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By M K Bhadrakumar

When President Vladimir Putin in his State of the Union speech last year called the collapse of the Soviet Union "the greatest geopolitical catastrophe of the 20th century", cold warriors on both sides of the Atlantic pounced on the statement as fresh evidence of Russia's imperial ambitions.

Very few were prepared to accept Putin's statement at face value - a powerful articulation of an incontrovertible fact from the Russian point of view. The fact remains that half a million Soviet citizens perished during the painful transition, and 50 million people were displaced. Last week, on the anniversary of the August 19 coup that led to the disbandment of the Soviet Union, public opinion in Russia looked back at the events 15 years ago as a crude power struggle devoid of any high principles.

Today, even former Soviet president Mikhail Gorbachev acknowledges, "Things certainly needed to change, but we did not need to destroy that which had been built by previous generations ... The dissolution of a country that was not only powerful but which, during perestroika [restructuring], demonstrated that it was peaceful and that it accepted the basic principles of democracy, would be a tragedy."

It is no mere coincidence that Putin chose last week for hosting an "informal" summit at the Russian leader's summer residence in the Black Sea resort of Sochi, heralding a qualitatively new stage in the integration processes at work in the post-Soviet space. Of course, the participants - the leaders of the six-member Eurasian Economic Community (EEC) comprising Russia, Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan as well as of Armenia and Ukraine attending as "observers" - clearly realized that the Soviet Union lay buried in the heap of history and was irretrievable.

Putin at the head of Eurasian Economic Community Leaders

Equally, they sensed that a chapter of post-Soviet history was quietly closing and a new one commencing. None in Sochi was talking about any revival of the Soviet Union, but to quote a Russian political observer, those present at the Black Sea resort also couldn't overlook anymore that "it's not easy to go it alone, and it's worth remembering the past".

The process of winding down the Commonwealth of Independent States (CIS) is almost complete. As Putin said last year during a visit to Yerevan, Armenia, the CIS had served

its purpose of facilitating the divorce among the post-Soviet states. The Sochi summit indicates that out of the debris of the plethora of CIS mechanisms, Russia is singling out just two forums for carrying forward the impulses of integration in the period ahead: the EEC and the Collective Security Treaty Organization (CSTO).

In a way, EEC and CSTO are mutually reinforcing. The Russian thinking seems to be that the CSTO will in effect be transformed into the politico-military wing of the EEC. At Sochi, Putin touched on this when he said, "You cannot advance the economy without first ensuring security."

Uzbekistan's decision early this year to join the EEC and its subsequent decision to return to the fold of the CSTO have given a significant boost to the integration processes that Russia has been seeking. What is taking place, in essence, is that the post-Soviet states that have been tacitly encouraged by Washington to apply "breaking mechanisms" on the path of the integration processes so as to subvert the CIS from within - principally, Georgia, Moldova and Azerbaijan - are being quietly sidelined, while the others are preparing to move forward.

Map of the Eurasian Economic Community

Ukraine falls in a category by itself. In fact, a significant point about the Sochi summit was the presence of Ukraine's pro-Russia prime minister, Viktor Yanukovich. To be sure, there is a hint somewhere that with the collapse of the "orange" coalition in Kiev, Russia hopes to involve Ukraine in deeper integration, and Yanukovich himself may have meaningfully scheduled his first visit to Russia after assuming office this month to coincide with the EEC summit in Sochi.

The most far-reaching outcome of the Sochi summit would be to implement on a priority basis a long-standing objective to set up a customs union of the EEC member countries. Speaking at a press conference after the summit, Putin announced that steps would be taken within the next three months to put in place the legal foundation for establishing a customs union. The indications are that realistically speaking, the modalities of establishment of the customs union will be complete by the second half of 2008.

According to Kazakh President Nursultan Nazarbayev, by November, the customs union will have taken place comprising Russia, Kazakhstan and Belarus, while the other EEC members may join in the next 18-month period or so. It is a dramatic gain for Russia to have reached such a high level of integration with Kazakhstan. The Moscow-Astana axis potentially forms a formidable core within the post-Soviet space. Russia has in effect rebuffed the US strategy of making inroads into its ties with Kazakhstan.

Astana has been a frequent destination for US dignitaries in the recent months, including Vice President Dick Cheney, Secretary of State Condoleezza Rice and Energy Secretary Sam Boden. A visit by Nazarbayev to the US is in the cards. Of late, US officials have openly singled out Kazakhstan for flattering, fulsome praise in the hope of playing on Astana's perceived vanities as a geopolitical fulcrum.

Furthermore, Russia has hit back at the US for the latter's delaying tactic apropos its membership in the World Trade Organization by getting the Sochi summit to agree that the integration within the EEC and the accession of its members to the WTO should be harmonized until the establishment of the customs union. In real terms, Russia is counting on the customs union being assigned the role of an alternative to the WTO.

Putin emphasized this point at the Sochi summit. He said the ambitions of the EEC member countries to join the WTO should be coordinated with regional integration plans. "Our intentions to deepen cooperation within the framework of the EEC, including the setting up of a customs union, should be clearly and precisely coordinated with the pace and details of WTO accession by each of our countries," Putin added.

What this means is that apart from harmonizing their customs legislation within the EEC, the member countries are obliged to bring their legislation in line with WTO requirements if they are to join the organization. Moscow has, at the very least, thwarted any US design to isolate Russia's regional integration plans by means of stalling its WTO membership. On the outer side, Russia is placing itself in a privileged position in Central Asia that the US will find impossible to breach.

Eyes on the energy market

However, it is the common energy market in Central Asia taking shape within the ambit of the EEC that will alter the region's geopolitics in the immediate term. The EEC summit deliberated on the formation of a hydropower consortium, which is crucial for Central Asia.

The proposal was so sensitive that the summit kept this part of its deliberations confidential. Obviously, sensitivities cut across different levels. First, there is an acute "water problem" in Central Asia insofar as Kyrgyzstan and Tajikistan account for about 80% of the region's water resources, while Kazakhstan and Uzbekistan are the main users.

In the absence of the Soviet-era common economic system, the apportioning of water resources and, more important, the maintenance and use of water resources (and the financial outlay for sustaining the same) pose problems.

In spring, Kyrgyzstan and Tajikistan receive an excess flow of water from the Pamir glaciers and need to get rid of this, whereas the farms and cotton fields in Uzbekistan and Uzbekistan need more water in summer, during which the catchment facilities also need to store water for the normal operation of power plants in winter.

The EEC seems to have taken the first steps in the direction of evolving a technologically and economically powerful system for addressing the interconnected problems of water distribution and the development of hydropower infrastructure for the region. From the details available, Russia has suggested the creation of a hydropower consortium financed by the Eurasian Bank of Russia and Kazakhstan.

Significantly, the Russian proposal has appeared at a time when the US has waded into the region with its so-called "Great Central Asia" policy in recent months. The US strategy aims at its "re-entry" into the Central Asian region after severe setbacks to its diplomacy in the period under the cumulative weight of the clumsily executed "Tulip Revolution" in Kyrgyzstan in March last year and the abortive uprising in Andizhan in the Ferghana Valley two months thereafter.

The US Strategy in Central Asia

The new US strategy professes a "cooperative partnership for development" of Central Asia

that will have the United States in the lead, the five Central Asian states and Afghanistan co-opted as the principal members, and South Asia (India and Pakistan) roped in as robust participants.

The main thrust of the strategy is to take the US grip over Afghanistan as a strategic opportunity or "bridge" for promoting optional and flexible cooperation in security, democracy, economy, transport and energy, and make up a new geopolitical compass by combining Central Asia with South Asia. Washington's new policy brief first surfaced last October when the State Department reorganized its South Asia Bureau and expanded it to include the Central Asian countries.

The new strategy was fleshed out in great detail during a congressional hearing on April 25-26 in Washington. In June, virtually in the run-up to the summit of the Shanghai Cooperation Organization (SCO), Washington organized an international conference at Istanbul called "Electricity Beyond Borders" for discussing energy cooperation between Central Asia and South Asia. The Central Asian representatives who participated were sensitized at the conference that a viable alternative to the SCO was indeed available for them for advancing the impulses of regional cooperation.

The US strategy must be seen against the backdrop of the unprecedented expansion of US influence in South Asia in the period post-September 11, 2001, especially in India. Washington is evidently counting on New Delhi and Kabul as its critical partners in the "Great Central Asia" policy. Afghanistan is geographically an important channel connecting Central Asia with South Asia. As regards India, Washington has been focusing on New Delhi as its key strategic ally in South Asia and as a counterweight to China.

The "Great Central Asia" policy plays on New Delhi's manifest aspiration (with indifferent results so far) through the past 15 years to be an effective participant as a great power in the affairs of Central Asia.

Furthermore, Washington is counting on New Delhi's keenness to secure energy supplies from Central Asia and is playing on the atavistic fears in sections of Indian opinion as regards China's rapidly expanding influence in Central Asia. Equally, Washington is acutely conscious that today like at no time before, there is also a willingness in New Delhi to bend Indian foreign policy orientations to "harmonize" with the United States' geostrategies.

China and India in Central Asia

In the case of the "Great Central Asia" policy, in the event of it succeeding, Washington could also derive immense satisfaction that India's traditionally friendly relations with Russia and its increasingly cordial ties with China would inevitably come under immense strain. The fact remains that Central Asia lies in the first circle of security interests for both Russia and China, and these two countries cannot be expected to take lying down any US ingresses into their strategic back yard.

The indications are that New Delhi (in contrast with Islamabad, which is somehow still persisting with its policy of forging ever closer links with the SCO) is seriously considering the opportunities offered by the US policy toward Central Asia. India was the only participant to keep a low-key representation at the SCO summit in June. Lately, India initiated some fence-mending with Uzbekistan, a key country in Central Asia with which the US has had profound difficulties in the recent period.

Moreover, New Delhi just hosted a visit by Emomali Rakhmonov, president of Tajikistan, which is fast emerging as a new theater of the Great Game - a country that is being

assiduously courted by Washington and encouraged to place distance in its relations with Russia. (Indeed, a major item during Rakhmonov's visit devolved on Indian participation in Tajikistan's hydropower projects.)

Obviously, in geopolitical terms, the United States' "Great Central Asia" policy aims at crafting the sinews of cooperation in the areas of energy, transportation and infrastructure construction with a view to bringing the region out of the current orbit of Russian-Chinese influence within the SCO framework and to forge cooperative relations between the region and South Asia. Washington calculates that the policy will inevitably break the long-term Russian influence over Central Asia, disintegrate the cohesion of the SCO and, inevitably, catapult the US as the dominant power on the new template of Central Asia and South Asia.

Both China and Russia can be expected to counter the United States' "Great Central Asia" policy. The People's Daily concluded an unusually lengthy and detailed commentary on the subject recently with the following assessment:

Magnificent as it appears, the "Greater Central Asia" strategy will have to face some practical problems in its implementation. For historical and cultural reasons, Central Asian and South Asian countries lack a basic sense of [mutual] identification and experience in in-depth cooperation. The mutual trust between India and Pakistan is not enough for implementing large-scale, cross-border infrastructure projects.

Afghanistan is the most critical "pawn" in the US strategy. But currently, the US and the Afghan government exercise very little control over the situation in Afghanistan ... The "Great Central Asia" policy strategy visualizes most major transport infrastructure and pipelines passing through Afghanistan. The risks are too high.

An important part of the US strategy is to export the energy from Central Asia to South Asia. However, the total energy reserves and the current exploitation capacity in the Central Asian region are quite limited. A large part of it is under control of Russia. To export energy to the South Asian countries will inevitably cause conflict with Russia.

The EEC summit's energy initiative, especially the decision on forming a hydropower consortium, will no doubt be seen in Washington as aimed at frustrating the "Great Central Asia" strategy. Actually, it may be an accurate reading of the emerging equations. The EEC decision, if it carries momentum, ensures a watery grave for the desperate US attempts to make a forceful comeback in the geopolitics of Central Asia.

Water and Power

From available details, the Sochi summit has moved in the direction of bringing the issues of water-sharing and hydropower generation within the framework of EEC cooperation. A wide-ranging plan was apparently discussed at Sochi to manage the region's water resources. (Russia itself possesses one-quarter of the world's freshwater resources.)

The Eurasian hydropower consortium will summarily kick Washington out of the arena of Central Asia's regional cooperation with the Chinese, Pakistani and Indian markets. Coupled with the formidable Russian presence in the Central Asian region's oil-and-gas sector, the consortium idea can be expected to give massive geopolitical momentum to Moscow's policy.

The influential daily newspaper of the Russian armed forces, Krasnaya Zvezda, recently wrote:

Over the past 12-18 months, Russia has gone on the offensive in Central Asia ... Our country is making a comeback to the region but it's coming back as a reliable economic partner, not as a politically dominating force. As economists describe, banks are better than tanks ... But "tanks" should not be overlooked either. Russia remains the leading supplier of arms and military hardware to Central Asian countries, much of it at concessional prices. The overwhelming majority of the officer corps is trained in Russia.

Moreover, there are the CSTO and the SCO ... In other words, Central Asian states are still within the orbit of Russia's political, military-political and economic influence. And Russia must not stop here; it needs to continue building up its influence in all areas of activity.

One reason to do this is for minimizing the possibility of any further American military facilities being established in Central Asia, no matter what they are called - be it "training centers" for military personnel, points for monitoring drug-trafficking from Afghanistan or anything else. For, one way or the other, they would be military facilities controlled by the US or NATO - our traditional geopolitical rivals.

It is highly significant that Russia is assertively charting new frontiers in regional energy cooperation in Central Asia, confident in the knowledge that Moscow and Beijing are nowhere near facing a clash of interests in this sphere. China's support of the Russian stance on energy security at last month's Group of Eight summit in St Petersburg apart, the contours of Beijing's perspective give satisfaction to Moscow.

Liu Jianfei, a leading professor at the International Strategic Research Center of China's Central Communist Party School, recently identified the principal elements in the Chinese thinking on energy security. He acknowledged that although energy security is treated as a part of non-traditional issues in the global agenda, there was no denying that it would affect the "traditional military, security and influence in international relations". Liu illustrated this point by saying that energy security was at the bottom of the Iran nuclear issue.

Liu took an indirect swipe at the US for applying its reflexes of "traditional realism" to criticize "some developing countries' increasing energy demand". He said the specter of "energy threat" was a contrived one based on the premise that only the developed industrial countries were "the only eligible countries to consume energy on the Earth. It's irrational to ensure one's own supply by limiting the demand of other countries."

Liu cautioned that such a self-serving approach to energy security would "easily trigger conflicts and undermine world peace". Almost echoing Moscow's stance, Liu concluded that the important point was not to divide the existing energy market for securing the "vested interests" of developed countries, but "how to make a bigger cake, how to develop new energy sources and improve energy efficiency, and how to maintain a sustainable energy development".

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