

CHAPTER IV

THE STRATEGY OF RUSSIA TO MAINTAIN THE RELATIONS WITH CENTRAL ASIA AFTER THE COLLAPSE OF SOVIET UNION

After understanding the history of Russia and Central Asia and the relation between them, and also talking about the interest of Russia in Central Asia that motivates Russia to maintain its relations with Central Asia, we finally come to the main objective of the thesis which is the strategy of Russia to maintain its relations with Central Asia. In this chapter the strategy of Russia towards Central Asia will be divided into two parts, those are economic strategy and security strategy.

A. Economic Strategy

After the collapse of Soviet Union in 1991 and five Central Asian Countries got their independences, this region kept many of its connections with Russia. It happen because as a new independence states, five Central Asian States needs some assistant from external actors in order to develop their countries. For the first two decades following the independence of five Central Asian Countries, Russia remained as the largest partner for each of the Central Asian Countries, especially in terms of trade. Russia importing energy resources and other goods from the Central Asia region while exporting goods to the Central Asia such as refined fuels. However, over the current decades, the trade and investment of Russia in Central Asian Countries have degraded. This was caused by the involvement of other external actors in Central Asia, especially China that recently build up its interest towards Central Asia.

The collapse of Soviet Union has caused the economic relations between Russian Federation (RF) and Central Asian Countries weakened. There was a huge decreasing of export and import between Russia and Central Asian Countries in 1992

compared to the condition in 1991. The export and import between them has decreased ten times compared to 1991. Although the condition is getting better in the following years, the condition remained in the low level until 1998 which is approximately only \$6-\$9 billion annually. This condition is also caused by the financial and economic crisis that happened in Russia. The export and import between Russia and Central Asian Countries declined in 1999 to just 45.6% of the 1996 level, with Russian exports to Central Asia declining more than the imports to Russia from Central Asia. From the year of 2000, this export and import condition between Russia and Central Asia was stagnated. The intensification of the export and import between them has just begun in 2003.¹

Russia and Central Asian Countries export and import grew 5.2% during 2003-2008, reached almost \$40 billion. During that years, the exports from Russia to Central Asian Countries increased 4.5 times, meanwhile, the imports to Russia from Central Asian Countries escalated 6.2 times, mostly because of natural gas purchases. The increase of export and import between them during that years was caused by the trade expansion that proposed by a political rapprochement, in one hand between Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan, and on the other hand, with Russia. In the period of 2008-2009, the export and import between Russia and Central Asia decreased once again by about 20% caused by the global financial and economic crisis. The exports from Russia decreased by about 28%, while imports from Central Asia fell by 12%. After the crisis period over, the export and import between them grew again, and even surpassed the preliminary estimates.²

¹ Sinitsina, Irina (2012). *Economic Cooperation between Russia and Central Asian Countries: Trends and Outlook*. University of Central Asia (Kyrgyzstan; Bishkek), p.7

² *Ibid.*

Table 4. 1 Export and Import between Russia and Five Central Asian Countries from 2008-2011 (million USD)

Countries	2008		2009		2010		2011	
	Export	Import	Export	Import	Export	Import	Export	Import
Kazakhstan	6379.5	13298.6	3697.1	9147.2	4449.3	10690.3	6859.3	12906.0
Kyrgyzstan	491.1	1308.0	367.1	915.5	393.3	990.8	292.8	1160.3
Tajikistan	212.8	792.9	213.3	573.1	213.7	673.3	90.0	720.4
Turkmenistan	100.2	808.2	45.1	992.0	148.0	757.4	142.8	1159.7
Uzbekistan	1299.9	2038.0	847.3	1694.4	1556.5	1889.5	1859.7	2106.6

Source: Naumkin, V.V. (2013). *Russia's Interests in Central Asia: Contents, Perspectives, Limitations*. Russian International Affairs Council (Moscow; Russia), p.20

Based on the previous chapter, the labor migration from Central Asian Countries also become the concern of Russia in terms of economic relations with the Central Asian Countries. There is also a dilemma in Russia about the labor migration. In one hand, Russia need labor from other countries to fulfill their need on labor that may cost lower budget. But in the other hand, the labor migration towards Russia has made the labor competition in Russia tougher especially for the Russian citizen. Russian authorities need to solve this dilemma, should they prioritize the local labor that need job or prioritizing the need of migrant labor, especially the skilled one.

Russia has three main strategy in terms of economy in Central Asian Countries, those are:

1. Strategies of Integration in Central Asia

The enactment of a full-fledged Free Trade Zone (FTZ) within the Commonwealth of Independent States (CIS) and the establishment of Customs Union (CU), Common Economic Space (CES), and at the year of 2015, the Eurasian Economic Union (EAEU), brings the recent economic integration and the future possibility for member countries to a qualitatively new level. This level suggests the removal of existing restriction of mutual access to national markets of member countries, the liberalization of

exchange rates and financial policies, and the enforcement of coordinated macroeconomic, tax, monetary, trade, customs and tariff policies.³

The concept of Russian strategies of integration combines the integration of post-Soviet vector with the Western and Eastern vector. In his program article, Putin draws a roadmap which according the EAEU will be an effective transcontinental link to promote the development of a continental economic integration. The appearing CU and CES system is featured by a certain rigidity and it is based on the experience of EU. It has to be noticed that in CES concept, the European and post-Soviet integration models could not be considered as mutually exclusive. The CU and CES were established below the stiff schedule, in the shortest time possible proposed to solve the problems appearing among partners in the project which are Russia, Kazakhstan, and Belarus. The rapid progression of the CU and CES has establishes the risk of imbalance between the regulatory bases of integration projects that newly organized, and other similar projects of other countries in Central Asia. Even on the previous level of integration which is in EurAsEC the process of integration run at different speeds. This one of the reason that caused the establishment of FTZ is incomplete, and also the current regime was based in some problems on bilateral agreements that are not always executed fully. The integration process in the Eurasian space are more complicated knowing that many of its countries are in a low level of development.⁴

The position of Russia in Central Asia could be strengthened by its participation in the large tripartite projects with the participation of Central Asian Countries and also the third parties who have interest in terms of transport, general infrastructure, protection in border areas, etc. However, there are no plans from Russia to start the initiative. The possibility for the cooperation could be

³ *Ibid.* p.57

⁴ *Ibid.*

actualized by the framework agreements that signed by Russia or the CU and leading regional organization or a specific countries belong to the framework of the existing regional structures.⁵

2. Labor Migration Strategy

Recently, Russia still developing the new migration policy. The strategy proclaims the establishment of a common labor market and common migration space within the CES. The current Russian policy in terms of labor migration was far from completed to increase the migration flows. The current Russian constitution is insufficient to the requirements of demographic and economic development, and also it inadequate to the interests of Russian society and the employers. The constitution is restrictive and also not targeted the skilled migrant labor. The most important point is the constitution is oriented on engaging the only temporary foreign labors. The system of engagement of temporary foreign workers is also insufficient. The system does not distinguish the foreign workers according to their terms of residence. The working contracts for all foreign workers are limited to only one year. The quotas allocation system in Russia could not fulfill the requirements of the Russian economy in foreign labor and also in the process of worker selection they excludes the employer.⁶

There is also a debate in the government and among the society about the necessity of pre-migration training. This training should include Russian language training, vocational education, legislation, and history and culture that migrants should know in order to mingle with the local. To do those training needs a coordination with the Russian labor market. However, the coordination between Russian agencies, business structures, non-governmental organizations, and their partners in labor donor countries is very minimum. A massive change required in Russian

⁵ *Ibid.* p.57-58

⁶ *Ibid.* p.58

migration policy in order to emphasize the long term or permanent migration of high skilled workers, including experts which needed in the Russian labor market, businessman, investors, students, etc.⁷

3. Foreign Direct Investment (FDI) Attraction Strategy

The strategy of investment of Russia in Central Asia is mainly guided by decisions which made at the state level. The participation of small and medium enterprises is limited which caused the limits of investment potential. Cooperation between Russia and other country members of EurAsEC is build according to special regulation where personal arrangements and relations among the heads of states are definitive factors. Usually, these arrangements ruled by special interest lobbyists which close to power structures rather than by the political and economic interests of the states.⁸

There are four characteristics of the Russian investment strategy in the Central Asian Countries, those are:

- a. The lack of coordination between Russian various agencies which could affect the consistency of government policies.
- b. The Russian government support is selective, unsystematic, and irregular towards the operations of Russian companies in Central Asia.
- c. Unpredictability and inconsistency of the activities of the public authorities in Central Asian Countries.
- d. The business behavior of Russia that tents to be inconsistence, and also they implement the

⁷ *Ibid.* p.59

⁸ *Ibid.* p.59-60

neocolonial approach towards Central Asian Countries.⁹

B. Security Strategy

Due to the failure of US to settle conflict in Afghanistan, Russia started to worry about its territory and also the territory of Russian alliances countries, in this case Central Asia. As mentioned in the previous chapter that there is a movement from extremists in Afghanistan towards some Central Asian Countries which recently become the focus of Russia. After the withdrawal of US military from Afghanistan, Russia has started to strengthen its military in the borders of Afghanistan with some Central Asian Countries or we can say the member of CIS. The penetration of extremist organization from Afghanistan into some member states of CIS also threaten Russian territory. In terms of security, Russia has two main strategies in Central Asian Countries.

1. Establish and Strengthen Russian Military Bases in Central Asia

In 2011, Russia initiated a military modernization program until 2020 that worth \$1.2 trillion. For example, in 2016, Russia has spent almost \$84.5 billion. In the case of Russia, that amount is really huge amount of national budget that has been spent seeing from the GDP of Russia is only around \$1.3 trillion. Basically, military modernization program is aimed at increasing equipment, weapons, training, and healthcare of Russia's military troops at home and abroad. Therefore, based on those facts, aspect of security is an important point of Russian foreign policy. The security aspect is including the establishing of military bases in other countries around the world. The most important regions for Russia are the territories of former Soviet Union.¹⁰

⁹ *Ibid.* p.60

¹⁰ NUPSR (2017). *Russia's Military Bases in Central Asia*. Nazarbayev University Political Science Review. Retrieved on October 19th, 2018

In the case of Central Asia Region, the majority of Russian facilities and military bases are placed in all five Central Asian Countries except for Uzbekistan and Turkmenistan. Uzbekistan and Turkmenistan still have a military and security relations with Russia, but only in terms of weapons purchase. Russian military bases and facilities in Kyrgyzstan are at the Kant airbase, the basis of anti-submarine weapons testing in Karakol, the 338th naval communication station, and seismic station. In Tajikistan, Russia located its 201st military base in Dushanbe and also its center of optical-electronic of space control system near Nurek town. The largest Russia's military facilities in the CIS are located in Kazakhstan. The total area used by Russia for its military facilities in Kazakhstan is more than 11 million hectares. Russia has seven large military bases spread over in Kazakhstan territory.¹¹

There are some factors that make Russia able to establish its military bases and facilities in Central Asia. The first factor is no doubt that Central Asian Countries needs to ensure its own security. For example, the development of military in Tajikistan, Kyrgyzstan, and Kazakhstan become a reason to open foreign military cooperation. Second reason is political issue is very important for Central Asia. So Central Asian Countries need partner globally so the world know that Central Asian Countries has involved in big politics, including terrorism fight operations. Third, economic condition plays a significant role in this case too due to the rental payments of Russia.¹²

2. Establishment of Security Organization

Russia has supported Central Asian security through the CSTO, SCO, EEC, and CIS. The most

from <https://nupsreview.wordpress.com/2017/01/11/russias-military-bases-in-central-asia/>

¹¹ *Ibid.*

¹² *Ibid*

important security issues of Russia within the CIS are counterterrorism, anti-missile defense, and peacekeeping. However, due to events in Chechnya, the demonstrated of conflict in the Caucasus called frozen conflicts, and an apparent proliferation of terrorism within Central Asia, some of those organization, especially CIS and EEC, have been ineffective in giving the Central Asia regional security and intended economic integration. Russia also tent to rely on bilateral relations with the Central Asian Countries in order to deal with the regional threats.¹³

Russian and Central Asian Countries have joined the SCO and CSTO to fight religious extremism, organized crime, and the trafficking of drugs. The SCO who dealing with the regional border demilitarization has extended into a political, economic, and security organization. The anti-terrorism plan of SCO has brought significant benefit for Central Asian Countries. Similar with the SCO, the CSTO established in 2002 in react to the terrorist penetration into Kyrgyzstan.¹⁴

There are plenty of organization that Russia and Central Asian Countries joined in it, but the most significant organization in terms of security is seems narrowed into two organizations, those are Collective Security Treaty Organization (CSTO) and Shanghai Cooperation Organization (SCO).

I. Collective Security Treaty Organization (CSTO)

The former Soviet republics of Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Russia signed the Collective Security Treaty in Tashkent, Uzbekistan on May 15th, 1992. The signing of the treaty was in the framework of security cooperation of the Commonwealth of Independent

¹³ Muzalevsky, Roman (2009). *Russia's Strategy in Central Asia: An Analysis of Key Trends*. Yale Journal of International Affairs (Connecticut; New Haven), p.32-33

¹⁴ *Ibid.* p.33

States (CIS). Georgia, Belarus, and Azerbaijan joined the treaty in the following year and it put into effect in 1994. According to article 11 of the treaty, the membership of this treaty concluded for five years. Azerbaijan, Georgia, and Uzbekistan refuse to renew their membership in 1999. Meanwhile, Belarus, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and Russia extend their membership of the treaty. During the 10th anniversary of the treaty on October 7th, 2002, the member states agreed to establish the Collective Security Treaty Organization (CSTO) in order to strengthen their cooperation in security integration after the intervention in Afghanistan on 2001. Uzbekistan rejoined the organization from 2006 to 2012. Meanwhile, Serbia and Afghanistan joined the organization in 2013 as observer.¹⁵

In the end of 1990s, the interest in the Collective Security Treaty (CST) raised significantly due to the expansion of Taliban activity in Afghanistan and also the terrorist attack that happened in Kyrgyzstan and Uzbekistan. In May 2000, at a meeting held in Minsk, Belarus, the Council on Collective Security agreed to establish three different security regions, those are European, the Caucasus and the Central Asian. The Council also decided to create a system of collective security forces on October 2000, at Bishkek, Kyrgyzstan. In the following year, the Council established the collective security rapid response forces for the Central Asian Region. In the same year the member states of CST decided to set up a rapid deployment forces and expand the rapid response forces. In the following year the program of CST was to enlarge the Kazakhstan, Kyrgyzstan, Tajikistan, and Russian battalions and gave them

¹⁵ Bescotti, Elia (2018). *The Collective Security Treaty Organization and Its Limits on Integration*. Greater Europe. Retrieved on October 24th, 2018 from <http://greater-europe.org/archives/3965>

adequate air capabilities, for example transport and combat aircraft as well as helicopters.¹⁶

During the 10th anniversary of the treaty on October 7th, 2002, the member states agreed to establish the Collective Security Treaty Organization (CSTO) in order to strengthen their cooperation in security integration after the intervention in Afghanistan on 2001. The most significant reason of the member states in reforming CST into CSTO was a desire to create a joint command structure for the military forces of the member states so the organization could be effectively protect the individual and collective security of its members. Following the transformation of CST into CSTO, the presidents of the member states of CSTO commanded their authorities to build a working group at the level of deputy ministers of foreign affairs and defense by 1 July 2002 and to compile the draft of agreements to arrange the activities of the CSTO by 1 November 2002. The member states of CSTO also decided to register the organization with the United Nations as a regional organization.¹⁷

The main job of CSTO are the collective defense against common threats. According to the article 8.1 of the CSTO charter, CSTO is the joint cooperation and coordination against international terrorism and extremism, illicit trafficking of drugs and psychotropic substances, weapon, organized transnational crime, illegal migration, and other menaces to safety of the member states. The CSTO was established based on respect of the territorial integrity and sovereignty of the member states.¹⁸

Some of the most significant and important collective military operations held by the CSTO are

¹⁶ Saat, J H (2005). *The Collective Security Treaty Organization*. Conflict Studies Research Centre (UK; Camberley), p.4

¹⁷ *Ibid.* p.4-5

¹⁸ Bescotti, Elia, op. cit.

operation Канал¹⁹ which aimed to fight drug trafficking, this operation was observed by the UN, Interpol, and some countries such as US, Poland, Ukraine, Italy, etc. Operation Нелегал²⁰ aimed to tackle illegal migration from non-CSTO Countries. The last is operation Proxy which aimed to close extremist websites and strengthen cyber security cooperation among the member states of the organization. The CSTO also holds military exercises and trainings periodically.²¹

II. Shanghai Collective Organization (SCO)

The Shanghai Cooperation Organization (SCO) is an intergovernmental organization consist of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan established in Shanghai in 2001. The organization was basically established as a confidence-building forum to demilitarize borders. Later on, the goals and activities of the organization growing wider, including military and counterterrorism cooperation and intelligence sharing. The SCO was originally established as the Shanghai Five in 1996. In 2001, Uzbekistan joined the organization and the member states agreed to rename the organization become the Shanghai Cooperation Organization. In addition to the six member states, the SCO has two new acceding members, Indian and Pakistan, four observer nations, and six dialogue partners.²²

Based on the charter of SCO, the organization functioned as a forum to strengthen confidence and

¹⁹ Канал (kanal), Russian for channel

²⁰ Нелегал (nelegal), Russian for illegal

²¹ Bescotti, Elia, op. cit.

²² Eleanor, Albert (2015). *The Shanghai Cooperation Organization*. Council on Foreign Relations. Retrieved on October 26th, 2018 from <https://www.cfr.org/background/shanghai-cooperation-organization>

neighborly relations among member states and to promote cooperation in trade, politics, economy, and culture to education, transportation, and energy. SCO has two permanent headquarters, the first is the secretariat located in Beijing, and the second is the Regional Anti-Terrorist Structure (RATS) in Tashkent, the capital of Uzbekistan. One of the primary objectives of the organization is promoting cooperation on security-related issues, in other words to combat the “three evils” which are terrorism, separatism, and extremism.²³

SCO facilitates its member states to cooperate in the fields of culture, economics, and security. The budget of SCO is limited to the running of the secretariat and the programmatic organs. Otherwise, the majority of the SCO’s project funded by the member states and consortiums managed within the Business Council or Interbank Association to bolster several projects on an ad hoc basis. Currently, SCO is still discussing about the creation of SCO Development Fund which would monitor each member state contribute directly to a fund that could be then used for the running of SCO projects that have been agreed. However, cooperation on common security concerns remains the backbone of the SCO.²⁴

The security agenda of SCO was begin with the discussion in order to resolve tensions on the border demarcation in the early 1990s. Later on, the security agenda of the SCO has been expanded to focus mainly on transnational issues which needs the participation and efforts of some member states of the SCO. In the first place, this security agenda entailed a concentration on fighting terrorism, but then it has been expanded to cover some new issues in the last decade. The

²³ *Ibid.*

²⁴ Aris, Stephen (2013). *Shanghai Cooperation Organization*. International Peace Institute (USA; New York), p.4

component of security of the SCO is focused on supporting the primary concerns of political leadership of the member states, which are to maintain their regimes and the stability of their states.²⁵

²⁵ *Ibid.* p.4-5