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ANALYSES

Limited results of the Russian-US summit

During his visit to Moscow on 6–8 July, President Barack Obama met his Russia counterpart Dmitry Medvedev and the prime minister Vladimir Putin, delivered an address at the Russian New Economic School, and held a meeting with representatives of the Russian opposition. A number of documents were signed as a result of the talks, including an agreement laying down basic parameters of the new arms control treaty, and a presidential commission was appointed to co-ordinate co-operation in specific fields. The main achievement of President's Obama's visit was an improvement in the atmosphere of Russian/US relations. Its more tangible results are limited, however; these include Russia's consent to the transit of US troops and military equipment for the operation in Afghanistan via Russian territory. The agreement concluded with regard to arms control is so general that formulation of the new treaty will require further, complex negotiations, and it is far from certain whether the new treaty will actually be concluded. Finally, the missile shield issue remains suspended.

Better atmosphere

Barack Obama's visit showed that the atmosphere of bilateral relations has improved. Representatives of both sides declared their willingness to start a sober dialogue, avoided raising the most sensitive issues (such as the state of democracy in Russia or the Georgian war), and announced that they would intensify mutual dialogue (on subjects including missile defence issues, among others). The US president expressed his recognition of Russia's international role on several occasions, and made only veiled suggestions concerning US dissatisfaction with certain aspects of Moscow's foreign policy (for instance, he said that "the days when empires could treat sovereign states as pieces on a chessboard" were over).

Tangible outcomes

As regards Afghanistan, an extensive joint statement was adopted which placed emphasis on co-operation in combating the production and smuggling of illegal drugs, fighting terrorism and reconstructing the state structures. The one practical result was Russia's consent to the transit of US troops and supplies for the US operation in Afghanistan via Russian territory (by land and air). The parties also established a Russian-American presidential commission made up of thirteen working groups and co-ordinated by the two states' foreign ministers. The commission is intended as a permanent channel for Russian-US consultations (like the Gore-Chernomyrdin commission which functioned in the 1990s), although at this stage it is not possible to assess its potential to influence bilateral relations.

A new treaty to replace START

With regard to nuclear arms, a framework agreement was concluded which lays down the basic terms of the new treaty (to replace the START [Strategic Arms Reduction Treaty] from 1991, which expires this December). It was agreed that the parties would reduce the number of warheads to 1500–1675 over a period of seven years (in the 2002 SORT treaty on strategic offensive reductions, which remains in force until 2012, the authorised number of warheads is between 1700 and 2200). The agreement also provides for a reduction in the number of weapon delivery vehicles to 500–1100 (the SORT treaty contains no such restriction, while in START the limit is 1600). Finally, the agreement states that the new treaty should include provisions governing the relationship between the offensive and defensive strategic potentials, although it is not clear what form such provisions should take.

The framework for the future treaty agreed by the parties is very general and requires further negotiations. Some of the terms agreed may be regarded as concessions on the part of the USA (such as the reduction in the number of weapon delivery vehicles). However, the main issues of contention remain unresolved; although the framework agreement provides for the issues of offensive and defensive arsenals to be linked, and for reference to be made to deploying conventional warheads on ballistic missiles, it is unclear what such provisions would mean in practice.

The missile shield issue

The shield issue also remains unresolved. While a joint statement on missile defence has been adopted as a result of the talks between the parties, the document only states that the two countries would seek ways to prevent the proliferation of ballistic missiles worldwide, and makes no reference to the USA's plans to deploy elements of the missile shield in Central Europe. In his speech at the New Economic School, President Obama said that the deployment of the shield in Poland and the Czech Republic would depend on the future fate of Iran's nuclear programme, and declared that if that threat were eliminated, there would be no need to deploy the shield in Central Europe.

Conclusions

Barack Obama's visit has demonstrated that, in an effort to improve bilateral relations, Russia and the United States chose to discuss those issues in which they share interests, principally nuclear arms reduction and the conflict in Afghanistan. However, even with regard to these issues, there is no certainty that co-operation will last. Moscow seems to see its consent to the transit of troops and military cargo to Afghanistan as a gesture of goodwill, and will probably expect the USA to make concessions on other issues in return. Likewise, the conclusion of the new arms control treaty is far from certain, especially since Moscow still maintains the position that the new agreement on nuclear arsenals reductions may only be concluded if the USA gives up its plans to deploy elements of the missile shield in Central Europe.

Marcin Kaczmarek

Progressing destabilisation in Central Asia

The security situation in the Uzbek and Kyrgyz parts of the Fergana Valley and in Tajikistan has deteriorated in recent weeks. The main causes include the activities of Islamic militants (including Al Qaeda, which operates in the area from Afghanistan and Pakistan), as well as internal tensions, which are particularly strong in Tajikistan, and the deepening economic crisis. Because of the scale of the problems, the area may soon become seriously destabilised with escalating conflicts and crises of the state, especially in Tajikistan. This may adversely affect the situation throughout the region. The rising instability is also affecting the external players. It supports Russia's policy of rebuilding its dominant position in Central Asia and poses a threat to Western interests in the area, especially the ISAF mission in Afghanistan.

Rising tension in Tajikistan and the Fergana Valley

The recent series of clashes with Islamic militants in the region started on 26 May, with the attack against the local headquarters of the police and the security service by Islamists in Khanabad, Uzbekistan, and one or two suicide attacks in Andijan on the same day, about which no confirmed information is available. It is probable that more than ten people died in the incidents. Then in June, several armed incidents took place in the Kyrgyz section of the Fergana Valley (including in Jalalabad and Uzgen): around ten terrorists were killed in operations organised by the government forces to chase down militants, and several others were arrested. The Kyrgyz authorities stated that most of the terrorists had arrived in Kyrgyzstan from Pakistan or Afghanistan (they were nationals of Kyrgyzstan, Uzbekistan and Kazakhstan, among other countries). In recent weeks, fighting with Islamic militants also took place in eastern Tajikistan, especially in the Rasht valley, which had been the main stronghold of the Islamic opposition during the Tajik civil war (1992–1997). The Tajik authorities have been carrying out an anti-drug operation in the area since this April, the objective of which has been not so much to combat drug production (as the authorities are claiming) but to prevent the possible operations of Islamic militants; the presence in the Rasht Valley of troops led by Mullo Abdullo, a civil war-era commander who had resided in Afghanistan until recently, has been reported.

Dushanbe's problems with maintaining control over the Rasht Valley are being exacerbated by serious political tension in the country, which involves a brutalisation of conflicts within the ruling elite. For instance, Mirzo Ziyoyev, the chief of staff of the Tajik Islamic opposition (1992–1997), who was formerly associated with the Islamic Movement of Uzbekistan, and between 1997 and 2006 was one of the most influential Tajik ministers (minister for emergency situations), died recently in unclear circumstances during an operation in Tavildara (the Rasht Valley). In 2006, Ziyoyev was dismissed by President Emomali Rahmon and left for Tavildara. Both Ziyoyev and the former Interior Minister Mahmadvazar Salikhov, who also died in unclear circumstances in June this year, had been considered to pose a threat to President Rahmon, and it is the head of state who is being blamed for hav-

ing liquidated his opponents. At this stage, it is difficult to assess either the reach of Rahmon's real power or the strength of opposition against him.

The rising activity of Islamic militants and the political crises, which are particularly severe in Tajikistan, are taking place within the setting of a deepening economic and social crisis, whose main causes include reduced money transfers from migrant workers employed in Russia, as well as lower prices on, and demand for, the region's export commodities, such as Tajik aluminium or Uzbek cotton. Tajikistan is in the most difficult situation because, in addition to the problems named above, it is also struggling with a serious energy crisis (gas and electricity shortages) and natural disasters. The situation in the country is dramatic, as large parts of the population are at the risk of famine. The scale of the problems seems to be beyond the Tajik government's ability to tackle them.

The regional and geopolitical dimension

The problems in Tajikistan, neighbouring Kyrgyzstan and the Fergana Valley are a seriously disturbing sign for the entire region. Due to the violent conflicts within the ruling elites, the deepening economic and social crisis and the growing activity of the radicals, these countries may become failing or failed states. As a direct consequence of this, so-called black holes – areas not controlled by the government, which offer backing to radical and criminal groups – could form or, indeed, become consolidated in the area, as has already happened the region during several periods since 1991. This would create risks for the neighbouring states, and in anticipation of this Uzbekistan has been reinforcing its borders with Kyrgyzstan and Tajikistan since May.

The activity of Islamic radicals in the region is also a source of concern: in all likelihood, the Islamic Movement of Uzbekistan, the Islamic Jihad Union associated with it, and the Tajik veterans of the Afghan wars (Mullo Abdullo) are operating in the area. This might indicate that the organisations which used to be active in the border area between Afghanistan and Pakistan in recent years are now moving to Central Asia, possibly because they are being pushed away from their original theatres by the ISAF and Pakistani forces, or, in the worst-case scenario, because Al Qaeda has decided to expand its theatre in the northern direction in order to paralyse the supply routes for the ISAF, or to seek a safer refuge than Afghanistan and Pakistan have been in recent months. Should this process continue, this would create a risk of a progressing 'Afghanisation' of Central Asia.

The rising instability in the region is also strongly connected with the wider geopolitical processes taking place there, the 'Great Game' for mastery over the region. First of all, it is clear that Russia is determined to rebuild its dominance in Central Asia, which has been dented in recent years, and to strengthen its positions in the region at the expense of the other world powers and the ambitions of the Central Asian states. This has manifested itself in the attempt to have the US military base removed from Kyrgyzstan (February 2009), and the gas war imposed on Turkmenistan (April 2009), among other moves. Although Russia has stepped up its political and financial activity in the region (for example, by making loans for Kyrgyzstan), the main focus of its activities is on military affairs, including the formation of the CSTO rapid reaction force (which is

in fact a Russian force), the efforts which Russia is undertaking to create a new military base in Osh, Kyrgyzstan, and the proposals for military assistance (such as the possible sale of T-90 tanks to Turkmenistan and training for their crews). The ongoing destabilisation of the region offers Russia a perfect pretext to step up its military activity and become involved in the internal political games of the individual states. As a result, the destabilisation will expand Russia's room for manoeuvre at the expense of the independence of the region's states, and limit any room for manoeuvre by Russia's competitors outside Central Asia.

In parallel to Russia's activities, the region is attracting more and more interest from the USA and NATO and, in the economic and energy dimensions, also from another, increasingly powerful player in the region – China. These players are looking for ways to both defend their existing strongholds and win new ones, in particular in order to enable the development of the so-called northern supply route for the operation in Afghanistan. Independently of the measures it is undertaking to reach agreement with Russia, the USA is making efforts to strike bilateral agreements with the states of the region. The main examples include the re-negotiated deal concerning the Manas base in Bishkek (July 2009) and the right obtained by the USA to use the Uzbek base in Navoi; in addition, it has been speculated that the USA is well on the way towards obtaining the authorisation to use the airfields in Tajikistan (Ayni) and Turkmenistan (Mary). These measures, which are of strategic importance from the point of view of the mission in Afghanistan, create the risk of possible reactions from Al Qaeda and, more importantly, Russia, and temporarily increase the instability in the region.

Krzysztof Strachota, Maciej Falkowski

EVENTS

Russia to resume direct talks with the WTO?

On 10 July, during the G8 summit in Italy, President Dmitry Medvedev declared that Russia could still accede to the World Trade Organisation (WTO) on its own, rather than in a team with Belarus and Kazakhstan within the framework of their customs union, as the Russian authorities had declared a month ago. This inconsistent stance towards the WTO is probably part of Russia's negotiations strategy, although its efficacy can only be assessed when the conditions of Russia's possible membership in the Organisation are finally made known.

Medvedev said that the customs union's member states could mutually agree on a joint negotiating position, but each should accede to the WTO on its own. According to the president, this accession path, unlike joint negotiations within the framework of the customs union, would be much simpler and more realistic. A month ago, without officially withdrawing from its bilateral negotiations with the WTO, Russia notified the Organisation that it was willing to accede together with Belarus and Kazakhstan. Those WTO members who want Russia to join as soon as possible (mainly the European Union and the USA) have criticised the proposed change to the format of Russia's accession, fearing that it would further prolong the negotiations process.

Despite Medvedev's statement, it is still unclear which accession path Russia will finally choose. A new round of talks between Russia and the WTO may possibly take place this autumn, and on that occasion it will probably become clear whether or not the WTO member states are willing to offer better terms to the Russian Federation. <iwo>

IMF prompts privatisation in Belarus

Natalia Koladina, the IMF permanent representative in Belarus, announced on 7 July that the Belarusian authorities had agreed to prepare and carry out the privatisation of five large enterprises through open tenders within the next few months. However, this does not mean that Belarus will start selling shares in its strategic companies.

The privatisation is yet another condition that Belarus has to meet in order to obtain further loans (the entire credit line for Belarus is US\$3.5 billion, of which around US\$1.4 billion has been paid out so far). The IMF expects the Belarusian leadership to adapt the legislation governing ownership transformations to international standards and to establish a Privatisation Agency. Then, the specific enterprises whose shares would be offered for sale by the end of 2010 are to be designated. In an interview for the Austrian newspaper *Die Presse* on 6 July, Belarusian president Alyaksandr Lukashenka said these conditions were reasonable and justified.

Nevertheless, the open privatisation transactions which the Belarusian leadership has pledged to carry out would be inconsistent with the practice of arbi-

trarily and secretly choosing investment partners for individual projects, which the Belarusian government has been following until now. Moreover, if tenders were genuinely open and accessible to anyone, Russian capital could take over Belarusian assets, which is the main source of concern for the Belarusian leadership. It appears that for these reasons, Minsk will not offer shares in the strategic petrochemical and machine-building companies for sale. In order to meet the IMF's expectations, it will carry out privatisation transactions in other sectors which have already been opened to foreign investors, such as the banking sector. <kam>

A constitutional conflict in Transnistria

A division is deepening within the political establishment of the separatist Transnistrian Moldovan Republic. The parliament and President Igor Smirnov have both presented proposals for constitutional amendments, and the latter's proposals aim to establish a 'Belarusian' authoritarian model of presidential rule in Transnistria. The first round of the conflict has ended with victory for Smirnov and the resignation of the parliamentary speaker Yevgeny Shevchuk.

On 9 July, the constitutional commission appointed by Smirnov presented its draft amendments, which are to be adopted by referendum before the end of 2009. The draft strengthens presidential rule and takes away the parliament's power to amend the constitution. This is Smirnov's response to the attempt to limit presidential powers and oust Vice-President Alexander Korolev, which were undertaken in March this year by the Renaissance party, the group which controls parliament and represents Sherif, Transnistria's largest business group. Back in April, the parliament adopted the constitutional amendments to this effect on the first reading. Smirnov responded by appointing his own constitutional commission, and organised a media campaign against those who had initiated the parliament's project. Bodies controlled by the president and so-called 'civic' organisations went on to demand a referendum (under the constitution, it is the parliament that adopts constitutional amendments) and called for the parliament to be disbanded. The Renaissance party gave up and withdrew its draft on 27 May, and on 8 July its leader Yevgeny Shevchuk stepped down as the parliament speaker.

However, holding a referendum requires the parliament's consent, and so it should be expected that Smirnov will continue to put pressure on MPs. <wrod>

Kazakhstan completes oil pipeline to China

On 1 July, Kazakhstan's KazStroyService company announced that it had completed the last, third section of the Kazakhstan-China oil pipeline. The project's completion is of enormous significance for Kazakhstan, as it enables the country to more fully implement its plans to diversify oil markets and transport routes, and to solve the issue of oil exports from western parts of the country where the volume of oil production is increasing.

The Kazakhstan-China oil pipeline is more than 3,000 km long and has a capacity of 10 million tons a year (the target capacity being 20 million tons). It links the Kazakh section of the Caspian coast, where the country's largest oil reserves are located, with Alashankou on the Kazakh-Chinese border. Until now, only the first section of the pipeline (Atasu-Alashankou) was in use, transporting oil from the Kumkol fields in central Kazakhstan. The entire pipeline will be put into operation within months, once the tests currently underway have been completed.

The completion of the pipeline is also important for China, as it offers the country a possibility to increase exports from, and oil production in, the Kazakh oil fields controlled by China's CNPC oil company (CNPC has shares in PetroKazakhstan and CNPC-Aktobemunaigaz). The new oil pipeline is also one of the few land oil transport routes to China; the country otherwise depends on maritime oil transit via the Malakka Strait. Finally, the completion of the pipeline (and the advanced status of work on the Kazakh section of the Turkmenistan-China gas pipeline) is also a sign of China expanding its presence in Central Asia. <ola>

Turkmenistan to increase gas supplies to Iran

Gas negotiations between Turkmenistan and Iran were held on 10–11 July in Ashgabat. The parties agreed on the price of gas exports from Turkmenistan, and decided to increase the volume of gas supplies to Iran. The agreement concluded is of enormous significance for Turkmenistan, since gas exports to Iran have been the main source of the country's revenue since April 2009, when gas exports to Russia were suspended.

The parties did not reveal the new gas price. They only disclosed that it was a 'market' price based on 'an international formula'. Neither did they disclose the duration of the agreements concluded, although they presented details concerning the increased volume of gas supplies. Under the new deal, Iran will receive 8 billion m³ of gas a year from the fields on the Caspian coast, to be sent via the Kurt-Korpedje gas pipeline. In addition, starting from the last quarter of 2009 (by when a connector to the Iranian gas pipeline system will have been built), Iran will also import an additional 6 billion m³ of gas a year from the Dovletabad field. The parties also considered the possibility of increasing the volume of gas supplies to Iran to 20 billion m³ a year.

Dovletabad is Turkmenistan's largest operative gas field. Until recently, it was used exclusively as a source of supplies to Russia. Therefore, the plans to export some of the gas produced there to Iran are a way to strengthen Ashgabat's position in the gas talks with Moscow concerning the terms on which Russia could resume its gas imports from Turkmenistan. <ola>

CES

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