
10. Russia's assets and liabilities in South-West Asia

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I. Introduction

It is important for the pattern of post-cold war stability that a security agenda in the area of relations between Russia and Asia is developed from a generally reliable set of clear, distinct and comprehensive ideas.

In classical 20th-century geopolitics such ideas were suggested in particular by Sir Halford Mackinder in his masterly analysis of the permanent strategic factors which have governed all struggles for empire or balance-of-power games. In 1904 Mackinder postulated the end of the 'Columbian epoch', which he believed meant a necessary shift in international relations from territorial expansion to the struggle for relative efficiency. Attempting to 'perceive something of the real proportion of features and events on the stage of the whole world', he sought 'a formula of geographical causation in universal history', a formula which at the same time 'should have a practical value as setting into perspective some of the competing forces in current international politics'.¹

This formula is to be found in Mackinder's concept of the 'Heartland' or the geographical pivot of history. For the purposes of this chapter there are two points to be noted in the Heartland theory.

First, to describe the strategic significance of Russia, Mackinder used the expressions 'the Heartland', 'the geographical pivot of history', 'the pivot area', 'the pivot state', 'the Russian Heartland' and 'the Asiatic position of Russia' as equivalents. This shows that he regarded Russia as the keystone of modern Eurasia. The historical forces that shaped this pivotal position of the Russian state on the Eurasian continent still exist, although in a new form, and in a new situation created by the collapse of the USSR.

Mackinder stressed that 'there were certain strategic positions in the Heartland . . . which must be treated as of world importance, for their possession may facilitate or prevent a world domination'.² The spaces within the Heartland, he wrote in 1904, are so vast and 'their potentialities in population, wheat, cotton, fuel and metals so incalculably great, that it is inevitable that a vast economic world . . . will develop there . . . The century will not be old before all Asia is covered with railways'.³ The Heartland, as Mackinder put it in 1943, was 'the greatest natural fortress on earth' and the best way of using 'the strategic values

¹ Mackinder, H. J., *Democratic Ideals and Reality* (Norton Library: New York, 1962), p. 242.

² Mackinder (note 1), p. 172.

³ Mackinder (note 1), p. 260.

of the Russian Heartland' was to 'add an oceanic frontage to the resources of the great continent'.⁴

Second, there is no generally agreed definition of the boundaries of what may be called South-West Asia from the point of view of a security agenda. Mackinder used the term 'the land of the Five Seas' and included the territory between the Caspian, the Black Sea, the Mediterranean, the Red Sea and the Persian Gulf. In this chapter South-West Asia includes the 'traditional' Middle East excluding North Africa. It includes the Levant, the Persian Gulf states, Turkey, Iran, Afghanistan and the newly independent states of the Caspian Basin region—the energy-producing countries (Azerbaijan, Kazakhstan and Turkmenistan), and, given their location, Armenia and Georgia.

The term 'greater Middle East' or 'new middle East' is not used here. It has been used to signify North Africa, the Levant, the Persian Gulf, Central Asia and South Asia.⁵ Kemp and Harkavy stress that the term 'greater Middle East' implies a degree of precision that they do not believe is 'presently justified'.⁶ Adding to the 'traditional' Middle East the eight newly independent states of the Caucasus and Central Asia, India and Pakistan, the 'greater Middle East' is in fact an 'enlarged post-Cold War Middle East'.⁷ In another author's phrase it is 'Washington's New Middle East', or a kind of geopolitical ideal-type construction intended to support US hegemony in the vast region. 'Judging from the statements and actions of some US officials . . . the Clinton administration appears to believe that there is now a historic opportunity to reshape the region, owing to the collapse of the Soviet Union, the defeat of Iraq in the second Gulf War, and the acceptance of the Madrid/Oslo peace process by the PLO'.⁸

What we term the greater Middle East and its energy resources may now be the strategic fulcrum and prize in the emerging arena of world politics. Approximately 70 per cent of the world proven oil reserves and over 40 per cent of its natural gas reserves lie within an egg-shaped catchment area from southern Russia and Kazakhstan to Saudi Arabia and the United Arab Emirates. What is of special relevance are the growing energy needs of Asia, including China, India, and South-East Asia, and the fact that they will all have to compete with Europe and North America for Middle East energy supplies. This will lead to significant changes in the patterns of diplomacy and security relationships that have evolved since the energy crisis of the 1970s and the 1990–91 Gulf War.⁹

⁴ Mackinder (note 1), pp. 273, 264.

⁵ US National Defence University, Institute for National Strategic Studies, *Strategic Assessment 1995: US Security Challenges in Transition* (INSS: Washington, DC, no date), p. 67.

⁶ Kemp, J. and Harkavy, R. E., *Strategic Geography and the Changing Middle East* (Carnegie Endowment for International Peace: Washington, DC, 1997), p. 13. The phrase 'new Middle East' comes from Peres, S. and Naori, A., *The New Middle East* (Henry Holt: New York, 1993).

⁷ Sullivan, A. T., 'Democracy, dragons and delusions: the Middle East today and tomorrow', *Middle East Journal*, vol. 51, no. 3 (1997), p. 437.

⁸ Hudson, M. C., 'To play the hegemon: 50 years of US policy forward the Middle East', *Middle East Journal*, vol. 50, no. 3 (1996), pp. 338–39.

⁹ Kemp and Harkavy (note 6), p. xiii.

Including some key subregions of South-West Asia in its zone of vital interests has been an element of Russian strategic thinking for at least the past 300 years. The importance of South-West Asia for Russia's Asia policy in general cannot be overestimated. It is the passage from Europe to Central Asia, South Asia and the Far East, and from Euro-Asia to Africa. Here at the crossroads of the world recorded history began. The first international politics of which we have definite knowledge were concerned with 'the intercourse between two states, which had grown up on the alluvial flats of the Lower Euphrates and Lower Nile'.¹⁰ It is no coincidence, as Mackinder wrote in 1919, that in the same region 'should be the starting point of the History and the most vital point of modern highways'.¹¹

What are Russia's security priorities in the region in the light of recent and coming developments? To answer this question two sets of factors must be taken into account, one of which concerns lasting and changing regional features of the 'land of the Five Seas', the other Russia's vital aspirations in the post-Soviet crisis situation.

First, South-West Asia is the area in the international relations system that has been most penetrated by outside powers. It is extremely vulnerable to external influences. The destruction of the Ottoman Empire after World War I was not followed by a new order but instead created a belt of permanent instability stretching from the Mediterranean Sea to the Persian Gulf. In January 1991 US President George Bush stated that military action against Iraq would make a 'new world order' possible. This proved to be wrong. When the USA and the UK launched new air strikes against Iraq in December 1998, they damaged their credibility as members of the UN Security Council.¹²

With the collapse of the USSR disorder and instability in South-West Asia have grown. In sum, the break-up of the Soviet Union undermined two key elements of the cold war balance of power—stable borders and stable regimes. The growing regional instability springs from the growing number of national and international actors operating on different levels in South-West Asia and the intensifying competition between them.

Second, the Russian Government, since Yevgeny Primakov became Prime Minister in September 1998, has been highly conscious of Russia's pivotal position in the Eurasian heartland. From the point of view of changing strategic geography this position is an asset. Russia is the only state that adjoins the whole region from the north and, provided communication lines are further developed, this is an indisputable natural advantage. At the same time this asset could become a liability if chaos and instability in the area were to prevail. Therefore, although the cold war is over, Russia cannot tolerate South-West Asia being considered in out-dated terms as its 'soft underbelly'.

Moreover, Russian experts stress the unity of the geopolitical space 'from Gibraltar to the Caucasus and northern Black Sea area': from their point of

¹⁰ Mackinder (note 1), p. 87.

¹¹ Mackinder (note 1), pp. 89–90.

¹² Knott, D., 'What next for Iraq?', *Oil and Gas Journal*, 4 Jan. 1999, p. 29.

view, 'the Mediterranean and Black Sea basins with their coastal territories constitute a vast single geopolitical, economic and cultural region'.¹³ The economic dimension of the national interests of Russia in South-West Asia is indicated by the fact that up to 25 per cent of Russian foreign trade passes to the Mediterranean through the Black Sea Straits.¹⁴

The main task of Russian policy in South-West Asia and on the broader international stage is twofold. First, Russia aims to create favourable international conditions for developing its infrastructure and economy. Second, it is anxious not to allow itself to be cut off from areas that are of traditional strategic significance to it, South-West Asia included.

The key problem in Russian policy is to secure an adequate development strategy for the post-Soviet reconstruction of Eurasia. 'The most conspicuous obstacle to the successful economic development of Russia's vast potentials are great undeveloped spaces, whose want of elementary infrastructure is the crucial impediment to modern technological investment in the productive sector. This is the characteristic feature of that vast land-bridge area', as a US economist, Lyndon la Rouche, has written. He has termed this 'the development corridor' which, he wrote, would 'reach typically about 50 km either side of a central transport-spine of waterways, rails, pipelines and trunk power-lines'. Without placing the emphasis upon infrastructural development . . . a successful reconstruction of Russia would not be possible'.¹⁵

This is the background which determines the priorities of Russia's security agenda in its relations with South-West Asia. The most important and most vulnerable subregions and problems from the point of view of Russia's basic security needs are the Caspian Sea Basin and surrounding states; Turkey; Iran; Afghanistan; and the Persian Gulf and the world community's policy towards Iraq. The following sections examine these areas in turn.

II. The Caspian Sea Basin

The Caspian Sea, the largest lake in the world, is part of the line dividing Europe and Asia, which links the Caucasus, Central Asia, South-West Asia and Russia. It is an area of great strategic importance. 'The Middle East (including the Caspian basin region) has now assumed the role of the strategic high ground, a key strategic prize in the emerging global system at the juncture between the 20th and the 21st centuries'.¹⁶

The Caspian Sea has three main economic values—shipping, fishing and oil. Its shipping function is an important security matter for Russia because of the network of major canals joining the Caspian, the Baltic, the White Sea and the Volga, Don, Dnieper and Moscow rivers. Through this network ships below

¹³ Kovalsky, N. (ed.), *Europe, the Mediterranean, Russia: Perception of Strategies* (Interdiast: Moscow, 1998), p. 213.

¹⁴ Kovalsky (note 13), p. 214.

¹⁵ la Rouche, L., 'Grand strategy for developing Eurasia', *Executive Intelligence Review*, 6 Mar. 1998, p. 44.

¹⁶ Kemp and Harkavy (note 6), pp. 7–8.

5000 tons can navigate from Astrakhan to Moscow, St Petersburg and Arkhangelsk. Fishing in the Caspian amounts to hundreds of thousands of tons per year. It is the main source of the renowned sturgeon roe for caviar.

In recent years, with numerous discoveries of large oil and natural gas fields, the Caspian Sea has become an area of interest for the whole world, as it did in the late 19th century when the Rothschilds, Royal Dutch Shell and Nobel Brothers' Company were actively engaged in the region.

However, estimates of oil and gas reserves in the Caspian Basin are controversial. The whole Caspian Sea region, where oil production started over a century ago, is now projected by the International Energy Agency (IEA) to be producing 7 million barrels a day in 2020 as compared with only 1 million barrels a day in 1990.¹⁷ Others expect as much as 5 million barrels a day by 2010, with an important reservation—that this will only be possible if necessary investments in exploration, production and transport are made.¹⁸ (So far, international energy companies have invested \$6 billion in the Caspian region.¹⁹)

An estimate of a London think-tank, the Centre for Global Energy Studies (CGES), is somehow lower—about 3.5 million barrels a day by the year 2010 for Azerbaijan, Kazakhstan and Turkmenistan together.²⁰ Their cumulative production in 1997 reached only 832 200 barrels a day.²¹ One estimate of proven oil reserves recoverable with present technology and prices for the three countries between them as of 1 January 1999 is about 7.161 billion barrels. By comparison, total proven world oil reserves were estimated on 1 January 1999 at 1034.668 billion barrels.²² The share of the Caspian Basin is thus less than 1 per cent. Moreover, 'some estimates of potential Caspian Sea production have been misleading'.²³ Even if expected Caspian oil production by 2010 is in the range of 3–4 million barrels a day (if things go well), it will still be less than half of what Saudi Arabia alone currently produces and less than Russian or US production. Venezuela alone may be producing an additional 3 million barrels a day by 2007, the equivalent to what is expected from the Caspian by 2010.²⁴ According to Julia Nanay, a director of Petroleum Finance Co., Washington, 'It is politics that has created the hype about the Caspian, not the oil companies': the US government issued 'wildly inflated estimates' far higher than those of the oil companies and then began promoting major export pipelines that avoided both Russia and Iran. 'It has been a roller coaster ride ever since, with the political stakes now so great on all sides that the disappointed parties will have a hard time accepting defeat.'²⁵

¹⁷ Linden, H. R., 'Flaws seen in resource models behind crisis forecasts for oil supply, price', *Oil and Gas Journal*, 28 Dec. 1998, p. 36.

¹⁸ Linden (note 17).

¹⁹ Crow, P., 'Caspian economics', *Oil and Gas Journal*, 14 Dec. 1998, p. 39.

²⁰ 'Export options for Caspian oil and gas', *Oil and Gas Journal*, 14 Dec. 1998, p. 38.

²¹ Of this, 521 700 barrels per day was from Kazakhstan, 190 300 from Azerbaijan and 120 200 from Turkmenistan.

²² 'World-wide look at reserves and production', *Oil and Gas Journal*, 28 Dec. 1998, pp. 38–39.

²³ 'Export options' (note 20), p. 38.

²⁴ Crow, P., 'Caspian dreams', *Oil and Gas Journal*, 26 Oct. 1998, p. 32.

²⁵ Crow (note 24), p. 32.

This illustrates what may be called ‘pipeline politics’—global dispute over the selection of routes for transporting hydrocarbon resources to the major consumers. If the United States using its superpower status is anxious to avoid a situation in which one country can control the energy reserves of the Caspian Basin, Russia in turn is intensely interested in not being cut off from the major geopolitical options in an area which is crucial for its national security.

‘The Clinton administration wants a pipeline from Baku to Ceyhan, Turkey, *to avoid Iran and Russia*. But that alternative is also the most costly. The politics within and outside the region is tough enough to deal with. But exploration disappointed in 1998. And, considering flooded oil markets, the most important question became not how to get oil out, but who would buy it when it is got out’.²⁶ Not only must some of the estimates of potential production in the Caspian region be treated with caution, but declining demand for oil and falling prices are also of crucial importance for changing security problems in South-West Asia. Demand for oil in Asia (excluding the Middle East, Russian Asia and the former Soviet Asian republics) was projected to rise from 18.1 million to 29.8 million barrels a day between 1995 and 2010²⁷ and Asia was expected to become the biggest oil consumer in the world. After the financial and economic crisis in Asia in 1997–98 these figures must be re-examined. The price of crude fell by roughly 40 per cent in 1998²⁸ (although this trend was reversed at the beginning of 1999).²⁹

III. Turkey

The Turkish factor is as significant in the south as the German factor is in Europe. In the past centuries, Turkey, as the center of the Ottoman Empire, dominated the Balkans and south-eastern Europe, the Middle East, and North Africa, and was also a power in the Caucasus. Now, because of its relative economic success, it is in a position to extend its influence to the areas of Central Asia and the Volga basin mainly populated by Turkish peoples, including the former Soviet republics of Azerbaijan, Kazakstan, and Uzbekistan and Kyrgyzstan, as well as Tatarstan and Bashkiria, part of the Russian Federation.³⁰

Moscow has not forgotten Turkey’s support of the secessionists in Chechnya, where the population includes millions of people of North Caucasian descent, through private transfers of money and manpower for the war effort.

During the cold war Turkey played a key role in NATO strategy in South-West Asia. A country of 65 million people, it is a key player in the region. Its growing involvement in the Caucasus and Central Asia and its ambitious plans for a new ‘Silk Road’ which could, in principle, divert important flows of economic activity away from southern Russia bear directly on Russian–Turkish relations. The election of Necmettin Erbakan of the Islamic Welfare Party as

²⁶ Knott (note 12), p. 29. Author’s italics.

²⁷ Kemp and Harkavy (note 6), p. 116.

²⁸ Knott (note 12), p. 29.

²⁹ *International Financial Statistics*, Mar. 1999, pp. 72–73.

³⁰ Tsepikalo, V., ‘The remaking of Eurasia’, *Foreign Affairs*, vol. 77, no. 2 (Mar./Apr. 1998), p. 114.

Prime Minister in 1996 was significant for Russian observers and for the West (although the army forced Erbakan to step down in 1997). Erbakan has called for the creation of an 'Islamic NATO' and 'Islamic UN', the introduction of an 'Islamic dinar', and the 'liberation of Azerbaijan, Chechnya and Bosnia'.³¹ Taking into account its own large Muslim populations, Russia cannot be indifferent to the Islamist appeal and Islamist propaganda that are growing in Turkey.

Many Russian analysts believe that Turkish ambitions in Azerbaijan reflect a broader determination to undermine Russian influence along the southern border of the Russian Federation. Another security problem for Russia is Turkey's evident desire to be the main arbiter in the Nagorno-Karabakh dispute. For many Russian observers this indicates its aggressive plans in the region. Suspicions of this kind intensified following the summit meetings of Turkic states held in Ankara in 1992, Istanbul in 1994, Bishkek in 1995 and Tashkent in 1996. The Turkish Prime Minister of the time, Suleyman Demirel, mentioned a 'Turkic union of states stretching from the Adriatic to the Great Wall of China' during his visit to Central Asia in 1992.³²

Turkey has the second-largest army in NATO and served as a launching pad for the recent US-British bombing raids on Iraq. In 1992-96 its armed forces grew from 480 000 to about 640 000. Its defence expenditure rose from \$3134 billion in 1985 to \$6856 billion in 1996 (from \$62 to \$110 per capita).³³ It has embarked on ambitious modernization programmes for the navy and air force.

Turkey's liability is its increasing demand for natural gas and oil. Its demand for gas is expected to rise from 9.2 billion m³ per year in 1996 to 27 billion m³ in 2000, 34 billion m³ in 2001 and 60 billion m³ in 2010.³⁴ At present Turkey is tied to one source for dry natural gas—the Russian network through Ukraine, Romania and Bulgaria, with a capacity of 6 billion m³ per year that could possibly be extended to 14 billion m³ per year.³⁵ A shortage could be met either from the Middle East or from Central Asia. Furthermore, Turkey is a big consumer (although not a producer) of oil. At present demand is about 25 million tons per year, increasing by about 3 per cent per year.³⁶

When Iraqi oil was embargoed under sanctions imposed by the UN after the 1991 Persian Gulf War, Turkey proposed a route of about 1600 km (involving a \$4 billion project) to pipe Azeri oil from Baku on the Caspian across Azerbaijan and Georgia to the Turkish terminal of Ceyhan on the Mediterranean. This proposal was accompanied by a number of initiatives and statements which made Russia reluctant to accept the idea. First, Turkey imposed limitations on tanker shipping through the Bosphorus. Second, anxious to speed up the race to

³¹ Tsepikalo (note 30), p. 115.

³² Mufti, M., 'Daring and caution in Turkish foreign policy', *Middle East Journal*, vol. 52, no. 1 (1998), p. 38.

³³ International Institute for Strategic Studies, *The Military Balance 1997/98* (Oxford University Press: Oxford, 1997), p. 293.

³⁴ *Executive Intelligence Review*, 28 Mar. 1997, p. 14.

³⁵ *Executive Intelligence Review* (note 34).

³⁶ *Executive Intelligence Review* (note 34), p. 16.

construct the Baku–Ceyhan pipeline, Azerbaijani President Heidar Aliyev stated that ‘We are Turks: we are one nation divided into two states’.³⁷ It became clear that Turkey wanted a pipeline that was independently connected with the terminal at Ceyhan and did not go through the Russian network.

An alternative route for transporting the Caspian oil via the Black Sea to international markets was proposed in September 1994, following an agreement between the Bulgarian, Greek and Russian governments. The project is known as a Trans-Balkan pipeline, which would extend 290 km from the Black Sea port of Burgas in Bulgaria, where oil would arrive from Novorossiysk and the other Black Sea ports, to Alexandroupolis in Greece. The designed capacity of the pipeline would be 35 million tonnes per year. It is reported that a detailed study by Greek and British firms is under way, including the technical design, economic and financial aspects, safety and environmental impact.³⁸ With the pipeline from Burgas to Alexandroupolis Russian tankers would be able to ship the Caspian oil to world markets without bothering about the new Turkish regulations for the Black Sea Straits which went into effect in July 1994.³⁹

Last but not the least, Russian–Turkish relations are affected by the Kurdish problem. One of the most acute security problems in South-West Asia is linked to the existence of an entity which is not to be found on the map—Kurdistan, with 25 million people scattered across four countries—Turkey, Iran, Iraq and Syria. They make up the world’s biggest stateless nation. The Southeast Anatolian Project, to bring irrigation and hydroelectric power to one of Turkey’s poorest regions through the construction of a system of dams, is planned by Turkey in a Kurdish area.⁴⁰ The Baku–Ceyhan pipeline route is also projected to cross south-east Turkey (Turkish Kurdistan) at the juncture of Turkey with Iran, Iraq, Syria and Turkey.

The Kurdish issue has been of the utmost importance to Turkey from the very beginning of the modern Turkish state. Since 1984 the violent struggle of the Turkish authorities against the Kurdish Workers’ Party (PKK) in the south-east of the country has cost about 30 000 lives. Over 3000 villages and hamlets have been destroyed by the Turkish security forces, causing some 3 million Kurdish refugees to be displaced.⁴¹ The insurrection continues to develop and more and more Kurds in and outside Turkey are being mobilized by growing violence.

³⁷ Kemp and Harkavy (note 6), p. 148.

³⁸ *Oil and Gas Journal*, 28 Dec. 1998, p. 29.

³⁹ The Government of Turkey indicated in July 1994 that oil traffic through the Black Sea Straits had reached its limit of 750 000 barrels per day. However, restrictions on the volume of traffic would be illegal. The Black Sea Straits, being an area beyond national jurisdiction, are regulated by the International Convention of Montreux of 20 July 1936. This convention is the sole legal source of regulation and provides for complete freedom of transit and navigation for merchant vessels of all nations in time of peace and war. A unilateral change by Turkey would have no legal status.

⁴⁰ The project could in theory divert up to 90% of Iraq’s uptake from the Euphrates and 40% of Syria’s. Currently only 2% of the river’s flow still takes its natural course into Iraq and Syria. Senior Turkish officials have asserted that Turkey has the right to do what it wants with its waters. Kemp and Harkavy (note 6), p. 105.

⁴¹ Nizan, K., ‘La Turquie, plaque tournante du trafic de drogue’, *Le Monde Diplomatique*, July 1998, p. 13.

Turkish Prime Minister Bulent Ecevit argued in January 1999 that Turkey's Kurdish problem could 'easily' be solved were it not for external interference and that Kurdish separatism had been 'introduced historically to Turkey . . . by other countries'.⁴² The allusion is obvious. In February and October 1994 the Kurdish National Liberation Front (affiliated to the PKK) was allowed to organize two conferences in Moscow. Some observers suggested that this was in retaliation for Turkish assertiveness over the pipeline issue and Turkey's moves to reduce Russian influence in the Transcaucasus. In October 1995 the third session of the Kurdish 'parliament in exile' took place in Moscow, with several deputies of the Russian Duma (the lower house of the Russian Parliament) present. A letter from the leaders of the parliament in exile to the Duma in May 1996 declared that it opposed the routing of oil pipelines through Kurdish territory in Turkey.⁴³

It seems that there is no imminent solution for the Kurdish problem. Speculation can only continue as to whether Russia can capitalize on the conflict.

IV. Iran

Russia's interest in Iran is motivated first of all by Iran's strategic position as a link between the Caspian Sea and the Persian Gulf, between the Caucasus and Central Asia, and between the Middle East and South Asia. For three centuries Moscow has had a vital interest in developments in its neighbour.

Since the collapse of the Soviet Union the legal status of the Caspian Sea, which until 1991 was controlled by the USSR and Iran, has become an issue.⁴⁴ The five countries bordering the Caspian—Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan—have lasting disputes over how to divide the sea resources. Iran's position is the closest to that of Russia. Russia holds that the Caspian Sea is not a sea but a lake, so that the law of the sea does not apply.

Focusing its priorities on energy, transport and telecommunications, Iran is well placed to be a route for the transport of oil and gas from the region to international markets. However, the Iranian transport network is not complete: for example, there are no pipelines to bring the oil from the north of Iran to Iranian terminals on the Persian Gulf. When a new railway planned to extend from Mashhad in northern Iran to the Iranian part of Bandar Abbas on the Persian Gulf is constructed, it will cut the distance from Central Asia to the Persian Gulf by 900 km.

Iran's economic potential invites multilateral economic cooperation, but since January 1984 its economy has been under US economic sanctions of increasing

⁴² *Financial Times*, 18 Jan. 1999, p. 2.

⁴³ Mufti (note 32), pp 38–39.

⁴⁴ Two treaties on the Caspian Sea, one signed in 1921 and the other in 1940, determined that the Soviet Union and Iran should each have its economic zone to 10 nautical miles out, while the remaining waters were free for fishing and shipping to both countries. Neither treaty involved underwater resources or the delimiting of any boundary.

scope and intensity. Depicting Iran as a menace to the international order, the USA includes it in the list of states supporting international terrorism.

Russian–Iranian relations are therefore developing against the background of US pressure on Iran. The USA wants to discuss Iran’s alleged efforts to amass weapons of mass destruction, its support for terrorism and its opposition to Arab–Israeli peace. Iran wants to talk about the US economic sanctions and the release of frozen Iranian assets abroad. It denies any ambition to produce nuclear weapons, arguing that it needs the technology for a civil nuclear programme, because it will run out of fuel reserves in 10–15 years—even though at present it owns 10 per cent of the world’s oil and 20 per cent of its natural gas.⁴⁵

Russia is building a nuclear power plant at Bushehr, a port on the Persian Gulf, which is due to be completed in 2000. Started in 1975, when the Shah was on the throne, it was badly damaged during the 1980–88 war with Iraq. Russian officials deny that its assistance breaches international conventions on the non-proliferation of nuclear weapons; it will, they say, resemble the one supplied to North Korea by the USA.⁴⁶

Russian–Iranian, as well as US–Russian, relations are greatly affected by a US threat in early 1999 to restrict Russia’s access to the international satellite launch market, which is worth hundreds of millions of dollars a year to Russia, for allegedly leaking nuclear technology to Iran. Without producing any public evidence of Russian complicity in the development of Iranian weapons of mass destruction, the US Administration has placed sanctions on 12 Russian institutes, including three in January 1999.⁴⁷ A statement made in this regard by the Russian Foreign Ministry on 25 February 1999 said: ‘We categorically will not accept attempts to talk to Russia in the language of sanctions and pressure’.⁴⁸

V. Afghanistan

At the end of the 19th century British–Russian rivalry over Central Asia, especially Afghanistan, was termed the ‘Great Game’ by Rudyard Kipling. With the collapse of the Soviet Union and the intensifying conflict among the newly independent states of the Caucasus and Central Asia, the term has reappeared.

Developments in Afghanistan, torn by a century of civil strife, may have a powerful effect on Russia’s security agenda, considering that Afghan politics are turbulent and unpredictable. There is a permanent danger of ethnic warfare within the country or across the border. To a great extent ethnicity was behind the civil wars in Afghanistan and Tajikistan. Afghans and Afghani Tajiks are members of the Iranian ethnic group, while Afghani Uzbeks in the north of the

⁴⁵ *The Economist*, 14 Mar. 1998, p. 50.

⁴⁶ *The Economist* (note 45). As well as Bushehr, Iran has several other civil nuclear plants with small reactors, including an experimental one at Tehran University provided by the USA before the Islamic Revolution.

⁴⁷ *Moscow Times*, 15 Jan. 1999, p. 8; and 5 Feb. 1999, p. 4.

⁴⁸ *Financial Times*, 26 Feb. 1999, p. 2.

country are Turkic, so that Iran and Turkey could well become involved in the conflict.

In the violent struggle between factions of the Mujahideen, the Pakistani-backed Taleban Islamic movement has been more successful than was anticipated when it began its uprising in 1994. The Taleban are now reported to control about 95 per cent of Afghan territory. A difficult choice faces Russia. Some observers believe that an Afghanistan run by the Taleban would be very much against Russian interests. Others argue that the Taleban are no more anti-Russian than any Afghan faction and that a dialogue with them is quite possible. The Taleban Government in Kabul is currently recognized by only three countries—Pakistan, Saudi Arabia and the United Arab Emirates—but the status of a large country at the centre of Asia cannot remain uncertain indefinitely. Here, moreover, is another alternative route for oil and gas with an outlet to the Persian Gulf via Pakistan. In October 1995 the US UNOCAL corporation and the Saudi-owned Delta Oil Company signed an agreement with Turkmenistan to build a pipeline to export Turkmen gas via Afghanistan to Pakistan, to a new terminal at Gwadar (or to the ports of Pasni or Ormara), but continued fighting in Afghanistan is still making it impossible for the project to move forward.

In February 1999 the Taleban and the opposition forces of the northern alliance, led by Ahmad Shah Massoud, started peace talks in Turkmenistan aimed at finding a political settlement. However, the ‘big breakthrough in the country’s 19-year civil war’⁴⁹, announced by the Western media in mid-March 1999, has not yet been reached; so far the warring factions have not agreed to set up a broadly-based government and share power.

Russia’s policy toward Afghanistan is shaped by the strategic position of the country. ‘The coming century’, one analyst has written, ‘will depend heavily on what the nations of East Asia, South Asia, Southeast Asia, Central Asia, the Middle East and Russia can do to exploit the growth potential that exists in the form of the manpower and resources of this vast area’.⁵⁰ Afghanistan is situated exactly in the geographical centre of this area. Russia therefore does not want to see the Union Oil of California pipeline project replace the Caspian Pipeline Consortium (CPC) pipeline to the Black Sea via Russia. At the same time Russia cannot stand passively by while Afghanistan is transformed into ‘a killing field, peddling ethnic warfare, opium and guns’.⁵¹ This is not an exaggeration: according to one annual report of the International Narcotics Control Board, Afghanistan is an important source of opiates.⁵²

⁴⁹ Clover, C., ‘Afghan factions agree to share power’, *Financial Times*, 15 Mar. 1999, p. 5.

⁵⁰ Maitra, R., ‘Depleted railroads weaken Pakistan’s participation in Eurasian land-bridge’, *Executive Intelligence Review*, 22 Jan. 1999, p. 17.

⁵¹ Maitra, R., ‘G-8 sanctions will fuel chaos in Pakistan’, *Executive Intelligence Review*, 26 June 1998, p. 57.

⁵² *Financial Times*, 24 Feb. 1999, p. 4.

VI. The future of Iraq and the security threats in the Gulf

A renewed push for war began with the imposition on Iraq of new sanctions under UN Security Council Resolution 1134 of October 1997. The abstention of China, France and Russia from the vote was a sign of a split in the old anti-Iraq 'Gulf Coalition'.

During 1998 Iraqi President Saddam Hussein engineered four crises over the UN Special Commission on Iraq (UNSCOM).⁵³ Richard Butler, then Executive Chairman of UNSCOM, stated that Iraq had obstructed his inspectors and refused to hand over documents on Iraq's programme of weapons of mass destruction. On 17–20 December 1998 the USA and the UK launched air strikes against Iraq because of Iraq's refusal to cooperate with UNSCOM. Iraq has been challenging the 'no-fly zones' imposed after the Gulf War and covering half the country since the US and British bombing, saying that they are illegal and are not provided for by any UN Security Council resolution. No weapon inspectors have been allowed back since then.

The bombing has been much criticized all over the world. Russia's President Boris Yeltsin called the strikes 'illegal and senseless'. France protested by pulling its aircraft out of the force patrolling the southern no-fly zone (it had already withdrawn from northern patrol). 'Periodic cruise missile attacks', commented the *Financial Times*, 'have tended to enhance the Iraqi despot's prestige in an Arab world angry at US support for Israel in the regional peace process . . . Russia and France have become suspicious of UNSCOM's role and would like further examination of Butler's report . . . The gains from more air strikes are at least uncertain'.⁵⁴ 'These bombings cannot be justified from either a legal or moral point of view', according to a Russian Foreign Ministry spokesman.⁵⁵

Iraq has been barred from freely exporting oil since its 1990 invasion of Kuwait. A few days after France suggested lifting the oil embargo, *The Economist* wrote: 'A change in policy is required, and at least some sanctions should indeed be lifted. A change is needed for two reasons. One is that . . . the UN inspectors monitoring the weapons . . . have been thrown out . . . The other reason is . . . the feeling, by no means confined to the Arab world, that the Iraqi people have suffered enough'.⁵⁶

Another set of problems concerning the future of Iraq and the security agenda in the Gulf appeared with the US decision, under the 1998 Iraq Liberation Act, to allocate \$97 million to Iraqi opposition groups working for a change of government in Baghdad. Along with the appointment on January 1999 of a US special representative for a 'transition' in Iraq (that is, removing Saddam), this is a turning point in regional politics.

⁵³ Set up under UN Security Council Resolution 687 of 3 Apr. 1991 to verify Iraq's compliance with the resolution with respect to its non-conventional weapon programmes.

⁵⁴ *Financial Times*, 17 Dec. 1998, p. 3.

⁵⁵ Richter, P., 'US quietly escalates war with Iraq', *Moscow Times*, 3 Mar. 1999, p. 4.

⁵⁶ *The Economist*, 30 Jan. 1999, p. 19.

One point in particular is to be noted in regard to Russia's policy on Iraq—the influence of developments in Iraq on the global oil market, particularly crude oil prices. The US and British air strikes on Iraq were synchronized with a campaign of explaining the collapse of oil prices (to as low as \$10 a barrel) by 'damage to the global oil market from flat-out, price-blind Iraqi production'.⁵⁷ Expanding the strikes to new categories of targets on Iraqi soil, US defence officials acknowledged that they had hit a communications facility which controlled an oil pipeline in northern Iraq, near Mosul.⁵⁸ Now as the US oil industry is 'facing the greatest crisis in our history', two senators from oil-producing Oklahoma stated in January 1999: 'we should not continue to tolerate increased production from Iraq'.⁵⁹ In its turn Russia, almost half of whose hard-currency earnings come from crude oil exports, should not tolerate the continued 'regulating' of the oil market by the US bombings.

VII. Conclusions

Russia as the pivotal state is conscious of the interconnection between the security threats in different parts of South-West Asia. There are a number of dilemmas, out of which, it seems, there is no way in the immediate future. Perhaps most importantly, these dilemmas are difficult to examine separately. In the age of globalization in many fields, the globalization of problems needs to be put on the security agenda as well.

Russia is seriously affected by protracted conflicts in the large belt of instability from the Balkans to the Indian subcontinent. The chaos and conflict along its southern borders, first and foremost in the newly independent states of the Caucasus and Central Asia, are a major threat for its security. In this area the geopolitical risks are so high that they moved Defence Minister Igor Sergeyev to state, in a speech at the Greek Academy of National Defence in Athens in October 1998, that 'in the event of a direct threat to the sovereignty and territorial integrity of Russia, as a result of an act of aggression, Moscow will consider it possible and lawful to use all available means of defence, including nuclear weapons'.⁶⁰

It is not easy to pick out scenarios for the regional future and Russian attitudes: South-West Asia seems to be the most unpredictable region in world politics. 'Hegemony by the US', Michael C. Hudson remarks, 'tends to produce resistance. Under the most benign of scenarios there will be problems. But under the hurtful scenario the problems will be vastly worse'.⁶¹

Recent developments on the international and regional stage are likely to produce further reassessments in Russian foreign policy. The Asian 'economic miracle' is over. The USA has adopted a new strategy of 'transition' in Iraq,

⁵⁷ 'Mistakes with Iraqi oil' (editorial), *Oil and Gas Journal*, 25 Jan. 1999, p. 25.

⁵⁸ Richter (note 55).

⁵⁹ *Oil and Gas Journal*, 11 Jan. 1999, p. 27.

⁶⁰ Dolgov, A., 'Russia defends right to use nuclear weapons', *Moscow Tribune*, 9 Oct. 1998, p. 3.

⁶¹ Hudson (note 8), p. 343.

threatened to restrict Russia's access to the international satellite launch market because of Russian cooperation with Iran, increased its budget for missile defence by \$6.6 billion in January 1999, and sent Russia notification that it might seek to amend the 1972 Anti-Ballistic Missile (ABM) Treaty. A senior Azeri official stated that Azerbaijan would welcome Turkish and US military bases in the country.⁶²

In response to these new geo-strategic developments, Russia may pursue the following alternatives: (a) promoting a strategic triangle of Russia, Iran and Armenia; (b) using the 'pipeline weapon', taking into consideration the Trans-Balkan pipeline project and the fact that no pipeline route in the region can be built that is against Russia's genuine national interests; (c) strengthening support for the Kurdish national movement and bargaining with Turkey over its relations with the Kurds; (d) promoting an arrangement with the Taleban, playing on their Pathan ethnic base (so long as Russia does not fall into the trap of conflict with the present regime in Kabul);⁶³ and (e) influencing the Eurasian balance of power in the spirit of Primakov's reported statement of December 1998: 'A lot in the region depends on the policies pursued by India, Russia and China . . . If we succeed in establishing a triangle, it will be very good'.⁶⁴

In the pursuit of these alternatives, the following considerations must be taken into account.

First, a Russian–Iranian–Armenian alliance seems to be prompted by the US–British bombings in Iraq. Denouncing 'the presence of foreign troops in Persian Gulf', Iranian President Mohammad Khatami said during a visit to Italy in March 1999 that 'Iran would never submit to force'.⁶⁵ (Before the visit Elf Aquitaine of France and Agip of Italy had signed with Iran a \$540 million oil contract to boost production of the Dorood oilfield in the Persian Gulf, thereby breaching US sanctions.) When Azerbaijan welcomed Turkish and US bases, an influential Iranian paper had a harsh warning: 'It is not in Baku's interests to annoy its giant southern neighbour.'⁶⁶ This echoed a statement by Russia's Foreign Ministry, which interpreted the move as Azerbaijan trying 'to change the historical geopolitical balance of strength in the Caucasus'.⁶⁷ General Anatoly Kornukov, the Russian Air Force commander, said that Armenia would join the Commonwealth of Independent States (CIS) anti-aircraft defence network by April 1999. The network already includes Belarus, Kazakhstan and Russia.⁶⁸ At the time a Russian expert was quoted as saying that Iran could order more than \$3.5 billion-worth of Russian-made weaponry in the next 10 years if the restrictions on arms exports to Iran were lifted.⁶⁹

⁶² Sheets, L., 'Baku wants NATO bases as shield from Russia', *Moscow Times*, 26 Jan. 1999, p. 6.

⁶³ Shebarshin, L., 'Islamic peril not real', *Moscow Times*, 22 Aug. 1998, p. 8.

⁶⁴ Cited in Tennenbaum, J., 'The Russia–China–India triangle moves forward', *Executive Intelligence Review*, 8 Jan. 1999, p. 42.

⁶⁵ *Moscow Tribune*, 12 Mar. 1999, p. 3.

⁶⁶ *Moscow Tribune* (note 65), p. 5.

⁶⁷ Sheets (note 62), p. 6.

⁶⁸ *Moscow Tribune*, 19 Feb. 1999, p. 2.

⁶⁹ *Moscow Times*, 11 Mar. 1999, p. 3.

Second, for several years Russia has opposed the Baku–Ceyhan pipeline project because it is clear that the USA sees it as a tool for putting geopolitical pressure on Russia and Iran and has made the project ‘a centerpiece of its policy towards Turkey, the Caucasus and Central Asia’.⁷⁰ In October 1998 the interested parties failed to develop a commercially viable plan for the pipeline and construction has been delayed for the foreseeable future. It is well known that ‘there is an existing pipeline from Baku to Novorossiysk that could be upgraded if necessary’ at less cost,⁷¹ and the Burgas–Alexandroupolis route is another option. Yet another is the ‘Blue Stream’ natural gas export pipeline from Russia across the Black Sea to Turkey. A group of Italian banks are to lend the \$2 billion needed for this Gazprom-sponsored project, secured by contracts for the export of gas to Italy. The project is designed to transport 360 billion m³ of Russian gas to Turkey over the period 2000–2025.⁷²

‘The Caspian Sea is practically the only export route to avoid both Russia and Iran’.⁷³ In February 1999 Saparmurad Niyazov, President of Turkmenistan, signed a contract with a US consortium of General Electric and Bechtel for the construction of a gas pipeline beneath the Caspian Sea to Turkey. Russian officials stressed, however, that any plan to develop Caspian hydrocarbon resources or to transport them must keep the sturgeon in mind because the Caspian ‘is prone to earthquakes and a shifting seabed might rupture the line; gas and oil spills would destroy the sensitive marine habitats of the sturgeon’.⁷⁴ Sceptics commented on this statement as ‘a new step of the geopolitical intrigue whose goal is the control of the oil and gas fields of the Caspian region’.⁷⁵

Third, the area of Kurdish population is a highly sensitive area. Roughly 15 million Kurds live in Turkey and their claims to statehood may be taken as legitimate and serious. After the arrest on 15 February 1999 of Abdullah Öcalan, a Kurdish leader, the PKK announced that the whole of Turkey has become a ‘war zone’⁷⁶ and unleashed a campaign of urban violence. ‘The Kurdish problem has now, de facto, been internationalized.’⁷⁷ It is important to remember that nearly 200 000 Kurds live in Moscow and close to 1 million in the countries of the former Soviet Union.

Fourth, instead of fearing the spread of Taleban-style Islamic fundamentalism into Central Asia, Russia may help in negotiating a permanent peace agreement between the warring Afghan factions. Russia is a member of the ‘six-plus-two’ negotiations on Afghanistan with the neighbouring countries (China, Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan) and the United States.

⁷⁰ Barnes, J. and Soligo, R., ‘Baku-Ceyhan pipeline: bad economics, bad politics, bad idea’, *Oil and Gas Journal*, 26 Oct. 1998, p. 29.

⁷¹ Barnes and Soligo (note 70), p. 30.

⁷² Barnes and Soligo (note 70), p. 30.

⁷³ Clover, C., ‘Black caviar versus black gold in Caspian Sea’, *Financial Times*, 6/7 Mar. 1999, p. 3.

⁷⁴ Clover (note 73), p. 3.

⁷⁵ Clover (note 73), p. 3.

⁷⁶ *The Economist*, 20 Mar. 1999, p. 36.

⁷⁷ *The Economist*, 20 Feb. 1999, p. 16.