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RUSSIAN FOREIGN POLICY 2000:
THE NEAR ABROAD

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Russia's relations with the Former Soviet States since Putin assumed the Presidency can be characterised by 3 factors: energy dependency; the threat of Islamic terrorism and trade ties. At best, however, the near abroad will remain a soft sphere of Russian influence, open to subversion.

The base line for Russian foreign policy is the new foreign policy concept of the Russian Federation, which was approved by President Vladimir Putin on 28 June 2000. It replaces the previous concept of 1993, which was felt no longer to correspond to the realities of the contemporary international system. Perhaps the most significant feature of the concept is the emphasis it places on Russia's limited foreign policy capabilities. It notes "the limited resource support for the foreign policy of the Russian Federation, making it difficult to uphold its foreign economic interests and narrowing down the framework of its information and cultural influence abroad." Elsewhere, the concept argues that a "successful foreign policy ... must be based on maintaining a reasonable balance between its objectives and possibilities for attaining these objectives. Concentration of politico-diplomatic, military, economic, financial and other means on resolving foreign political tasks must be commensurate with their real significance for Russia's national interests."

The concept appears to be noting the danger of Russia, in her current weak state, assuming too many foreign policy commitments and becoming overstretched. It would appear to be arguing for a modest and restrained foreign policy. In both his essay Russia on the threshold of the new millennium, published on the Internet in December 1999, and his first state of the nation address, delivered to the Federal Assembly in July 2000, Putin underlined Russia's economic backwardness in relation to the advanced western states. In his address to the Federal Assembly, he warned that "the growing rift between the leading states and Russia is pushing us towards becoming a third world country." This weakness, which is evidently recognised by the Russian leadership, appears to have compelled the Putin leadership to accept that its foreign policy objectives must be correspondingly modest.

Putin's overriding objective since winning the presidential election in March 2000 is to ensure that the federal centre has effective control over territory of the Russian Federation. This means curbing the regions' tendency towards centrifugalism, so that the Russian Federation can be seen as a single, coherent, political, legal and economic space. Strengthening the statehood of the Russian Federation takes precedence over any foreign policy objective. Indeed the 2000 foreign policy concept sees its first foreign policy objective as "to ensure the reliable security of the country, to preserve and strengthen its sovereignty and territorial integrity ..."
THE COMMONWEALTH OF INDEPENDENT STATES

The Putin leadership, like its predecessor, desires the full integration of the CIS, with Russia as the core and leader of the integration process. Russia sees all CIS member states as strategic partners. According to the new foreign policy concept, Russia will interact with the CIS member states both in the CIS as a whole and also through associations such as the Customs Union (consisting of Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan) and the Collective Security Treaty. Considerable emphasis will be placed on the creation of a free trade zone. A CIS free trade agreement was signed in 1994, but has yet to be ratified by the Russian parliament.

Putin’s first significant statement on Russia’s relations with the CIS came on 22 December 1999, when he was still prime minister. Speaking in the Federation Council, he argued in favour of CIS integration, but made it clear that integration must not result in resources being sucked out of Russia. In March 2000 it was stated that the debt of other CIS members to Russia was in the region of $7 billion. Every CIS member state except Azerbaijan and Turkmenistan is in debt to Russia. Putin does not wish to add to this burden. Putin also argued that a stronger Russia would cause other CIS members to gravitate towards Moscow. He argued that CIS integration firstly required the creation of a space of common law, followed by the development of the Customs Union. In October 2000, a Eurasian Economic Community was formed on the basis of the Customs Union, which on paper at least, marks a step forward in its development.

The main priorities of current Russian policy towards the CIS are economic cooperation and security cooperation.

ECONOMIC COOPERATION

This is mainly seen in attempts to improve free trade and develop the CIS Economic Council. Trade between the CIS member states is suffering. In June 2000, prime minister Mikhail Kasyanov said that trade turnover fell by 24% in 1999 to $22 billion. Mutual investment between Russia and other CIS states was worth $400 million. Although this was an increase of 230% over 1998, Kasyanov still regarded it as low. Improving free trade mechanisms is therefore an important priority and a decision was made to this effect at the meeting of the CIS Council of Heads of State in January 2000.

SECURITY COOPERATION

This is manifested in two main directions:

• The development of a CIS anti-terrorist programme

• The development of the CIS Collective Security Agreement.

THE CIS ANTI-TERRORIST PROGRAMME

An anti-terrorist programme was agreed upon at the CIS Council of Heads of State summit in Moscow in January 2000. Putin also attended a special meeting of CIS Interior ministers in March 2000, where he said a joint CIS terrorist data bank must be set up. He warned that international terrorism sees the former USSR as a
key target and urged the creation of a joint antiterrorist centre. This was done at the CIS Council of Heads of State summit in June 2000; it will be headed by Boris Mylnikov, formerly first deputy head of the Federal Security Service (FSS) department for protection of the constitution. 

The struggle against "terrorism", which was the principal justification for armed intervention in Chechnya in 1999, has been a key feature of Putin's foreign policy, particularly towards the CIS. The new foreign policy concept describes the antiterrorist struggle as the most important foreign policy task facing Russia. The Russian leadership sees the term international terrorism as synonymous with Islamic extremism, and has the perception of an Islamic terrorist international threatening the southern regions of the former Soviet Union and the Russian Federation itself. In an interview with Paris Match in July 1999, Putin said that there was a fundamentalist international operating from Kosovo to the Philippines.

Russian policy appears to aim at solidifying the CIS around the need to combat the perceived Islamic threat. If successfully realised, this would significantly centralise CIS security policy around a Russian core. The Russian leadership emphasises the need to counter terrorism in both multilateral relationships within the CIS, and in bilateral relations with individual CIS member-states.

THE CIS COLLECTIVE SECURITY TREATY (CST)

The CST was signed in May 1992 in Tashkent by Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. Georgia, Azerbaijan and Belarus signed later. The treaty was extended for another five years in April 1999. The group now consists of Armenia, Belarus, Kazakhstan, Russia, Kyrgyzstan and Tajikistan. The decision in 1999 of Georgia, Azerbaijan and Uzbekistan not to participate in the CST was a major blow to Russian policy.

The CST heads of state met in Minsk in May 2000 to discuss its future. No changes in the content of the treaty are planned, but at the Minsk meeting the signatories approved a memorandum on raising the effectiveness of the CST and adapting it to new geopolitical realities. By the term "new geopolitical realities" is probably meant the increase in the alleged Islamic terrorist threat. The CST is seen as helping to counter the threat of spillover of the conflict from Afghanistan and in helping to ensure that the conflict in Tajikistan remains localised. The Southern Shield military exercises in 1999 and 2000 are largely aimed at countering an incursion into Central Asia by Taliban-like forces. The growth in such a threat has led to increased cooperation in 1999-2000 between the CST members and Uzbekistan. The CST signatories intend to improve the efficiency of collective decision making and the CIS air defence system.

BILATERAL RELATIONS

Alongside the various multilateral institutions within the CIS, Russia's bilateral relations with individual member states are of immense importance. Indeed, given the failure of the integration process, bilateral relations are of greater significance than multilateral ones.
BELARUS, UKRAINE AND MOLDOVA

BELARUS

Under President Alexander Lukashenko, Belarus remains committed to close integration with Russia. The formation of a single Russo-Belarusian union state has been a longstanding goal of Belarusian foreign policy. It is one to which Moscow has also been committed, although with less enthusiasm than Minsk. This objective was, however, finally achieved in December 1999, when the treaty on the creation of a union state was signed by Yel’tsin and Lukashenko in Moscow, and then ratified by both chambers of the Federal Assembly. The treaty was signed into law in Russia by Putin in January 2000. The treaty states that Belarus and Russia are creating a union state, which is a new state in the process of unifying the peoples of both countries in to a single democratic law governed state. This union state is a form of confederation that embraces two separate sovereign states.

It does go further than the CIS integration process, as it states that a directly elected union parliament will be established, with a union council of ministers. A Higher State Council acts as the effective executive organ of the union states. It is headed by the heads of state of the member states on a rotational basis. There will ultimately be a single currency, and therefore a single economic space. However the foreign and defence policies of the two states remain distinct; they are variously described as being "agreed", "joint" and "coordinated" policies rather than a single policy. The treaty does envisage the creation of a joint military grouping. Interestingly, there is no specific commitment that the signatories are bound to come to each other’s assistance if one is attacked. The treaty declares that other states can apply to join. So far, only Yugoslavia has expressed any interest in doing so. Lukashenko has recommended that Armenia join.

It is likely to be some time before Russia is willing to accept full integration with Belarus as envisaged in the treaty. Belarus is one of Russia’s biggest debtors (largely over gas supplies), and this economic aspect, along with Russian concern over Lukashenko’s authoritarian image may delay the integration process. Currency unification will take place in 2008, when the Russian rouble will become the currency unit of the Russo-Belarusian union. In April 2000 Belarus was the first state to be visited by Putin after he was elected President. During this visit further measures to implement the union treaty were discussed. Lukashenko stated that a 300,000 strong joint Russo-Belarusian military grouping would be set up, although the commander of the Moscow Military District, Col-Gen Igor Puzanov, said in April 2000 that this group already existed, albeit at a lower level of numbers.

UKRAINE

Ukraine remains desirous of maintaining her distance from Moscow. Kiev still resists full integration into CIS military structures, and made clear at the CIS June summit that she did not want to become fully involved in the creation of a CIS anti-terrorist centre.

The relationship with the Russian Federation was put on a firmer footing with the signing of the Russo-Ukrainian Friendship and Cooperation Treaty in May 1997, when then Russian President Boris Yel’tsin visited Ukraine. It took several years for the negotiations on this treaty to be concluded, due to differences over the Black Sea Fleet, and the division of the debts and assets of the former USSR. The treaty
can be regarded as the legal foundation of the Russo-Ukrainian relationship. An economic cooperation programme was also agreed during Yel'tsin's visit, and the Russian and Ukrainian prime ministers also reached agreement on the Black Sea Fleet. Russia will rent base facilities in Sevastopol for 20 years.

In July 1997 in Madrid, Ukraine signed a Charter on a Distinctive Partnership with NATO, which defines the basic principles of NATO-Ukraine relations. The signing of this agreement, just six weeks after the Russo-Ukrainian Treaty, signalled Kiev's intention that the treaty concluded with Moscow did not signify any desire by Ukraine to become closely integrated with Russia. The basic features of Russo-Ukrainian relations remain as they have been since the formal end of the USSR in December 1991, namely Ukraine's desire to chart a course independent of that of Moscow, and Russia's desire that Kiev become more closely oriented to Moscow geopolitically.

In February 1998, Ukrainian President Leonid Kuchma visited Moscow, and signed an economic cooperation agreement to cover the period up to 2007. Kuchma said that a strategic partnership was developing between the two states. This concept of strategic partnership was repeated by Russian Security Council Secretary Sergey Ivanov in Moscow when he met his Ukrainian counterpart Yevhen Marchuk in January 2000. The term "strategic partnership" is used frequently by Moscow to describe relations with certain states. It appears to signify close cooperation and agreement on a broad number of areas, but falls short of being an alliance or quasi-alliance. From her perspective, Ukraine will be anxious to ensure that "strategic partnership" with Moscow does not compromise her neutrality, and her desire to develop close relations with NATO, EU, individual western states, and other former Soviet states that also wish to maintain a geopolitical distance from Moscow (ie the other states in the GUUAM grouping).

The most important event in Russo-Ukrainian relations in 2000 was the visit of new Russian President Vladimir Putin to Ukraine in April 2000. This visit formed part of his first visit abroad (to Belarus, Britain and Ukraine) since becoming head of state in December 1999. The two presidents visited the naval facilities in Sevastopol. The visit appears overall to have been a success; both presidents underlined their commitment to strategic partnership. However, negotiations between the two leaders were problematic in three major areas, notably the economy, Russian language status and the Black Sea Fleet.

Russia remains Ukraine's main trade partner and creditor, but trade levels have fallen. In 1998 the trade turnover was $12.5 billion, but fell in 1999 to $10.35 billion. Ukraine's overall indebtedness to Russia is around $3.74 billion. Ukraine is Russia's biggest debtor. The main issues in contemporary Russo-Ukrainian relations are as follows:

**Energy**

This is a major problem in Russo-Ukrainian relations. Ukraine is heavily dependent on Russia for energy, particularly the supply of gas. At the end of February 2000, Ukraine's gas debt to Gazprom was around $1.9 billion. Russian gas is also being siphoned off illegally in Ukraine. As 90 per cent of Gazprom's exports to Western Europe pass through Ukraine, this is a major problem. Ukrainian president Leonid Kuchma estimated in June that in the first five months of 2000, $700 million worth of Russian gas was illegally siphoned off from pipelines. This has prompted Gazprom to threaten to build pipelines bypassing Ukraine. The problem of
payments has yet to be solved. Talks between the Russian and Ukrainian prime ministers in Moscow in July failed to reach a final settlement. It was agreed to restructure the debt, and the Ukrainian prime minister promised there would be no more illegal siphoning. However, Gazprom still considers it necessary to build at least two pipelines bypassing Ukraine.

At talks in Ukraine in early August 2000, Ukrainian prime minister Viktor Yushchenko proposed the possibility of settling the gas debt to Russia by granting Russia part of its gas transportation system as a concession. A similar process has already been taking place elsewhere in Ukraine. Lukoil owns an Odessa oil refinery, and Ukrainian Aluminium, a subsidiary of Siberian Aluminium, has a controlling share of the Nikolayev alumina plant. TNK-Ukraine, a filial of Tyumen oil company, has 64.7% of the shares of Lisichansknefteorgsintez. In August Yushchenko said the Ukrainian government proposed passing part of its assets over to Russia, including Tu-95MS and Tu-160 strategic bombers. At the end of 1999, Russia had already acquired eight Tu-160, three Tu-95MS and about 600 X-22 cruise missiles from Ukraine, which settled 285 million dollars' worth of the Ukrainian debt.

Ukraine remains interested in diversifying her sources of energy, in order to reduce dependence on Russia. When Kuchma visited Azerbaijan in March 2000, he accused Moscow of imposing an energy blockade on Ukraine. His visit to Baku aimed at developing Ukrainian-Azeri cooperation in the energy sector. The chairman of Ukrresursy, Viktor Rzhatskevich, said that the Ukrainian company was interested in joint ventures to exploit Azeri oil reserves and export them to Europe via Ukraine. Ukraine is also planning to build a pipeline from Odessa to Brodi in western Ukraine to connect with the Polish pipeline system and so enable Azeri, Kazakh and Turkmen oil to be exported to Europe via Ukraine.

Language Politics

Russia has argued that attempts by the Ukrainian authorities to extend the status of Ukrainian as a state language have resulted in discrimination against Russian speakers in Ukraine. In February 2000, the Russian presidential human rights commissioner Oleg Mironov complained that this was indeed happening. The ratification of the European Charter on minority languages by the Ukrainian parliament contains some alterations from the original text of the Charter, and this permits the extension of Ukrainianisation to the detriment of the status of the Russian language.

Territorial Issues

There are some relatively minor territorial issues still outstanding. Russia and Ukraine still have to determine the border running across the sea of Azov and the Kerch straits. This matter was discussed by the Russian and Ukrainian foreign ministers in Kiev in April 2000.

Moscow’s aim remains a Ukraine that is more closely tied to it. Ukraine remains determined to maintain her neutral status. Her avoidance of close military cooperation within the CIS, but her willingness to continue to cooperate with NATO through PFP along with the pursuit of military cooperation with other GUUAM states makes clear her desired foreign policy orientation. This is at odds with Moscow’s aim of full CIS integration. There is speculation that Ukraine’s economic difficulties could force her towards Moscow. Her energy crisis is acute, and this could in the long-term impose limitations on her desired foreign policy orientation.
The chairman of the Kharkov state administration Oleg Demin said in June 2000 that Kharkovskaya, Poltavskaya and Sumskaya oblasts are aiming to create an energy island, and unite with the Russian energy system. Similar developments could seriously undermine Ukraine's independence in the long term, and result in her pursuing a more pro-Russian foreign policy orientation. This could mean a shift away from pursuing any policy in Transcaucasia deemed to be anti-Russian by Moscow, or the development of closer ties with NATO and the EU. Ukraine's former foreign minister Boris Tarasyuk is known for his pro-western orientation. His dismissal in September 2000 may indicate a desire by Kuchma to improve relations with Russia, and Ukraine's energy problems are likely to be the primary factor pushing Kuchma towards a more conciliatory approach.

MOLDOVA

There are three main issues in Russo-Moldovan relations:

- Gas Debts
- The status of Transdnestr
- The Withdrawal of Russian forces

Like Ukraine, Moldova is one of Gazprom’s major debtors, and Moldova’s gas debts have been a major problem for several years. The gas issue was discussed when Moldovan President Petru Lucinschi attended the CIS Heads of State summit in Moscow in January 2000.

Russia has, along with Ukraine and the OSCE, been involved in attempting to mediate a settlement between Moldova and the Transdnestrian Republic since 1992. A major step forward in the search for a settlement was the Moscow memorandum, signed in May 1997 by the presidents of Russia, Ukraine, Moldova and Transdnestr. The memorandum outlines the basic principles for a settlement in Moldova. It affirms that Transdnestr will have special status within Moldova, and that Moldova will therefore be a "common state", a term used in the memorandum. Both sides pledge not to use force, but to negotiate agreements with Russia and Ukraine as guarantors with the assistance of the OSCE and CIS. The agreement does not however mention the presence of foreign troops within Moldova, or how power is to be shared between Chisinau and Tiraspol. Transdnestr will have the right to establish economic and cultural relations with other nations. In 1997, Russian forces were reduced by 40 per cent to around 3,000.

However, since May 1997 little progress has been made in reaching an overall settlement. Russia and Moldova are still at loggerheads over gas repayments, and the withdrawal of Russian forces from Moldova. Furthermore, the Moldovan and Transdnestrian leaderships have been unable to reach agreement on the status of Transdnestr within Moldova. At the OSCE Summit in Istanbul in November 1999, it was agreed that all Russian forces would be withdrawn by 2002. In 1994 it had been agreed that they would be withdrawn by 1997.

Putin appears interested in giving a new impetus to Russo-Moldovan relations and to reaching a settlement of the Transdnestr issue. On 17 June 2000, Putin visited Moldova. He discussed the issue of gas payments with Moldovan president Petru Lucinschi. Putin also affirmed Russia's acceptance of Moldova's territorial integrity, and the creation of a special state commission headed by former Russian prime
Dr M A Smith

minister Yevgenny Primakov to find a resolution to the Transdnestr problem. Other economic issues discussed concern Moldova’s desire that Russia ratify the 1994 CIS free trade agreement. Moldova is also concerned that Moscow is trying to exclude from this agreement wine, other alcoholic products, tobacco and sugar, which make up 55% of Moldova’s exports to Russia. During his visit Putin said that a new Russo-Moldovan treaty would soon be ready. Virtually nothing is known about this treaty. There is concern by rightist politicians in Moldova over the appointment of Primakov and fear that the concept of a common state will be used to weaken Chisinau’s control over Transdnestr.

Work on this process is likely to be tortuous, and could remain deadlocked for many years. Transdnestr probably remains concerned that Moldova could move towards closer ties with Romania, even to possible eventual unification. This could prompt closer Russian support for Transdnestr. The term common state is being interpreted differently by Chisinau and Tiraspol, and any move towards closer ties between Bucharest and Chisinau could lead to Tiraspol arguing that the common state should allow a high degree of autonomy for Transdnestr, and Moscow may well back this stance.

However, so far the Russo-Moldovan relationship is a relatively good one, although Chisinau remains concerned about possible Russian leverage. The first ever Russo-Moldovan peacekeeping exercises took place in August 2000 in Moldova, with Transdnestr refusing to take part.

**TRANSCAUCASIA**

Transcaucasia has been the most volatile region of the former Soviet Union since the USSR’s demise in 1991. The conflicts over Nagornyy Karabakh, and within Georgia over Abkhazia and South Osetia are well documented. All three states have been unstable throughout the 1990s, as the overthrow of Zviad Gamsakhurdia in Georgia in 1992, Abulfaz Elchibey in Azerbaijan in 1993, and the assassination of the Armenian prime minister and other ministers in parliament in October 1999 all make abundantly clear. In addition to these problems, Russia is currently concerned about the following:

- The impact of the Chechen conflict on Russia’s relations with Georgia and Azerbaijan
- The pipeline politics of the region
- The drift of Georgia and Azerbaijan towards NATO
- The interests of various foreign powers in the region.

Russian diplomacy towards the states of Transcaucasia appears to have become more energetic under Putin. He appears to desire greater cooperation between Russia and the three Transcaucasian states. This may be an attempt to reinvigorate the agreements reached between all four states at Kislovodsk in June 1996, which envisaged a high degree of cooperation to ensure peace and stability in Transcaucasia. The holding of a separate meeting with the leaders of Georgia, Armenia and Azerbaijan just before the CIS Council of Heads of State summit in Moscow in January 2000, effectively creating a summit of the "Four", appears to be
an attempt to secure a much higher degree of cooperation between these four states. All four leaders met again separately just before the June summit in Moscow, and it was agreed that the Four will meet at least twice a year before CIS Heads of State summits.

The creation of a regional security system was one topic discussed at the January meeting of the "Four"; there has been considerable interest in the creation of a Transcaucasian regional security system since one was proposed by Armenian foreign minister Vardan Oskanyan in London in 1998. Another, presumably similar, one was outlined by Armenian President in Robert Kocharyan in November 1999. Azerbaijan outlined a different regional security plan later that month. Russia appears interested in a security system that would not include the USA or the EU, but would include Iran. Kocharyan favours a “3+3+2” formula (ie Armenia-Azerbaijan-Georgia + Russia-Iran-Turkey+USA-EU. North Osetia’s President Aleksandr Dzasakhov favours a “4+2” (Russia-Armenia-Azerbaijan-Georgia + Turkey-Iran) formula.

It appears that the cooperation of the "Four" has now emerged as the security system for Transcaucasia, with Russia playing a major role. This is clearly a success for Russian policy, as it means that schemes that would have reduced Russian involvement and ensured significant involvement for Western states have not been adopted. In May 2000, the head of the Russian MOD department for international military cooperation Col-Gen Leonid Ivashov expressed his opposition to any US involvement in any Transcaucasian regional security system. Since the commencement of the second Chechen conflict in October 1999, one of Moscow’s main concerns has been to secure cooperation with the three Transcaucasian states in fighting terrorism, and the memorandum agreed in March 2000 between the interior ministries of Russia, Georgia, Armenia and Azerbaijan is a major step forward for Russia.

GEORGIA

Russo-Georgian relations at the very end of the Yel'tsin era were poor due to the Russian intervention in Chechnya in the autumn of 1999 and Russian claims that Chechen fighters were taking refuge in northern Georgia and crossing into Chechnya. Moscow has also asked that the Chechen information centre in Tbilisi be closed down. Russian concerns appear to have pushed Georgia towards adopting a very cautious policy that avoids antagonising Moscow unduly whilst avoiding kow-towing. Georgia is continuing to develop closer security relations with western states and NATO; Eduard Shevardnadze said in October 1999 that if re-elected president, he would apply for NATO membership sometime in his second term. This is obviously unwelcome to Moscow; the head of the Russian MOD department for international military cooperation Col-Gen Leonid Ivashov made this clear in comments in May 2000.

Aside from Chechnya, Russo-Georgian relations have been concerned with Georgia’s debt to Russia, Abkhazia, the withdrawal from Russian bases in Georgia in accordance with the CFE agreement signed at the OSCE summit in Istanbul in November 1999, and the introduction of a visa regime by Russia. In early September 2000 the Foreign Ministry announced that Russia would pull out of the 1992 CIS agreement on visa free travel in the CIS. Russia introduced a visa regime with Georgia in early December 2000, much to Tbilisi’s chagrin. Moscow has exempted Abkhazia and South Osetia from the new visa regime, which is perceived by Tbilisi as a clear attempt to support Abkhaz and South Osetian separatism in
order to undermine Georgian territorial integrity. This is probably aimed at signalling to Georgia that she will suffer if she defies Moscow over Chechnya and by developing closer security ties with the West. Georgia is heavily indebted to Russia for energy supplies, and it was agreed by Putin and Shevardnadze that the ministers of finance of both countries would discuss the restructuring of the debt. Interruptions in the supply of gas to Georgia have occurred and have aimed at reminding Tbilisi of her dependence on Moscow.

The main issue in 2000 has been that of the Russian military bases in Georgia. At the OSCE Istanbul summit in November 1999, Russia undertook to reduce, by 31 December 2000, the levels of its Treaty Limited Equipment (TLE) located within the territory of Georgia in such a way that it would not exceed 153 tanks, 241 ACVs and 140 artillery systems; and no later than 31 December 2000, to withdraw (dispose of) the TLE located at the Russian military bases at Vaziani and Gudauta and at the repair facilities in Tbilisi. The Russian military bases at Gudauta and Vaziani will be disbanded and withdrawn by 1 July 2001. Georgia undertook to grant to Russia the right to basic temporary deployment of its TLE at facilities of the Russian military bases at Batumi and Akhalkalaki. The Russian pullout began at the beginning of August 2000. Coincidently this pullout coincided with the holding of the first US-Georgian naval exercises. However Russia will continue to use the airfield at Gudauta to maintain links with the bases at Batumi and Akhalkalaki. Russia will commence withdrawing from these latter two bases in July 2001.

Russian and Georgian views on Abkhazia and South Osetia are ostensibly very close. Putin has stated that he supports the territorial integrity of Georgia. Russia did not recognise the presidential election in Abkhazia in 1999, and the withdrawal of Russian forces from Gudauta in Abkhazia is taking place against the wishes of the Abkhaz leadership. Moscow thus prefers cooperation with Shevardnadze to that with the Abkhaz leadership of Vladislav Ardzinba. The CIS Heads of State June 2000 summit approved the mandate of CIS peacekeepers until 1 January 2001. Georgia appears to accept Russian peacekeepers in Abkhazia, although she was previously opposed. In June 2000 at the summit of the Four a Russo-Georgian agreement on the economic reconstruction of South Osetia was signed. However these conflicts remain frozen and there seems little push from Moscow to move the settlement process forward.

Russia’s relationship with Georgia is a delicate one. Shevardnadze seems keen to develop a good relationship with Putin; doubtless a desire not to antagonise Russia over Chechnya is a major factor. The visa issue and Chechnya serve to remind Georgia of the desirability of maintaining a good relationship with Moscow. However this has not prevented Georgia from pursuing a policy of close integration into western security structures. This is a far cry from the tilt towards Moscow that Shevardnadze was forced to undertake in 1993-94. The development of closer ties with the West, particularly if membership of NATO is sought, could impose a severe test on Russo-Georgian relations. In such circumstances, it is not impossible that Russia could renew her interest in the rights of Abkhazia and South Osetia in order to gain leverage over Georgia. Russian policy appears to aim at keeping Georgia off balance in the hope this will induce a degree of deference towards Moscow. The visa issue, lack of cooperation over Abkhazia and the energy weapon are all levers being used by Moscow to this end.
ARMENIA

Armenia remains a loyal ally of Moscow, as she sees Russia as the only possible protector against the potential threats of Azerbaijan and Turkey. On his visit to Georgia in March 2000, Armenian President Robert Kocharyan addressed the Armenian parliament, and emphasised the importance for Armenia of close ties with Russia, arguing that good relationships between Russia and all the Transcaucasian states were vital for stability in Transcaucasia.

Armenia’s heavy dependence on Russia for energy supplies further strengthens the importance to Armenia of her strategic partnership with Russia. Armenia is a loyal member of the CIS collective security treaty, and participates in military exercises with Russia, both bilaterally and within a CIS framework. Russo-Armenian command-staff exercises took place in spring 2000 in Armenia, and it was agreed in April 2000 that more Armenian officers would be trained in Russia. There has been some speculation over Armenia joining the Russo-Belarusian union state. This is currently unlikely, but does make clear Armenia’s current closeness to Moscow.

At the January 2000 CIS summit, Putin made clear Russia’s willingness to be guarantor if Armenia and Azerbaijan ever reach a settlement over Nagornyy Karabakh. It is possible that the USA and Russia could be joint guarantors. Armenia is hostile to the American Goble Plan which envisages a territorial exchange between Armenia and Azerbaijan as a means of resolving the Nagornyy Karabakh dispute, and Moscow has supported Yerevan on this issue.

AZERBAIJAN

Azerbaijan’s foreign policy orientation is similar to Georgia’s in that she desires to maintain her distance from Moscow, and develop closer security ties with the West, particularly NATO. There has for several years been speculation about the possibility of NATO acquiring military bases in Azerbaijan. This has always been denied, but speculation remains. In February 2000 a NATO information office was opened in Baku, and the possibility of Azerbaijan applying for NATO membership was discussed when President Heydar Aliev visited the USA in February 2000. Like Georgia, Azerbaijan quit the CIS Collective Security Treaty in 1999. In February 2000, the Azeri foreign ministry proposed the creation of an Azeri-Georgian-Turkish military pact. In May 2000 the Azeri parliament (as well as the Georgian) ratified the Baku-Tbilisi-Ceyhan pipeline project, despite lobbying by Moscow against it.

All these developments are unwelcome to Moscow. In May 2000 Leonid Ivashov also criticised Azerbaijan’s possible entry into NATO. The development of closer ties with Turkey is also viewed with concern by Russia. The Russian leadership has also criticised Baku for permitting Chechen fighters to take refuge and receive medical treatment in Azerbaijan.

Like Ukraine, Azerbaijan has reacted cautiously to Russia’s desire to develop a single CIS anti-terrorist centre. Azerbaijan remains adamant in her desire to keep her distance from Moscow in all aspects of security policy. At the June 2000 CIS summit Aliev made clear that he desires the centre only to have a coordinating and analytical function, and that CIS military structures should only play a loose coordinating role. Aliev did, however, seem to be impressed with Putin, and seemed confident that Russo-Azeri ties would improve. There is certainly a desire to avoid antagonising Russia unnecessarily over Chechnya. In this respect, there may be a
fear of Putin and the possibility of Russia destabilising Azerbaijan by interfering in her internal politics.

Yet there is also the possibility that Moscow may try to woo Baku. Moscow has tried to exploit Azeri anger over the US State Department’s latest report on international terrorism, which stated that Azerbaijan has “served as a logistic hub for international mujahidin with ties to terrorist groups, some of whom supported the Chechen insurgency in Russia.” However the head of the department of international cooperation of the Russian Ministry of Internal Affairs Major-General Aleksandr Malinovskiy said that the Ministry had no information to justify such a claim. Moscow has sought to develop cooperation with Baku in countering terrorism.

If a Nagornyy Karabakh settlement is reached with Russia as one of the guarantors, this would increase the importance of Russia as a factor in Azeri foreign policy, and would be seen by Russia as a means of clawing back some of the influence lost in recent years. Russia is probably also looking to the post-Aliev era, as this may give her opportunities to regain influence. Russia does have economic interests in Azerbaijan as oil companies such as LUKOIL and Slavneft are active there, and as the new foreign policy concept talks of supporting Russian business abroad, Moscow will be seeking to promote Russian economic interests in Azerbaijan.

THE CASPIAN SEA

Russia has been concerned about the status of the Caspian Sea since the USSR broke up in December 1991. It would appear that Putin wishes to raise the profile of the Caspian Sea issue, as he appointed the former Russian Fuel and Energy Minister Viktor Kalyuzhnyy as a deputy foreign minister in May 2000, and also made him special presidential representative on Caspian Sea affairs. Kalyuzhny outlined the importance of the Caspian Sea to Russia as follows:

The state of affairs there determines the security of our borders, the situation in adjacent Russian regions, our relations with local countries and the prospects for Russian participation in the extraction and transport of Caspian mineral resources.

In July 2000 Kalyuzhnyy visited the other Caspian Sea states (Kazakhstan, Azerbaijan, Turkmenistan and Iran) to outline Moscow’s proposals for the Caspian Sea. Moscow remains opposed to any division of the Caspian Sea into national sectors. Kalyuzhnyy says division of the Caspian “would destroy the current rather rationally organized system of economic development of the Caspian, which has existed for many decades, and hamper the adoption of measures on the environmental protection of the sea.” He says there is a need for a new convention on the legal status of the Caspian Sea: the current rules do not match many of the current realities and do not regulate the use of the seabed or provide for environmental protection in the region.

Iran originally shared Moscow’s views on the Caspian Sea, but feels now that it is more practical to divide the Caspian into five equal sectors. This is opposed by Moscow and also by Azerbaijan and Turkmenistan, whose positions are now closer to those of Moscow. However Turkmenistan has reacted cautiously to Kalyuzhnyy’s proposals for a drafting a convention on the status of the Caspian Sea, and on creating a centre for a unified economic strategy of the littoral states. Kazakhstan appears to favour the idea of a joint centre, and in July 1998 Russia and
Kazakhstan signed an agreement on the demarcation of the northern part of the bottom of the Caspian Sea for the purpose of the utilisation of natural resources.

No consensus has yet been reached between the five littoral states, but the appointment of a special representative by Putin is a clear sign that Moscow is placing increased importance on the Caspian Sea. It also reflects a concern that failure to develop an active policy towards the region could result in a diminution of Russia’s influence in the area. The ratification by the Georgian and Azeri parliaments of the Baku-Ceyhan pipeline project was seen as a blow to Russian interests, and an active policy is necessary to see that Russian commercial and geopolitical interests are not bypassed. The Russian state sees promoting the interests of Russian energy companies in the region (and indeed in other regions) as a major foreign policy task.

CENTRAL ASIA

As elsewhere in the former Soviet Union, Moscow is interested in close cooperation with the Central Asian states. Moscow has argued that the perceived increase in a threat of Islamic extremism throughout Central Asia, backed by forces outside the former Soviet Union, gives Moscow and the Central Asian states a common security interest that serves as a basis for closer security cooperation. This line has been pushed increasingly by Moscow towards her Central Asian neighbours since August 1999, when the Russian military operation began in Dagestan. The CIS military exercises Southern Shield-2000, which took place in March-April 2000 in Tajikistan and Uzbekistan, aimed at countering a terrorist incursion. Central Asian states (notably Tajikistan, Uzbekistan and Kyrgyzstan) share Moscow’s view that they all face a significant threat from Islamic guerrilla forces.

Moscow achieved some progress in improving military cooperation in March 2000, when Russian Air Force Commander Anatoly Kornukov visited Uzbekistan, Tajikistan and Kyrgyzstan and signed agreements on cooperation in air defence. Kornukov also signed a similar agreement in Kazakhstan in May 2000.

One of the main forums for security cooperation with Central Asia is the Shanghai Five forum, which comprises Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. In March 2000 the defence ministers of the Shanghai Five met in Kazakhstan. At this meeting Russian defence minister Igor Sergeyev repeated what is now a common refrain from Moscow, namely the need for all states in the region to cooperate against the a well-coordinated offensive by extremist forces in the southern frontiers of the CIS. Russia desires to see Uzbekistan enter the Shanghai Five; in April, the head of the Russian MOD department for international cooperation Leonid Ivashov said that the Russian MOD was of this opinion, and the fact the Uzbek President Islam Karimov attended the Shanghai Five presidential summit in Dushanbe in July 2000, so being unable to meet NATO Secretary-General Lord Robertson, who was visiting Uzbekistan at the same time, indicates an increasing awareness by Tashkent of the desirability of increasing her cooperation with Moscow on security matters. Russia and other Central Asian states (again notably Tajikistan, Uzbekistan and Kyrgyzstan) are concerned about the possible incursion by Taliban forces from Afghanistan. In May 2000 presidential spokesman Sergey Yastrzhembskiy spoke of the possibility of Russia launching preventive airstrikes against Taliban bases in Afghanistan.
Russo-Kazakh relations continue to remain stable. Kazakh President Nursultan Nazarbayev sees maintaining a good relationship with Russia as a central feature of his foreign policy. This was especially seen in his visit to Moscow in June 2000. At this meeting Nazarbayev and Putin signed a memorandum on the use of the Baykonur cosmodrome, and the problem of Russia’s rent payments for this appears to have been sorted out. They expressed agreement on enhancing the role and authority of the UN as the major international means of ensuring peace and security, and emphasised the importance of strengthening the regime of the 1972 ABM treaty. They also agreed to develop their cooperation the field of defence and military technology, and both presidents instructed their governments to form national sections within the Inter-State Commission for Military Economic Cooperation of the CIS. They will be charged with the duty of jointly drawing up proposals for the further integration of military enterprises. Both states also intend to consolidate cooperation within the CIS customs union and favour the development of a common economic space. Russia and Kazakhstan signed a 10 year economic cooperation agreement in 1998, and Putin and Nazarbayev expressed satisfaction with the fulfilment of this agreement. Agreement was also reached in June 2000 on transporting Kazakh oil through Russia. The North Caspian oil pipeline consortium, which is building the North Caspian Sea-Novorossiysk pipeline, will commission it in 2001.

The Russo-Kazakh relationship appears to be developing smoothly under Putin. Many Russian and Kazakh foreign policy perspectives are similar; both states support the concept of a multipolar world, and favour enhancing the role of the United Nations. Nazarbayev favours close cooperation with Moscow within the framework of the CIS and Shanghai Five, and the perceived threat of terrorism that has emerged particularly since 1999 binds the two states closer together in a common security concern. Kazakhstan is unlikely to become the third member of the Russo-Belarusian union state, as she desires to maintain her sovereignty. Kazakhstan will export some of her oil through Russia, via Novorossiysk, but she will also export via the Baku-Ceyhan pipeline; China, and is interested also in exporting via Iran.

Since the break up of the USSR, Nazarbayev has put strong emphasis on cooperation with Russia partly in order to prevent the possible break up of Kazakhstan. Russians comprise approximately one-third of Kazakhstan’s population, and Nazarbayev probably sees maintaining good ties with Moscow as a means of ensuring that the Russian Federation will not raise any grievances (real or otherwise) about the situation of the Russian community in Kazakhstan. In April 2000 Oleg Mironov, the Russian presidential human rights commissioner, appealed to Nazarbayev to treat humanely the Russian citizens who were put on trial charged with terrorist crimes in Ust-Kamenogorsk. Those charged were accused of attempting to create a Russian republic in eastern Kazakhstan and were said to be members of a Russian nationalist organisation linked with similar organisations in the Russian Federation. It should not be ruled out that such actions may have the support of elements within the Russian security services, possibly interested in “testing the waters” by covertly encouraging a separatist movement in Kazakhstan.

KYRGYZSTAN

Bishkek remains heavily dependent on Moscow, both in economic and security terms. The incursion of Islamic extremists into southern Kyrgyzstan in August
2000, for the second time in two years, underlines Kyrgyzstan’s vulnerability, and is likely to make her receptive to Moscow’s call for close cooperation in countering terrorism. A cooperation agreement was signed between the Security Councils of the two states. Agreements were also signed in August 2000 on military-technical cooperation and the use by Russia of military facilities in Kyrgyzstan.

Kyrgyz President Askar Akayev visited Moscow in July 2000. This was the first bilateral presidential summit since Putin became president. Although Russo-Kyrgyz relations were slightly strained due to Kyrgyzstan entering the World Trade Organisation without the consent of the CIS Customs Union, this problem appeared to have been overcome by the time of Akayev’s visit. During the visit a Declaration of Eternal Friendship was signed, which gives Kyrgyzstan a Russian security guarantee. Akayev stated that he regarded Russia as a guarantor of stability in Central Asia and the world. Just before his visit to Moscow, Akayev signed an edict making Russian the official language of Kyrgyzstan, a move which clearly pleased Putin. A further 25 agreements were also signed. An economic cooperation agreement for the period 2000-2009 was also signed, and it was agreed to restructure the Kyrgyz debt to Russia. Kyrgyzstan and Russia will also jointly mine uranium.

UZBEKISTAN

Uzbekistan has attempted in recent years to maintain her distance from Moscow. Her decision to leave the CIS Collective Security Treaty in 1999 and her association with the GUAM states (hence transforming it to GUUAM) made clear Uzbekistan’s desire to pursue an independent foreign policy no longer centred on Moscow, in contrast to the policies of Kazakhstan and Kyrgyzstan.

However Uzbekistan’s perception of her security problems have driven her closer to Moscow. The most notable indication of this was, as noted above, Uzbek President Islam Karimov’s decision to attend the Shanghai Five summit in Dushanbe in July 2000. Putin had a very successful visit to Uzbekistan in December 1999, when he was still prime minister. A military cooperation agreement was signed during this visit.

Putin undertook another visit in May 2000, when an agreement to supply Russia with Uzbek gas was signed. The discussion of security matters was high on the agenda during this visit, and the incursion of Islamic extremists into southern Uzbekistan in August 2000 is likely to convince Tashkent further of the need to develop closer cooperation with Moscow in the security field. Back in May 2000, Karimov was not shy in making clear Uzbekistan’s dependence on Moscow.

Russia now, as it were, is a country which unambiguously will do everything necessary to guarantee the territorial integrity, inviolability of borders and independence and sovereignty of Uzbekistan ... With full responsibility I can say that in the world as it is now Uzbekistan will not be able to defend itself alone because it is not just a particular country that is working against us. Let me remind you that certain centres with huge resources are involved. Naturally under such conditions we are looking for protection. Russia personifies this for us.

This viewpoint was expressed even more strongly in June when Karimov said that “we must openly accept Russia’s presence in the Central Asian region and admit
that Russia has its interests in the Central Asian region, rather than play some
game.32

The marked improvement in Russo-Uzbek relations under Putin could make
Uzbekistan pivotal in the development of Russian policy towards Central Asia.
Putin said in May that Uzbekistan "could become Russia’s foothold in developing
international contacts with the Central Asian region."33

TAJIKISTAN

Tajikistan remains a de facto Russian protectorate. The regime of President
Imomali Rahmonov owes its existence to the presence of the CIS peacekeeping
force, namely the Russian 201st motor-rifle division based there, plus Russian
border guard forces deployed along the Tajik-Afghan border. It was decided at the
CIS summit in June 2000 that the CIS peacekeeping force would be withdrawn
from Tajikistan, but that Russian military bases would be set up in the country
instead. Putin said that it would be easier to deal with Tajikistan on a bilateral
basis rather than through the CIS.34 In June 2000, Rahmonov confirmed that a
Russo-Tajik treaty had been signed, giving Russia the right to establish military
bases in Tajikistan. At the Shanghai Five summit in Dushanbe in July 2000, both
Putin and Rahmonov spoke out in favour of a Russian military presence in
Tajikistan.

TURKMENISTAN

Russia’s relations with Turkmenistan have been cool in recent years, due to
Askhabad’s policy of neutrality, which means that Turkmenistan has remained
aloof from cooperating with the CIS and Russia in many policy areas. However, the
relationship appears to have significantly improved since Putin’s coming to power.
Putin’s visit to Turkmenistan in May 2000 appeared to have been very successful.
Turkmenistan appears not to share Russian perspectives on the threat of
extremism, and has good relations with the Taliban in Afghanistan.

During Putin’s visit in May 2000, it was agreed that Russia would purchase more
Turkmen gas. There will be an increase in Turkmen gas deliveries to Russia by
10bn cubic metres annually, to 50bn-60bn cubic metres. Russia will receive 30bn
cubic metres in 2001 and 40bn cubic metres of gas in 2002. It was also agreed to
set up the first session of the intergovernmental Turkmen-Russian commission on
trade, economic, scientific and technical cooperation. The two leaders also agreed to
coordinate principles of Russian-Turkmen trade and economic cooperation for the

Disagreements remain over the Caspian Sea, and Turkmenistan is determined to
maintain her neutral status, and will remain aloof from CIS military structures
(including the new anti-terrorism centre), and is also keen on developing economic
ties with non-CIS trading partners. However the relationship appears to be much
closer than before, and from the Russian standpoint must be considered an
improvement.
THE BALTIC STATES

The Baltic states are not part of the CIS, and are unlikely ever willingly to join this organisation. Moscow accordingly adopts a different attitude towards these states. However they are part of the former Soviet space, and Moscow probably sees them differently to non ex-Soviet states. It is reasonable therefore from Moscow’s viewpoint to regard them as being part of the near abroad, even though the three Baltic states would probably reject such a classification.

Russia’s relations with the three Baltic states remain at best cool and correct. They are characterised by a strong degree of mutual mistrust and suspicion. Russia remains strongly concerned by the possibility of the three Baltic states eventually entering NATO. On 19 May 2000 the foreign ministers of the three Baltic states, plus Slovenia, Slovakia, Bulgaria, Romania and deputy foreign ministers of Macedonia and Albania issued a statement at a conference in Vilnius calling for a positive decision on NATO’s further enlargement in 2002. On the same day, deputy foreign minister Aleksandr Avdeyev said in the Duma that bringing former Soviet republics into the alliance would constitute crossing a “red line” and would wreck the provisions of the NATO-Russia Act and bring about a radical change of NATO-Russia relations. NATO sounds fairly positive about the possibility of the Baltic states entering the Atlantic Alliance in the relatively near future, although it has stated that taking on new members would simply be reviewed in 2002. On his visits to the three Baltic states in the first half of 2000, NATO Secretary-General Lord Robertson spoke positively about the progress all three states had made in meeting NATO requirements, although he refused to state definitely that Estonia, Latvia and Lithuania would become members in 2002. However Moscow’s concerns that the Baltic states may enter NATO remain strong. In March 2000 the Russian Foreign Ministry criticised Robertson for commenting on the possibility of Latvia joining NATO.

Mutual suspicion remains strong. In January 2000 the Russian Defence Ministry accused the three Baltic states of being in the front line of NATO intelligence gathering on Russia. The arrest in June 2000 of a Lithuanian citizen in Russia accused of spying for Lithuania and the USA strengthens these perceptions. On the Baltic side, the Latvian President Vaira Vike-Freiberga caused severe irritation in Moscow in May 2000, by allegedly saying that Russia may even take military action against the Baltic states if they were to join NATO.

Russia is also uneasy about the possibility of the Baltic states (plus other former Soviet states and former Warsaw Pact states) joining the EU, particularly if the EU develops a defence identity. Furthermore, the three Baltic states could trade less with Russia if they join the EU.

Russia’s political relations with the Baltic states are likely to remain awkward, particularly if, as seems likely, the Baltic states move closer to NATO, even if they do not become members in 2002 as the three states currently hope. It is likely that Moscow realises that the Baltic states will eventually enter NATO. However it is not impossible that covert measures will be used in an attempt to make life difficult for Estonia and Latvia if they do so. Covert attempts to exploit the citizenship and language issue may be made. In a worse case scenario, there may be attempts to interrupt the supply of gas and oil, although this would be a controversial undertaking, given that these states pay their energy bills to their Russian suppliers.
Although Russia broadly welcomes EU widening, she may feel slightly uncomfortable if any of the Baltic states enter the EU. This is simply because they are former Soviet states. However in the long run this may be of benefit to Moscow as she sees the EU as a major strategic partner, and could see their EU membership as facilitating closer relations with the Baltic states and improving trade. Russo-Baltic trade has declined since the Russian financial crisis of August 1998, as the Baltic states re-oriented their trade away from Russia.

Russia has decided to build a Baltic Pipeline System (which will be completed in 2001) that will allow oil to be piped from the Timan-Pechora and the West Siberian oil fields through to Primorsk on the Baltic coast. This will make unnecessary the export of Russian oil via Baltic ports, and will deprive Latvia and Estonia of earnings they receive from the transport of Russian oil through their territory and use of their ports.

LATVIA

Russia’s relations with Latvia are the worst of all the three. Russia and Latvia have still not signed a border treaty, and are unlikely to do so, as long as Russia maintains its opposition to Latvia’s citizenship law and the language law adopted in 1999, arguing that they discriminate against Russian residents of Latvia.

Relations have been strained additionally in 2000 by Latvian criticism of the Russian military operation in Chechnya. In January 2000 the Russian Foreign Ministry criticised Prime Minister Andris Skele for accusing Russia of "genocide against the Chechen people" and of the "inability to improve relations with neighbours while the war in Chechnya is under way". Other irritants in the relationship have been the prosecution of Russians living in Latvia. In February a 76 year old World War Two veteran Vasily Kononov was imprisoned by a Latvian court for being a Soviet occupier. Putin himself expressed concern over the case, and in April 2000 agreed to Kononov’s request to become a Russian citizen. Other former Soviet veterans of Russian origin have been investigated by Latvian courts, to Moscow’s disapproval.

The Latvian authorities’ toleration of marches of former Latvian members of the Waffen-SS Legion in Riga and their rally at the cemetery of Liepaja, Latvia have also strained the Russo-Latvian relationship. In March 2000 the MFA also criticised the decision of the Latvian parliament to place a new memorial date on the national calendar - 17 June - this being the day in 1940 when Soviet forces entered Latvia.

ESTONIA

Russia’s relations with Estonia are similar to those with Latvia. Russia has so far refused to sign a border treaty with Estonia even though former prime minister Yevgeny Primakov said as far back as November 1998 that a draft Russo-Estonian border treaty was almost ready. Moscow accuses Tallinn of discrimination against Russians residing in Estonia. In March Deputy foreign minister Sergey Ordzhonikidze at a session of the UN human rights commission criticised Latvia and Estonia for discrimination against their Russian speakers.

Moscow is also critical of Tallinn’s toleration of former SS veterans. In February the Russian Foreign Ministry expressed indignation at the Estonian presidential decree awarding decorations to nineteen Estonian “freedom fighters” who fought on the side of Nazi Germany during the Second World War.
LITHUANIA

Russia’s relations have usually been better with Lithuania than with the other two Baltic states, as Lithuania’s citizenship law has enabled all Russians residing in Lithuania at the time of the break up of the USSR to become Lithuanian citizens. A Russo-Lithuanian border treaty was signed in 1997, but has yet to be ratified by the Russian parliament. Relations have become strained in 2000 because of the Lithuanian parliament’s approval of a bill in June demanding compensation by Russia for the damage done by the USSR to the republic “during the years of Soviet occupation.” The Lithuanian President Adamkus refused to sign the bill, but it was signed by the deputy speaker of the parliament, Vytautus Landsbergis, and is therefore law.

CONCLUSIONS

The broad strategic goals of the Putin leadership towards the CIS remains the same as those of the previous Yeltsin leadership. Like Yeltsin, Putin desires to see a closely integrated CIS, united around a Russian core. There is however an awareness that Russia lacks the policy instruments to be able to bring about such a state of affairs. The failure so far to carry out an effective economic reform in Russia means that the Russian Federation is unlikely to become a pole of attraction for other CIS members. At the CIS Council of Heads of State summit in January 2000, the participants agreed to develop a programme for CIS development up to 2005. However, this programme will depend on the fate of economic reform in Russia and the development of intra-CIS trade.

The failure so far to establish a free trade zone considerably hinders economic integration, and makes impossible the development of a form of integration akin to the EU. Intra-CIS trade only accounts for about one-third of the overall volume of CIS foreign trade; by comparison intra-EU trade accounts for more than 60% of the overall volume of EU foreign trade. It is estimated that Russia loses about $780 million annually from not being part of the CIS free trade zone. Some estimates claim that Russia’s losses could be even higher.

In January 2000 Yury Godin, who has worked in the InterState Economic Committee of the Economic Union of the CIS claimed that since the formation of the CIS about 1300 agreements have been signed, but only a handful work effectively. The CIS has been unable to restore even the levels of trade that existed between the members when they were union-republics in the USSR. He says trade turnover has fallen every year since the CIS was formed, when the most effective indicator of the success of integration is an increase in trade. The then Russian minister for CIS Affairs, Leonid Drachevskiy, claimed in April 2000 that the CIS would not be able to repeat the integration experience of the EU.

The CIS’ success in becoming a viable and dynamic bloc will largely depend on the success or otherwise of Russian economic reform. In one sense the energy dependency of many states on Russia does force many member states to look toward Moscow, which some elements in the Russian leadership may favour, as it arguably prevents these states from straying too far.

In the security sphere, there has been some progress from Moscow’s perspective, first of all in developing a unified air defence system. Seven CIS members participated in the air defence exercises in Astrakhan oblast in August 2000, and
this must be considered a plus for Moscow. The threat posed by Islamic extremists to the existing regimes in Central Asia increases the value of security ties to Moscow for these states, and the Putin leadership’s strong emphasis on countering terrorism appears to be going some way towards strengthening relations with the states of Central Asia. The incursion of terrorists into Uzbekistan has resulted in a significant improvement in Tashkent’s relations with Moscow. Relations have also improved with Turkmenistan, which is also a significant and welcome development from Moscow’s standpoint. Significant differences remain however over the Caspian Sea with Ashkhabad. The importance of security issues will enable Russia to maintain influence in Central Asia.

However whilst energy dependency and the threat of Islamic terrorism enables Moscow to bind some states closer to her, she lacks the resources to create an exclusive sphere of influence. States such as Georgia and Azerbaijan are likely to continue to look toward NATO. Outside of the CIS, all three Baltic states will continue to look westwards despite Moscow’s disapproval. All the states of the near abroad (with the exception of Belarus) will also seek economic partners other than Russia if such partnerships offer more benefits than can be offered by Russia and by Russian companies. The Russian leadership is undoubtedly sincere in its desire to encourage investment by Russian companies in the near abroad; the support for energy companies being a case in point, but Russian companies are unlikely to ensure that the near abroad will be an area dominated by Russian capital.

Nevertheless, Russia has had some success in enhancing her influence in the CIS in 2000. Uzbekistan and Turkmenistan now look to Moscow more than they did previously, and Ukraine now seems inclined to pursue a more deferential policy due to her energy problems. Covert support for the unrecognised states of Transdnestr, Abkhazia, South Osetia, Adjaria and Nagorny Karabakh can always be used as a means of pressurising Moldova, Georgia and Azerbaijan. Whilst Moscow has to live with the emergence of the GUUAM quasi-bloc in the former Soviet Union, she does have the means to make life difficult for these states if they choose to adopt a geopolitical orientation away from Moscow. It is not impossible that other separatist movements encouraged by Russian special services may emerge in states such as Azerbaijan if they stray too far from Moscow, or even amongst the Russian communities in Estonia and Latvia.

ENDNOTES

1 The author is aware of the decreasing relevance of this term, which has now disappeared from official Russian foreign policy discourse. The author is also aware of the inappropriateness of grouping the CIS members along with the three Baltic states. However for the sake of convenience, it has been considered desirable to analyse Russia’s relations with all the other ex-Soviet states in one paper, hence the use of the term ‘near abroad’ for this paper.
2 The concept can be found on http://www.mid.ru/vpcons.htm
3 See the abridged version of the 1993 concept in Nezavisimaya Gazeta, 29 April 1993.
5 Interfax and ITAR-TASS, 14 June 2000.
6 This article was republished in Nezavisimaya Gazeta, 8 July 2000. See Vladimir Putin, ‘We will reach agreements with the Chechens’.
7 See the article by Vladimir Zemskiy, Secretary-General of the CST, extraordinary and plenipotentiary ambassador, member of the Council of Collective Security, ‘The most
important element of cooperation.’ Nezavisimaya Gazeta: Sodruzhestvo, 31 May 2000, p10, which outlines measures taken to improve coordination within the CST.

8 Lidiya Andrusenko and Yury Godin, ‘The union of Russia and Belorussia becomes a reality’, Nezavisimaya Gazeta, 8 December 1999, plus the article by Nikolay Ryzhkov ibid. The English text of the treaty can be found at http://president.gov.by/eng/parl_assembl/proekt.htm The Russian text can be found at http://president.gov.by/rus/parliament_assembly/proekt.htm

9 See the discussion of the treaty and other agreements signed in May 1997 in James Sherr, Russia And Ukraine: Towards Compromise Or Convergence?, Conflict Studies Research Centre, RMA Sandhurst, F60, August 1997.

10 GUUAM refers to Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova, a loose formation of these states which desire to maintain distance from Moscow. It was known as GUAM until Uzbekistan joined it in 1999. For a discussion of GUUAM, see Taras Kuzio, ‘Geopolitical Pluralism in the CIS: The emergence of GUUAM,’ European Security, Vol 9, No 2 summer 2000, pp81-114.


14 Ibid.


17 Arman Dzhilavyan, ‘The USA’s approach will not add to the security of the Caucasus,’ Nezavisimaya Gazeta, 17 May 2000.


20 See the statement by Viktor Kalyuzhnyy, then minister of fuel and energy in April 2000: “In our view, state support of the national producer, of our oil and gas companies, by this not just in Russia, but, very importantly, abroad, is necessary.” Mezhdunarodnaya Zhizn, April 2000, p7. This issue of Mezhdunarodnaya Zhizn has a special section on Russia’s foreign policy and oil gas strategy in the 21st century.

21 Interfax, 30 July 2000.

22 Interfax, 21 June 2000.

23 Interfax, 21 June 2000.


26 LETA, 24 January 2000.
Interfax, 30 May 2000.
ITAR-TASS, 15 February 2000.
ITAR-TASS, 18 January 2000.
Interfax, 12 April 2000.
Viktor Timoshenko, 'The period of romanticism in the CIS is overcome', Nezavisimaya Gazeta, 4 April 2000.
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