

# CAUCASUS AND CENTRAL ASIA: CHALLENGES AND NEW OPPORTUNITIES AFTER TEN YEARS OF INDEPENDENCE

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In the aftermath of the disintegration of the former Soviet Union at the end of 1991, the recent history of the post-Soviet Eurasian space has been marked with efforts for the building of nation-states, developing state structures, creating conditions favourable for the emergence of a civil society with democratic institutions and internalising the concepts and principles of democracy, human rights and a market-oriented economy. In the Caucasus and Central Asia these efforts were also coupled with the struggle to establish, strengthen and secure the sovereignty, independence and territorial integrity of those states which emerged in the international arena as successors of what has been referred to as one of the main actors of the Cold War era. After independence, the immediate task of embarking upon a serious action plan for integration with the international economic and political system dictated membership of these countries in several international organisations, primarily the United Nations (UN) and the Organisation for Security and Cooperation in Europe (OSCE). Today, after a decade of experience as independent actors of international relations, it would be fair to state that the countries in the Caucasus and Central Asia have considerably consolidated their sovereignty and independence. Despite some reported shortcomings, presidential elections and multi-party parliamentary elections have been realised. Measures towards the establishment of market-oriented economies also continue to be taken.

## **Problems Endangering Security and Stability in the Eurasian Space**

Some argue that the countries in the Caucasus and Central Asia have not yet internalised the concept of democracy and that they are mainly governed by authoritarian regimes. Such criticism, however, is

marked with the tendency to overlook the problems these countries continue to encounter during their transition.

In the Caucasus, the main conflicts of Nagorno-Karabakh, Abkhazia and South Ossetia have not yet been politically resolved but rather have been conveniently frozen. Approximately 20% of the territory of Azerbaijan is still under the occupation of Armenian forces. The problems of Abkhazia and South Ossetia, on the other hand, continue to pose challenges to the stability of Georgia. In the Caucasus region, these conflicts have left some 1.5 million refugees and displaced persons and this situation aggravates the already poor economic conditions of the countries involved.

The situation in Afghanistan continues to pose challenges to the security and stability of the Central Asian countries. Almost all the refugees flowing into Central Asia originate from Afghanistan and Tajikistan. The Central Asian countries also face the increasing production, trafficking, and use of illegal narcotics. Afghanistan is believed to produce around 30% of global drug output. The region draws the attention of criminal groups smuggling narcotics from Afghanistan, Iran, Pakistan and elsewhere to markets in Russia and Europe via the Caucasus region. Organised crime groups based in producer countries have been able to expand their influence in Central Asia because of poorly patrolled borders, lack of cooperation among the states, lawlessness and corruption among officials, police and border guards.

Slow economic reform and progress, combined with social problems as well as authoritarian rule of the leaderships, have also created a fertile ground for extremist and radical tendencies which may become disastrous for the countries of the region. The Islamic Movement of Uzbekistan (IMU), for example, has reportedly been involved in several terrorist incursions in Uzbekistan. The IMU fighters are believed to have bases in Tajikistan and Afghanistan. The strength of the extremist elements that infiltrated Kyrgyzstan is, reportedly, greater than the total strength of the Kyrgyz armed forces.

## **The Need for Coordinated International Efforts**

The Caucasus and Central Asian regions deserve particular attention of the international community because of their potential for becoming highly unstable, which could affect the whole Eurasian area.

Identifying some of the characteristics of these regions and of the countries there may help develop efficient cooperation with a view to preventing such instability.

First of all, although the countries in the Caucasus and Central Asia appear to have similar problems, their objectives, resources, capabilities and potentials considerably differ. It could be more appropriate not to consider these countries in the same "basket" as if they formed an homogeneous entity. This distinction could be instrumental in understanding the peculiarities of their problems in a regional context but would also contribute to developing appropriate strategies with a view to facilitating their integration with the world community. The countries of the Southern Caucasus region, for example, enjoy the advantage of geographical proximity to Europe. Also, in addition to their membership in the OSCE, they have become members of the Council of Europe. They have developed stronger relations with the European Union and their efforts to participate more actively in the NATO fora by means of EAPC cooperation activities and PfP program are significantly more substantive.

Secondly, countries in the Caucasus and Central Asia have particular and individual problems and offering remedies in a regional context may create difficulties as well. To develop strong bilateral projects with each and every individual country in these geographical regions and to subsequently complement these bilateral approaches with comprehensive multilateral cooperative structures could prove more effective. Appreciation of their individuality and singularity would increase the perception of these countries. A just and equitable approach towards them could enhance their constructive competitiveness.

Although bilateral relations remain an important element of developing international relations, regional and sub-regional cooperation today has also become an important dimension of economic development and proves to be an efficient tool in integrating with other systems and sub-systems. Mutually overlapping cooperative structures, in fact, have become significant components of globalisation. Regional cooperation developed among the countries in the Caucasus and Central Asia themselves would also motivate stronger development strategies in the surrounding systems. This should be particularly encouraged and supported by the international community. The drive for multilateral cooperation, however, should not be imposed by forces outside of the Caucasus and Central Asian

regions but should genuinely emerge from within and should be internalised by the countries of the region.

## **Turkey's New Approach**

Turkey's visionary foreign policy approach to the Eurasian region, after ten years of experience in this geographic region as a partner, has also started to go through a responsible and proactive transformation process. Contemporary Turkey aspires to be one of the leading economic and political actors in Eurasia. The fact that Turkey has shared for centuries a common history as well as a common destiny with a majority of the countries in that region provides for solid relationships and a unique platform for cooperation. Turkey, with its relatively dynamic economy and its secular democratic system, also contributes to the stability of Eurasia.

Over the past decade, Turkey's relations with the countries of the Caucasus and Central Asia have matured and a sound basis for political, economic, cultural and military cooperation has been established. At the beginning of the new millenium, regarding its bilateral relations with the countries in Eurasia, Turkey has embarked upon development of a new action plan based on three pillars: enhanced political dialogue and consultations; increased economic cooperation and re-activation of existing mechanisms thereto; increased consultations and cooperation in the field of security, combating terrorism and other contemporary challenges.

As to the enhanced political dialogue and consultations, in addition to frequent presidential and ministerial visits, Turkey has developed an effective political consultation mechanism with the Foreign Ministries of the countries in the region. Also, a thorough analysis and review of the existing bilateral agreements between Turkey and the countries of Central Asia has been launched in order to offer appropriate adjustments as well as to renew the agreements which have already expired. Bilateral political consultations facilitates addressing the key topics on the bilateral agenda of the countries involved, which may not be easily dealt with during the high-level state visits which are generally burdened with protocol.

In order to develop economic cooperation between Turkey and the countries in the Caucasus and Central Asia, existing mechanisms such as Business Councils and Joint Economic Commissions have

been re-activated. Enhanced cooperation in the fields of transportation, communications, tourism and agriculture is also under way. The Turkish International Cooperation Agency (TICA), in coordination with the OECD and its counterparts in many western countries promotes projects including private sector development as well as the wider implementation of small and medium sized enterprises. With the new approach, in addition to the above-mentioned traditional and already existing mechanisms, economic bilateral consultations are carried out between the economic departments of the Ministries of Foreign Affairs too.

One of the most important areas of cooperation with Central Asia is security and combating terrorism. Turkey has offered the launching of an effective consultation mechanism with the Central Asian countries both at the military level as well as between the security forces and police officials. Projects to finance the needs for equipment of the Kyrgyz and Uzbek security forces in their combat against terrorism have been developed. The equipment provided is of non-lethal character. Turkey also offers large-scale military education and training facilities to these countries.

A close dialogue and consultation mechanism with the Central Asian countries which would enhance their sense of belonging to the OSCE, as well as a multi-dimensional, comprehensive approach to the problems of the region, would help Central Asian countries to respond positively to the calls of the OSCE as well. The Istanbul OSCE Summit Declaration of November 1999 reiterated the importance of addressing economic and environmental risks in the region, as well as the necessity of joint action by the international community to cope with the threats of international terrorism, violent extremism, organised crime and drug, arms and human trafficking.

## **Multilateral Cooperation**

Turkey's new vision has also prepared the background for launching new cooperation initiatives in the Eurasian area. In 2000, during an official state visit to Tbilisi, Georgia, the ninth President of the Republic of Turkey, Mr. Demirel, together with President Shevardnadze, put forth the idea of working on a Caucasus Stability Pact in order to address the problems faced by the Caucasian countries. Inspired by the model developed under the auspices of the OSCE for the Balkan region, namely Southeast European Stability

Pact, the proposal for the Caucasus Stability Pact (CSP) has immediately drawn the attention of the international community. Although the current situation in the Caucasus region with many unresolved conflicts presents an unfavourable background for implementation, many hold the view that the proposal for the CSP will develop into a viable forum for widening stability and reassuring political, economic, social and military security once the parties involved in those conflicts engage in a responsible commitment to resolve them. An international seminar organised by the Turkish Economic and Social Research Foundation (TESEV) in Istanbul on 17 February 2001 has manifested the shared interest of the three Caucasian countries, namely Georgia, Azerbaijan and Armenia, as well as the potential for contribution of their three neighbours, Turkey, Russia and Iran, to further promote the idea of the CSP more concretely. Participants in the seminar encouraged the optimism of the international community and many creative and innovative ideas were also expressed by potential contributors such as the USA, the European Union and the OSCE.

Another Turkish initiative, namely the Summit of Presidents of the States Speaking Turkic Languages, has marked its 7th meeting in Istanbul on 26-27 April 2001. Launched in 1992 with the first meeting of the Presidents of Azerbaijan, Kazakhstan, Kyrgyz Republic, Turkey, Turkmenistan and Uzbekistan in Ankara, this process has had its subsequent meetings in Istanbul (1994), Bishkek (1995), Tashkent (1996), Astana (1998) and Baku (2000). In Istanbul, Presidents agreed to hold the 8th summit meeting in Ashkabad, the capital of Turkmenistan, in the year 2002. They have also agreed that cooperation between their countries has matured significantly and that the summits process should bring out concrete results of cooperation among its members. This view has led to the conclusion that the summit of Ashkabad in 2002 should seek opportunities for the "development of commercial and economic relations" between the participating countries.

## **Other Initiatives and Mechanisms for Regional Cooperation in Eurasia**

Regional cooperation initiatives in Caucasus and Central Asia, as they enhance regional cohesion as well as integration with the global cooperative schemes, deserve appropriate attention too. Here, the focus will rather be on newly appearing initiatives as well as those

which may not have significantly drawn the attention of the international community so far. Two regional organisations, namely the Economic Cooperation Organisation (ECO) and the Organisation of Black Sea Economic Cooperation (BSEC), as they have a longer historical existence and established structures, are kept beyond the scope of this study.

One of the most remarkable attempts at integration in Central Asia is the effort to establish the "**Economic Community of Central Asia**" (ECCA) among the regional countries themselves, namely Uzbekistan, Kazakhstan, Kyrgyz Republic and Tajikistan. The initiative was first launched as a bilateral effort between Uzbekistan and Kazakhstan at the beginning of 1994. The Kyrgyz Republic almost immediately joined whereas Tajikistan waited till 1998. Turkmenistan, in strict compliance with its status of "permanent neutrality", has remained out of this attempt. The Russian Federation acquired observer status at a very early stage. The initiative was named ECCA on 17 July 1998. Turkey, Georgia and Ukraine were granted observer status in this group on 24 June 1999, during the Inter-governmental Council meeting of the members in Bishkek.

The presidents of the four member countries met in Almaty on 5 January 2001, and discussed possibilities of cooperation in the fields of economy, science and technology. They also exchanged opinions on current issues of the region such as peace and stability, the situation in Afghanistan, combating terrorism, organised crime and illegal arms, drug and human trafficking. One of the opinions expressed in the meeting was the establishment of a common economic space between the member countries till 2002. Uzbekistan proposed to transform the community into an "economic forum" in the long run.

Another interesting development is the appearance of **Eurasian Economic Community** (EEC). The founding agreement of this new initiative was signed on 10 October 2000, among the countries which are parties to the CIS Customs Union, namely the Russian Federation, Belarus, Tadjikistan, Kazakhstan and the Kyrgyz Republic. The agreement envisages the establishment of an "inter-state council" in which the Presidents and the Prime Ministers of the member countries will take part. In addition to the inter-state council, the initiative will have other bodies such as the "integration committee", the "permanent representatives commission" and a secretariat.

Based on the Customs Union agreement, first signed between the Russian Federation and Belarus on 6 January 1995, and to which the others joined subsequently (Kazakhstan in 1995, Kyrgyz Republic in 1996 and Tadjikistan in 1999), the EEC will organise one of its major meetings in Minsk on 1 September 2001. Currently, Kazakh President Nursultan Nazarbayev, as he also maintains the chairmanship of the Customs Union, presides over the new initiative too. The declared purpose of the EEC is to transform the already existing - but mostly inefficient - customs union into a better functioning group by developing infrastructure, as well as the legal and institutional frameworks. Russia still depends on agricultural imports from Kazakhstan and Uzbekistan and continues to view Central Asia as a principle source of strategic raw materials. Russian-Central Asian trade turnover, however, was estimated to be US\$7bn in 2000, comprising only about 5% of Russia's overall trade. Russia, therefore, could actively promote the EEC to expand its economic position in Central Asia.

The most recent development in the Central Asian region is the formation of the **Shanghai Cooperation Organisation** (SCO). Previously known as the "Shanghai Five", later as "Shanghai Forum", the SCO now comprises China, the Russian Federation, Kazakhstan, Kyrgyz Republic, Tadjikistan and Uzbekistan. The latter has joined the group at the latest meeting held in Shanghai on 14-15 June 2001.

The Shanghai Five actually dates back to 1996 when the group, except Uzbekistan, first launched a series of summit meetings with a view to establishing confidence building measures in the border regions. In the fifth summit meeting which took place in Dushanbe, capital of Tadjikistan, on 5 July 2000, the leaders declared their intention to search for a more substantial forum responding to the requirements of globalisation, particularly in terms of combating terrorism in Central Asia. Uzbekistan, by that time, had already unveiled its interest by asking for an observer status. Similar aspirations were also expressed by countries such as Mongolia and Pakistan. After the Dushanbe summit, the initiative has been renamed as the Shanghai Forum.

The summit in Shanghai in June 2001 has further transformed this initiative into the SCO and Uzbekistan has been accepted as the new member. The SCO will adopt its Charter in the next summit meeting due to take place in St. Petersburg in June 2002. Up to then, a meeting to discuss economic cooperation at the level of Prime Ministers in Almaty in September 2001, as well as a meeting of the

Ministers of Culture in Beijing are also planned. With its current configuration, the SCO draws particular attention from the international community.

A more comprehensive initiative in the Eurasian region is the Conference on **Cooperation and Interaction in Central Asia** (CICA), generally accepted as the Asian version of the OSCE, launched by Kazakhstan in 1992. Today, the conference gathers many countries in the region.<sup>1</sup> Although the initiative has a long history of almost ten years, it has developed gradually, especially due to the pending bilateral problems among its members. CICA will convene its Summit of the Heads of State in Astana on 8-10 November 2001. At the summit meeting, the Heads of State will consider developing common approaches to the main problems of the region such as terrorism, extremism, illegal trafficking of weapons, etc. The establishment of a permanent secretariat will also be reviewed.

Finally, one should also briefly cite the **GUAM** as another sub-regional initiative, which brings together Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova. This initiative also dates back to 1996 when the four countries except Uzbekistan made a joint statement during the CFE Review Conference and hinted that they were considering the formation of a group to identify their common difficulties, particularly vis-a-vis the Russian Federation. Uzbekistan expressed its interest in 1999 and eventually joined the group during the EAPC meetings in Washington on the occasion of the 50th anniversary of NATO. This group, after having frequently postponed its meetings in 2001, finally succeeded in organising a summit meeting in Yalta on 6-7 June 2001 and adopted its Charter, which is considered to be a step forward in the institutionalisation of GUAM.

The regional and sub-regional initiatives in the Eurasian region constitute favourable cooperation schemes and present exceptional opportunities to consolidate the sovereignty and independence of the countries of the Caucasus and Central Asia as well as enhancing their further integration with the world community by means of overlapping cooperative structures. The OSCE, EAPC and the PfP, by bringing the countries of these regions together under wider umbrellas, should continue to support and encourage such initiatives and play the role of international facilitators in order to contribute to their efforts.

1. Members are; Afghanistan, Azerbaijan, China, Egypt, India, Iran, Israel, Kazakhstan, Kyrgyz Republic, Pakistan, Palestine, the Russian Federation, Tadjikistan, Turkey and Uzbekistan.