kazakhstan makes a good case study to illustrate the Central Asian refinery situation. In striking contrast to the upstream sector, the refining sector remained largely in the possession of the state and never received as high levels of foreign direct investments (FDI) as other parts of Kazakhstan's energy sector. As in Russia, regulatory means such as domestic pricing policies and existing export duties on oil products hampered new investments. Domestic prices for refined products remained low, offering little incentive to produce refined products for the domestic market. The total capacity of all three oil refineries in Kazakhstan remains limited and all indeed operate far below capacity, in part because foreign oil companies prefer to export crude oil rather than to sell the oil within the country at low domestic prices.<sup>41</sup> Besides, the refineries are old. The Atyrau refinery, for instance, was built at the end of the Second World War.<sup>42</sup>

### **Conclusion:**

The energy trade predominates Russia-European Union energy relationship over the last few years. Russia needs the European Union as a market, and the European Union needs Russia as an energy producer. Both will have to come to an understanding with China's need for energy and her priorities in international relationships and environmental policies.

As for China, infrastructural bottlenecks still preclude Russia and Central Asia from increasing energy deliveries to China as per her growing demand. The same handicap holds back Russian and Central Asian energy supplies to other energy consumers in the Asia-Pacific region. Russia is indisputably correct in its assessment that stability in prices and demand will be necessary to justify the very substantial investments needed to develop and ship new energy reserves. Unfortunately, current trends in the industry move in the opposite direction. Issues such as the little known costs and potential of unconventional oil and gas and renewables play havoc with any attempts to predict the future of the oil and natural gas industry.

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<sup>41</sup> Vladimir Babak, "The Oil and Gas Sector in Kazakhstan," *Central Asia and the Caucasus* 40, 2006, 50-51.

<sup>42</sup> *APS Review Gas Market Trends*, 24 July 2006, <http://goliath.ecnext.com>.

For Eurasia as a whole, energy efficiency should be improved—but countries with aged heavy industry, including parts of Russia and most of Central Asia, will face problems. For similar reasons, the share of nuclear power in the energy supply should be increased as well. Public concerns over safety issues may preclude this development in some countries.

The rapid pace of technological and political change that characterizes the energy sector may cause analysts and policy makers to lose sight of the imperative to guarantee modern society's need for energy in a sustainable environment. Globalization creates new vulnerabilities and opportunities in the quest for energy and security in contemporary Eurasia. Globalization brings the innovative means to create economic prosperity but also changes what some believed were constants of the Eurasian energy market.





# FICKLE PEACE AND DEVASTATING MIDDLE EAST NUCLEAR TANGLE

**Muhammad Aslam Khan Niazi\***

## **Abstract:**

This article captures an exhaustive view of entire dynamics of Iran's nuclear programme, its costs, benefits and cascading effects on the region in particular and globe at large. Undeniably, Iran claims such a programme for civilian purpose, but that does not suggest that she would not, at any given time, transform enriched uranium into deadly nuclear arsenal notwithstanding her official handouts to the contrary. In fact, she has several underlying compulsions, and one, we believe, is her ethno-national and ideological incompatibility with and her scare from Israel's swelling military power in her immediate neighbourhood. Therefore, US has to recognize Iran's compulsions and neutralize the "assumed" threat perception through the medium of mutual dialogue and consultation, the key to Middle East peace and development, than the use of force or UN economic sanctions: the latter seems to loose ground due to recently inaugurated *Iran-Pakistan-India* (IPI) gas pipeline project by two Presidents of Iran and Pakistan.

## **Keywords:**

Iran, US, Israel, Nukes, Middle East, Natanz, Non-Proliferation, IAEA, Enrichment.

## **Introduction:**

Iranian nuclear programme suspected for developing deadly nuclear arsenal beeps incessantly to flash warning to the peace-loving world. Conversely, Iran denies nurturing of any such pursuit of acquiring nuclear weapons capability. US and Israel, because of their strategic stakes in the arena, are committed to prevent Iran from such a misdirected shenanigan, particularly when the vertical proliferation of nuclear weapons in the two leading nuclear powers, US and Russia, is showing symptoms of decline as a consequence of mutual disarmament dialogues. The conflict scenario in the Middle East is not only complex but has the potential to suck in global peace. It therefore calls for adoption of balanced and dispassionate approaches, hypotheses and methodologies for diffusing and resolving the conflict before it grips the region ominously. It remains a critical question to answer, yet whether Middle East can sustain another conflagration on the heels of two conflicts still blazing on Iranian borders. With such overwhelming controversies, the essay attempts to explore a possibility that would keep the conflict leashed.

Quest for nuclear capability and the desire to contain the potential threat of devastation have survived decades since the advent of nuclear

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age. The nuking of Hiroshima and Nagasaki was the biggest tragic episode. The world community virtually witnessed for the first time the destructive dimensions of nuclear weapons that have now gained pulverizing lethality manifold. Chernobyl and Fukushima were small recent reminders to nuclear players who possess the capability and the sneaky forayer of nuclear technology to tread this path cautiously if the planet is to remain free from horrible looming threat of nuclear holocaust. In other words, greater abstinence has to become a norm. Sir Winston Churchill precisely measured, "The price of greatness is responsibility."<sup>1</sup>

Some people with vision encumbered themselves with the responsibility to make the world safe. Dwight D. Eisenhower's 'Chance for Peace' resolve, among many other aspects, aimed at harnessing massive nuclear power in service to the humanity through, "International control of atomic energy to promote its use for peaceful purposes only and to insure the prohibition of atomic weapons..."<sup>2</sup>

Dawn of third millennium, however, confronts a situation in Middle East that perhaps is exceptionally tangled. Iran's suspected nuclear programme has met colossal angst and faces threat of military strike by US and/or Israel. Fredrik Dahl comments, "...It also sparked renewed speculation that Israel, which sees Iran's nuclear programme as an existential threat, might launch pre-emptive strikes against its atomic sites."<sup>3</sup> The stated positions from both sides lead us to conflicting paradigms that are marred by diverse logic. The approaching threat, in the meantime, appears running out of leash. Thus, Middle East is at critical juncture and adrift to a catastrophic precipice. The emerging nuclear dilemma in the region has complex stratification of historic issues that are entwined together to justify the word 'tangle'. It is not only the question of human security but also the play of potent ideological undercurrents that appear inclined to wreck the peace. Nuclear dimension is one of the symptoms that demarcate the imminent

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<sup>1</sup> W. S. Churchill, "*The Price of Greatness*," (Speech at Harvard University, 1943), 'Finest Hour 80', 3<sup>rd</sup>, 1993.

Mr. Churchill was complimenting the US role and responsibility that she embraced to rescue her allies at the onset of Second World War rather than remaining ensconced in a remote continent. The essence of the quote fits well now on all nuclear powers as well as the new entrants with their nuclear trophies to flaunt or endeavouring to develop one.

<sup>2</sup> D. D. Eisenhower, *Chance for Peace*, (Speech)' Miller Center, University of Virginia, 16 April 1953. In some texts, it also appears as 'Atom for Peace' or 'Cross of Iron' speech that he gave just after the death of Joseph Stalin.

<sup>3</sup> F. Dahl, *Analysis-For Iran the Sanctions Price May be Worth Paying*, Reuters Africa, 29 November 2011, <http://af.reuters.com/article/worldNews>.

conflict severity if the main parties, Iran, US and Israel fail to see the latent immensity of the menace.

The article envisages the scenario in evolutionary perspective, bringing all available evidence to infer conclusions from the prevailing ambiguity. It also explores the strong pivots available to actors in the arena to advance their side of perception-variants. Iran stands much to lose if it is developing nuclear capability. Contextually, US and Israel would suffer even greater credibility loss if at a certain stage Iran manages to show a clean slate.

### **NPT and Obtaining Environments:**

The evolutionary path of Non-Proliferation Treaty (NPT) had been turbulent because, for its judicious as well as efficacious realisation, other treaties of Cold War and post-Cold War era had to move in tandem. Recently, a larger degree of advocacy to afford added enforcement potency to NPT is visible but there has been regrettable lack of powers' interest too during certain phases of recent history when, wittingly or unwittingly, they were focused on issues, away from NPT.<sup>4</sup> Out of the inventory of 189 signatory states, Iran included, four nuclear powers, Israel, India, Pakistan and North Korea have thought it prudent to stay out of it or desert it. A very pertinent question has been raised, "...how, if at all, these states can be brought into the treaty."<sup>5</sup> The failure to do so certainly presents a factor that erodes the 'legitimacy' space of NPT because of them and affords crutches to the faltering arguments of others, who may be busy in developing the nuclear capability. Iran being a signatory of NPT, owes much to listen to the international community but it has its own side of narrative too. The complexity of the issues has hereditary nature and thus the global politics remains jumbled. Einstein to a question, why we have been unable to devise the political means to keep the atom from destroying us, replied, "The answer is simple my friend; it is because politics is more difficult than physics."<sup>6</sup>

The tirade that makes Iranian nuclear tangle as the basis of nuclear discourse conveys mixed messages. Majority in the West advocates vociferously mincing Iranian nuclear installations to dust instantly but there are patient voices as well who advise restraint and recourse to dialogues than resorting to military means. Iran on the other hand stands

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<sup>4</sup> One such example has been quoted in the sequel under 'Iranian Dilemma is Israel-centric'.

<sup>5</sup> D. Howlett, "Nuclear Proliferation," *The Globalization of World Politics* 3<sup>rd</sup>, John Baylis & Steve Smith (Eds.), Oxford University Press, 2006, 514.

<sup>6</sup> C. W. Kegley and S. L. Blanton, *World Politics: Trend and Transformation*, Boston, Wadsworth Cengage Learning, 2011-2012, 6.

firm to convince the world, though half-heartedly and ambiguously. Commenting on International Atomic Energy Agency's (IAEA) report in September 2010, Iran's Ambassador to the UN, said, "After seven years of constant inspections, the report once again confirms the non-diversion of Iran's nuclear activities towards military and banned objectives." He added, "... it clearly shows that all of Iran's nuclear activities, especially the enrichment efforts, have been conducted under the supervision of the agency."<sup>7</sup> In a recent outburst in response to the Western demand for responding to IAEA's 'November 2011 Report' that shows implicitly that Iran is headed for nuclear weapon development, Iranian delegate to IAEA, on 17 November 2011, "...withdrew an invitation to UN atomic agency experts to visit Tehran and discuss nuclear concerns. He also announced Tehran was boycotting a meeting next week to explore the possibilities of a Mideast (Middle East) nuclear-free zone that will be attended by Israel and all Arab nations, accusing IAEA Chief Yukiya Amano of bias for not focusing on Israel's undeclared nuclear arsenal."<sup>8</sup> However, before commencing the latest round of three-day inspections on 29 January 2012, IAEA chief inspector, Herman Nackaerts commented, "In particular we hope that Iran will engage with us on possible military dimension of Iran's nuclear programme."<sup>9</sup> Iran's parliamentary speaker, Ali Larijani, in the mean time sounded a pre-emptive warning, saying, "... if they (IAEA) deviate and become a tool, then Islamic republic will be forced to reflect and consider a new framework."<sup>10</sup> Thus, the war of wits is on but the nuclear geo-politics that needed an element of dispassionate review is fast falling victim of macabre hoaxes. Burden of responsibility clearly lies on Iran to assure the world convincingly about her non-weapon pursuits. Where the West is failing to recognise is the fact that communication channels are fast collapsing, putting diplomacy to the back burner.

When the world politics is more difficult than physics and there is large perception-gulf among the direct parties' stance, the issue needs to be broached in a manner that rhymes with international law and the regional sensibilities. Iran's geo-strategic vulnerability makes the situation worse from the angle of the proponents of stern military strikes. Conversely, it soon connects from regional to global significance as

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<sup>7</sup> Press TV (Iran), *IAEA Report Confirms Iran's Clean Slate*, 8 September 2010, <http://dissidentvoice.org/2010/09/iaea-report-confirms-irans-clean-slate/>.

<sup>8</sup> G. Jahn, *West say Iran Deceives World on Nukes*, Associated Press, 18 November 2011, <http://news.yahoo.com/west-says-iran-deceives-world-nukes>.

<sup>9</sup> *Khaleej Times*, "Iran hosts IAEA, Lashes out Over Oil Sanctions," 29 January 2012, [www.khaleejtimes.com](http://www.khaleejtimes.com).

<sup>10</sup> *Khaleej Times*, "Iran hosts IAEA, Lashes out Over Oil Sanctions," 29 January 2012.

other powerful actors have their stakes in stable Iran/Middle East. A scholar commented, “By 2005, Russia...in a resurgent bid to re-establish its strategic foothold in the region made strategic forays in Egypt, Israel, Jordan, Qatar and most significantly in Saudi Arabia.” Looking northeast, he adds, “China...at about the same time too established substantive strategic relationships with Saudi Arabia and Iran.”<sup>11</sup> Hence, it portrays a jinxed scenario, potent enough to catapult the global peace unless the ‘parties’ consciously eschew violence. Resultantly, the cross-invectives paint a colossal media burst. Yet, one recognises that such conflicting matrix would continue affording the scholars on both sides of the divide the leitmotif for their intellectual dissent.

### **Iran’s Geo-Strategic Significance:**

Iran occupies a unique space in Asia. It is essentially a Middle Eastern country, has contiguous borders with Central Asia, South Asia, South Caucasus, and Europe. From Iranian perspective, when Caspian Sea Legal Regime still hangs out as unresolved, Iran is in comfortable position to claim its contiguity with Russia across Caspian to the north. Its seaports on the strategic waterways, the Arabian Sea, Persian Gulf and Caspian Sea render it tremendous influence over commercial traffic of huge fossil fuels, exiting from Middle East or occurring among Caspian littorals. Iran sits over fourth world largest oil proven reserves and second world largest gas proven reserves.

After Iranian revolution, when Shah of Iran fled the country, Iran pursued anti-America stance. It was, “Hostage taking of US embassy in Tehran on 4<sup>th</sup> November 1979 by Iranian revolutionaries further precipitated the US-Iran hostility...when Iran had turned down a unanimous Security Council Resolution, requiring her to release the hostages.”<sup>12</sup> Thereafter, US-Iran relations hit rock-bottom. As for Israel, the description is simple. Iran is not inclined to reconcile with the existence of state of Israel as a reality and instead wishes, “Israel must be ‘wiped off’ the map.”<sup>13</sup> Russia and China stand by Iran at crucial times when it needs breathing space in world politics to supplement its diplomacy or technological deficits. Quoting Vladimir Putin in 2010, Janie Fly and Gary Schmitt observed, “...Russia would bring the nuclear

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<sup>11</sup> S. Kapila, *Middle East Changing Dynamics: Strategic Perspective on Power Play of United States, Russia & China*, South Asian Analysis Group, 15 February 2011, <http://www.southasiaanalysis.org/%5Cpapers44%5Cpaper4336.html>.

<sup>12</sup> M. A. K. Niazi, *The New Great Game: Oil and Gas Politics in Central Eurasia*, Raider Publishing International, New York, London, Swansea, 2008, 39.

<sup>13</sup> N. Fathi, “Wipe Israel ‘Off the Map’ Iranian Says,” *The New York Times*, 27 October 2005.

reactor it is constructing in Iran online later this year. This comes just as Washington is hoping to tighten the screws on Tehran over its illicit nuclear program.”<sup>14</sup> It puts the issue clearly in Iranian perspective. Turkey, despite having soft corner to help Iran plant itself in wider international community, is haunted by Iran’s Achaemenid Empire-euphoria and the crunch of historic past. Unfortunately, the same virus of past nostalgia also afflicts Israel. Both seen juxtaposed, happen to be indulging in a lavish deprecation of abstraction in 21<sup>st</sup> Century that is dangerous enough to crystallise a severe conflict, occasional breezy statements notwithstanding. Akbar Hashmi Rafsanjani had declared in 2005, “I absolutely offer the world the assurance that Tehran is not after nuclear arms but will not forsake its absolute right.”<sup>15</sup> Iranian Prime Minister, Kamal Kharrazi went even far, “The IAEA can inspect whenever they wish, any time they want to make certain that Tehran’s use of Uranium enrichment is not used to make nuclear weapons.”<sup>16</sup>

### **Measuring Iranian Nuclear Threat:**

Iranian nuclear threat can support many hypotheses. Within the global nuclear threat assessment, the nuclear ghost has certain forms and guises. Evan B. Montgomery contends, “Moreover, press reports indicate that the forthcoming nuclear posture review will make the goal of countering nuclear terrorism “equal to the traditional mission of deterring a strike by major powers or emerging nuclear adversaries.”<sup>17</sup> The hyped theme of nuclear terrorism is at the top of the index. An ugly dimension of this threat is that non-state actors, if successful, would not only wreak havoc but would go scot-free for the lack of applicability of any retribution against them. Emergence of new nuclear weapon states, also termed in certain discourses as ‘rogue states,’ regional conflicts and nuclear states collapse have also been portrayed as dangerous scenarios. Iran has been tagged as a possible ‘rogue state’ that is perceived to be defying NPT, despite having signed it, by developing nuclear capability in a clandestine manner. Ali Mostashari is of the view, “The image of Iran as a rogue state dates back to the days of the hostage-taking crisis and the

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<sup>14</sup> J. M. Fly, G. Schmitt, “Obama is Making Big Bush’s Mistake on Russia,” *Foreign Policy*, 22 March 2010, <http://www.foreignpolicy.com/articles/2010/03/22/obama>.

<sup>15</sup> J. S. Yaphé and C. D. Lutes, *Reassessing the Implications of Nuclear-Armed Iran-McNair Paper 69*, Institute for National Strategic Studies, National Defense University, Washington DC, 2005, 1.

<sup>16</sup> J. S. Yaphé and C. D. Lutes, *Reassessing the Implications of Nuclear-Armed Iran-McNair Paper 69*.

<sup>17</sup> E. B. Montgomery, *Understanding the Threat of Nuclear Terrorism*, CSBA: Centre for Strategic and Budgetary Assessment, 12 April 2010, 1.

Iran-Iraq war...”<sup>18</sup> Comments coming from another Qum-trained scholar are also interesting, “If Ahmadinezhad’s influence over the nuclear programme was unchallenged in Iran, there would be little doubt in the international community about the goals of the programme and its function for the war mongering apocalyptists (apocalyptic).”<sup>19</sup>

How close is Iran to manufacture a deadly weapon? The question is consuming emotions, patience as well as ethics at least when the debate boils down to the mode and the degree of retribution that be heaped on Iran. The recommended recipes to flush Iranian nuclear sites have never been applied, except against Iraq and Syria, that too by Israel. Some even prompt US to strike with tactical nuclear weapons to shred them to dust. When asked about the possibility of a nuclear strike upon Iran, President George W. Bush responded, “All options are on the table...”<sup>20</sup> If only someone could claim that such treatment would enforce NPT forever and the proliferation, often sponsored initially by major powers covertly or overtly would cease to exist, perhaps more consensus against Iran would have developed. IAEA, in its ‘November 2011 Report’ could not commit itself to the final verdict that Iran was developing a nuclear weapon and the position, with some additional lines of explicit as well as implicit apprehensions, remains unchanged. The latest plethora of accusations flung on Iran are about intentions though nuclear experts do bring wide array of intelligence reports which suggest that outlay of Iranian nuclear installations is rather lavish than its essential mark to acquire civil nuclear technology. On the contrary, Iranian President’s statement is a matter of solace, “In a September 21 interview with *The New York Times*’ Nicholas Kristof, Iranian President Mahmoud Ahmadinejad again reiterated Iran’s willingness to halt domestic 20% low enriched uranium (LEU) production in return for foreign supply of the material. He said, ‘If they give us the 20 % enriched uranium this very week, we will cease the domestic enrichment of uranium up to 20% this very week.’”<sup>21</sup>

The major indicator that chills the spines of the analysts, and rightly too, is Iranian ability to operate the facilities of fuel enrichment

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<sup>18</sup> A. Mostashari, *Iran: Rogue State*, MIT Center for International Studies (The Audit of Conventional Wisdom), 5 September 2011, [http://web.mit.edu/cis/pdf/Audit\\_9\\_05\\_Mostashari.pdf](http://web.mit.edu/cis/pdf/Audit_9_05_Mostashari.pdf).

<sup>19</sup> M. Khalaji, “Apocalyptic Politics, On the Rationality of Iranian Politics,” *The Washington Institute for Near East Policy: Policy Focus # 79*, January 2008, viii.

<sup>20</sup> B. L. Bengs, “Legal Constraints upon the Use of a Tactical Nuclear Weapon Against the Natanz Nuclear Facility in Iran,” *Journal of International Law Review*, George Washington University, 40, 2008, 324.

<sup>21</sup> ISIS: Institute of Science and International Security (Report), “*Ahmadinejad Reiterates Willingness to Halt 20 Percent Enrichment*,” 22 September 2011.

plants (FEP), some clandestinely, despite being under IAEA nuclear safeguards. The one at Natanz, according to IAEA report of May 2011, is the major low enrichment facility that operates 53 cascades, containing 8,000 centrifuges to produce Low Enriched Uranium (LEU) to 3.5% level. IAEA report hints by implication that Iran technologically does face some impediments. “On 14 May, 2011, the 53 installed cascades contained approximately 8,000 centrifuges. The 35 cascades being fed with uranium hexafluoride, UF<sub>6</sub>, on that date contained a total of 5860 centrifuges, some of which were possibly not being fed with UF<sub>6</sub>.”<sup>22</sup> In other words, the facility was not operating to the optimal capacity. However, there is discernible ambiguity on part of IAEA inspectors also because their technical expertise should have prompted them for exploring the reason for a number of centrifuges that were ‘sleeping’. The Agency did conduct physical inventory verification (PIV) meticulously that showed, out of 3734 kg of natural UF<sub>6</sub> fed into the cascades since February 2007, a total of 3135 kg of LEU had been produced.

Iran operates, as revealed by the latest report,<sup>23</sup> 15 nuclear facilities and 9 locations out of facilities (LOFs) where nuclear material is generally used. Ordinarily these LOFs should have been the red rag, setting in a dangerous trajectory of events but thanks to IAEA officials who confirmed that all of them are located in hospitals. IAEA’s November 2011 report shows total of 54 cascades, an increase by one cascade over ‘May 2011 Report’ when 37 cascades were being fed with UF<sub>6</sub> with marginal increase of two cascades from the previous 35 cascades reported. The total production score, after the team conducted PIV, from 15 October to 8 November 2011, stood at 4922 kg of LEU as against previous 3135 kg, thus resulting in an increase to the stock of LEU by 1787 kg. Adding two cascades in about six months shows, on one hand, that the work is in progress at steady pace but also on the other hand, that it is not being pushed on war-footing. Besides, Iran has Pilot Fuel Enrichment Plant (PFEP) at Natanz where six cascades operate, mainly for research and development.

Additionally, the Agency suspects that her Heavy Water Production Plant (HWPP) at ‘Arak’ appears to be in operational mode

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<sup>22</sup> IAEA, *Implementation of the NPT Safeguards and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran*, Report: Gov/2011/29, 24 May 2011, 2 (footnote 8), <http://www.iaea.org/Publications/Documents/Board/2011/gov2011-29.pdf>.

<sup>23</sup> IAEA, *Implementation of the NPT Safeguards and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran*, Report: Gov/2011/65, 8 November 2011, 2.



but access to re-inspect the facility has been stalled by Iran. The report adds, “Iran is obliged to suspend all enrichment related activities and heavy water related projects. Some of the activities carried out by Iran at UCF (Uranium Conversion Facility) and the Fuel Manufacturing Plant (FMP) at Esfahan are in contravention...”<sup>24</sup>

IAEA concedes that its conclusions are based on the observations made during inspections. While these may confirm at the given point of time that Iran does not appear to be close to crossing nuclear threshold, the Agency has no yardstick to measure Iranian intentions. As an alternative, it has to rely on intelligence reports, satellite imagery and possible role of developed nuclear infrastructure in Iran that connect indirectly to Iranian urge for achieving Highly Enriched Uranium (HEU) levels, bomb design configuration, trigger mechanism and developing long range means of ballistic delivery for adding nuance to her achievements. Thus, the military dimension of the Iranian nuclear venture may not exist if Iran’s version of compliance is translated. Conversely, an existential threat looming on the horizon may be a reality if sum total of the reported segments are morphed to evolve the nuclear arsenals’ contours. Therefore, in order to penetrate such an ambiguity, the IAEA contends, “Iran is requested to engage substantively with the Agency without delay for the purpose of providing clarifications regarding possible military dimensions of Iran’s nuclear program...”<sup>25</sup>

Gregory Jones makes startling revelations, saying, “...Iran can now produce the 20 kg of HEU needed for a nuclear weapon in about two months time, should it decides to do so.”<sup>26</sup> A dispassionate critique of Jones statement would lead us to see the flaw in making assumptions, that IAEA has made nowhere. Jones speculation has also been contradicted by some alert experts while commenting on, “...his study on breakout timelines at the Natanz Fuel Enrichment Plant (FEP) in Iran. Jones maintains that Iran could fabricate 20 kg of weapon-grade uranium (WGU)—enough for one nuclear weapon—in two months in a breakout scenario at Natanz, while ISIS estimates that such a scenario would take at least six months.”<sup>27</sup> When independent sources, IAEA is one, are brought forward and they do not support the evidence, both possibilities

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<sup>24</sup> *Implementation of the NPT Safeguards and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran*, 6.

<sup>25</sup> *Implementation of the NPT Safeguards and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran*, 10.

<sup>26</sup> G. S. Jones, *An In-Depth Examination of Iran’s Centrifuge Enrichment Program and its Efforts to Acquire Nuclear Weapons*, NPEC-Non-proliferation Policy Education Centre, 9 August 2011.

<sup>27</sup> D. Albright and C. Walrond, *Debunking Gregory Jones Again*, ISIS Report, 27 October 2011.

have to be accommodated in the same berth, hypothesising, Iran would soon possess a nuclear weapon or it may not have it at all. Obtaining discrepancy between the two hypotheses thus hardly permits bridging the credibility gap for carving out a legitimate pretext to attack its installations through military might of US and/or Israel. However, it is clear that Iran has found it extremely complex to have answers for two queries. First, why its massive outlay of nuclear installations and plans to construct many more, lack the show of bench mark or destination to the international community, to which it is engaged in her pursuits. If it was other than military rendezvous, nothing could stop Iran to divulge the details. Second, even if one disregards the preceding query, Iran has no answer to soothe the stakeholders' ire if questioned, why she is stockpiling LEU.

In all probability, these limitations are in Iranian notice and hence she is likely to shift the debate gear conveniently from intentions about military dimension of her nuclear capability to the transparency deficit. Remaining ambiguous and non-committal about developing nuclear weapon, Iran has some effective pivots to contest the dispute through symmetrical and asymmetrical application criteria of NPT safeguards in the past to expose the blatant discrimination of the actors against her and stand tall, as a last resort, on morals. However, some support coming to Iran from the West may not necessarily be because of Iranian lustrous tirades but the neutral world's sympathy for the global peace in particular that may not approve of a rather risky option. Daniel Larison concludes his article, saying, "We can hope that the (US) administration will opt for containment rather than war...because it does not pose the threat that Iran hawks claim that it does."<sup>28</sup>

### **What Inspires Iran to Go Nuclear and Intransigent?**

The question, what are the drivers that force Iran to clinch nuclear status could be summarized which would remain open to informed debates.

- Iran feels constrained to develop nuclear technology as an alternative energy source and that some powers are out to brand it 'rogue state' though NPT safe guards apply to all and sundry. As regards maintainability of NPT, "To sustain—much less strengthen, this 'advantaged' minority must ensure that the majority sees it as beneficial and fair. The only way to achieve this is to enforce compliance universally, not selectively; including the obligations the

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<sup>28</sup> D. Larison, *Reasons Not to Attack Iran*, The American Conservatives, 9 November 2011, <http://www.theamericanconservative.com/larison/2011/11/09/reasons-not-to-attack-iran>.

nuclear states have taken on themselves.”<sup>29</sup> Such statements do augment Iranian logic.

- For quite some time, during Saddam Hussein era, Iran had been haunted by the spectre of looming Iraqi nuclear weapons. The assessment then was, “Iraq poses the most obvious and direct security threat justifying an Iranian effort to acquire a balancing nuclear capability.”<sup>30</sup>
- Iran is either threatened or inspired by Israel, Pakistan, India and North Korean precedence of achieving nuclear capability in that gradation though Iran has not spoken specifically against these countries except Israel.
- Iran would slip to low rated state if the privilege of acquiring nuclear weapon or technology is denied to it.
- Iran needs the nuclear capability to defend its regime, more so when it has to counter US/Israeli threat of assault. “Against the back ground of war in Afghanistan and US and Israeli rhetoric about eradicating terrorists and the states that sponsor them, Rafsanjani invoked a hypothetical Muslim nuclear capability. Importantly he seemed to posit such a capability as a second strike deterrent against pre-emptive attacks by Israel or US against Iran.”<sup>31</sup>
- About three decades of US ‘sanctions’ spree against Iran has left the Iranian leadership with little choice but to match the public ire through such tools of defiance. At the same time, Iran stokes hatred for US and Israel among its masses that acts as a bonding factor for its people while enduring the hardships accruing due to economic noose, US and allies are tightening persistently around Iran.
- Iran is resolutely portraying itself as the champion of Muslims’ cause and insinuates about Middle Eastern actors as lackeys of the West for their lack of will to share her pursuits of defeating the Zionist state.

### **Elements Acting Against Military Options to Denuclearise Iran:**

The moment IAEA releases the inspection reports, Iran perceives, its nuclear programme is branded as universal menace and the Western world gets busy in rattling incessant threats, how to punish Iran. Wider worries lurk for them when the impact of nuclear Iran is seen critically. Nuclear Iran would threaten Israel, US and European security interests,

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<sup>29</sup> G. Perkovich, J. Mathews, J. Cirincione, R. Gottemoeller, J. Wolfsthal, *UNIVERSAL COMPLIANCE: A Strategy for Nuclear Security*, Carnegie Endowment for International Peace-Study, March 2005, 35.

<sup>30</sup> G. Perkovich, *Dealing With Iran’s Nuclear Challenge*, Carnegie Endowment for International Peace, Study, 28 April 2003, 8.

<sup>31</sup> *Dealing With Iran’s Nuclear Challenge*, 6.

harden some Arabs' position in future peace negotiations, increase militancy and embolden hard liners. Meir Dagan, Director Mossad, labelled Iran as an 'existential threat' to Israel in 2003.<sup>32</sup> The voices that plead restraint on both sides remain feeble. The point is not to absolve Iran of its weak, if not wrong, logic for staying reticent about nuclear stance but to advance an academic discussion for better comprehension of the conundrum.

### **IAEA Asymmetrical Focus**

Iran sees huge discrepancy in dealing with IAEA, that Iran thinks, is cajoled by US and Israel to focus negatively on Iran, despite Iranian endeavour to satiate IAEA teams' curiosity. Iran clearly bears on memory index how some countries went in dive for nuclear weapons acquisition but 'powers' looked the other way to collude with them in achieving the military dimension of their programmes. Iran's sense of being discriminated against exaggerates when it sees its voluntary signing of NPT emerging as an obstacle for its 'peaceful' pursuits while others, not having signed NPT have become standard-bearers of peace despite acquiring huge stocks of nuclear arsenal clandestinely. "A nuclear Iran would also erode Israel strategic edge... Israel is also widely understood to have an arsenal of nuclear and other weapons."<sup>33</sup> Such precedence renders near-legitimacy stamp to stockpiling any number of weapons clandestine way, raising question, is Iran simply emulating others.

### **Dichotomy in Realizing the End**

If the entire exercise by IAEA is to ensure non-proliferation through preventing, eliminating or reducing the lethal weapons and delivery means, the justice demands that all powers be subjected to IAEA safeguards, including those who devise and dictate the morals of global nuclear spectrum. Turning back from all, except Iran, makes IAEA role prone to serious dichotomy that can be challenged by any sovereign state as well as the law wizards who jealously guard the legal boundaries of the impending conflicts.

### **Retribution beyond Measure**

Threat of US and Israeli military strikes hangs on Iran for about a decade now. US posture towards Iran offers, both, carrot and stick but Iran, after

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<sup>32</sup> N. Gaouette, "Israel: Iran is Now Danger No. 1," *The Christian Science Monitor*, 28 November 2011.

<sup>33</sup> "Israel: Iran is Now Danger No. 1," *The Christian Science Monitor*, 28 November 2011.

decades of mistrust, sees only the stick, “Iran’s compliance with the NPT would remove US nuclear threat and thus provide a potential incentive for Iran to forego developing nuclear weapons.”<sup>34</sup> Israel has graded Iranian nuclear venture as an ‘existential threat’ to her security parameters. It has been recommended, “Project Daniel boldly advises that Israel take certain prompt initiatives in removing existential threats.”<sup>35</sup> Unfortunately, looking northeast, North Korea not only ditched NPT in 2003 but also continued its nuclear weapon development. Conversely, Iran perceives, the two nuclear powers, US and Israel, are hurling threats of military aggression on Iran against all norms of international law, relevant to the sovereign states.

### **NPT Interpretation**

Iran interprets NPT provisions to its advantage, anchoring its argument on Article IV of the treaty that permits the member states to develop research, produce and use nuclear energy for peaceful purposes. In other words, when Iran has stood firm on its claims that have not been proved wrong by material evidence, her nuclear venture is afforded the requisite legitimacy of accessing, acquiring and developing nuclear technology. Until IAEA places concrete proofs before the UN, Iran emphasises, no power has the prerogative to launch military strikes against her nuclear facilities. Should this option have been employed as moral equivalent since early sixties, though NPT does not speak of employing ‘force’ against the defaulting countries, the precedence-merit as well as the desire to seek global peace through forced compliance would have been in order. As regards US, Joseph Cirincione comments, “Now US policy is based on different assumption. It seeks to knock of evil regimes seeking these deadly arsenals while tolerating—even encouraging—the possession by states deemed responsible.”<sup>36</sup> The spectre of military strikes presents a strange paradox. When the objectives of IAEA aim at seeking non-proliferation for a safer world, the launching of military operation against Iran to knock out its suspected nuclear arsenal that has

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<sup>34</sup> L. Davis, J. Martini, A. Nader, D. D. Kaye, J. Quinlivan, P. Steinberg, *Iran’s Nuclear Future, Critical US Policy Choices*, RAND-Project Air Force (RAND Corporation, 2011), 21.

<sup>35</sup> L. R. Beres, “Israel’s Uncertain Strategic Future,” *Parameters*, US Army War College Journal, Spring 2007, 38. At page 40 of the same paper, the research group suggests even lavish retribution against sovereign states, maintaining, ‘Under certain circumstances similar forms of Israeli nuclear deterrence should be directed against enemy states that threaten “existential harms” through the use of biological weapons’. Does it justify the legal regime of International Relations, is a moot point.

<sup>36</sup> J. Cirincione, “Iran and Israel Nuclear Weapons,” *The Globalist*, 11 March 2005.

the potential to spin out of control as wider conflict, means that the world is more vulnerable to IAEA newfound compliance devices.

### **Iranian Dilemma is Israel-centric**

By now, there is enough evidence available to suggest how Israel acquired nuclear weapons over decades and Iran knows it. “It goes back to President Kennedy...He pressed the Israelis to agree to US inspections of Dimona to make sure it was not run for weapons. In practice, though, the inspections, which continued after Lyndon Johnson took over, became ‘visits’ that the Israelis made sure did not come up with any incriminating information.”<sup>37</sup> Is Iran emulating the past behaviour of a state that is formidable nuclear power now? A plausible justification can be deduced for the lack of US interest at that time in meticulous implementation of her policy. US was in thick of Cold War when larger nuclear threats were inclined to ensnare the world peace and Israel was a small speck in the big scheme of global nuclear regime. What follows from above however is that, in Iran’s reckoning, despite the knowledge of such lamentable oversights, if Israel is absolved of the burden of responsibility and the nuclear default, Iran finds a cause to persist in her effort? Yet if Iran were struck militarily, the neutral world would stand clear that symmetry of application of IAEA safeguards never warranted such a dangerous reprisal against Iran, not because Iran deserved any concession but because addition of some states during the past four decades as a wielder of nuclear weapons has not threatened world peace in spite of them.

### **Threat of Regime Change**

Iran has remained under constant threat of regime change that George W. Bush applied against Afghanistan, Iraq and later in Libya by NATO. In case of Iraq, the pretexts to launch military offensives have eventually turned out to be baseless at an exorbitant cost of human losses and lingering misery that would drub their future generations for decades. To a question General Anthony Zinni said, “Yes, in my view, it was a blunder....It wasn’t going to be a pie-in-the-sky welcome in the streets with flowers.”<sup>38</sup> George W. Bush admission should shudder the world when he was heard saying, “...Iraq had no weapons of mass destruction

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<sup>37</sup> V. Gilinsky, *Sometimes We Don’t Want to Know: Kissinger and Nixon Finesse Israel’s Bomb*, NPEC Stanford Seminar, 4 August 2011. <http://www.npolicy.org/article.php?>

<sup>38</sup> A. Zinni (Gen), *Former Bush Envoy Centcom Chief Calls Iraq war a Blunder*, MSNBC TV (Interview to Mathew), 25 May 2011, [http://www.msnbc.msn.com/id/5060782/ns/msnbc\\_tv-hardball\\_with\\_chris\\_matthews](http://www.msnbc.msn.com/id/5060782/ns/msnbc_tv-hardball_with_chris_matthews).

and had ‘nothing’ to do with 9/11.”<sup>39</sup> About Donald Rumsfeld, a reviewer of his book comments, “I mention his book to illustrate that authors can and do mix artful apology into their apologia as a deliberate rhetorical technique. By admitting to venial mistakes, they hope to gain credibility later in defending their whoppers.”<sup>40</sup> In Iran case, indirectly there have been clear efforts by the external actors to destabilize Iran internally and substitute clerics-dominated government with a secular one. Having known their intentions, Iran has dug in more heels in defiance to secure political mileage at home despite colossal loss to its economy and image in the West. With extreme tension, prevailing between US/Israel and Iran, particularly in the backdrop of recent Iranian threat to block the Strait of Hormuz, there has remained no room for the conduct of diplomacy that is so crucial in the conflict resolution processes. Iran goes even far to accuse US foreign policy, taken as hostage by the Zionists.

#### **Plea of Resolving the Conflicts**

While seeking non-proliferation scenario, resolve regional conflicts at priority. It would deny a cause to Iran for its threatening rhetoric if peace in Middle East were restored through resolution of a multi-dimensional conflict that hinges on Palestinians and other Arabs’ territories captured by Israel. The latest round of talks carry a streak of hope and wisdom appears to have been recognised. David Makovsky observes, “The potential collapse of the latest negotiations should not stop the United States and its partners from pressing for further concessions from both sides.”<sup>41</sup> In addition, some studies recommend leading nuclear powers to embrace a role that could reach for the core issue i.e. nuclear proliferation, “The unrealistic demand that India, Israel and Pakistan...give up their weapons and join the NPT as non-nuclear states should be put aside.”<sup>42</sup> The irony is that geo-political designs and ‘grand strategy’ considerations of some actors have become weightier than impending threat of nuclear war that ‘powers’ are inclined to accept. Analysing US flawed foreign policy in Middle East, Michael Moran maintains, “US President Barack Obama finds himself with the results of

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<sup>39</sup> A. Goodman, “President Bush Admits Iraq Had No WMDs and ‘Nothing’ to Do With 9/11,” *Democracy Now*, Interview, 22 August 2006.

<sup>40</sup> L. J. Matthews, Colonel, “Known and Unknown: A Memoir,” Review in *Parameters*, US Army War College Quarterly, Spring 2011, p. 150.

<sup>41</sup> D. Makovsky, *Israeli-Palestinian Talks Falter, But Modest Steps Still Possible*, Policy Alert’ Washington Institute for Near East Policy, 27 January 2012.

<sup>42</sup> *Dealing With Iran’s Nuclear Challenge*, Carnegie Endowment for International Peace Study, 28 April 2003, 42.

a mess decades in making and taking fire from some of the very Washington insiders who engineered this disaster.”<sup>43</sup> Conversely, Iran would not miss to register adversaries’ designs and thus her race to find refuge under nuclear shelter shall go on incessantly to compensate for its imbalance of power vis-à-vis Israel. Leon E. Panetta, US Secretary Defense addressed the issue squarely when he spoke with dispassionate clarity from the US podium (excerpts), “In addition, Iran’s continued drive to develop nuclear capabilities, including troubling enrichment activities ... and its continued support to groups like Hezbollah, Hamas, and other terrorist organisations make clear that the regime in Tehran remains a very grave threat to all of us... Yet we recognize that Israel’s security cannot be achieved by its military arsenal alone. It also depends on the security and stability of the region...”<sup>44</sup> Any observer could pick up his speech quintessence that affords a great manoeuvre space to the parties for conduct of forward looking diplomacy, which is woefully absent. If there are lessons for Iran to draw, some are there for Israel as well. It remains to be seen, whose heart ‘the Secretary’ has struck.

### **Conclusion:**

For Iran, it is imperative to view the regional as well as global nuclear environments more pragmatically by not giving chance to the powers that are inclined to isolate her. Iran has to scramble for proving its non-nuclear weapon status-legitimacy, otherwise, its Muslim neighbours, holding their breath until now, might become keener than US and Israel to see Iran denuclearised. Kayhan Barzegar notes, “Fear of Iraq’s fading Arab identity has, for instance, prompted Saudi Arabia to be more involved...”<sup>45</sup> A credible report suggested, “Future Iranian demonstrations of its nuclear capabilities that reinforce perceptions of its intent and ability to develop nuclear weapons potentially would prompt additional states in the region to pursue their own nuclear weapons programs.”<sup>46</sup> If Middle East has slept by Israeli nukes for about half a

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<sup>43</sup> M. Moran, “US Foreign Policy is Hamstrung in Persian Gulf,” *Global Post*, 22 March 2011, <http://www.globalpost.com/dispatch/news/opinion/columnists/110321/bahrain-saudi-arabia-us-foreign-policy>.

<sup>44</sup> L. E. Panetta, *New Strategic Challenges in the Middle East*, address to Brookings Saban Forum 2011, 5 December 2011. The author would like to thank Brookings Saban Forum for having alerted him well on time to listen to the Secretary’s speech live.

<sup>45</sup> K. Barzegar, “Iran Foreign Policy Strategy after Saddam,” *The Washington Quarterly*, 33:1, January 2010, 175.

<sup>46</sup> NIC: National Intelligence Council (US) report, *Global Trends 2025: A Transformed World*, US Government Printing Office, Washington DC, 2008, 62.



century, would it be prepared to do so in case of Iran, is a matter that needs Iranian brainstorming earnestly?

Iran must grant Israel an iota of worry when Iran is heaping threats on Israel. Israeli capability to absorb human losses is a known vulnerability that she can ill-afford. The demographic vulnerability is perhaps the major driver behind Israeli military strike proposition, more so when she is emboldened by knocking out earlier Iraqi and Syrian nuclear facilities.

Israel is demonstrating no less obduracy about regional issues that would keep her away from a large segment of global population (Muslims) if her urge, under the shadow of its military might, for acquiring and absorbing extended territories dominates her desire to build peace in the Middle East. Emphasis must shift honestly and wholeheartedly to conflicts resolution to pre-empt them and not the military strike-like ventures that would rather nourish the conflict.

Instead of criticising, Iran must co-operate and recognise IAEA's role as commendable that seems to have shown tremendous professionalism as well as patience. IAEA has also to ensure symmetry in application of set of rules with absolute impartiality. Speculating about Iranian intentions while not finding credible evidence of military dimension of Iranian nuclear programme during inspections would mean IAEA is vulnerable to losing its lustre of neutrality.

Display of responsibility should be the hallmark of exterior manoeuvres by the parties to the dispute. As it is, Iran appears in frantic race to win the label of 'kleptomaniac' but if it manages to absolve itself of the blemishes, it would turn the table on Israel as well as US. Any side that shows munificence to give peace a chance wins.



# ISLAMIC REVIVAL, EDUCATION AND RADICALISM IN CENTRAL ASIA

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Renat Shaykhutdinov\*\*

## **Abstract:**

This article identifies two types of regulatory policies employed by secular states towards Islam in Central Asia, and examines their effects on religious radicalism. Conceptually, we develop two prevalent kinds of state regulation of religious practices, permissive and dismissive regulations. Empirically, we investigate their effects by analyzing state policies toward Islamic education and their cumulative effects on the religious dynamism with reference to what is termed as the religious extremism or “Islamic radicalism” in the post-Soviet Republics of Kazakhstan and Tajikistan.

The findings indicate that permissive state regulations in Kazakhstan impedes the threat of radical extremism, whereas dismissive state regulations appears to exacerbate the level of the same threat in Tajikistan. The findings further suggest that Islamic education is in need of urgent and comprehensive reforms, and that permissive state policies seeking to supplement institutional infrastructures, are likely to help revive and revamp Islamic education at large. These policies can be an effective tool for retarding the recruitment lifeline of militant religious organizations in Central Asia. The author profiles the entire scenario of religious radicalism in Central Asia within two fundamental questions: ‘To what extent does Islamic education matter in explaining the dynamics of Islamic radicalism?’ and ‘Does state regulation of religion promote or hinder religious radicalism?’

## **Keywords:**

Islamic Revival, Islamic Education, Radicalism, Central Asia, Kazakhstan, Tajikistan.

## **Introduction:**

There is little doubt that the resurgence of Islam has been influencing the social and political landscape of the Muslim world. The Islamic revival brought new actors into the political arena, including Islamist movements that began to challenge the status quo in the Muslim-majority states. A number of authoritarian regimes were targeted by such movements. As a viable response to these challengers, the incumbent authoritarian governments of the Muslim world have sought to “discover through trial and error a formula with which to counter the ‘threat’ posed to their rule by Islamist opposition.”<sup>1</sup> Their response and reactions varied vastly from

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<sup>1</sup> M. H. Hafez, *Why Muslims Rebel? Repression and Resistance in the Islamic World*, Boulder, CO, Lynne Reiner, 2004, 4.

complete repression (e.g., Syria in 1982, Algeria since 1992), to some form of inclusion (e.g., Malaysia, Indonesia, Pakistan) and a mix of toleration and repression (e.g., Egypt, Kazakhstan).

After the collapse of the USSR, the process of Islamic revival swiftly accelerated as new Central Asian states began to re-establish their historical links with the Muslim world reinforcing their Islamic identity, which had defined Central Asian culture, traditions, and the way of life for centuries. According to Peyrouse, the new Central Asian states were now free to seize their “religious identity in order to turn it into an element of national assertion as well as social bases of political power.”<sup>2</sup>

While the Islamic revival has been generally accepted as a positive development within the framework of identity-building and “reclaiming” traditional cultural heritage, the fear of Islamic resurgence appears to emanate from Islam’s potential to mobilize elites and masses in a political movement (e.g., as an Islamic political party) to challenge the incumbent regimes. Thus, fearing threat to the secular regimes of Central Asia, many authoritarian regimes including Kazakhstan and Tajikistan, currently employ restrictive policies with regard to Islamic practices to maintain the political status quo.<sup>3</sup>

Generally, we can divide the new Islamic actors in Central Asian politics into two categories: (1) moderate and (2) radical movements. In defining these terms, we follow Hafez’s conceptualization of moderates as “individuals and groups that shun violence and insurgency as a strategy to effect social change and, instead, seek to work through state institutions, civic associations, or nonviolent organizations.” On the contrary, radicals are actors who “reject accommodation with the state regime, refuse to participate in its institutions, and insist on the necessity of violent revolution or mass mobilization to Islamize society and politics.”<sup>4</sup>

Even though many, if not all, among the regions’ Islamic actors were moderates, the Muslim Central Asian regimes were ill-prepared to adequately channel the post-Soviet Islamic revival. Specifically, the

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<sup>2</sup> S. Peyrouse, “Islam in Central Asia: National Specificities and Postsoviet Globalisation,” *Religion, State and Society*, 35(3), 2007, 253.

<sup>3</sup> A. Freedman, “Civil Society, Moderate Islam, and Politics in Indonesia and Malaysia.” *Journal of Civil Society*, 5(2), 2009, 107-127; A. An-Na’im, “Religion and Global Civil Society: Inherent Incompatibility or Synergy and Interdependence?” *Global Civil Society*, Ed. M. Glasius, M. Kaldor and H. Anheier, Oxford, Oxford University Press, 2002; G. Fuller, *The Future of Political Islam*, New York, Palgrave, 2003; N. Feldman, *The Fall and Rise of the Islamic State*, Princeton, NJ, Princeton University Press, 2008.

<sup>4</sup> Mohammed M. Hafez, *Why Muslims Rebel: Repression and Resistance in the Islamic World*, Boulder, Colo.: Lynne Rienner Publishers, 2003.

institutional infrastructure to handle the rapidly growing Islamic resurgence was inadequate. Perhaps most importantly, all Central Asian states were ill-prepared for the sudden influx of foreign radical preachers and recruiters. In this respect, the issue of Islamic education became a leading concern, which demanded immediate attention in the context of the post-Soviet Central Asia. While the threat of radical extremism is often exaggerated and misused by the incumbent autocratic regimes in the region, the underlying danger of global religious radical networks is real, posing an imminent danger to all Central Asian Muslim-majority states.

While the role of Islamic education is an important social prerequisite for deterring Islamic radicalism, Islamic education is an explanatory variable to prevent radicalization. Clearly, systematic analysis of the state, trends, and patterns of Islamic education, and its implications on the Muslim world, remains a high priority for both scholars and policymakers. In an attempt to bridge this gap, this article asks two pressing questions: ‘To what extent does Islamic education matter in explaining the dynamics of Islamic radicalism?’ and ‘Does state regulation of religion promote or hinder religious radicalism?’ We analyze both questions in the context of a comparative study of Kazakhstan and Tajikistan.

In contrast to most of its Central Asian neighbours, Kazakhstan pursues less repressive, and relatively more tolerant and permissive actions toward Islamic practices. Its support for Islamic educational institutions thus far has facilitated the integration of the Islamic revival into the mainstream Kazakh society while significantly deterring the spread of radicalism. On the other hand, Tajikistan has pursued strictly repressive policies, which resulted in marginalization of Islam.

At the turn of the 21<sup>st</sup> century, a decade after its independence religious freedoms in Kazakhstan began to improve as the conditions deteriorated in Tajikistan. Both of these trends are reflected by sharp differences in state policies toward the Islamic revival. The following Table 1 summarizes the 2008 US Department of State’s International Religious Freedom report. In this report, the level of religious freedom was coded as “moderate” for Kazakhstan, while in Tajikistan “religious freedom does not seem to exist.” Furthermore, as of 2009, the level of persecution of religious clerics was “low” in Kazakhstan and “high” in Tajikistan.<sup>5</sup> While the censorship of Islamic texts and clergy was relatively limited in Kazakhstan, by contrast, the Tajik government

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<sup>5</sup> The Cingranelli-Richards (CIRI) Human rights database, <http://ciri.binghamton.edu/>.

pursued high levels of suppression. Nevertheless, in terms of democratic indicators (e.g., political rights, electoral transparency, and rule of law), both countries scored low suggesting that the difference between overall freedoms is virtually indistinguishable.

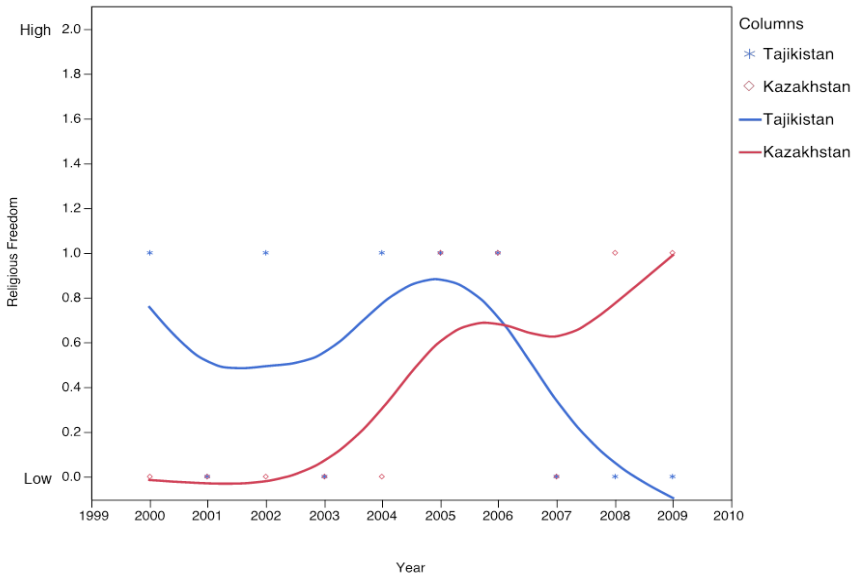
**Table 1<sup>6</sup>**  
**Islamic Education, Religious Freedom, Radicalism and Social-economic Indexes in Kazakhstan and Tajikistan**

<b>Islam, Education, Freedom and Radicalism Index</b>	<b>Kazakhstan</b>	<b>Tajikistan</b>
Religious Freedom - 2008 (U.S. State Dept. International Religious Freedom Reports) <sup>#</sup>	Moderate freedom	Religious freedom does not seem to exist
Freedom of Religion, CIRI Human Rights Data Project <sup>2</sup>	Moderate govt. restriction on religious practice	High government restriction on religious practice
Persecution of religious clerics/activists	Low	High
Censorship of religious texts	Low	High
Censorship of religious clerics	Moderate	High
Institutionalization of Islamic Education at Higher Education score (0-100)	Emerging	Very low
Level of Religious Radicalism	Low	High
<b>Freedom in Political System (2009)</b>		
Political Rights (1-7 scale, less is more freedom) <sup>3</sup>	6/7	6/7
Electoral Process (0-12, lower is a less free) <sup>3</sup>	2/12	2/12
Rule of Law (0-16, lower is weaker rule of law) <sup>3</sup>	4/16	4/16
Independence of the Judiciary (2008) <sup>2</sup>	Not independent	Not independent
<b>Socio-economic Indicators<sup>4</sup></b>		
Human Development Index (HDI) (2010)	0.71	0.58
Adult Literacy Rate (% ages 15 or older who are literate, most recent measure during 2005-08)	99.70%	99.70%
Net Secondary Enrollment Rate (% secondary school age enrolled in secondary ed.) –2009.	86.90%	82.50%

<sup>6</sup> Brian Grim and Roger Finke (2006): derived from the US State Department’s International Religious Freedom reports in 2003, 2005 and 2008. Coded by the Association of Religion Data Archives (ARDA); The Cingranelli-Richards (CIRI) Human Rights Dataset; Freedomhouse annual reports on political and civil liberties; The 2010 Human Development Index (HDI) by the United Nations.

When levels of religious freedom are plotted over time (2000-2009), as shown in figure 1, the patterns indicate that restrictions on religious practices have systematically increased in Tajikistan, while the limitations on religious freedoms decreased in Kazakhstan.

**Figure 1**  
**Level of religious freedom in Kazakhstan and Tajikistan, 2000-2009**



The above trends are explained under the following denominators:

**Theoretical Linkages: Radicalism, State and Islamic Education:**

Three major theories compete to explain the genesis of religious radicalization in the post-Soviet Muslim Central Asia: (1) relative deprivation theory, (2) democratization, and (3) predatory state repression.

According to relative deprivation theory, the emergence of Islamic radicals is often associated with poverty or economic deprivation which stems from their socioeconomic and psychological alienation. This alienation, in turn, deprives new Islamic actors of expressing their voices in the political arena.<sup>7</sup> Whether the nature of alienation is economic or physiological alienation, the proponents of failed modernization theory assert that the roots of the radicalism originate from developmental

<sup>7</sup> M. A. Faksh, *The Future of Islam in the Middle East: Fundamentalism in Egypt, Algeria and Saudi Arabia*, Westport, CT: Praeger, 1997; H. Dekmejian, *Islam in Revolution: Fundamentalism in the Arab World*, 2<sup>nd</sup> ed., Syracuse, NY: Syracuse University Press, 1995.

crisis.<sup>8</sup> The proponents of democratization, on the other hand, argue that democratic institutions can effectively discourage contestation over the structure of political and social institutions and thus hinder political violence.<sup>9</sup> Said otherwise, democracies are largely successful in addressing group grievances helping prevent political violence.<sup>10</sup> Conversely, a lack of civil and political liberties could potentially marginalize the moderates by pushing them towards more radical means of redressing grievances.<sup>11</sup>

The critics of relative deprivation thesis, however, argue that almost all Muslim majority states have, to a great extent, experienced social, economic and political crises, rooted in poverty and colonial repression. However, since relatively few Muslim societies experienced a surge in radical militancy or rebellion, the explanatory power of the deprivation theory diminishes. Scholars also recognize predatory state repression and institutional exclusion as leading factors that explain why Muslims rebels. Hafez maintains that an unfortunate combination of institutional exclusion and indiscriminate state predatory repression “force[s] Islamists to undergo a new universal process of radicalization” underlying that the lack of institutional access is a necessary condition for Islamist rebellion.<sup>12</sup>

In this study, we apply, extend, and test Hafez’s theoretical framework of institutional deficiency by introducing an additional dimension of institutional exclusion through which governments regulate religion. Specifically, we examine the explanatory power of (semi-) institutionalized institutional deficiency of Islamic education within the framework of permissive and dismissive state regulation of religion. Before we proceed, the genesis and theoretical relevance of Islamic education must be explored.

### **Islamic Education: Why and How does it Matter?**

Islamic educational institutions (IEIs) fulfill three major functions that can potentially deter the spread of religious radicalism by: (1) providing a source for the mainstream teachings of Islam; (2) offering opportunities

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<sup>8</sup> N. Ayubi, *Political Islam: Religion and Politics in the Arab World*, London, Routledge, 1991.

<sup>9</sup> K. Dassel and E. Reinhardt, “Domestic Strife and the Initiation of Violence at Home and Abroad,” *American Journal of Political Science*, 43(1), 1999, 56-85.

<sup>10</sup> T. R. Gurr and W. H. Moore, “Ethnopolitical Rebellion: A Cross-Sectional analysis of the 1980s with Risk Assessments for the 1990s,” *American Journal of Political Science*, 41(4), 1997, 1079-1103.

<sup>11</sup> M. Crenshaw, “The Causes of Terrorism,” *Comparative Politics*, 13(4), 1981, 379-399.

<sup>12</sup> *Why Muslims Rebel? Repression and Resistance in the Islamic World*, 22.



to study both aspects of *Shari'a* (Islamic law): *Ibadat* (worship, prayers and technical rituals) and *Mu'amalat* (social relations); and (3) affording an effective antidote to radicalized (and often foreign supported) Islamic teachings and interpretations.

Above all, educational opportunities for teaching and learning the moderate messages of Islam must emanate from institutions perceived as legitimate and reliable, that employ qualified and locally trained educators (e.g., Islamic scholars). In this regard, educational institutions can play an important role in meeting the popular demands for re-discovering Islam in the post-Soviet space.

Second, although many Muslims, on average, are knowledgeable about the technical aspects *ibadat*, very few are versed in its *mu'amalat* (the way Islam affects everyday life and its social implications). It is relatively easy to teach the basic tenets and daily rituals in Islam. However, it is more challenging and perhaps more important to *contextualize* Islamic teachings in the modern social, political, and economic realities of the 21<sup>st</sup> century. Therefore, Islamic educational institutions can play a central role in providing opportunities to learn about contemporary applications of concepts pertaining to personal matters and social relations (e.g., *jihad*) in Islam. However, finding reliable books, brochures, and other printed resources on Islam, which espouse moderate interpretations has been a challenge in most Central Asian states. Consequently, in addition to live recruiters, the impact of cyberspace preaching is on the rise, featuring extremist websites, blogs, and the online forums publishing unverifiable *fatwas* (Islamic rulings on specific issues) and justifying various radical actions of social networks which openly promote extremism.<sup>13</sup>

Third, Islamic educational institutions can be among the most effective tools for impeding the spread of radicalism.<sup>14</sup> Young Muslims who do not have much prior knowledge of Islam are more susceptible to accepting radical teachings as “genuine” Islamic teachings as they often hear them for the very *first time* from radical preachers.<sup>15</sup> In fact, one of the main reasons why religious extremists target teenagers is because “[the youth] do not yet have fully formed ideals and they are easier to

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<sup>13</sup> A. N. Awan, “Virtual Jihadist Media: Function, Legitimacy, and Radicalizing Efficacy,” *European Journal of Cultural Studies*, 10, 2007, 389-408.

<sup>14</sup> A. Evans, “Understanding Madrasahs,” *Foreign Affairs*, 2006; C. C. Fair, “Militant Recruitment in Pakistan: A New Look at the Militancy-Madrasah Connection,” *Asia Policy*, 4(2), 2007, 107-34; A. M. Rabasa, C. Benard, P. Chalk, C. C. Fair, T. Karasik, R. Lal, I. Lesser, and D. Thaler. “The Muslim World After 9/11,” *RAND Project Air Force*, 2004.

<sup>15</sup> Ahmad Rashid, *Jihad: The Rise of Militant Islam in Central Asia*, New Haven, CT, Yale University Press, 2002.

manage.”<sup>16</sup> In the very *first* encounter, the radical preachers present their ideology as “true Islam” and make a seemingly convincing case for the target individual to obey the call from God. Without any background knowledge base for evaluating claims about Islam, those exposed to radical preaching may develop sympathy for those views. On the other hand, those who are versed in the core tenets of mainstream Islamic teachings may potentially be less likely to be dogmatized by a radical ideology.

### **Permissive and Dismissive State Regulation of Religion:**

The concept of “regulation” may imply a negative connotation, as it is associated with government “control of religion.” However, in the wake of the Soviet collapse, an urgent need for state co-ordination and active involvement in religious affairs has arisen to adequately channel the rapidly increasing religious revival. Each Central Asian state established a central agency to conduct state-regulated institutional oversight over the newly emerging and yet overwhelming public interest toward Islam. With no exception, each regime sought to protect the Soviet legacy of secularism. In his novel work, Kuru formulates *passive* and *assertive* secularism as two categories which explicate the ways in which secular states pursue rather different policies in regards to religion.<sup>17</sup> In this respect, both Kazakhstan and Tajikistan actively pursue assertive, or combative secularism which aims to largely and systematically limit religious expressions in the public sphere. While these categories offer important insights, they come short of capturing the *variation* that exists *within* assertive regulation of religion by the state in the context of post-Soviet Central Asia. In this paper, therefore, we introduce a fine-grained variation of assertive secularism in terms of permissive and dismissive state regulation of religion.

In the absence of state intervention, the newly independent states of Central Asia were perceived to be highly vulnerable to radical religious teachings of foreign origin. From this perspective, a degree of government regulation may be justified or even deemed to be necessary to institute new venues for Islamic learning (e.g., an Islamic University and *madrasas*), worship (e.g., mosques, prayer houses, and prayer rooms) and community associations (e.g., local Masjids – community

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<sup>16</sup> Y. Sorokina, “Kazakhstan Concerned Over Radical Movements Influencing Children,” *Internet Gazeta*, October 15, 2010.

<sup>17</sup> A. T. Kuru, *Secularism and State Policies Toward Religion: The United States, France, and Turkey*, New York, Cambridge University Press, 2009; A. T. Kuru, “Secularism, State Policies, and Muslims in Europe: Analyzing French Exceptionalism,” *Comparative Politics*, 41(1), 2008, 1-19.

Mosques). Although all Central Asian states established central agencies to regulate Islamic affairs, including new Islamic institutions, the goals, means and resources allocated by the Central Asian varied vastly. While some adopted harsh, repressive and dismissive means of state regulation (e.g., Tajikistan), others pursued more tolerant and permissive policies toward Islamic resurgence (e.g., Kazakhstan).

**Permissive State Regulation of Religion (PSRR):**

We conceptualize *Permissive State Regulation of Religion (PSRR)* as the regulatory policies by the government, which seek to monitor religious affairs in a largely tolerant, non-dismissive manner. Such policies regulate attitude toward religious revival in ways that improves access to worship, education or association with the mainstream religious institutions.

Employing PSRR policies toward Islamic resurgence could potentially revive and/or promote institutionalization of Islamic education in the form of opening new educational facilities (e.g., Nurmubarak Islamic University in Kazakhstan) that offer advanced degrees, or in a smaller context, initiating educational projects by offering structured courses or programmes in Islamic studies. This in turn can translate into more opportunities to teach and/or learn Islam in contemporary context. Perhaps more importantly, new venues for higher Islamic learning are vital in educating locally trained indigenous cadres of Islamic scholars. It is particularly important to highlight that the increasing number of mosques across Central Asia are not staffed with adequately trained *Imams* (Mosque leaders) who are in charge of spiritual guidance in local communities. As a whole, permissive state regulation could be an effective method to keep religious extremism “at check” while preventing the uninformed or ill-informed youth of the Muslim Central Asia from falling prey to radical ideology.

**Dismissive State Regulation of Religion (DSRR):**

We conceptualize *Dismissive State Regulation of Religion (DSRR)* as government policies and regulations that seek to monitor religious affairs in the country with more dismissive, than tolerant, attitude toward religious revival that impedes or denies access to worship, education or association with mainstream religious institutions.

Employing DSRR policies toward Islamic resurgence could potentially impede the development of indigenous institutional infrastructure of Islamic education. Further, insufficient access and fewer opportunities to study mainstream Islam, at a time when a country is experiencing Islamic revival, can potentially prevent the emergence of

indigenous Islamic scholars. Consequently, at the shortage of adequately trained *Imams*, the Mosques could be vulnerable to the influence of self-proclaimed *Imams* with potentially radical agendas. In sum, the chain effect of these dismissive state policies can increase the risk of radical extremism to spread. To this end, we test the following hypothesis:

*Permissive state regulation of religion diminishes the effects of radical extremism while dismissive state regulation of religion is associated with higher levels of radical extremism.*

### **Methodology:**

To test the validity of our theory we employ an in-depth study of two Central Asian cases, Kazakhstan and Tajikistan. We employ the Most Similar Systems (MSS) design to address these cases. MSS allows us to control both the most relevant competing theoretical variables identified in the literature and a number of cultural and historical factors, which may potentially influence validity of the results. Both countries are classified as medium development states with Human Development Indexes (HDI) of 0.673 for Tajikistan and 0.794 for Kazakhstan in 2007-2008,<sup>18</sup> which renders them relatively similar with respect to the objective conditions of the relative deprivation theory. In a similar vein, the levels of democratization (or lack thereof) in both Kazakhstan and Tajikistan are indistinguishable. Both cases are classified as “Not Free” in the Freedom House Report of 2012 with the scores for political rights (“6”) and civil liberties (“5”) identical in both cases.<sup>19</sup> The levels of democracy are also indicative of the similar degrees of predatory state repression, in which the governments of both countries engage.

In addition to these factors, the majority of Kazakhstan’s and Tajikistan’s populations are Muslim. Both countries were the first-tier Union-level Republics within the USSR and enjoyed similar levels of political relationship with Moscow. Consequently, many of the factors related both to culture and history are either identical or similar in these cases, fleshing out the significance of education as an important causal variable affecting religious extremism.

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<sup>18</sup> *Secularism and State Policies Toward Religion: The United States, France, and Turkey*, 256-257.

<sup>19</sup> Freedom House, *Freedom in the World 2012: The Arab Uprisings and their Global Repercussions*.  
[http://freedomhouse.org/sites/default/files/inline\\_images/Table%20of%20Independence%20Countries%2C%20FIW%202012%20draft.pdf](http://freedomhouse.org/sites/default/files/inline_images/Table%20of%20Independence%20Countries%2C%20FIW%202012%20draft.pdf). Accessed February 4, 2012.

### **Kazakhstan: A Model State?**

After the demise of the USSR, the Kazakh nation embraced Islam to re-establish the missing link with its historical and cultural heritage. In the early years of independence, President Nazarbayev was highly supportive of the Islamic revival in order to bolster Kazakh nationalism on the basis that post-Soviet Islam would add distinction to the new Kazakh national identity as the titular ethnic group within a multi-ethnic society.<sup>20</sup>

Kazakh Muslims practice Sunni Islam (the *Hanafi* school of interpretation). In 2000, approximately 80% of Kazakhstanis indicated that they believed in God.<sup>21</sup> Moreover, 48% of the survey respondents stated that they “believe in God, but do not practice Islam,” while approximately 38% responded that they “believe in God, but partly practice Islam” in daily life.<sup>22</sup> According to SAMK (Spiritual Association of Muslims of Kazakhstan), approximately 10% of Kazakhs today, nearly one million people, actively “follow the Qur’an, pray five times a day and wear *hijab* (Islamic veil).”<sup>23</sup>

Notwithstanding his secular background, the Kazakh President, Nursultan Nazarbayev, has made numerous concessions to the Islamic identity of the Kazakh people. Although he was the last of the Central Asians leaders to undertake the *Hajj*, the fifth pillar of Islam, he has made public appearances at religious ceremonies, personally sponsored the construction of many mosques, and founded the Islamic University in Almaty in cooperation with the Egyptian Al-Azhar Islamic University, the largest Islamic educational institution in the world. These actions by Nazarbayev further bolstered Islamic values and orientations.

For almost 20 years, President Nazarbayev has maintained a full control of all state institutions. In 1995, he banned religiously affiliated political parties by constraining Islam’s role to individual-level social life. When compared with its neighbours, however, the Kazakh government’s pressure on religion has been comparatively low and more transparent. It is important to highlight that the Kazakh leader has shown

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<sup>20</sup> A. Khalid, “A Secular Islam: Nation, State, and Religion in Uzbekistan,” *International Journal of Middle East Studies*, 35, 2003, 573-98; S. Cummings, “Legitimation and Identification in Kazakhstan,” *Nationalism and Ethnicity Politics*, 12(2), 177-204.

<sup>21</sup> Centre for Public Opinion Research and Analysis (CPORA), “Report on Research Results of Public Social Orientations in Kazakhstan (Отчет об изучении установок и ориентаций населения Казахстана),” Almaty, Kazakhstan, 2000.

<sup>22</sup> “Report on Research Results of Public Social Orientations in Kazakhstan,” 2000.

<sup>23</sup> A. Kuanyshbekova, “Halal Markets Gain Popularity in Kazakhstan,” *Central Asia Online*, 2010 URL: [http://centralasiaonline.com/cocoon/caii/xhtml/en\\_GB/features/caii/features/main/2010/09/04/feature-02](http://centralasiaonline.com/cocoon/caii/xhtml/en_GB/features/caii/features/main/2010/09/04/feature-02).

a significantly less repressive approach with regard to Islamic resurgence in the country. For instance, Kazakhstan was the first Central Asian state to allow Islamic banking in the Republic. Nonetheless, the restrictions on religious *political* mobilization remain strictly enforced.

Before independence, Kazakhstan had never had its own indigenous network of Islamic educational institutions, such as *madrasas*,<sup>24</sup> to train indigenous *imams* (spiritual leaders). With few exceptions, all *imams* were trained in and sent from Uzbekistan to all Muslim Central Asian states during the Soviet rule. Filling in the gap vacated by the Communist ideology, motivated by the surge of Islamic traditions across the country, a number of mosques, *madrasas*, and Islamic departments of higher education emerged with state approval. A central administrative body, the SAMK, also known as the Muftiyat of Kazakhstan, was established in 1991 to oversee and co-ordinate the newly established and growing number of Islamic social institutions.

The newly founded SAMK was compelled to address one pressing issue rather quickly: offering new venues for Islamic education in order to adequately address the public demand to study Islam. More specifically, the shortage of locally trained *imams* had become a leading concern. The Kazakh government was not prepared to meet this challenge. There was an apparent institutional and intellectual (e.g., locally trained Islamic scholars) gap between the increasing demand for Islamic education and the limited governmental resources available at that time. Nazarbayev recognized this misbalance and thus allowed multiple religious groups to register and operate in the country during the early years of independence. As a result, two types of Islamic educational institutions were established: (1) traditional Islamic *madrasas* and (2) secular, public institutions of higher education offering Islamic studies. Even though the state of Islamic education in Kazakhstan remains largely underdeveloped, it is important to emphasize that the early steps taken by Nazarbayev were important in establishing the first institutions of Islamic education, which, in fact, also laid the foundation for Kazakhstan's *permissive* state regulation of religion.

The development of Islamic educational institutions was uneven, unbalanced, and unsystematic, with poor co-ordination by SAMK in Kazakhstan. The main reason for this inconsistency was the lack of funding, which continues to impede SAMK to effectively coordinate all religious affairs in the country.

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<sup>24</sup> Madrasa—a traditional Islamic or secular educational center or institution. Translated from the Arabic, it refers to a place where learning and studying are done.

It is important to note, however, that even though the incumbent Kazakh regime is highly authoritarian, Nazarbayev enjoys significant political support from the public. This high public approval of the president is often justified by the fact that people view Nazarbayev as a guarantor of the country's continued stability.<sup>25</sup>

### **Islamic Educational Institutions in Kazakhstan:**

The educational system of Kazakhstan largely mirrors that of the old Soviet system. With respect to educational policies and state curricula, very little has changed since 1991. Given that Kazakhstan does not have historical roots of indigenous Islamic educational institutions (IEI), virtually all its Islamic schools and *madrasas* opened after 1991. It is possible that the efforts in the early years of independence (1990s) to build Islamic educational institutions contributed to today's relative stability and might have reduced the early influence of foreign-supported radical recruiters. Although Nazarbayev has been very supportive of Islamic educational institutions (IEIs) compared with his Central Asian counterparts, IEIs are not completely free from governmental pressure.

Pursuing assertive secularist ideology, Kazakhstan has not allowed any religious education to be officially taught in public schools, both elementary and secondary. There are approximately forty after-school Islamic-based private gymnasiums which are operated by highly trained scholars, mostly educated in Turkey and Egypt, who teach the basic principles of Islam and the *Qur'an* (the central religious text of Islam). The history of these gymnasiums goes back to foreign volunteers who came to establish these institutions to help educate the Kazakh youth on the main pillars of Islam. These volunteers mainly represented the *Sulaymaniye Jamaat*, a group dedicated to teaching the recitation of the *Qur'an* and basic tenets of Islam in an after-school or summer-school setting.<sup>26</sup> The *Sulaymaniye* volunteers do not appear to hold any political ambitions and are devoutly committed to promoting the moderate voice of Islam by teaching the youth the basics of Islamic faith and the *Qur'an*.

The gymnasium classes start after school when pupils have finished their regular school day. The capacity of these gymnasiums is very small. The selection of pupils is usually made on the basis of dedication to academic excellence. These are among a few institutions

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<sup>25</sup> M. B. Olcott, *Kazakhstan: Unfulfilled Promise*, Washington, DC: Carnegie Endowment for International Peace Distributor, Brookings Institution Press, 2002.

<sup>26</sup> *Sulaymaniye Jamaat* (aka *Sulaymancilar*)—is a peaceful, non-political, highly spiritual group, which originated in Turkey and was founded by Suleyman Hoca Efendi (1888-1959). The movement's mission is to help people learn how to read, recite *Qur'an* and understand the core pillars of Islam in contemporary context.

that offer Islamic education to the youngest groups in the population (elementary and secondary levels) in a structured, transparent, and systematic fashion. Nevertheless, the number of these gymnasiums is extremely small compared with the growing demand within the total population of Kazakhstan. In this respect, the level of access to Islamic education for mainstream school pupils is extremely low (less than 5 per cent). Overall, the contributions of *Sulaymaniye* volunteers to Kazakh society have been beneficial to local Kazakh communities in the context of offering a venue for mainstream (non-radical) Islamic teachings.

There is one functional Islamic University (Nur-Mubarak Islamic University), sixteen small *madrasas*, and three departments of Islamic Studies within the state university system. Most of the graduates from the Islamic University and *madrasas* take *imam* positions in mosques. According to the deputy Mufti (Grand Imam) of SAMK, understanding and teaching the mainstream (non-radical) message of Islam is an important prerequisite for Kazakhstan, and the youth should have an adequate knowledge of Islam in order to channel their preferences in society: “The youth should know that Islam teaches peace, freedom of choice, moderation and tolerance. During the Soviet Union, we could not speak about Islam’s linkage to democratic ideals. Right now, we have the opportunity with our growing number of Islamic educational institutions to teach these facts to our youth. The government is highly supportive of our endeavors.”<sup>27</sup>

According to annual terrorism overview report by the US State Department, in 2010 alone, Kazakhstan actively promoted intercultural and religious dialogue both at national and international levels. For instance, Kazakhstan hosted OSCE (Organization for Security and Cooperation in Europe) conference on “Tolerance and Non-Discrimination” in June 2010 followed by the president Nazarbayev’s proposal to establish a permanent institution-Tolerance and Non-Discrimination Center – in Central Asia.<sup>28</sup> As a chairman of the OSCE, Kazakhstan also actively advocated for the establishment of an OSCE high commissioner for inter-ethnic and inter-religious dialogue to play an active role in the Republic.

Overall, it appears that Nazarbayev realized that heavy-handed repressive policies toward Islam have not proven effective in the Islamic world. Therefore, he embraced a relative “toleration” and “permissive strategy” to tackle the resurgence of Islam in a rapidly forming Kazakh

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<sup>27</sup> Personal interview with the Deputy Imam of SAMK, Mr. A. Davronbekov, Almaty, Kazakhstan, July 2008.

<sup>28</sup> US State Department country reports on Terrorism, 2010, accessed January, 2012.  
*URL: <http://www.state.gov/j/ct/rls/crt/index.htm>*



social fabric. As evidence suggest, permissive policies appear to have worked to stabilize Kazakhstan, allowing access to Islamic educational institutions while sharply reducing the threat of religious radicalism. The evidences suggest that permissive state regulation of religion is associated with the diminished levels of radicalism in Kazakhstan.

### **Islam, Education, and (In) Stability in Tajikistan:**

In contrast to Kazakhstan, Tajikistan has recently experienced serious repression of Islamic education and an increase in violent acts, which has serious implications for a country with a Muslim majority population. According to various estimates, between 90%<sup>29</sup> and 97%<sup>30</sup> of the Tajik population is Muslim. Despite their sheer numbers, the Muslim population of the country varies both by the level of religious practice and by confession. Up to 40% of the rural and 10% of the urban residents either regularly attend mosques or engage in Islamic religious practices.<sup>31</sup> Further, the Sunni majority constitutes some 85%<sup>32</sup> of the entire population, or 94.44% of all Tajikistani Muslims, whereas the Shia minority are 5%<sup>33</sup> of the total population, or 5.56% of all Muslims. Most Sunnis are Hanafis, with a small section of *Salafis*; the Shia are either *Ismailis* or the Twelvers; in contrast to Hanafis and Twelvers, who reside throughout Tajikistan, *Ismailis* and *Salafis* are regionally concentrated.<sup>34</sup>

As was the case with other Central Asian states, Tajikistan did not fight a war of independence in order to gain a full autonomy from the USSR. Nevertheless, in the immediate aftermath of the Soviet dismemberment, the native neo-communist leadership that took the reign of power in their hands was supported by Moscow.<sup>35</sup> In the early years after independence, the Tajik government was threatened by the opposition, which consisted of the religious, democratic, and liberal forces, opting to suppress the movements of political discontent. Consequently, a significant part of the opposition forces took up arms

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<sup>29</sup> The total population of Tajikistan is 7,627,200 (July 2011 est.), of them 90% are Muslim (85% are Sunni and 5% Shia) (2003 est.); ethnic Tajiks are 79.9% (2000 census). CIA-The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/geos/ti.html>.

<sup>30</sup> Karagiannis, Emmanuel, "The Challenge of Radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami," *Nationalities Papers*, 34 (1), 1-20.

<sup>31</sup> "The Challenge of Radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami."

<sup>32</sup> CIA - The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/ti.html>.

<sup>33</sup> CIA-The World Factbook.

<sup>34</sup> "The Challenge of radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami," 1-20.

<sup>35</sup> K. Savin, *The Republic of Tajikistan: Islamic Fundamentalism v. the New World Order*, MA Thesis: Southern Connecticut State University: New Haven, CT, 1993, 1.

and employed more fundamentalist rhetoric than political appeals based on democratic ideals. Severe civil war that ensued ended only in 1998. With numerous states and international organizations acting as mediator peace agreement between the government and armed opposition was eventually reached. As a part of the deal, the Tajik government agreed to devolve some 30 percent of the positions in the state apparatus to the opposition. The opposition would, in turn, give up its radical demands and violent tactics. It is noteworthy that despite the interpretation to the contrary by some factions within both warring parties and outside observers: “The Tajik civil war can hardly be interpreted as a conflict between Islam and secularism; some Muslim religious leaders stayed loyal to the Rahmonov regime despite its secularism and Communist credentials, while secular-oriented parties such as the Democratic Party joined the IRPT’s rebels in their struggle against Dushanbe. Instead, the causes of Tajikistan’s civil war lie in the clash of interests among different regional clans, which used ideology as a pretext to mobilize support both within and outside the country.”<sup>36</sup>

The fact that a substantial part of the general opposition consisted of the democratic and liberal forces may have helped them overcome radical views and brutal tactics. The Tajik experience offers a model of a post-communist authoritarian regime co-opting political extremists by offering them to join the ranks of state bureaucracy and civil service. As Malashenko points out, “since 1998, one-third of the seats in the ruling coalition have been assigned to the United Tajik Opposition, which is influenced by fundamentalist ideology...”<sup>37</sup> Even though fundamentalist slogans have incrementally subsided, the government is far from treating unsanctioned manifestations of religious and political views with tolerance and respect. The state mandates every religious association, including schools that teach the Qur’an in Tajik *mohallas* (local neighborhood communities) to register with the proper state agencies. Religion is under state surveillance, and religious policies require every association, even neighborhood Qur’an teaching schools, to register with the government.<sup>38</sup>

In addition to these limitations, a number of religious organizations are banned in Tajikistan. These include *Hizb ut-Tahrir*, *Islamic*

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<sup>36</sup> “The Challenge of radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami,” 4.

<sup>37</sup> A. Malashenko, “Islam in Central Asia,” In *Central Asian Security: The New International Context*, edited by R. Allison and L. Jonson, Washington, D.C.: Brookings Institution Press, 2001, 50.

<sup>38</sup> O. Roy, “Is the Conflict in Tajikistan a Model for Conflicts Throughout Central Asia?” In *Tajikistan: The Trials of Independence*, edited by M.-R. Djalili, F. Grare, and S. Akiner, New York: St. Martin’s Press, 1997, 142.

*Movement of Uzbekistan, Bayyat, Salafiya, and Tablighi Jamaat.*<sup>39</sup> Tajikistan hosts the only in-system religious political party in the entire region. Further, official restrictions on religious dresses and Islamic movements were enacted relatively late, yet much earlier than in Kazakhstan. As religiously dressed women were not admitted to schools since 2007, the *Salafiya* movement was declared illegal by the Supreme Court of the republic in January, 2009.<sup>40</sup>

Yet, fresh reports point to an escalation of the situation between the Rakhmon regime and the former opposition. On September 19, 2010, the military of the Tajik Defense Ministry were attacked resulting in three deaths and two injuries.<sup>41</sup> One interpretation of this move deals with Rakhmon's desire to do away with the former opposition figures even though they are absorbed in the country's bureaucracy.<sup>42</sup> Consequently, the calls against the fight on terror and extremism are only a pretext for getting rid of the opposition.<sup>43</sup> Yet, President Rakhmon has been accused for collaborating with the Islamic Movement of Uzbekistan (IMU) and providing them with weapons during the 1998 invasion of Uzbekistan in order to "punish and frighten Tashkent;" it is further suggested that the secret friendship between Rakhmon and IMU continues to exist as it benefits Rakhmon, according to the leader of the *Vatandor* (Patriot) movement leader and opposition journalist Dodozhon Atovulloev.<sup>44</sup>

### **Islamic Education in Tajikistan:**

After the emergence of the Soviet rule in Central Asia, the region came to be isolated from the rest of the Islamic world in regards to religious

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<sup>39</sup> T. Rasul-zade, "Tadzhikistan: Posledovatelye 'Salafii' ne vidno na ulitsakh. No oni est." ["Tajikistan: The Salafiya Followers are not Seen on the Streets. But They Exist."] In *Ferghana.ru* News Agency. July 20, 2009. <http://www.ferghana.ru/article.php?id=6237>.

<sup>40</sup> "Tadzhikistan: Religioznoe dvizhenie 'Salafii' ob'yavleno vne zakona" ["Tajikistan: Religious Movement Salafiya Declared Illegal"]. *Ferghana.ru* News Agency. <http://www.ferghana.ru/news.php?id=11004>.

<sup>41</sup> "Tadzhikistan: V Rashtskoi doline proizoshlo boestolknovenie, pogibli neskol'ko voennosluzhashchikh Minoborony" ["Tajikistan: Militarized Dispute Took Place in Rasht Valley, Defense Ministry Suffers Human Losses"]. *Ferghana.ru* News Agency. <http://www.ferghana.ru/news.php?id=15569&mode=snews>.

<sup>42</sup> "Dodozhon Atovulloev: Moi simpatii na storone tek, kto voiet v gorakh" ["Dodozhon Atovulloev: I Sympathize with Those Fighting in the Mountains"]. *Ferghana.ru* News Agency. <http://www.ferghana.ru/article.php?id=6751>.

<sup>43</sup> "Dodozhon Atovulloev: Moi simpatii na storone tek, kto voiet v gorakh" ["Dodozhon Atovulloev: I Sympathize with Those Fighting in the Mountains"]

<sup>44</sup> "Dodozhon Atovulloev: Moi simpatii na storone tek, kto voiet v gorakh" ["Dodozhon Atovulloev: I Sympathize with Those Fighting in the Mountains."]

education; in the period of the “Godless five years” (1932-1937) scores of Islamic intellectuals were physically exterminated and religious literature destroyed.<sup>45</sup> In spite of the brief periods of relief for religious life allowed by Stalin during the World War II and later by Khrushchev as a part of his liberal “thaw”, religious education in Tajikistan (and elsewhere in the region) went into deep underground.<sup>46</sup> According to Tajik political scientist, Abdullo Rakhnamo, Islamic education was spread out in hundreds of small home and family-based schools where religious knowledge was relayed from generation to generation in strict secrecy. Such education was pursued using cell-like methods under the cover of “visiting friends,” parties or “treats.” For example, in the private school of Mavlavi Mukhammadzhon Hindustani, of the *Shelkokombinat* district of Dushanbe, courses were held even around 3 or 4 a.m. before the Morning Prayer. Despite such secrecy, the teacher (master) would often change the location for instruction. Such methods contributed to the preservation of a number of pedagogical and methodological traditions, programs, and textbooks inherited from the pre-revolutionary system of religious education.<sup>47</sup>

In the post-Soviet period, the web of private Islamic school came to exist as a parallel “system” of education to the officially sanctioned religious institutions in the country. However, in comparison to Kazakhstan, the number of officially recognized religious institutions in Tajikistan is currently much lower. For an estimated Muslim population of 7,295,515,<sup>48</sup> Kazakhstan has some 40 private Islamic afterschool gymnasias, while for a comparable 6,864,480<sup>49</sup> Tajikistani Muslims there

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<sup>45</sup> A. Rakhnamo, “Chastnoe religioznoe obrazovanie v Tadjikistane: sovremennoe polozhenie, problemy i vyvody” [“Private religious Education in Tajikistan: Current Situation, Problems, and Conclusions”] In *IslamNews.TJ* November 1, 2011, <http://islamnews.tj/analitic/99-chastnoe-religioznoe-obrazovanie-v-tadjikistane-sovremennoe-polozhenie-problemy-i-vyvody.html>.

<sup>46</sup> “Chastnoe religioznoe obrazovanie v Tadjikistane: sovremennoe polozhenie, problemy i vyvody” [“Private religious Education in Tajikistan: Current Situation, Problems, and Conclusions.”]

<sup>47</sup> “Chastnoe religioznoe obrazovanie v Tadjikistane: sovremennoe polozhenie, problemy i vyvody” [“Private religious Education in Tajikistan: Current Situation, Problems, and Conclusions”]

<sup>48</sup> The total population of Kazakhstan is 15,522,373 (July 2011 est.), of them 47% are Muslim; ethnic Kazakhs (Qazaq) are 63.1% (2009 census), CIA - The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html>.

<sup>49</sup> The total population of Tajikistan is 7,627,200 (July 2011 est.), of them 90% are Muslim (85% are Sunni and 5% Shia) (2003 est.); ethnic Tajiks are 79.9% (2000 census), CIA-The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/tj.html>.

are only 19 *madrasas*, one Islamic University,<sup>50</sup> one school for the students of the *Qur'an*, and two preparatory departments.<sup>51</sup>

The lack of tolerance toward religious symbols in educational institutions as representative of the public spaces, at large, in Tajikistan is illustrated by the following incidents. The president of the country Emomali Rakhmon issued a decree prohibiting female students and pupils who wear *satr* or *hijab* from attending educational institutions starting in 2008.<sup>52</sup> The actual implementation of the ban began even earlier as the decision by the Tajik Ministry of Education to prohibit wearing *hijab* in state and educational facilities was promulgated as early as 2007.<sup>53</sup> Ironically, according to the vice rector of the Dushanbe Foreign Language Institute Zieev, in addition to the *hijab* wearers, the students in mini-skirts and “lightheaded” blouses were to be banished from the university as well.<sup>54</sup> The same year a Dushanbe court upheld the Ministry’s position denying a woman wearing *hijab*.<sup>55</sup> More recently, in September 2010, Rakhmon demonstrated his peculiar interest in female clothing by criticizing Tajik women for wearing foreign-styled cloths. In a speech delivered at the Tajik National University and broadcasted on all channels of the state-controlled TV, Rakhmon pointed out that “if any of you [women] likes the styles of some [other] country, I will send you [there].”<sup>56</sup> In a related clarification, Tajik President’s press secretary stated that the President meant women wearing traditional clothing of

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<sup>50</sup> “The Challenge of Radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami,” *Nationalities Papers*, 1-20.

<sup>51</sup> S. Olimova, “The current State of religious Education in Tajikistan: an Overview of the Situation with Recommendations,” In *From Confidence Building towards co-operative Co-existence. The Tajik Experiment of Islamic-secular Dialogue. Democracy, Security, Peace # 172*, edited by J. N. Bitter et al., Baden-Baden: Nomos Verlagsgesellschaft, Germany, 2005, 243.

<sup>52</sup> L. Isamova, “Rakhmon kritikuet zhenshchin za ispol’zovanie zarubezhnykh stilei v odezhde” [“Rakhmon Criticizes Women for Using foreign Styles in Clothing.”] *RIA Novosti News Agency*, September 1, 2010, <http://www.rian.ru/society/20100901/271115364.html>.

<sup>53</sup> A. Sarkorova, “Musul’manka suditsia za pravo nosit’ khidzhab” [“A Muslim Woman Sues for the Right to Wear Hijab.”] *BBC Russian*. July 10, 2007, [http://news.bbc.co.uk/1/hi/russian/international/newsid\\_6288000/6288126.stm](http://news.bbc.co.uk/1/hi/russian/international/newsid_6288000/6288126.stm).

<sup>54</sup> “Musul’manka suditsia za pravo nosit’ khidzhab” [“A Muslim Woman Sues for the Right to Wear Hijab.”]

<sup>55</sup> A. Sarkorova, “Tadzhijskoi studentke zapretili nosit’ khidzhab” [“A Tajik Student Is Prohibited from Wearing Hijab.”] *BBC Russian*. July 12, 2007, [http://news.bbc.co.uk/1/hi/russian/international/newsid\\_6895000/6895965.stm](http://news.bbc.co.uk/1/hi/russian/international/newsid_6895000/6895965.stm).

<sup>56</sup> “Rakhmon kritikuet zhenshchin za ispol’zovanie zarubezhnykh stilei v odezhde.” [“Rakhmon Criticizes Women for Using Foreign Styles in Clothing.”]

Indian, Pakistani, Iranian, Arab, and Turkish origin.<sup>57</sup> The president has repeatedly called on the ban of Muslim female head scarves in Tajik schools.

While the supreme organ governing Tajikistan's Islamic establishments—the Council of Ulema—is disappointed with the headscarf ban, the only religious party in the post-communist Central Asia, Islamic Party of Tajikistan's Revival, claimed that the prohibition was unconstitutional.<sup>58</sup>

After the civil wars, the Tajik society became more conservative “as evidenced by the revival of polygamy, the growing number of women wearing *hijab* and the November 2004 government ban on women attending mosques to pray.”<sup>59</sup> The economic problems exemplified by widespread unemployment, poverty and social issues of substance abuse, human trafficking and prostitution “has led to a revival of “Muslim values”, which in effect is contributing to the popularity of radical groups,” according to some scholars.<sup>60</sup> However, it has also been pointed out that the overall social Islamization in Tajikistan may not have necessarily resulted in better quality of Islamic education.<sup>61</sup> An ethnographic account from the Kamarob gorge of Tajikistan in fact shows the reverse, that “Most young men who joined the mujohid groups during the war were not well-educated in Islam” but rather fought due to their kin or neighborhood ties. Moreover, while among the (re)militarized fighters there are some who practice prayers and good behavior, others, in the view of the fighters, engage in substance abuse and do not exhibit good morality. The women of Kamarob see the difference between those men that employ Islam to patronize over women and “well educated religious authorities.”<sup>62</sup>

There are indications that the suppression of Islamic education may lead to radicalization among Tajikistan's Muslims: “the government's response to the violence [in the Rasht valley] *has the potential to 'radicalize' some Muslims*, not just because of the nature of the military campaign in the Rasht valley, but *as a consequence of*

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<sup>57</sup> “Rakhmon kritikuet zhenshchin za ispol'zovanie zarubezhnykh stilei v odezhde.” [“Rakhmon Criticizes Women for Using Foreign Styles in Clothing.”]

<sup>58</sup> “Musul'manka suditsia za pravo nosit' khidzhab” [“A Muslim Woman Sues for the Right to Wear Hijab.”]

<sup>59</sup> “The Challenge of Radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami,” 14.

<sup>60</sup> “The Challenge of Radical Islam in Tajikistan: Hizb ut-Tahrir al-Islami,” 14.

<sup>61</sup> J. Heathershaw and S. Roche, “An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge,” *Ethnopolitics Papers*, 8, 2011, 9, <http://www.ethnopolitics.org/ethnopolitics-papers/EPP008.pdf>.

<sup>62</sup> “An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge,” 9.

*repressive state policies against Islamic education...*<sup>63</sup>

Religious education provides the most significant source of understanding and knowledge in today's Tajikistan. Consequently, the clampdown on such institutions of learning by the secular government has been acknowledged as an important source for future unrest in the country: "Firstly, students of Islam have found their education impossible or extremely difficult to continue. Most mullahs have stopped their teaching programmes, leaving thousands of young motivated people insecure about their future. Islamic education may provide the most important source of teaching and knowledge in today's Tajikistan... In recent weeks, hundreds of scholars studying in various Muslim countries have been called back under the pretext that they were studying in illegal religious institutions. They were portrayed as potential terrorists 'in need of special supervision' on the national TV airwaves. Recent research on Central Asian students in the Middle East has demonstrated that in fact they travel abroad for a complex mixture of reasons, many of which have nothing to do with radicalization. It is not known how many of these international students have been arrested and how many are controlled 24 hours a day. But we can certainly say that such a campaign will have ramifications. It will make people try to avoid official authorities as much as possible; potentially, *it could lead to resistance.*"<sup>64</sup>

The assault on religious education in Tajikistan has been documented by such incidents as burning down of a mosque and the cultural center of the Islamic Revival Party (IRP) in October of 2010. The center established after the peace agreement of 1997 provided education to many women for more than a decade. A day earlier, a Friday prayer was disrupted as the government forces search the building of the center confiscating technical equipment and computers.<sup>65</sup> Yet, "The religious education initiatives of the IRP have become a particular target of the government campaign against Islamic revival as it intensified during the Kamarob conflict."<sup>66</sup> The conflict in Rasht that took place in September of 2010 "cannot and should not be fully explained in terms of militant Islam. It has complex roots in Tajikistan's political and economic struggles." However, what is more worrying is "the Government's response to the conflict may increase the likelihood

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<sup>63</sup> "An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge," 13, emphasis added.

<sup>64</sup> "An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge," 16, emphasis added.

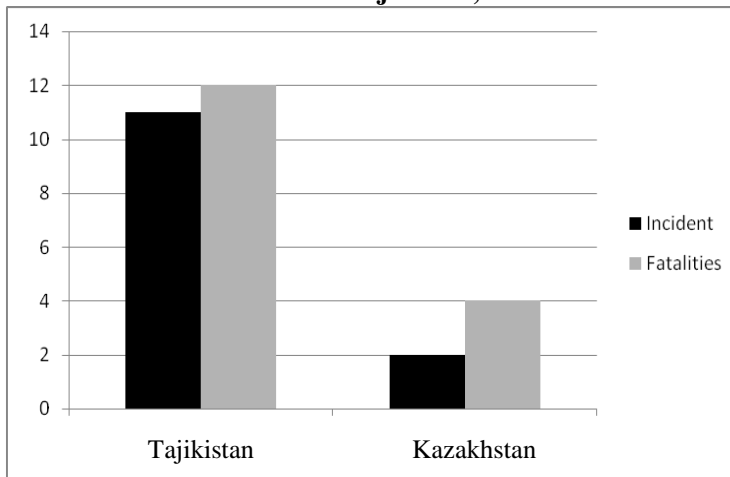
<sup>65</sup> "An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge," 17.

<sup>66</sup> "An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge," 18.

of outbreaks of Islamic militancy in the longer term.”<sup>67</sup>

In-line with our hypothesis, the adverse relationship between dismissive state regulation of Islam and the ensuing low institutionalization of Islamic institutions of teaching and learning, on the one hand, and violence, on the other, is exhibited by the fact that in Tajikistan the number of incidents of terror and its fatalities is higher (11 and 12, respectively) than in Kazakhstan (2 and 4) between 2000-2010 (Figure 2).

**Figure 2**  
**The Level of Terrorist Incidents and the Ensuing Fatalities in Kazakhstan and Tajikistan, 2000-2010**



**Conclusion:**

In the light of above discussion, one understands that permissive state regulation of religion diminished the effects of radical extremism in Kazakhstan, whereas dismissive state regulation of religion increased the level of radical extremism in Tajikistan. The lack of Islamic educational institutions seems to threaten the stability and the long-term sustainability of Islamic revival in the post-Soviet Muslim Central Asia. Further, the lack of Islamic educational institutions can potentially produce unprecedented social, political, and security challenges in the region.

Islamic educational institutions appear to play a central role in educating *imams* (religious leadership and scholars) and developing in them a rich global outlook, so that they may be not only versed in

<sup>67</sup> “An Ethnographic Perspective on the Causes and Consequences of the 2010 Armed Conflict in the Kamarob Gorge,” 19.



Islamic knowledge but also literate in social and scientific innovations of the twenty-first century. In this respect, Islamic educational institutions may be instrumental in educating and imbibing the *indigenous* Islamic scholars with non-radical teachings. Consequently, this may serve as an effective antidote against radicalism.

Dismissive state regulation of religion toward Islamic education, in case of Tajikistan, appears to undermine national security by attracting radical elements seeking to export radical ideologies. Moreover, the lack of access to mainstream Islamic learning seems to increase the chances for radicals to recruit from un-informed or ill-informed Central Asian youth. Our findings support Heathershaw and Roche's (2011) claim that state sponsored suppression of Islamic education (or in our terms, dismissive state regulation of Islamic education) is leading to radicalization of Tajikistan's Muslims. On the other hand, permissive state regulation of religion seems to promote mainstream Islamic learning, in case of Kazakhstan, by allowing the youth to seek formal education in Islamic studies and thereby develop educational backgrounds, which may allow citizens to objectively evaluate various claims about Islam in general.

It is important to acknowledge that increased state regulation of religion may also increase the likelihood of abuse or discrimination of religion by state security institutions. However, when assessing the costs and benefits of government regulation and state funding of Islamic education in the wake of rising religious radicalism, permissive state regulation of religion may be the right strategic policy to provide financial support to build and sustain Islamic educational institutions at this *initial* and *transitional* stage in the post-Soviet Muslim Central Asia.



# KYRGYZ & UZBEK FOREIGN POLICIES (2005-10) A COMPARATIVE STUDY

Yaşar Sari\*

## **Abstract:**

The domestic and foreign policies of the post-Soviet Central Asian States are co-related. However, they operated their foreign policies amid heavy odds, say for instance, infrastructural, technological and human capital deficiency obviously for being transitional economies. Subsequently, they evolved independent and transparent foreign policies keeping in view fastly transforming regional and global geo-political and geo-economic relations. After 9/11/2001 World Trade Tower tragedy, they took a bold step by joining the US in her war against global terror in Afghanistan and elsewhere, and thus became known to the world at large.

For limitation of time and space, the present paper seeks to compare the foreign policies of only two Central Asian states: Kyrgyzstan and Uzbekistan after Spring 2005. Robert Putnam's model of two-level game approach has been used to explain this comparison within their national and international paradigms.

## **Keywords:**

Kyrgyzstan, Uzbekistan, Akayev, Bakiev, Otunbayeva, Karimov.

## **Introduction:**

An effective way of understanding the foreign policy process is to identify the levels of analysis. These levels refer to general areas from which certain foreign policy behaviours are generated at the state and interstate levels. Given this, we can differentiate between two distinct approaches to explain the foreign policy process of a state: the role of internal and external factors and actors. Such approaches are needed to identify the genesis and nature of a certain foreign policy of a given country/countries.

When a state decides to respond to a set of factors (location, military capability, economic power, natural resource, etc.), its leaders as actors take certain measures to shape a foreign policy in response to the foreign policies of their neighbouring, near-neighbouring and the far off countries. However, before conducting inquiries into the internal and external factors, one needs to first conceptualize the mechanism: why

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after all foreign policy-related actions are initiated and how they respond to another state's action.<sup>1</sup>

As argued above, there are primarily two distinct sources of foreign policy: internal and external. Internal sources refer to domestic factors that generate a foreign policy approach, and these include the form and nature of internal power structure and its policies vis-a-vis different sectors of society. External sources refer to areas that fall beyond a state's boundaries in terms of regional and international political settings/systems/sub-systems.

The factors influencing foreign policy-making processes of the Central Asian states have evolved differently from strong states like Russia and the United States. These factors are the result of political instability, weakening state systems, power scramble among different political groups, and economic deprivation. Such factors have shaped the orientation and implications of foreign policy in the Central Asia states. For example, since the spring 2005, the Kyrgyz and Uzbek governments struggled to control, govern, and contain the political elites and security threats within their respective borders. Demonstrations and protests against such regimes had triggered bloody clashes in Uzbekistan and regime change in Kyrgyzstan. In the mean time, changes in the global, political and economic order, created new regional complications as well as opportunities.

Since geography, history, and political culture of a certain state has a role in foreign policy making, the aforementioned two states constructed their state institutions, political structures, and their relations with other states in the backdrop of their historical legacies. For example, both the Soviet and Russian legacies remain important in the Central Asia states because of their shared identity and experiences within the Soviet Union. As William Faulkner rightly argues "the Past is never dead. It's not even past." This makes one to question as to "How the legacy of the past, current state structures and ruling political elites contributed to shaping foreign policy options in Kyrgyzstan and Uzbekistan?" and, "To what extent was the ruling elite of these states able to direct their state relations with Russia and other important external players, *per se*, the United States?"

### **Theoretical Framework:**

Robert Putnam's renowned article identifying two-level games, portrayed leaders as positioned between two tables of international

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<sup>1</sup> J. Wilkenfeld, et al., *Foreign Policy Behavior: The Interstate Behavior Analysis Model*, Beverly Hills, Sage Publications, 1980, 21.

negotiation and the pressures of domestic political forces.<sup>2</sup> However, bureaucracy and its allied structures are likely to be less prominent in the foreign policies of the new states, because bureaucracy is weak and small, than in states like the United States, China, and Russia. In other words, the roles of large departments/ministries and their routine administrative procedures have a relevance to the foreign policy of major countries than that of the weak states. Thus the insights of bureaucratic and organizational models of foreign policy-making of new weak states, are limited.

One of the underlying reasons of poor systems and structures in the above two states is the unceasing political instability, and also that their respective state structures/institutions do not develop systematic institutional and organizational patterns for bargaining with each other and also with their neighbours. In a way, because of the lack of strong bureaucratic institutions, the two newly born states are handicapped to formulate a desired model of foreign policy. In addition, because such states are not by themselves capable to address external threats and take to opportunities, their foreign policy actions are neither systematic nor transparent. After all, states are legal entities comprising of people no matter only the ruling elite conducts their affairs.

Therefore, in the weak states, identity (individual or institutional), power (state strength) and interests (good or bad), must be theorized internally as well as externally. Thus, the foreign policy of a weak state is shaped by domestic threats, and the national interests become hostage to the interests of the ruling elite. This sort of study of identity, power and state, therefore, requires to analyze as to how state strength affects foreign policy, decision-making and nation-building.

A two-pronged analysis can address some critical questions, since international threats and opportunities are often ambiguous and since domestic processes are crucial to explaining the foreign policy of the weak states. This model is based on the traditional understanding of the limited resources and power of weak states. The central theoretical point is to indicate that theorists have mistakenly assumed that bandwagoning, balancing and omnibalancing are opposite behaviours pertaining to regime security in the weak states. While balancing and bandwagoning suggest resistance against external threats, omnibalancing explains predicament due to the internal threats. Thus, omnibalancing is the best way to explain weak states and their leadership behaviour and vulnerability to internal threats .

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<sup>2</sup> R. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization*, 42(3), 1998, 427-461.

It is true that the security of weak states does “suffer” from greater sensitivity and vulnerability;<sup>3</sup> hence, subjects them to dependence on the immediate regional and wider international environment. This warrants them to evolve a well-thought out foreign policy for a sustainable future in terms of security and development. Otherwise their role in the regional and international systems would be insignificant. Moreover, major states shall feel no external threat from them; hence, care least about it. Thus this two-step analysis requires scholars to understand foreign policy sources and decision-making processes.<sup>4</sup>

Miriam Elman suggests that internal factors (domestic politics, domestic institutional choices, etc.) are more important than external factors (international and regional systems, etc.) in explaining weak state foreign policy.<sup>5</sup> Domestic institutions play important roles because they shape and provide possible options which a government implements. Thus, the weaker the state, the more likely it will respond to external challenges and balance against rising hegemons. Because of their diminished capabilities relative to others, weak states lack a margin for time and error: they must be closely integrated and linked to the external environment because if they isolate themselves, their survival will be at stake and costs of being exploited high, as was true of Karimov’s Uzbekistan in 2001. Therefore, because of the nature of the threat, governments of weak states experiencing internal threats will have different foreign policy behaviours to end internal threats.<sup>6</sup>

Another factor to explain foreign-policy behaviour is beliefs and interests of leaders. The leaders can easily exploit the linkage between their own security and that of the state in order to increase their leverage over domestic politics. For instance, Karimov dealt with deadly challenge in Andijan and Bakiev became the leader of Kyrgyzstan after political crisis and coup in Spring 2005. They accumulated power and

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<sup>3</sup> Sensibility means that actors are sensitive to the other actors or developments in parts of the system. The degree of sensitivity depends on how quickly a change in one actor brings about changes in another and how great the effect is. Vulnerability means that actors may be vulnerable to the effects of those changes. Vulnerability is measured by the costs imposed on a state or other actors by external events: For further details, see R. O. Keohane and J. S. Nye, *Power and Interdependence: World Politics in Transition*, 2<sup>nd</sup> ed., Boston: Little, Brown, 1977.

<sup>4</sup> C. Elman, “Horses for Courses: Why not Neorealist Theories of Foreign Policy,” *Security Studies*, 6(1), 1997, 31-32.

<sup>5</sup> M. F. Elman, “The Foreign Policies of Small States: Challenging Neorealism in Its Own Backyard,” *British Journal of Political Science*, 1995, 25(2), 171-217.

<sup>6</sup> The threat could be based on internal power struggles, like in Kyrgyzstan, or where ethnic minority either strives to reassert their identity or else refuses recognition to the majority-held central authority state which is established and governed by their kin, like Karabagh Armenians in Azerbaijan and Abkhazians in Georgia.

authority and became a sole authority in their respective countries. In conclusion, in the garb of threats, leaders can increase their powers and use them against domestic opponents.<sup>7</sup>

**Case Study:**

Policy decisions are generally made in accordance with two important institutional constraints. First, the president makes decisions on major foreign policy. Second, government, primarily the Ministry of Foreign Affairs, implements these decisions. For example, under constitution and the “Law on the Diplomatic Service” in Kyrgyzstan, the state institutions shape and execute foreign policy processes. However, such laws are ambiguous at times to understand the foreign policy directions. In addition, there are unwritten rules which go beyond legal documents.

These are political complex organizational routines, bargaining process among different bureaucratic institutions, traditions and customs. As for Kyrgyzstan and Uzbekistan, like other Central Asian states, these traditions and customs have not existed yet. Therefore, institutional designs for their foreign policies are missing. The reason is the overwhelming political leadership of ruling elite, who control the state mechanism over all organized source of power within the political system. In other words, within the Central Asian states, the domain of foreign policy is normally preserved for a few trusted individuals and, in some cases, effective decisions are made only by one individual rather than the individuals. Such practices have become increasingly common within the region. For instance, Karimov and Bakiev wield considerable authority to formulate their foreign policies with little accountability to their institutional, constitutional, political, and administrative organisations/mechanism.

Kyrgyz and Uzbek ruling elites implemented different foreign policies to reach the same goal, i.e., the use of foreign policy in order to maintain internal political order and possess a critical external support for their domestic positions. Indeed, many external relationships established by governments in Central Asia reflect balancing power to contain internal challenges and threats. In other words, the Kyrgyz and Uzbek foreign policies frequently rise out of a need to strengthen the domestic political order.

Moreover, since independence, the post-Soviet Central Asian states have been characteristic of political disorder, ethnic identity conflict, economic shocks and minority issues. One of the reasons is that

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<sup>7</sup> B. Buzan, *People, States, and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, Brighton: Wheatsheaf Books, 1983, 89.

both the administrative structure and borders of the Central Asia states were determined in the Stalinist era. Therefore, in the Central Asia states, boundaries and ethnic composition lacked correspondence with titular nationalities.

However, the foreign policy issues in the Central Asia are also shaped by domestic factors. Once at the crossroads of empires, the Central Asian states remain at the geographic point of competition among major powers. External factors are also critical to any analysis of the post-Soviet Central Asian states' foreign policies. For example, after September 11, 2001 incident, Central Asia became the focus of the competing interests of major powers; this development provided opportunities for self-interest oriented leaders like Kerimov to shift foreign policy orientation from the regional hegemon, Russia to great power, the United States. Under these circumstances, when the region has assumed more significance in global terms, foreign policy behaviour of the Central Asian states has been linked more with external politics. Moreover, the opposite is also true. When the region has assumed a lesser significance in international arena, foreign policy behaviour of the Central Asian states has been linked more with domestic politics.

### **Kyrgyz –Uzbek Foreign Policy Processes & Russo-US Factor:**

Russian foreign policy was said to be divided between the “Atlanticists and the Eurasianists.” In 1990s, Russia employed a policy that addressed the ex-Soviet republics as the “Near Abroad.” This mental make was guided by a core desire to exploit and trade in vast Central Asian energy resources, protect the Russian minorities, and keep the influence of other major powers at bay.<sup>8</sup> For this purpose, Russia initiated and inked agreements with the post-Soviet Central Asian states. A significant shift occurred with Primakov's becoming Foreign Minister in January 1996.

Since then, Russia upholds its influence on former Soviet republics of the Central Asia, despite Western reaction in the ‘Near Abroad.’ While all these factors played a role in the formulation of various Russian policies in the region, Russian perceptions of regional security threats to her interests is the most important variable to explain Russian policies.<sup>9</sup> In fact, Russia's role was visible because of weakening state systems, poorly-integrated societies, and very small militaries in Soviet

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<sup>8</sup> R. Menon, “After Empire: Russia and the Southern Near Abroad,” *The New Russian Foreign Policy*, Ed. M. Mandelbaum, New York: Council on Foreign Relations, 1998, 103.

<sup>9</sup> See, L. Jonson, *Vladimir Putin and Central Asia: The Shaping of Russian Foreign Policy*, London, I. B. Tauris, 2005 and M. F. Goldman, *Rivalry in Eurasia: Russia, the United States, and The War on Terror*, Santa Barbara: ABC-CLIO, 2009.



Central Asia. They are, as such, exposed to the influence of the regional states and fundamentalist groups. This is why Uzbek government invoked foreign support to ward off the threat of *Islamic Movement of Uzbekistan* (IMU) during 1999-2000, maintain national and territorial sovereignty and marginalize American and Chinese influence. Russia was unwilling to see the post-Soviet Central Asian states escape its “sphere of influence.” Despite Russia’s relative weakness, her inherited Tsarist and Soviet legacies represent dominant state status in the region. Specifically, the experience of the political and security institutions during the Russian and Soviet empires provided necessary skills for the Russian involvement to the Central Asian states.<sup>10</sup>

Newly independent post-Soviet states were divided into two groups, pro-Russian and pro-Western in 1990s. However Russia was dealing with many political and economic problems in 1990s and needed foreign assistance to manage them. Western countries, including the United States, had supported Russia in its initiatives. Russia still considered itself as the hegemon in its “Near Abroad” and refused to recognize any major powers to become active in the region. Except hydrocarbon rich countries Kazakhstan and Azerbaijan, the United States and the other western powers, mostly neglected the region until the September 11 tragedy. They attached more importance to Moscow than to the Central Asian states, and recognized the region under the Russian sphere influence. This policy clearly indicated that the United States’ policy was to dilute Russian fears of a major American foreign policy in the region. The American involvement in the region was restricted with economic, humanitarian aids and projects related to democratization in 1990s. Only a few post-Soviet states developed strong relations with the United States, Georgia and Azerbaijan which were rewarded with economic benefits for their allegiance to US through opposition to Russian feelings. Economically Kazakhstan and the others preferred close ties with Russia. Contrarily, Kyrgyzstan choose very flexible foreign policy and Uzbekistan avoided Russian domination and sought the support of the United States to balance Russian influence in the region after the September 11.

Therefore, the Central Asian states’ foreign policies are, using Rajan Menon’s turn of phrase, “in the shadow of the bear.”<sup>11</sup> Russia foresaw security issues in Central Asia as a means to manipulate or expand its influence in what it considered its “near abroad” or sphere of influence. In the early 1990s, there were two trends of the Central Asian

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<sup>10</sup> *Rivalry in Eurasia: Russia, the United States, and The War on Terror*, 4-6.

<sup>11</sup> R. Menon, “In the Shadow of the Bear: Security in Post-Soviet Central Asia,” *International Security*, 20(1), 1995, 149-181.

states' foreign policies vis-à-vis Russia. First, the foreign policies of Central Asia states were based not on scaling down Russia but rather to obtain Russian support against internal opponents or rival neighbouring states. Secondly, the Central Asian states tried to find other major power/s to restrict growing Russian influence in the region.

To explain the foreign policies of the Central Asian states, one must understand the broad effects of the collapse of the Soviet Union, which changed and reshaped security and economic patterns in the region. The emergence of these new patterns was not just the Soviet disintegration but rather its cumulative effect throughout the post-Soviet space. One could say that the political behaviour of the Central Asian leaders was based on making use of competing regional and outside interests.

### **Kyrgyzstan:**

Kyrgyzstan, like other post-Soviet Central Asian states, faced many problems during nation building and economic restructuring. Nonetheless, it had to be a part of the international system through its designated foreign policy notwithstanding political and ethnic complications. Akayev and his advisors understood that both international and regional systems provide opportunities of growth to Kyrgyzstan. Therefore, Kyrgyzstan's foreign policy was determined by two factors. One, the country was too small and too poor to be economically viable without external assistance. Second, it was located in a volatile corner of the globe, and was vulnerable to a number of threats around: "both impacted her foreign relations with major powers and its immediate neighbors."<sup>12</sup> However, it met with a certain criticism. For instance, former Ministry of Foreign Affairs, Muratbek Imanaliev, believed that Kyrgyzstan being a small country cannot afford multi-vector foreign policy. It should, as such, develop strong partnership not with all but those who matter in the region.<sup>13</sup>

Nevertheless, Kyrgyz foreign policy was formulated in three phases. First, in early 1990s, Kyrgyzstan was among few post-Soviet states which chose radical economic and political reforms: issued its own currency, *som*, in 1993 and became a member of *World Trade Organization* (WTO) in 1998. Politically, it opted for a democratic model and was termed as "an island of democracy" in Central Asia.<sup>14</sup>

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<sup>12</sup> Foreign Relations, <http://countrystudies.us/kyrgyzstan/32.htm>.

<sup>13</sup> Kyrgyzstan and Central Asia region in Modern Conditions: Perspectives and Possible Risks, [http://www.open.kg/ru/thema\\_discus/blics\\_archive\\_2005/thema\\_15](http://www.open.kg/ru/thema_discus/blics_archive_2005/thema_15).

<sup>14</sup> D. Lewis, *The Temptations of Tyranny in Central Asia*, New York: Columbia University Press, 2008, 123; G. Gleason, A. Kerimbekova and S. Kozhirova,

These policies affected its foreign relations with other countries too. During the first decade of her independence, Kyrgyz leaders traveled around the world to establish diplomatic ties with other states. At the same time, Kyrgyzstan became a member of many international organizations such as the UN, OSCE, World Bank, IMF and some of regional organizations like *Shanghai Cooperation Organization (SCO)*, *Commonwealth of Independent States (CIS)*, and *Collective Security Treaty Organization (CSTO)*. In the fall of 1998, Kyrgyzstan was the first Central Asian state, which was accepted as a member to WTO. During this period, major goals of Kyrgyz foreign policy were consolidating the seeds of independence, maintaining internal and external sovereignty, securing national interests by political and diplomatic methods, and creating favorable conditions for political and economic reforms in the country. However, the Batken terror attack in 1999-2000, indicated her inability to resist the international terrorist groups and the urgency of Central Asian states to unite for a common threat perception.

Subsequently, Kyrgyzstan approached the US and the western world for financial assistance to build democratic institutions and carry out radical reforms in other fields. She did not even distance herself from her historical partner, Russia. Most of Kyrgyz political elite were either educated in Moscow or Saint Petersburg or worked in Russia for sometimes, and Akayev was one among them. However, Russia did not take a serious notice of her cordial relations with Kyrgyzstan owing to her own domestic problems or else due to the West-oriented foreign policy during Kozyrev's time. In the process of balancing her foreign policy, Kyrgyzstan developed bilateral ties with China, her neighbourly country. Thus China became the largest non-CIS (*Commonwealth of Independent States*) trade partner of Kyrgyzstan through bilateral cooperation.

The second phase of Kyrgyz foreign policy was shaped after 9/11/ 2001 terror attack on USA. Kyrgyzstan joined war against global terror with US, and offered strategic air basis for facilitating military supplies to US mission in Afghanistan. Additionally, US intended using Kyrgyzstan as an outlet to import Central Asian energy for South Asia across Afghanistan.<sup>15</sup>Naturally, Kyrgyzstan became geo-politically significant, and because of which, she re-shaped her foreign policy to balance west and eastern countries: to come close to the US while not

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“Realism and the Small State: Evidence from Kyrgyzstan,” *International Politics*, 2008, 45(1), 47.

<sup>15</sup> Bakyt Beshimov's public speech “The Great Game and Central Asia: Opportunities and Challenges,” [http://www.src.auca.kg/b\\_beshimov.html](http://www.src.auca.kg/b_beshimov.html)

distancing herself from her traditional mentor Russia.<sup>16</sup> Such a policy ensured foreign investment in the country and Manas airbase became an important source of revenue to the Kyrgyz government. In this entire gamut, US was supportive to both Uzbekistan and Kyrgyzstan during Batken oblast in 1999 and 2000 of *Islamic Movement of Uzbekistan* (IMU). However, Russia and China were indifferent to US military base in Kyrgyzstan. Russia did not want to lose its influence in the region including Kyrgyzstan, whereas China considered the presence of American airbase near its borders as a threat to its national security. To counter the same, Russia instituted its own airbase in Kant, fifty kilometers, away from Manas with the consent of Kyrgyz government and its foreign policy framework. While each country has its own individual agenda in the region, there is, however, a commonality of interests among them: to stop drug trafficking, extremism, and multi-ethnic conflicts.

Couple of months before his dethronement, Akayev was pushing for further cooperation with Russia and China, unmindful of its impact on Kyrgyz-US relations. The reason, Akayev believed, was US Embassy's purported involvement in fuelling anti-Akayev upheaval in the country, and even his ousting is assumed to have taken place with US support. Pursuant to these development, experts assumed that the new government's foreign policy would be west-oriented, which can be understood from the third phase of Kyrgyz foreign policy beginning from 25 March 2005 with Bakiev's take over of power.

The fact of the matter is that his foreign policy proved to be a continuation of his predecessor Akayev. The reason again was that Bakiev and his ruling party had their origin in Soviet elite group; hence, were oriented to Russian Federation. Obviously, without changing the foreign policy, the new government focused on domestic issues. First statement concerning Kyrgyz foreign policy was made by acting foreign minister, Rosa Otunbaeva, who said that "not only would there be no fundamental change in foreign policy, that there will be no change at all in foreign policy."<sup>17</sup> Thus Kyrgyz foreign policy was guided by the principles of strengthening developmental relations and cooperation with Russia, China, US etc. At the same time, she promotes her ties with European Union and Asian giants, especially Japan and Korea.

Thus new Kyrgyz leadership chooses Russia as a priority direction in its foreign policy. It views *Shanghai Cooperation Organization* (SCO)

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<sup>16</sup> H. Peimani, *Conflict and Security in Central Asia and the Caucasus*, Santa Barbara, ABC-CLIO, 2009, 147.

<sup>17</sup> R. Otunbaeva, "Kyrgyzstan Conducts Multivector Foreign Policy," <http://www.voanews.com/russian/archiev/2005-06/2005-06-15-voa2.cfm>.

and *Collective Security Treaty Organization* (CSTO) as the main regional organizations.<sup>18</sup> Both Russia and China used SCO as a platform and in its July session 2005, urged Kyrgyzstan to ask US to vacate the Manas military base. But following visit of US Defense Minister, Donald Rumsfeld, changed the Kyrgyz stand for some strategic reasons associated with US plan to exit Afghanistan by 2014.

In order to strengthen ties with Russia, Bakiev visited Russia and signed multiple trade and military agreements with Russia. So the new Kyrgyz government was softly inclined to Russia, China and *Shanghai Cooperation Organization* (SCO) and *Collective Security Treaty Organization* (CSTO). Because of volatile domestic condition, Bakiev preferred to have relations with close rather than the distant neighbours, the US.<sup>19</sup>

Consequently, in February 2006, Kyrgyz President demanded increase in rent of Manas airbase from 2 million to 200 million dollars, and on his visit to Moscow on 19 April, 2006, Bakiev threatened: "If new agreement on new conditions of Bishkek will not be signed till June 1, 2006, Kyrgyzstan will stop the bilateral agreement with the US on deployment of American airbase Ganci."<sup>20</sup> He also said that Russia is the eternal friend of Kyrgyzstan and the United States is a partner. However, the definite date for the withdrawal of US military base from Kyrgyzstan was a serious manifesto of the parties in Russia's 2009 elections, suggesting that Kyrgyzstan factored significantly in Russian domestic politics, and thus the said period was the high-water mark in bilateral Kyrgyz-Russia relation.<sup>21</sup> Surprisingly, thereafter, Bakiev signed a new agreement with US and allowed the US military base on revised rental structure perhaps to augment its economic base alone.

But Kyrgyzstan continued bilateral cooperation with Russia on historical and other terms.<sup>22</sup> The cooperation was sought for in the fields of joint plants, loans, credits, and building hydro-energy stations in Kyrgyzstan. Such a policy was visible until 2010. Thus amid

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<sup>18</sup> E. Huskey, "Foreign Policy in a Vulnerable State: Kyrgyzstan as Military Entrepot Between the Great Powers," *China and Eurasia Forum Quarterly*, 6(4), 2008, 11.

<sup>19</sup> See, Y. Sari and S. Yigit, "Foreign Policy Re-Orientation & Political Symbolism in Kyrgyzstan," *Central Asia-Caucasus Analyst*, 14 June 2006.

<sup>20</sup> U. Juraev, "Kyrgyzstan Attacks United States, Relying on Russia and China," April 2006, <http://www.analitika.org/article/php?story=20060425041313997>.

<sup>21</sup> RIA Novosti, "Kyrgyzstan Will Demand US Close the Base Eventually," 20 February 2008, <http://en.rian.ru/world/20080220/99718840.html>.

<sup>22</sup> ITAR-TASS, "Kyrgyzstan's Foreign Policy Priority-Deeper Ties with Russia," 23 January 2007, <http://www.itar-tass.com/eng/level2.html?NewsID=11179844&PageNum=0>.

cooperation, Bakiev resisted Russian pressure as regards the use of Manas base for US military purpose.

Finally, one can say that despite the claims of multi-vector foreign policy, Bakiev gave a priority to Russia in the country's foreign policy. He justified this on the basis of historical and cultural legacy, Kyrgyz economic dependence on Russia and great potential for Kyrgyz-Russia bilateral relations and cooperation. When he visited Moscow in February 2009, he signed a Russian financial assistance package, which included waving off of Russian debt of \$300 million low-interest credit loans and \$ 1.7 billion for hydroelectric power projects. At the same time, Kyrgyzstan kept, comparable if not equal, relations with US for economic and strategic ends, and allowed US military base in Manas on lease. His son, Maksim Bakiev, used some of the Russian credit loans with some American businessmen for the development of Asia Universal Bank in the country, no doubt to the great annoyance of Russia, whereupon Russia invited, Temur Sariev, the strong opposition leader to Moscow. On his return, he was arrested by Kyrgyz security forces at the Manas airport. Consequently, opposition mobilized to overthrow Bakiev's regime on 7 April 2010.<sup>23</sup>

Thus Bakiev's faultline was the absence of consistency and failure to balance Russia and US. Chairman of Foundation of Political Research Ishenbay Abdrazakov rightly said: "Foreign policy is to satisfy requirements of our country, contribute to the solution of our internal problems. Since we do have a lot of problems, then our foreign policy has to be very flexible. If we will act such a way giving priority to certain states among many states, if we will lose our face, then our foreign policy, I think, will not achieve needed goals."<sup>24</sup> It is because of this that the country undergoes a great deal of discourse on the country's foreign policy directions in the foreseeable future.

### **Uzbekistan:**

The post-independent Uzbekistan also established its national Parliament, Oliy Majlis, and exercised its right to sovereignty amid free states of the region. However, it did not directly go for democratic transformation. Power remained within the Uzbek Communist Party, *albeit* under a different name: the People's Democratic Party. Prior to the Soviet fall, Islam Karimov wore the cap of the First Secretary of the Communist Party in Uzbekistan, and he continued so after 1991 under

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<sup>23</sup> "Revolution in Kyrgyzstan," *Uchur newspaper*, [http://www.sras.org/kyrgyz\\_press\\_review\\_march\\_2010](http://www.sras.org/kyrgyz_press_review_march_2010).

<sup>24</sup> Kyrgyzstan and Central Asia region in Modern Conditions: Perspectives and Possible Risks, [http://www.open.kg/ru/thema\\_discus/blics\\_archive\\_2005/thema\\_15](http://www.open.kg/ru/thema_discus/blics_archive_2005/thema_15).

the guise of President of the authoritarian regime (in effect one man state). The absence of multi-party democracy was justified in the garb of the security threat from the Islamists.

Since the independence, Uzbek-Russian relations have been fluidly due to the regional issues, though the need of mutual cooperation was not ruled out.<sup>25</sup> In fact, Uzbekistan joined the GUUAM in 1999. But that never meant that Uzbekistan took up an anti-Russian stance. However, the two countries had a different perception about 9/11, US invasion of Afghanistan in 2001 and its allied US mission of war against global terror. Russian Defense Minister, Sergei Ivanov, in a statement issued on 14<sup>th</sup> September, 2001, showed reservations against the NATO strategy of using Central Asian territory for its military operations. But Uzbek Uzbek Foreign Minister, Kamilov, stated on 16<sup>th</sup> September 2001 that his country was not bound to consult any country for any cooperation with the United States.<sup>26</sup> Soon thereafter, Russia itself supported US war against global terror and gave nod to the use of Khanabad air base by the U.S. Air Force for regional security,<sup>27</sup> though the factor of mutual benefits characterized US-Uzbek relations; US for energy and Uzbekistan for foreign investment.

The US made use of military facilities in the south of Uzbekistan under a strategic Uzbek-west alliance for geo-strategic consideration.<sup>28</sup> On the other hand, the Western powers supported authoritarian Uzbek leadership, which would *ipso facto* mean the limiting of Iran's and Taliban influence. Thus, Karimov felt contented with the regime security and, in a way, assumed as the "Israel of Central Asia" for the west. However, first shift in Uzbek foreign policy took place in August 2003 following Putin-Kerimov meeting, which Russia described as "a priority partner."<sup>29</sup> In the State Department Annual Human Rights Report, Uzbekistan was alleged to violate human rights to an appreciable extent. The report accused the Karimov regime of torture, oppression, and denial of religious and democratic rights to its people. The March 2004 terrorist attacks in Tashkent and Bukhara, made Karimov apprehensive of loss of

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<sup>25</sup> M. Fumagalli, "Alignments and Realignments in Central Asia: The Rationale and Implications of Uzbekistan's Rapprochement with Russia," *International Political Science Review*, 28(3), 2007, 253-271.

<sup>26</sup> *Independent*, 19 September 2001.

<sup>27</sup> B. Woodward, *Bush at War: Inside the Bush White House*, New York: Simon & Schuster, 2002, 199.

<sup>28</sup> G. Gleason, "The Uzbek Expulsion of U.S. Forces and Realignment in Central Asia," *Problems of Post-Communism*, 53(2), March/April 2006, 49-60.

<sup>29</sup> D. Hiro, *Inside Central Asia: A Political and Cultural History of Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, and Iran*, New York: Overlook Duckworth, 2009, 184-185.

power. The real fear came to fore with the Andijan incident in May 2005, which Karimov felt US had a hand in. Sequentially, he accused the United States of the double role and masterminding Colour Revolution in Uzbekistan on the analogy of Serbia, Georgia, and Ukraine. While Karimov asked US to wind up its airbase within six months from Uzbekistan, he allowed Germany to keep a military base at Termez, whereupon Germany disallowed twelve top Uzbek leaders allegedly involved in the Andijan Incident to enter Germany for medical treatment.<sup>30</sup> Thus change in Uzbek foreign policy was the offshoot of the alleged US involvement in anti-Karmov “colorful revolution” in Uzbekistan.<sup>31</sup>

The event had several effects. One, it forged a vacuum which China and Russia strived to exploit to their advantage. Uzbekistan drove closer to them. As a sequence, in July 2005 SCO summit, the member countries including that of Kyrgyzstan and Uzbekistan demanded the US to close its military bases in Kyrgyzstan and Uzbekistan.<sup>32</sup> Further, Karimov visited China and Russia and signed a security cooperation treaty in November 2005 for cooperation against potential terrorist threats in the region. These developments enabled Russia to affect change in its foreign place and replace US by Russia. Importantly thereafter, Uzbekistan withdrew from GUUAM, renewed its membership in CSTO and became active member of SCO, though did not completely distance himself from the west.<sup>33</sup> He also visited China in July 2006 for inking several agreements with the Chinese government.<sup>34</sup> Simultaneously, however, Uzbekistan realized that Russia is of no significant value to his country’s economic growth. A shift in Uzbek foreign policy was imminent in the changed scenario. This was facilitated the high level American military visits and the abolition of EU embargo on its tourists to visit Uzbekistan. The change is also perceived to be the result of growing security threat after US exit from 2014 Afghanistan, which Uzbekistan feels would definitely impact her domestic policy. .

In short, it was clear to Uzbek ruling elite that Russia instead of US, would be the key actor in the region though apprehensions to the contrary was not ruled out. To ward of the same, Uzbekistan turned back

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<sup>30</sup> *Guardian*, 6 July 2006.

<sup>31</sup> *Problems of Post-Communism*, 53(2), March/April 2006, 49.

<sup>32</sup> *Inside Central Asia: A Political and Cultural History of Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, and Iran*, 190.

<sup>33</sup> *Conflict and Security in Central Asia and the Caucasus*, 208.

<sup>34</sup> H. Zhao, “Central Asia in China’s Diplomacy,” *Central Asia: Views from Washington, Moscow and Beijing*, Eds., E. Rumer and at el., New York: M. E. Sharpe, Inc., 2007, 137-214.



to the US and the west with all caution and care. For example, even though the Uzbek government asked the US to close its military base, it nonetheless permitted Germany to keep its military base for transportation purpose.

**Conclusion:**

Being newly independent states, Kyrgyzstan and Uzbekistan devised multiple options of cooperation with the outside world. Russia being the central switchboard, was preferred to US for cooperation during 1990s. The Russians believed that their country was the political centre and historic magnet for the Central Asian states. This created a Moscow-centric mindset among Uzbeks and others.

However, 9/11 was a turning point in the above mindset. Both Kyrgyzstan and Uzbekistan adapted themselves to the new scenario and supported the US mission in Afghanistan, the most immediate neighbourly and fragile country. They provided the air bases to US for military supplies against Taliban in Afghanistan of course on rental basis per-take and landing.

The change of government in Kyrgyzstan and the Andijan events made a dent in the foreign policy of the two countries. They again tilted to Russia and China, their immediate neighbours, for support and cooperation, though did not, at the same time, undermine the relationship with US and other western power to keep a balance in their respective foreign policy constructs.

To be precise, their foreign policy initiatives reveal inconsistency for obvious compulsions: their poor and transitional economies, vulnerability to extremism, failing state system, socio-economic deprivation, and their political immaturity to subscribe to the regional and international system and subsystems.



# MEASURING CHANGE IN A TRANSITIONAL ECONOMY ATTITUDES TOWARDS ADVERTISING IN KAZAKHSTAN

**Jami Fullerton\***

## **Abstract:**

The present study measures social attitude toward advertising in Kazakhstan - a rapidly growing transitional economy that was a part of the former Soviet Union. It is related to author's earlier study (Fullerton and Weir's, 2002). While methodology in both cases remains the same, the class/ group-wise respondents, are different. In any way, the present findings reveal some statistically significant shifts in individual attitudes/behavior vis-à-vis consumer advertising industry. Further, the findings suggest that attitudes are generally constant within cultures notwithstanding shifts in external factors.

This study, though limited by its small respondent pool of students and professors at university, provides insight not only about how people in Central Asia view advertising in general, but also how economic changes in a country can alter perceptions of advertising.

## **Keywords:**

Kazakhstan, Advertising, Consumer Attitudes, Economy, Kazakhstan.

## **Introduction:**

There is growing interest among scholars about the subject of advertising and its role in the marketing of products in countries that are under transition, say for example, Vietnam, China and the newly independent states of the former Soviet Union.<sup>1</sup> These transitional economies are attractive to advertising business because of the prospects of their growth and development. However, there has not been great deal of research on advertising and marketing.<sup>2</sup> Consequently, few fundamental questions solicit reply of the scholars: how consumers respond to advertising in transitional markets.<sup>3</sup> Do perceptions of general advertising vary cross-culturally?<sup>4</sup>

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<sup>1</sup> Rajeev Batra, "Executive insights: Marketing Issues and Challenges in Transitional Economies," *Journal of International Marketing*, 5(4), 1997, 95-114.

<sup>2</sup> M. Abernethy, & G. R. Franke, "The information Content of Advertising: A Meta-analysis," *Journal of Advertising*, 25(2), 1996, 1-17; J. Fullerton, "Images in Post Soviet Advertising: An analysis of Gender Portrayal in Kazakhstani Television Commercials," *Proceedings of the 2003 Conference of the American Academy of Advertising*, Carlson, L (ed.) 16, 2003.

<sup>3</sup> Srinivas Durvasula, J. Craig Andrews, & Richard G. Netemeyer, "A Cross-Cultural Comparison of Consumer Ethnocentrism in the United States and Russia," *Journal of International Consumer Marketing*, 9(4), 1997, 73-93; J.C. Andrews, S.

Since Kazakhstan became independent in 1991 and opted for transitional economy based on capitalism, we made an empirical study of the peoples' attitudes about advertising in this emerging capitalist economy.<sup>5</sup> The research was carried out in May 2000, and the respondents, mostly youth of a university, revealed that people were not familiar with advertising. Accordingly they were uncertain about the role and potential of advertising for improving the quality of life.

Since 2000 and onwards, Kazakhstan made tremendous economic growth.<sup>6</sup> Almaty, the largest city in Kazakhstan, has become a truly global metropolis in various areas. Many agencies have opened their advertising operations and are supporting the growing retail, service, and manufacturing industries.<sup>7</sup>

Nine years later (2009-10), we carried out another empirical study in the same university without change in methodology or tools of investigation. The objective was simply to measure the change in the attitude of the people vis-à-vis advertising in the market products.

### **Background:**

Endowed with natural resources, Kazakhstan's economy has grown dynamically through the 1990s and 2000s, with an average annual GDP growth of 10%.<sup>8</sup> In 1997, President Nazarbayev pledged to double the economy by 2010, which, however, was achieved before time in 2008

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Durvasula & R. G. Netemeyer, "Testing the Cross-Cultural Applicability of U.S. and Russian Advertising Belief and Attitude Measures," *Journal of Advertising* (Special Issue on International Advertising), 23(1), 1994, 71-73.

<sup>4</sup> J. C. Andrews, S. Lysonski, & S. Durvasula, "Understanding Cross-cultural Student Perceptions of Advertising in General: Implications for Advertising Educators and Practitioners," *Journal of Advertising*, 20(2), 1991, 15-28.

<sup>5</sup> J. A. Fullerton, & T. Weir, "Perceptions of Advertising in the Newly Independent States: Kazakhstani Students' Beliefs about Advertising," *Journal of Advertising Education*, 6(1), 2002, 45-53.

<sup>6</sup> P. Agrawal, "Economic Growth and Poverty Reduction: Evidence from Kazakhstan," *Asian Development Review*, 24(2), 2007, 90-115; International Monetary Fund, "Kazakhstan," *World Economic Outlook Database*, 2009, <http://www.imf.org/external/pubs/ft/weo/2009/02/weodata/weorept.aspx?sy=2006&ey=2009&scsm=1&ssd=1&sort=country&ds=.&br=1&c=916&s=NGDPD,NGDPDPC,PPPGDP,PPPPC,LP&grp=0&a=&pr.x=79&pr.y=16>.

<sup>7</sup> TNS Central Asia, 2009, The Volume of the Kazakhstani Advertising Market by Media Type, January-December 2008, <http://www.tns-global.kz/ru/publication/publ190.php> (in Russian).

<sup>8</sup> J. Chung, "Kazakhstan Moves on From Borat: The Central Asian Republic Lamponed on Film is Seeking a Prominent Place in the World's Financial Markets," *Financial Times*, November 22, 2006.

with the GDP at \$135.601 billion in total and the per-capita at \$8,719<sup>9</sup>, compared to \$3,200 in 1999.<sup>10</sup> Between 2000 and 2005, the percentage of people living in poverty shrank from 32% to 10%.<sup>11</sup> After 2007, country's economy was affected by the global economic crisis, and the growth of Kazakhstan's GDP dropped to 19.81% in 2008. As a result, the government had to rescue ailing banks.<sup>12</sup> It is yet unclear as to how well Kazakhstan agenda of growth amid ongoing economic crisis.

### **Advertising:**

The Kazakh advertising market is growing rapidly, powered by media expansion, a burgeoning GDP and multiplying foreign investment. In 2007, Zenith Optimedia anticipated Kazakhstan to be the fastest growing advertising nation through 2010, with expenditures shooting up by 155%.<sup>13</sup> In 2008, advertising spending added up to \$1 billion, up from \$828 million in 2007 (30% growth) and up from \$220 million in 2003. Eighty percent of advertising spending is on TV, 11% print, 5% on outdoor, and 3% on radio. Though sales grew across media platforms, TV dominated the trend at 32%. Advertising budgets ballooned by 175% in 2008.<sup>14</sup>

Procter & Gamble, Kazakhstan Cellular, Kar-Tel, Colgate, Schwarzkopf, and Coca-Cola were among the top six 2008 advertisers,<sup>15</sup> revealing a heavy focus on consumer products related to cosmetics, hygiene, electronics, telecommunications, and food. Other big advertisers are Kaspi Bank, Unilever, Mars, Benckiser, and Gillette. Several international advertising agencies have also relocated branch offices in Kazakhstan, including Ogilvy & Mather, BBDO, and Lentis.<sup>16</sup>

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<sup>9</sup> International Monetary Fund, Kazakhstan, *World Economic Outlook Database*, 2009. Retrieved February 4, 2010.

<sup>10</sup> Central Intelligence Agency (CIA), Kazakhstan, *The World Factbook: Central Asia*, 2010, January 26, <https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html>.

<sup>11</sup> Urban Media (2006). *Kazakhstan media market overview*, <http://www.impz.ae/wp-content/files/File/Kazakhstan-edia%20market%20overview.pdf>.

<sup>12</sup> F. Fitzherbert-Brockholes, Kazakhstan – A Litmus Test for Emerging Markets, *The Lawyer*, September 28, 2009.

<sup>13</sup> R.Gerlsbeck, "Selling to Borat's Brethren," *Marketing Magazine*, 112(24), 2007, 10.

<sup>14</sup> The Volume of the Kazakhstani Advertising Market by Media Type, January – December 2008.

<sup>15</sup> The Volume of the Kazakhstani Advertising Market by Media Type, January – December 2008.

<sup>16</sup> Internews Russia, Survey of Non-governmental Kazakhstani Electronic Media, 1998, January; "Perceptions of Advertising in the Newly Independent States: Kazakhstani Students' Beliefs About Advertising," Spring, *Journal of Advertising Education*, 6(1), 2002, 45-53.

### **Attitude Toward Advertising:**

The study of consumer attitudes toward advertising is an important topic as it ultimately affects consumer brand attitudes and purchase intentions<sup>17</sup>. Attitude toward advertising has been studied for decades in the United States<sup>18</sup> and elsewhere.<sup>19</sup> Bauer and Greyser published one of the original large-scale studies of the public's attitude toward advertising.<sup>20</sup> They found that a majority of people thought that advertising was misleading and caused products to cost more, though more people reported favourable attitudes towards advertising. Many of the studies on attitude toward advertising, including this one, have relied on belief statements used by Bauer and Greyser.

Larkin used a variation of the Bauer and Greyser instrument to study attitudes toward advertising at one large Midwestern University.<sup>21</sup> During study, students' varying response reflected negative feelings toward advertising. With a series of 25 statements about advertising, Larkin's study analyzed the effects of advertising on four major human areas: social, economic, ethics and regulation. Larkin reported that the majority of students were critical of the social and economic aspects of advertising. Beard replicated Larkin's study at the same University 25

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<sup>17</sup> *Journal of Marketing Management*, 9(3), 1999, 48-59; R. Lutz, S. McKenzie & G. Belch, "Attitude Toward the Ad as a Mediator of Advertising Effectiveness: Determinants and Consequences," *Advances in Consumer Research*, 10(1), 1983, 532-539.

<sup>18</sup> F. Beard, "College Student Attitudes Toward Advertising's Ethical, Economic and Social Consequences," *Journal of Business Ethics*, 48(3), 2003, 217; J.A. Fullerton, A. Kendrick & C. Frazier, "A Nationwide Survey of Advertising Students' Attitudes About Advertising," *Journal of Advertising Education*, 12(1), 2008, 15-25; L. Reid, & L.C. Soley, "Generalized and personalized attitudes toward advertising's social and economic effects," *Journal of Advertising*, 11(3), 1982, 3-7; C.H. Sandage, & J.D. Leckenby, "Student attitudes toward advertising: Institution vs. instrument," *Journal of Advertising*, 9(2), 1980, 29-32, 44; E. Zanot, "Public attitudes towards advertising: The American experience," *International Journal of Advertising*, 3(1), 1984, 3-15.

<sup>19</sup> "Understanding Cross-cultural Student Perceptions of Advertising in General: Implications for Advertising Educators and Practitioners," *Journal of Advertising*, 20(2), 1991, 15-28; J. F. Manso-Pinto, & F. H. Diaz, "Beliefs About Advertising of Chilean University Students," *The Journal of Social Psychology*, 137(2), 1997, 267-269; J.D. Martin-Santana & A. Beerli-Palacio, "Why Attitudes Toward Advertising are not Universal: Cultural Explanations," *Journal of Euromarketing*, 17(3/4), 2008, 159-181; Ling, K.W., Piew T. H., & Chai, L.T. "The Determinants of Consumers' Attitude Towards Advertising." *Canadian Social Science* 6, no. 4 (August 31, 2010): 114-126.

<sup>20</sup> R. A. Bauer & S. A. Greyser, *Advertising in America: The Consumer View*, Boston: MA: Harvard University Press, 1968.

<sup>21</sup> E. F. Larkin, "A Factor Analysis of College Student Attitudes Toward Advertising," *Journal of Advertising*, 6(2), 1977, 42-46.

years later and found that many attitudes toward advertising had not changed, particularly peoples' negative feelings about the truthfulness of advertising.<sup>22</sup> Ethical issues in advertising, however, were not as important to the 21<sup>st</sup> century students as they had been for their parents. Larkin's instrument was used in the current study.

Shavitt, Lowrey and Haefner conducted a large-scale telephone survey of US adults at the end of the 20<sup>th</sup> century and found that attitudes toward advertising were "more favourable than you might think."<sup>23</sup> 75% respondents either reported favorably or remained neutral about their attitudes towards advertising. Men were less offended by advertising and less inclined to regulate it. Respondents labeled "Generation X" (18-34 in 1998) were more favourable towards advertising: they liked advertising, were less offended and insulted by it, and felt less misled by it than their elderly counterparts. A study of US consumers found<sup>24</sup> that people's personalized attitudes about advertising ("advertising insults my intelligence") significantly differed from generalized attitudes ("advertising insults the intelligence of consumers"), and that personalized feelings were better indicators of social attitudes toward advertising in general.

A more recent nationwide survey of around 1,200 advertising students<sup>25</sup> revealed optimism about advertising than did previous advertising and non-advertising studies. The students appreciated the economic benefits of advertising and limiting the level of government regulation for the industry. However, most of them showed no response towards the effects of advertising on social ethics and values.

### **Cross Cultural Studies:**

Attitudes toward advertising have also been studied cross-culturally.<sup>26</sup> During one early study of the undergraduates from the United States,

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<sup>22</sup> *Journal of Business Ethics*, 48(3), 2003, 217.

<sup>23</sup> S. Shavitt, P. Lowrey & J. Haefner, "Public Attitudes Toward Advertising: More Favorable than you Might Think," *Journal of Advertising Research*, 38(4), 1998, 7-22.

<sup>24</sup> N. Xiaoli, "Perceptual Predictors of Global Attitude Toward Advertising: An Investigation of Both Generalized and Personalized Beliefs," *Journal of Current Issues & Research in Advertising*, 28(1), 2006, 31-44.

<sup>25</sup> *Journal of Advertising Education*, 12(1), 2008, 15-25.

<sup>26</sup> D. Zhou, W. Zhang, & I. Vertinsky, "Advertising Trends in Urban China," *Journal of Advertising Research*, 42(3), 2002, 73-81; *Journal of International Consumer Marketing*, 11(2), 1999, 79-98; L. Wells, S. Van Auken & W. Ritchie, "Russian Advertising Attitudes: Reassessing the Two-Factor Model," *Journal of International Consumer Marketing*, 20(2), 2007, 5; J. Wills & J. Ryans "Attitudes Toward Advertising: A Multinational Study," *Journal of International Business Studies*, 13(3), 1982, 121-130.

New Zealand, Denmark, Greece and India about general advertising, researchers found that as ad expenditures and exposures increased, ad perceptions switched from function-related to practice-related issues.<sup>27</sup>

Most recent studies on the attitudes toward advertising have focused on cross-cultural differences and other moderators. An experimental study of individuals from four European countries demonstrated differences in attitudes toward advertising in terms of cultural values. This is perhaps why attitudes toward advertising are not universal.<sup>28</sup> Osmonbekov, Gregory, Brown, and Xie examined the relationship between materialism and attitudes toward advertising among a sample of 1,854 consumers in the United States, China and Japan and found the relationship to be moderated by consumer expertise.<sup>29</sup> While sorting out determinants of attitudes towards advertising during a study of Malaysian consumers, researchers, found that the factors of credibility, content of information, and hedonic/pleasure, are the ideally suited attractions of the advertising industry.<sup>30</sup>

#### **Attitude toward Advertising in Transitional Economies:**

Studies conducted at universities in Chile<sup>31</sup> and Russia<sup>32</sup> represent early response of the people towards advertising in transitional economies. These revealed that students of those countries are softly inclined to advertising than their American counterparts. Darley and Johnson studied attitudes toward advertising in four developing (though not necessarily transitional) countries (Nigeria, Kenya, India, and Singapore), and found attitudes similar to the US except on the dimension of impact on product costs.<sup>33</sup> The researchers noted the respondents could not believe the rather complex idea that advertising actually lowers the costs of products.

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<sup>27</sup> Andrews, Lysonski, & Durvasula, *Journal of Advertising*, 20(2), 1991, 15-28.

<sup>28</sup> Martin-Santana & Beerli-Palacio, *Journal of Euromarketing*, 17(3/4), 2008, 159-181.

<sup>29</sup> T. Osmonbekov, B.T. Gregory, W. Brown, & F. T. Xie, "How Consumer Expertise Moderates the Relationship Between Materialism and Attitude Toward Advertising," *Journal of Targeting, Measurement & Analysis for Marketing*, 17(4), 2009, 321-327.

<sup>30</sup> L. Kwek Choon, P. Tan Hoi, & C. Lau Teck, "The Determinants of Consumers' Attitude Towards Advertising," *Canadian Social Science*, 6(4), 2010, 114-126.

<sup>31</sup> J. F. Manso-Pinto & F.H. Diaz, "Beliefs About Advertising of Chilean University Students," *The Journal of Social Psychology*, 137(2), 1997, 267-269.

<sup>32</sup> Andrews, Durvasula & Netemeyer, *Journal of Advertising*, 23(1), 1994, 71-73.

<sup>33</sup> Darley, W. K. & Johnson, D.M., An Exploratory Investigation of Dimensions of Beliefs Toward Advertising in General: A Comparative Analysis of Four Developing Countries, *Journal of International Consumer Marketing*, 7(1), 1994, 5-21.



Fullerton and Deushev studied attitudes of students in Uzbekistan, a neighbour of Kazakhstan, which revealed that the students held somewhat negative attitudes towards advertising, particularly on the dimension of ethics and social effects.<sup>34</sup> However, their attitude was quite positive as regards the regulation of advertising and the economics of advertising, indicating that Uzbek students are aware of the positive role of advertising towards their country's overall development.

A more recent study of Romanian consumers' attitudes suggests that the institution, instrument, product information, and hedonic/pleasure have a positive effect on general attitude toward advertising. However, image had a negative effect on attitudes of Romanians, something the researchers did not predict because image typically has a positive effect on attitudes in developing countries.<sup>35</sup>

### **Attitude toward Advertising in Kazakhstan:**

During interaction with 82 students of Kazakhstan State University towards advertising in Kazakhstan in May 2000,<sup>36</sup> and while using Larkin's statements (translated into the local language) and questions regarding demography, the investigator marked certain significant results on the subject. Overall, the students who participated in this study were young (89% were 17 and 18) and mostly male (69%). The sample as a whole reflected a mixed ethnic background with 67% Kazakhs and 16% Russians. The findings revealed an overall negative view about advertising, although the respondents did not report an aggregate mean score for over all attitudes. By and large, they agreed to the effect that "There is too much exaggeration in advertising today" (mean score: 4.13). The single statement that had the lowest mean agreement score, "In general, advertisements present a true picture of the product advertised" (mean score: 2.33). Responses varied by gender and ethnicity with women believing there should be more regulation of advertising and that advertising makes things costlier. Men found advertising to be much more "silly and ridiculous" than did women. Ethnicity played a role in the students' agreement: "There should be less stress on sex in advertising." Russian students were in disagreement with this statement (mean rating=1.62) than the Kazakhs (mean rating=3.40). Respondents

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<sup>34</sup> *Perceptions of Advertising in the Newly Independent States: Uzbekistani Students' Beliefs About Advertising*, 2005, May. Paper presented at the American Academy of Advertising Asia-Pacific Conference, Hong Kong, China.

<sup>35</sup> Petrovici, D. & Paliwoda, S. "An empirical examination of public attitudes towards advertising in a transitional economy," *International Journal of Advertising* 26, 2 (May 2007), 247-276.

<sup>36</sup> *Journal of Advertising Education*, 6(1), 2002, 45-53.

noted that the Islamic tradition might have influenced the attitude of the Kazak students on this subject.

**Objective of Study:**

Recognizing that Kazakhstan has changed dramatically, especially in terms of growth in the advertising sector, during the first decade of the 21<sup>st</sup> century, the purpose of the present study is to explore potential changes in attitudes toward advertising over the time. It attempts to identify differences between groups from the two studies and within groups from the current study. Specific research questions included: (i) What are the prevailing beliefs about advertising held by the people in Kazakhstan (in 2009)? (ii) Do attitudes towards advertising vary according to the gender or ethnicity? and (iii) Did attitudes of the Kazakh respondents in 2000 change by 2009?

**Method:**

Data was collected in a classroom setting from a non-probability sample of 74 undergraduate students and professors at the Al-Farabi Kazakhstan National University (formerly Kazakhstan State University) in Almaty during May 2009.

**Instrument:**

The instrument consisted of a 12-page questionnaire containing multiple scales about media use and brand preference including Larkin's (1977) scale to measure attitude toward advertising ( $\alpha=.789$ ). The instrument also contained questions about students' interest in visiting the US and demographic questions. For the purposes of this study, only 17 attitude statements about advertising used by Fullerton and Weir earlier were analyzed. The statements were measured on a five-point Likert scale ranging from strongly agree (5) to strongly disagree (1).

**Procedure:**

Because Russian is the predominant language of instruction at the university, a US graduate student fluent in both English and Russian translated the questionnaire into Russian. A Kazakh graduate student, fluent in English and Russian, then back translated the questionnaire to ensure the correct meaning and cross cultural equivalence of measures.<sup>37</sup> The back translation revealed only one discrepancy in the meaning of the statements. Therefore, that item was removed from the analysis.

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<sup>37</sup> J. W. Berry, "Introduction to Methodology," Eds., H.C. Triandis & J.W. Berry, *Handbook of Cross-Cultural Psychology*, Boston: MA: Allyn and Bacon, Inc., 2, 1980, 1-29.

Students were given instruction on how to complete the questionnaire in Russian by a Kazakh professor fluent in both English and Russian. Respondents were encouraged to answer the questions honestly and independently. Respondents completed the questionnaires in class, and these were later translated and transferred into an Excel spreadsheet and analyzed using PASW Statistics 18.0.

### **Respondent Profile:**

Overall, the participants in this study were predominantly female (80%) and young (73.8% 20 or younger). However, 14.9% of the sample was over 30. The respondent pool reflected the ethnic mix of the country as a whole with 70% of the sample (n=52) identifying themselves as Kazakh, while 18% (n=14) were of Russian ethnicity. Almost 10% of the respondents did not reveal their ethnicity and one student identified as Tartar.

### **Findings:**

Respondents strongly agreed<sup>38</sup> that “too many of today’s advertisements are silly and ridiculous” (mean=4.22) and disagreed to the effect that “in general, advertisements present a true picture of the product advertised” (mean =2.82). In order to calculate an overall attitude toward advertising score, negative statements were back coded so that all items scored in the same direction. An overall attitude towards advertising score of 2.57 (on a 5-point scale) was found, indicating somewhat negative attitudes in general.

Overall attitude to advertising scores did not vary significantly between ethnic groups (Kazak and Russian)<sup>39</sup> or gender; however, significant differences were found on some individual items. Russians agreed more strongly with the statement “advertising often persuades people to buy things that they really don’t need” (4.14 vs. 3.60; p=.02). Kazakhs agreed more strongly with the statements “advertising helps raise our standard of living” (3.37 v. 2.64; p=.03), and “there is a need for more truth in advertising” (4.12v.3.57; p=.05). Likewise, “advertising results in better products for the public,” (3.35 v. 2.36; p=.002) and “there should be less stress on sex in advertising” (3.94 v. 3.36; p=.05). Women felt more strongly than men that there should be more government regulation for advertising (3.88 v. 3.21; p=.05), and that there should be less exposure of sex in advertising (3.96 v. 3.21; p=.016).

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<sup>38</sup> RQ1: What are the prevailing attitudes toward advertising held by Kazakhstanis in 2009?

<sup>39</sup> RQ2: Do attitudes vary according to demographic variables such as ethnicity or gender?

Because access to the original data was available, tests of significance were performed and presented.<sup>40</sup> Overall attitude toward advertising remained stable over the nine-year period with a mean score of 2.62 in 2000 and 2.57 in 2009 ( $p = .393$ ).

While overall attitudes remained fairly constant, there were significant shifts in some attitude statements. The largest shift occurred on the statement that “there should be more government regulation of advertising.” Respondents in 2000 (mean=3.01) were neutral on this item versus respondents in 2009 (mean=3.76;  $p = .0001$ ), who generally agreed with it. The second largest shift occurred with the statement: “there should be less stress on sex in advertising” with current respondents again agreeing more strongly (2009 Mean = 3.78; 2000 Mean = 3.22;  $p = .001$ ). Respondents in 2009 also believed that advertising provided a somewhat truer picture of the products being advertised (2009 Mean = 2.82; 2000 Mean = 2.33;  $p = .001$ ), and were less likely to think that there should be less advertising (2009 Mean = 3.19; 2000 Mean = 3.66;  $p = .004$ ) versus respondents from nine years ago.

The 2009 study showed more significant differences between the two ethnic groups than were found in 2000. The statement regarding too much sex in advertising remained an item that was found to be significantly different between Kazakhs and Russians with Kazakhs feeling more strongly than Russians on this issue in both studies. Similar to the 2000 study, women felt more strongly than men that there should be more government regulation for advertising and that there should be less sex in advertising. However, gender differences on other items such as “advertising increases the cost of goods and services,” were found in 2000, but not in 2009. Additionally, men in 2000 found advertising to be much more silly and ridiculous than did women, a difference which disappeared among the 2009 respondents.

While both studies in 2000 and 2009 were conducted among students (primarily in the school of journalism) at Al-Farabi Kazakhstan National University in Almaty using the same instrument to measure attitude toward advertising, there are noted differences between the two groups surveyed. The 2009 study included some professors (about 15% of the sample) while there were no professors in 2000 respondent pool. Consequently, there was a significant difference in age between the two samples (2000 Mean =17.98; 2009 Mean=23.5;  $p=.001$ ). Also, the questionnaire was much longer in 2009 and included questions other than

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<sup>40</sup> RQ3: How do attitudes toward advertising among Kazakhstanis in 2009 compare with attitudes in 2000?

the attitude toward advertising scale, which may have influenced the responses. Perhaps the most notable difference was the change in the gender make-up of the students. In 2000, most of the journalism students in Kazakhstan were men, but in 2009 they were predominantly women. As the country modernizes, more women are attending universities in Kazakhstan, and, like journalism programmes in the United States,<sup>41</sup> they are now populated with a majority of women.

### **Conclusion:**

The present study revealed overall negative attitudes toward advertising. This finding is not so different from similar studies in US<sup>42</sup> or one conducted at the same location with a similar group of students in 2000.<sup>43</sup> Despite the tremendous growth in the economy, and particularly in the amount of advertising in Kazakhstan,<sup>44</sup> respondents nine years later still believe that advertising should be more truthful, less exaggerated and contain less sexual imagery. However, even though the amount of ad spending rose exponentially during the decade, students in 2009 seem less concerned with the amount of advertising than did their counterparts in 2000.

Some differences among ethnic groups, probably driven by religious affiliation, showed little change during the decade with Kazakhs, who are generally Muslim, being more concerned about sex in advertising versus their less religious Russian compatriots. However, Russian concern about too much sex in advertising grew in nine years, presumably as advertising has become more globalized and thereby more sexual. Additional ethnic differences emerged in 2009, as Kazakhs showed positive attitude towards the economic aspects of advertising, such as its ability to raise the standard of living and promoting products than did the Russians. This change may be a result of overall improvement in their quality of life as they move farther from Soviet

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<sup>41</sup> L. B. Becker, V. Tudor, D. Olin, S. Hanisak & D. Wilcox, "2008 Annual Survey of Journalism & Mass Communication Graduates," Grady College of Journalism and Mass Communication, University of Georgia, 2009, <http://www.grady.uga.edu/annualsurveys>.

<sup>42</sup> E. F. Larkin, "A Factor Analysis of College Student Attitudes Toward Advertising," *Journal of Advertising*, 6(2), 1977, 42-46.

<sup>43</sup> J. Fullerton, "Images in Post Soviet Advertising: An Analysis of Gender Portrayal in Kazakhstani Television Commercials," proceedings of the 2003 *Conference of the American Academy of Advertising*, Ed., L. Carlson, 2003, 16.

<sup>44</sup> The Volume of the Kazakhstani Advertising Market by Media Type, 2009, January – December 2008.

domination compared to the ethnic Russians, whose lifestyle declined, and many of them returning to their Russian homeland.<sup>45</sup>

The respondents in 2009 were predominantly female versus those in 2000. However, some gender differences are constant. Women are more concerned about the amount of sex in advertising and more in favour of government regulation of advertising than men in both studies. However, other gender differences fell away over the decade, including differences dealing with how advertising affects the price and quality of products. This leveling of gender attitudes may be a result of the leveling of women's versus men's roles in the culture. Since 2000, women have become more educated and have taken on a more active role in the modern Kazakh economy.

This study, though limited by its small respondent pool of students and professors at university, provides insight not only about how people in Central Asia view advertising in general, but also how economic changes in a country can alter perceptions of advertising. The ability to compare two groups from the same university almost a decade apart makes an important contribution to the understanding of how attitudes can change, or not, over time.

The country has transitioned from a Soviet system relatively devoid of consumer advertising to an emerging capitalist system with an exploding advertising industry. The change in Kazakhstan between 2000 and 2009 in terms of economic growth, globalization and sophistication of consumer advertising cannot be overstated, though attitudes toward the function of advertising, as measured nine years apart, appear more stable. Although researchers in 2000 noted an unfamiliarity and uncertainty about the role of advertising, a similar examination nine years later in a much more developed Kazakhstan revealed little change in fundamental attitudes. The findings of this study may be an indication, although more research is needed, that attitudes toward advertising in general are relatively constant within cultures, regardless of external shifts in the advertising environment.

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<sup>45</sup> Statistics Agency of Kazakhstan (2009, March 18). *2009 National Census*, In *Kazakhstan Today* (2009, March 18), <http://www.kt.kz/index.php?lang=eng&uin=1133435211&chapter=1153480633>.

# POLITICAL ECONOMY OF KYRGYZSTAN'S DOMESTIC (IN) STABILITY

Lasha Tchantouridzé\*

## **Abstract:**

Kyrgyzstan experienced sets of violent uprisings especially since 2005. In 2010, it was overwhelmed by ethnic violence between the Kyrgyz majority and the Uzbek minority groups, squarely because of miscalculated and misguided policy directions from the trans-national funding agencies, say for instance, the *International Monetary Fund* (IMF) and *World Trade Organisation* (WTO). Abrupt initiative of transition from the centuries old tradition of collectivist land tenure stewardship and management, to a privatized and individualized land ownership system, forged social dislocation and political anger in an otherwise traditionally well-balanced and peaceful society. Paradoxically, there was no urgent need for the Kyrgyz government to carry out such agricultural reforms at the behest of an agency that had really no knowledge of local conditions.

In this paper, the author examines changes in land tenures and their cascading impact on the country's profile. It further argues that the key variable in Kyrgyzstan's social and political disruption has been unwise, abrupt, and rushed state policies of agricultural land distribution and privatization.

## **Keywords:**

Kyrgyzstan, Land Reforms, Transition, Ethnic Conflicts, Political Economy.

## **Introduction:**

The world of international relations is getting increasingly defined by renewed competition for material and natural resources. The world population, and the economic output are growing, while the reserves of oil, gas, fresh water, arable land, potash, timber, fish, etc. are diminishing. Countries with significant natural resources would do well in coming years if they build state capacities, protect their natural resources, and use them judiciously for their national growth and development. Such countries have to create institutions of economic stewardship or management to provide for their own survival, and basic standards of living for their population.

Kyrgyz Republic, a post-Soviet Central Asian state, is an example of misguided policies and lost opportunities during the last two decades. The country has experienced sets of violent uprisings, especially in 2005 and 2010, and still many other times during the last two decades. Consequently, it has been hailed as a laboratory for tests of democratization and liberalization of its economic system.

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The Spring-Summer 2010 Kyrgyz crisis, which saw the government of Kurmanbek Bakiyev overthrown in April and thousands of Uzbeks massacred in June was, in fact, the second instalment in mass violent protests that commenced before 5 years from now. The 24 March, 2005 Tulip Revolution was triggered by the most pressing problems that Kyrgyzstan developed since the dissolution of the Soviet Union. In 2005, the Akayev administration was wound up through a popular uprising, emanating from socio-economic hardships and political oppression. The post-2005 Kyrgyz leadership led by President Bakiyev, inherited a crisis-ridden economic order which fuelled violent outbursts in the country's history. The Kyrgyz economy did improve under the Bakiyev administration, as it is vindicated by the available data. However, such improvement and progress was actually the offshoot of rapidly rising gold prices in the world markets. Obviously, such an improvement can be attributed to the Kumtor gold mining project, a Kyrgyz-Canadian joint venture, rather than to any significant country-wide progress in terms of socio-economic or human resource development. Wealth generated by a mining enterprise did not benefit majority of country's population to any significant degree, and once again in 2010, the Kyrgyz Republic went through a violent change of leadership, followed by the largest inter-ethnic violence in recent memory.

Kyrgyzstan's stability and future survival does not solely depend on policies of the leadership. As a small and landlocked country, it also depends upon cooperation with its neighbourhood: the Russian Federation, China, Uzbekistan, and Kazakhstan. The country's relationship with powerful international organizations such as the *International Monetary Fund* (IMF), and the *World Trade Organization* (WTO) has no less significance for its future economic prospects, and political stability. Of these external actors, Uzbekistan has shown relative patience and restraint; China and Kazakhstan good neighbourly policies within its traditional and imperial paradigms and the Russian Federation exploited Kyrgyz troubles to its advantage. However, the most significant damage to the country economic and political profile has been done by the IMF and WTO, and their misguided consultancy with no or little regard to the local conditions. These trans-national funding agencies demanded radical reforms in agricultural and industries as a pre-requisite for loan advancement, which later brought the country face to face with unprecedented ethnic clashes in its northern and southern regions, and more dramatically, between the Kyrgyz majority and the Uzbek minority of the South.



Political volatility and instability is nothing new in Central Asia, but ignoring Kyrgyzstan's variety of intricate problems related to its failing state system, may not auger well for the whole region. Kyrgyzstan's challenges continue to be intensified by economic hardships and deprivation of its population. Unless the new Kyrgyz leadership under President Almazbek Atambayev, takes caution and shows due diligence in policy making, till then the country can not be styled or modelled after the actual IMF and WTO norms and the political priorities set forth by Moscow: instead the country would go through many such incidents as its offshoot.

### **Twenty Years of Independence:**

Prior to its independence in 1992, Kyrgyzstan mainly exported gold, uranium, steel, mercury, cotton, tobacco, wool, meat, hydropower, and some machinery.<sup>1</sup> In the Soviet Union, Kyrgyzstan had near monopoly on the production of antimony, which just like uranium is no longer produced in significant amounts.<sup>2</sup> As a supplier of most raw materials and primary goods to the rest of the Soviet Union, Kyrgyzstan did not inherit sustainable economic infrastructure after the dissolution of the Soviet Union. Transportation routes were not well developed in the country, making it difficult to get goods goin and out. No doubt, the Soviets introduced several manufacturing units in the land locked country of Kyrgyzstan including the manufacturing of torpedoes for the navy (in a mountainous and landlocked country!)and car doors (for vehicle built thousands of kilometres away) for light vehicles, and also a sugar refining enterprise, which imported raw sugar from Cuba, for production and distribution of sugar across the Soviet Union.<sup>3</sup>

However, the collapse of the Soviet Union left such industries inoperational or ineffective for the withdrawal of Soviet subsidies on its production and cash transfers there against from Moscow: by 1991 the cash transfers, accounted for 12.2 per cent of GDP, and 35.2 per cent of the country's budget – about half of the latter being price subsidies. As a result, the Kyrgyz government budget fell from 38.5 per cent of GDP in 1990 to 12.7 per cent in 1992.<sup>4</sup> In the 1990s, Kyrgyzstan ran large trade deficits, with the trade balance changing in 2000-2001, when the country showed small surpluses. According to the World Bank, Kyrgyzstan's

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<sup>1</sup> Marek Dabrowski and Rafal Antczak, "Economic Reforms in Kyrgyzstan," *Russian and East European Finance and Trade*, 31(6), November-December 1995, 6.

<sup>2</sup> "Country Profile: Kyrgyzstan," *Library of Congress – Federal Research Division*, November 2005, 7, <http://lcweb2.loc.gov/frd/cs/profiles/Kyrgyzstan.pdf>.

<sup>3</sup> *Russian and East European Finance and Trade*, 7.

<sup>4</sup> *Russian and East European Finance and Trade*, 19.

GDP in 2010 was about US\$ 4.6 billion, which was a significant improvement as compared to minimum of 1.2 billion in 1999.<sup>5</sup>

Kyrgyzstan emerged from the Soviet Union under the leadership of Askar Akayev, who won country's first ever contested election in 1990. He did not belong to the old Bolshevik guard, and, as such, enjoyed wide popular support. In the final years of the Soviet regime, with newly found openness and free speech, the country enjoyed higher standards of living – the UN Development Program rated Kyrgyzstan 26 out of 173 by their Human Development Index.<sup>6</sup> Currently, the country ranks 126<sup>th</sup> out of 187 evaluated by the UN.<sup>7</sup>

The new Kyrgyz leadership was enthusiastic about market reforms, and soon the country became a laboratory for policy recommendations issued by the Washington consensus institutions. Globalization was the name of the new economic scene, and free market liberalization dominated the economic debate. In 1998, Kyrgyzstan became the first post-Soviet country to join the World Trade Organization (WTO), which was hailed by the international community as a major breakthrough in country's economic history in the second half of the 1990s. However, by 1995, Kyrgyzstan's Gross Domestic Product declined by 45 per cent from its 1991 level.<sup>8</sup> Amazingly, in the same year, the *International Monetary Fund* (IMF) ranked Kyrgyzstan fourth among former Soviet republics (behind the Baltic countries) in the pace of economic reforms. In 1995, one third of the country's enterprises, some 120 of them were idle, and in 2004, the industry contributed only 13 per cent of the GDP.<sup>9</sup> According to the national Statistics Committee of Kyrgyzstan, the country's industrial output between January and October 2005 decreased by 9 per cent from the corresponding period of 2004.<sup>10</sup> In the second half of the past decade, the rise in the global demand for gold and other resources helped improve Kyrgyzstan's economic data. By January 2012, the ratio of the industrial output increased dramatically and accounted for

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<sup>5</sup> Data and Statistics for Kyrgyz Republic, The World Bank, December 2011, [web.worldbank.org](http://web.worldbank.org).

<sup>6</sup> Armin Bauer, Nina Boschmann, David Green, and Kathleen Kuehnast, *A Generation at Risk: Children in the Central Asian Republics of Kazakhstan and Kyrgyzstan*, Manila, Asian Development Bank, 1998, 4.

<sup>7</sup> Human Development Index (HDI) – 2011 Rankings, Human Development Reports <http://hdr.undp.org/en/statistics/>.

<sup>8</sup> Richard Pomfret and Kathryn Anderson, *Economic Development Strategies in Central Asia since 1991*, Oxford: Blackwell Publishers, 2001, 191.

<sup>9</sup> "Country Profile: Kyrgyzstan," 7.

<sup>10</sup> "Social Economic Situation of the Kyrgyz Republic," the National Statistics Committee of the Kyrgyz Republic, <http://www.stat.kg/Eng/Home/Social.html>.

almost 69 per cent of GDP;<sup>11</sup> this, however, had to do with skyrocketing of gold prices, and the immense production of the Kumtor gold mining enterprise in the country. As a result, Kyrgyzstan's industry has become primarily dependent upon one natural resource, the gold.

Kyrgyzstan's quick economic decline was, of course, initially occasioned by the dissolution of the Soviet Union. Previously its exports were destined to Russia and other union republics. In the 1990s, many economic links among the former Soviet states were severed, and Kyrgyzstan was no exception. No former Soviet state, except perhaps the Baltic States, was properly prepared for the transition from planned to free market economy. However, just like other Soviet states, Kyrgyzstan emerged from the Soviet Union with certain advantages, such as a high literacy rate, well-educated middle class, functional economic base, and welfare state institutions. However, the economic reforms of the 1990s, advocated and guided by the IMF, diminished these obvious advantages, and brought the country face to face with economic and political crisis of severe nature.

The 1990s was dominated by the neoliberal economic doctrine, and the newly independent former Soviet states responded such recipes market and economic restructuring. Such powerful international financial institutions as the IMF and the World Bank mandated the country to adhere to globally standardized doctrinaleconomic principles as the only medium of a healthy socio-economic transformation.<sup>12</sup> But unluckily, such organizations paid no attention to the well being of the population in their client states, and made no attempts to create institutional and legal framework for market reforms and dissolution of state-held monopolies or state-run enterprises.<sup>13</sup>

Kyrgyzstan's austere macroeconomic reforms in 1993 were made even harder after speedy reforms and privatization in the banking sector. Out of nothing, credit markets, currency auctions and treasury bond markets were also created.<sup>14</sup> In the same year, the Russian/Soviet *ruble* was dropped and the new Kyrgyz currency, the *som* was introduced. Soon after that in 1994, the government removed control mechanisms over such products as food and fuel, as well as on export controls and controls over profit margins. Dropping of controls immediately created

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<sup>11</sup> "Osnovnie pokazateli sotsialno-ekonomicheskogo razvitiya Kyrgyzskoi Respubliki v ianvare 2012 g." The National Statistics Committee of the Kyrgyz Republic, <http://www.stat.kg/rus1/express.pdf>.

<sup>12</sup> For more on the IMF and its agenda, see Joseph E. Stiglitz, *Globalization and Its Discontents*, New York: W. W. Norton & Company, 2003.

<sup>13</sup> Joseph E. Stiglitz, *Globalization and Its Discontents*, 73-78.

<sup>14</sup> Dabrowski and Antczak, *Russian and East European Finance and Trade*, 25.

huge problems for the general population, and contributed to dramatic poverty growth in the country. The value of the *som* fell, prices for the most basic products skyrocketed, and even food became too expensive for many.

From the very beginning of its independence, Kyrgyzstan displayed an orientation toward a more liberal and free society than any of its neighbours in the region. Its leadership under President Akayev trusted policy recommendations and advice it received from international bodies and readily embraced neoliberal economic reforms. President Bakiyev simply followed and continued the previously established economic vision. The country's political instability, its impoverished population, the rise of nationalistic militancy, the March 2005 Tulip revolution, and mass violence of spring and summer of 2010, bear direct results of those reforms.

### **Financing Kyrgyzstan's Transition:**

As the USSR collapsed towards closing 1991, the authorities in Bishkek found themselves in need for political and economic advice and guidance. International economic and financial organizations naturally filled the gap, and Kyrgyzstan's dependency on international financial organizations dates back to early 1992, when a half of its seventeen per cent budget deficit was covered by international sources.<sup>15</sup> By 2002, net financing from foreign donors reached US \$539 million – one third of its GDP. In 2001, its external debt was about US \$1.7 billion,<sup>16</sup> and reached \$2 billion by the end of 2005.<sup>17</sup> In other words, in 2005 Kyrgyzstan's external debt equalled the country's GDP.<sup>18</sup> In following years, the external debt as a percentage of GDP declined: by the end of 2011, the foreign debt comprised only 54 per cent of GDP.<sup>19</sup> At the same time, the country has continued to experience rising levels of poverty and brain drain.

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<sup>15</sup> Marin Spechler, *Free Trade, Free Markets: Central Asia on the Edge of Globalization*, New York: M. E. Sharpe, Inc. 2004, 71.

<sup>16</sup> *Free Trade, Free Markets: Central Asia on the Edge of Globalization*.

<sup>17</sup> Kunduz Jenkins, "The Kyrgyz Revolution: One Step Ahead or Two Steps Back?," *Central Asia – Caucasus Analyst*, September 21 2005, [http://www.cacianalyst.org/view\\_article.php?articleid=3663](http://www.cacianalyst.org/view_article.php?articleid=3663).

<sup>18</sup> Spechler, 71. According to the Purchasing Power Parity (PPP) method, Kyrgyzstan's GDP is US \$8.5 billion, *The CIA World Factbook 2005*, <http://www.cia.gov/cia/publications/factbook/>. However, the PPP estimates warrant questions about economic proficiency of a country that is marred by political, financial, legal and institutional shortfalls.

<sup>19</sup> "The foreign debt of Kyrgyzstan to be 54 per cent of GDP by the end of 2011," *24 News Agency*, <http://eng.24.kg/politic/2011/12/16/22088.html>.

In January 2005, the average monthly wage was estimated at US \$54.9,<sup>20</sup> and by 2011, it was slightly above 8 thousand *soms* (about \$170).<sup>21</sup> In 2004, the minimum pension was US \$5.10 a month (which was 12 per cent of the average wage of \$42.50 in that year),<sup>22</sup> and by 2010, it grew slightly at \$12.4, with the subsistence level estimated at \$75.2.<sup>23</sup> By 2003 estimates, about 50 per cent of the population lived below the poverty line; this figure was about 80 per cent in the southern regions.<sup>24</sup> It declined by 2010 at 33.7 percent of the population, with almost 75% of the poor residing in rural areas.<sup>25</sup>

Poverty is especially acute in rural areas, where the average income is less than US \$1 a day.<sup>26</sup> Since 1992, secondary school enrolment figures steadily declined for the reason that children need to work to support their families, and for those who attend school, education is disrupted in winter months due to lack of power for heat.<sup>27</sup> According to the Food and Agriculture Association of the UN, 14% of Kyrgyz lacked food security in 2011,<sup>28</sup> and the same is expected to grow still worse in the coming days.<sup>29</sup> Country's public health declined. Previously rare diseases such as typhoid and tuberculosis have become common.<sup>30</sup> Many medical doctors and other professionals have left the country since 1992, and have left behind a huge shortage of trained professionals.<sup>31</sup>

In 1998, the WTO accepted Kyrgyzstan as a member not because of its strong economic performance, but for very pragmatic reasons.

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<sup>20</sup> Jenkins, September 21, 2005.

<sup>21</sup> "In Kyrgyzstan average monthly salary is KGS8, 185," *24 News Agency*<http://eng.24.kg/business/2011/08/10/19663.html>.

<sup>22</sup> "Country Profile: Kyrgyzstan," 6.

<sup>23</sup> "In Kyrgyzstan minimum pension \$12.4 at subsistence level of \$75.2," *24 News Agency*,<http://eng.24.kg/cis/2010/09/03/13408.html>.

<sup>24</sup> "In Kyrgyzstan minimum pension \$12.4 at subsistence level of \$75.2."

<sup>25</sup> "Poverty Reduction," United Nations Development Program: The Kyrgyz Republic, <http://www.undp.kg/en/what-we-do/focus-areas/poverty-reduction>.

<sup>26</sup> "Poverty Reduction," United Nations Development Program: The Kyrgyz Republic, 8.

<sup>27</sup> Mehriqi Ablezova, Gulzat Botoeva, Tolkun Jukusheva, Rachel Marcus, & Elmira Satybaldieva, "A Generation at Risk? Childhood Poverty in Kyrgyzstan," *CHIP Report No. 15*, The Childhood Poverty Research & Policy Centre, 2004, 41-46.

<sup>28</sup> "14% of Kyrgyz lack food security, UN says," *agrifeeds: Aggregated News and Events on Agriculture*, <http://www.agrifeeds.org/node/69757>.

<sup>29</sup> "UN: Food Insecurity in Kyrgyzstan to Grow Worse," World Food Program, 25 August 2010, <http://www.wfp.org/content/un-food-insecurity-kyrgyzstan-grow-worse>.

<sup>30</sup> "UN: Food Insecurity in Kyrgyzstan to Grow Worse," World Food Program, 25 August 2010, 18.

<sup>31</sup> Martha Brill Olcott, *Central Asia's New States: Independence, Foreign Policy, and Regional Security*, Washington, DC, United States Institute of Peace Press, 1996, 91, 98-99.

Kyrgyzstan is a landlocked mountainous country located far away from major international transportation routes. As such, it competes with no one in terms of offering major production or distribution structures. It could not attract them from its immediate neighbourhood either. When Bishkek was invited to join the WTO, all the neighbours of Kyrgyzstan were non-WTO members, with most of them having little prospects joining this organization anytime soon. The Kyrgyz membership in this organization was motivated by political considerations: it was advantageous for leading WTO members to have a country with an open economy in a country that had an autocratic regime history in the backdrop. This step was also pre-empted by the fact that Kyrgyzstan had no chance of becoming an economic competitor to any other WTO member even if it were to implement mercantilist economic measures.

Kyrgyzstan gained nothing from its WTO membership. A small and remote mountainous country rarely gained much by dropping its traditional industrial and trade policies and opening up the economy to foreign imports. Perhaps the Kyrgyz leadership joined the WTO for political benefits rather than for calculated economic advantages. The Bakiyev administration did not turn away from the Akayev regime's policies and measures of economic austerity and privatization. These were initially imposed upon the country by the conditions of the International Monetary Fund (IMF) loans, and the rules of the WTO membership. The IMF demanded Bishkek to privatize national enterprises in a short time period, and Akayev and his associates were happy to oblige. Consequently, many major and important industrial assets ended up in the hands of the Akayev family and friends.<sup>32</sup> The rushed privatization had negative consequences stemming from unfair competition, mismanagement, and misallocation of resources. Unsurprisingly, privatization proceeded without necessary legal and political structures in place. There was no clear vision and only ambiguous regulations in managing monopolies in the country and promoting fair economic competition.

### **Kyrgyzstan's Land:**

Kyrgyzstan's industrial sector was marked by dramatic shifts during the last 20 years. However, the most crucial change occurred in the agricultural sector. Agricultural land is a major national asset of Kyrgyzstan. More than half of country's land area is suitable for agriculture. In this regard, Kyrgyzstan's fares far better than the average

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<sup>32</sup> Martha Brill Olcott, *Central Asia's Second Chance*, Washington, DC: Carnegie Endowment for International Peace, 2005, 107.

data for the rest of the world.<sup>33</sup> At the same time, the land reforms of the 1990s created massive political and economic problems for the country, from which there seems to be no immediate relief.

The March 2005 Tulip Revolution in Jalal-Abad and Osh, the primary agricultural areas of the country's south. In June 2010, the same region was again the scene of the largest Kyrgyz-Uzbek violent clashes, and by 2011, around half of Kyrgyzstan's poor people resided in these two administrative districts accounting together for 44 per cent of the country's population.<sup>34</sup> In the same year, in Kyrgyzstan's administrative districts the poverty rates ranged from 15 to 52 per cent, with the extreme poverty rates between 2 and 17 per cent.<sup>35</sup>

Agricultural land is one of the most important assets of any country's economy, especially in the times of high demand on agricultural commodities. It is crucial in building state capacities to provide for a country's survival and well-being. State capacity is inextricably linked with state power, in all its manifestations.<sup>36</sup> Misguided transition, privatization or reforms in the agricultural sector produced caused certain discomforts in the 20<sup>th</sup> century societies,<sup>37</sup> thereby fostering political instability of serious nature.<sup>38</sup> The tragedy of Kyrgyzstan's transition is that the country had neither immediate needs nor necessity for carrying out speedy reforms in agricultural sector, except that the reforms were mandated by the IMF and WTO rules as a condition for loan advancement to the said country—a necessary rationale of international organizations and their private subsidiaries to complete a “success process.” Kyrgyzstan's economic problems and political instability could have been avoided had the country embarked on gradual and calculated agricultural reforms.

Among the demands imposed by the IMF, had been privatization of agricultural land, and the abolition of agricultural and other

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<sup>33</sup> Data and Statistics for Kyrgyz Republic, Environment.

<sup>34</sup> “The Kyrgyz Republic: Poverty Profile and Overview of Living Conditions,” Document of the World Bank, June 28 2011, 7 [http://siteresources.worldbank.org/INTKYRGYZ/Resources/KG\\_Poverty\\_Profile\\_062811a.pdf](http://siteresources.worldbank.org/INTKYRGYZ/Resources/KG_Poverty_Profile_062811a.pdf).

<sup>35</sup> “The Kyrgyz Republic: Poverty Profile and Overview of Living Conditions,” Document of the World Bank, June 28 2011.

<sup>36</sup> Matthew Adam Kocher, “State capacity as a Conceptual Variable,” *Yale Journal of International Affairs*, 5(2), Spring/Summer 2010.

<sup>37</sup> Roy A. Andersen, Robert F. Seibert, and John G. Wagner, *Politics and Change in the Middle East: Sources of conflict and Accommodation*, Upper Saddle River, NJ, Pearson Prentice Hall, 2009, 209-245.

<sup>38</sup> Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, New York: Basic Books, 2000, 15-37.

subsidies.<sup>39</sup> Southern parts of Kyrgyzstan, where Osh and Jalal-Abad are situated, are mainly agricultural, and northern areas, where the capital city, Bishkek, is located, are more urban. Kyrgyzstan inherited uneven development between urban and rural areas, the latter being less developed (this is a permanent feature for not only post-Soviet nations, but for all developing countries). This unevenness was further entrenched by Bishkek's abolition of agricultural and transportation subsidies. For poorer residents of southern Kyrgyzstan it was no longer profitable to grow agricultural products and take them to Bishkek for trade. Withdrawal of such subsidies was essential for they kept people in southern Kyrgyzstan employed and provided them with some income. With denial of subsidies, the unemployment in southern rural areas increased, and uneven development between the country and the city became even more profound.

Further, in the 1990s, southern areas of Kyrgyzstan had more population than northern areas.<sup>40</sup> When land reforms were initiated in the 1990s, it was decided to divide the arable land equally among the members of the Soviet-style collective and state farms. The land share per-individual was calculated by dividing seventy-five per cent of the total arable land by the number of people eligible for the shares. Seventy-five per cent of the arable land was distributed among the eligible citizens of Kyrgyzstan who were born before January 1 1996, and the remaining twenty-five per cent was reserved for the country's Land Distribution Fund. As a result, the residents of the southern provinces ended up worse off: "the actual arable land distribution varied between 0.75 and 1.5 hectares per-capita in the northern provinces, and 0.1 and 0.3 hectares per-capita in the more populous southern provinces."<sup>41</sup> This fact combined with the absence of agricultural subsidies relegated the southern Kyrgyzstan to the situation of economic hardship and deprivation.

Kyrgyzstan's land reforms were badly designed and implemented. There were substantial inequalities in land distribution, and corruption

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<sup>39</sup> For an optimistic evaluation of the IMF reforms, see a presentation by the World Bank Resident Representative to Kyrgyzstan Michael S. V. Rathnam, "Foreign Investment During the Transition: How to Attract It, How to Make Best Use of It," at the International Conference organised on the eve of the Fifth Anniversary of the Kyrgyz Som—*Challenges to Economies in Transition: Stabilization, Growth and Governance*, Bishkek, May 27-28 1998, <http://www.imf.org/external/np/eu2/kyrgyz/pdf/rathnam.pdf>.

<sup>40</sup> There has been a noticeable demographic shift in Kyrgyzstan since the 1990s, whereas many people from the southern agricultural regions, migrated to urban and northern areas for employment.

<sup>41</sup> "A Generation at Risk? Childhood Poverty in Kyrgyzstan," 13.



played its ugly hand in the process as well. However, authorities' decision to rent the Land Distribution Fund property<sup>42</sup>(created with the twenty-five per cent share of the total arable land) rather than to distribute it among those who were unfairly treated by the privatization process or were born after January 1 1996, was clearly guided by the tenets of "trickle-down economics." Only those with substantial funds could afford to rent land from the reserve fund, but not those who needed it most, especially in the southern provinces. This decision further entrenched poverty in the country, and helped the alienation of the south from the north.

The Uruguay Round of negotiations, which concluded with the creation of the WTO in 1994, does not prohibit agricultural subsidies. The European Union, Japan, and the United States, for instance, subsidize heavily their agricultural sectors. However, developing countries that are members of the WTO, like Kyrgyzstan, constantly need loan guarantees from the IMF. The latter organization imposes measures of economic austerity on its clients that prohibit agricultural subsidies. Further, the IMF negotiates its deals with national government in great secrecy, and strongly discourages release of its policy recommendations to the general public. Therefore, southern residents of Kyrgyzstan could not possibly understand that their economic hardship were due to the economic reforms imposed by the IMF. Contrarily, they blamed President Akayev for the same for he was a northerner, who cared less about the south for regional bias.

The north-south divide in the country was even exacerbated by national minorities factor. Just as elsewhere in Central Asia, Kyrgyzstan has sizable portion of national minorities. In the southern provinces more than one-third of the population is composed of Uzbeks. They were mostly not integrated with the majority, and largely resided in homogenously Uzbek communities.<sup>43</sup> The fact that the southerners ended up with only 0.19 hectares of the arable land share per-capita as opposed to 0.53 per cent in the north, was also interpreted as a deliberate policy by the north dominated Akayev administration to discriminate the Uzbek minority. The southern population of Kyrgyzstan is also more religious – one more cause for the two regions to view each other suspiciously. In 1999, 2000, and 2003, Islamic insurgent managed several militant attacks in the country, and the Uzbek based or inspired groups were implicated in them for militants have been active in the southern Kyrgyzstan, mostly on Batken and Osh. The Osh area is also distinguished as a major transit

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<sup>42</sup> "A Generation at Risk? Childhood Poverty in Kyrgyzstan," 13-14.

<sup>43</sup> Martha Brill Olcott, *Central Asia's Second Chance*, 108.

region for narcotics and trafficking of people. Since 1992, narcotics production and consumptions grew significantly in the country. According to the 2005 estimates, Kyrgyzstan had the third highest rate of opium addiction in the world.<sup>44</sup>

The practice of many farmers turning to subsistence crops damaged the country's exports and negatively affected national wealth. In 1990, about 50 per cent of Kyrgyzstan's exports were agricultural. After sharp reductions in the 1990s, by the early 2000s agricultural production approached 1991 levels. In the opening months of 2012, as is noted above, the industrial output accounted to almost 69% of the country's GDP, with agricultural sector maintaining only a minor role. The country's arable land depends heavily on irrigation systems (about 70 per cent).<sup>45</sup> Irrigation or the lack of such has been a major problem for all farmers since the break-up of the Soviet Union. The Kyrgyz government has had no industrial policy to address the questions related to the lack of irrigation or pesticides.

The obvious and clear problems in the Kyrgyz economy and finances have not deterred its foreign creditors and applauders. In 1996, Kyrgyzstan was praised as "the most liberal... for market entry and the establishment of new firms within the former USSR," and the "Switzerland of the East."<sup>46</sup> As it was mentioned above, the IMF never failed to praise Kyrgyz reforms. In 1995, the CSCE (now OSCE) praised the Kyrgyz parliamentary elections even these were marked by flagrant irregularities.<sup>47</sup> At the time, the document was essential for both Akayev administration and financial donors to secure wide political support for future loans for the country. In contrast, the October 2010 parliamentary election met with silence, even though it was much better organized and democratically conducted than Kyrgyzstan's any other previous political contest.

### **Conclusion:**

Kyrgyzstan has gained nothing from its membership in WTO – its remote location prevented it from developing new trade partnerships beyond its traditional partners in the region.<sup>48</sup> It is highly unlikely that Kyrgyzstan will ever gain much from the WTO in its current form.

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<sup>44</sup> "Country Profile: Kyrgyzstan," 15-16.

<sup>45</sup> "Country Profile: Kyrgyzstan," 4 & 7.

<sup>46</sup> Dabrowski and Antczak, 24-25.

<sup>47</sup> Eugene Huskey "Kyrgyzstan: the Fate of Political Liberalization," *Conflict, Cleavage, and Change in Central Asia and the Caucasus*, Ed. By Karen Dawisha and Bruce Parrot, Cambridge: Cambridge University Press, 1997, 261.

<sup>48</sup> "Country Profile: Kyrgyzstan," 8.

While the larger members of the WTO are busy negotiating new deals, Kyrgyzstan could not take advantage by developing its own industrial and/or trade policies. The new Kyrgyz government has to take notice of major mistakes of its predecessors, and note misguided policy priorities Kyrgyzstan received from international financial and economic organizations. It has been fashionable in the post-Soviet states to blame corruption and mismanagement for the failure or reforms. In fact, corruption and bad management practices, as negative as they are, have to be taken into account when economic reforms are devised. Recipes offered by the IMF have implied the existence of some ideal economic situation in Kyrgyzstan that can never materialize in that country or elsewhere.

Kyrgyzstan's main generator of wealth has been its gold exports. Its hydro energy resources are also very promising for future wealth generation, as well as its coal deposits and tourism industry. The country does not have to be concerned with global free trade arrangements, since it is most unlikely that Kyrgyz or any other gold will be affected by trade tariffs or non-tariff barriers – no country in history has refused gold, and the global demand for this commodity will remain high. Even if Kyrgyzstan violates WTO rules, it won't register any major set back except that the country will cease to be a member of a trans-national funding organisation. Kyrgyz gold and other metals shall always have a ready demand from a member or no-member of WTO. With rising energy prices and Kyrgyzstan's abundant hydropower and coal reserves, Bishkek should have no problems to attract investors or raising funds to supply electricity to its neighbours, especially China.

Kyrgyzstan has been a good ally to Russia, and more recently to the United States. The latter has operated an air force base in Manas since 2002, which has been crucial for the Operation Enduring Freedom in Afghanistan. To calm down Russia's anxiety, Bishkek has given the Kant air force base to Moscow. Kyrgyzstan's relations with China have improved steadily since 1992 through the border trade. Bishkek will do much better if it tries to cultivate bilateral ties with important players in Central Asia than to rely on memberships in multilateral organizations. Despite its remote location, Kyrgyzstan has much to gain in America's interest in Central Asia (provided Bishkek plays its cards right), Russia's renewed desire to stay in the region, China's rising appetite for energy, and India's expanding economic might. Turkey, Kyrgyzstan's natural ally, other Middle Eastern, Far Eastern countries and the Indian subcontinent could also help with new venues of bilateral opportunities.

Kyrgyzstan needs strong state institutions, and well designed industrial and trade policies in order to survive as a single nation, and

avoid violent unrests and disturbances motivated by misguided policies, economic hardship or nationalistic militancy. The country also needs help from major powers having vested interests in Central Asian security and stability, Russia, US, and China. Kyrgyzstan's reliance on international institutions such as the IMF and the WTO has not served the country well, and the new government in Bishkek will do better if it were to focus more on bilateral relations with important countries of the world.

# KHITANS AND CENTRAL ASIANS

## A STUDY IN THEIR BILATERAL RELATIONS

**Dilnoza Duturaeva\***

### **Abstract:**

The period of Qara Khitai rule in Central Asia (1124-1218) has been generally a neglected subject, despite the availability of wide range of literature on it in Arabic, Persian and Chinese. However, there has been a revival of interest in the recent years. Michal Biran's book on *The Empire of the Qara Khitai in Eurasian History: Between China and Islamic World*, published by Cambridge University Press in 2005, speaks for the same. Biran is the first scholar whose writing on the Qara Khitais was based on the information contained in the Muslim and Chinese accounts. Nonetheless, certain gaps exist. For instance, one has yet to know a lot about the pre-Qara Khitai period. Similarly, the relations of the Khitans with the Central Asian rulers before Yelü Dashi established the Khitan empire, finds just little mention in the modern works.

### **Keywords:**

Khitans, Qara Khitai, Central Asia, Yelü Dashi, Qarakhanids, Ghaznavids.

### **Introduction:**

In 1125, Khitan or Liao Empire (907-1125) was defeated by Jurchens. Pursuant to that, several Khitans headed by Yelü Dashi came to Central Asia and laid down the foundation for the empire of the Qara Khitai or Xi Liao (1125-1218).<sup>1</sup> Having been referred to as a Chinese dynasty<sup>2</sup> in medieval Chinese accounts and “Infidel Turks” in the Muslim chronicles, the Qara Khitai was the only Central Asian dynasty<sup>3</sup> that protected Islam from its enemies.

With its capital in Balasaghun, the state of the Qara Khitai had such vassals as the Idiquts of Turfan, Eastern and Western Qarakhanids, Khwarezmshahs, Qarluqs, Qangli, Qipchaqs and Naimans and after the battle of Qatwan in 1141, the borders of this state extended to as far as

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<sup>1</sup> For details on their political history, see: M. Biran, *The Empire of the Qara Khitai in Eurasian History: Between China and Islamic world*, UK: Cambridge University Press, 2005.

<sup>2</sup> Touktou, “*Liao shi*,” Tr. K.D. Jusaev, *Kyrgyzdardyn jana Kyrgyzstandyn taryhyi bulaktary*, 2, Bishkek, 2003, 82-86.

<sup>3</sup> Muḥ ammad ibn Khandshāh Mīrkhwānd, *Tārīkh-i ravzat aṣ-ṣafā*, 4, Tehrān, 1960, 71; Shams ad-Dīn Muḥ ammad b. Aḥ mad Dhahabī, *Ta’rīkh al-Islām*, Ed. B. ‘A Ma’rūf, 62, Beirut, 1988, 330; Ala-ad-Din Ata-Malik Juwaini, *The History of the World Conqueror*, Tr. J.A Boyle, Manchester, 1958, Rpr. Manchester, 1997, 79-80, 89.

the Aral Sea in the west, Eastern Turkestan in the east, lake Balqash in the north and Khotan in the south.

However, the said empire suffered a defeat at the hands of the Khwarezmshah in 1210 for the reason that is best explained by Āta Malīk Juwainī in his *Tarīkh-i Jahāngushā*. Juwainī mentions the following story that he heard from his nephew: “Beyond these Turks (i.e. Qara Khitai) are a people stubborn in their vengeance and fury and exceeding Gog and Magog in the multitude of their numbers. And the people of Khitai were in truth the wall of Zul-Qarnain between us and them. And it is unlikely, when that wall is gone, that there will be any peace within this realm or that any man will recline in comfort and enjoyment. Today I am in mourning for Islam.”<sup>4</sup> It is to be noted that the Qara Khitai accepted Islamic faith only towards the last phase of their reign. Nevertheless, the Muslim chronicles mention them as the defenders of Islam.

The present paper is devoted to a discussion seeking to reply the following questions: How did the “infidel” dynasty win the distinction of being the champion of Islam? How could it legitimize their rule? Were the Qara Khitai aliens or the natives? Besides other things, the authors tries to examine the relationship of the Khitans with Central Asians before the emergence of the Qara Khitai state.

### **Content:**

The ruin of the Uighur Gaganate (Khanate) in 840, and the Tang state in 906 resulted in the formation of the Liao state in Manchuria and Khitan state in Central Asia between 907 and 1125. While some Khitan tribes joined the Liao state, others joined the Qara Khitai state in Central Asia region. The migrations of the Khitans finds adequate mention in the records of the Muslim chronicles. For instance, according to Ibn Al-Athir, more than 300,000 families of Turkic tribes left China in 1017/1018, and these included the Khitans also. Taking advantage of illness of Tughankhan, the ruler of the Qarakhanids (998-1018), they tried to conquer the Qarakhanids state. When they reached as close as 8 km to Balasaghun, the capital of the Qarakhanid, Tughankhan learned about this and raised an army of 120,000 souls in defence of his country. On this, the Khitans retreated, but Tughankhan chased them for three months and killed 200,000 and imprisoned 100,000 Khitans.<sup>5</sup> Both Ibn

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<sup>4</sup> *The History of the World Conqueror*, 347

<sup>5</sup> Ibn al-Athīr, *Al-Kamīl fī-t-Tārīkh*, Tr. P.G. Bulgakov, Tashkent, Uzbekistan, 2006, 183-184.

Al-Athir and Bar Hebraeus trace the occurrence of the event in 1014,<sup>6</sup> though Narshakhi mentions it to have taken place in 1012/13.<sup>7</sup>

According to Ibn Al-Athir, 16,000 families of the Khitans were sent by Arslankhan, the ruler of the Qarakhanid state (1102-1130) to safeguard the borders towards Transoxiana. As the Khitan population was enormously growing, Arslankhan tried to restrict it by separating them from their wives. On this, many of the Khitans moved to Balasaghun and settled there. Here, they often had skirmishes with Arslankhan.<sup>8</sup> However, their area of migration was even bigger than Transoxiana. For instance, in 1103, a Qipchaq prince namely Kitanopa was killed in the battle between the Russians and Qipchaqs, and the embassy sent by the Kumans to the ruler of Kiev (Khiva) was headed by a person namely Khitan.<sup>9</sup>

The marches by the above mentioned Khitans to the western regions is not mentioned in Liao shi. Considering this, G.G.Pikov has concluded that it might be the Mongol and Turkic tribes who actually lived in the western borders of the Khitan state:<sup>10</sup> may be they included some Khitans and Tatar tribes as is directly or indirectly recorded in Liao shi.

In 1012, the Tzubu, or the Tatar tribes, who lived within the Khitan state, rebelled. The rebellion started in Kedun and subsequently spread to other border areas of the Khitan state. Though it was crushed in 1013 by Liao aristocrat Yelu Huag, yet most Tatars succeeded to escape to the west.<sup>11</sup> While chasing them, Yelu Huag had to encounter the military forces of the Qarakhanid state. During the battle, Huag imprisoned several men of the Qarakhanid army. But having seen among them the folk of the Liao state (Khitans), he immediately set them free.<sup>12</sup> Actually, this event might be the representative of the Chinese version but described by Ibn Al-Athir, Bar Hebraeus and Narshakhi. Firstly, the date of the occurrence is the same. Secondly, the Khitans

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<sup>6</sup> Bar Hebraeus, *The Chronography of Gregory Abu'l Faraj* (commonly known as Bar Hebraeus), Tr. E.A.W. Budge, London, 1932.

<sup>7</sup> Mīr Ḥaydar b., *Alī Ḥusaynī Rāzī, Ta'rikh-i Ḥaydarī, Extracts in Muḥammad Narshahi, Ta'rikh*, Ed. C. Schefer as *Description de Boukhara par Nersshahy*, Paris, 1892, 233.

<sup>8</sup> *Al-Kamīl fi-t-Tā'rikh*, Tr. P.G. Bulgakov, 244-245.

<sup>9</sup> D.Sinor, "Western Information on the Khitans and Some Related Questions," *Journal of American Oriental Society*, 115(2), 1995, 266.

<sup>10</sup> G.G. Pikov, *Zapadnye Khidan*, Novosibirsk, 1989, 74.

<sup>11</sup> A large number of the Khitans might have fled with the Tatars, an event that coincides with Khitan migration mentioned by Ibn Al-Athir, Bar Hebraeus and Narshakhi.

<sup>12</sup> K. A. Wittfogel, Feng Chia-sheng, "History of Chinese Society: Liao (907-1125)," *Transactions of the American Philosophical Society*, 36, Philadelphia, 1946, 587.

might have also joined the rebellion for they too were annoyed with the Khitan state policies as others were. Thirdly, on the failure of the rebellion, the Khitans also fled the country as the Tatars did. This matches the records mentioned in the Islamic sources: "More than 300,000 families of Turkic tribes, among them there were also the Khitans."<sup>13</sup> Fourthly, the battle between Tughankhan and the Khitans described in the Islamic sources might actually be the battle between Yelu Huag and the Qarakhanid army mentioned in the Chinese source. True, Yelu Huag chased the rebels till and out of the state borders. But the Muslim chroniclers must not have known it; hence, did not mention it in their accounts. For this reason, it was understood that the rebel tribes and the army lead by Yelu Huag were marching on Balasaghun to invade it. Taking into account the views mentioned above, it can be concluded that Liao shi also mentioned that the Khitans migrated to Transoxiana before the Qara Khitai. Besides, according to the Chinese source, the Khitans migrated to and settled in Transoxiana even before this event. This was confirmed by the Khitan prisoners held by the Qarakhanid army first and released later by Yelu Huag.

*Qutadghu Bilig*, the work written in the 11th century also contains information about the Khitan traders: "...The Khitan trains of camels sold Chinese goods ..."<sup>14</sup> This indicates wider space of Khitan trade with those neighbouring states with which it had diplomatic relations; among these were the Kyrgyz and Uighur states. Liao shi mentions that in 930, 952 and 975, the leader of the Qirghiz tribe sent embassies to the Khitan state.<sup>15</sup> The Uighurs also sent diplomatic missions to the Khitan state for cooperation and friendship. In fact, the minor Khitan script was developed after this event in 925.<sup>16</sup>

The Khitan state evinced interest in Central Asia and the Arab world, because, in 923, the Liao ruler received the embassy sent from Posy (Persia), perhaps the Samanides (875-999). This was followed a year later by the arrival of the Tashi (Dashi) embassy from the Abbasid Khaliphate.<sup>17</sup> The Khitans also reciprocating by establishing diplomatic

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<sup>13</sup> Ibn al-Athīr, *Al-Kamāl fī-t-Tārīkh*, 183-184.

<sup>14</sup> Yusuf Khas Hajib, "Qutadghu bilig ("Kniga o tom, kak stat schastlivim")" S.E. Malov Pamyatniki drevnetyurksoi pis'mennosti. Teksty i issledovaniya, Moscow-Leningrad, 1951, 238.

<sup>15</sup> Touktou, "*Liao shi*," 82.

<sup>16</sup> Feng Chia-sheng, "The Ch'itan script," *Journal of the American Oriental Society*, L XVIII, New Haven, 1948, 14; D. Kara, *Knigi mongolskikh kochevnikov*, Moscow, Nauka, 1972, 10; F.W. Mote, *Imperial China 900-1800*, Cambridge, Mass, Harvard University Press, 1999, 30, 42.

<sup>17</sup> E. Bretschneider, *Mediaeval Researches from Eastern Asiatic Sources (MREAS)*, London, 1, 1888, 265; K.A. Wittfogel, Feng Chia-sheng, "History of Chinese



relations with the Central Asian rulers. According to Marvazi, “the Qitay and Uighurs mix with the Turks...They have relations and correspondence with the Kings of Transoxiana.”<sup>18</sup> In 1027, the Khitans sent an embassy to Sultan Mahmud (999-1030), the ruler of the Ghaznavids. Marvazi furnishes a translated version of the letter sent by the then Khitan ruler to the Amir Khorasan Mahmud Qara-khan. It reads: “The Lord of the Heavens has granted to us (many) kingdoms upon the face of (this) wide earth and placed us in possession of regions occupied by numerous tribes. In our capital we enjoy security and act according to our will. Anyone in the world who can see and hear cannot help seeking friendship and close relations with us. Our nephews from among the Amirs of the nearer regions constantly and without exception sent their envoys, and their letters and presents follow upon one another. (Only) he (Mahmud) until now has sent no envoy or messenger, while we hear of his excellence in strength and courage, of his outstanding position in might and elevation, of his supremacy over the Amirs by awe, of his control of the provinces by might and authority and of his peace in his homeland according to his own will. As he enjoys such a glorious position it is a duty for him to write his news to the Supreme Khan than whom there is none higher beneath the heavens, and to treat him with consideration according to his state. So we have taken the initiative, limiting ourselves to the dispatch of this lightly equipped envoy rather than someone who would exceed him in rank and equipage, in view of the greatness of the distance and the length of time (necessary) for covering it.”<sup>19</sup>

The Khitans had an alliance with Qadir-Khan<sup>20</sup> through a noble lady who was married to his son Chaghri-tegin, and (thus) two ruling families were united through a matrimonial bond. Consequently, the Khitans asked Qadir Khan to facilitate the audience of a Khitan envoy (Qalitunka)<sup>21</sup> to Mahmud. The envoy comprised of men of intellect,

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Society: Liao (907-1125),” *Transactions of the American Philosophical Society*, Philadelphia, 36, 1946, 347; T.T. Allsen, *Culture and Conquest in Mongol Eurasia*, UK: Cambridge University Press, 2001, 9. According to V.V. Bartold, the second mission might not have been an embassy but a group of Arab traders with camels: *Raboty po istorii i filologii tyurkskih i mongolskih narodov*, Sochineniya, 5, Moscow, 1968, 542

<sup>18</sup> Sharaf az-Zamān Ṭahīr Marvazī, *Ṭabāḥi al-ḥayawān*. (*Abvābu fi-s-Sīni va-l-Turki va-l-Hindi*,” Ed. & tr. V. Minorsky, *The Muslim World 1100-1700: Early Sources on Middle East History*, London: Geography and Travel, 1942.

<sup>19</sup> Here the Khitans were either the Qarakhanids, Ghaznavids or the Turks. The title the Great Khan might have been used for courtesy’s sake.

<sup>20</sup> It is known that this state was vassal to the Khitans and paid tribute. The tradition of exchange of brides might have been well established between them.

<sup>21</sup> The text gives as قلیتۇنكا .

judgment and diligence, and all of them were laden with gifts of various sorts, suggestive of great deal of Khitan interest in promoting friendship with the Central Asian Muslim rulers.

The language of the Khitan letter written to Mahmood Khan of Ghazna in the year of the Mouse,<sup>22</sup> was in Turkic. According to Kashghari, the people of “Mochin<sup>23</sup> and Chin<sup>24</sup> spoke their own language. However, the Khitai townsmen spoke the Turkic language as well. They made correspondence with “Ghaznavids in Turkic language,”<sup>25</sup> and obviously the letter under reference must have been also in Turkic alone. Further, the year of Mouse, as indicated in the letter, corresponds to 1024,<sup>26</sup> the year when King Shengzun (983-1031) commanded the Khitan Embassy to set for Ghazna. After travelling three years, the Embassy reached Mahmood Khan’s court in 1027 as per Marvazi,<sup>27</sup> but 1026 as per Gardizi. In all cases, however, it was after Mahmood Ghaznavi’s successful invasion of India.<sup>28</sup> Incidentally, Khitan Embassy reached Mahmood’s court on the eve of yet another delegation from Uighuristan.<sup>29</sup>

The letter of the Khitan King to Mahmood contains information about several gifts sent forth from Khitan capital to Ghazna, and these included: (i) 2 suits of *khwidh*,<sup>30</sup> (ii) 1 suit of *zhunki*,<sup>31</sup> (iii) 1 suit of *k.nzi*,<sup>32</sup> (iv) 2 suits of *sh.k.rdi* (each) of 2 pieces,<sup>33</sup> (v) 15 suits of raw silk

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<sup>22</sup> *The Muslim World 1100-1700: Early Sources on Middle East History*, London: Geography and Travel, 1942; *Early Sources on Middle East History, Geography and Travel*, London, 1942, 19-20.

<sup>23</sup> According to Kashghari, Mochin was 4-month travel away from Chin, and it was known by name of Tavghach: Mahmud Kashghari, *Divan lughat at-Turk*, Tr. A. M. Auezova, Almaty, 2005, 424; for further details on name and location of Mochin, see: Abduholiq Abadurasul oqli. *Chin and Mochin*, Tashkent: Fan, 2006, 7-19, 98-106.

<sup>24</sup> Kashghari mentions that Chin meant China (i.e. Khitan): *Divan lughat at-Turk*, Tr., 424; *Chin and Mochin*, 72-98.

<sup>25</sup> *Divan lughat at-Turk*, Tr., 69.

<sup>26</sup> Chou Yi-Liang, “Notes on Marvazi’s account on China,” *Harvard Journal of Asiatic Studies*, 1945, 9 (1) 17.

<sup>27</sup> *Abvābu fi-s-Sīnni va-l-Turki va-l-Hindi*, 21.

<sup>28</sup> *Abvābu fi-s-Sīnni va-l-Turki va-l-Hindi*, 19.

<sup>29</sup> *Abvābu fi-s-Sīnni va-l-Turki va-l-Hindi*, 10-20.

<sup>30</sup> خويد – a type of fabric.

<sup>31</sup> ژونکی – probably it was another type of Chinese fabric chin-chi which used to be among the gifts sent by the Khitan emperors to foreign countries: *Harvard Journal of Asiatic Studies*, 1945, 9(1), 18-19.

<sup>32</sup> کزى – “Chinese fabric of red, yellow and green colors.” *Divan lughat at-Turk*, Tr., 397.

<sup>33</sup> شکردى - this might also be a type of fabric.

(each) 2 pieces, (vi) furs of sable-marten for pelisse (*yaqu*),<sup>34</sup> (vi) 200 sable martens, (vii) 1000 grey squirrels, (viii) 30 vesicles of musk, and (ix) 1 bow with 10 arrows. After presenting these gifts, the Amir Mahmud Khan well received and served the Khitan and Uighur embassies for the sake of friendship and cooperation if not for any matrimonial ties obviously for ideological incompatibility: “We favour good relations...we are Muslims, while you are heathens. We will not give our sisters and daughters to you. If you accept Islam, this matter will be thought over.”<sup>35</sup>

### **Conclusion:**

One can conclude that before the establishment of the Qara Khitai state in the 10<sup>th</sup>-11<sup>th</sup> century, the Khitan population in Transoxiana or Central Asia swelled due to migration. Some of them shifted there for the fear of the Liao state and others squarely in the train of intra-state trade. Thus when Yelu Dashi entered Central Asia, some portion of population comprised the Khitans. This was quite encouraging for Yelu Dashi's march westwards.

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<sup>34</sup> ياقو – means a coat: *Divan lughat at-Turk*, Tr., 758.

<sup>35</sup> Abū Saʿīd ʿAbd al-Ḥayy Gardīzī, *Zayn al-Akhbār*, Ed. Nazim M., London, 1928, 87.



# THE NORTHERN FORTRESS AND THE MYTH OF IRON GATE

**Borbala Obrusanszky\***

**Abstract:**

Forts and fortresses symbolise a security mechanism against the marauding forces. The Great Wall of China was constructed by the Chinese to resist oft-recurring Hun invasions. However, such forts or fortresses were not unique to Asia but to the eastern and southern part of the Caspian Sea, which too encountered threat of the Huns from time to time. One such fortress was located between the Caucasus Mountain and the Caspian Sea as the most important defence line against the Gog and Magog tribes, and on which was generated an amazing legend like the Alexander's Iron Gate in ancient times.

In this paper, the author intends to take a look at the said fortress keeping in view the excavation of a fort in Iran that too was constructed for protection against the Huns and that too had a legend associated with it.

**Keywords:**

Iron Gate, Fortress, Caspian, Caucasus, Huns, Sassanids.

**Line of Red Dragon:**

A few years ago, in 2007, two fortresses situated between Iranian Highland and Gumisan city, were found by the archaeologists of Edinburgh, Durham and Iranian Universities, in Iran. They could not find its name in historical sources, and thus christened it "Red Dragon" because of colour of the bricks. These were also called Gorgan wall, after the geographic name Gorgan that was erected to protect Persian soldiers and inhabitants from White Huns or Hephtalites, who invaded the eastern borders of Persia. It's another part, the Tammish-fortress, spread over the southern part of Caspian Sea, defended Persian Empire from Huns through the shore of Caspian Sea and Elburz-mountain passes. The fort is in modern Tammishah on the eastern border of Tabaristan adjoining Gorgan. Emperor Khusrou Anushirvan built a causeway to Gorgan and Khurasan over the marshes facing the Caspian to protect or to block the nomadic incursions into Persia, and it worked well even till the Sassanid times.<sup>1</sup>

The Red Dragon was the first defence line of about thirty well-built forts, aqueducts, and carefully constructed canal network. It was the

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<sup>1</sup> C. E. Bosworth, "Storm and Stress Along the Northern Frontiers of the Abbasid Caliphate," Tr., *History of al-Tabari*, XXXIII, New York: State University of New York Press, Albany, 1991, 147-148.

second long throughout Eurasian steppes after the Great Wall of China, and was highly elevated than those of the forts and fortresses built by Hadrian and Antoine in Western Rome.<sup>2</sup> Eberhard Sauer, who excavated this amazing site, has concluded that Persian dynasty was able to mobilize huge labour of people to raise this massive construction in order to defend Persia against Hephthalite Huns, who attacked Central Asia and Northern-India around the 5th century. The defence line helped Persians from assault of the Huns of Central Asia near the eastern part of the Caspian sea and from the European Huns under Attila and his brother, who attempted to get into and occupy Northern-Mesopotamian territory through it.

### **The Caspian Gate:**

Sassanid's also created huge fortresses in northern-north-eastern borders during the 5<sup>th</sup>-6<sup>th</sup> century, spanning Derbent to Besbarmah Hill (formerly Khursan-gala<sup>3</sup>) or from present-day Dagestan to Northern-Azerbaijan. This area is well known in Bronze Age, Biblical,<sup>4</sup> and Scythian sources, all having ruled over vast territories of Trans-Caucasus. Name of Caspian Gate or narrow passage was first mentioned by Hekatei of Miletus in the 4<sup>th</sup> century BC, and was also used by numerous classical authors. Diodore Sicilian mentions that "there was a rather narrow passage called Caspian Gate" referring to its geographical location next to the Caspian Sea and served as a defence point against northern horsemen. According to experts, there existed a well-fortified settlement in ancient times (7-6<sup>th</sup> century BC), and its existence is also evidenced by archaeological excavations.

Caspian Gate is really a narrow coastal strip of the Caspian Sea near Derbent, Dagestan. It has been known through history as the only convenient natural route for passage from Northern-Caucasus steppes to Trans Caucasus and the Middle East. The strategic location of this site

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<sup>2</sup> Hamid Omrani Rekavandi, *Eberhard Sauer*, Tony Wilkinson, Jebrael Nokandeh, 2008, 12-22.

<sup>3</sup> Beyond Azerbaijan's most sacrificial mountain stood a medieval fort, which got its name after Khurasan (5-9th centuries). According to archaeologist, Murtalazi Gadjiev, Khursan defined both geographical and personal name: the later was a Late Hunnic king.

<sup>4</sup> It is said that Gog and Magog threatened the "humankind." They belonged to real people. Gog usually was identified with the Cimmerians or pre-Scythian, and Magog, Japheth's one son. Magog is kind of steppe or northern horseman King, who is supposed to be ancestors of some nations. Ancient Hungarian chronicle declared that they got this name Magyar from King Magog of Mesopotamia: Anonymous, *Gesta Hungarorum*, Magyar Helikon, Budapest, 1, 1977.

made Derbent, a strategic place; hence, vulnerable to the invasion of the Scythians, Huns, Khazars, Persians, Turks and Arabs.

Presently, Caspian Gate lies on the eastern outskirts of Derbent city on the Mahachkala-Baku highway. The complex comprises two parallel thick stone walls each more than 3.5 kilometres long from the top of Derbent Hill to the sea. Dagestan archaeologists, who discovered some parts of it, identified its main strongholds and small observation points.<sup>5</sup> The centre of this fortress at Derbent was strategically placed on the Caucasian and Northern-Mesopotamian route from where horsemen invaded the Mesopotamians to reach Egypt.<sup>6</sup>

Owing to frequent invasion of the Huns under Attila, Sassanids built the great defence system with support from the Byzantine empire. Some parts of it can be seen until now. The biggest one is Derbent, where Caucasus Mountain and Caspian Sea created a defile, that's why it got name "gate" from the ancient times. It was the soul of the whole defence system with big walls all around the city. It was called as Hunnic-gate, where from Huns entered into the Persian Empire.

Some, lesser known elements of this defence system can be seen in Guba-Kachmaz region of Azerbaijan. The most amazing one is Chirag-gala, which was an ancient observer fort, 1232 meter high, built and rebuilt by the Caucasian Albania and Sassanid Kings. The typical Sassanid mode and material of construction like red bricks is amply clear from the said fort. From its height and excellent location, the guards overlooked the movement along the ancient commercial and military road,<sup>7</sup> and alarmed, in case of an emergency or untoward development, the people of Derbent and Gilgichay-river by burning lights or fire.

The ruins of ancient observer points are at Beshbarmah Hill, not far from Chirag-gala. It is a pilgrim site for Muslims with ancient traditions. The name of this fort was Khursan-gala which remembers us of Khursan, King of Late Huns in Caucasus. Khursan was also a geographical name for that territory, which lied eastward to Iberia.<sup>8</sup> It is also likely that Sassanid's were not able to protect the territory from Huns who settled down in this fertile land.

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<sup>5</sup> Murtalazi, Gadjeiev, Hunok és türkök támadásai és a Szaszanidák erődítési tevékenysége a Kelet-Kaukázusban, A hunok öröksége. Szerkesztette: Marác László és Obrusánszky Borbála, Hun-Idea, Budapest, 2009,240

<sup>6</sup> Syrian scholars often dealt with a discussion on the Huns, because they invaded Mesopotamia and Middle-East during the 5th-6th century.

<sup>7</sup> Fieldwork in Northern-Azerbaijan, July, 2010, 07-21.

<sup>8</sup> There are some Khursanis on the history of Huns. Kalankatuyk mentioned a Hunnic King Khursan, but one Hunnic leader in Anatolia resembles one Kursid. Hungarians, who are the descendants of Huns, also preserved this name or Khursan in the course of 10th century. The name is mentioned by foreign – western sources too.

### **Derbent and the Legend of Iron Gate:**

Derbent is still preserved in good condition. It was known by various names during the history, like Caspian gate, Hun-gate,<sup>9</sup> but perhaps the most unusual name is the Demir gate meaning Iron Gate. The last name is associated with the legend related to Alexander the Great, wherein the great conqueror is said to have protected the northern people behind an iron gate.<sup>10</sup>

Pseudo-Callisthenes in the biography on Alexander the Great, has recorded an enormous construction of a gate, which is “12 elbows wide through which 22 people of the North weren’t able to pass.”<sup>11</sup> Pseudo-Methodius described the gate constructed from copper and iron.<sup>12</sup> The legendary story was not only popular in the Western countries, but among Eastern people also, like Syrians and Ethiopians. It also finds mention in *Surat al-Kahf* of the holy *Qur’an*: “two horns is a wall built to protect the innocent people from Gog and Magog, at the foot of the mountain.”<sup>13</sup> Kalankatuyk, composer of History of Caucasus Albanian, also wrote conquest of Macedon in order to preserve Christianity from the northern peoples.<sup>14</sup>

Before the 5<sup>th</sup> century references to Gog and Magog occur many times in the preserved sermons and letters of St. Jerome and other early Christians: whenever Christendom was threatened by invaders the names of Gog and Magog are mentioned. In fact, the Scythian, Hun, Alan, Khazar, Turkic and the invasion of other tribal invasions, reminded the people of the region about the days of the threat of the Gog and Magog. However, Marco Polo rewrote the story about Cumans or Kuns, who settled down in Eastern Europe.

Whatever the truth, Iron Gate was used to obstruct the unwarranted movement of the marauders towards the settle areas. It was situated in the Eurasian steppe region or where the Yellow River bends in the Carpathian Basin. Older Pliny mentioned Meotis-swamp.<sup>15</sup> It was also called Scythian Temerinda. “Temer” means iron—a narrow passage through marshland and the only gateway between Eastern Europe and the

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<sup>9</sup> Murtalazi Gadjeiev, *Hunok és türkök támadásai és a Szaszanidák erődítési tevékenysége a Kelet-Kaukázusban*, 2009, 243.

<sup>10</sup> Mihály Kmoskó, “Szír írók a steppe népeiről. Szerkesztette: Felföldi Szabolcs,” *Balassi Kiadó*, Budapest, 2004, 83-94.

<sup>11</sup> Pseudo-Kallisthenes, Book III, chapter 27.

<sup>12</sup> “Szír írók a steppe népeiről. Szerkesztette: Felföldi Szabolcs,” *Balassi Kiadó*, 45,

<sup>13</sup> “Szír írók a steppe népeiről. Szerkesztette: Felföldi Szabolcs,” *Balassi Kiadó*, 83-94.

<sup>14</sup> Movses Daszuranci, *The History of the Caucasian Albanians*, Tr. by C.J.F. Dowsett, London/New York: Oxford University Press, 1961, 55.

<sup>15</sup> Eastern shores of Azovian-Sea.



Caucasus regions<sup>16</sup> at the southern edge of the Carpathian Basin at Lower Danube. Close to that, on southern part of Transylvania, near Hunedoara<sup>17</sup> castle, was another iron gate again with a narrow passage.<sup>18</sup> Katalin Czeglédi points to the Danube-bend, near Estergom city of Hungary, where laid a narrow passage or Dömör-kapu, the same as Demir kapi or Iron Gate. However, around the Danube Bend inside Pilis-Mountain, are other Iron Gates or “Vaskapu” in Hungarian languages. Next to Bakonykút, Western-Hungary, there is an Iron Gate Hill: incidentally Mehek Mountains has similar place names. Likewise, near Samarkand in Central Asia, there is a narrow passage also called as the Iron Gate situated near Khisar Mountains and Amu-Darya and between Bactria and Sogdiana. Rising Turks occupied this territory and as per Bilge Khan’s inscription it was the western border of the Khaganate. Not only here but also in the Tarim Basin there is a narrow passage near Yanqi Basin, which is called Iron Gate. Chinese translated this name as Tieman guan. This area belonged to Yue-Chi’s until 2<sup>nd</sup> century BC, when Huns invaded the territory and chased the former rulers. A Medieval Mongolian Chronicle, Golden Summary, reported that Genghis Khan’s troops led through western part of the Yellow-river, where they passed Iron Gate or Temür Khalgaan.

The description of Iron Gate, as the expressions in both the Western and the Eastern worlds show, could be mythical though, yet it specified a narrow passage in geographical terms. In any way, Red Dragon served to protect against the Huns and offered refuge to traders who traversed the caravan routes sine early times.

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<sup>16</sup> Géza Nagy, “Egy pár szó a szkítákról. 2,” *Ethnographia*. V. évf. 5. szám., 1894, 283.

<sup>17</sup> Original name for that is Vajdahunyadvár

<sup>18</sup> It has another name, which refers to a narrow passage: Khazan means cauldron.



# GEO-CLIMATIC & DEMOGRAPHIC SETTINGS OF EURASIA

Mirazim Khaydarov\*

## **Abstract:**

The present paper argues that Eurasian region and its neighbourhood embraced diverse climate and precipitation conditions that influenced human settlements from early times. Consequently, the life style of the people inhabiting the same geographical space varied region-wise. However, each ethnic group preferred settlement amid conditions akin to their original home of living. The adjustments therein, were always conditioned by the exigency of their survival besides finding better mode of existence. Quite precisely, whole Eurasian space and its neighbourhood had distinct zones occupied and inhabited by diverse ethnic and social groups and communities, the paper further argues.

## **Keywords:**

Climate, Demography, Ethnicity, Central Asian, Europeans, Arabians, Turks.

## **Introduction:**

The migration of different ethnic groups' to new territories has been usual to the human history right from the inception. It led to "territorialization" and "colonization" and the rule of vanquished by the dominant ethnic peoples. However, migration was always preferred in such areas as were climatically conducive to the occupants.

## **Co-relationship between Climate, Settlement, and Habitation:**

Europeans carried out colonization in North America, and the south of South America, because their climate was akin to their own climate. Therefore, countries with the population mostly consisting of European ancestors, namely USA, Canada, Argentina, and Uruguay are located just in these regions. However, in the most parts of Central and South America, which has usually hot humid and hot dry climate in some areas, Europeans inhabit only those regions as are conducive for settlement, *per se*, the middle mountains for bearing relatively low temperature and suitable climatic conditions.

Later on, during 18<sup>th</sup>-20<sup>th</sup> centuries, Europeans colonized Australia, New Zealand and Africa for these had resemblance with European climate, excepting some arid and high-altitude territories situated in southernmost extremity (the modern Republic of South Africa), East (Kenya) and West (Senegal) Africa, all having tempered climate. However, the Europeans occupied non-European climatic zones in South

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and South-East Asia for military, administrative, and mercantile purpose only.

Chinese spread out to the southern dimension of the Pacific coast for the reason that Hwang Ho river basin termed historical motherland of Chinese, had monsoon climate, i.e. hot humid rainy summer and cold dry winter due to proximity to East Siberia. The climate of the southern sector has warm winter and hot summer. Nevertheless, it has monsoon features, and is, as such, habitable for being located on the Hwang Ho river basin. Lot of vegetation takes place there for abundant rainfall. That's why Chinese occupied and retained the control of the said region for centuries together. Swaths of Chinese people in the Middle Ages moved to South-East Asian countries, for these had hot humid climate much like China. However, till the end of the 19<sup>th</sup> century, the Chinese did not stretch towards the west and the north (Manchuria) of the Hwang Ho river basin because of the resistance of the bellicose nomads to the Chinese intrusion. Apart from this, the climate featuring frosty winter and dry summer, was unfavourable to the Chinese demographic settlement in this part. Siberia remained sparsely populated over the centuries together, and its development by sedentary peoples started only in the 16th century. Even the peoples of Turkestan did not occupy it because the steppe and nomadic peoples inhabited it and its winter was too rigorous for any settlement. Siberia was occupied and developed by the Russians for they were accustomed to frosty winters.

Arabs spread widely to Atlantic Ocean in the west to the Tien Shan Mountains and Indus river basin in the east for the dissemination of faith, culture and language, and several factors favoured their spread and occupation. Firstly, these territories had considerable climatic affinity with the Arabian Peninsula in terms of temperature, latitude, and precipitation (with the precipitation maximum in cold season). Accordingly, the flow of Arab migrants to these territories was the maximal. Secondly, Semitic peoples being kindred to Arabs inhabited such a vast area, and that facilitated the assimilation of those aboriginal peoples by the Arabs. However, "Arabization" did not initially take place in Iran and Central Asia despite having the same precipitation regime (Mediterranean). The reason was that these non-Arab zones were especially in the north and southern regions of Iran, were located on high altitude and had cold winter. Similarly, present day Pakistan was not occupied by the Arabs for it had no direct territorial and geographical connection with Arab world due to the presence of Iran in between. Moreover, Pakistan's climate having approximately the same temperatures of winter and summer as that of the Arabs was characteristic of maximal humidity in summer as compared to dry

Arabian summer; hence, it was not favorable to the Arab settlement. Thus the Arabs mostly conquered the predominantly arid zones, say for instance, in India and Europe, North-West India (the modern Pakistan) and Iberian Peninsula and southern regions of the modern Italia. Turkic peoples Islamized Anatolian region featuring arid traits much like the Arabian Peninsula, at the later phase of their history.

Turkic peoples spread to southern territories of India, Egypt etc. for having warm winter. They dominated these regions throughout centuries, though established settlements only in colder winter zones. This is why the Turks are not traceable in Arabic countries of the Middle East and Northern Africa (with the exception of the northernmost regions of Iraq and Syria), India and Pakistan despite having political domination over them for ages together.

Mass migration of the Aryans from colder and arid Central Eurasia space to a different climatic zone of India, is probably a sole exception to the peoples' migration to territories with similar climate. This migration was a breakthrough in human history because it considerably changed ethnic constitution and historical process in India.

It is worth mentioning that climate has a considerable role in shaping cultural fabric of a certain people in a certain region/s. Climatic conditions also frequently define certain mental community. Even in historical India, Islam spread in the most arid parts of Asia and North Africa, as well as the most humid parts of the South Asia.

Thus all Arab countries, Iran, Central Asia, Islamic regions of northwest and northeast Africa are arid regions. On the satellite map of the world, yellow land zone stretching from China to Africa's Atlantic coast indicating arid part of the planet virtually coincides with the main part of the Islamic world. Indonesia and Malaysia, being the part of the Islamic world in the Buddhist South-East Asia, are simultaneously the most humid countries in the humid South-East Asian space. Even Islam spread in the arid west i.e. Pakistan, and in the most humid east i.e. Bangladesh.

Location in certain latitude and existence or absence of the winter and its allied temperature, are such climatic issues that influence the cultural basket of peoples, and the process of their historical settlement and development in a specified region. Absence of winter or mild winter makes peoples' housekeeping much less power consuming. Therefore, southern countries symbolize developed economic zones though they have winters embedded in their geographical texture. In all likelihood, it was related to their potential to have requisite consumer goods, fodders, and firewood; hence, it encouraged development of abstract and strategic thinking.

Researches reveal that the frosty winter is one of the factors that contributes to the growth of most martial peoples, say Turkic peoples, Mongols, Russians, Vikings and their descendants, Germans etc. Therefore, the climate with frosty winter rather than the nomadic style of Turkic and Mongol peoples was the underlying reason of the formation of their high martial qualities. Based on the history of the Bedouins, one can gather that the nomadic peoples found great empires because of social energy surge and the monotheistic religious belief. Therefore, winter frosts exert greater influence on the individuals, their psychological framework, and martial characteristics.

Political influence of an ethnic group is initially determined by its internal qualities, such as solidarity and brotherhood, diligence and propensity for education. For instance, Jewish and Armenian peoples count not more than 15 million and 7 million respectively. Despite this, they dominate and over rule the neighbouring peoples with impunity. On the contrary, quantitative advantages of the Indian people, were undone sheerly by their internal disunity, rigid social structure, sharp ethnic, professional and caste divide. That's why India despite its large population was easily conquered by Britain. However, quantitative characteristics of ethnic groups have other consequences as well. Chinese community comprising more than 1.3 billion population has not also high qualitative characteristics, such as solidarity, diligence, and propensity for education. Nonetheless, around 40 million of them, succeeded in forming Chinese Diasporas in different parts of the world.

Several ethnic communities like the Anglo-Saxons, Russians, Arabs, Chinese, Indians, Turkic peoples etc. occupy vast territories, the extent of which, however, varies due to different indexes of population density in the occupied territories. The factor of land-man ratio, besides all else, is conditioned by peculiar climatic conditions, suiting or otherwise to the occupants/imperialists/ colonists, in terms of precipitation amount, duration of vegetation period (warm period required for plants growth), and level of comfort of residents in the occupied territory. Significantly, arid areas, excessively humid tropical and excessively cold northern regions/territories, are the lowest populated areas.

Europe has the optimal precipitation regime, because precipitation is not concentrated in the cold season, which unlike the Mediterranean regime, makes agriculture difficult due to dry summer. Further, precipitation is not concentrated in summer like monsoon climate, which renders the summer hardly sustainable, and the population density excessively high. Optimality of precipitation regime in Europe consists in the even distribution of precipitation throughout year. Europe is

located in the northern latitudes because of which it has mild and cool summers, whereas the similar features are absent in the Gulf Stream; hence, a source of discomfort to its people compared to the Europeans. The consequence is the Europe's relatively high population density of 100 people per-square kilometer.

Southern, south-eastern and eastern coastal regions of Asia with the monsoon climate are the most densely populated areas of the world. Average density in coastal and fluvial regions accommodates several hundred people together on per square kilometer, and the same is discerned for duration of the vegetation period and sufficiency of precipitation during the vegetation period. However, the climate of these regions is characterized by low comfort due to the concentration of humidity in a hot season, i.e. hardly sustainable summer. Excessively high population density is itself an unfavorable factor for the residence comfort. The Arab and Turkic world have average low population density due to arid location. This is perhaps why the Turkic peoples occupied steppe and desert areas of internal Asia during ancient and medieval times. Given climatic and geographical features, the modern Turkic world spans over four geographical regions; Southwestern, East European, Central Asian, and Siberian regions.

a) The Southwestern region includes Anatolia, Azerbaijan (including Iranian) and Turkic areas of the Middle East. This region is suited to the Turkic world in view of requisite conditions of precipitation and warmth. Accordingly, this region possesses the highest rate of population density amongst other regions of the Turkic world i.e. 80-100 people per square kilometer. The region occupies about 1 million square kilometers and counts about 90-100 million of Turkic population. Meanwhile, the non-Turkic peoples, mostly house Mediterranean and mountainous coast of Anatolia, though they fall under the Turkic political regime. In Turkey itself, non-Turkic peoples inhabit high-altitude regions for having excessive humidity especially towards the east of the Black Sea. On the contrary, high-altitude areas of Azerbaijan are inhabited mostly by Caucasian peoples, while the most humid region of Lenkoran is populated by Talyshs. Similarly, Azerbaijanis and Turkmen occupy arid zones of western and eastern Caspian Sea, whereas non-Turkic peoples inhabit Gilan and Mazanderan.

b) East European region stretches from the Turkic regions of the Balkans, Gagauzia, Crimea and the Turkic regions of North Caucasus to the Idel-Ural region. The entire region abounded with Turkic settlements during the ancient and medieval times. This zone virtually coincided with the steppe zone of Eurasia and it extended up to Hungary in Central Europe. The demarcation of the Turkic and non-Turkic settlements in

this region was drawn by the boundaries between steppe and forest zones. Sedentary peoples developed the steppes after dislodging the nomads, whereupon the Turks occupied the sedentary Islamic regions.

On the other hand, the Gulf Stream influences the west of Eurasia climate in many ways. The northern latitudes of Eurasia are marked with decrease in winter temperatures from the west to the east. Winters in the same latitude are warmer on the East European plain than in West Siberia, and in West Siberia than in East Siberia (except, of course coastal areas of East Siberia). The boundary between East European and West Siberian plains is drawn by the January thermal line (the line marking the boundary between average temperatures), and the 16 degree celsius obtains from north to south if not from the west to the east along the Ural mountains. Strikingly, due to climatic and precipitation diversity, the same geographic space is representative of different degrees of temperature. For instance, in Kazan city daily mean temperature in January is -10.4 Celsius degree,<sup>1</sup> whereas in Aralsk city situated in Kazakhstan to approximately one thousand kilometers south from Kazan, daily mean temperature in January is -10.6 Celsius degree.<sup>2</sup> and in Petropavlovsk city in Kazakhstan located approximately in the same latitude with Kazan, daily mean temperature in January is -15.6 Celsius degree.<sup>3</sup>

c) Central Asia (Turkestan) is the central and the largest territorial space of the Turkic world. It includes the East Turkestan presently under China (Xinjiang) and the northern areas of Afghanistan, both stretching over 5.6 million square kilometers. Its climate is characterized by inadequate precipitation and frosty winters in the north. Average population density is as low as 14 people per square kilometer.

In Uzbekistan, Turkmenistan, Tajikistan, south of Kazakhstan, Fergana part of Kyrgyzstan, and north of Afghanistan, precipitation regime coincides with Mediterranean type of climate with minimum precipitation in the warm season. For instance, Tashkent city has about 419 mm of annual precipitation (which is not as few for the arid region), out of which only 17 mm fall between June and September.<sup>4</sup> In Ashgabat city, the share of annual precipitation of 227 mm, is 12 mm during June- September.<sup>5</sup> In Turkistan

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<sup>1</sup> *Kazan*, Wikipedia (in Russian), <http://ru.wikipedia.org/wiki/%D0%9A%D0%B0%D0%B7%D0%B0%D0%BD%D1%8C>.

<sup>2</sup> *Aralsk*, Wikipedia (in Russian), <http://ru.wikipedia.org/wiki/%D0%90%D1%80%D0%B0%D0%BB%D1%8C%D1%81%D0%BA>.

<sup>3</sup> *Petropavlovs*, Wikipedia (in Russian), <http://ru.wikipedia.org/wiki/%D0%9F%D0%B5%D1%82%D1%80%D0%BE%D0%BF%D0%B0%D0%B2%D0%BB%D0%BE%D0%B2%D1%81%D0%BA>.

<sup>4</sup> *Tashkent*, Wikipedia, <http://en.wikipedia.org/wiki/Tashkent>.

<sup>5</sup> *Ashgabat*, Wikipedia, <http://en.wikipedia.org/wiki/Ashgabat>.



city of south Kazakhstan, the share of annual precipitation of 190 mm, is 12 mm during the same period,<sup>6</sup> and in Maymana city of north Afghanistan, it is just 1 mm out of 365 mm annual precipitation.<sup>7</sup>

Therefore, climate aridity in these regions consists not only in a small amount of precipitation, but also in its distribution, i.e. few part of precipitation falls on vegetation period. Precipitation falling in the cold season frequently has scanty utility (except spring precipitation), and precipitation of the mountainous regions, is accumulated in the form of snow and glacier, whose melting in warm season provides the main source of water to Central Asian rivers. That's why agriculture in Central Asia mostly depends on artificial irrigation especially in the deserted terrains. Despite low-density of population in Turkestan, population density assumes great significance in coastal Asia as regards river networks and irrigation facility, say for instance, in Fergana valley of Uzbekistan. It is for minimum precipitation and maximum sunshine during summers that Central Asian vegetables and fruits especially watermelons and melons, are in taste and quality the best.

Tarim basin, a vast territory between Tibet and Tien Shan, in Eastern Turkistan (Xinjiang), is the most arid region of the Turkic world and Central Asia. Consequently, annual precipitation varies from city to city: Yarkand has 55 mm,<sup>8</sup> Khotan 37 mm,<sup>9</sup> Kashgar 64 mm,<sup>10</sup> Artush 80 mm,<sup>11</sup> Aksu 74 mm,<sup>12</sup> and Kumul has 39 mm annual precipitation.<sup>13</sup> In Turfan area as a whole, annual precipitation averages 16 mm for it is unique places in the world. Here daily mean temperature in July atnds at +32.3 degree, whereas in January it decreases only to 7.2 degree daily.<sup>14</sup> Because of abundant sunshine, Turfan fruits especially grapes are of exquisite quality and taste.

However, Central Asia has potential reserves to increase population density in the whole Turkic world. The main is the water reserve, which can be best utilized for Improvement in water-saving technologies to ensure employment and sufficiency in agricultural produce; development of irrigation channels in the region, mainly in Kazakhstan; and realization of the projects for obtaining water resources from neighbouring regions.

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<sup>6</sup> *Turkestan*. Wikipedia, [http://en.wikipedia.org/wiki/Turkestan\\_%28city%29](http://en.wikipedia.org/wiki/Turkestan_%28city%29).

<sup>7</sup> *Maymana*, Wikipedia, <http://en.wikipedia.org/wiki/Maymana>.

<sup>8</sup> *Yarkant Country*, Wikipedia, [http://en.wikipedia.org/wiki/Yarkant\\_County](http://en.wikipedia.org/wiki/Yarkant_County).

<sup>9</sup> *Hotan*, Wikipedia, <http://en.wikipedia.org/wiki/Hotan>.

<sup>10</sup> *Kashgar*, Wikipedia, <http://en.wikipedia.org/wiki/Kashgar>.

<sup>11</sup> *Artux*, Wikipedia, <http://en.wikipedia.org/wiki/Artux>.

<sup>12</sup> *Aks*, *Xinjiang*, Wikipedia, [http://en.wikipedia.org/wiki/Aksu,\\_Xinjiang](http://en.wikipedia.org/wiki/Aksu,_Xinjiang).

<sup>13</sup> *Kumu, Xinjiang*, Wikipedia, [http://en.wikipedia.org/wiki/Kumul,\\_Xinjiang](http://en.wikipedia.org/wiki/Kumul,_Xinjiang).

<sup>14</sup> *Turpan*, Wikipedia, <http://en.wikipedia.org/wiki/Turpan>.

d) Siberian region: Turkic areas of Siberia also shrank significantly within the last centuries. Nevertheless, its Turkic inhabited belt is enormous large mainly at the expense of Yakutia, and Siberia in itself is the second largest part of the Turkic world. However, due to the frosty climate with a short vegetation period, Siberia is characterized by extremely low population density, about 3 people per square kilometre, and in Yakutia it is even lower, about 0.3 people per square kilometre.

Currently, Siberia has three zones meant for the Turkic peoples' settlement: Yakutia with the area of 3.1 million square kilometers, Sayan-Altay region, and the south of West Siberia inhabited by Siberian Tatars and Kazakhs who do not have statehood in this region. As regards climatic regularity, Lena basin, Sayan-Altay and south Siberian steppes are the territories with the minimum precipitation in Siberia. In Yakutsk city of Yakutia, daily mean temperature in January is remarkably 39.5 degree Celsius.<sup>15</sup>

Polemics is immensely present in Yakut towns of Oymyakon and Verkhoyansk towards the pole of cold of the Northern Hemisphere. Officially, the coldest temperature in Oymyakon was registered at 67.7 degree Celsius in 1933 and in Verkhoyansk it was recorded at 67.8 degree Celsius in 1892 (in that time observations in Oymyakon were not carried out yet) though unofficially it stood at 71.2 degree Celsius in 1924. Likewise, according to the Chief Geophysical Observatory data, annual minimum in Oymyakon were lower than Verkhoyansk by 3.5 degree Celsius. Till date, the difference obtains despite best possible efforts of Yakutia authorities to marginalize it.<sup>16</sup> Significantly, despite cold winter and hot summer in Yakutia, the summer temperature touches the level of +35 degree Celsius though in proper Yakutsk city, it is as high as +38.3 degree Celsius. The amplitude between winter and summer temperatures in Yakut, reaches 100-105 degree. Nevertheless, the immigrants introduced and developed unique experience of cattle farming in Yakut's colder region towards the northern latitudes.

### **Conclusion:**

In short, Eurasian region is unique in terms of its diverse climate, which tremendously impacts its geographical setting, and life style of its different ethnic groups. In fact, climatic factor has more do with above settings than any other factor, but that again depend on regional variation in geographic and climatic terms.

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<sup>15</sup> *Yakutsk*, Wikipedia, <http://en.wikipedia.org/wiki/Yakutsk>.

<sup>16</sup> *Oymyakon*, Wikipedia, (in Russian). <http://ru.wikipedia.org/wiki/%D0%9E%D0%B9%D0%BC%D1%8F%D0%BA%D0%BE%D0%BD>.

# DYNAMICS OF JAPAN-CENTRAL ASIA RELATIONS

Lutfullah Mangi\*

## **Abstract:**

In this paper, the author profiles the Japan-Central Asian relations since 1990s. Politically and diplomatically, their relations sound smooth and cordial though, yet in economic and strategic terms, such relations are not worthwhile perhaps because of geographical disconnect. The two regions have a diverse locational composition, one situated amid sea and another off the sea. Nevertheless, a lot of scope exists for their mutual cooperation in different fields, energy, and trade in particular. No doubt, Japan is industrially advanced, but she is handicapped for want of energy. On the other hand, Central Asian countries are energy-abundant but industrially in-advanced, exception apart.

The author rightly suggests that Japan and Central Asian states can reasonably exchange and share energy, expertise and technology, which would eventually push up their trade volume from millions to billions of \$US. He further suggests that Siberian route is the best possible option for Central Asian energy imports compared to other routes, which are fragile due to strained Japan-China and Japan-Russian relations over some territorial spaces. The author has outlined following four major findings in the paper: first, competition is not and will not remain a defining feature of Japan's Central Asia policy; second, Japan is not a player in the "new great game" and is not having geo-political/strategic ambitions in Central Asia; third, Japan cannot afford the confrontational attitude in Central Asia and fourth, Japan's foreign policy towards Central Asia requires a clear direction.

## **Keywords:**

Japan, Central Asia, REM, ODA, Hashimito, Hasegawa.

## **Introduction:**

Central Asia has drawn a considerable attention of Japanese policy-makers because of the region's economic and geo-political importance. The Japanese private sector also views Central Asia as one budding economic zone with multiple opportunities for investment in different sectors. In order to achieve multifarious objectives, Tokyo has been providing Official Development Assistance (ODA) to develop close ties with Central Asian countries. This increased particularly after Japanese Prime Minister Hashimito's "Eurasia Diplomacy" speech in 1997. The Japanese ODA donations to five Central Asian countries in 1993 was \$ U.S. 2.57 million and \$ U.S. 108.48 million in 2008. The identified areas of Japanese-Central Asian cooperation are human resource, infrastructural development, technology transfer, etc.

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Another important component of Japan's Central Asia policy is non-proliferation of nuclear weapons in the region. Japan supports the conclusion of the Central Asian Nuclear Weapons Free Zone Treaty. On the other hand, Central Asia's oil, gas and rare earth metals (REM) are being considered vital for Japan's "economic security", which according to Masanori Hasegawa "is getting more and more importance for her national security."<sup>1</sup> Though Japan's economic involvement in the region has expanded in the last few years, yet its potential of investment for lucrative benefits is not fully realized; hence, it does not figure among the main trading partners of Central Asia.

### **Japan's Policy towards Central Asia:**

Japan gave diplomatic recognition to Central Asian countries only a year after their independence in 1991. The first comprehensive statement of Japan Government's policy regarding Central Asian countries was made by Keizo Obuchi Mission which visited Central Asian countries and Russia in 1997. This was followed by Prime Minister Ryutaro Hashimoto's speech in the same year, which is generally known as "Eurasia Diplomacy," and to which "Silk Road Energy Mission 2002," "Central Asia-Japan Dialogue 2004," and Taro Aso's "Silk Road Diplomacy," were essential segments.

Between 1992 and 2004, the Central Asian countries were looked after by the new Independent States Assistance Division in the Ministry of Foreign Affairs (Gaimusho) in Tokyo. In 2004, the Ministry established Central Asia and Caucasus Division under the European Affairs Bureau,<sup>2</sup> headed by a Director, and two Deputy Directors. One Deputy Director of the Bureau was appointed as a special representative for Central Asia to organize Japan-Central Asia Dialogue meetings for cooperation, which was subsequently supported by the *Japanese Ministry of Economic, Trade and Industry*, *Japan International Cooperation Agency* (JICA), and the *Japan Foundation*. However, one does not understand the logic as to why Central Asia, an Asian region, was placed under the Russian Division of European Affairs Bureau in *Gaimusho*. In fact, the Central Asian region should have been a part of Asian Affairs Bureau in the Ministry of Foreign Affairs. Chinara Esengul, a Kyrgyz intellectual, who has done her Master's degree in Japan, told that, "many Japanese policy-makers still perceive Central Asia as pro-Russia."<sup>3</sup> The Japanese policy-makers

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<sup>1</sup> Hasegawa M., "Economic Security: Its Strategic Types and Usefulness," *Memoirs of Shonan Institute of Technology*, Japan, 43(1), 2008, 135.

<sup>2</sup> Takeshi Y., "Japan's Multilateral Approach Toward Central Asia," [http://src-h.slav.hokudai.jp/Coe21/publish/no16\\_1\\_sec/04\\_yuasa.pdf](http://src-h.slav.hokudai.jp/Coe21/publish/no16_1_sec/04_yuasa.pdf).

<sup>3</sup> Interview with Esengul C., was conducted in Bishkek, on July 27, 2011. Chinara is a

should treat Central Asia as an Asian region, and follow the spirit of Japanese policy of engagement in the region, and to continue help these countries for political and socio-economic stability.

### **Japan's Interests in Central Asia:**

Central Asia is a key emerging energy player in the world. Region's oil, gas and rare earth metals (REM) are important for Japan's "economic security." According to the Copenhagen School of Security Studies, the "Japanese economic security is related to the access of resources and markets."<sup>4</sup> It is a resource hungry country. Its annual consumption of oil is nearly 200 million tons. Its current gas consumption is 55 million cubic meters. According to Japan Oil and Gas Report, Japan's consumption of imported oil and natural gas will further rise as a result of nuclear power generation losses in the wake of 2011 earth quake and tsunami. The Report further indicates that by 2016, the country is expected to consume 4.46 mn b/d of oil. Consequently, Japan's combined oil and gas import bill would be \$ U.S. 201.8 billion.<sup>5</sup> More than eighty percent of Japan's oil supplies come from the Middle East. The other oil suppliers are Indonesia, Brunei, and Mexico.<sup>6</sup> The Japanese policy-makers are fully aware that instability in the political situation in the Middle East could cause disruption in oil supplies from the region. Therefore, she seeks to reduce dependence on the Middle East supplies, though, compared to China and South Korea, Japan is still slow in the process. However, Liquid Natural Gas (LNG) is supplied by Australia, Malaysia, and Indonesia. Japan is the largest LNG importer in the world.

In addition to oil and gas, Japan is dependent on the import of REM

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<sup>4</sup> For further details see: Buzan B., *Peoples, States and Fear: An Agenda for International Security Studies in the post-Cold War Era*, 2<sup>nd</sup> edition, Colorado: Lynne Rienner, Boulder, 1991, chapter 6, 230-269; Buzan B., et. al., *Security: A New Framework for Analysis*, Colorado: Lynne Rienner, Boulder, 1998, chapter 5, 95-118.

The Copenhagen School of Security Studies is led by Barry Buzan, Ole Waever, and Jaap de Wilde. According to this School, the term Security includes five separate sectors: the military covering their defensive and offensive capabilities, political sector involving the internal and external stability of states; environmental security defined as a protection of ecological biosphere; sector of societal security meaning the stability of culture; and economic security related to the access to resources and markets.

<sup>5</sup> Japan Oil and Gas Report Q 1, 2012, *Business Monitor International*, London, November 2011.

<sup>6</sup> Japan's top 15 oil suppliers in 2010 were: Saudi Arabia, UAE, Kuwait, Russia, Iraq, Oman, Indonesia, Sudan, Algeria, Ecuador, China, Angola, Nigeria, and Brazil.

required for making high-tech consumer products, such as computer screens, hybrid cars, super conductors, cell phones, and information technology devices. Currently, Japan is the biggest user of REM in the world. China is the largest producer of REM in the world. It produces 93 percent of world's REM. However, in exchange for a stable supply of REM, the Chinese Government demanded that Japanese companies manufacturing products using REM should move their plants to China, which Japanese companies are disinclined to lest it should leak their technologies.<sup>7</sup>

The above discussion indicates that Central Asian countries are not visible in Japanese oil, gas and REMs imports. The 2010 embargo by China on REM exports to Japan compelled Tokyo to look for alternative sources of these metals. The development of REM mines in Kyrgyz Republic is believed to be one of the most promising fields of cooperation between Japan and Kyrgyz Republic. The *Sumitomo Corporation of Japan* signed an agreement with *Summit Atom Rare Metals-Earth Company of Kazakhstan*, the biggest trading partner of Japan in Central Asia, to produce 1500 tons of REM in 2013, which is due to make up Chinese export cuts in the global market.<sup>8</sup> On the other hand, Japan and India have agreed in 2011 to jointly develop REMs. Similarly, Australia has committed to supply REMs to Japan as was reported in the *Asian Wall Street* journal November 24, 2010. *The Japan Times* editorial, March 12, 2011, reports that Japan's Trade and Industry Ministry is pushing for stockpiling REM and creation of its allied technology to mine such metals from hydro-thermal deposits in the Japanese Sea. The editorial further suggests that a large amount of REM can be extracted from electronic devices if they are integrated into the nation's recycling system for electronic goods.

Nevertheless, Japan-Central Asia bilateral trade has not been worthwhile as regards trade trends, investment, and Japan's ODA disbursement to Central Asian countries, which is alarming to Japan's foreign policy-makers. The following 2 tables<sup>9</sup> are indicative of the same:

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<sup>7</sup> *The Daily Yomiuri*, September 8, 2011.

<sup>8</sup> Orninskaya O. & Paxton R., "Central Asia Joins for Rare Earth Metals," [posted at http://www.reuters.com/article/2011/03/24.us-metals-kazakhstan-rare-indus-TRE72N1XG2011o324](http://www.reuters.com/article/2011/03/24.us-metals-kazakhstan-rare-indus-TRE72N1XG2011o324); Richard Orange, "Japan Looks to Central Asia for Rare Earth Supply," <http://www.theirational.ae/businessenergy/japan-looks-to-central-Asia-for-rare-earth-supply>.

<sup>9</sup> See for details, <http://www.mofa.go.jp/region/Europe/index.html>.

**Table I**  
**Japan-Central Asia Trade and Investment, 2008**

Country	Exports to Japan	Import from Japan	Investment from Japan
Kazakhstan	87.9 billion Yen	21.5 billion Yen	\$ U.S. 5 billion
Kyrgyz Republic	110 million Yen	03.58 million Yen	No Direct Investment
Tajikistan	0.6 million Yen	180 million Yen	No Direct Investment
Turkmenistan	215 million Yen	7.7 billion Yen	No Direct Investment
Uzbekistan	32.4 billion Yen	7.9 billion Yen	1.4 billion Yen

**Table II**  
**Aid and Assistance from Japan to Central Asia, 2008**

Country	ODA	Cultural Grant Aid (Cumulative Total Fiscal 1975-2007)
Kazakhstan	Loan 88.78 billion Yen <sup>10</sup>	407.4 million Yen (Cultural Grant Aid)
	Grant 05.91 billion Yen	9.6 million Yen (Grassroots Grant Aid)
	Technical Cooperation 11.04 billion Yen	
Kyrgyz Republic	Loan 25.66 billion Yen	187.7 million Yen (Cultural Grant Aid)
	Grant 11.21 billion Yen	
	Technical Cooperation 8.62 billion Yen	
Tajikistan	Grant 8.634 billion Yen	187.2 million Yen (Cultural Grant Aid)
	Technical Cooperation 2.927 billion Yen	50.2 million Yen (Grassroots Grant Aid)
Turkmenistan	Loan 4500 million Yen	65.6 million Yen (Cultural Grant Aid)
	Grant 620 million Yen	
	Technical Cooperation 481 million Yen	
Uzbekistan	Loan 97.552 billion Yen	412.7 million Yen (Cultural Grant Aid)
	Grant 18.879 billion Yen	42.7 million Yen (grassroots Grant Aid)
	Technical Cooperation 100.12 b Yen	141.0 million Yen (Grant Aid for Cultural Heritage)

<sup>10</sup> In August 2010, Japan signed 6.361 billion Yen ODA loan agreements with Kazakhstan for Central Asia Regional Economic Cooperation CAREC Transport Corridor (Zhambyl Oblast) improvement project. This route would connect Asia and Europe.

Despite these unhealthy indicators, Central Asia remains one of the important alternatives of oil, gas and REM supplies to Japan. According to the 2011 estimates, the share of world oil reserves of Kazakhstan, Turkmenistan, and Uzbekistan were 02.22, 0.04 and 0.04 percent respectively.<sup>11</sup> Similarly, the natural gas reserves of Central Asian countries in the same year were 7,940,000,000,000 billion cubic meters(bcm) as regards Turkmenistan; 2,407,000,000,000 bcm Kazakhstan, 1,841,000,000,000 bcm Uzbekistan, 5,663,000,000 bcm Tajikistan, and 5,663,000,000 bcm as regards Kyrgyzstan:<sup>12</sup> Turkmenistan is the 4<sup>th</sup> largest producer of natural gas in the world.

Currently, Central Asia is connected with Japan through three routes: *Trans-Siberian Railway* (TSR), *China Land Bridge* (CLB), and *Turkmenistan-Iran's Chabahar Port*. The transportation cost from Central Asia to Japan is high. The TSR route is declining because Japanese consigners, forwarders, and shipping companies believe that this route has lost economic competitiveness over the deep-sea route. The CLB route is also expensive because of high transport tariffs for transit of goods from China to the Pacific ports. Since 2000, most Japanese cargo has moved to the Iran route since it is more than \$ U.S. 1500 cheaper from the TSR route.<sup>13</sup> When Taro Aso was the Foreign Minister, he pointed towards the fourth route and said, "it is necessary to build a southern line in Central Asia where the oil and the natural gas of Central Asia could be transported to the Indian Ocean through Afghanistan and Pakistan."<sup>14</sup> Though such a route has security implications of far reaching consequences and Afghanistan is susceptible to yet another civil war or power-divide between Pashtun and non-Pashtun population after US/NATO withdrawal in 2014, yet US supports it to reinforce Afghan economy and marginalize Russian and Iranian monopoly on Central Asian energy trade.

In addition, oil and gas from Central Asian countries could be transported to Japan through pipelines though the successive Japanese governments lack a decision in this regard perhaps because of Japan-China strained relations over Senkaku islands, the basic route for Central Asian energy imports through pipelines. On the other hand, it is difficult if not impossible for Japan to import Central Asian energy through the Persian Gulf of Iran for the current Iran-US/UN deadlock over

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<sup>11</sup> <http://exploredia.com/oil-reserves-by-country-2011/>.

<sup>12</sup> <http://exploredia.com/natural-gas-reserves-by-country-2011/>.

<sup>13</sup> Khoshimov V., "Foreign Policy of Japan and Central Asia," [http://www.2.jiia.or.jp/pdf/fellow\\_report/081218-valijion\\_v\\_khoshimov.pdf](http://www.2.jiia.or.jp/pdf/fellow_report/081218-valijion_v_khoshimov.pdf); Tusu H., "Japan and the Republic of Korea," <http://www.evina-or.jp/en/research/db/pdf/2002/02030e.pdf>.

<sup>14</sup> "Chinese Agency View Japan's Strategic, Economic Motives in Central Asia," *BBC Monitoring Asia Pacific*, London, August 31, 2006.



Tehran's nuclear programme. This route will strongly be opposed by the United States.

All the three routes, Central Asia-Russia (Trans-Siberian Railway TSR) Route, Central Asia- Urumqi-Beijing (China Land Bridge CLB) Route and Central Asia-Iran-Chabahar Port (Two ports of Chabahar: Shahid-Kalantary Port and Shahid-Beheshti Port) are important though, yet Central Asia-Russia (Trans-Siberian Railway TSR) Route is preferable for oil and gas pipelines notwithstanding territorial dispute over the Northern Territories islands of Etorofu, Kunashri, Shikotan, and Habomai, occupied by the Soviet Union at the end of the Second World War. There are also reports that Russia has stationed cruise missiles in the disputed Northern Territories in 2010. Gosuke Horiguchi, Second Secretary, Embassy of Japan, Bishkek, opined on the issue as under: "Japan is not interested in developing a pipeline from Central Asia to Japan... in future if Japan would have to develop a pipeline from Central Asia to Japan, it would be through a Siberian route. Our [Japan] uneasy political relations would not affect our economic relations with Moscow."<sup>15</sup>

Probably, his assessment is correct. For example, in 2009, Japan Oil, Gas and Metals National Corporation, a government owned explorer, and Russia's Irkutsk Oil Co. agreed to jointly develop two fields in Eastern Siberia.<sup>16</sup> According to the Japan Oil and Gas Report, Japan is in the process of constructing 850 km gas link, connecting Sakhalin in Russia and the Aomori prefecture of Northern Japan. This project to be completed in 2014, is being carried out by Japan's Pipeline Development Organization and Russia's Stroytransgaz.<sup>17</sup> The Development of Chayanda gas field in Russia is another example in this regard. When 3,000 km pipeline from Chayanda field to Vladivostock will be completed, it will be able to meet any supply requirements of Japan. Russian leader Putin is calling for Japan to participate in the Chanyanda Development Project.<sup>18</sup>

Japan-Russia cooperation in this field will pave the way for Japan to build pipeline from Central Asia to Japan via Siberia. Significantly, Japan-South Korea growing security partnership would also facilitate the energy transmission through Siberian route. On the other hand, Japan and Russia are equally concerned about China's "hegemonic" designs in future. Having, therefore, commonality of economic interests, both can

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<sup>15</sup> Interview with Horiguchi G., Second Secretary, Embassy of Japan, Bishkek, Kyrgyz Republic, July 19, 2011.

<sup>16</sup> *The Japan Times*, May 13, 2009, 2.

<sup>17</sup> Japan Oil and Gas Report Q 1, 2012, *Business Monitor International*, London, November 2011, 36.

<sup>18</sup> *The Daily Yomiuri*, January 28, 2012.

work together for the development of pipelines from Central Asia to the Sea of Japan through Siberia. *The Daily Yomiuri* in its editorial, “Japan Needs to Rewrite Strategy on Northern Territories” has rightly pointed out that “despite their separation by sea, it would be in the national interest of Japan and Russia to deepen cooperation.” It further quoted the meeting of the two foreign ministers on January 28, 2012, in which both agreed to “increase bilateral relations in the security, economic, energy, and maritime areas.”<sup>19</sup>

If the arch enemies like India and Pakistan, and China and India have given preference to trade and commerce in their respective relationships, then why Japan and Russia can't do the same? They have separated trade from politics, which does not mean that the Indo-Pak and Indo-China territorial disputes have ended. Similarly, if Japan and Russia opt for bilateral trade and commerce, it won't mean a reversal of Japan's historical stand on Northern Territories. However, one of the main stumbling blocks in Japan-Russia relations is the public opinion in Japan. According to the public opinion on Japan's Relations with Other Countries conducted by the Cabinet Office in Tokyo, 21.5 percent Japanese favoured good relations with Russia followed by 69.9 percent poor, and 8.6 percent other.<sup>20</sup> The response in this regard is, therefore, far from satisfactory. However, few Japanese opine that the country should not rely on Russia for more than 15 percent of its energy imports.<sup>21</sup>

It has been mentioned earlier that Japan is not the player in the “new great game” in Central Asia. The mineral wealth of Central Asia and its geo-strategic location has attracted the neighbouring and outside actors for influence, which is known as “new great game.” The United States, Russia, China, Iran, Pakistan, Turkey, and India are the main actors of this “game,” who are struggling for influence in Central Asia and Caucuses. “The new great game in Central Asia is centering around regional petroleum politics, in which pipeline, tanker routes, petroleum consortiums, and contracts are the prize of the “new great game.”<sup>22</sup>

Japan is not engaged in the “new great game” politics and is worried about the consequences of the “game.” She cannot afford the destabilization of Central Asia lest its natural resources are freely utilized. According to Akio Kawato, the former Ambassador of Japan to Uzbekistan and Tajikistan, “Japan is mainly interested in peace and security in the region.” But she would not like to see Central Asian region

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<sup>19</sup> *The Daily Yomiuri*, January 30, 2012.

<sup>20</sup> *Facts and Figures of Japan, 2008*, Foreign Press Centre, Tokyo, 2008, 62.

<sup>21</sup> *The Daily Yomiuri*, January 28, 2012. Russia accounted for 8.6 percent gas imports in 2010.

<sup>22</sup> [http://en.wikipedia.org/wiki/The-New\\_Great\\_Game](http://en.wikipedia.org/wiki/The-New_Great_Game).

under the influence of China either.”

On the other hand, the Central Asian states are playing very smartly, and “have sought balance in their international relations. They have not been consigned to any single geo-political “camp.” Russia, China, and the United States cannot dictate the outcomes. Turkey and Iran also do not play decisive and desirable role in Central Asia.”<sup>23</sup> In the opinion of Chinara Esengul, “the Central Asian countries... want to be sovereign and independent from external influence.”<sup>24</sup>

### **Conclusion:**

Given Japan-Central Asia relations since the early 1990s, one understands that Japan cannot promote relations with Central Asian countries through economic means alone. Tokyo has to diversify its role as Central Asians cherish strong ties with Japan for her multilayered growth in the changing world order. Therefore, frequent dialogue and discussions are required for further understanding. Japan should provide intellectual know-how to Central Asian countries as and when necessary.

At the peoples level also, the two countries lack mutual connect. Therefore, much emphasis needs to be placed to create understanding not among experts but among ordinary people. Japan’s Ministry of Foreign Affairs’ estimates of October 2009 show that the total number of Japanese citizens (including diplomatic staff) living in all the five Central Asian countries was hardly around four hundred, and among them, one hundred twenty one, lived in Uzbekistan, and only twelve in Turkmenistan. In order to promote grass-root level interaction, Japan should send more volunteers to work in Central Asian countries for dissemination of knowledge and expertise. Importantly, Japanese volunteers are mostly working in Kyrgyzstan and Uzbekistan. From 2000 to November 2009, eighty nine Japanese volunteers visited the Kyrgyz Republic. Between 2000 and 2010, more than one hundred and forty Japanese volunteers visited Uzbekistan for different purpose. In addition, there are still very few people involved in Japan-Central Asia exchange programmes, and funding for different research and collaborative projects are inadequate.

The focus of Japan Government since 1990s has been on economic support and cooperation in the area of natural resource development. However, efforts to promote people-to-people and cultural contacts are less focused notwithstanding the fact that Japan has a “good image in the Central Asian space,” said Chinara Esengul.<sup>25</sup> The mutual relations in

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<sup>23</sup> Olcott M. B., “Eye on Central Asia; How to Understand the Winners and Losers,” [http://src.h.slav.hokudai.ac.jp/coe21/publish/no16\\_1\\_ses/01\\_olcott.pdf](http://src.h.slav.hokudai.ac.jp/coe21/publish/no16_1_ses/01_olcott.pdf).

<sup>24</sup> Esengul C, *The Politics of Regionalism in Central Asia*, Kyrgyz Diplomatic Service, Bishkek, Kyrgyzstan, 2009, 131.

<sup>25</sup> Olcott M. B., “Eye on Central Asia; How to Understand the Winners and Losers.”

different sectors require be sustained and strengthened to the maximum possible.

Among the Central Asian countries, Kazakhstan is the leading country to attract the Japanese capital in the energy and infrastructural sectors. Japan realizes that oil, gas and REM boom in Central Asia will be followed by greater demand for capital goods, especially in the area of infrastructure. Therefore, stable Central Asia will serve the long-term interests of Japan. A noted scientist, Christopher Len, rightly argues that “Japanese efforts to encourage the Central Asian leaderships and to help the region develop links with rest of the world, beyond Russia and China, should be acknowledged as a significant contribution by this Asian nation and be supported.”<sup>26</sup>

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<sup>26</sup> Len C., et. al., (eds.), *Japan's Silk Road Diplomacy: Paving the Road Ahead*, Central Asia-Caucasus Institute and Silk Road Studies Program, Johns Hopkins University, Washington, D.C., 2008, 46.

# REGIONAL DEVELOPMENT IN CENTRAL ASIA

**Bek-Ali Yerzhan\***

## **Abstract**

In this paper, the author focuses on the issues of regional development in Central Asia over the last two decades. The issues pertain to the feasibility of multilateral regional cooperation at the economic and institutional levels. Further, Bek Ali dilates upon variety of global initiatives as a boost to Central Asian regional development, and, at the same time, accounts for the challenges in the way of the development. Likewise, he argues that there is no choice with the Central Asian states excepting economic cooperation and institutional soft linkages both from within and outside the region.

The author's debate in the paper revolves round the following few questions: Whether or not the regional cooperation is at all needed in Central Asia? What are regional policies of Central Asian Republics (CARs)? Do they have matching regional priorities? What are their conflicting regional interests? What is role of economy, and soft institutional linkages in the regional cooperation? Does cooperation demand an overnight or gradual approach for the purpose? What would be the role of ruling elite in the region? Are they there to enhance or deter the cooperation? What type of institutional cooperation would the region need? What are the local stereotypes towards the region in each of the CARs?

## **Keywords:**

Central Asia, Economy, Soft linkage, Institutions, Coordination, Interaction.

## **Introduction:**

Central Asia as a region has all necessary conditions for successful and efficient cooperation provided strong will, vision and the initiatives of the ruling elite in the respective states. This calls for the gradual economic and institutional cooperation amongst themselves as well as with the regional and global powers.

The collapse of the Soviet Union paved the way for Central Asian Republics to become independent. While independence of CARs was ladz-oprgely recognized by international community, these new-born states experienced a shaky start in the early nineties. Civil war erupted in Tajikistan, investors showed reluctance to invest in the risky region, as social development was at zero level and people were confronted with the problems of political insecurity and economic hardships. Subsequently, however, they recovered through multilateral cooperation with other countries and gradual restructuring in the foreign and domestic policies, strategies, economies, cultures, languages, geographies and issues allied thereto.

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The area of cooperation was not focused before the collapse of the Soviet Union. It drew attention of scholars in early nineties owing to the energy, security, state building, corruption, poverty, drug and arms trafficking, regional cooperation, and association of Central Asian states with Collective Security Treaty Organization (CSTO), Shanghai cooperation Organization (SCO), Eurasian Economic Space (EES), and OEC. But Laumullin and Sultanov believe that cooperation in post-1991 Central Asia is impossible due to regional, economic, and social differences. The republics have chosen different models of development and such difference aggravate with every passing day.<sup>1</sup> This is perhaps why Tolipov and Babadjanov maintain that Uzbekistan could not affect any tangible dent in regional cooperation over the last two decades, for she has more fears than prospects about it.<sup>2</sup> Nonetheless, Ibrashev, Baizakova and Gubaidullina support cooperation as a key to the region's growth, and argue that Central Asia should follow European experience of integration and cooperation for the region has more stakes in Europe,<sup>3</sup> whereas Umarov suggests that Kyrgyzstan should follow the regional cooperation model for its growth.<sup>4</sup> While literature exists on regional policies of Central Asian states, still lots of gaps exist, and the present paper is a noble effort to plug such gaps as regards economic policies, political structures, and institutional building.

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<sup>1</sup> B. K. Sultanov, "Mnogovektornaya vneshnaya politika Kazakhstana: opyt I perspektivy (Multivectoral foreign policy of Kazakhstan: experience and perspectives)," 15 years of Kazakhstan: success and perspectives, collection of articles, 2006, 4-14; M.T. Laumullin, Kazakhstan v sovremennih mejdunarodnih otnosheniyah: bezopasnost', *geopolitika* (Kazakhstan in contemporary international relations: security, geopolitics), Almaty: KISI publications, Kazakhstan, 2000, 500-510

<sup>2</sup> F. Tolipov, "Ispytanie geopolitiki terrorizmom I anti terrorizmom (Test of geopolitics by terrorism and anti terrorism)," *the USA – Canada: economy, politics, culture*, No.3, 2002, 94-107; B. Babadjanov, "Teologicheskoe obosnovanie I etapy djihada v dokumentah islamskogo dvizheniya Uzbekistana (Theological arguments and stages of jihad in the documents of Islamic Movement of Uzbekistan)," <http://www.centrasia.ru/newsA.php?st=1037568060>.

<sup>3</sup> K.Baizakova, M. Gubaidullina, Opyt evropeiskoi integratsiyi I ego primenenie na territorii Tsentralnoi Azii (European experience of integration and its application in Central Asia) in *Tsentralnaya Azia vo vneshnei politiki Evropeiskogo Soyuz*a (Central Asia in foreign policy of the European Union), Ed. J. Ibrashev, Almaty, Al-Farabi Kazakh Nation University Press, Kazakhstan, 2004, 7-27.

<sup>4</sup> N. Omarov, *Gumanitarnie aspekty bezopasnosti Kyrgyzskoi Respubliki v XXI veke vyzovy I otvety* (Social aspects of Kyrgyz Republic's security in XXI century: challenges and responses), Bishkek: Ilim Publishers, Kyrgyzstan, 2001, 115-128.

## **Central Asia and Regional Cooperation Constraints and Prospects:**

Need for cooperation is a must for Central Asian states had divergent perceptions regarding their foreign policy, models of religious and economic development on the eve of independence. Subsequently, however, they endeavored to marginalize such a variation and tread relatively a common path of development depending upon their resource and human capacity. Thus they took several initiatives for their individual growth and integration within and outside the region, and the countries like Russia, Belarus, Kazakhstan etc. They signed Customs Union Treaty, which unified custom tariffs and flow of goods. In 2012, Eurasian Economic Space surfaced as a result of forward moving steps of the Central Asian states. The Space provides free flow of labour, capital and goods. Thus Kazakhstan follows almost Russian market vector.

Uzbekistan lacks consistency in its foreign policy and joins various international initiatives today and withdraws from it only next day. Therefore, for her inconsistency and being doubly landlocked, she does not reap desired results from cooperation. However, the republic's self sufficiency and development is unachievable without regional and global support. Perceiving this necessity in early '90s, Uzbek President, Karimov, initiated measures for gradual shift from central to market economy. On the other hand, Turkmenistan remained isolated from the globe for its policy of "positive neutrality." Despite this, she sustains economic cooperation and soft linkages with countries like China for multilateral benefits. Unlike Turkmenistan, war-torn Tajikistan espouses regional and international cooperation keeping her feeble economy and limited resources in mind. Kyrgyzstan being shattered by oft-recurring unhealthy political developments perceives regional interaction as a key to its growth and development.

Obviously, Central Asian states have a divergent foreign policy orientation though all of them realize the efficacy of regional cooperation in the areas of economy and institution building. They understand that no economic restructuring is possible without gradual interaction and soft linkages with the regional powers. As a matter of fact, Central Asian region has no choice except regional engagement based on shared past and common economic interests. Moreover, most of Central Asian countries contribute to the global trade only through their mineral resources. They need to widen their engagements and contribute to other fields also, *per se*, by creating transportation, communication and construction projects. So they can be useful as conduits of trade between

world hubs for it costs them less investment and guarantees them, at the same time, high profits.<sup>5</sup>

They shared and inherited public infrastructure and a unified Soviet system. But, the Soviet hardware is presently becoming old and obsolete. It demands joint maintenance and renovation to keep pace with the progressive global technology. Further, the Central Asian states entail measures for strengthening regional sovereignty and diversification of economic and political priorities. Thus new regional infrastructure and its alignment with the neighboring markets have to be thought at the level of the region as a whole.

Energy structure demands re-orientation. While Tajikistan and Kyrgyzstan abound in hydro resources, Kazakhstan, Uzbekistan, and Turkmenistan contain plenty of oil and gas resources. The region necessitates strong interdependence for resource sharing, as was characteristic of it during the Soviet times. Kazakhstan, Uzbekistan, and Turkmenistan have already begun exporting hydrocarbon resources to near and far abroad. Tajik projects (Nurek hydro-electric station (HES), Sangtuda HES 1 and HES 2, Rogun HES and Zeravshan HES) and Kyrgyz projects (Toktagul HES, Naryn HES, Kambaratan HES), are capable enough to produce electricity for regional sharing and export to Russian, Chinese, Indian, Afghan and Pakistan markets.<sup>6</sup>

Another feature of regional coordination demands harmonization of regulatory standards and working practices in financial markets, communications, and other investment services to boost private sector.<sup>7</sup> It is the private sector and the medium and small size entrepreneurs who contribute to building effective national economy and regional trade. There is the acute need to reduce trade barriers and grant transit exemptions to make the region attractive for foreign and domestic investors.<sup>8</sup> According to Karimov, Head of Intergovernmental Council on Roads, the absence of railroad and motor transportation between Tajikistan and Uzbekistan negatively affect annual Tajik economy by 5-

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<sup>5</sup> B. Sham, F. Starr, H. Robert, and J. Miranda, Silk Road Strategy Discussion in J. Hopkins University, <http://www.c-spanvideo.org/program/SSil&showFullAbstract=1#>.

<sup>6</sup> E. Vinokurov, "Voda, Energia i kapitaly. Budushee vneshne ekonomicheskogo kompleksa Tsentralnoi Azii (Water, energy and capitals. Future of external economic complex of Central Asia)," <http://analitika.org/ca/water-and-energetics/359-2007100605412961.html>.

<sup>7</sup> Asian Development Bank, "Regional Cooperation Strategy and Program for Central Asia Regional Economic Cooperation, 2005–2007," <http://www.adb.org/Documents/CSPs/CAREC/2004/CSP-CAREC-2004.pdf>.

<sup>8</sup> Asian Development Bank, "Regional Cooperation Strategy and Program for Central Asia Regional Economic Cooperation, 2005–2007."



6% and Uzbek economy by 3-4%.<sup>9</sup> Thus lack of institutional mechanisms and alternatives thereof hamper natural growth of the region at large.

Soft linkage and value based orientation is necessary for any successful interaction. Values matter because they are the glue that bind countries and peoples together.<sup>10</sup> In the like manner, soft linkage has deep historical roots. The Central Asian states share common cultural, social, linguistic traditions, thinking and life concepts. This excellent foundation needs nourishment by introduction of exchange programs, sharing specialized institutions, and exchange of people and ideas. Positive stereotypes have to be enhanced through films, joint cultural TV programs, conferences, articles and research papers.

Multivector engagements need institutions for coordination and smooth working because institutions serve as bridge of interaction and coordination. Currently, the Central Asian states mainly conduct their interaction through bilateral relations as none of them can exist in vacuum, and as none of them has indigenous institutions for the purpose. Quite exactly, in early '90s, Uzbek President, Karimov, initiated Central Asian common market reforms. In 2006, Kazakh President, Nazarbayev, proposed establishment of Union of Central Asian countries though the idea could not be later realized for some technical reasons.

The possible way of institutionalizing idea is to focus on a certain regional issue. The most acute issue is water and energy. There was attempt to implement the idea. In 2004, first step was taken to that effect. The drafts of Concept of Water–Energy, Food and Transport Consortiums were launched.<sup>11</sup> The efficient and qualified groups were framed to sort out the modalities in this and other areas. However, the experience shows a partial achievement of the underlying objective of the idea for several reasons: the institutions are too big, bureaucratic, and less effective. More important is the absence of will of the ruling elite in this behalf, exceptions apart.

Internationally, several initiatives are in the process of implementation for different regions including Central Asia. The Asian Development Bank (ADB) is working hard to implement the idea of Asian connectivity. It initiated *Central Asian Regional Economic Cooperation* (CAREC) programme for ten countries: Afghanistan,

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<sup>9</sup> Y. Razumov, "Ministry transporta EvrAzES vyskazalis' protiv proekta tranzitnoi dorogi iz Kitaya (Ministers of transportation of EurAzEC are against road from China)," *Panorama*, No 43, 2007, 11.

<sup>10</sup> G. Harding, "The Myth of Europe," *Foreign Policy*, Jan/Feb, 2012, [http://www.foreignpolicy.com/articles/2012/01/03/the\\_myth\\_of\\_europe](http://www.foreignpolicy.com/articles/2012/01/03/the_myth_of_europe),

<sup>11</sup> "The Myth of Europe," *Foreign policy*, Jan/Feb, 2012.

Azerbaijan, Kazakhstan, China, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. Its investment of \$247 million on six projects in 2001 increased to \$17 billion on one hundred projects in 2011.<sup>12</sup>

The domain of CAREC's Comprehensive Action Plan concerns four priority areas: transport, trade facilitation, trade policy and energy,<sup>13</sup> and it has six multilateral partners: *Asian Development Bank* (ADB), *European Bank for Reconstruction and Development* (EBRD), *International Monetary Fund* (IMF), *Islamic Development Bank* (IDB), *United Nations Development Programme* (UNDP) and *World Bank* (WB).<sup>14</sup> CAREC is building corridor network of six roads for unfolding landlockedness of Central Asian states and integrating them with South Asia and Europe. The CAREC 2020 features projects of connectivity for six corridors: Corridor-1 (Europe–East Asia), Corridor- 2 (Mediterranean–East Asia), Corridor-3 (Russian Federation–Middle East and South Asia), Corridor-4 (Russian Federation–East Asia), Corridor-5 (East Asia–Middle East and South Asia), and Corridor-6 (Europe–Middle East and South Asia).<sup>15</sup>

However, the progress has been just modest so far for various technical reasons. Political leadership has mixed reticence to recognize supra-sovereign entities, which does not reconcile with their inherent leadership proclivities, though they juxtapose acknowledge the domination of external actors in their regional matters. They lack understanding, trust and will to resist foreign intervention and instead appreciate it as long as it serves their interest. In addition, they have weak institutional and management capacities perhaps for being in transition. Growing regional variations and standards of growth and development aggravates this.<sup>16</sup> In fact, regional countries face different social and economic challenges and to address which, they take recourse to specific and largely favouring initiatives to their respective national agendas. Some of them assert to re-assume their historical role and serve

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<sup>12</sup> Asian Development Bank's project list, <http://www.carecprogram.org/index.php?page=carec-projects-list>.

<sup>13</sup> <http://www.carecprogram.org/uploads/docs/CAREC-Comprehensive-Action-Plan.pdf>

<sup>14</sup> Asian Development Bank's CAREC Program, <http://beta.adb.org/countries/subregional-programs/carec>.

<sup>15</sup> Asian Development Bank's CAREC program corridors, <http://www.carecprogram.org/index.php?page=carec-corridors>.

<sup>16</sup> Asian Development Bank's CAREC program corridors.

as a land bridge between some of the world's most dynamic, large, and emerging economies.<sup>17</sup>

Moreover, they look for the resolution of problems from affluent foreign actors whereas the alternatives are available to them within the region itself. Their balanced development and relative independence, is possible through their regional cooperation with Russia, China, India and probably Iran, which can facilitate their access to world markets. In reality, huge opportunities exist for their mutual cooperation with neighbourhood. Two important lessons are worth noting: one, strong political commitment and second, the capacity to maintain a balance between hard and soft infrastructures. However, policy and procedural reforms of "soft" infrastructure, such as harmonization of standards and liberalization of transit barriers and custom procedures, are quite indispensable for regional interaction. Therefore, the building of synergies between hard and soft infrastructure need to be enhanced in regional interaction activities.<sup>18</sup>

### **Conclusion:**

Regional states have distinct approaches for economic growth and development of soft linkages and institutions. However, all of them have common compulsions: develop their economies, restore social and political stability, resolve internal conflicts, promote trade and infrastructure, ensure internal and external security, and share water and energy. None of them can develop in isolation. The regional partnership is a must for all of them. The sooner ruling governments realize this, the better for the region.

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<sup>17</sup> Asian Development Bank, "Regional Cooperation Strategy and Program for Central Asia Regional Economic Cooperation, 2005–2007," <http://www.adb.org/Documents/CSPs/CAREC/2004/CSP-CAREC-2004.pdf>.

<sup>18</sup> Asian Development Bank, "Regional Cooperation Strategy and Program for Central Asia Regional Economic Cooperation, 2005–2007."



# DYNAMICS OF INDIA-CENTRAL ASIA RELATIONS ENERGY AS A STRATEGIC FACTOR

**Ramakrushna Pradhan\***

## **Abstract:**

Central Asian Republics (hereafter CARs) are strategically important to India as an important energy supplier. To quote Prime Minister Manmohan Singh: “energy security is second only in our scheme of things to food security with energy increasingly being viewed as a vital component of what is now broadly defined as national security.”<sup>1</sup> Therefore, developing friendship with CARs is a must to diversify energy import partners and minimise dependence on the volatile Middle Eastern region, keeping in view India’s growing oil demand from the current levels of 72 per cent to 83 per cent by 2030; hence, the anxiety to reconceptualise its strategic perspective.<sup>2</sup> What can be a more viable destination for India than Central Asia – a home to an estimated 4 per cent (270-360 trillion cubic feet) of the world’s gas reserves<sup>3</sup> and the oil reserves pegged at 2.7 per cent (13-15 billion barrels).<sup>4</sup> The present paper seeks to reconceptualise the changing dynamics of India-Central Asia relations and emphasise on India’s current position in Central Asian energy sector.

Since the scope of the present paper is limited to energy factor, it would, as such, reconceptualise the changing dynamics of India-Central Asia relations from the view point of India’s energy security. It would also examine as to what extent CARs can meet India’s growing energy demand? The paper also offers several suggestions regarding India’s policy options to ensure energy security in Central Asia.

## **Keywords:**

India, Central Asia, CARs, Afghanistan, Kremlin, SCO, TAPI.

## **Introduction:**

Central Asia Republics (hereafter CARs) is an extended and strategic neighbourhood of India, having geographical proximity, cultural affinity and shared history with it. This long standing historical relation was reflected in diverse fields, political, cultural, economic and religious. This relationship antedating ancient times, was especially visible during the heydays of Grand Silk Route. It pronounced with during the “great Game” era. Such a relation sustained cordially even during the Soviet

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<sup>1</sup> Quentin Peel, “India’s Terms of Engagement,” *Financial Times*, November 11, 2004, 15.

<sup>2</sup> Meena Singh Roy, “India’s Interests in Central Asia,” *Strategic Analysis*, 24(12), 2001 March.

<sup>3</sup> ICG, *Central Asia’s Energy Risks, Asia Report*, International Crisis Group, 133, 24 May, 2007, 12.

<sup>4</sup> Raghav Sharma, “India in Central Asia, the Road Ahead,” *Institute of Peace and Conflict Studies*, Special Report, 63, 2009 January, 4.

times. There was no end to it after the Soviet fall. In fact, India and the post-Soviet Central Asian Republics (CARs) kept alive their historical linkages in a changing strategic environment and security alignments. Central Asia region offers not only economic opportunities but also strategic challenges to India. Quite precisely, by mid-1990s, India framed what is termed as the “Look North Policy” to promote democracy, secularism and peaceful co-existence in the Central Asian region. The said policy was subsequently broadened with the inclusion of energy factor in it.

### **India-Central Asia Relations: A Historical Overview:**

India-Central Asia relations have been relatively uncomplicated with no major issues of dispute. Instead, it symbolised a story of mutual trust and cooperation, explained on two counts. First, Central Asia was a staging ground for invasions into India. In fact, Indian strategic thought, propounded in Kautilya’s *Arthashastra*, had its genesis in Central Asian dynamics. Secondly, Central Asia was a land bridge for promoting Indian commerce and culture across Asia during the heydays of Silk Route.<sup>5</sup> The Silk Route was a source of direct land connectivity and exchange of men, material, ideas and faith, Buddhism, Islam and Sufism, between the two regions.<sup>6</sup>

However, India’s ties with Central Asia waned due to the British Indian Empire around the mid-nineteenth century. Even though relations were subsequently revived by independent India, these failed to acquire any substantial depth. Indian presence in Central Asia was characterized by its closeness to the Kremlin following the Sino-Soviet schism and Sino-Indian border conflict of 1962. Anyhow, India managed to assume as a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971,<sup>7</sup> though its presence remained ‘muted’ and constrained by its ties with the Kremlin.<sup>8</sup> Further, the lack of vision for a broader engagement with the region always pushed India in the back seat. The end of the Cold War and the Soviet disintegration left Indian political establishment in shock and forced a cataclysmic shift in her foreign policy discourse, away from Nehruvian idealism towards realism and

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<sup>5</sup> P Stobdan, “Central Asia and India’s Security,” *Strategic Analysis*, 28(1), Jan-Mar 2004, 55.

<sup>6</sup> Mushtaq A. Kaw, “Restoring India’s Silk Route Links with South and Central Asia across Kashmir: Challenges and Opportunities,” *The China and Eurasia Forum Quarterly*, 7(2), 2009, 59-74.

<sup>7</sup> Raghav Sharma, “India in Central Asia, the Road Ahead,” *Institute of Peace and Conflict Studies*, Special Report, 63, January, 2009, 3.

<sup>8</sup> Stephen, Blank, “India’s Continuing Drive into Central Asia,” *Central Asia Caucasus Analyst*, 14 January, 2004, 7.

pragmatism. India, however, was a late-starter on the Central Asian chessboard because of India's preoccupation in the first half of the 1990s with its economic difficulties (leading to pledging gold reserves to the Bank of England), insurgency in J&K, and unfriendly ties with its neighbour Pakistan. Notwithstanding this, India recognized Central Asia as an area of strategic importance through its "Look North Policy." During a visit to Turkmenistan in September 1995, the then Prime Minister P.V. Narasimha Rao made it aptly clear that 'for India', Central Asia is an area "of high priority, where we aim to stay engaged far into the future. We are independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to any third country."<sup>9</sup> In short, the "Look North Policy" was based on peace, harmony and economic cooperation, which underpins the mythmaking that both of the Asian neighbours are "once again poised for greatness."<sup>10</sup>

The trend of realism and pragmatism was again seen in India's foreign policy doctrine of 1997 popularly known as 'Gujural Doctrine', which recognised Central Asia as "India's near abroad." The same policy was almost continued with by the BJP (Bhartiya Janata Party) government in India. Thus changes or continuity in the Indian strategic and foreign policy discourse need to be understood in the context of her larger ideological and political realignments with Central Asia in the post-Cold War era. Although, historically, India's relations with Central Asia have been very close, there were certain moving forces that further brought them closer to each other. The unfolding of energy dumps in Central Asia, India's acutely swelling energy need and growing militancy in the region, served to push the secular minded countries of the CARs closer to India.<sup>11</sup> The current security imperatives are in fact common to the countries of Russia, China, Iran, etc. This is perhaps why India enrolled herself as an observer in the China-Russia sponsored anti-terror regional organisation termed the Shanghai Cooperation Organisation (SCO). Its Central Asian member states support India becoming a permanent member not only in the SCO but also in the UN Security Council.<sup>12</sup>

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<sup>9</sup> S. D. Muni, 'India and Central Asia: Towards a Cooperative Future,' In Nirmala Joshi (ed.), *Central Asia – The Great Game Replayed: An Indian Perspective*, New Delhi: New Century Publications, 2003, 110.

<sup>10</sup> Y Sinha, 'India and Central Asia in the Emerging Security Environment' in K. Santhanam and Ramakant Dwivedi (eds), *India and Central Asia: Advancing the Common Interest*, New Delhi: Anamaya Publishers, 2004, 6.

<sup>11</sup> Rollie Lal, *Central Asia and its Asian Neighbours: Security and Commerce at the Crossroads*, Santa Monica, CA, Rand Corporation, 2006, 29.

<sup>12</sup> 2005, Tajikistan, Kazakhstan Endorse India's Bid for Seat in UNSC.

Their bilateral and multilateral relationships have grown manifold in course of time. The Annual Report of India's Ministry of Defense declared Central Asia as an area of vital importance to India, courtesy geographical proximity, historical and cultural links and the common challenge of extremism and terrorism. To quote the address of Prime Minister Manmohan Singh during the Combined Commanders Conference in October, 2006: "When we look at our extended neighbourhood we cannot but be struck by the fact that India is the only open pluralistic democratic society and rapidly modernizing market economy between the Mediterranean and the Pacific. This places a special responsibility upon us not only in the defence of our values but also in the search for a peaceful periphery. We have traditionally conceived our security in extending circles of engagement. Today, whether it is West Asia, the Gulf, Central Asia or the Indian Ocean region, there is increasing demand for our political, economic and defence engagement."<sup>13</sup> These developments augured well for the two regions to come closer during the last two decades in particular in view of her security and energy compulsions, and intense power play in Afghanistan and the region as a whole.

Prior to 1991, India's connection with Central Asia was largely through Soviet Union. Such connections continued after Soviet demise through cooperation in certain fields, and one being the security related to emergence of non-state forces in Pakistan and Afghanistan.<sup>14</sup> Nevertheless, India's foreign policy orientation has been slightly cautious in view of critical geopolitical and geo-energy scenario in Central Asia. Central Asia's rich reserves of oil, natural gas and uranium deposits have attracted immense global attention. For India too, the whole Eurasian hinterland is extraordinarily important to meet her growing energy demand, economic growth and development process.

### **India's Energy Profile:**

India is the eleventh largest producer of energy in the world with 2.4 per cent of world's total energy production.<sup>15</sup> With 3.7 per cent of global energy consumptions India is also at fifth place among the largest energy consumers of the world.<sup>16</sup> With this rate of consumption, India surpasses

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<sup>13</sup> Prime Minister Manmohan Singh, *Address to the Combined Commanders Conference*, October, 2006, <http://pmindia.nic.in/speeches.htm>.

<sup>14</sup> *Central Asia and its Asian Neighbours: Security and Commerce at the Crossroads*, 29.

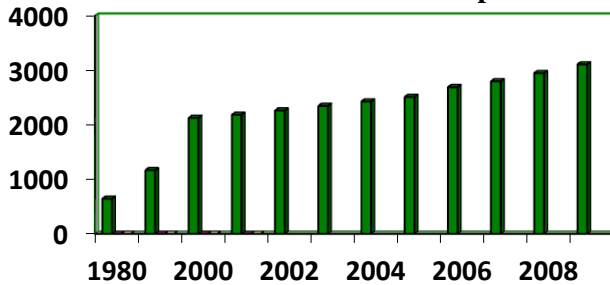
<sup>15</sup> CIA (2007), *CIA World Fact Book, India*, [www.cia.gov/library/publications/the-world-factbook/countrylisting.html](http://www.cia.gov/library/publications/the-world-factbook/countrylisting.html).

<sup>16</sup> Tanvi Madan, Tanvi, "Energy Security Series: India," *The Brookings Foreign Policy Studies*, The Brookings Institution, November, 2006, 9.

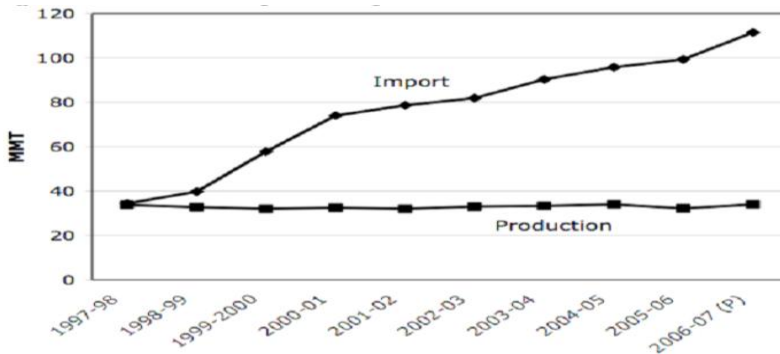


Japan and Russia and holds third position by 2030.<sup>17</sup>The following Figures 1 and 2 explain India’s energy scenario in terms of consumption, production and imports. India’s domestic coal reserves of 101,903 million tons with an annual production of over 400 million tons, account for 70 per cent of the Country’s energy needs. The remaining 30 per cent is met by oil with more than 65 per cent imports, mainly from the Middle East.<sup>18</sup> Given the environmental reasons, coal quality in India is the dirtiest and hydrocarbon fuel is unpurified, hence, India cannot rely on them for long term to meet her energy needs. On the other end, the India estimates that the country’s consumption of energy will rise 50 per cent by 2015 on the basis of 2005 level.<sup>19</sup>

**Figure 1<sup>20</sup>**  
**Indian Crude Oil Consumption**



**Figure 2<sup>21</sup>**



<sup>17</sup> Carin, Zissis, “India’s Energy Crunch,” *Council on Foreign Relations*, October 23, 2007, [www.cfr.org](http://www.cfr.org).

<sup>18</sup> Sascha Muller Kraenner, “China’s and India’s Emerging Energy Foreign Policy,” *German Development Institute*, Bonn, 2008, 1.

<sup>19</sup> “China’s and India’s Emerging Energy Foreign Policy,” 5.

<sup>20</sup> *United States Energy Information Administration*, 2009(Thousand barrels per day).

<sup>21</sup> Source: Petroleum Planning and Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas, Government of India, 2006-07.

### **Oil:**

India's oil and gas reserves are not sufficient to meet its rapidly growing energy needs. According to the Oil and Gas journal, India has 5.6 billion barrels of proven oil reserves as of January 2009, the second largest amount in the Asia-Pacific region after China.<sup>22</sup> Although, oil production in India has slightly trended upwards in recent years, however, it has failed to keep pace with demand. Further, in contrast to production, India's oil consumption is on the constant rise when compared with its growing demand of approximately 2.8 million bbl/d in 2007 and nearly 3 million bbl/d in 2008.<sup>23</sup> The growing energy crunch of India is evident from the fact that in 2006, India was the seventh largest net importer of oil in the world; in 2007 it became the sixth largest importer and is currently in fifth position. She imports about 68 per cent of its total oil consumption (Ibid). It is expected to be the world's fourth largest consumer of oil soon.<sup>24</sup> Correspondingly, while global oil demand is expected to increase at an annual average rate of 1.6 per cent, India's demand for oil is expected to increase at an average rate of 2.9 per cent annually from 2002-2030.<sup>25</sup> In India, oil and its products are consumed mainly in the transport, commercial, industrial and domestic sectors. Oil is also used in captive power generation as India's power grids fail to provide a reliable and consistent source of electricity. Yet, the main worry for India is its ever widening gap between consumption and production of oil. India's domestic production of crude oil as of 2008 is about 33506,000 tonnes<sup>26</sup> contributing only miniature per cent of the world total output. The bulk of India's Supply comes from beyond its border.

The crude oil import partner for India so far has been Saudi Arabia, followed by Iran.<sup>27</sup> Therefore, the Indian government expects this geographical dependence to rise in the light of limited prospects for domestic production. There have been few discoveries in the domestic front, but production from these fields is merely replacing that of older oilfields;<sup>28</sup> hence, domestic production level is far less than the growing

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<sup>22</sup> EIA, "Country Specific Analysis-India," *Energy Information Administration*, 2009, [www.eia.doe.gov/india](http://www.eia.doe.gov/india), March 14.

<sup>23</sup> EIA, "Country Specific Analysis-India," *Energy Information Administration*.

<sup>24</sup> TanviMadan, Tanvi, "Energy Security Series: India," *The Brookings Foreign Policy Studies*, 10.

<sup>25</sup> IEA, "World Energy Outlook 2004," *International Energy Agency*, 2004, p. 82, [www.iea.org](http://www.iea.org).

<sup>26</sup> IEA, "Oil in India in 2008," *International Energy Agency*, 2008, <http://data.iea.org>.

<sup>27</sup> EIA, "Country Specific Analysis-India," *Energy Information Administration*, 2009.

<sup>28</sup> "Restoring India's Silk Route Links with South and Central Asia across Kashmir: Challenges and Opportunities," 59-74.

demand. International Energy Agency estimation predicts that with current level of reserves and production, India's oil dependence by 2030 would grow to 91 per cent.<sup>29</sup>

India's dependence on foreign oil is longer standing than that of China. India either buys its oil through spot purchases (Nigeria), short-term contracts (generally of three months) or long term contracts (Saudi Arabia, for a year). By 2006, it imported oil from Middle East accounting to the tune of 70 per cent of of foreign oil purchases. Her largest oil suppliers are Saudi Arabia (25%), Nigeria (15.7%), Kuwait (11.9%), Iran (10%) and Iraq (8.7%).<sup>30</sup> Unfortunately, all these countries except Saudi Arabia are trouble torn, marred by civic unrest, political instability, ethnic violence, terrorism etc. Therefore, it is natural on part of India to diversify energy importers by the inclusion of energy-abundant Central Asian Republics, to say the least.

### **Natural Gas:**

India is a relatively newcomer to the use of natural gas, its share in the 1970s and 1980s was quite negligible. However, its use picked up when the Bombay High field went into production in 1987.<sup>31</sup> By 2009, India had 38 trillion cubic feet (tcf) of proven natural gas reserves,<sup>32</sup> most of it from the western offshore regions while the onshore sources are also significant sources of natural gas. Its demand is expected to grow considerably, largely due to growing demand in the power and fertilizer sectors, which together account for nearly three-quarters of natural gas consumption in India. Despite growth in its countrywide production, it does not keep pace with the actual demand, and the country has been its constant importer since 2004<sup>33</sup> and by 2006, India accounted for about 29 mtoe, constituting just about 8 per cent of India's total commercial energy consumption.<sup>34</sup>

International Energy Agency (IEA) estimates that over the course of 2007-2030 corresponding to the growing rate of oil consumption, India's natural gas consumption will also grow at a rate of 5.4 per cent a year.<sup>35</sup> By 2030, natural gas is expected to reach around 132 bcm accounting for more than 10 per cent of India's energy consumption.

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<sup>29</sup> *International Energy Agency*, 106.

<sup>30</sup> "Energy Security Series: India," *The Brookings Foreign Policy Studies*, 11.

<sup>31</sup> *The Brookings Foreign Policy Studies*, 11.

<sup>32</sup> *Oil and Gas Journal*, "India Energy Data, Statistics and Analysis—Oil, Gas, Electricity, Coal," 2009, 5.

<sup>33</sup> EIA, "Country Specific Analysis—India," *Energy Information Administration*.

<sup>34</sup> *The Brookings Foreign Policy Studies*, 11.

<sup>35</sup> IEA, "Natural Gas in India 2010," Working Paper, *International Energy Agency*, 2010 OECD/IEA, Paris, 5.

India's primary energy supply is currently dominated by Coal (37%), Biomass and waste (27%) and Oil (26%). The share of natural gas in the overall energy mix is only 6%.<sup>36</sup> Before 2009, its demand potential was estimated to be 20 to 30 bcm higher than actual use as consumption had been constrained by the lack of supply over a decade.<sup>37</sup> The year 2009 marked a turning point as India's gas consumption increased from 43 bcm in FY 2008/09 to 59 bcm in 2009/10.<sup>38</sup>

In India, natural gas is mainly used for power generation and in the manufacture of fertilizers. Transportation, agriculture and domestic uses account for the rest of the consumption. As of 2004, 29.9 billion cubic metres of the 32.1 bcm gas consumed annually in India were sourced domestically. Most of India's domestic sources are offshore (off the western coast).

**Table 1<sup>39</sup>**  
**India's Gas Market at a Glance**

Details	1990	2000	2008	2009
Share in TPES (%)	03	05	06	NA
Domestic Production	12	28	32	46
LNG Imports (bcm)	00	00	11	12
Pipeline Imports (bcm)	00	00	00	00
Consumption (bcm)	12	28	42	59
% of Power generation	37	44	40	NA
% of Industry	59	44	47	NA

As India does not have any pipeline connection, all the gas currently imported in the form of LNG (Liquefied Natural Gas) was first imported in March 2004, when the LNG terminal in Qatar went into operation.<sup>40</sup> Currently the country has three LNG terminals at Hazira (6.8 bcm), Shell and Total (4.8 bcm) and Dhobal-Ratnagir (7.5 bcm). With consumption expected to increase, the dominance of domestic gas is likely to increase and dependence on foreign imports would automatically increase. Again, it would not get a resource source like Central Asia with huge number of gas filled with untapped resources.

From above, it is quite clear that India's dependence for gas imports is increasing substantially year by year on distantly located

<sup>36</sup> *International Energy Agency*, 5.

<sup>37</sup> MoPNG, "Basic Statistics on Petroleum and Natural Gas 2007-2008," *Ministry of Petroleum and Natural Gas*, Government of India, 2009, New Delhi.

<sup>38</sup> IEA, "Natural Gas in India 2010," Working Paper, *International Energy Agency*, 5.

<sup>39</sup> IEA Statistics, 2010, Ministry of Petroleum and Natural Gas 2009, India.

<sup>40</sup> *International Energy Agency*, 33.

countries like Qatar, Oman, Nigeria and Trinidad and Taboago, whereas Central Asian gas is available to her in the immediate proximity.

### **Hydroelectricity:**

Hydropower plays an important role in India's energy history. With an installed capacity of 144 gigawatts (GW), India generated 703 billion kilowatt hours with conventional thermal sources, which produced over 80 per cent of electricity in 2006. In spite of this, India suffers from a severe shortage of electricity capacity. According to the World Bank, roughly 40 per cent of residences in India are without electricity, and, in addition, blackouts are a common occurrence throughout the country's main cities.<sup>41</sup> More alarming is growing total demand for electricity and is outpacing increases in capacity. India was the eighth largest consumer of hydroelectricity by 2006, which accounts for 5 per cent of country's total consumption of commercial energy.<sup>42</sup> On top of it, coal resources essential for electricity generation are depleting.

### **Nuclear Energy:**

Nuclear energy accounts for only 1 per cent of India's primary commercial energy consumption. In 2002, it accounted for five mtoe of the commercial energy supply. By 2030, it would increase to at least 29 mtoe.<sup>43</sup> With US-India civil nuclear deal, India set its nuclear generation target from 20, 000 MW to 40, 000 MW by 2020.<sup>44</sup> Nuclear power holds a great deal of potential in India and the government is increasingly relying on its development to hit its power generation targets.

### **Coal:**

India has the fourth largest reserves of coal in the world. It is simultaneously the third largest consumer of energy from coal accounting from 204.8 mtoe by 2004.<sup>45</sup> In total, coal accounts for more than half of India's total energy consumption followed by oil, which comprises 31 per cent of total energy consumption. Natural gas and hydroelectric power accounts 8 and 6 percents of consumption respectively. While coal's dominance as an energy source has been gradually decreasing, it is likely to decrease further thereby accounting

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<sup>41</sup> "Country Specific Analysis – India," *Energy Information Administration*.

<sup>42</sup> *The Brookings Foreign Policy Studies*, 12.

<sup>43</sup> IEA (2004), *World Energy Outlook 2004*, International Energy Agency, 498, [www.iea.org](http://www.iea.org).

<sup>44</sup> "Country Specific Analysis–India," *Energy Information Administration*.

<sup>45</sup> British Petroleum, *BP Statistical Review of World Energy*, British Petroleum, June, 2005, 33, [www.bp.com](http://www.bp.com).

for more than 40% of consumption in 2030. The IEA estimates that 362 mtoe of India's commercial energy will come from coal by then. Although, coal is abundant in India, probably it is the most polluted source of energy. It is relatively cheap, and easier and safer to transport than oil or gas. The majority of India's coal reserves are located in the eastern and central states of India—away from major energy consumption areas in the north and west, and these are diminishing with every passing day thereby subjecting India to great deal of dependence on energy imports. The domestic coal shortage is expected to persist for few more years with India projected to spend \$6 billion a year for importing coal until 2015.<sup>46</sup> Further, depleting and polluted coal, rising oil imports, increasing natural gas demand, inefficient electric system, energy related water shortage, limited nuclear energy etc., pose serious challenges to India's energy security, which obviously demands a very serious and technically sound energy policy for the purpose. Its broad vision is to ensure the supply of such energy technologies as may resist the shocks and disruptions caused to energy imports from time to time. At its broadest level, India's energy security has to do with the continuous availability of primary commercial energy at an affordable price.

#### **India's Future Energy Demand:**

Given the country's developmental goals and plans to maintain a high economic growth rate, various estimates indicate that by 2031, India's primary energy supply would increase significantly from the current levels. The Integrated Energy Policy Report estimates that under an 8% GDP growth level, assuming alternative scenarios of fuel and technological diffusion, India's total energy requirement would be in the range of 1536–1887 MTOE (million tonnes of oil equivalent) by 2031.<sup>47</sup> The analysis by TERI (The Energy and Resources Institute), which is based on the MARKAL (Market Allocation) model, indicates that under an 8% GDP growth scenario, with current plans and policies of the Government of India, commercial energy needs would increase to 2149 MTOE by 2031/32 and CO<sub>2</sub> (carbon dioxide), emissions would increase to about 7 Gt (giga tonnes) in the same year.<sup>48</sup> Moreover, coal and oil would continue to account for most of India's energy requirement, even by 2031.

In 1991, India imported just 17.8% of its commercial energy. Today it imports more than 30% and the share of imports is steadily

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<sup>46</sup> *The Brookings Foreign Policy Studies*, 12.

<sup>47</sup> Planning Commission, "Integrated Energy Policy Report," *Government of India*, New Delhi, 2006.

<sup>48</sup> TERI, "Annual Report 2008/2009," *The Energy Research Institute*, New Delhi.

growing.<sup>49</sup> Demand for oil has doubled to 2.9 million barrels per day (mbd) in just a decade<sup>50</sup> and is projected to reach around 7 mbd by 2030, growing annually at about 4%.<sup>51</sup> Coal imports are expected to surge more than 200% in the next decade, and natural gas imports will also rise dramatically. India's continued economic success hinges on obtaining reliable and cost-effective energy supplies to meet the growing energy demand.

Many research institutes, scholars and energy specialists and think tanks across the world have predicted that India's demand for oil and gas will increase manifold within the coming two-three decades. Even if all hydro, nuclear, wind, biomass and other non-conventional energy sources, are tapped by India to the fullest extent possible, it won't still make up the growing energy demand. According to a recent study done by the Indian Planning Commission, the apex institution that formulates India's Five-Year Plans, even if hydro power, nuclear power and other renewable sources were exploited to their full potential, their best possible contribution to India's energy mix by 2030 would be around five to six per cent each.<sup>52</sup> Therefore, by 2030, India would overtake Japan and Russia to become the third largest consumer of energy in oil, gas and coal. Her dependence on imported oil is already greater (as percentage of oil consumed) than that of the US and China and is expected to increase even further. The situation is compounded by several complications in the energy sector:

- Though India imports oil from more than two dozen countries, almost three quarters of its oil is imported from five countries of the Middle East, the most fragile region over the past few decades;
- High oil prices which in turn seem to spur high gas prices;
- Few or no obvious viable energy alternatives are available. Progress in its nuclear program has regularly fallen behind schedule. Large scale development of hydroelectricity generation facilities has been stymied by financial, social and environmental concerns, and non-conventional sources are not yet considered affordable or reliable.
- India is not alone in this high speed quest for energy and is vainly competing with China, US, Japan, Europe, South Korea etc;

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<sup>49</sup> Carl Jeremy, Rai Varun and et al (2008), *Energy and India's Foreign Policy*, Working Paper # 75, Program on Energy and Sustainable Development, Stanford University, Stanford, 5, <http://pesd.stanford.edu>.

<sup>50</sup> Ministry of Petroleum and Natural Gas, "Data for 2006-2007," Petroleum Planning and Analysis Cell (PPAC), *Ministry of Petroleum and Natural Gas*, Government of India, New Delhi, 2007.

<sup>51</sup> Planning Commission, "Integrated Energy Policy Report," *Government of India*, New Delhi, 2006.

<sup>52</sup> Planning Commission, "Integrated Energy Policy Report," *Government of India*.

- Without clean, convenient and reliable energy sources, India will not be able to sustain a high growth rate in all sectors of the economy;
- Vulnerability to volatile prices adds to the problems causing increase in India's fiscal and trade deficits. There is also certain amount of discomfort that India's economic growth "stands hostage" to imported energy at high price from volatile regions;<sup>53</sup>
- As domestic resources are dismal and limited, renewable energy sources will take time.

Given the resource scramble in Middle East, resource curse in Africa, Central Asia stands out as a viable destination for India in her energy quest. Peak Oil theory also suggests that Middle East oil quantity is steadily declining and is expected to diminish soon. And same can be applicable to any energy rich destinations. Therefore, it would be wise on part of India to conserve its domestic resources like the US and Chinese do and engage in massive foreign import mission either from Central Asia or Southeast Asia.

### **The Relevance of Central Asian Energy Resources for India:**

Growth demands energy especially when, per se, India expects economic growth at 10 per cent for the next twenty-five years. She accounting 2.4 percent of world's total land surface and around 16 percent of the total world population, is the third largest growing economy of the world.<sup>54</sup> Her main challenge, therefore, is to maintain a sustainable growth rate of 8%-10% percent GDP over the next quarter century to meet its developmental goals for poverty eradication, food security, rural development, education and health. India has an average growth rate of GDP at 7 percent in the last decade and has attained a growth rate of 9.2 percent up to September, 2008 (then slowed down due to global economic crisis). To maintain the pace of growth, India will have to increase its energy consumption by at least 4 percent annually.<sup>55</sup> According to the Integrated Energy Policy of Government of India, she needs to increase its primary energy supply three to four times: her electricity generation capacity/supply by a factor of five to six compared to its 2004 level.<sup>56</sup>

Increasingly, frustrated by the dismal performance in her domestic energy sector, India strives to achieve energy sufficiency, and

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<sup>53</sup> *The Brookings Foreign Policy Studies*, 14-15.

<sup>54</sup> India Energy Handbook (2011), *Demand Driven, Supply Chained*, Las Vegas: PSI Media Inc, USA, 4.

<sup>55</sup> CSIS (2006), "India's Energy Dilemma," *South Asia Monitor*, Centre for Strategic and International Studies, No. 28, September 7, Washington D.C., 1.

<sup>56</sup> Planning Commission, "Integrated Energy Policy Report," *Government of India*.



diversifying and expanding her international sources of energy has been a major Indian policy thrust for the past decade. She realizes that energy security needs to be critical component of India's foreign policy as India's continued economic success hinges around this. She inevitably needs to (a) diversify both its energy mix and sources of energy imports; and (b) seriously pursue overseas acquisition of energy asset because oil and gas are non-renewable and are in limited quantities. Obviously, energy cooperation is at the heart of India's engagement with Central Asia.

The energy resources of Central Asia including the Caspian Sea region will play an important role to this effect. Further, Central Asian oil and gas are of high quality, largely untapped, investment environment is open and very friendly. As the producing countries consume less, major chunk of these resources are meant for export. In addition, unlike the Middle East and African energy rich countries, Central Asia is very much stable and popular uprising against outside power is seemingly absent there. The gas of Central Asia and the Caspian has less ash in comparison to other gas producing countries of world: all these are crucial to India's interests in the Central Asian energy hub.

### **Central Asia: An Energy Hub:**

Central Asia, another Middle East, has assumed a new role in the era of globalisation. The CARs definitely possess 3-4 per cent of proven global oil and gas reserves.<sup>57</sup> Similarly, production of oil and gas has increased in the last few years. And there are prospects for more new discoveries and growth in production output.

Changing the region's flow from the existing northern routes towards Russia to western, eastern and southern routes towards Europe and Asia was initially thought to be integral to the developmental goals of Central Asian states. To reduce the region's dependence on Russia, and marginalise Russian energy monopoly, a few projects were pursued and implemented by creating alternate pipeline routes skirting Russia. One is the US centric Baku-Tiblisi-Ceyhan (BTC) oil pipeline project. Since demand in Asia, particularly China and India, is expected to grow much faster than Europe, other option have been looked upon as economically lucrative. Few such routes are: eastward routes to China, southern routes through Iran and south-western routes via Afghanistan.

Among Central Asian states, Kazakhstan is the largest and richest of all in oil, gas and uranium deposits; hence, destined to play an

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<sup>57</sup> Sachdeva, Gulshan, "Regional Economic Linkages," In Nirmala Joshi (ed.), *Reconnecting India and Central Asia*, New Delhi: New Elegant Printers, 2011, 117.

important role in India's energy sector. Major oil productions in Kazakhstan are also expected to grow in the coming decades. Its onshore and offshore proven hydrocarbon reserves have been estimated at 30 to 40 billion barrels of oil equivalent. It produced about 1.45 million barrels of oil per day in 2007, 1.9 million barrels per day in 2010 and 2.9 million barrels per day by 2020.<sup>58</sup>

As regards imports, Turkmenistan and Uzbekistan are no less important to India. Both have large amounts of proven reserves. In the last decade and half, both the countries tried hard to increase export volumes and diversify export routes. Uzbekistan increased its gas production to 2.3 tcf/y late in 2007, and Turkmenistan increased her gas production to 2.2 tcf/y in 2006. Accordingly, Turkmenistan stands second in the former Soviet space in terms of gas production after Russia. The country also plans to double its gas production by 2020. According to the revised data, Turkmenistan has got proven gas reserves of 100 tcf.<sup>59</sup> With the discovery of new gas field in *Yolotan*, proven gas reserves may go up significantly.

Although, Kyrgyzstan and Tajikistan are economically weak, they have enormous potentials of hydroelectricity. Tajikistan has the second highest water resource potential (530 billion kWh/year) followed by the Kyrgyzstan (142 billion kWh/year).<sup>60</sup> Hydroelectricity from Tajikistan and Kyrgyzstan are being transported to South Asia through CASAREM projected, especially to Afghanistan. This can further be connected to India via Pakistan.

### **The Caspian Sea Region:**

Caspian is the largest inland sea on earth, which attracted the world for its large oil and gas deposits. Consisting of five littoral states such as Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan, it accounts for 7 per cent of the total world gas production. This is much higher than its oil share in total world oil output. Although, the Caspian region has huge energy resource base, but no consensus exists among littoral states and outside powers about the exact energy potential of the basin. In the mid 1970, the Soviets estimated them at around 35 billion barrels though later estimates put their figure at around 10-11 bn barrels. Nevertheless, at the time of the "Contract of the Century" signed between Azerbaijan and a

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<sup>58</sup> US EIA, "Oil Production Projections in Kazakhstan, 1990-2030," *United States Energy Information Administration*, Washington D C, 2009.

<sup>59</sup> Gulshan Sachdeva, "Regional Economic Linkages," In Nirmala Joshi (ed.), *Reconnecting India and Central Asia*, New Delhi: New Elegant Printers, 2011, 122.

<sup>60</sup> Avilas Roul, *The Elusive Yet Abundant Hydropower in the Kyrgyz Republic*, 2010, ECO World, January 15.

Consortium of eight oil companies in September, in 1994, the energy resources of the Caspian littoral states were said to be comparable to those of Emirates of Kuwait and the Persian Gulf.

In 1997, the US government stepped in and announced that the Caspian Region possessed around 15.6 billion proven and 163 billion possible barrels of oil. However, the first credible study on Caspian energy Potential was done by Wood Mackenzie, a Scottish consulting company in 1998. It revealed that the combined proven oil and gas reserves of Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan were 68 billion oil barrels equivalent. Of this amount, the total for oil was 25.2 billion barrels, 65 percent of which belonged to Kazakhstan (16.43 bn), and the rest to Azerbaijan (6.5 bn), Turkmenistan (0.91 bn) and Uzbekistan (1.34 bn).<sup>61</sup> Two further studies published in April 1998 by Rice University's Baker Institute and the International Institute of Strategic Studies of London (IISS) confirmed Wood Mackenzie's figures. With this energy potential, Caspian emerged important for energy consuming countries including energy deficient India.

### **India's Energy Engagement in Central Asia:**

However, Indian policy planners realized Central Asian or Caspian Sea energy potential quite late. Indian companies tried hard to get a strong foothold in the region. ONGC made significant inroads into Iran, Kazakhstan, Turkmenistan, and most recently in Tajikistan. It has formally given bid on Tengiz and Kashaugan oil fields and the Kurmangazy and Darkhan exploration blocks in Kazakhstan<sup>62</sup> amid great competition especially from China. China always prefers to go alone in energy exploration and trade of Central Asia as is exemplified by the fact that China outbid India in 2005 to acquire PetroKazakhstan – Kazakhstan's third largest oil producer, with CNPC raising its bid to \$4.18 billion.<sup>63</sup>

### **Kazakhstan:**

Nonetheless, ONGC joined KazMunaiGas-the Kazakh state oil company in a project to explore and develop the Satpayev block in highly prospective waters of the north western Caspian Sea. The state oil company pays an \$80m signature bonus for a 25 per cent stake in Satpayev where oil reserves are estimated at 250MT. The deal aims at

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<sup>61</sup> Dekmejian, R Hrair, Simonian H Hovann, *Troubled Waters, The Geopolitics of the Caspian Region*, London, I. B., Tauris 2001, 18.

<sup>62</sup> CSIS, "India's Energy Dilemma," *South Asia Monitor*, Centre for Strategic and International Studies, Washington D.C., 28, 2006, September 7.

<sup>63</sup> *Reconnecting India and Central Asia*, 122.

boosting India's energy security and fuelling its rapid economic growth. ONGC covers all exploration costs at Satpayev, minimizing Kazmunaigas' risk in early stages of the project that will eventually require \$9bn of investment. It has become common practice around the world for foreign companies to pay exploration costs when farming into projects with state oil companies. Compared to other countries, India, however, has had less success in winning Kazakh oil deals. US and European majors secured rights to develop the vast Tengiz and Karachaganak fields in the 1990's that now account for the bulk of Kazakhstan's 80MT a year oil production. China, India's main rival for global oil reserves, has accumulated a large portfolio of upstream assets in Kazakhstan and built pipelines to carry production to its north western border.<sup>64</sup>

Having failed to do any effective progress at Satpayev, in January, 2009, India's ONGC Mittal Energy Limited (OMEL) and KazMunaiGaz (KMG) inked an agreement for exploration of oil and gas in the Satpayev block in the Caspian Sea. OMEL is a joint venture between ONGC Videsh Limited (OVL) and Mittal Investments. The Satpayev block covers an area of 1,582 square kilometres and is at water depth of 5-10 meter.<sup>65</sup> It is situated in a highly prospective region of the North Caspian Sea, and is in close proximity to major energy fields of Karazhanbas, Kalamkas, Kashagan and Donga where significant quantities of oil have been discovered. At estimated reserves of 1.85 billion barrels, the Indian company shall have a 25 per cent stake, and the remaining 75 per cent by KazMunaiGas.<sup>66</sup> If it works well, India's shall be able to register a worthwhile cooperation with Kazakhstan in energy sector. The two sides also negotiated a uranium supply agreement, pharmaceutical and oil refining deals aside. Kazakhstan already supplies India with nuclear fuel from its significant uranium deposits, while India plans to increase its civil nuclear program, which already counts 20 nuclear reactors.<sup>67</sup>

### **Uzbekistan and Turkmenistan:**

During the last decades and a half, both countries tried to increase export volumes and diversify export routes. The Indian public sector company

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<sup>64</sup> Gorst, Isabel, "India Gains a Foothold in Kazakhstan," *European Dialogue*, April 25, 2011.

<sup>65</sup> *Reconnecting India and Central Asia*, 122.

<sup>66</sup> "ONGC Mittal Signs Deal to Take 25 Stake in Kazakh Oilfields," *Times of India*, 24 January, 2009, [http://timesofindia.indiatimes.com/Business/India\\_Business/ONGC-Mittal\\_signs\\_deal\\_to\\_take\\_25\\_stake\\_in\\_Kazkh\\_oilfield/article/articleshow/4027031.cms](http://timesofindia.indiatimes.com/Business/India_Business/ONGC-Mittal_signs_deal_to_take_25_stake_in_Kazkh_oilfield/article/articleshow/4027031.cms).

<sup>67</sup> Robert M. Cutler, "India Raises Energy Profile in Central Asia," *Asia Times*, May 27, 2011, [www.asiatimes.com](http://www.asiatimes.com).

Gas Authority of India (GAIL) signed a MoU with Uzbekistan's Uzbekneftegaz for oil and gas exploration and production.<sup>68</sup> The GAIL also set up a few Liquefied Petroleum Gas (LPG) plants in western Uzbekistan, mainly for Uzbek consumption. India also inked an agreement that could lead to India's ONGC Videsh Ltd (OVL) prospecting for oil and gas in collaboration with Uzbekneftegaz. Under their provisional agreement, OVL, the overseas arm of India's state-owned Oil and Natural Gas Corporation, formed working groups with Uzbekneftegaz to access Central Asia's vast energy resources.<sup>69</sup> India-Uzbekistan bilateral energy cooperation extended to Afghanistan as well. They cooperated to supply electricity to Kabul, with Uzbekistan furnishing the power for the transmission network built by India.<sup>70</sup> Karimov's authoritarian rule in Uzbekistan was initially disinclined to cooperation with India, which, however, was realized with growing threat of militancy to both countries. Since then, economic cooperation between the two countries has increased markedly.

Being the richest country in natural gas in Central Asia, Turkmenistan is endowed with rich reserves of natural gas, crude oil, potassium and rock salts. It has the fourth largest natural gas reserves in the world, reserves of crude oil apart. Four countries, viz., Turkmenistan, Afghanistan, Pakistan and India (TAPI countries) are working together on a \$7.6 billion TAPI gas pipeline project, to be operational by 2016.<sup>71</sup> In the last 12 years, there has been much discussion on the said project due to insecurity in Afghanistan and Pakistan<sup>72</sup> and latter's unfriendly relations with India. Nevertheless, on 11 December 2010, the Presidents of four countries signed the agreement of the project.<sup>73</sup> This 1,680 km pipeline would run from the Dauletabad gas field in Turkmenistan to Afghanistan, thence to Heart, Kandahar, Quetta and Multan in Pakistan and Fazilka in Indian Punjab.<sup>74</sup>

The Dauletabad gas field has confirmed reserves of over 2.3 trillion cubic meters (tcm). Additional reserves of about 1.2 tcm expected after drilling in the adjacent area. The gas production capacity of the field could be increased to about 125 million cubic meters per day

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<sup>68</sup> *Reconnecting India and Central Asia*, 122.

<sup>69</sup> "India Raises Energy Profile in Central Asia," *Asia Times*, [www.asiatimes.com](http://www.asiatimes.com).

<sup>70</sup> "India and Uzbekistan to Firm up Communication and Security Link," *The Hindu*, 18 May, 2011.

<sup>71</sup> MEA, "India-Turkmenistan Relations," Ministry of External Affairs, Government of India, New Delhi, July, 2011, <http://mea.gov.in/mystart.php?id=50044534>.

<sup>72</sup> *Reconnecting India and Central Asia*, 123.

<sup>73</sup> "India-Turkmenistan Relations," Ministry of External Affairs, Government of India, New Delhi, July, 2011, <http://mea.gov.in/mystart.php?id=50044534>.

<sup>74</sup> *Connecting India and Central Asia*, 123.

(mmcm/d). From the current 80 mmcm/d, Turkmenistan has committed to provide sovereign guarantees for long term uninterrupted supplies to Pakistan and India<sup>75</sup> and to India vide May, 2006 agreement with the Ministry of Petroleum and Natural Gas.<sup>76</sup> Moreover, India's continuing relationship with and participation in the project for a Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline has contributed to increasing its profile in the region. Turkmenistan's interest in TAPI has only increased since the Nabucco project for sending its gas to Europe has lately stutter-stepped.

Kyrgyzstan and Tajikistan have intensified their electricity transmission to South Asia (Afghanistan and Pakistan) through a visionary concept of Central Asia – South Asia Regional Electricity Market (CASAREM). The existing facility in Tajikistan on the Vaksh River and in the Kyrgyz republic on the Naryn River would supply the current available summer surplus for export. A North-South 500 kV transmission line in Tajikistan is currently under construction with Chinese financing. Additional transmission links from Kyrgyz Republic to Tajikistan to enable electricity from Kyrgyz Republic via Tajikistan to South Asia. Tajikistan to Afghanistan 220 kV transmission links is also under construction. The electricity transmission and trading system project to transfer about 1000 MW of power from the Kyrgyz Republic and Tajikistan to Pakistan via Afghanistan (referred to as CASA 1000) is in place.<sup>77</sup> Pakistan is not far from India. She can stretch its muscles and extend CASAREM vision to the Indian soil.

### **Central Asia – China Relations: Implications for India:**

China-Central relations have a certain bearing on India's energy consumption. Three out of five Central Asian states share boundary with China, which allows China to be the proximate player in the region. No doubt Central Asia is a Russian hinter-land, it is China whose presence worries the US most in the region. Chinese growing presence in Central Asia and her massive economic package, military aid and political dominance in the region also hampers India's strategic vision towards Central Asian geopolitics. SCO is the mechanism through which China pushes its agenda in Central Asia in terms of energy and trade.

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<sup>75</sup> The Dawn, "Delhi Invited to Join TAPI Project," *The Dawn*, March 16, 2006, [www.dawn.com/2006/03/16/top10.htm](http://www.dawn.com/2006/03/16/top10.htm).

<sup>76</sup> PIB, "Union Cabinet Decision Press Release," *Press Information Bureau, Government of India*, May 18, 2006, <http://pib.nic.in/realase/re120lease.asp?relid=17859&kwd=>.

<sup>77</sup> CASAREM, "Electricity Transmission and Trade Projects – CASA -1000," *Central Asia-South Asia Regional Electricity Market*, July, 2007, [http://centralasia.usaid.gov/datafiles/upload/CASA-1000\\_Briefing\\_Mem\\_Final.pdf](http://centralasia.usaid.gov/datafiles/upload/CASA-1000_Briefing_Mem_Final.pdf)

Presently China is the second consumer of oil and gas in the world and may overtake the U.S by 2010.<sup>78</sup> Therefore, China would strive to explore Central Asian energy resources to the maximum possible for it is the energy hub accounting “1.7% and 5% of global proven recoverable resources of oil and gas respectively.”<sup>79</sup> China has emerged as a major player in Kazakhstan’s oil exploration efforts. It has been actively participating in exploring Alktyuinks and Mangyshlak oil deposits and building an oil pipeline in Kazakhstan-Xinjiang region. One of the most ambitious projects signed and executed by China is a \$ 11 billion gas pipeline project stretching over 5,730 kilometers between Turkmenistan and China through Uzbekistan and Kazakhstan. In 1997, the Chinese National Petroleum Company (CNPC) outbid other major oil companies (including Exxon Mobil) to acquire oil fields in Kazakhstan and develop petroleum resources. Obviously, therefore, China’s growing influence is a source of worry not only to Russia but also to energy-hungry India. Already, multiple networks of roads, railways and pipelines connecting Central Asia and Western China and beyond are in full progress. China almost completed a pipeline project from Western Kazakhstan to Western China over 3,008 kilometres, of which 270 kilometres will be within China’s border. The pipeline carries 20 million tons of oil, with construction costs predicted at US\$ 2 million.<sup>80</sup> China and Kazakhstan also constructed the second line of the Alashankou-Druzba oil pipeline passing the Dzungar Gate.<sup>81</sup> China itself is building a 4,000-kilometre gas pipeline, ‘West-East Pipeline Project Investment B.V’ to pump gas from Xinjiang to coastal provinces in the east, with a cost of US\$ 18 billion. Apart from the existing roads, China and Kyrgyzstan built a road at the cost of US\$ 15 million, connecting the southern bank of Lake Issyk-Kul in northern Kyrgyzstan and the Aksu district of China’s Xinjiang-Uyghur region.<sup>82</sup> Since 1997, China’s National Petroleum Corporation (CNPC) and China’s National Oil Corporation (CNOOC) undertook several pipeline projects while outbidding US, Japanese, Russian and other companies for exploration, and transportation of oil and gas from Kazakhstan, Turkmenistan and

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<sup>78</sup> Ramakrushna Pradhan, “Chinese Interests in Central Asia: Policies and Challenges,” *Eurasian Report*, 3(2), 2009, Summer, 39.

<sup>79</sup> Sujit Dutta, “China’s Emerging Ties with Central Asia,” In Nirmala Joshi (ed.), *Central Asia –The Great Game Replayed – An Indian Perspective*, New Delhi, New Century Publication, 2003.

<sup>80</sup> *Strategic Analysis*, 75.

<sup>81</sup> Interfax, “Study on Sino-Kazakhstan Pipeline Construction and Investment Expected to Finish this Year, 2003,” [www.interfax.com/com?item=Kaz&pg=80&id=5641877&req=](http://www.interfax.com/com?item=Kaz&pg=80&id=5641877&req=)

<sup>82</sup> *Strategic Analysis*, 75.

Caspian Sea to China. China is keen to rapidly expand its economic ties with the Central Asian states. Its trade and investments in the region have grown significantly over the past few years. Pakistan had also collaborated with China, Kyrgyzstan and Kazakhstan in transport and communication projects through China's Xinjiang province in 1995. By October 2003, the agreement was to be implemented allowing tariff-free overland trade among the four countries.<sup>83</sup> The completion of these projects connecting Asia with Europe will isolate India from major international transport and communication highways, and shall have serious implications for India's energy security orientation in Central Asia. It is here the question comes into mind whether India should compete or cooperate with China in its Central Asian endeavour. However, whether India competes or cooperates always Chinese presence in Central Asia will factor to a large extent in India's energy policy strategy in the region.

#### **Policy Options for India:**

India, so far, has not achieved any success in winning any major deal in the Central Asian oil sector for various reasons ranging from technical hurdles to high stake politics. The problem of inaccessibility apart, the issue of avoiding transit through Pakistan itself is a stark reality. Therefore, it is essential to factor China in our energy security calculus. During the British rule, the route via Xinjiang was preferred for conducting trade and commerce with Central Asia. However, due to the Partition of India, de facto division of Kashmir and India-Pakistan and India-China wars on Kashmir, India's direct Northern route to Central Asia over Pakistan freezed for all times to come. As an alternative, thereof, India can cooperate with China for constructing oil/gas "Energy Highways" or pipelines from Central Asia along Western China. Such a proposition would bring about unprecedented strategic change, let alone endowing energy supplies to the entire Northern India. It would undermine the much-hyped Turkmenistan-Afghanistan-Pakistan-India gas pipeline project.

Until China-India cooperation on above lines develop India's interest should remain focused in the petroleum management sector. The Caspian Sea region and Kazakhstan offer enormous opportunity for Indian technicians and experts. Indian presence in the region is already growing, as hundreds of Indian technicians and skilled workers are finding their way into infrastructure development projects. About a

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<sup>83</sup> Ramakrushna Pradhan, "Chinese Interests in Central Asia: Policies and Challenges," *Eurasian Report*.



thousand Indians are already working in the pipeline construction projects of Aksai and Karachaganak-based Consolidated Construction Company (CCC) and SAIPEM Companies. With the increasing participation of the Indian workforce in petroleum management, the Caspian Sea region and Central Asia would inevitably become another Gulf model for India.

It is therefore, necessary for India to evolve its own perspective and understanding, and to broaden its operational mechanism by the inclusion of Central Asia, Afghanistan and the frontiers of China (Xinjiang) in its greater Central Asian vision. The SCO can be greatly instrumental in this regard. A sub-regional framework involving India, China, Kyrgyzstan, Tajikistan, Kazakhstan and Afghanistan could form a viable option for a long-term cooperation. Like China, it could also use the SCO mechanism to garner its interests in the region, even though not at par with China.

Finally, India doesn't have any country specific policy towards the Central Asian region. India needs to position herself as a strong if not comparable competitor with China in the region. She needs to include Chinese relevance in its Central Asian policy. India has already suffered for its inactiveness and lack of broad vision in J&K, Tibet, Xinjiang, Myanmar etc. It shouldn't repeat such faults in Central Asia. As all Central Asian countries are friendly to India and Russia, India needs to maintain better neighbourly relations with China, Pakistan, Bangladesh and Afghanistan to fulfill its energy mission in Central Asia. Without the cooperation of its neighbour's, India is handicapped to fulfill the underlying objective of her belatedly perceived energy strategy in Central Asia and the Caspian Sea.

Consequently, the five Central Asian states are casting about for counter-balances against the two large Asian powers. Kazakhstan's somewhat closer relations with India earlier in the decade, which seemed to promise increased trade ties, foundered for a time upon the difficult geography: on top of the transportation difficulties endemic to the region, New Delhi has no border with any Central Asian state. As of Uzbekistan, it is an old ally of India—historically connected. Turkmenistan, Kyrgyzstan and Tajikistan have maintained very close and cordial relations with India through years and are expecting greater India role in their region to counter balance the growing hegemony of Russia, China and the US.

In the last few years, India has thus become one of the Central Asian counterbalances against Sino-Russian hegemony. Given India's need to increase its energy imports, it is no surprise that a significant

economic axis for its newly developing cooperation with Central Asia is in the oil and gas sector.

Two decades after the independence of the Central Asian states, India's relatively low profile in the region has acquired higher relief as it searches for "poles of attraction" other than Russia and China, which in the late 1990s had begun to establish a condominium (not an apartment, but an international law term for "joint rule") over that part of the former Soviet territory.

**Conclusion:**

India was intimately connected to Central Asia since early times. Such connections being characteristic of exchange of faith, men, material and ideas, were maintained either across Kashmir in the north or Kabul in South. However, such connections fractured with the Partition of Indian sub-continent, division of Kashmir and India-Pakistan and India-China wars over Kashmir. Borders were sealed in the process, and India was axed from Central Asia.

However, there is a great feeling of reviving such connections to boost India-Central Asia bilateral trade with energy as its major segment, keeping in view India's acutely growing energy demand due to largely swelling population, shrinking indigenous production resources, staggering Gulf energy supplies and their soaring prices. In this back drop, energy-abundant Central Asia offers a viable alternative to India. The hitch is either China or lack of India's direct land route excess to Central Asia. China has successfully driven considerable share of Central Asian energy resources to its use through number of pipeline projects. Thus, she would not want India to enter into the Central Asian energy consumption or transportation fray. Therefore, it is advisable for India to access Central Asian resources through cooperation with China, and, at the same time, establish friendly relations with Pakistan and Afghanistan for both these countries provide a land bridge to India for intra-regional trade with South and Central Asian space.

**Mushtaq A. Kaw, “Restoring India’s Silk Route Links with South and Central Asia across Kashmir: Challenges and Opportunities”, The China and Eurasia Forum Quarterly, Vol. 7, No. 2, May/June, 2009, The Central Asia-Caucasus Institute, Paul H. Nitze School of Advanced International Studies, Washington DC, USA or The Silk Route Studies Programme, Institute for Security and Development Policy, Stockholm, Sweden, pp. 59-74 [ISSN 1653-4212].**

I enjoyed reading the entire article word by word including the footnotes. The approach to the substance was objective and the author developed the theme like an alert author. A fine demonstration of intellectual honesty where pen is wielded in a manner that it rhymes with conscience – the ultimate obligation of a scholar worth the name.

At our level perhaps the realization is growing stronger that there is need to co-operate in the region but unfortunately, we heed to external factors more than our national interests. Precisely for this reason, India-Pakistan and India-China are likely to keep their horns locked and why not, because who would buy otherwise billion dollar worth aircraft carriers, fighters, submarines, tanks, guns, missiles and modern munitions from our so called patrons. While our masses groan under the weight of ‘huger’ monster and face acute unemployment, the Westerners are much more comfortable, generally with single digit unemployment.

Therefore the hardships this region faces are our own making. While author brought his theme to the climax of cooperation, in ‘conclusion’ the entire tapestry of ideas crumbles because all avenues are blocked by states ego that seals our destiny.

The author rightly laid thread bare the realities that are knocking at our doors incessantly but if ‘horse does not drink water’, well, you cannot force it. Unfortunately we have bad horses.

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