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Sources of Inter-State Alignments: Internal Threats and Economic Dependence in the Former Soviet Union

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SOURCES OF INTER-STATE ALIGNMENTS:
INTERNAL THREATS AND ECONOMIC DEPENDENCE IN THE FORMER
SOVIET UNION

by

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ABSTRACT

SOURCES OF INTER-STATE ALIGNMENTS: INTERNAL THREATS AND ECONOMIC DEPENDENCE IN THE FORMER SOVIET UNION

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Old Dominion University, 2002
Director: Dr. Steve A. Yetiv

This dissertation develops a framework for understanding the alignment patterns of states of the former Soviet Union (FSU) vis-à-vis Russia. The framework challenges traditional alignment theories, such as balance of power and balance of threat theories, and suggests that these theories provide less accurate predictions of alignment behavior in the FSU than the present framework because of a variety of situational and contextual factors. In particular, the present framework highlights the impact of two variables on alignment patterns, 1) the internal political threats to leaders, and 2) the economic dependence on Russia. These two variables produce a four-outcome model, presented as four testable hypotheses. When internal threats are high and economic dependence is high, FSU leaders are more likely to adopt a strong pro-Russian alignment. When internal threats are low and economic dependence is high, FSU leaders are more likely to adopt a moderate pro-Russian alignment. When internal threats are high and economic dependence is low, FSU leaders are more likely to adopt a moderate pro-Russian alignment. Finally, when internal threats and low and economic dependence is low, FSU leaders are more likely to adopt a pro-independence (sometimes anti-Russian) alignment. The present framework is then tested against the empirical behavior of Uzbekistan and Ukraine.

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CHAPTER I

INTRODUCTION

The collapse of the Soviet Union in December 1991 brought with it many changes to the international system. One such change was that the Soviet Union as a single political entity disintegrated into fifteen newly independent states. While all were part of the Soviet Union for the better part of the twentieth century (and many were initially integrated into the Tsarist Empire during the nineteenth century), vast cultural, historical, and geographical differences existed, and the political and economic trajectories of these countries were anything but clear. Some states welcomed their newfound independence, while others were reluctant to step from the “shadow of the bear.”¹

This dissertation provides an explanation as to why some former Soviet Union (FSU) states were willing to cooperate with Russia while others were not. In particular, it examines alignment patterns between FSU states and Russia. By design the analysis is not Russo-centric. Rather, this dissertation assesses political and economic developments in FSU states themselves and how these forces shaped alignment decisions towards Russia. FSU states are not seen as passive actors waiting for orders from Moscow, but as dynamic political entities wrestling with their newfound independence and the subsequent political and economic transition.

In this chapter I first introduce the primary puzzle of post-Soviet alignments and demonstrate how this emerges from the use of traditional alignment theories, such as

The format for this dissertation follows current style requirements of *The Chicago Manual of Style: The Essential Guide for Writers, Editors, and Publishers*, 14th ed. (Chicago: University of Chicago Press, 1993).

¹ Rajan Menon, “In the Shadow of the Bear: Security in Post-Soviet Central Asia,” *International Security* 20, no. 1 (1995): 149-81.

balance of power and balance of threat theories. Then, I suggest a variety of ways as to why the continued study of the FSU is still very much needed. What has become apparent over the decade is that the forces of continuity and change between Russia and its former Soviet republics are critical for understanding the far-reaching importance and policy relevance of the region to both regional and world affairs. Finally, I provide a brief overview of the rest of the chapters of the dissertation.

THE PUZZLE OF POST-SOVIET ALIGNMENTS

This dissertation addresses seminal questions that pertain to the study of international relations (IR), and more specifically alignment decisions. Why do states align? What factors are most influential in alignment calculations? Traditional alignment theories, such as balance of power and balance of threat theories, lead us astray as to the alignment patterns in the FSU, but the framework developed in this dissertation does not. The present framework does not embrace the state-centric approach of balance of power and balance of threats theories, nor does it narrowly focus on the distribution of power and threats in the international system.

Instead, the present framework explains alignment patterns between FSU states and Russia by looking within FSU states themselves, and adopting an actor-centric approach. In particular, it illuminates the central role FSU leaders played in the policy making process as well as the types of threats prioritized in leaders' alignment calculations. Furthermore, the present framework highlights the constraining nature of economic dependence and how economic relationships shape alignment choices. Traditional alignment theories pay little attention to these domestic political and

economic factors. Yet, this focus is warranted in the study of the FSU because of the tremendous political change occurring in FSU states after independence and the widespread interdependence that existed between Russia and its former Soviet republics. Below I elaborate on the central puzzle of post-Soviet-alignments for traditional alignment theories.

Balance of power and balance of threat theories suggest that states are most likely to balance (or resist) other more powerful or threatening states as opposed to bandwagoning (or appeasing) with them.² Kenneth Waltz's theory of neorealism is the most refined articulation of balance of power theory. However, he points out that the purpose of his theory is to explain international outcomes, not the foreign policies of particular states, suggesting that "the behavior of states and statesmen is indeterminate."³ This is not entirely convincing though, since the international structure provides opportunities and constraints that shape state behavior significantly. Waltz himself noted that "neorealist, or structural, theory leads one to believe that the placement of states in the international system accounts for a good deal of their behavior."⁴ Moreover, balance of power theory can (and has) been interpreted and applied by generating simple deductions from the theory's causal logic.⁵ This dissertation does not refute Waltzian

² Hans J. Morgenthau and Kenneth W. Thompson, *Politics Among Nations: The Struggle for Power and Peace* (New York: Knopf, 1985); Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979); and Stephen M. Walt, *Origins of Alliances* (Ithaca: Cornell University Press, 1987).

³ Waltz, *Theory of International Politics*, 68.

⁴ Kenneth N. Waltz, "The Emerging Structure of International Politics," *International Security* 18, no. 2 (1993): 45.

⁵ John J. Mearsheimer, "Back to the Future: Instability in Europe After the Cold War," *International Security* 15, no. 1 (1990): 5-56; Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security* 17, no. 4 (1993): 5-51; Colin Elman, "Horses for Courses: Why Not Neorealist Theories of Foreign Policy," *Security Studies* 6, no. 1 (1996): 7-53; and Michael Mastanduno, "Preserving the Unipolar Moment: Realist Theories and U.S. Grand Strategy after the Cold War," *International Security* 21, no. 4 (1997): 5-58.

neorealism per se, but rather it takes issue with the explanatory capability of dominant realist theories, such as balance of power and balance of threat theories. A basic inference can be made from traditional realist theories about the nature of the FSU, and more specifically, Russian power and its propensity to be seen as a threat to its former Soviet republics. Given the preponderance of Russian power in the region and the intensity of neo-imperial statements in the early 1990s, one could infer that Russia would be seen or perceived as the greatest external threat to FSU states and the state most likely to be balanced against.⁶

Yet, this theoretical proposition did not play out in reality. The Baltic states, for example, embarked upon a pro-Western trajectory favoring European security and economic institutions. The resource-rich and culturally distinctive states of Muslim Central Asia embarked on predominantly pro-Russian policies, while Ukraine, the most populous and militarily strong of the former Soviet republics, shifted from anti-Russian to pro-Russian policies. These alignment outcomes are puzzling for traditional alignment theories and run counter to their logic, which raises a compelling and unanswered question. Why have the most powerful FSU states tended to adopt the strongest pro-Russian foreign policies, whereas the weakest states, like the Baltic states, have adopted the most anti-Russian foreign policies?

To answer this question, this dissertation develops a framework for understanding the alignment patterns of FSU states vis-à-vis Russia. The framework highlights key elements of the IR of the FSU, by drawing on domestic political and economic variables to explain alignment behavior. It illuminates a competing perspective for studying the IR of the FSU that focuses on the central importance of FSU leaders in the policy making

⁶ For these types of theoretical inferences see, Elman, "Horses for Courses."

process. In particular, it explains FSU alignment outcomes based on two independent variables: 1) the internal political threats that leaders faced after independence and 2) the level of economic dependence a country had on Russia. As we will see, the original framework forwarded in this dissertation focuses attention to an underdeveloped area of research on both IR theory and the IR of the FSU, and in so doing it provides a novel yet compelling account of the sources of FSU alignment behavior.

WHY THE FORMER SOVIET UNION STILL MATTERS

Skeptics may suggest that Russia and the FSU have become marginalized in world affairs and play less of a role in contrast to the United States. As opposed to being a leading actor on the world stage, Russia has taken on the role of spoiler to U.S. efforts over the decade, such as in its policy towards Iraq and its response (and eventual deployment) to the North Atlantic Treaty Organization's (NATO) bombing of Kosovo in the summer of 1999. Moreover, Russia has been tremendously weakened economically since the end of the Cold War, and has become heavily dependent on Western economic resources to the tune of over \$15 billion standard drawing rights (SDRs) from the International Monetary Fund alone during the 1990s.⁷ Indeed, as some suggest, this asymmetrical economic interdependence on the U.S.-led West has profound consequences on the ability of Russia to extend its influence throughout critical regions of the world, such as in the Middle East.⁸

Skeptics may thus intimate that the importance of the region sharply declined because of Russia's diminished power felt both regionally and globally. Yet, such

⁷ Alexander Cooley, "International Aid to the Former Soviet States: Agent of Change or Guardian of the Status Quo?" *Problems of Post-Communism* 47, no 4 (2000): 36.

⁸ Steve A. Yetiv, "The Evolution of Oil Stability," manuscript, 2002.

dismissive logic would be shortsighted at best. The IR of the FSU has a wide-sweeping influence throughout Eurasia and failing to fully appreciate the forces of cooperation and conflict between Russia and its former Soviet republics would ignore some of the most pressing issues in international affairs today. The importance of the region for the overall stability of the world can be seen along four general lines covering security, political, economic, and policy-oriented issues.

Security Importance

The terrorist attacks of 11 September 2001 had a profound impact on the international security environment. The first phase of the U.S. response focused on South and Central Asia in order to bring pressure to bear on the Taliban in Afghanistan as well as against Osama bin Laden and the al Qaeda network. Washington's attentiveness to the region was an anomaly and had not been felt since the Soviet invasion of Afghanistan in 1979, when the Ronald Reagan administration sought to bog the Soviet army down (much in the same way the United States had been in Vietnam) by funding and training Islamic fundamentalists, otherwise known as the mujahideen or freedom fighters, to fight the Soviet occupying forces. Yet, unlike the first experience, which was rooted in the bipolarity of the Cold War system, Moscow would not be Washington's principal foe, but rather one of its strongest allies.

Conducting military operations in the region required Russian approval because of the predominance of Russia power in Central Asia and in particular along the Tajik-Afghan border. President Vladimir Putin was more than accommodating in joining George W. Bush's burgeoning international coalition against terrorism. This made sense

because Russia would help stabilize Central Asia, and by acknowledging the importance of combating terrorism the United States presumably would be more tolerant on Russian activities in Chechnya (which from Moscow's perspective are closely linked to terrorism). The Central Asian states themselves, especially Uzbekistan, Kyrgyzstan, and Tajikistan, played leading roles in the war in Afghanistan, by allowing U.S. military and humanitarian personnel to work from their countries, military bases, and airports. In this regard, without the assistance and cooperation of these regional actors, U.S. efforts in Afghanistan, which continue today, would have been logistically impossible. These FSU states became major players in Bush's anti-terrorism coalition, demonstrating in an unprecedented fashion how some regions far away can become vital to U.S. national security, and the world as a whole.

Beyond terrorism, other more transnational security threats, such as drug and arms trafficking, continue to destabilize the region, often to the financial profit of religious extremists. Some governments took unilateral actions, such as in Uzbekistan's reinforcement of its borders through stricter controls, the building of fences, and the laying of dangerous mines across their borders with Tajikistan and Kyrgyzstan. Nonetheless, since almost three-fourths of the world's cultivation of opium poppies, the source of heroin, comes from Afghanistan this concern remains high.

What is perhaps even more problematic for U.S. security interests in the long-run concerns attitudes towards opium production. While the Taliban benefited tremendously from the drug trade over the years, poppy cultivation was banned in July 2000, although the Northern Alliance, Washington's strongest ally in Afghanistan, never made a similar

announcement.⁹ In any event, regardless of the regime in power in Afghanistan, the drug and arms trade will continue to flourish as long as a demand exists abroad, regional economies remain stagnant or in decline, and rampant corruption across the borders persists.

Concerns also continue over the spread of weapons of mass destruction. Indeed, Russia continues to enhance Iran's nuclear capabilities. Not only is Russia finishing construction of an \$800 million nuclear reactor in Bushehr, where it is feared that Tehran will be able to generate weapons-grade fissionable materials, but also plans already exist for another five reactors for \$10 billion. Similarly, Putin has finalized a \$40 billion trade deal with Saddam Hussein in Iraq, which presumably will enhance Iraq's military and economic preparedness, all the more disheartening as the Bush administration continues its posture on an invasion of Iraq and removal of Saddam from power.

Transnational security threats dominate the FSU security environment. These issues influence many actors, cross multiple borders with ease, and require multilateral coordination to be dealt with effectively. Ignoring or understating these security threats is dangerous for U.S. policy, and therefore, better understanding how and in what ways these threats can be dealt with requires greater insight into the relations between the FSU and other neighboring regions, which leads to the second aspect of the region's relevance.

Political Importance

FSU states influence the political landscape from the European continent, through the Middle East, and all the way to Asia. Given its vast geographical locale and proximity

⁹ Pauline Jones Luong and Erika Weinthal. "New Friends, New Fears in Central Asia," *Foreign Affairs* 81, no. 2 (2002): 65-66.

to an array of countries, the political dynamics that are at play between Russia and other FSU states have a direct impact on the relations between these countries and neighboring states. In the Western FSU, the Baltic states have taken the greatest strides towards European institutions, such as NATO and the European Union. Membership in the former is actively supported by the Bush administration, and appears likely in the near future. The path towards this end was also smoothed after Bush and Putin agreed in May 2002 to a new understanding between Russia and the NATO alliance, with Russia becoming a non-voting member of the newly established Russia-NATO Council. Ukraine's orientation has been the subject of tremendous debate as to its appropriate place in the region. At times Ukraine appeared to be heading West, then East, or even someplace in between serving as a bridge between West and East.

European and Western interest has been felt less in the Caucasus and Central Asia, but the interaction of other regional actors, such as Iran and Turkey, occupied the interest of scholars and policy makers alike and continues to do so. The Turkish influence in the region is based on religious and linguistic similarities. Sunni Islam is practiced predominantly throughout Central Asia, while most languages of the region are based on Turkish. The Iranian connections stem from similar roots but are connected to different groups of people. Shiite Islam is practiced in Azerbaijan, although Azeris also make up an important minority in Northern Iran. Linguistic ties exist with Tajiks in Central Asia, who are Persian-speaking.

In a different light, Central Asia has also come to the fore, in the midst of regional instability in South Asia over the disputed Kashmir region. Similar to the U.S., Russia played an active role in attempts to deescalate tensions between India and Pakistan, when

diplomatic talks between Indian and Pakistani officials were held in Almaty, Kazakhstan. Thus, in a variety of ways, Russia and other FSU states shape the international politics of the region and will continue to do so in the near future.

Economic Importance

Perhaps the most important economic element in the IR of the FSU concerns the exportation of oil and gas supplies, a consideration that gained more attention in the wake of 9/11 with concerns over maintaining a sufficient flow of oil at reasonable prices. This latter fear could emerge in two ways: either through general instability in the region that threatens the flow of oil, or through a more aggressive move by Organization for Petroleum Exporting Countries (OPEC) to control the world market supply, thus increasing the demand for Middle Eastern oil, and subsequently the cost as well.

Some are hopeful that Russia and the FSU could head off any potential threats from OPEC countries. For instance, for each of the past two years, Russia has quietly increased its annual oil output at a rate of nearly half a million barrels a day (mbd), the largest increase in output for any country in the world. Moreover, hopefuls speak of a northern oil boom that could emerge if the Russian and Central Asian oil companies and their international partners follow through on previous plans. The potential payoff could be profound, with some estimates suggesting that total Commonwealth of Independent States (CIS) exports could equal Saudi oil exports within four years, although the CIS still lacks a highly efficient infrastructure, namely inadequate pipelines and port facilities.¹⁰ Indeed, as Putin suggested in March 2002, if Ukraine, with its vast pipeline

¹⁰ Edward L. Morse and James Richard. "The Battle for Energy Dominance," *Foreign Affairs* 81, no. 2 (2002): 16, 24-25.

infrastructure, acceded to Russia's agreement with Central Asian states on cooperation in energy resource transport, "we will have a very strong ability to influence the European economy, and others will have to reckon with us to a greater extent."¹¹

Russia has demonstrated its willingness to increase production regardless of the impact on OPEC relations, although symbolic production cuts have been issued at times. The Russian perspective is understandable. Today Russia is trying to catch up on market shares that it feels it deserves, but shares that were unattainable during the political and economic transition after the Soviet collapse. To put it into perspective, before the Soviet Union collapsed it produced more oil than any other country (approximately 12.5 mbd), a sum that is one-third more than Saudi Arabia's peak share at the end of 2000.¹²

Policy Importance

Without an understanding of what truly motivates FSU leaders, the U.S. may adopt policies that are counter-productive. For instance, when Western governments and international financial institutions attempted to assist countries during the post-Soviet transition, they channeled large amounts of assistance to FSU leaders and their respective governments that allowed many FSU leaders to entrench their positions at the expense of reform efforts, a counter-productive strategy that international financial institutions acknowledged by the end of the decade. The failure to appreciate the more narrow interests of FSU leaders led to the inefficient allocation of billions of dollars of Western assistance, which further strengthened corrupt practices and undermined the development of transparent political and economic institutions.

¹¹ *Nezavisimaia Gazeta*, 19 March 2002, 6, in *Current Digest of the Post-Soviet Press* 54, no. 12 (2002): 14.

¹² Morse and Richard, "The Battle for Energy Dominance." 17.

OVERVIEW OF THE DISSERTATION

Chapter II outlines the framework for understanding FSU alignment patterns vis-à-vis Russia developed in this dissertation. I refer to it as the internal threat/economic dependence (IT/ED) framework, comparing it balance of power and balance of threat theories, and demonstrating how it builds on the work of Steven David's theory of omnibalancing.¹³ I offer a broad assessment of the literature on the study of alignments, or what I refer to as alignment theory. While this term has not been widely used throughout the IR literature, here it is used to describe the theoretical study of what drives states to adopt common postures toward a security issue, leading them to engage in cooperative and coordinated security behavior.¹⁴

I do not suggest that balance of power and balance of threat theories are void of any merit, but I do argue that their explanatory capability is limited in the FSU context for numerous reasons. First, they fail to recognize variables that stem from the unique experience of the Soviet Union, and ones that were more influential in the foreign policy calculations of FSU leaders. Chapter II draws on the Soviet experience to demonstrate why FSU leaders were particularly prone to focus on internal political threats to their political positions, and why analyzing economic dependence on Russia is critical because of its pervasiveness and constraining influence on alignment calculations. Attempts at political and economic reform (albeit at varying levels) tended to exacerbate these

¹³ Steven R. David, "Explaining Third World Alignment," *World Politics* 43, no. 2 (1991): 233-57; and idem, *Choosing Sides: Alignment and Realignment in the Third World* (Baltimore: Johns Hopkins University Press, 1991).

¹⁴ This conception of alignment theory as a field of study is drawn from Richard J. Harknett and Jeffrey A. VanDenBerg, "Alignment Theory and Interrelated Threats: Jordan and the Persian Gulf Crisis," *Security Studies* 6, no. 3 (1997): 112-53.

problems in the short-term for leaders, further prompting them to focus on the security of their political positions over issues more pressing to the state.

Second, many of the assumptions that realists make about the nation-state, sovereignty, and the consistency of foreign and domestic preferences were in flux and hardly approximate the realities of the post-Soviet transition. That is, because political legitimacy was weak for most FSU leaders, and the former Soviet apparatus still held a disproportionate share of the country's wealth, most FSU states are considered to be weak, or "quasi-states."¹⁵ Moreover, FSU leaders exerted tremendous influence over the policy making process, since there were few political institutions capable of checking the narrow interests of leaders. In this regard, it is more difficult to envision the state as a rational unitary, since the state in many ways is beholden to a particularly strong political figure with strong connections to the former Soviet system.

The reality that most FSU states are considered to be weak, based on their lack of political institutionalization, and that FSU leaders tended to dominate the political system is consistent with Steven David's idea of the Third World state (an issue addressed at greater length in Chapter II). For David, the Third World state was not comparable to the state in the Euro-centric sense because of the different historical experience and the lack of political development in the periphery. In this regard, the states of the FSU, excluding Russia, share many similarities with other former colonized regions of the world, although Moscow left these countries in better relative positions at the time of independence, in contrast to the decolonization of the African continent for instance.

¹⁵ In Jackson's work, other states and international organizations confer international legitimacy and juridical sovereignty on Third world states, even though their internal capacity to exercise positive sovereignty remains weak. Robert H. Jackson, *Quasi-States: Sovereignty, International Relations, and the Third World* (Cambridge: Cambridge University Press, 1990).

Third, while the “possibility” of conflict may exist between Russia and its former republics, the “probability” of it is considerably lower.¹⁶ In fact, as this dissertation argues, when internal threats to leaders became intense, leaders tended to exert a pro-Russian alignment, in large part because Russia was the country most often asked to (and most willing to) intervene and provide regional stability, whether in Moldova, the Caucasus, or in Tajikistan and neighboring Afghanistan.¹⁷ This suggests that the FSU as a region relates to one another based on a different set of experiences, which at times makes the traditional view of systemic anarchy held by neo-realists less compelling. This is all the more true since the Soviet system was based on hierarchical relationships in which Moscow was the imperial center with the former republics representing its colonial periphery.

David Lake sheds light on these different types of international relations. In reality, as he points out, security relationships between states can vary along a continuum from anarchy to hierarchy, or alliance to empire.¹⁸ On the far side of the continuum, under anarchy, states possess the power to make their own decisions and serve as the masters of their own fate. States are seen as sovereign entities. However, on the opposite side, in hierarchical relationships, dominant states maintain considerable control over subordinate states, and can directly and indirectly shape their foreign and domestic policies. Thus, states face more difficulty in upholding their sovereignty because of the pervasiveness of contacts with a larger, more powerful state. Lake’s work moves beyond

¹⁶ For more on the distinction between the possibility and probability of conflict see, Stephen G. Brooks, “Dueling Realisms,” *International Organization* 51, no. 3 (1997): 445-77.

¹⁷ For more on this point see, Philip G. Roeder, “From Hierarchy to Hegemony: The Post-Soviet Security Complex,” in *Regional Orders*, ed. David A. Lake and Patrick M. Morgan (University Park, PA: Pennsylvania State University Press, 1997).

¹⁸ David A. Lake, “Anarchy, Hierarchy, and the Variety of International Relations,” *International Organization* 50, no. 1 (1996): 1-34.

the neorealist preoccupation with systemic anarchy and attempts to reclaim hierarchy as an “interesting and variable characteristic of international relations.”¹⁹ This is important for our purposes because the notion of hierarchy more accurately reflects the nature of Russia’s relations with its former republics, especially in light of the extensive political, military, economic, and social connections between FSU states (connections that tended to favor Russian interests).

Fourth, traditional alignment theories privilege security and military variables over economic ones. This is not a significant shortcoming of these theories because they do not purport to explain economic outcomes, but rather alignment and security outcomes. However, what has become increasingly recognized is that the economic dimension of IR matters. More specifically, the level of economic interdependence between countries can play a major role in alignment decisions as to whom, how, and when to balance other states.²⁰ Within the post-Soviet context, economic issues can influence alignment calculations in tremendous ways, especially since Russia was the main trading partner and principle provider of cheap and subsidized energy. This context thus provided Russia with many outlets to employ coercive economic tactics against FSU states because of the asymmetrical interdependence between them.²¹ This did not ensure that Russia’s economic position would allow it to leverage successfully all the time,²² but

¹⁹ David A. Lake, *Entangling Relations: American Foreign Policy in Its Century* (Princeton: Princeton University Press, 1999), 31.

²⁰ Paul A. Papayoanou, *Power Ties: Interdependence, Balancing, and War* (Ann Arbor: University of Michigan Press, 1999); and Dale C. Copeland, “Economic Interdependence and War: A Theory of Trade Expectations,” *International Security* 20, no. 4 (1996): 5-41.

²¹ For an examination of the successfulness of Russian economic coercion in the FSU see, Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge: Cambridge University Press, 1999).

²² For a theoretical discussion of conditions under which asymmetrical interdependence may not work in favor of the dominant actor see, R. Harrison Wagner, “Economic Interdependence, Bargaining Power, and Political Influence,” *International Organization* 42, no. 3 (1988): 461-85.

it did serve as a powerful and note worthy constraint that FSU leaders were forced to contend with after the Soviet collapse. An underlying current of this discussion is that threats to economic security can be as detrimental to a state (or to a leader's political position) as military threats to a country's national security. Hence by incorporating economic dependence on Russia in the explanation of alignment behavior, this dissertation seeks to connect security and economic threats to a country, both of which are integral to a leader's alignment calculations.

In subsequent chapters, I articulate the argument in detail for the two main case studies of Uzbekistan (Chapters III-V) and Ukraine (Chapters VI-VIII). The findings for each case study are divided into three chapters that examine security relations since independence, the role of internal threats to leaders, and the impact of economic dependence on Russia, respectively. These chapters are based on a variety of primary and secondary sources. One of the principle findings is that internal political threats impact alignment calculations in a more gripping fashion than does economic dependence on Russia. This is primarily because the former has a direct influence on a leader's political security, while the latter exerts an indirect impact that may only influence a leader's political position over a longer period of time. In short, while economic dependence may constrain a leader's alignment choice, the presence of internal threats tends to exert the strongest impact on a leader's decision to align with Russia. Chapter IX offers a more thorough assessment of the findings of this dissertation in the two main case studies of Uzbekistan and Ukraine as well as providing a brief overview of the alignment choices of other FSU leaders in the context of the IT/ED framework. I conclude with the theoretical and policy implications of this dissertation.

CHAPTER II

THREATS, DEPENDENCE AND ALIGNMENT PATTERNS

This chapter serves several purposes. First, it provides a brief literature review of alignment theory (or the theoretical understanding of what drives states to adopt common postures toward a security issue, leading them to engage in cooperative and coordinated security behavior).¹ An explication of the contributions that this dissertation makes to the literature on the international relations (IR) of the former Soviet Union (FSU) is offered. The internal threat/economic dependence (IT/ED) framework is then laid out at great length. The IT/ED framework is an original contribution to the literature that expands upon and synthesizes previous work on the study of alignment behavior. The reasons for choosing these particular independent variables is analyzed, paying special attention to the impact of the Soviet experience on FSU states and how it shaped the immediate political and economic environment leaders faced after independence.

The methodology for this dissertation is then put forth. This includes indicators used to estimate the independent and dependent variables as well as testable hypotheses and the rationale underlying them. The justification for why Uzbekistan and Ukraine are chosen as principle case studies is also offered.

ALIGNMENT THEORY

The study of alignments has long been defined by various realist explanations. Systemic explanations identify the structure of the international system and a state's

¹ For this conception of alignment theory see, Harknett and VanDenBerg, "Alignment Theory and Interrelated Threats."

relative position to others within that system as the primary determinant of alignments. The most traditional of these explanations, balance of power theory, highlights the distribution of capabilities in the international system as the most critical variable in a state's alignment calculations.² These theorists suggest that states tend to balance for two reasons. First, by aligning against the strongest power and potential hegemon, states ensure that no one state will dominate the system, which stabilizes the system and creates a new equilibrium or balance. The traditional British role of continental balancer is indicative of this strategy. As Winston Churchill explained joining the stronger side was at times both easy and tempting, however, "we always took the harder course, joined with the less strong Powers, . . . and thus defeated and frustrated the Continental military tyrant whoever he was. . . ."³ Based on this propensity to balance power, scholars in the post-Cold War applied this rationale to U.S. grand strategy. Christopher Layne championed the neorealist cause, arguing that the post-Cold war unipolarity is an illusion that is destined to fade within a few decades as other powers rise up to balance Washington's preeminent position.⁴

Second, by joining the weaker and more vulnerable side, states increase their relative influence in the weaker coalition. As Kenneth Waltz theorizes, "secondary states, if they are free to choose, flock to the weaker side; for it is the stronger side that threatens them. On the weaker side, they are both more appreciated and safer, provided, of course, that the coalition they join achieves enough defensive or deterrent strength to

² Morgenthau and Thompson, *Politics Among Nations*; and Waltz, *Theory of International Politics*.

³ Winston Churchill, *The Second World War*, vol. 1 (Boston: Houghton Mifflin, 1948), 208.

⁴ Layne, "The Unipolar Illusion." For a discussion of balance of power as a predictor of a state's foreign policy see, Elman, "Horses for Courses."

dissuade adversaries from attacking.”⁵ For example, by joining forces with England, the United Provinces, and the major German states at the turn of the eighteenth century, Austria illustrates this motivation leading up to the War of Spanish Succession. Austria was more appreciated because the successful repulsion of Turkish forces on their Balkan flank allowed for a more active role in the anti-French coalition; and they were safer given the accession of Louis’ grandson, Philip V, to the Spanish throne in 1700, greatly increasing the potency of the Bourbon bloc.⁶

This rationale is prefaced on a strong belief in the anarchic structure of the international system. While states are seen as the primary actors in world affairs, they interact in an international system, which lacks an effective government above states, an international policing force, and a widely accepted body of international law. Thus, states find themselves locked into a perpetual structure from which, much like Jean Paul Sartre’s conception of hell, there is “no exit.” As a consequence of this socialization to anarchy, states seek self-preservation and pursue security to ensure their survival.

In a refinement of balance of power theory, Stephen Walt argues that states ally to balance against threats rather than against power alone.⁷ Walt sees the level of external threat as a function of four factors including: the distribution of capabilities, geographic proximity, offensive capabilities, and perceived aggressive intentions. Thus, a state might not necessarily balance against the most powerful state. Instead, it will consider through these factors which state poses the greatest threat and balance accordingly.

⁵ Waltz, *Theory of International Politics*, 127.

⁶ John B. Wolf, *The Emergence of the Great Powers, 1685-1715* (New York: Harper, 1951), chaps. 1-7; and Paul Kennedy, *The Rise and Fall of Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), chap. 3.

⁷ Walt, *Origins of Alliance*, 5; and idem, “Testing Theories of Alliance Formation: The Case of Southeast Asia,” *International Organization* 42, no. 2 (1988): 277.

Nonetheless, Waltz and Walt are in agreement that the dominant behavior of states is to balance and not to bandwagon, although they disagree as to the reason why balancing would occur (power vs. threat).

Under some circumstances, states may find that the distribution of capabilities favors an alignment with the stronger power. Bandwagoning theory suggests that states may join the stronger side in order to avoid immediate attack and divert it elsewhere or in hopes of sharing in the spoils of victory with the stronger side.⁸ The Nazi-Soviet Pact of 1939 illustrates the dual usage of the term. Through his alliance with Hitler, Stalin was able to divert any immediate attack on the Soviet Union.⁹ The domestic turmoil caused by industrialization, forced collectivization, and the Stalinist purges of the 1930s left the Soviet Union unprepared for combat with Nazi Germany. Time was needed to mobilize the Soviet economy for war production and strengthen the depleted officer corps of the Red Army. Simultaneously, Stalin, through his appeasement of Hitler, was granted a buffer zone between the Soviet Union and the Third Reich. The dismemberment of Poland provided breathing space for Stalin and allowed Hitler to expand his position with relative ease.

In considering weak states that are often fragile, Waltz and Walt both conclude that bandwagoning is the most likely occurrence. As Waltz writes, “the power of the strong may deter the weak from asserting their claims, not because the weak recognize a

⁸ Bandwagoning has also been described as a form of appeasement or capitulation in Walt, *Origins of Alliances*, 19-21. Randall L. Schweller argues that states may “bandwagon for profit” in that they seek to reap the benefits of a revisionist state’s aggression in “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security* 19, no. 1 (1994): 72-107. See also Robert Jervis and Jack Snyder, ed., *Dominoes and Bandwagons: Strategic Beliefs and Great Power Competition in the Eurasian Rimland* (New York: Oxford University Press, 1991); and Arnold Wolfers, *Discord and Collaboration: Essays on International Politics* (Baltimore: Johns Hopkins University Press, 1962), 124.

⁹ Adam B. Ulam, *Expansion and Coexistence* (New York: Praeger, 1972), 276-77; and Isaac Deutscher, *Stalin: A Political Biography* (London: Pelican Books, 1966), 437-43.

kind of rightfulness of rule on the part of the strong, but simply because it is not sensible to tangle with them.”¹⁰ For his part, Walt reasons that because weak states offer little to a rival coalition and have limited affect on the outcome of a war they are forced to bandwagon.¹¹ Therefore, it is rational for weak states to balance power only when their capabilities can affect the outcome.¹²

In building upon Walt’s argument, Steven David contends that states are more concerned with threats than power alone, but he argues that the most pressing threats are domestic rather than external.¹³ Thus, the most powerful determinant of alignments in the Third World is the “rational calculation of Third World leaders as to which outside power is most likely to do whatever necessary to keep them in power.”¹⁴ David acknowledges that external security threats in an anarchic international system cannot be underestimated, but it is the interaction between the distribution of systemic and domestic threats that determines a state’s alignment behavior.¹⁵ When the most pressing threat is internal (e.g., coup, revolution, insurgency¹⁶), leaders will seek an external alignment that will assist in eliminating domestic threats, even if a state must align with another state it

¹⁰ Waltz, *Theory of International Politics*, 113.

¹¹ Walt, *Origins of Alliances*, 29-31.

¹² Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), 11.

¹³ David, *Choosing Sides*; and idem. “Explaining Third World Alignment.”

¹⁴ David, *Choosing Sides*, 6.

¹⁵ For recent work that blends systemic theories with other domestic factors see, Jack S. Levy and Michael N. Barnett, “Alliance Formation, Domestic Political Economy, and Third World Security,” *Jerusalem Journal of International Relations* 14, no. 4 (1992): 19-40; Michael N. Barnett and Jack S. Levy, “Domestic Sources of Alliances and Alignments: The Case of Egypt, 1962-1973,” *International Organization* 45, no. 3 (1991): 369-95; Robert G. Kaufman, “To Balance or to Bandwagon? Alignment Decisions in 1930s Europe,” *Security Studies* 1, no. 3 (1992): 417-47; and Laurie A. Brand, “Economics and Shifting Alliances: Jordan’s Relations with Syria and Iraq, 1975-1981,” *International Journal of Middle East Studies* 26, no. 3 (1994): 393-413.

¹⁶ Michael E. Brown provides a similar and more comprehensive definition of internal conflict that includes events such as violent power struggles involving civilian or military leaders; armed ethnic conflicts and secessionist campaigns; challenges by criminal organizations to state sovereignty; armed ideological struggles; and revolutions. Brown, “Introduction,” in *The International Dimensions of Internal Conflict*, ed. Michael E. Brown (Cambridge: MIT Press, 1996), 1.

considers an external, although secondary, security threat. As David writes, leaders may even “protect themselves at the expense of promoting the long-term security of the state and the general welfare of its inhabitants.”¹⁷ This behavior of aligning with the strongest, yet secondary, threat would be identified as a superficial form of bandwagoning by balance of power and balance of threat theories.¹⁸ A bandwagoning explanation, however, would mischaracterize the true motivations behind an alignment, which would be to balance a leader’s more pressing internal threats.

David qualifies his argument and acknowledges that internal threats are not present in all countries. Indeed, his theory of omnibalancing was rooted in the distinctive character of Third World states and was prefaced on two conditions: 1) that leaders are weak and illegitimate, and 2) that the stakes for domestic politics are very high.¹⁹ Richard Harknett and Jeffrey VanDenBerg went on to identify three more specific conditions that contribute to the presence of internal threats.²⁰ They include competing national allegiances, a lack of political legitimacy for the leadership, and a state apparatus that possesses the predominant source of wealth in society.²¹ These are characteristics commonly associated with what Robert Jackson has identified as “quasi-states,” or states that have difficulty upholding their own sovereignty, which tend to be found throughout the developing (and formerly colonized) world.²²

This dissertation accepts these established conditions about when internal threats may exist (and subsequently when they are most illustrative in explaining alignment

¹⁷ David, *Choosing Sides*. 7.

¹⁸ David, “Explaining Third World Alignment,” 236.

¹⁹ *Ibid.*

²⁰ Harknett and VanDenBerg, “Alignment Theory and Interrelated Threats,” 120-28.

²¹ For a more comprehensive discussion of the sources of internal conflict, emphasizing structural, political, socio-economic, and cultural factors see, Brown, “Introduction,” 12-23.

²² Jackson, *Quasi-States*.

calculations). That is, in countries where political legitimacy (measured in popular support) is weak and power is concentrated in a strong state apparatus, there is a greater likelihood that internal threats to leaders may exist. These conditions need to be met for their theoretical insights to apply.²³ After the collapse of the Soviet Union, these dynamics were very much present throughout the FSU, which provides an opportunity to test these causal relationships. The Baltic states are the main exception to this argument. They made the most successful transition to democratic and market reform, and therefore, the concept of internal threats is not applicable because the preconditions necessary did not exist.

David's work is helpful in highlighting domestic factors that traditional alignment explanations fail to identify. First, David recognizes that a great deal of conflict occurs within states as well as between them. In many regions of the world and in many types of states, this form of conflict is more common than the invasion of a foreign army.²⁴ Leaders must react to the immediate security environment in which they exist, and they often prioritize such domestic considerations in their alignment calculations. Systemic explanations like balance of power theory and its modified version balance of threat theory do not capture such calculations because of their focus on factors largely external to the state, predominantly the distribution of power and threats.

Second, David correctly asserts that in many countries little political legitimacy exists in the political process. Fareed Zakaria coined the phrase "illiberal democracies" to

²³ Richard Harknett, letter to author, 15 June 2001.

²⁴ As Ted Robert Gurr found within the early 1990s there were 115 ethno-political groups in serious conflict, while this figure fell modestly to 95 groups by the late 1990s. Gurr also argues that the intensity of these conflicts subsided by the late 1990s and that relatively few new conflicts emerged since the early 1990s. Gurr, *People Versus States: Minorities at Risk in the New Century* (Washington, D.C.: U. S. Institute of Peace Press, 2000), 43-44.

describe countries in which “democratically elected regimes, often ones that have been reelected or reaffirmed through referenda, routinely [ignored] constitutional limits on their power depriving their citizens of basic rights and freedoms.”²⁵ Zakaria identified many of the states of the FSU as illiberal democracies, based on the underlying authoritarianism common throughout the region. Pluralist and institutional arguments assume that political competition takes place in an accepted policy arena.²⁶ That is, actors and groups influence the policy process in a routine, peaceful, and bureaucratized manner. This political process enables the state’s decisions to be seen as legitimate. Yet, pluralist and institutional approaches (many of which are rooted in the study of foreign economic policy) fail to capture the intensity of internal threats to leaders common in states where leaders possess questionable political legitimacy.

Harknett and VanDenBerg provide a useful refinement of David’s theory of omnibalancing. Whereas David stressed that leaders balanced their most pressing threats (which tended to be domestic in origin), they suggested that interrelated threats require leaders to keep an eye on external *and* internal forces, and that both balancing (resisting) and bandwagoning (appeasing) are the basic responses to the threats. This is an important distinction because it suggests that leaders do not always balance their internal threats and may choose to bandwagon with them. As we will see, FSU leaders in more democratic systems, where relatively free elections were held, relied more on the bandwagoning technique for providing their political survival. They forged political

²⁵ Fareed Zakaria, “The Rise of Illiberal Democracy,” *Foreign Affairs* 76, no. 6 (1997): 22.

²⁶ See, for example, David Skidmore and Valerie Hudson, ed., *The Limits of State Autonomy: Societal Groups and Foreign Policy Formulation* (Boulder, CO: Westview, 1993), 1-22; Peter Gourevitch, *Politics in Hard Times* (Ithaca: Cornell University Press, 1986); G. John Ikenberry, “The State and Strategies of International Adjustment,” *World Politics* 39, no. 1 (1986): 53-77; and Peter Katzenstein, “International Relations and Domestic Structures,” *International Organization* 30, no. 1 (1976): 1-45.

alliances with important and powerful constituents, which enabled them to secure a base of political support. This is comparatively different from more authoritarian regimes where leaders were more prone to intimidate and repress domestic opponents.

Authoritarian leaders chose not to bandwagon with domestic opponents, but instead to balance and eliminate them altogether.

In sum, various scholars provide insight into why states choose particular alignment patterns and what forces are most likely to influence those decisions. Balance of power theory focuses on the distribution of power within the international system, while balance of threat theory goes beyond systemic variables to include domestic level variables, namely the perceived aggressiveness of another state's intentions. David challenged balance of power and balance of threat theories in the context of alignment patterns in the developing world, arguing that internal threats to leaders tend to exert a stronger influence on a leader's alignment choices, than questions about which state poses the greatest external threat to the state's security. Moreover, leaders tend to appease and superficially bandwagon with the state that poses the predominant external threat to ensure their security from more pressing internal threats. This dissertation elaborates and refines David's work, which deepens our theoretical understanding of alignment patterns and provides empirical evidence for his principle thesis.

CONTRIBUTIONS TO THE LITERATURE

This dissertation makes an original contribution to the study of the IR of the FSU in four key ways. First, it addresses theoretical questions central to the IR and security studies literature. What types of threats (external or internal) are most influential in

alignment calculations? Traditional alignment theories, such as balance of power and balance of threats theories, focus primarily on the distribution of power in the internal system or the level of perceived aggression from other states.

The present framework holds prospects for refining traditional alignment theories in its incorporation of domestic political and economic variables. That is, traditional approaches privilege factors exogenous to the state, whereas the present framework bridges the artificial divide between domestic and international politics. In so doing it provides a more compelling explanation of the dynamics underlying alignments within the FSU. IR theorists tend to give priority to either international or domestic level factors, although, not surprisingly, both are likely to influence a particular decision.²⁷

This dissertation also addresses the concerns of other IR theorists, who encourage richer theoretical understandings about international relations.²⁸ This falls in line with Fareed Zakaria's plea for scholars to "develop a tolerance for more limited—but also more accurate—generalizations," by developing theories of international affairs that draw on both internal and external factors to explain state behavior.²⁹ What is lost in theoretical parsimony is more than made up for in the empirical explanatory capability of the present framework.

²⁷ For a seminal study see, Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42, no. 3 (1988): 427-60.

²⁸ Other studies attempt to create a link between domestic and international pressures and incentives in explaining state action in security matters, see, for example, Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton: Princeton University Press, 1998); Bruce Bueno de Mesquita and David Lalman, *War and Reason: Domestic and International Imperatives* (New Haven: Yale University Press, 1992); Richard Rosecrance and Arthur A. Stein, ed., *The Domestic Bases of Grand Strategy* (Ithaca: Cornell University Press, 1993); Jack Snyder, *Myths of Empire: Domestic Politics and International Ambitions* (Ithaca: Cornell University Press, 1991); and Matthew Evangelista, "Issue-Area and Foreign Policy Revisited," *International Organization* 43, no. 1 (1989): 147-71. For a good literature review see, Gideon Rose, "Neoclassical Realism and Theories of Foreign Policy," *World Politics* 51, no. 1 (1998): 144-72.

²⁹ Fareed Zakaria, "Realism and Domestic Politics: A Review Essay," *International Security* 17, no. 1 (1992): 179.

Second, the present work develops a framework that incorporates critical political *and* economic factors and their impact on foreign alignments. The work of Paul Papayoanou on economic interdependence and the balance of power is an excellent example of this approach. Papayoanou's findings reveal that firm balancing policies conducive to peace in the international system are most likely when there are extensive economic ties among status quo powers and few or no such links between them and perceived threatening powers. When economic interdependence is not significant between status quo powers or if status quo powers have strong economic links with threatening powers, weaker balancing postures and conciliatory policies by status quo powers, and aggression by aspiring revisionist powers, are more likely.³⁰

Within IR theory, however, theorists tend to privilege one set of issues over the other. Realist theorists tend to focus on security and military issues, while liberal scholars focus more on economic issues. Even scholars that appreciate the connection between the two fields often focus on how economic and security matters determine, respectively, security or economic outcomes.³¹ Moreover, there continues to be a much-needed understanding of the nexus between security studies and international political economy.³² With the broadening of notions of security after the Cold War, this research path has not gone unnoticed, but more work is needed to increase our overall appreciation

³⁰ Paul A. Papayoanou. "Economic Interdependence and the Balance of Power," *International Studies Quarterly* 41, no. 1 (1997): 113-40.

³¹ Papayoanou. *Power Ties*, 160.

³² For seminal studies see, Klaus Knorr and Frank N. Trager, ed., *Economic Issues and National Security* (Lawrence, KS: Regents Press of Kansas, 1977); and Klaus Eugen Knorr, *Power and Wealth: The Political Economy of International Power* (New York: Basic Books, 1973).

for how both political and economic factors shape international politics and, more specifically, the international politics within the FSU.³³

Third, this dissertation fills a gap in the literature on the foreign relations between Russia and its former Soviet republics. Some scholars have focused on the importance and pervasiveness of nationalism and national identity in shaping a country's foreign and economic policies towards Russia.³⁴ Daniel Drezner analyzed Russian economic coercion against other FSU states, arguing that states that expected conflict with Russia (what he calls a "conflict expectations hypothesis") influenced the ability of Russia to use other states' economic dependence to coerce their leaders.³⁵ Similar to the framework developed here, other scholars have examined various domestic political factors that influence a country's foreign policy towards Russia, such as leadership survival, social mobilization, and political institutionalization.³⁶ Other early studies theorized about the prospects for imperial revival and provided conceptual treatments of how these relations may unfold.³⁷

³³ Jean-Marc F. Blanchard, Edward D. Mansfield, and Norrin M. Ripsman, ed., *Power and the Purse: Economic Statecraft, Interdependence, and National Security* (London: Frank Cass, 2000).

³⁴ Henry E. Hale, "Statehood at Stake: Democratization, Secession, and the Collapse of the Union of Soviet Socialist Republics" (Ph.D. diss., Harvard University, 1998); Rawi Abdelal, *National Purpose in the World Economy: Post-Soviet States in Comparative Perspective* (Ithaca: Cornell University Press, 2001); and Andrei P. Tsygankov, *Pathways After Empire: National Identity and Foreign Economic Policy in the Post Soviet World* (Lanham: Rowman & Littlefield, 2002).

³⁵ Drezner, *The Sanctions Paradox*.

³⁶ Henry Hale, "Islam, State-Building, and Uzbekistan Foreign Policy," in *The New Geopolitics of Central Asia and Its Borderlands*, ed. Ali Banuazizi and Myron Weiner (Bloomington, IN: Indiana University Press, 1994); Rajan Menon and Hendrik Spruyt, "Possibilities for Conflict and Conflict Resolution in Post-Soviet Central Asia," in *Post-Soviet Political Order: Conflict and State Building*, ed. Jack Snyder and Barnett R. Rubin (London: Routledge, 1998); and Roeder, "From Hierarchy to Hegemony."

³⁷ For his part Spruyt suggested an eightfold taxonomy that speculated on possible policy outcomes within the FSU based on the insights of theories of imperialism and systems-level theories of integration. Dawisha forwarded her concept of autocolonization or a process by which peripheral elites welcomed Russian power and were willing to accept a diminution of the state's sovereignty in exchange for enhanced security and material benefits. Hendrik Spruyt, "The Prospects for Neo-Imperial and Nonimperial Outcomes in the Former Soviet Space," and Karen Dawisha, "Constructing and Deconstructing Empire in the Post-Soviet Space," in *The End of Empire? The Transformation of the USSR in Comparative Perspective*, ed. Karen Dawisha and Bruce Parrott (Armonk, NY: M. E. Sharpe, 1997).

However, no study to date has applied balance of power theory, balance of threat theory, or omnibalancing specifically against the empirical behavior of FSU states.³⁸ No study has differentiated beyond different types of internal threats that leaders face, and the varying ways in which they influence alignment patterns within the FSU.³⁹ Finally, no study has conceptualized or tested the framework offered in this dissertation that integrates the impact of internal threats and economic dependence on Russia on alignment choices of the post-Soviet states, which provides a fresh perspective on the IR of the FSU.

Fourth, there is an increasingly important body of literature that addresses the more complex security environment of the FSU.⁴⁰ This literature focuses on the non-military security threats that FSU states face. These real security considerations include, among other things, domestic threats such as dislocations within and among states brought on by economic change, civil strife driven by nationalist sentiment and disputed borders, and the erosion of the stability and political legitimacy of states by the drug trade, organized crime, and pervasive corruption. This dissertation builds on the above scholarship and attempts to bridge the concerns of both. It seeks a causal explanation for why FSU states adopt particular alignment patterns towards Russia by focusing on

³⁸ For a theoretically informed discussion of bilateralism and multilateralism in the FSU see, Paul J. D'Anieri, "International Cooperation Among Unequal Partners: The Emergence of Bilateralism in the Former Soviet Union," *International Politics* 34, no. 4 (1997): 417-48. For the application of these theories in different regional contexts see, David Priess, "Balance-of-Threat Theory and the Genesis of the Gulf Cooperation Council: An Interpretive Case Study," *Security Studies* 5, no. 4 (1996): 143-71; and Mastanduno, "Preserving the Unipolar Moment."

³⁹ Some scholars have focused on leadership survival, but they do not draw an analytical distinction between various types of threats to leaders. Roeder, "From Hierarchy to Hegemony"; and Hale, "Statehood at Stake."

⁴⁰ Rajan Menon, Yuri E. Fedorov, and Ghia Nodia, ed., *Russia, the Caucasus, and Central Asia: The 21st Century Security Environment* (Armonk, NY: M. E. Sharpe, 1999); and Roy Allison and Lena Jonson, ed., *Central Asian Security: The New International Context* (Washington, D.C.: Brookings Institution Press, 2001).

domestic political and economic variables *and* it assesses the foreign policy implications of non-state centric security threats.

THE IMPORTANCE OF INTERNAL THREATS AND ECONOMIC DEPENDENCE

The two key variables in the IT/ED framework—internal political threats and economic dependence on Russia—vary considerably across the FSU. When considered together, they are intended to provide a framework for understanding the dynamic nature of alignments within the FSU. These two variables are not intended to be exhaustive but are designed to illustrate the core logic of the present argument: FSU leaders tend to prioritize domestic threats to their political positions and tend to be constrained by their economic dependence on Russia.

This section briefly explains why these variables are particularly relevant for the study of the FSU and why they are highlighted in this dissertation. The reasons stem from the previous Soviet experience. First, by the way in which the Communist Party maintained and upheld the political system, and second, by the way in which party leaders in Moscow made economic decisions that influenced the allocation of resources, bringing about the narrow specialization of Soviet republics. A final explanation is offered as to why other variables were not chosen.

FSU Leaders and Political Survival

Politically, most post-Soviet leaders faced a precarious situation amid their newfound independence. The Communist Party had for many years legitimated (and guaranteed through force when necessary) their leadership, but with this formidable

presence gone, the rules of the political game were unclear. FSU leaders were keenly aware that such an environment offered the opportunity for extended political survival, provided the right domestic strategies were chosen. Because of this propensity, and the difficulties associated with the post-Soviet transition, internal threats were powerful motives driving the alignment calculations of leaders.

The IT/ED framework begins with a behavioral assumption about the principle motivation of FSU leaders.⁴¹ FSU leaders seek political survival as their primary goal, and are therefore, mindful of the domestic threats that can influence their careers and positions.⁴² Political survival is seen as a first-order goal, much in the same way that realists identify the survival of the state as a first-order goal.

By assuming that FSU leaders perceive threats to their careers to be serious and warranting attention, we naturally broaden the analytical scope of what is seen as an internal threat, beyond instances of political violence as David suggests. This does mean that political violence was unimportant in the post-Soviet context or that it was not a factor in leaders' alignment calculations. Indeed, throughout the decade, FSU leaders faced secessionist movements, assassination attempts, and violent Islamic extremists. Shortly after independence various regions of the FSU erupted into bloody civil conflict from Moldova, to Georgia, to Tajikistan. Russian military power was called on to

⁴¹ As Colton pointed out, assuming preferences for post-Communist politicians is problematic and very complex. Assuming that leaders maximize power by attaining office is a necessary simplification that may not fit for all actors, but it seems a plausible assumption since there are fewer leaders than politicians and many leaders that were in power prior to the collapse of the Soviet Union remain there today. Timothy J. Colton, "Professional Engagement and Role Definition among Post-Soviet Deputies," in *Parliaments in Transition*, ed. T. F. Remington (Boulder, CO: Westview, 1994), 55-73.

⁴² Other studies have made similar assumptions about leaders. Bruce Bueno De Mesquita and Randolph M. Siverson, "War and the Survival of Political Leaders: A Comparative Study of Regime Types and Political Accountability," *American Political Science Review* 89, no. 4 (1995): 841-55; and Randolph M. Siverson, ed., *Strategic Politicians, Institutions, and Foreign Policy* (Ann Arbor: University of Michigan Press, 1998).

stabilize the situation at the behest of various leaders.⁴³ Thus, in many instances political violence was the major factor driving a leader to seek assistance from Moscow, and it tends to exert the strongest influence on pro-Russian alignments within the IT/ED framework.

However, if we focus narrowly on David's conceptualization, then we would miss a variety of other types of domestic actors that also threatened (or were at least perceived to be a threat to) the political positions of FSU leaders. Within the FSU context, domestic political opposition was a major concern because of the fear that it could mobilize support and remove leaders either violently or through the ballot box. In the initial days of the post-Soviet transition and during the inchoate steps towards democratization, FSU leaders were primarily concerned with ensuring their political positions in the future.⁴⁴ This conceptual refinement of David's work is warranted and justifiable in the case of the FSU for two reasons.

First, this assumption factors in the unique political system that was put in place and maintained by the Communist Party. The political system was based on formal recognition of power as well as informal bargaining practices that were necessary for the command economy to work. Formally, the Soviet system was based on various union-wide and republic-level ministries, organs, and agencies that were all part of an intricate and encompassing bureaucracy. Officially the Communist Party allocated resources to meet the needs of the larger Union. However, what began to emerge after Stalin's death

⁴³ For a good overview see, Fiona Hill and Pamela Jewett, *Back in the USSR: Russia's Intervention in the Internal Affairs of the Former Soviet Republics and the Implications for United States Policy toward Russia* (Cambridge, MA: Strengthening Democratic Institutions Project, Harvard University, January 1994).

⁴⁴ For a recent overview of regime change in the post-Soviet region see, Michael McFaul, "The Fourth Wave of Democracy and Dictatorship: Noncooperative Transitions in the Postcommunist World," *World Politics* 54, no. 2 (2002): 212-44.

was a bargaining system in which informal networks (often based on personal exchange) permeated the policy making process. What was important and necessary to succeed politically was having the right connections and patronage networks to ensure a person's bureaucratic position while facilitating advancement. The pervasiveness of informal networks, coupled with Moscow's ineffective oversight, contributed to the power of regional leaders and various bureaucratic administrators who were able to distribute positions and resources for their political benefit (based on traditional social loyalties and affiliations).⁴⁵

After the decentralization of Gorbachev's *perestroika*, this bargaining system gained even more momentum. As Boycko, Shleifer, and Vishny point out, while the state formally owned property and assets, regional leaders, bureaucrats, managers, and other economic agents exercised *de facto* control over resources.⁴⁶ This enabled regional leaders to distribute resources in ways that would maximize their political tenure. By the Soviet collapse, regional leaders were well versed in these bureaucratic bargaining games, and those that lacked such political skill were more times than not left out of the new political systems, or out maneuvered by more cunning politicians. In this sense, the Communist legacy shaped the experiences of the initial ruling elites of the new FSU states, many of whom were attached in some way to the party apparatus and were trained in such bureaucratic wrangling. Beyond these entrenched practices and concerns with political survival, there were also structures in place left over from the Soviet era, such as an extensive secret police force, which allowed leaders to further control their political

⁴⁵ Alena V. Ledeneva, *Russia's Economy of Favours: Blat, Networking, and Informal Exchange* (New York: Cambridge University Press, 1998).

⁴⁶ Maxim Boycko, Andrei Shleifer, and Robert Vishny, *Privatizing Russia* (Cambridge: MIT Press, 1995), chaps. 2-3.

opponents and clamp down on any source of discontent directed at the leadership.⁴⁷ This leads to a related point about the importance of focusing on leaders, and hence the political threats they faced.

Second, prioritizing the internal threats that leaders faced places the analytical lens on FSU leaders themselves as the primary actors within post-Soviet politics. This is not surprising since, with the exception of the Baltic states, FSU states tended to develop strong executive branches, which legitimated and institutionalized the power of the respective leader.⁴⁸ As we saw above, regional leaders, many of whom were connected with the Communist Party, became masters of the political bargaining game, and were able to solidify their centrality in the policy making process. In the words of Philip Roeder, “post-Soviet politics is dominated by self-interested politicians who seek to maximize their control over the policy process.”⁴⁹ This also suggests that the motivations of FSU leaders cannot be assumed beyond what is in their best political and economic interest. Such a caveat runs counter to realist alignment theories that assume the state is a unitary actor that acts in predictable and rational ways in terms of national rather than individual interest. To assume, therefore, that FSU leaders focus on the hypothetical “national interest” and what is best for their country and citizenry as a whole is deceptive because this assumption is inconsistent with the empirical realities of the post-Soviet transition. In short, many of the theoretical assumptions that realists make about the

⁴⁷ For a good overview see. Amy Knight, *Spies without Cloaks: The KGB's Successors* (Princeton: Princeton University Press, 1996), 181-90.

⁴⁸ As Timothy Frye concluded from his work on post-Communist presidents, political institutions can be analyzed as the by-products of power-seeking politicians making choices under varying degrees of uncertainty. Despite the great uncertainty of the transition, actors understood their interests and strategies, which prompted them to hedge their bets when designing political institutions. Frye, “A Politics of Institutional Choice: Post-Communist Presidencies,” *Comparative Political Studies* 30, no. 5 (1997): 523-52.

⁴⁹ Philip G. Roeder, “Varieties of Post-Soviet Authoritarian Regimes,” *Post-Soviet Affairs* 10, no. 1 (1994): 61.

nation-state, sovereignty, and the consistency of foreign and domestic preferences offer especially poor guidance in the case of FSU states. This reality requires a different analytical focus on the FSU leader as a critical actor in post-Soviet politics, a concern that has been emphasized in academic circles.

There has been a growing call by some political scientists to refocus our attention on leaders and domestic affairs as the centerpiece for understanding world affairs. The logic behind such a call makes sense. As Bruce Bueno de Mesquita recently suggested:

Leaders, not states, choose actions. Leaders and their subjects enjoy the fruits and suffer the ills that follow from their decisions. Alas, leaders seem to be motivated by their own well-being and not by the welfare of the state. The state's immortality beyond their own is secondary to the quest of leaders for personal political survival. . . . When we construct theories in which the state is the focal actor we miss all of the institutional and political incentives that shape the policies leaders choose. And yet it is those policies—decisions to align or not, decisions to build up armament or promote economic growth at home, and so forth—that determine whether the international system is balanced or not, bipolar or not, and on and on.⁵⁰

This dissertation addresses these larger concerns of political scientists. That is, there is a conscious attempt to bring the leaders back into the theoretical and analytical fold for this dissertation.⁵¹ In his study of regime change in the postcommunist world, Michael McFaul takes a similar actor-centric approach:

Inert, invisible structures do not make democracies or dictatorships. People do. Structural factors such as economic development, cultural influences, and historical institutional arrangements influence the formation of actors' preferences and power but ultimately these forces have causal significance only if translated into human action. Individuals and the decisions they make are especially important for explaining how divergent outcomes result from similar structural contexts.⁵²

⁵⁰ Bruce Bueno de Mesquita, "Domestic Politics and International Relations," *International Studies Quarterly* 46, no. 1 (2002): 4, 8.

⁵¹ For a theoretical discussion of the impact of individuals on international relations and the conditions in which they are most likely to be influential see, Daniel L. Byman and Kenneth M. Pollack, "Let Us Now Praise Great Men: Bringing the Statesman Back In," *International Security* 25, no. 4 (2001): 107-46.

⁵² McFaul, "The Fourth Wave," 214.

This dissertation, therefore, sheds light on these larger concerns for the IR literature on leaders and foreign policy outcomes, especially those with a regional interest in the international and domestic politics of the FSU.

Soviet Legacies and Economic Dependence

Much like internal threats to leaders, the nature of economic dependence on Russia is critical for understanding alignment patterns in the FSU. This is true for myriad reasons, most of which are rooted in Soviet economic planning. First, because all economic decisions were made in Moscow and implemented in various republics, Russia became the hub of the Soviet economy.⁵³ Despite efforts by Gorbachev to restructure the economy in the late 1980s, Russia remained at the center of the economy. Independence did not necessarily alter these preexisting relationships either.

This pervasive economic dependence was particularly evident in the creation of the ruble zone. After independence many countries (with the exception of the Baltic states and Ukraine) sought to maintain their existing currency arrangement with Russia for fear of sparking rampant inflation and overall economic instability. The belief also existed that there was greater security in working with other FSU states because most firms lacked the comparative advantage to compete on world markets. But, in July 1993 Russia's plans to reform the monetary system placed pressure on FSU states, prompting Azerbaijan, Georgia, Moldova, and Turkmenistan to issue their own independent currencies. It was only after Russia clarified its terms for membership in the new ruble zone in November 1993 that the remaining states (Armenia, Belarus, Kazakhstan,

⁵³ For classic studies see. Paul Gregory and Robert Stuart, *Soviet and Post-Soviet Economic Structure and Performance*, 5th ed. (New York: Harper Collins, 1994); and Alev Nove, *The Soviet Economic System* (Boston: Allen & Unwin, 1986).

Tajikistan, and Uzbekistan) decided to opt out of the new arrangement.⁵⁴ As Rawi Abdelal contends, “Russia had changed from a generous leader of post-Soviet monetary cooperation seeking to pay post-Soviet republics for their political acquiescence to a self-interested hegemon intent on either profiting from the ruble zone or destroying it.”⁵⁵ Monetary relations between Russia and FSU states were thus illustrative of how some leaders dealt with their initial economic dependence on Russia while others sought to sever their ties with Russia altogether by pursuing alternative markets and trading partners.

Second, leaders in Moscow made decisions for the command economy that allowed some republics to enjoy full or near-full monopolies in the production of various goods. For example, Uzbekistan specialized in cotton production, Latvia in electronics, and Azerbaijan in oil industry equipment. Communist leaders in Moscow made allocation decisions, in that each republic performed different economic functions, while every republic was integrated into the larger Soviet command economy. It mattered little if a republic had to import all of its energy needs or consumer goods, because the command economy would presumably allocate resources to fulfill these needs, although as we saw above informal exchanges were as important (and sometimes more so) than formal exchanges between Moscow and regional leaders. This also meant that while some republics were well endowed with vast natural resources, they did not always have the facilities necessary to refine such goods, which relegated them to the producer of raw

⁵⁴ Among the more stringent conditions, Russia insisted that ruble zone states deposit hard currency or gold worth 50 percent of the value of the ruble “loan” in the Central Bank of Russia, that member states could trade their old rubles for new rubles at a rate of approximately three to one, and that member states could not issue an independent currency for a period of five years. Turkmenistan and Moldova officially left the ruble zone in November 1993. Tajikistan exited in May 1995.

⁵⁵ Abdelal, *National Purpose in the World Economy*, 58.

materials for production in Russia with little or no infrastructure to produce and finish goods independent of Russia. Hence, some states were left in better relative economic positions at the time of independence, and understanding the level of economic dependence a state has on Russia is helpful in defining the economic constraints FSU leaders faced. It is also important to note that while all the former Soviet republics were dependent on Russia to some degree, this did not imply that all states faced the same level of economic dependence, or that they were all dependent for the same items.

Third, this dissertation focuses on energy dependence on Russia as a critical indicator in understanding the alignment preferences of FSU states. Accordingly, it is important to note that some republics within the Soviet system were energy exporters, while others were energy importers, or in other words there were the energy haves and have-nots.⁵⁶ This was not a problem during the Soviet period, but it did pose considerable problems for these countries if they sought to adopt independent policies from Russia. Countries such as Russia, Kazakhstan, Uzbekistan, Turkmenistan, and Azerbaijan were the principle sources of energy within the FSU, most of which was dominated by Russia and heavily subsidized during the Soviet era. Other republics, thus, were left to import their energy needs from these countries, and Russia tended to dominate this trade after the Soviet collapse.

A related issue concerning energy resources and dependence has to do with the issue of pipelines. Without pipelines a country that is rich in oil and gas supplies is still unable to capitalize on this domestic resource because they cannot get the goods to the international market. This places countries, such as Kazakhstan, in extremely vulnerable

⁵⁶ For an excellent overview see, Robert E. Ebel, *Energy Choices in the Near Abroad: The Haves and Have-nots Face the Future* (Washington, D.C.: Center for Strategic and International Studies, 1997).

positions, and they then have to turn to Russia for the use of preexisting pipelines or else accept that their most important export commodity will have to remain in the country. Ukraine has at times also used this method of coercion against Russia, since a tremendous amount of Russian natural gas is transported across Ukrainian pipelines on its way to European markets.

Fourth, the severity of a country's economic dependence on Russia can also directly influence the level of internal threats to leaders. That is, when countries that are heavily dependent on Russia attempt to change or alter these relations, economic decline and collapse is always possible. When economic conditions begin to deteriorate rapidly, there is a greater likelihood that internal threats to leaders will emerge as a result of large-scale dissatisfaction with leaders. In the most severe case, economic crisis may even bring about a regime change.⁵⁷ For these reasons, economic dependence is seen as a critical and important variable in understanding the alignment strategies available to FSU leaders vis-à-vis Russia.

Alternative Variables Not Chosen

The IT/ED framework offers a bivariate analysis of alignment strategies vis-à-vis Russia, focusing on the internal threats to leaders and economic dependence on Russia. These variables are chosen because they highlight the critical role that leaders play in the alignment decisions of their respective countries, but critics may suggest that other

⁵⁷ For a good overview of this literature see, Barbara Wejnert, ed., *Transition to Democracy in Eastern Europe and Russia: Impact on Politics, Economy, and Culture* (Westport, CT: Praeger, 2002); James F. Hollifield and Calvin Jillson, ed., *Pathways to Democracy: The Political Economy of Democratic Transitions* (New York: Routledge, 2000); Lisa Anderson, ed., *Transitions to Democracy* (New York: Columbia University Press, 1999); and Stephen Haggard and Robert Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995).

variables played a role in alignment calculations. While this is a fair observation, many of the most compelling alternative variables are either subsumed by the logic of the IT/ED framework or they are considered less explanatory. Other alternative variables include: 1) the presence of Russian minorities in a given country, 2) external pressures from the West, 3) leadership personalities, 4) the nature of a state's government (whether democratic or authoritarian), and 5) ideological similarities between leaders and/or countries. A final discussion is offered about the rationale for excluding Russia's policies towards FSU states in the IT/ED framework.

The presence of significant Russian minorities throughout the former Soviet Union is a legacy of the Soviet era.⁵⁸ To increase their influence throughout the former republics, Moscow encouraged and at times directed ethnic Russians to move to republics, especially to republican capitals, to strengthen the imperial grip on these regions and ensure Moscow's interests. The presence of minorities is widespread, but their distribution is not consistently felt. In countries like Ukraine and Kazakhstan (the most Russian of all republics) ethnic Russians made up almost half of the population, ranging to others republics such as Uzbekistan, where ethnic Russians totaled only about 7 percent of the population.

From a theoretical point of view, it could be hypothesized that the greater the percentage of ethnic Russians living in a country, the more pro-Russian an alignment calculation would be. While this provides another descriptive variable, it is unnecessary to formally integrate this variable into the IT/ED framework. This is in large part because the issue of ethnic Russians living in a country is part of the domestic political games that

⁵⁸ Aurel Brown, "All Quiet on the Russian Front? Russia, Its Neighbors, and the Russian Diaspora," in *The New European Diasporas: National Minorities and Conflict in Eastern Europe*, ed. Michael Mandelbaum (New York: Council of Foreign Relations Press, 2000).

leaders play and therefore is subsumed within the discussion of internal threats. For instance, in Kazakhstan the capital was moved from the southern part of the country predominated by ethnic Kazakhs to the northern part of the country, where ethnic Russians reside, presumably to shore up any irredentist claims that could be made by the Russian government. Clearly, if a leader adopts a very anti-Russian alignment in a country where there are significant ethnic Russians, this is likely to spark opposition to a leader and inherently increase a leader's internal threats. Accordingly, this variable is seen more as a subset under the internal threat variable and can be explained using that logic as opposed to a formalized introduction into the IT/ED framework.

The potential for external pressure from the West is similarly an explanation that is subsumed by the logic of the framework, and one that warrants qualification given the empirical realities of U.S. and Western policy. The idea that Western action influences alignments strategies is well founded and incorporated into the IT/ED framework. This is most evident in the discussion of economic dependence and how available economic resources are from the West. As argued, the main factor influencing access to alternatives resources from the West is the implementation of reform. When countries did this, then Western aid was likely to follow. When comprehensive reform continued over the years, this was the most compelling manner to reorient a country's economy away from Russia, such as in the case of Eastern Europe and the Baltic states.

Moreover, positive inducements were the most common form of Western statecraft towards the FSU, as opposed to economic sanctions or other negative pressures.⁵⁹ The Clinton administration sought to assist these countries in their political

⁵⁹ For a discussion of positive versus negative sanctions see, David A. Baldwin, *Economic Statecraft* (Princeton: Princeton University Press, 1985).

and economic transition as opposed to pressuring them into adopting various policy decisions.⁶⁰ As we will see in Chapter VI, the one exception to this pattern was found in the case of Ukrainian nuclear disarmament. The first George Bush administration placed a tremendous amount of attention on Ukrainian leaders to adhere to the Non Proliferation Treaty and sign on to Strategic Arms Reductions Talks. However, at the same time the policy was not one of pure sanctions and pressure, and in fact positive inducements were very influential in the overall process of Ukrainian nuclear disarmament, along with agreements that addressed the real security concerns of Ukraine. In the end, positive inducements and not negative sanctions were the preferred method of statecraft the United States, especially under the Clinton administration, and other Western nations employed, and this consideration is integrated into the IT/ED framework.

The personalities of individual leaders may also be relevant at times to the alignment decisions of leaders.⁶¹ For instance, in recent encounters between U.S. president George W. Bush and Russian president Vladimir Putin, Bush claimed to have seen into Putin's soul and therefore cooperation, whether on the war against terrorism or in the field of strategic offensive weapons reductions, is more credible and possible. Similarly, the ongoing tensions between Putin and Georgian president Eduard Shevardnadze concerning Chechen guerrillas in the Pankisi Gorge is driven by a general hatred and contempt for Shevardnadze. Russians see the former Soviet leader, along with

⁶⁰ Stephen F. Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia* (New York: W.W. Norton & Company, 2000); and Janine R. Wedel, *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe, 1989-1998* (New York: St. Martin's Press, 1998).

⁶¹ Not surprisingly most scholarly attentions has focused on Russian leaders. See, for example, George W. Breslauer, *Gorbachev and Yeltsin as Leaders* (Cambridge: Cambridge University Press, 2002); and Archie Brown and Liliia Fedorovna Shevtsova, *Gorbachev, Yeltsin, and Putin: Political Leadership in Russia's Transition* (Washington, D.C.: Carnegie Endowment for International Peace, 2001).

former Soviet Premier Mikhail Gorbachev, as the principal architects of the Soviet demise and to blame for much of the countries problems.⁶²

However, the analysis of personality does not warrant fuller explication beyond what the IT/ED framework offers. Leaders do matter, which is a central consideration of the present framework, but calculating for their actual personalities does not add much to the framework's explanatory capability, and instead it would raise other methodological issues that would hinder the parsimonious nature of the IT/ED framework. By design the IT/ED framework views leaders as self-interested actors that prioritize their security over the security of the country. To factor in different personality measures would lessen the ability to generalize across the FSU, and such an analysis would be driven by considerations of political psychology, which is an endeavor that goes well beyond the present discussion.

Many IR theorists have placed emphasis on the nature of a government and its impact on foreign policy. The democratic peace thesis is perhaps the most often cited in this genre of research.⁶³ In short, democracies are less prone to fight other democracies, in contrast to dyads in which one country is democratic and the other non-democratic or both countries are non-democratic.

While the IT/ED framework does not tackle such questions head on, it does factor in the importance of regime type. First, the framework attempts to explain alignment decisions in countries that are either authoritarian or quasi-democratic. (The only countries in the FSU that can be seen as democratic are the Baltic states, and they are left

⁶² Vladimir Socor, "Putin's New Tune: I've Got Georgia on My Mind." *Wall Street Journal*, 14 August 2002, A12.

⁶³ Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, ed., *Debating the Democratic Peace* (Cambridge: MIT Press. 1996).

out of this present analysis.) Second, from a theoretical standpoint, leaders in different types of regimes are expected to respond to internal threats differently. Authoritarian leaders are more likely to balance internal threats because of their willingness and ability to repress domestic political opposition. On the other hand, leaders in quasi-democratic states are more likely to bandwagon with the most powerful groups in the state because of their inability to crackdown openly on opposition. Thus, while some could point to regime type as a factor that influences alignment decisions, the IT/ED framework includes this consideration into its theoretical treatment of alignment calculations vis-à-vis Russia.

Ideological considerations could also be highlighted as important factors in bringing about stronger policies between a country and Russia. Yet, unlike the above alternative variables, this factor is largely discounted in the present work and not incorporated in any fashion into the IT/ED framework.

The most significant analytical problem is that FSU leaders did not consistently adhere to any preconceived ideology. In large part ideology became less relevant after the collapse of Soviet communism. As Francis Fukuyama suggested, the century ended with a triumph for liberal democracy over its communist and fascist rivals, signaling the “end of history,” or at least the end of ideological clashes.⁶⁴ But, very few leaders in the FSU openly and sincerely embraced the precept of this ideology. It could be argued that the Baltic states have, and this would explain why their trajectory has been a linear one towards the West. The same cannot be said for other FSU countries, where leaders did what was best for them with little or no preconceived ideological underpinnings.

Moreover, if a leader professed a particular ideology one day, this did not ensure that a

⁶⁴ Francis Fukuyama, “The End of History?” *The National Interest*, no. 16 (1989): 3-18.

few days later the same ideology would be upheld. All of this suggests that ideological factors played little role in explaining relations between CIS countries and Russia, and therefore the variable is not considered an important explanatory factor.

Finally, the IT/ED framework does not incorporate Russian interests and actions into the framework for two primary reasons. First, Russian policy as an explanatory factor is largely seen as a constant variable. While Russian policy did fluctuate over the past decade, Russia by in large sought to maintain (and at times extend) its influence in the FSU, both formally and informally. The region was treated by Western policy makers and seen by Russian policy makers as part of Russia's larger sphere of influence. U.S. policy generally took a back seat to Russian interests in these various regions, although in the wake of the terrorist attacks of 9/11 the United States has dramatically increased its military presence in regions such as Central Asia and the Caucasus. In short, Russia is seen a country that wants to maintain its hegemonial status in its former empire, and therefore other countries in the region are likely to see this as neo-imperial in some respect. Because this was a constant since independence, it is less important analytically (although there was some limited change over those years as Russian cabinet officials were replaced).

Second, by design the framework is more interested in the forces that are driving policies in Russia's former periphery as opposed to what is driving policy from Moscow. Much attention in the early 1990s focused on Russia's role in the region depicting FSU states as relatively passive actors to the exclusion of the many domestic factors that drove policies towards Russia. The IT/ED framework is more interested with alignments vis-à-

vis Russia, and examining the underlying motives for why leaders chose alignment towards Russia and not the other way around.

INTERNAL THREAT/ECONOMIC DEPENDENCE FRAMEWORK

This section discusses more specifically the variables of the IT/ED framework and provides indicators used to estimate their general values. As noted earlier, the framework consists of two independent variables—internal political threats and economic dependence on Russia— that are purported to explain alignment patterns. The combination of different values of these variables (ranging from high to low) provides four alignment patterns. These outcomes are presented as basic hypotheses along with the rationale underlying each alignment strategy. Justification for the selection of the two cases examined in this dissertation is then provided.

Alignment

The dependent variable is that of alignments. An *alignment* is defined as a relationship between two or more states, which involves mutual expectations of some degree of policy coordination on security issues under certain conditions in the future.⁶⁵ This definition is drawn from the alignment literature, and thus conforms to the conventional usage of the term.⁶⁶

⁶⁵ Walt, *Origins of Alliances*, 1; David, *Choosing Sides*, 29; and Levy and Barnett, “Domestic Sources of Alliances and Alignments,” 370.

⁶⁶ Alignment should not be confused with the more formal and binding concept of an alliance. For a sample of definitions of alignment and alliance in the literature see, Rothstein, *Alliances and Small Powers*, 46-64; George Modelski, “The Study of Alliances: A Review,” in *Alliance in International Politics*, ed. Julien Friedman, Christopher Bladen, and Steven Rosen (Boston: Allyn and Bacon, 1970), 63-75; Robert A. Kann, “Alliances versus Ententes,” *World Politics* 28, no. 4 (1976): 611-21; and Robert V. Dingman, “Theories of, and Approaches to, Alliance Politics,” in *Diplomacy: New Approaches in Theory, History, and Policy*, ed. Paul Gordon Lauren (New York: Free Press, 1979).

This definition of alignment is not highly quantified in key works on the study of alignment theory.⁶⁷ Instead, IR theorists have offered a more qualitative assessment of state alignment. This is not as problematic in the study of alliances and alignments because the extent to which a country aligns with another tends to be fairly straightforward in practice.⁶⁸ Countries tend to sign formal agreements with other states. The North Atlantic Treaty Organization and the Warsaw Pact are recent examples in which clearly defined alliances were evident. Similarly, the United States maintains a formal security relationship with Japan that serves as a signal to other countries in East Asia that may seek aggression, such as China or North Korea. For the purposes of this study, the extent of a leader's alignment strategy is not always as clear-cut. There are exceptions, for instance, in the signing of the Commonwealth of Independent States (CIS) Collective Security Treaty, or other defense related multilateral treaties, but in general this dissertation accepts that there are varying degrees of alignments with Russia, ranging from strong, to moderate, to weak.

Accordingly, while the overarching assessment of a given alignment vis-à-vis Russia is a qualitative assessment, quantitative factors inform such an assessment. The extent to which an alignment towards or away from Russia is observed is based on several factors. These include: 1) the extent to which a country coordinates its security policies with Russia in bilateral terms, and 2) the extent to which a country coordinates its policies within the CIS framework. Indicators for the first aspect of alignment include:

⁶⁷ Waltz, *Theory of International Politics*; Walt, *Origins of Alliances*; and David, *Choosing Sides*.

⁶⁸ One historical reason for the formality or openness of a particular alliance stems from the experience of "secret alliances" shortly before World War I, where the hidden alliance system ultimately collapsed on itself leading to a rapid escalation of war. Woodrow Wilson drew attention to secret alliances in his Fourteen Points suggesting the need for open covenants in which "there shall be no private international understandings of any kind [and] diplomacy shall proceed always frankly and in the public view." Woodrow Wilson, *The Messages and Papers of Woodrow Wilson*, vol. 1 (New York: The Review of Reviews Corporation, 1924). 468.

the frequency of high-level military meetings, bilateral agreements signed between Russia and the respective country, joint training of personnel, and military hardware transfers. Indicators of the second aspect include: the number of formal agreements signed by the respective countries and the choice (or type) of agreements signed.

Internal Political Threats

The first independent variable employed in this project is internal political threats. *Internal political threats* to leaders are estimated in two ways. First, as David suggests, they constitute those actors that jeopardize the political position (and often the livelihood) of a leader.⁶⁹ David's conception of internal threats is closely associated with political violence (i.e., assassination attempts, coup d'états). The present usage of internal threats builds on his more narrow definition of political violence. It includes other domestic threats to the political survival of FSU leaders, such as opposition political parties, political protest, and opposition media.⁷⁰ As seen above, some scholars emphasized the importance of leadership survival, but they have not made the analytical distinction between political violence and domestic political opposition. In this regard, this dissertation differentiates among different kinds of threats faced by leaders, suggesting that variation in the level of internal threat is a function of both types of threats (political violence and domestic political opposition).

Because of the sensitivity of these issues, interviewing leaders regarding the

⁶⁹ For more general discussions see. Raymond Cohen, *Threat Perception in International Crisis* (Madison: University of Wisconsin Press, 1979). 4; and Nadim N. Rouhana and Susan T. Fiske, "Perception of Power, Threat, and Conflict Intensity in Asymmetric Intergroup Conflict: Arab and Jewish Citizens of Israel," *Journal of Conflict Resolution* 39, no. 1 (1995): 54.

⁷⁰ James Franklin, "IMF Conditionality, Threat Perception, and Political Repression: A Cross-National Analysis," *Comparative Political Studies* 30, no. 5 (1997): 576-606.

relative stability of their regime is unrealistic. Instead, a leader's perception of internal threats is assessed and inferred from public statements and indirectly by the responses to these threats.⁷¹ That is, if we assume that leaders are motivated by internal threats in their alignment choices, we would expect to see leaders working to eliminate or address these sources of threat and dissent (often with direct and indirect assistance).

The two indicators of internal threats to leaders (political violence and domestic political opposition) influence alignment patterns in relatively predictable ways. The presence of both political violence and domestic political opposition will prompt the strongest pro-Russian alignment in the IT/ED framework. If a leader faces only political violence and little political opposition, then a leader would still adopt a strong to moderate alignment towards Russia. However, if leaders do not face any political violence, then the intensity of a pro-Russian alignment is likely to be weaker, unless the leader faces significant political opposition that it cannot address itself. If a leader faces no political violence and no political opposition, then the value for internal threats would be considered low.

Internal threats to leaders is not really a dichotomous variable, in the sense that it has either high or low values. Instead, this should be seen more as a continuum that can fluctuate over time and as a result of leader's responses to these threats. The same can be said for the following discussion of economic dependence on Russia, in that the variable is not dichotomous but rather exists along a line ranging from high to low values of dependence. The decision to discuss the variables in a dichotomous fashion is important because it provides the IT/ED framework with its four testable hypotheses.

⁷¹ Ibid.

Economic Dependence

The second independent variable in this framework is *economic dependence* on Russia. It is defined as a condition of significant and severe asymmetry in which two conditions emerge: 1) country B has valuable resources that A lacks and 2) country A has few if no alternate or substitute relationships to turn to.⁷² This is not to be confused with the concept of asymmetrical interdependence, which is a relationship in which country A needs country B more than B needs A. Economic dependence is a severe instance of asymmetry and suggests that a major imbalance of need exists between two states, which tends to leave the dependent country in a very vulnerable situation.⁷³

Economic dependence on Russia is estimated using three indicators. These include: 1) an examination of a state's exports and imports with Russia as a percentage of its total trade; 2) the availability of energy supplies, which is seen as the most important "strategic" good; and 3) a country's access to alternative (or substitute) economic resources, predominantly from Western countries and institutions. The first two indicators are commonly used in the statistical study of economic interdependence. The third indicator is also important, since as Keohane and Nye argued, dependence is a function of a country's ability to find substitutes or alternatives to a dependent relationship. If alternatives can be found in the West, then countries are less vulnerable in their economic relationship with Russia. With respect to the third indicator, assistance

⁷² Albert O. Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley: University of California Press, 1969); Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 3rd ed. (New York: Longman, 2001); David A. Baldwin, "Interdependence and Power: A Conceptual Analysis," *International Organization* 34, no. 4 (1980): 471-506; and James A. Caporaso, "Dependence, Dependency, and Power in the Global System: A Structural and Behavioral Analysis," *International Organization* 32, no. 1 (1978): 13-43.

⁷³ For more on the distinction between sensitivity and vulnerability under conditions of interdependence see, Keohane and Nye, *Power and Interdependence*. Because this study focuses on economic dependence on Russia, it stresses the vulnerability aspects of interdependence over those related to sensitivity.

can be either in the form of bilateral transfers from individual countries in the West or multilateral and channeled through such international financial institutions as the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development.

The main factor influencing the third indicator (access to Western alternatives) was the willingness of FSU leaders to implement economic reform.⁷⁴ This is not to suggest that economic reform was the only manner by which resources could be acquired, rather our goal is to highlight its implications for the accumulation of economic resources and foreign policy.⁷⁵ The implementation of economic reform is seen as influencing access to Western resources in a straightforward manner. The more radical the implementation of economic reform, the more likely a state will obtain Western economic assistance. The term radical here is most associated with the idea of “shock therapy,” a term popularized by Harvard economist Jeffrey Sachs, where countries should not only embark on a comprehensive strategy of economic reform, but that it should be done in as swift a time frame as possible. The explicit purpose of this therapy was to tear down the institutional apparatus of the former regime, and pave the way for a new outlook and approach.⁷⁶ Such therapy was based on an equation involving macroeconomic stabilization, the initiation of more restrictive fiscal and monetary

⁷⁴ For an argument that stresses politics within the IMF see, Strom Cronan Thacker, “The High Politics of IMF Lending,” *World Politics* 52, no. 1 (1999): 38-75.

⁷⁵ For a good statistical study that examines several factors related to donor and recipient conditions and the extension of foreign assistance see, Marijke Breuning and John T. Ishiyama, “Aiding the (Former) Enemy: Testing Explanations for Foreign Assistance to Eastern Europe and the FSU,” *International Politics* 36, no. 3 (1999): 357-71.

⁷⁶ David Lipton and Jeffrey Sachs, *Creating a Market Economy in Eastern Europe: The Case of Poland*, Brookings Papers on Economic Activity, no. 1 (Washington D.C.: Brookings Institution, 1990); David Lipton and Jeffrey Sachs, *Privatization in Eastern Europe: The Case of Poland*, Brookings Papers on Economic Activity, no. 2 (Washington, D.C.: Brookings Institution, 1990); and Peter Murell, “What is Shock Therapy? What Did it Do in Poland and Russia?” *Post-Soviet Affairs* 9, no. 2 (1993): 111-40.

policies, the privatization of state properties and assets, and general price and trade liberalization.⁷⁷ The framework does not make any prior assumptions about the effectiveness of shock therapy. Rather, the principal concern is to draw attention to the fact that if countries “enacted” *and* “implemented” economic reform, then Western economic resources were more available to leaders, which could help sever or mitigate a country’s economic dependence on Russia.⁷⁸

These indicators effectively measure my independent and dependent variables. Data will be obtained from a variety of primary and secondary sources including: 1) Russian language newspapers (from Russia and various countries), 2) official CIS documents, 3) primary writings and speeches of leaders, 4) primary interviews with governmental officials from these countries held in Washington, D.C., 5) primary interviews with IMF and World Bank representatives in Washington, D.C., 6) internal documents held in the joint IMF/World Bank library in Washington, D.C., and 7) foreign broadcasts and newspapers as translated by the Foreign Broadcast Information Service (FBIS), the Current Digest of the Post-Soviet Press, and Radio Free Europe/Radio Liberty.

The two independent variables of the IT/ED framework can influence one another. This is mitigated in one aspect because the variables are cast at different levels of analysis. Internal threats focus on the individual level and address what factors leaders see as most threatening to their positions. Economic dependence on Russia, on the other hand, emphasizes the interaction between states. This is evident in the indicators used to

⁷⁷ Bartłomiej Kaminiski, “Introduction,” in *Economic Transition in Russia and the New States of Eurasia*, ed. Bartłomiej Kaminiski (Armonk, NY: M. E. Sharpe 1996), 8.

⁷⁸ For more on the distinction between enacting and implementing reform see, Andrei Shleifer and Daniel Triesman, *Without a Map: Political Tactics and Economic Reform in Russia*. (Cambridge: MIT Press, 2000).

estimate a country's dependence on Russia (e.g., trade, energy dependence, and access to Western economic resources). We would not speak of a leader being economically dependent on Russia; rather a leader may govern a country that is economically dependent. This contrasts with internal threats where the leader is the focal point of analysis.

That being said, the most likely scenario in which the variables influence one another is one in which economic dependence influences internal threats. A state that is economically dependent on Russia often faces few alternatives, and under such conditions, economic decline or collapse is possible, in which case internal political pressures to leaders are more likely to increase. When countries face a dire economic situation, the populace and other domestic opponents, both mainstream and others seeking more radical regime change, may challenge the present leader blaming them or their policies for such turmoil, hence there is a rise in the level of internal threats to leaders. Economic dependence and subsequent economic pressure creates a reciprocal political pressure, forcing leaders either to crackdown on opposition or prompting them to adopt even stronger pro-Russian policies. This is the most plausible (and empirically consistent) instance in which the two independent variables influence one another. Thus, when dependence is severe and the economy declines rapidly or collapses altogether, there is a greater likelihood that internal threats to leaders will increase. Internal threats, however, do not influence economic dependence in any straightforward manner.

Hypotheses

This dissertation focuses on internal threats and economic dependence as

determinants of alignment behavior. Four distinct alignment strategies can be inferred from the combination of the two independent variables, although this does not imply that these combinations are seen in as ideal terms in practice. The rationale underlying these particular outcomes is also offered. It is important to note that because the political and economic environment was so dynamic after independence, FSU leaders tended to adopt a variety of alignment strategies based on variations of the independent variables. Thus, it is not uncommon for a state to exhibit the logic of one alignment pattern, while adopting a different alignment pattern a short time later, and so on and so forth. The critical factor is how leaders dealt with political threats and economic dependence over time.

H1: When internal political threats are high and economic dependence is high, leaders are more likely to adopt a strong pro-Russian alignment.

RATIONALE. Leaders that face intense internal political threats and govern countries that are economically dependent on Russia generally have few alternatives but to continue a pro-Russian orientation. This is largely because there were few countries available or willing to assist FSU leaders in their attempt to maintain power, especially if there was a lack of democratic reform. Leaders choosing this strong pro-Russian alignment tend to face the most intense form of internal threats that of political violence in the form of assassination attempts, armed minorities and secessionist movements, and radical Islamic extremism. Moreover, in some cases the intense concern for political survival can prompt a leader to cede over aspects of a country's sovereignty (to the detriment and subjugation of the state) in exchange for domestic support and political backing.

H2: When internal political threats are low and economic dependence is high, leaders are more likely to adopt a moderate to weak pro-Russian alignment.

RATIONALE. When at least one of the independent variables is at a high level, a moderate alignment towards Russia is adopted because of the need for continued Russian assistance on some level, although there is some variance in terms of the strength of this moderate alignment. Leaders that are relatively secure in their political position, in that they do not have to contend with political violence or political opposition, do not find it as necessary to adopt strong pro-Russian policies. However, in this hypothesis leaders are still constrained by the high level of dependence on Russia, and they must still continue to work with Russia, prompting a moderate to weak alignment depending on the extent on dependence.

The ability of a leader to address its country's economic dependence on Russia influences this alignment strategy over time. For instance, a country that was dependent at independence could develop its own domestic resources if available, or it could implement reform and obtain economic resources from the West. This may lessen the extent of dependence and enable a leader to adopt a more independent alignment (H4). The inverse can be true as well. A leader who faces little domestic political opposition may attempt to sever the country's economic dependence on Russia (H2), through radical reform, trade restructuring, or other domestic strategies. If these strategies are unsuccessful, they may backfire and prompt greater domestic political opposition to the leader either through violence or elections, which would inevitably lead to a stronger pro-Russian policy (H1). In the end, because leaders are politically secure, there alignment is

only constrained by the country's dependence on Russia, and a greater degree of flexibility in terms of foreign policy choices is possible.

H3: When internal political threats are high and economic dependence is low, leaders are more likely to adopt a strong to moderate pro-Russian alignment.

RATIONALE. Leaders that face internal threats and are therefore concerned about their political survival tend to align with Russia, although in this hypothesis because dependence is low the intensity of that alignment is not as strong as H1, but it is stronger than H2. This is because in the IT/ED framework internal threats, which have a direct impact on a leader's political survival, have a much stronger impact of alignment decisions, whereas economic dependence is seen more as a constraint on a leader's options as opposed to an overarching impetus for stronger relations with Russia. As seen in H2, a leader may be able to adopt a more independent alignment (H4) if they are able to effectively combat their internal threats, either through their own domestic responses or the assistance of Russia.

H4: When internal political threats are low and economic dependence is low, leaders are more likely to adopt a strong pro-independence alignment.

RATIONALE. In this alignment strategy, leaders face few political threats and are able to address their economic dependence on Russia through domestic self-sufficiency and conservation or by finding substitutes other than Russia for their economic interaction. Because there is little need for Russian assistance, leaders are able to forge stronger alignment away from Russia or at the very least adopt more independent policies.

This does not assume necessarily that these policies are anti-Russian, but leaders

in Moscow often perceived them that way. This latter consideration is a subtle nuance of the FSU system. That is, by adopting more independent policies away from Russia, a leader may be seen as pursuing an anti-Russian alignment although this is not necessarily their intent. As we saw previously, this is a product of Russia's desire to maintain its sphere of influence, and efforts to limit that dominance tend to be seen as anti-Russian. Economic cooperation between Georgia, Uzbekistan, Ukraine, Azerbaijan, and Moldova, the so-called GUUAM countries, is indicative of this pattern. These leaders consistently and publicly stated that their cooperative efforts were not anti-Russian but aimed at increasing the position of the respective members. To those in Russia this was difficult to reconcile. These hypotheses are illustrated in Table 1.

Table 1
Leader Alignment Strategies towards Russia

		Internal Political Threats	
		High	Low
Economic Dependence on Russia	High	Strong Pro-Russian (H1)	Moderate to Weak Pro-Russian (H2)
	Low	Strong to Moderate Pro-Russian (H3)	Strong Pro-Independence (Anti-Russian) (H4)

CASE STUDY SELECTION

While there are fourteen potential cases (the total number of non-Russian republics in the FSU), this article undertakes close examination of two countries—Uzbekistan and Ukraine. These case studies should be seen as plausibility studies. That is, if the framework provides compelling and accurate predictions about the behavior of these states, then it would be plausible to study other FSU states at greater length to determine how successful the framework is in explaining their alignment strategies. The total number of possible cases also declines from fourteen to eleven, since the Baltic states fall outside of the parameters of the IT/ED framework. As discussed earlier, internal threats are not present in all countries, and the Baltic states, unlike the other countries of the FSU, have a relatively free and open political process. This means that the preconditions necessary for using the concept of internal threats (questionable political legitimacy and strong state apparatus) are not met in these particular cases. The remaining eleven states have all joined the CIS, although their level of political, military, and economic cooperation has varied tremendously.

Uzbekistan and Ukraine are appropriate case studies to explore at greater length for at least five reasons. One rationale for case study selection is that rival theories, in this case balance of power and balance of threat theories, have difficulty explaining alignment patterns in the FSU and generate predictions that are not consistent with the empirical behavior of FSU states. These states are prime examples of countries that should follow balance of power and balance of threat logic, as they are some of the largest FSU states in terms of military strength, geographical size, economic resources, and population, and are therefore some of the strongest countries based on a traditional

assessment of their capabilities. As traditional alignment theories suggest, stronger states are more likely to balance against Russia to ensure their security than weaker states.⁷⁹

However, this balancing behavior did not occur in any meaningful fashion. Uzbekistan went from a strong pro-Russian alignment in the early 1990s (H1) to a strong pro-independent alignment in the mid 1990s (H4), and then to a more moderate Russian alignment by 2000 (H3). On the other hand, Ukraine went from a strong pro-independence alignment in the early 1990s (H1), to a more balanced pro-Russian and pro-Western alignment in the mid 1990s (H2), and then to a strong pro-Russian alignment by 2000 (H4). Thus, by choosing the states most likely to follow traditional alignment logic, we entertain a prominent and plausible explanation for the alignment patterns of these states.

Second, these countries enhance the comparative dimension of this work in that they have different political systems. Ukraine is a quasi-democratic state that allows opposition parties to register and run for elected office, including the presidency. On the other hand, Uzbekistan is an authoritarian regime in which little if any domestic political opposition exists. By drawing on these different cases, the various ways in which FSU leaders can address their domestic opponents becomes more evident, which allows for more general discussion across the FSU. More to the point, if only authoritarian cases were selected (or vice versa only quasi-democratic states), then the ability to generalize based on domestic political systems would be weakened.

Third, these cases allow for greater generalization across regions of the FSU. Indeed, much of the work on the IR of the FSU remains at the regional or bilateral level,

⁷⁹ Waltz, *Theory of International Politics*, 113; Walt, *Origins of Alliances*, 29-31; and Rothstein, *Alliances and Small Powers*, 11.

and therefore our understanding of relations within the FSU at a conceptual level remains understudied. Fourth, these studies provide ample variation in both the independent and dependent variables, which helps illustrate the variety of security and political economic relationships within the FSU. To choose cases in which there is little variation is dangerous for the researcher, and they should be avoided, as there is little that can be learned from their causal explanations.⁸⁰ Uzbekistan's Islam Karimov and Ukraine's Leonid Kravchuk and Leonid Kuchma all experienced varying levels of internal political threats and economic dependence on Russia, which naturally led to a fluctuation in the respective state's alignment strategy towards Russia. Finally, these cases are of particular importance in terms of their geostrategic positions in Eurasia. Ukraine has one of the largest armed forces on the European continent, and Uzbekistan has recently become a valued ally in the war against terrorism, and more specifically, in the military campaign in Afghanistan. By examining these countries, we attempt to shed fresh light on these countries for policy makers as well. To examine smaller and less important cases would run the risk of producing a work that is of less interest primarily because many other countries of the FSU are less crucial for the future of regional and world affairs than those studied here.

LIMITATIONS OF THE IT/ED FRAMEWORK

The development of the IT/ED framework and its original application in this dissertation is not without limitations. Three methodological considerations are worth

⁸⁰ Gary King, Robert O. Keohane, and Sidney Verba, *Designing Social Inquiry: Scientific Inference in Qualitative Research* (Princeton: Princeton University Press, 1994), 130; and Alexander L. George, "Case Studies and Theory Development: The Method of Structured, Focused Comparison," in *Diplomacy: New Approaches in History, Theory, and Policy*, ed. Paul Gordon Lauren (New York: Free Press, 1979).

noting. The first limitation of the framework involves the problem of inferring a leader's intent from political statements. Leaders may use rhetoric or tailor public speeches and statements for the consumption of a variety of audiences, whether domestic, vis-à-vis Russia, or the international community at large. From an analytical point of view, therefore, one cannot assume that just because a leader says something about a given subject it is necessarily an accurate depiction of what that leader truly believes.

While this methodological hurdle cannot completely be overcome, the use of public statements provides at the very least a starting point to infer about a leader's intent. Moreover, one indirect method can be used to assess intent from statements. That is, if a leader makes a public statement and then follows up on it through some type of policy initiative, then that leader's statement is seen as representative of intent. On the other hand, if a leader makes a particular statement, but then does not back it up with some type of policy decision, then the statement is seen less as a measure of true intent (unless there are mitigating factors that inhibit a leader from adopting a particular policy, which probably would be addressed by a leader in public). For instance, if a leader is prone to making anti-Russian statements, but then they quietly sign cooperative agreements with Russia, the initial statement is less compelling than a leader that refuses to engage in cooperation. While this is not a perfect solution to the problem, it does lessen the difficulty associated with using public statements, especially since other first-hand accounts are impossible to obtain and the sensitivity of the topics discussed inhibit interviewing leaders.

The second limitation of this work lies in the rigor of the methodology. The IT/ED framework is not a purely quantitative or statistical assessment of the impact of

internal threats and economic dependence on alignments with Russia. That is, data is not coded in a way to provide us with a precise measure for internal threats to leaders or economic dependence that could then be plotted on a particular grid. Instead, the IT/ED framework uses some quantitative indicators to provide the researcher with a baseline to make a qualitative assessment of the extent of internal threats and economic dependence.

With respect to internal threats, coding data would not necessarily strengthen the overall argument because of difficulties associated with such an endeavor. For example, a sterile measure of the number of political parties in a country may or may not provide us insight into the extent of political opposition a leader faces. We could hypothesize that more parties would mean more opposition, but this might fracture opposition and make a cohesive opposition less likely to emerge. This could be identified as hyper-pluralism and was seen in some FSU countries as parties sprouted up along vast, compartmentalized interests. In some cases electoral laws were adopted to promote party cohesion, for instance, by providing greater benefits to parties that received a certain percentage of the popular vote. More parties do not necessarily mean that there will be a stronger opposition. Moreover, in many authoritarian countries political parties were often government sponsored and did not really represent any opposition to the leader at all. They were used to provide a democratic façade to an otherwise undemocratic regime and largely rubber-stamped what the leader wanted to do.

The same could be said for political protest. A country may have several small protests that do little in terms of mobilizing opposition to a leader, but if they were quantified it might provide a different picture. However, a country may experience one or two significant protests that ultimately bring about the collapse of the system, but a

quantified protest variable may not accurately reflect such a reality. Another consideration that would be difficult to control for in a more statistical assessment of political protest involved who is actually protesting. In some cases in the FSU, protesters were not really out in the streets because of their open opposition to a given leader, but because they were paid by various officials that wanted to put on an illusion of protest, once again complicating measure that may be taken out of a given context. In such instances, qualitative assessments provide a more accurate depiction of political opposition than quantitative measures.

Similarly, when discussing political violence, acts, such as assassination attempts, may provide some insight into the extent of internal threats facing a leader, but groups themselves may pose a challenge for quantification. In particular, the size of an anti-state group may not reveal itself because it has been forced underground, so it would be difficult to accurately measure the size of a group. Also, in the case of religious extremists or secessionist movements, a smaller number of individuals may be needed to extract heavy damage on a foe, such as that seen in the 9/11 terrorist attacks, in which case numbers may be misleading. The resolve of such groups would also pose a problem for quantification since the willingness of a group to continue the struggle to the last man or woman could never be accurately measured.

Economic dependence on Russia is not as difficult to operationalize and therefore the indicators used to estimate the variable are more straightforward. The one difficulty associated with these indicators, however, is that reliable data is not always available, especially with respect to trade statistics generated by the countries themselves.

Accordingly, two steps are taken to address this dilemma. First, original data is checked

against other sources to see how well it correlates with Western figures; and second, the dominant sources used in this study some from the West, such as in the International Monetary Fund trade statistics yearbook. But, these statistics themselves are estimates and are not put forth as definitive measures, but merely as accurate as Western assessments can be though crosschecking trade with other states.

In the end, the IT/ED framework does not provide a highly quantified rendering of its variables, but instead uses basic indicators to provide the researcher with some factors to allow for a qualitative assessment. This is both sensible and reasonable given the subject matter, and it still provides for a detailed and sophisticated account of these variables and their impact of alignment patterns vis-à-vis Russia. The framework therefore meets the challenge of being rigorous but not so rigorous that the method becomes the problem.

Finally, there are some inherent limits to a two-case approach. These cases are chosen for appropriate reasons outlined above, and should not be considered definitive cases that prove the merits of the IT/ED framework. Rather, they are seen as plausibility studies that either lend credence to or discount the logic of the proposed framework. If the findings are not robust against the empirical matter, then the framework either needs revising or is largely misplaced in its assumptions. However, if the opposite is true and the findings are robust, then the framework can be seen as a compelling explanation for alignment patterns that merits further study and scrutiny in the context of other CIS states. Beyond this, these cases represent a least similar dichotomy (with the exception of the traditional power capabilities and therefore their propensity to balance Russia) that provides a more difficult test of the IT/ED framework. If two similar cases were chosen,

then any conclusions would be less interesting. But in these cases, the types of internal threats faced are different, the types of governments in each country are different, the length of stay in power for leaders is different, and the extent of economic dependence is different.

CHAPTER III

UZBEK-RUSSIAN SECURITY RELATIONS AND ALIGNMENT PATTERNS

This chapter discusses the principal dependent variable in question for this dissertation, namely alignments in the context of Uzbek-Russian relations, and provides a general timeline of security relations between Uzbekistan and Russia. This is important because before we can discuss the impact of the two independent variables of the IT/ED framework, we first must have an understanding of what it is that we are trying to explain, or more simply, what actually happened.

This chapter focuses central attention on security relations between Moscow and Tashkent to be consistent with the conventional usage of the term alignment. It begins with a brief discussion of some of the factors that shaped Uzbekistan's initial alignment strategy in the wake of the Soviet Union's demise, and turns to a more explicit discussion of Uzbekistan's balancing options had it adhered to balance of power or balance of threat logic. Most likely, this would have involved strengthening security ties with either Turkey or Iran, with Russia representing the state that posed the greatest external security threat to Uzbekistan.

However, balance of power and balance of threat theories lead us astray in the discussion of Uzbek alignment patterns because they are state-centric. That is, according to traditional alignment theories, states are concerned with survival in an anarchic international system, and concerns with other more powerful or threatening states are seen as the primary determinants of alignment behavior. By contrast the IT/ED framework, which will be discussed at greater length in Chapters IV and V, better

explains the underlying motivations of Karimov's alignment patterns vis-à-vis Russia.

The IT/ED framework helps us understand why, despite shifts in the distribution of capabilities, Uzbekistan continued to engage in security cooperation with Russia; and it better identifies and conceptualizes the most pressing security threats in the region, which are not state-based but tend to be more transnational in character. The IT/ED framework refines the logic of traditional alignment theories and suggests that FSU leaders in more authoritarian systems tend to balance internal threats to their positions more so than external threats to a state's security. In fact, as Steven David points out, leaders may bandwagon with the greatest external threat to the country, although it may be of secondary importance to the more pressing internal threats to a leader's position.¹ The application of traditional alignment theories would therefore mischaracterize the underlying motivations of a leader's alignment strategy with a stronger outside power.

Two general alignment patterns are observed (with a recent softening towards security cooperation with Russia). These two periods span from the initial moment of independence until 1995 and from roughly 1995 until 2000, with a renewed phase of security cooperation towards extremism beginning in 2001. In this first phase Karimov saw aspects of political and military cooperation with Russia as an urgent necessity and therefore a strong to moderate security alignment with Russia was adopted. This was evident in Karimov's attitudes and actions towards bilateral cooperation with Russia and his cooperation within the CIS framework.

By the middle of the decade, fiery rhetoric undermined relations between Tashkent and Moscow, and Karimov adopted an even more independent orientation, which was aimed at limiting security cooperation with Russia. He has also been deft at

¹ David, "Explaining Third World Alignment," 236.

shying away from more institutionalized cooperation with Russia (unlike Kazakhstan, Kyrgyzstan, and Tajikistan) in favor of a broader cooperative forum in the Shanghai Cooperation Organization (SCO), which includes China. This strategy served Karimov's pro-independence alignment well, and also enabled him to strengthen relations with the United States, coinciding with its fight against global terrorism in general and Afghanistan in particular.

STARTING POINTS AND BALANCING OPTIONS

Karimov's initial pro-Russian alignment strategy was shaped by several factors related to the Soviet experience. First, the states of Central Asia never experienced true sovereignty because of Tsarist and later Soviet domination beginning in the mid nineteenth century. Russia incorporated the region into its empire to ensure Russian interests vis-à-vis British interests from their position in South Asia. This colonial legacy carried into the twentieth century and made transitioning away from Russia a difficult and obstacle-prone path after the Soviet collapse.

This was most evident in Central Asia's emergence to the international stage. Whereas some republics, such as the Baltic states and Ukraine, had enjoyed periods of independence during portions of the twentieth century, the Central Asian states were less ambitious about their new found independence. The nationalist element that drove much of Eastern Europe and the Baltics' drive for independence was less pronounced in Central Asia because of the presence of multiple ethnic groups within each state. For instance, in the densely populated Ferghana Valley, significant ethnic minorities are found throughout regions of Uzbekistan, Kyrgyzstan, and Tajikistan. This multi-ethnic

characteristic of Central Asian states is another legacy of Joseph Stalin's border demarcation policy, which served to divide and conquer the various nationalities and limit the development of pan-Turkic and pan-Islamic consciousness.² From Moscow's perspective, such states could pose long-term security problems, if nationalism grew as a dominant ideology. This manipulation protected Russian interests in the region and placed Central Asia in a severely dependent position relative to Moscow.

The historical ties between Uzbekistan and Russia, and for that matter the whole of Central Asia, were significantly different than relations with Eastern Europe and the Baltics, and this left these countries in an "independence limbo." As some scholars have suggested, the Central Asian states were actually "catapulted" into independence and in many ways were the recipients of an "unsolicited gift" of independence.³ This is evident as Central Asian leaders supported Gorbachev's efforts to reform Soviet federalism, and their populations voted overwhelmingly in favor (90 percent) of a continuation of the Soviet Union in a March 1991 referendum.⁴ As we will see later in Chapter IV, this sentiment in favor of working with Russia was also a product of the economic advantages Moscow provided.

Second, the Central Asian states had only nascent independent military structures at the time of independence. Hence, without a developed and indigenously manned military, Karimov had to adopt a more pro-Russian alignment. Central Asian states faced the daunting task of reforming the armed forces to make them more representative of the

² For this and other reasons concerning border demarcation see, Robert J. Kaiser, *The Geography of Nationalism in Russia and the USSR* (Princeton: Princeton University Press, 1994), 110-12.

³ Martha Brill Olcott, "Central Asia's Catapult to Independence," *Foreign Affairs* 71, no. 3 (1992): 108-30; and Anthony Hyman, "Moving Out of Moscow's Orbit: The Outlook for Central Asia," *International Affairs* 69, no. 2 (1993): 295.

⁴ Mark Webber, *CIS Integration Trends: Russia and the Former Soviet South* (London: Royal Institute of International Affairs, 1997), 25.

various nationalities. Ethnic Russians especially at the higher levels and throughout the officer corps heavily penetrated their militaries. This Soviet legacy was readily apparent to FSU leaders and warranted considerable attention.

Uzbekistan's experience with military reform is indicative of this challenge. In 1992 90 percent of the enlisted personnel were of Uzbek nationality, yet 70 percent of the officer corps were Russian speaking.⁵ A variety of initiatives were designed to remedy this issue, such as Uzbek language for its officer corps and a gradual shift to making Uzbek the operational language.⁶ Along with more active recruitment of ethnic Uzbeks, the military greatly reduced its reliance on non-indigenous officers. For instance, while ethnic Uzbeks made up only 6 percent of the officer corps, by 1996 the figure increased to over 80 percent.⁷ Indeed, Karimov's initiatives proved highly successful at strengthening the indigenous component of the Uzbek military.

Based on the logic of balance of power and balance of threat theories, this security environment would prompt Uzbekistan to align itself with states to balance the most dominant power in the region, Russia. The notion that Russia was the most significant security threat to Uzbekistan is also consistent with Walt's definition of threats. Despite its beleaguered military structures after the Soviet collapse, Russia still possessed the second largest nuclear stockpile in the world, and its military preeminence throughout its "near abroad" was unquestioned. While it does not share a border with

⁵ Susan Clark, "The Central Asian States: Defining Security Priorities and Developing Military Forces," in *Central Asia and the World*, ed. Michael Mandelbaum (New York: Council of Foreign Relations Press, 1994), 196.

⁶ For more on military reform see the interview with Colonel Arslan Khalmatov, deputy chief of staff of the CIS Joint Armed Forces and representative of the Uzbekistan Armed Forces, in A. Dokuchaev, "Pod krylom ptitsy khumo" (Under the wing of the khumo bird), *Krasnaia Zvezda*, 20 May 1993, 2; and U. Mirzaiarov, "Armeiskuiu sluzhbu na rodnoi zemle" (Army service in the homeland), *Pravda Vostoka*, 7 May 1992, 1.

⁷ Annette Bohr, *Uzbekistan: Politics and Foreign Policy* (London: Royal Institute of International Affairs, 1998), 58.

Uzbekistan, Russia is still extremely close and its offensive capabilities remain impressive.

The fourth indicator for Walt's conception of threats, perceived aggressive intentions, can also be easily inferred from Russian behavior especially in the early 1990s. For instance, it was not uncommon for Boris Yeltsin or other senior officials, let alone representatives in the Duma, to discuss the former Soviet borders as the borders in which Russia is responsible today.⁸ Karimov himself questioned the extent to which these types of sentiments were indicative of Russian policy. He challenged Yeltsin, for example, to state publicly whether the nationalistic ramblings of Vladimir Zhirinovskiy were acceptable or unacceptable. Yet, as Karimov is quick to point out, "not once have I heard [Yeltsin] make such a statement. And this alarms me. Is Zhirinovskiy perhaps voicing thoughts that certain statesmen are thinking? This is a very dangerous symptom."⁹ Thus, based on traditional power assessments and Walt's definition of external security threats, Russia was the most powerful and threatening state, and the state most likely to balance against.

The need to find balancing partners against Russia was all the more pressing, since, as seen above, Uzbekistan lacked the necessary military capabilities to provide for its security. Thus, traditional balancing logic would anticipate that Uzbekistan would align itself with other states to provide for its national security, presumably to balance Russia's preponderant power. However, few states had the ability or the willingness to

⁸ For more on this neoimperial sentiment and its impact on Russian foreign policy see, Menon, "In the Shadow of the Bear."

⁹ V. Portnikov, "Ja uzhe mnogo raz prigovoren" (I have already been sentenced many times), *Nezavisimaia Gazeta*, 21 June 1994, 3.

actively engage Uzbekistan on more intensive security cooperation. The most likely candidates were Turkey and Iran.

With its similar heritage and language, Turkey was perhaps the most alluring actor for Uzbekistan. The historical connection between the two states led Uzbekistan, in the words of Karimov, to “regard Turkey as an elder brother.”¹⁰ Upon his first official visit to Ankara in December 1991, Karimov, the first Central Asian leader to visit Turkey, declared, “my country will go forward by the Turkish route. We have chosen this road and will not turn back.”¹¹

Yet, these words lacked substance from both sides. First, Turkey, lacking close geographic proximity, was not in a strong enough position to act as a security guarantor for Uzbekistan. Second, cooperation between Uzbekistan and Turkey consisted primarily of economic and cultural exchanges, not security coordination.¹² Moreover, as the domestic situation became more unsettled in Turkey, the lack of Turkish resolve, especially in terms of direct economic assistance, attenuated the initial thrusts made by Ankara. Rising Islamic tendencies, ethnic and sectarian strife, and the ever-present

¹⁰ “President Karimov Interviewed on Turkish Ties.” *Foreign Broadcast and Information Service-Soviet Union-91-249* (hereafter cited as *FBIS-SOV*), 27 December 1991, 72. In a later statement, Karimov stated, “the people of Turkey, the Turkic peoples are very close to us. Their language and their heart but primarily their religion and their destiny are very close to us.” “Karimov Cited on Relations with Turkey,” *FBIS-SOV-94-122*, 22 June 1994, 65.

¹¹ Dilip Hiro, *Between Marx and Muhammad: The Changing Face of Central Asia* (London: Harper Collins, 1996), 176-77; and S. Novoprudskii, “Informatsionnoe nastupleniia Turtsii” (Turkey’s Information Offensive), *Nezavisimaia Gazeta*, 22 July 1992, 1.

¹² V. Volodin, “My priekhali k krovnyim brat’iam, zaiavil prem’er-ministr Turtsii v Uzbekistane” (We visited our blood brothers, the Turkish Prime Minister announced in Uzbekistan), *Izvestiia*, 28 April 1992, 5; “Foreign Minister on Relations with Turkey and Iran,” *FBIS-SOV-92-246*, 22 December 1992, 49; and Hale, “Islam, State-Building, and Uzbekistan Foreign Policy,” 156-57.

Kurdish question occupied Turkish leaders. In short, Turkey simply lacked the capabilities to serve as an effective balancing partner with Uzbekistan.¹³

Iran could have served as a potential security guarantor, but these relations were also problematic. On his first diplomatic mission in November 1991, Iranian Foreign Minister Ali Akbar Velayati stressed that, while Iran respected the aspirations of Uzbek self-determination, his government would formulate its policy “within the framework of her relations with Moscow.”¹⁴ Long-enduring problems from the Iran-Iraq War left the Iranian economy in shambles, and much like Turkey, left little leeway for geopolitical gambles. Iranian caution was also prudent, since Iran was taking advantage of Russia’s economic woes and its large reservoir of defense technology and scientific talent to accelerate its nuclear and ballistic missile capability. A strong Iranian alignment with Uzbekistan against Russia was the surest way to sever this coveted strategic trade. The end result is that Iran was primarily concerned with securing its strategic trade and maintaining cordial relations with Russia and was therefore a disinterested party when it came to balancing against Russia.

From the Uzbek perspective, the desirability of an alignment with Iran was unsettling for other reasons. First, whereas most Uzbeks, and most Central Asians for that matter, are Turkic-speaking and followers of Sunni Islam, Iranians are Persian-speaking Shiites. This posed an internal problem for Karimov because significant Tajik minorities populated the major cities of Uzbekistan, and Tajiks are the only Persian-speakers in the region. Furthermore, Karimov openly criticized Iran for their ideological backing of

¹³ For an analysis of the growing disillusionment between Turkey and Uzbekistan see, Philip Robins, “Between Sentiment and Self-Interest: Turkey’s Policy Toward Azerbaijan and the Central Asian States,” *Middle East Journal* 47, no. 4 (1993): 593-610.

¹⁴ “Further on Karimov Talks,” *FBIS-SOV-91-233*, 4 December 1991, 86.

Tajikistan's Islamic democrats, which continued to fan the flame of instability in the early 1990s.¹⁵ Indeed, much like the Balkans, this region resembles a cultural brew that at times erupted violently. Thus, Iranian influence was seen as potentially detrimental to the delicate ethnic balance in Uzbekistan.

Second, political and military coordination was hampered because each state viewed cooperation differently. This divergence came to the fore when the Economic Cooperation Organization (ECO), an economic pact signed between Turkey, Iran, and Pakistan in 1964 and later expanded to include the Central Asian states began over time to take on a more political tone. Speaking to this growing politicization of ECO, Karimov asserted before an ECO summit: "We cannot agree with the attempts by some countries and their leaders to foist upon us, the ECO Forum, their own vision of how to solve important international and political problems. Such a vision is absolutely unacceptable to us. In the future, if such declarations and such attempts to turn this forum into a political forum continue, I declare with total responsibility that Uzbekistan will leave the ECO."¹⁶ In the end, Karimov himself was unwilling to strengthen security cooperation with Iran.

Thus, in the initial days of independence Karimov adopted a strong to moderate alignment towards Russia primarily because of the relative immaturity of the Uzbek military and the lack of alternative security partners willing to provide for the security interests of the Uzbek leader. These considerations led Karimov to favor security cooperation with Russia within the CIS framework, especially during 1992 when the

¹⁵ S. Novoprudskii, "Druzhiba s druz'iami, mir s sosediami" (Friendship with friends, peace with neighbors), *Nezavisimaia Gazeta*, 2 December 1992, 3.

¹⁶ Ch. Annamuradov and G. Kolodin, "Opredeleny priorityty na budushchee" (Defined priorities for the future), *Nezavisimaia Gazeta*, 22 May 1996, 3.

initial security alignment was established. As we will see later, Karimov fully understood the importance of cooperating with Russia in the short-term in order to buffer the country from the adverse consequences of the post-Soviet transition.

UZBEKISTAN (1991-1995): THE PRIMACY OF STABILITY

After the Slavic republics (Russia, Ukraine, and Belarus) dissolved the Soviet Union on 7 December 1991, Uzbekistan and the other Central Asian states joined the new Commonwealth of Independent States (CIS) on 12 December 1991. The strongest provision of the new CIS agreement was the provision of equal co-founder status, which provided the former republics with *de jure* independence and sovereignty. As we will see in Chapter V, Karimov consistently favored CIS economic integration over political and military integration

In subsequent months, Karimov established a basic security alignment with Russia, one that would intensify in the upcoming year as civil unrest continued to destabilize Afghanistan and eventually Tajikistan. For instance, in April 1992, to ensure Uzbekistan's independence, Karimov pushed for a NATO-style CIS military in which "each state has its own army and at the same time participates in the pooling of efforts and the creation of a unified operational and strategic leadership with a unified command."¹⁷ By the May 1992 CIS summit in Tashkent then, Karimov was willing to sign the Treaty on Collective Security.¹⁸ The Tashkent treaty stated that aggression towards one member would be interpreted as aggression towards all members and

¹⁷ *Krasnaia Zvezda*, 25 April 1992, 1, in *Current Digest of the Post-Soviet Press* (hereafter cited as *CDPSP*) 44, no. 17 (1992): 20.

¹⁸ Besides Uzbekistan and Russia, Kazakhstan, Tajikistan, Turkmenistan, and Armenia signed the Tashkent Treaty.

provided for a CIS peacekeeping force to be sent to areas of real or potential conflict. Thus, by the spring of 1992 the basic security arrangement between Uzbekistan and Russia was established.

Throughout the summer and fall of 1992, Karimov continued to support security coordination with Russia to provide for greater regional stability. At the eighth meeting of the CIS heads of state, held in Moscow on 6 July, Karimov was the first to initiate discussion on the idea of creating a collective peacekeeping force to serve in “hot spots” throughout the CIS, and as *Izvestiia* reported, “the discussion proved very emotional.”¹⁹ While the initial fruits of the idea resulted in the deployment of forces to Moldova, it did not take long for the Uzbek government to redirect Russian attention. Once the Oliy Majlis (Uzbek Supreme Assembly) ratified the treaty in early July, prompt requests by the Uzbek Foreign and Defense Ministries called on Russia to provide more troops to aid in the defense of the Uzbek-Afghan border.²⁰ At the Tashkent meeting of the CIS foreign and defense ministries in late July, Karimov once again, only this time at the last moment, made an initiative to add security along the Commonwealth’s southern border to the agenda.²¹

In early September Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan convened to discuss possible solutions to the growing unrest in Tajikistan. On 3 September the group forwarded a warning to the Tajik government stressing how events in Tajikistan were endangering the security of the CIS. After the October 1992 summit, Uzbekistan and other Central Asian states sought to intensify the military dimension of the CIS by again

¹⁹ V. Kononenko, “Itogi moskovskoi vstrechi glav gosudarstv SNG vnushaiut umerennyi optimizm” (Result of Moscow meeting of CIS heads of state inspires moderate optimism), *Izvestiia*, 7 July 1992, 1-2.

²⁰ “CIS Peacekeepers To Be Used in Hot Spots,” *FBIS-SOV-92-137*, 16 July 1992, 3.

²¹ *Moskovskie Novosti*, July 26, 1992, 3, in *CDPSP* 44, no. 29 (1992): 17-18.

calling on Russian forces to make up the core of a multilateral peacekeeping effort for Tajikistan. Beginning in November 1992, this led to a greater Russian military presence in the region (primarily by Russia's 201st Motorized Division).²² Thus, as we will see in Chapter IV, the initial impetus for Karimov's security alignment towards Russia was the threat of religious extremism spreading into Uzbekistan and sparking greater instability.

Karimov's underlying security motivations are evident in Uzbek-Russian cooperation during the Tajik civil war and in Karimov's public resistance to closer CIS political and military cooperation. First, throughout the Tajik civil war, Uzbekistan and Russia played significant roles in the support of the regime of Emomali Rakhmonov. The intervention was so extensive that some referred to Tajikistan as a "Russian-Uzbek protectorate."²³ While Russia provided far more aid to Tajikistan over the years, Uzbek assistance was nevertheless indispensable and played out in a variety of ways. This aid included a cooperation treaty, which stipulated that Uzbekistan would defend Tajik airspace, the provision of weapons and military equipment (such as helicopters and armored equipment), and training for Tajikistan's internal troops.²⁴ Indeed, at times Uzbekistan directly controlled Tajik forces in areas of Tajikistan populated by ethnic Uzbeks, and on some occasions Karimov personally approved particular appointments to military and governmental posts in the Tajik government.

²² The official provision for the Tajik operation was issued at the April 1994 CIS summit, although a general agreement reached the previous September provided for the deployment of collective peacekeeping forces, with no specific reference to Tajikistan. This underscores the fact that peacekeeping action was often taken by the most interested regional actors and had less to do with the overarching cooperation of the entire CIS. The formal agreement attracted only six signatures including Russia, the Central Asian states (excluding Turkmenistan), and Georgia. Foreign Ministry of the Russian Federation, *Diplomaticheskii vestnik* (Diplomatic bulletin), no. 9-10 (1994): 46-47.

²³ Barnett R. Rubin, "Tajikistan: From Soviet Republic to Russian-Uzbek Protectorate," in *Central Asia and the World*, ed. Michael Mandelbaum (New York: Council of Foreign Relations Press, 1994), 207-224.

²⁴ Susan Clark, "The Central Asian States," 191-92; and Olcott, *Central Asia's New States*, 120, 128.

Karimov was willing to cooperate with Russia in Tajikistan, but he consistently resisted other attempts to subjugate Uzbek autonomy and independence with respect to political and military integration. Russian statements during the early 1990s contributed to these concerns. For instance in September 1993, Russian President Boris Yeltsin declared that the external borders of CIS states “are essentially the borders of Russia,” a sentiment shared by the Russian Foreign Minister.²⁵ Concerns over Russian intentions, therefore, shaped the willingness of Karimov to contemplate greater coordination with Russia.

Karimov’s rhetoric is an indication of his public stance towards greater CIS integration. As early as January 1993 at the Interparliamentary Assembly of the CIS, Karimov proclaimed that “it is wrong to deceive the people by enticing them with fine talk of independence and sovereignty, while at the same time, fearing the inevitable turmoil and difficulties on the way, making advance preparations for ways of retreating to the past under various specious and seductive pretexts.”²⁶ In general, Karimov was unsupportive of efforts to make the CIS a true confederation, and he disagreed with former Soviet President Mikhail Gorbachev that the former Soviet states were “standing on the threshold of new integration processes.”²⁷ Moreover, Karimov criticized the perceived dominance of Russia in the CIS, going so far as to suggest that Russia is playing the role of “dictator” in the FSU.²⁸ Speaking at a conference of six Turkic-speaking countries in Istanbul, Karimov charged that calls for forming various “unions

²⁵ Therese Raphael, Claudia Rosett, and Suzanne Crow, “An Interview with Russian Foreign Minister Andrei Kozyrev,” *Radio Free Europe/Radio Liberty Research Report*, no. 28 (1994): 38.

²⁶ G. Melikiants, “Piat’ byvshikh respublik sovetskogo soiuzia idut k novomu soiuzu. Chto by eto znachilo?” (Five republics of the former Soviet Union are entering a new union. What would this mean?) *Izvestiia*, 5 January 1993, 1.

²⁷ “Karimov News Conference Previews Summit,” *FBIS-SOV-92-095*, 15 May 1992, 7-8; and “Karimov Praises CIS, Criticizes Confederation,” *FBIS-SOV-92-252*, 31 December 1992, 65.

²⁸ “President Says Future ‘Inconceivable’ Without Russia,” *FBIS-SOV-94-017*, 26 January 1994, 57.

and confederations smack of imperial ambitions and of a return to the previous systems.”²⁹

In short, concerns with regional instability motivated Karimov to adopt a pro-Russian alignment, in large part due to a lack of viable alternative security guarantors and available military capabilities. In this sense, Russia was the only state willing and able to assist in ensuring regional stability. Despite security cooperation with Russia, Karimov was unwilling to subjugate Uzbek independence by strengthening political and military ties with Russia, as evident in Karimov’s rhetoric criticizing further integration with Russia.

UZBEKISTAN (1995-2001): FORGING GREATER INDEPENDENCE

By the middle of the decade, security cooperation with Russia was effective in combating regional instability and calming the situation in Tajikistan. Karimov was still unwilling to integrate further with Russia and increasingly adopted a more pro-independence alignment away from Russia. For instance, Uzbek and Russian strategic priorities diverged in Tajikistan, and Karimov continued to speak out against integrationist impulses in the CIS. These factors fueled Karimov’s more independent alignment, as evidenced by Uzbekistan’s withdrawal from the CIS Collective Security Treaty and Uzbekistan’s accession into GUUAM. Karimov’s pro-independence alignment has not precluded Uzbek-Russian security cooperation altogether. Yet, Karimov continues to resist more institutionalized cooperation with Russia under the auspices of a rapid reaction force, while he is willing to work within the SCO, which includes the other regional heavyweight China.

²⁹ “Calls To Restore Soviet Union Concern Karimov,” *FBIS-SOV-94-203*, 20 October 1994, 30.

While Russia and Uzbekistan worked to stabilize the situation in neighboring Tajikistan, there were strategic divergences between each state's agenda. Most notably, tensions arose as to how to resolve the conflict in Tajikistan. Russia continued to support the conservative pro-communist regime of Emomali Rakhmonov, who was elected in a race with no opposition and a state-controlled mass media and to the exclusion of other factions within the country. On the other hand, Karimov realized that a military solution was untenable, and considered the only long-term solution to be a compromise between pro-communist forces and the national opposition.³⁰ Karimov also played a role in conflict resolution when various factions were willing to negotiate. In April 1995, for example, Karimov met with Akbar Turajonzoda, the first deputy of the United Tajik Opposition (UTO), who had been the highest Islamic official in Tajikistan until his dismissal from the Dushanbe government in 1993. The meeting was held independent of Russian, Tajik, and UN counsel, although reportedly the substance of the meeting would be "relayed" to these participants.³¹

Also indicative of these tensions was the way in which a political compromise was eventually reached in Tajikistan. Karimov favored a coalition government that would place the most pro-Uzbek portions of Tajikistan in power. Prospects dwindled when the political alliance secured by Karimov between the Khojand region of the north, which Tashkent favored, and the Kulob region of the south began to falter by November 1994. After the Kulobis staged parliamentary and presidential elections, they began to drive the Khojandis (as well as ethnic Uzbeks) from their positions in both central and local government.

³⁰ Rubin, "Tajikistan," 220.

³¹ "Karimov Holds Talks With Tajik Opposition," *FBIS-SOV-95-065*, 5 April 1995, 70; and "Unprecedented Meeting of Uzbek Leaders, Tajik Opposition," *FBIS-SOV-95-078*, 24 April 1995, 87.

This unsettled Uzbek officials for several reasons. First, there are significant numbers of ethnic Uzbeks, which live in Tajikistan, especially in those areas contiguous to Uzbekistan.³² Second and related, the Khojand region had traditionally dominated Tajik politics (often in line with Tashkent's wishes), having provided all of the republics top leaders from the late 1930s until the outbreak of the civil war. But, the compromise did not favor this region. Indeed, when Rakhmonov met with the UTO in Moscow during the summer of 1997, the agreement reached excluded the Khojandi-based Party of National Revival from the coalition government. This weakened the position of Uzbeks in Tajik politics and eventually led to overt and covert Uzbek military interventions into Tajik territory. For instance, the Tajik leadership implicated Tashkent in sponsoring armed uprisings in Western Tajikistan in February 1996, August 1997, and October 1997. The unfavorable treatment of the Khojandis in the peace settlement also led Karimov to refuse to sign the inter-Tajik agreement as one of eight guarantor states (the others including Iran, Russia, Pakistan, Turkmenistan, Kyrgyzstan, Kazakhstan, and Afghanistan), ostensibly because there was no mechanism by which to enforce the agreement. A few months later, Karimov changed his mind, but the Tajik settlement remained the same.

Karimov also resisted greater CIS political and military integration with Russia. Discussions over border protection are a case in point. During a CIS summit in May 1995 the Uzbek leadership refused to sign the Treaty for the Defense of the CIS External

³² Three of the principal regions in Tajikistan are heavily populated by ethnic Uzbeks. Khojand is 31 percent Uzbek; Hissar, the area west of Dushanbe is estimated to be 45 percent Uzbek; and Kurgan Tiube, southwest of Dushanbe is 32 percent Uzbek. Rubin, "Tajikistan," 211.

Borders, making it the only Central Asian state not to have Russian border troops.³³ As Uzbek officials stated, “we are capable of reliably defending our 156-kilometer border with Afghanistan with our own forces and without the intervention of border troops from other countries, first and foremost from Russia.”³⁴ Moreover, bilateral agreements were agreed upon with most countries of the former Soviet southern border, although Uzbekistan refused to coordinate with Russia.³⁵ Karimov did, however, continue to maintain Uzbekistan’s formal cooperation by signing the CIS Collective Security Concept in 1995.

Throughout the 1990s, Uzbek officials continued to criticize integration with Russia and the CIS. This criticism was fueled by perceptions of Russian intentions, such as when the Russian State Duma passed a resolution in March 1996 that declared the dissolution of the Soviet Union legally invalid. Such sentiments strained relations between Tashkent and Moscow, and prompted considerable criticism from Karimov. In responding to a question about the increasingly anti-Uzbek tone of articles in the Russian media, Karimov suggested, “individual politicians and the press that serve them in Moscow, nostalgic for the past and wishing to restore the former Union in one form or another, are haunted by the independent policy of sovereign Uzbekistan.”³⁶ Within the parameters of CIS cooperation, Karimov challenged the development of supranational structures, suggesting that such a relationship “would not be the Commonwealth of Independent States... [but] the Community of Dependent States, in which each state

³³ Foreign Ministry of the Russian Federation, *Diplomaticheskii vestnik* (Diplomatic Bulletin), no. 7 (1995): 43–46.

³⁴ N. Musienko, “Boiatsia dazhe nameka na SSSR” (They fear even a hint of the USSR), *Pravda*, 22 February 1996, 2.

³⁵ For more on these bilateral agreements see. Webber, *CIS Integration Trends*, 42.

³⁶ “My verim v nashi sily i vozmozhnosti” (We trust in our strength and opportunities), *Pravda Vostoka*, 17 October 1996, 1.

would have to surrender part of its independence and sovereignty.”³⁷ The Uzbek Foreign and Defense Ministries voiced similar concerns about security cooperation with Russia. Uzbek Foreign Minister Abdulaziz Kamilov cited the danger that “centralized control” could return through such efforts, while Defense Minister (need first name) Akhmedov argued that such structures could “lead to future confrontation similar to the Cold War between the Warsaw Treaty countries and NATO.”³⁸ By the end of the decade, Karimov would be more capable of acting upon these sentiments and forging a more independent alignment.

By the late 1990s, the Uzbek military was restructured and greatly enhanced, and conflict in neighboring Tajikistan waned. This added sense of regional security provided Karimov with the impetus to sever Uzbekistan’s formal security alignment with Russia, the CIS Collective Security Treaty. At a January 1999 press conference in Tashkent, Karimov sharply criticized the recent developments in the CIS, charging that Russia was trying to impose its will on the CIS countries and that all matters were “dictated by Russia.”³⁹ This sentiment led to his decision not to renew Uzbekistan’s membership in the 1992 Tashkent treaty. As an Uzbek Foreign Ministry spokesman noted: “In its current form, the treaty does not meet the requirements of the times and is not performing the functions it was designed to perform. [Furthermore], Tashkent objects to Russia’s

³⁷ “Karimov Criticizes Integration Accords,” *FBIS-SOV-96-073*, 15 April 1996, 66.

³⁸ “Foreign Minister in India: Opposes CIS Military Bloc,” *FBIS-SOV-96-168*, 24 August 1996, 24; and “Defense Minister on Opposition to CIS Military Bloc,” *FBIS-SOV-96-177*, 10 September 1996, 35. Accordingly, the Uzbek government passed legislation in December 1996 that outlawed Uzbek participation in any political-military blocs. “Participation in Military-Political Blocs Ruled Out,” *FBIS-SOV-96-252*, 31 December 1996, 45.

³⁹ V. Kuznechevskii, “Karimov khlopnul dver’iu?” (Did Karimov slam the door?) *Rossiiskaia gazeta*, 5 February 1999, 4.

military activity in certain CIS states (presumably Tajikistan).”⁴⁰ Karimov has also spoken out against virtually every vital political issue for Russia including Russia’s position on NATO expansion as well as Moscow’s policy on Iraq and Kosovo. These developments along with his decision to join GUAM in April 1999 further weakened Uzbekistan’s security alignment with Russia. This did not suggest, however, that Karimov was completely unwilling to cooperate with Russia, and more recent events have prompted such renewed cooperation. This discussion of increased security cooperation aimed at combating religious extremism and terrorism is elaborated on in Chapter IV.

Karimov continues to resist more institutionalized cooperation with Russia. For example, Uzbekistan did not join Russia, Kazakhstan, Tajikistan, and Kyrgyzstan in their effort to establish a 3,000 man rapid-reaction force to combat Islamic insurgency to be based in Bishkek, Kyrgyzstan.⁴¹

Instead, Karimov began to coordinate regional security efforts in the Shanghai Forum, now known as the SCO. The SCO, which now includes Russia, China, Uzbekistan, Kazakhstan, Kyrgyzstan, and Tajikistan, originally was known as the Shanghai Treaty and was created in 1996 to ensure the sanctity of the former Soviet borders with China and to assist in the demilitarization of shared borders. The confidence-building measure agreement between Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan, signed on 24 April 1997, added additional credibility to the grouping, in its successful demilitarization of the border. More recently, Russia and China have seen

⁴⁰ V. Georgiev, “Uzbekistan zaniial osobuiu pozitsiiu” (Uzbekistan has taken a special position), *Nezavisimaia Gazeta*, 4 February 1999, 1.

⁴¹ Douglas Frantz, “Central Asia: Force to Fight Muslim Rebels,” *New York Times*, 26 May 2001, A5.

the SCO as a potential counterweight to U.S. influence in the region, and a way for members to coordinate their efforts against extremism, terrorism, and separatism.

Karimov joined the SCO because the group could facilitate regional cooperation in addressing the most pressing transnational threats. He also expressed concerns that Moscow might try to use the SCO to better its own interests in the region. As Karimov stated on Uzbek television on 16 June 2001:

I have put my signature under ideas expressed in the Shanghai Cooperation Organization declaration. It says: cooperation, cooperation, cooperation. This organization must never turn into a military political bloc... It should not be against any country, should not join certain trends, should not organize subversive activities against third countries.⁴²

Karimov's concerns might not be as justified, however, when considering how Uzbekistan's pro-independence alignment is strengthened by cooperation within the SCO. First, by joining the SCO and avoiding closer entanglements with the Russian led rapid reaction force, Karimov ensures diplomatic flexibility. By avoiding a security arrangement in which Russia is the dominant actor, Karimov meets his security requirements while avoiding overt and sustained integration with Russia. Second, closer cooperation with China is facilitated through the SCO, which also serves Uzbek interests. This allows Karimov to play Russia and China off one another to the benefit of his government, and it opens up a working relationship whereby greater assistance can be provided. For instance, in September 2000 China provided military equipment to Uzbekistan such as night vision equipment, sniper rifles and bulletproof vests for its special forces, marking the first time Beijing had given military aid to a Central Asian state. Thus, in the end, the SCO solidifies Karimov's more independent foreign policy

⁴² "Russia has Misgivings about Shanghai Cooperation Organization." *Eurasianet*, 20 June 2001, 2 (www.eurasianet.org/departments/insight/articles/eav062001.shtml, 24 September 2002).

from Russia, while it continues to address the overarching security concerns with religious extremism and terrorism.

CONCLUSIONS

This chapter has sought to sketch a basic timeline for understanding the security relations between Uzbekistan and Russia, and provides a preliminary assessment of Uzbek alignment patterns towards Russia. As we have seen, there were two general patterns with a more recent softening towards security cooperation with Russia. From 1991-1995, Karimov adopted a strong pro-Russian alignment motivated by the immediate security environment and unrest in neighboring Tajikistan and Afghanistan. From 1995-2000, Karimov adopted a more pro-independence alignment that often times took on an anti-Russian tone.

This chronological discussion enables us to talk about reasons as to why Uzbekistan's alignment patterns may have changed over the years and what the primary motivations underlying those alignment decisions were. This chapter emphasized the traditional view of security as primarily state-centric in its discussion of balance of power and balance of threat theories. That is, there was a real emphasis on which state posed the greatest external threat to Uzbekistan based on power and threat intentions. However, the next two chapters examine the causal logic of the IT/ED framework to establish a more accurate picture of why Karimov chose particular alignment strategies vis-à-vis Russia. Indeed, as we will see, by 2001 with the resurgence of Islamic extremism in the region, Karimov adopted a more moderate alignment towards Russia. Chapter IV examines internal threats to Karimov's position in contrast to external threats to Uzbekistan,

followed by an examination of Uzbek economic dependence on Russia and its influence on Karimov's alignment strategy in Chapter V.

CHAPTER IV

KARIMOV AND INTERNAL POLITICAL THREATS

Whereas in the previous chapter we examined the pattern of security cooperation between Uzbekistan and Russia and found that Uzbekistan aligned both towards and away from Russia during the decade, this chapter examines the relationship between the first independent variable (internal political threats) and Karimov's alignment strategies with Russia. The IT/ED framework suggests that the more FSU leaders are threatened by internal political threats, the more likely a leader is to adopt a strong pro-Russian alignment. That is, FSU leaders when threatened turn to Moscow for assistance in both direct and indirect ways. This is a central thesis of this dissertation that inherently shifts the analytical focus from external threats to the state to internal threats to leaders, a worthy qualification since FSU leaders dominated the political process in most states.

However, if leaders did not face many internal threats or if they were able to eliminate them over time, then the necessity of a strong pro-Russian alignment is weaker. Based on the IT/ED framework, a leader would then be constrained only by the extent of their economic dependence on Russia, which potentially enables a leader to adopt a more independent alignment.

This chapter reveals that both types of internal threats to leaders existed during Karimov's tenure in office. It examines more critically Karimov's perception of Islamic extremism and domestic political opposition and how these factors shaped his alignment towards Russia. More to the point, what becomes evident is that Karimov was concerned primarily with his political position. Internal threats to his position were the primary

threats that warranted balancing behavior. This logic runs contrary to balance of power theory that emphasizes the primacy of state survival in an anarchic international system. Based on the discussion provided in Chapter III about limited security cooperation, primarily dealing with extremism and terrorism, it becomes clearer that internal threats were paramount in Karimov's alignment strategies towards Russia.

The next section sets the context of Uzbek politics and discusses the political ascendancy of Karimov. It offers a brief historical background of the period of initial political consolidation for Karimov. This discussion sheds light on the more authoritarian dimension of Uzbek politics. The chapter then moves to a more explicit discussion of the two types of internal political threats (political violence and domestic political opposition) that Karimov perceived throughout the decade and how he dealt with these threats respectively. As we will see, he was much more effective at thwarting domestic political opposition than political violence, given the resurgence of Islamic extremism in the latter part of the decade.

KARIMOV'S POLITICAL ASCENDENCY

Karimov's unconventional political rise began before the collapse of the Soviet Union. Traditionally, Communist leaders were groomed early and rose through the political ranks over time, thereby learning the intricacies of bureaucratic maneuvering and building bases of political support. Unlike most senior party leaders, Karimov was seen as a rising economic technocrat, and not a significant political figure. Before his appointment to the head of the republic, he had not held any party post or been a member of a party bureau at any level. He had not even attended a republic Communist Party

congress until 1986, but different circumstances would make a political outsider more appealing. After riots broke out in the Ferghana Valley, the Soviet leadership was looking for a fresh face and appointed Karimov the new regional Communist leader in June 1989. The lack of political experience worked in Karimov's favor. Because he was not a major figure in the Uzbek Communist Party he avoided the purges of the 1980s, which occurred after the scandals surrounding the previous Sharaf Rashidov regime. The regime spanned from 1959-1983 and ended after a major cotton scandal revealed extensive corruption in the regime.

Due to his unconventional rise, Karimov lacked the political base most senior party leaders possessed. Accordingly, he relied on local politicians for support, but these individuals saw him as their puppet. They naively assumed that because he needed their support and patronage, he would always be malleable. During this transition, Karimov relied heavily on his old friend, Shukurulla Mirsaidov, who he shared power with informally.¹ Mirsaidov was instrumental in Karimov's political rise because of his own influence within the republic, based on his previous positions in planning agencies and as mayor of Tashkent for several years. But, once the necessity of working with Mirsaidov waned, Karimov was in a stronger relative position to outmaneuver him, thereby solidifying his position as the eventual president of independent Uzbekistan.

In subsequent years, Karimov worked gradually to shift power in his favor through a variety of political reforms. Karimov's power rested in his official capacity as the head of the Communist Party in Uzbekistan, and secondarily in his election as chairman of the local Supreme Soviet. After Supreme Soviet elections in the spring of

¹ Donald S. Carlisle, "Islam Karimov and Uzbekistan: Back to the Future?" in *Patterns in Post-Soviet Leadership*, ed. Timothy J. Colton and Robert C. Tucker (Boulder, CO: Westview, 1995), 196.

1990, the body obtained more legitimacy, which paralleled the general power shift from the Communist Party to the state organs themselves. Shortly thereafter, Karimov strengthened his position relative to Mirsaidov, by drawing on the example of Mikhail Gorbachev and creating the office of the presidency, which would be beholden to a legislature and have the power to issue decrees under the rule of law. The Supreme Soviet subsequently elected Mirsaidov as chairman of the Council of Ministers, or in essence a prime minister.

The next step in Karimov's power consolidation occurred in October 1990, when the Supreme Soviet eliminated the Council of Ministers (headed by Mirsaidov), in favor of a Cabinet of Ministers subordinate to the president. With Mirsaidov's former post abolished and the president as the new chairman of the Cabinet, the Supreme Soviet created the post of vice-president, which Mirsaidov was appointed to. Thus, through a variety of legal and political reforms, Karimov was able to solidify his legitimate position as head of state, even before official independence. The power struggle between Karimov and Mirsaidov continued and resembled a struggle "between two bears that could not continue unresolved much longer."² The struggle ended in Karimov's favor, but the impetus would come from events in Moscow.

After the failed August 1991 putsch in Moscow, Karimov further strengthened his grip on Uzbekistan, since Mirsaidov appears to have backed the coup-plotters.³ Sensing his precarious and desperate situation, Mirsaidov called for a no confidence vote on Karimov in the republic Supreme Soviet in October 1991. While secrecy surrounded the

² Carlisle. "Islam Karimov." 198.

³ For more on the legal cases the Uzbek government has against Mirsaidov see, "Soobshchenie press-sluzhby prokuratury i MID respubliky Uzbekistan" (Press announcement of the prosecutor office and the Interior Ministry of the republic of Uzbekistan), *Pravda Vostoka*, 8 March 1997, 3.

“October mutiny,” Karimov survived the vote, and Mirsaidov’s political ouster was only a matter of time.⁴ After the failed putsch, Karimov called for presidential elections and a referendum on Uzbekistan’s independence to take place on 29 December 1991. Karimov eventually won this election, although they were only partially competitive. The populace also voted resoundingly in favor of independence.

This chapter now turns to an examination of the two basic types of internal threats leaders face—political violence and domestic political opposition. As we will see, Karimov has been very successful at thwarting internal political threats. However, his early successes through overt repression have also contributed to an even stronger backlash of political violence in recent years. In this regard, the persistence of internal threats prompted Karimov to increase security cooperation with Russia, which as Chapter III pointed out occurred in 2001.

POLITICAL VIOLENCE

The IT/ED framework suggests that leaders tend to focus on the internal political threats to their regime because of concerns with their political survival. This consideration is intensified when these threats come in the form of political violence. This section examines internal threats to Karimov’s regime in the form of political violence. It finds that political violence, closely linked to Islamic extremism in the region, was a major factor in shaping his alignment with Russia, especially in light of a February 1999 assassination attempt in Tashkent allegedly masterminded by domestic political opponents and religious extremists. In recent years the threat posed by Islamic extremists

⁴ D. Sabov and I. Cherniak, “Golobnyi bunt v khlebnom gorode” (Hunger riot in a grain-rich city), *Komsomol’skaia Pravda* 30 January 1992, 2.

and more specifically the Islamic Movement of Uzbekistan (IMU) resurfaced, prompting renewed security cooperation with Russia.

Political violence in Uzbekistan was not without precedent. In the past it was closely linked to socio-economic conditions. When the economic climate declined and there were fewer resources, jobs, and living space available, tensions were inevitable and at times violence erupted. Shortly before the Soviet demise, Uzbekistan experienced domestic unrest twice that ended in violence. In June 1989 some Uzbek youths turned on local Meshketian Turks, who were forced to move to the region by Stalin during World War II. More than one hundred deaths occurred over several days. A year later an even bloodier clash between Uzbeks and Kyrgyz over housing in the Kyrgyz border city of Osh led to over one thousand deaths. Despite this ethnic dimension, these were primarily examples of conflict with an economic and social basis. Indeed, these clashes, as one regional observer noted, were rooted in the internal social and political conditions of Soviet rule, where the underlying causes of conflict were more complex than simply interethnic hostility.⁵

These examples underscore how economic decline can produce political instability and violence. In January 1992 a similar shock was felt when Russia decided to engage in Western-assisted shock therapy with little concern for its impact of other FSU states. Russia's unilateral economic decision undermined other members of the Ruble Zone, causing a short-term economic crisis. In Uzbekistan students took to the streets to protest, and Karimov subsequently cracked down on these demonstrations in Tashkent. These events were fresh in his mind, with the first in 1989 actually sparking his political

⁵ Anara Tabyshalieva. *The Challenges of Regional Cooperation in Central Asia: Preventing Ethnic Conflict in the Ferghana Valley*. U.S. Institute of Peace Peaceworks, no. 28 (Washington, D.C.: U.S. Institute of Peace Press, 1999), vi.

rise. Coupled with religious extremism in neighboring Tajikistan and Afghanistan, these experiences shaped Karimov's perceptions of internal political threats and what measures were necessary to ensure his political position.

By the spring of 1992, security cooperation between Russia and Uzbekistan intensified, as we saw in Chapter III. Regional instability closely associated with Islamic extremism in Afghanistan and its penetration into Tajikistan was the primary catalyst. As Karimov suggests,

the political and military crisis in Afghanistan and the instability in Tajikistan cannot avoid having a negative impact on both the regional stability of Central Asia as a whole and the national security of Uzbekistan in particular.⁶

From a security perspective, the most serious concern was that the porous nature of the Tajik-Afghan border allowed individuals to pass with relative ease, which complicated efforts to stabilize the situation. The crises were "sobering" to Uzbek officials and underscored the importance of Russia as a guarantor of regional security and border defense.⁷

Indeed, Karimov demonstrated great interest in the events in Tajikistan, primarily because of his understanding of the threat environment in Central Asia. He did not fear that Tajikistan would invade Uzbekistan, but rather that the local intercommunal conflict there could spread into Uzbekistan itself. In his most recent book he elaborates on the dynamics of regional conflict:

So what is the real threat of regional conflicts to the well being and the progress of Uzbekistan? At first glance, it may seem that the conflicts taking

⁶ Islam Karimov, *Uzbekistan on the Threshold of the Twenty-First Century* (Cambridge, Mass., 1998), 14; and "Karimov Assesses Situation in Tajikistan," *Foreign Broadcast and Information Service-Central Eurasia-94-151* (hereafter cited as *FBIS-SOV*), 5 August 1994, 39.

⁷ V. Portnikov, "Govorit' o granitsakh—znachit razorvat' sredniuu aziuu" (To speak of borders means to tear up Central Asia), *Nezavisimaia Gazeta*, 15 May 1992, 2.

place close to our borders have no direct impact on the political, economic, and social stability of our state. But that view is short-sighted. A similar political myopia leads to the opinion that the alarming developments nearby will avoid our country, that our stability will be preserved of itself, and that the future of the country will be secured automatically. These myopically “optimistic” views do not see the huge efforts it costs the state to secure peace and order and to prevent adverse developments from spilling over onto our soil. If acute problems, like those surrounding us, are ignored, they lead to crisis, and an unmanageable crisis sooner or later grows into a destructive cataclysm indifferent to state borders and to other political, economic, and ethnic realities.⁸

There was also concern that religious extremism could flourish in such an unstable environment and spread from neighboring Afghanistan and Tajikistan. On Tashkent Television in 1992, for instance, Karimov stated, “I assure you that tomorrow, when they declare Tajikistan an Islamic state, they won’t stop at that. An Islamic state with its ideology will come to us for sure through the Ferghana Valley. While I’m president, we won’t allow any Islamic order in Uzbekistan.”⁹ As Karimov has stated, the fundamentalist threat “to the security of Uzbekistan is not hypothetical, but its existence is obvious.”¹⁰

Karimov’s depiction of Islamic extremism in the region does warrant qualification. The Islamic fundamentalism typically associated with the creation of politics embodying the strict tenets of the *Koran* and the *shari’a* (e.g. post-1979 Iran, post-1991 Afghanistan) does not accurately reflect Islam in post-Soviet Central Asia. Because of the nomadic and merchant ways of life that flourished during the height of the Silk Road, Islam became more of a way of life than a strict code of religious piety and

⁸ Karimov, *Uzbekistan on the Threshold*, 13.

⁹ Bess Brown, “Whither Tajikistan?” *Radio Free Europe/Radio Liberty (RFE/RL) Research Report*, no. 24 (1992): 1-6; “Karimov Views Regional Security Issues,” *FBIS-SOV-92-180*, 16 September 1992, 49; Bess Brown, “Tajik Civil War Prompts Crackdown in Uzbekistan,” *RFE/RL Research Report*, no. 11 (1993): 1-6; and “Karimov Speaks About Regional Security at UN,” *FBIS-SOV-95-205*, 24 October 1995, 63-64.

¹⁰ Karimov, *Uzbekistan on the Threshold*, 13.

order. Indeed, Islam in Uzbekistan has been tolerant to other religions and not radical, as for instance, Wahhabism. Much of the radical Islam that exists in the region today, thus, has been exported there from other states, such as Saudi Arabia, and accordingly it lacks the deep-seated roots necessary for its spread throughout the region. Moreover, political Islam is further weakened by diversity and competing allegiances to clan, tribe, and region.¹¹ Therefore, while Islam does provide a deep-rooted sense of identity and community in Uzbekistan, and Central Asia for that matter, it has not translated into widespread political extremism.

In many ways, Karimov has been instrumental in his use of the term “fundamentalism.” Indeed, as one Russian editorial charged, “the Uzbek leadership is not simply afraid of fundamentalism, seeing it as a real and dangerous rival, but is also using it to try to scare Uzbekistan’s neighbors (Russia and the West), which is particularly sensitive to fundamentalism.”¹² Moreover, by latching onto it as a bogeyman, he has attempted to keep Western governments (especially the United States) from isolating his regime, which in the post 9/11 international system translated into even greater engagement with the United States in the military campaign against the Taliban and al Qaeda in Afghanistan. In this regard, Karimov’s efforts to prevent regional instability have been received warmly, despite the extent to which he maintains authoritarian control in Uzbekistan. Even the United States praised Uzbekistan for being an “island of stability” upon Secretary of Defense William Perry’s visit to Tashkent in the mid 1990s.

¹¹ Mehrdad Haghayeghi, *Islam and Politics in Central Asia* (New York: St. Martin’s Press, 1995); and Pauline Jones Luong, *Institutional Change and Political Continuity in Post-Soviet Central Asia: Power, Perceptions, and Pacts* (Cambridge: Cambridge University Press, 2002).

¹² A. Malashenko, “Kem prigovoren Islam Karimov?” (Who sentenced Islam Karimov?) *Nezavisimaia Gazeta*, 22 July 1994, 3.

This is important to keep in mind when discussing Karimov's rhetoric, as it provides a more accurate depiction of his fundamentalist bogeyman.

The murder of seventeen policemen in the Ferghana Valley in December 1997 by alleged Islamic extremists served as a catalyst for a renewed crackdown. Eight men were eventually tried and sentenced for the acts of violence, while hundreds more were detained and imprisoned.¹³ After the disturbances, little was said about the events and Karimov's subsequent crackdown. In January 1998 Karimov provided journalists with an official account that claimed the "Islamists" came from neighboring Tajikistan.¹⁴ Later in February, Uzbek Foreign Minister Abdulaziz Kamilov held a news conference in Tashkent in which he suggested that Islamic groups in Pakistan and Afghanistan were training young Central Asians in terrorism in order to destabilize the region and bring about Islamic governments throughout the region. According to Kamilov, it was these groups that were responsible for the December attacks in Namangan.¹⁵

Karimov continued to infuse the situation with vitriolic rhetoric. In a speech to parliament in May 1998 that was broadcast on Uzbek radio, Karimov stated that Islamic guerillas "must be shot in the head" or else "Tajikistan will come to Uzbekistan tomorrow." He went on to say, "if necessary I'll shoot them myself, if you lack the resolve."¹⁶ This rhetoric was also backed up by an increase in security cooperation with Russia. In May 1998 Russia, Uzbekistan, and Tajikistan signed an agreement to counter

¹³ Commission on Security and Cooperation in Europe, *Democratization and Human Rights in Uzbekistan: Hearing before the Commission on Security and Cooperation in Europe*, 106th Cong., 1st sess., 18 October 1999, 26.

¹⁴ "Dushanbe prisoedinitia k 'soiuzu trek'" (Dushanbe will join the 'union track'), *Rossiiskaia Gazeta*, 6 January 1998, 3.

¹⁵ G. Zhukova, "Protest Tashkenta Islamabadu" (Tashkent's protest to Islamabad), *Nezavisimaia Gazeta*, 19 February 1998, 5; and G. Chernogaeva and Iu. Chernogaev, "Uzbekistan obviniaet Pakistan v podgotovke boevikov" (Uzbekistan charges Pakistan with training militants), *Kommersant'-daily*, 18 February 1998, 5.

¹⁶ Paul Goble, "Reading Fundamentalism Right," *RFE/RL Newslines*, 7 May 1998.

Islamic extremism in the region, although the agreement remained ambiguous as to what such cooperation would entail.¹⁷

As part of the continued crackdown, parliament also enacted tougher laws on religious freedom. The amendment to the country's law "On Freedom of Conscience and Religious Organizations" of 1991 forced all mosques, churches, and synagogues and other places of worship to register with the state, and re-register in many cases. Thus, any non-registered organizations became subject to criminal prosecution. Moreover, the previous law held that organizations only need ten adult members to register with the state, but the more stringent version raised that figure to 100, thereby criminalizing previously recognized organizations with fewer members. Some estimated that 80 percent of all mosques working in the country were closed in late 1997-1998.¹⁸

Despite Karimov's repressive tactics, and perhaps directly because of them, political violence continued. On 16 February 1999 car bombs exploded in Tashkent killing over a dozen people, injuring 120 people, and destroying government buildings. Karimov accused exiled opposition leader Mohammad Solih, who had run against him in the first presidential election, with plotting the president's assassination along with the leader of the Islamic Movement of Uzbekistan (IMU), Tahir Yuldash, and other Islamic radicals from Uzbekistan, Tajikistan, and Afghanistan. Many domestic political opponents living in exile asserted that the bombings were organized by Karimov to legitimate his repressive tactics. As Abdurahim Polat suggests, Tashkent organized the

¹⁷ "More on Karimov Visit to Moscow," *RFE/RL Newslines*, 7 May 1998.

¹⁸ Commission on Security and Cooperation in Europe, *Democratization and Human Rights in Uzbekistan*, 26.

attacks because many leaders of the democratic opposition were seriously considering returning to Uzbekistan prior to the upcoming elections.¹⁹

Karimov's extreme actions incited greater Islamic extremism in the form of the IMU. This group emerged after a number of Islamists fled Uzbekistan into neighboring Tajikistan as a result of Karimov's domestic crackdown. There they were better able to launch raids into southern Kyrgyzstan and Uzbekistan. The IMU leader, Yuldash, stated publicly his aspirations to continue the armed struggle against the Uzbek government in a BBC interview in September 1999. Thus, with the IMU publicly stating its intentions to undermine and potentially destroy the present regime, Karimov focused on the threat of political violence posed by Islamic extremists. In early 2001, Kyrgyz General Askar Mameev estimated that there were still between 1,500 and 2,000 IMU militants operating from Tajikistan.²⁰

Beyond the more radical and violent IMU, another secretive organization, the Hizb-ut-Tahrir (HuT) has emerged from the political and economic stagnation common in Central Asia. This group shares the IMU's goal of establishing Islamic states across Central Asia, but its methods vary substantially. Whereas the IMU has taken up arms against the Karimov regime, HuT pursues its objectives by propagating its tenets at the grassroots level with leaflets and fliers.²¹ Active members of HuT tend to be the relatively educated, urban youth, but great attention is spent on spreading their message to more rural areas, which are some of the poorest segments of society.

¹⁹ Ibid., 41.

²⁰ "Shanghai Forum' Participants Anticipate New Incursions By Islamic Militants," *RFE/RL Newswire*, 15 February 2001.

²¹ For more on HuT see, Uran Botobekov, "Spreading the Ideas of the Hizb-ut-Tahrir in South Kyrgyzstan," and Bakhtiyar Babadzhanov, "On the Activities of Hizb-ut-Tahrir in Uzbekistan," in *Islam in the Post-Soviet Newly Independent States: The View from Within*, ed. Alexei Malashenko and Martha Brill Olcott (Moscow: Carnegie Moscow Center, 2001).

Regional security services have arrested hundreds if not thousands of suspected members of HuT, but its membership continues to grow. In southern Kyrgyzstan it is estimated that 10 percent of the population are active members.²² The group has also played on the perceptions of ethnic minorities as second class citizens to further swell its ranks, most notably disenfranchised ethnic Uzbeks living in southern Kyrgyzstan, Uzbeks in Tajikistan, and Tajiks in Uzbekistan.²³

The rise of HuT underscores the importance of economic conditions and how they can influence the political stability of a region, and more specifically the political security of a particular leader. As long as the economic picture remains bleak, such organizations will continue to garner support from various sources. Indeed, Karimov acknowledges the connection between poverty and Islamic extremism. He suggested that militants are able to find recruits because of the “disastrous socioeconomic status of people, demographic problems in some regions, mass unemployment, and economic insecurity, especially among young people.”²⁴

The IT/ED framework suggests that when internal threats to leaders rise, a more pro-Russian alignment is likely to emerge. This became evident in Karimov’s case as the threat from Islamic extremists grew by the end of the decade. During talks between the deputy foreign ministers of Russia and Uzbekistan on 28 August 2000, Russian officials stated that they were ready “to provide the necessary assistance to Uzbekistan and other members of the Commonwealth in their struggle against subversive activities of

²² Svante E. Cornell and Regine A. Spector. “Central Asia: More than Islamic Extremists,” *Washington Quarterly* 25, no. 1 (2002): 200.

²³ Alisher Khamidov, “Frustration Builds among Uzbeks in Southern Kyrgyzstan,” *Eurasianet*, 26 March 2001, 1-3 (www.eurasianet.org/departments/right/articles/eav032601.shtml, 24 September 2002).

²⁴ “Government Response to IMU Threat Fuels Radicalism in Uzbekistan,” *Eurasianet*, 24 July 2001, 1-2 (www.eurasianet.org/departments/insight/articles/eav072401.shtml, 24 September 2002).

extremists.”²⁵ Similarly, in February 2001 Colonel General Leonid Ivashov, head of the Russian Defense Ministry's Department for International Military Cooperation, and Uzbek Defense Minister Kadyr Gulyamov concluded three days of talks in Tashkent. Those discussions focused on military-technical cooperation and regional security, including the threat posed by guerrillas of the banned IMU, counter-terrorism measures, the situation in the districts of Uzbekistan that border on Afghanistan, and the possibility of training Uzbek servicemen at Russia military colleges.²⁶ In late April 2001, General Anatolii Kvasnin, the chief of the Russian Staff, also visited Tashkent to help Uzbekistan plan for its defense against an expected onslaught of Islamic fighters in the summer.²⁷

Security cooperation between Uzbekistan and Russia entered a qualitatively new phase after Karimov's official visit to Moscow in May 2001. During his state visit, Russian President Vladimir Putin stressed the importance of military cooperation in dealing with regional security, and stated that Russia “is doing much” to provide Uzbekistan with up-to-date arms to combat extremist threats.²⁸ For instance, Russia plans to deliver 23 Russian-manufactured armored personnel carriers to Uzbekistan.²⁹ The Uzbek Defense Ministry also struck a barter deal with Russia in which \$30 million worth of cotton and natural gas were traded for Russian mortars and multiple-launch rocket systems.³⁰ At an informal CIS summit in Sochi on 1 August, Putin and Karimov again met on the side to discuss military cooperation as well as measures to combat drug

²⁵ “Uzbekistan Denies Requesting Russian Military Help,” *RFE/RL Newslines*, 30 August 2000.

²⁶ “Uzbek, Russian Defense Officials Conclude Talks,” *RFE/RL Newslines*, 1 March 2001.

²⁷ “Russian General in Tashkent for Defense Planning,” *RFE/RL Newslines*, 30 April 2001.

²⁸ “Uzbekistan, Russia Discuss Economic, Military Cooperation,” *RFE/RL Newslines*, 7 May 2001.

²⁹ “U.S. Holds Talks in Kyrgyzstan, Uzbekistan on Regional Security Threats,” *RFE/RL Newslines*, 21 May 2001.

³⁰ Ariel Cohen, “The Arms Trade Flourishes in Central Asia,” *Eurasianet*, 5 September 2001, 2 (www.eurasianet.org/departments/business/articles/eav090501.shtml, 25 September 2002).

trafficking and terrorism.³¹ Thus, the rise of Islamic extremism in the region prompted Karimov to adopt a more moderate alignment towards Russia.

Political violence against the Uzbek government cannot be seen in isolation. That is, by the very actions taken against not only Islam but also political opposition in general, Karimov's extremism has produced a counter-reaction. As Vitality Ponomarev, Director of the Information Center for Human Rights in Central Asia, pointed out, "total persecution and a crackdown on secular opposition in the early 1990s created the vacuum inside Uzbekistan that is now being filled by radical ideology. Karimov himself is responsible for this."³² By denying individuals legitimate outlets within the political process, groups turn to less legitimate methods of political change such as the use of political violence. In this sense, the rise of political violence is closely correlated with the actions of the Karimov regime, and as we have seen in neighboring Afghanistan most recently, such extremism is difficult to root out.

Beyond political violence, leaders also perceive domestic opponents as viable threats to their positions. The next section discusses the role and evolution of domestic political opposition in Uzbekistan and how Karimov greeted it.

POLITICAL OPPOSITION

Given Karimov's concerns with religious extremism and his desire to stay in power, domestic political opposition was thwarted. Karimov's concerns with political opposition were closely linked to his fear that economic decline could increase his political insecurity. If groups were allowed to speak against the government in such

³¹ "Putin, CIS Leaders Meet Without Ties to Form New Ties," *RFE/RL Newsline*, 2 August 2001.

³² "Government Response to IMU Threat Fuels Radicalism in Uzbekistan," *Eurasianet*, 24 July 2001, 1.

times, then the threat to a leader's position could increase dramatically. In Karimov's view, for instance, conflict in Tajikistan resulted from a proliferation of political movements and the subsequent demands placed on the government for "radical" political reform.³³ With such a perception, there was little room for criticism of Karimov.

Before independence, some limited domestic political opposition existed. However, Karimov was hesitant to allow political opposition much room to maneuver because of his concern that political parties, such as *Birlik* (Unity), *Erk* (Freedom Democratic Party), and the Islamic Renaissance Party (IRP), could mobilize popular support against him through demonstrations or open elections, such as on the issue of Uzbek independence. *Birlik* leaders tended to demand Uzbek independence from Russia much stronger than Karimov. *Erk*, which splintered off from *Birlik* in early 1990, was often seen as a more moderate version of *Birlik*, but they too sought greater autonomy for Uzbekistan within the Soviet system. These parties placed political pressure on Karimov to embrace independence, if he was to win popular support.

The IRP was the greatest concern for Karimov because of its religious orientation. Yet, its political influence was limited. For instance, the party enjoyed limited support outside of the traditionally devout Ferghana Valley.³⁴ Furthermore, popular support for the IRP stemmed more from a revival of local Islamic culture, than any desire to establish a strict theocratic state similar to Iran.³⁵ As we saw in the last section, the demonization of Islamic extremism by Karimov often blurred many of these distinctions.

At first, Karimov tolerated this opposition. *Birlik* and *Erk* elected members to the

³³ Stuart Horsman, "Uzbekistan's Involvement in the Tajik Civil War 1992-97: Domestic Considerations," *Central Asian Survey* 18, no. 1 (1999): 42.

³⁴ James Rupert, "Dateline Tashkent: Post-Soviet Central Asia," *Foreign Policy*, no. 87 (1992): 188.

³⁵ Robin Wright, "Islam, Democracy, and the West," *Foreign Affairs* 71, no. 3 (1992): 141.

republic Supreme Soviet in the 1990 elections, which provided them with a legitimate political outlet in the government. Karimov was not without reservations though. In commenting about this burgeoning opposition in a March 1991 interview, Karimov stated:

Were it a healthy opposition which had its own ideas, understanding, and view of the future, I would welcome it. But if we are talking of those I have run into and had to debate with, it is absolutely clear: The majority of them are straining for power. Give them a place in the sun, and they'll relax and forget the people. And they'll turn into conservatives who are worse than the present ones.³⁶

Uzbek leaders also questioned democratic principles on cultural grounds. In a June 1991 interview, Karimov remarked, “before talking about comprehensive democracy; one should think about whether this democracy is governable, whether you can control the processes, or the processes will control you.”³⁷ As Karimov is quick to point out, “in other parts of the Soviet Union, like the Baltics and Moscow, people are able to conduct themselves peacefully for hours at a demonstration. But here people quickly get excited and violence begins.”³⁸ In September 1991, the Presidium of the Supreme Soviet and the Cabinet of Ministers issued the following joint statement: “At this difficult time, there are destructive elements that want and are striving to disrupt people’s tranquility, introduce disorganization and disorder, pit some groups against others, sow distrust in their bodies of power, and instill suspicion, fear, and panic among the population.”³⁹ Opening the political system would presumably only strengthen such destructive forces. In the words of one senior Uzbek official, “diplomats try to teach us

³⁶ A. Alimov and A. Mursaliev, “Nas uchili prygat’ cherez kapitalizm” (We have been taught to leapfrog capitalism), *Komsomol’skaia Pravda*, 7 March 1991, 1.

³⁷ “Uzbek President Karimov Interviewed,” *FBIS-SOV-91-106*, 3 June 1991, 101.

³⁸ “Prezident schitaet, chto ego respublika ne gotova k demokratii” (President believes his republic is not ready for democracy), *Izvestiia*, 17 September 1991, 1.

³⁹ V. Vyzhutovich, “Otseplennyi vagon: Uzbekistan posle provozglasheniia nezavisimosti” (Uncoupled train car: Uzbekistan after the proclamation of independence), *Izvestiia*, 13 September 1991, 3.

lessons, but our traditions are different. Uzbek people are very kind, but it is dangerous to give [them] things like democracy. We have to practice how to be a democratic state [first].”⁴⁰ Similarly, Akmal Saidov, the head of the National Center for Human Rights, suggested that “Western norms and social structure are not appropriate to the Uzbekistan mentality and the tradition of the East as a whole, and therefore it is necessary to develop one’s own understanding of civil rights and liberties, adequate to local conditions.”⁴¹ Thus, many in the Uzbek leadership questioned the practicality of an open political process, where various interests could voice their direct opposition to the president.

Shortly after independence, Karimov saw domestic political opposition, both religious and secular, as a threat to his political position. In the December 1991 elections, Karimov blocked the entrance of the other political heavyweight in Uzbekistan, Abdurahim Polat of Birlik, leaving only one minor candidate to run against him.⁴² Karimov enjoyed a monopoly in public communication and held the support of former communists throughout the country that had joined his People’s Democratic Party (PDP). Prior to the election, Karimov was featured on daily news bulletins televised nationwide by state-run television stations, while his opponent, Mohammad Solih of Erk, received only fifteen minutes of airtime one week before the polling day. Out of those fifteen minutes, three minutes were officially censored. Karimov received 86 percent of the vote with Solih a distant second with 13 percent. With victory in hand, he ensured his political survival both in the short and long term.

⁴⁰ Hiro, *Between Marx and Muhammad*, 187.

⁴¹ A. Musin, “Vyrabatyvaetsia natsional’naia kontseptsia prav cheloveka” (A national concept of human rights is being developed), *Nezavisimaia Gazeta*, 22 November 1996, 3.

⁴² In late November the electoral commission required that all opposition groups present 100,000 voter signatures within three days to make a candidate eligible for election. Birlik, it was reported, obtained the appropriate number of signatures. However, when they arrived at the commission’s office during the afternoon of the deadline day, a Friday, they found the office closed. Hiro, *Between Marx and Muhammad*, 176-88.

The first targets of political repression were religious organizations. In December 1991 some residents of the regional center of Namangan, in the heart of the densely populated Ferghana Valley, seized the local administrative building.⁴³ They demanded that Karimov swear on the Koran that their concerns be met. This incident set the tone for Karimov's relationship with Islamic groups to come. He struck first at the IRP and Adolat (Justice Party), who drew their strongest support from Muslims in the Ferghana Valley. Shortly after his meeting with U.S. Secretary of State James Baker concerning democratic reform in February 1992, Karimov arranged for seventy-one opposition figures to be arrested.⁴⁴ The Islamic center in Namangan was ransacked, and its property thrown into the streets. For some time after, the Ministry of Interior Affairs maintained a presence in the region.

Violence against secular political opponents also started in the summer of 1992. As the Birlik leadership struggled to gain political recognition, they also found themselves under physical attack. When Polat refused to cancel a political rally, for which he had already gained government approval, four unknown assailants attacked him.⁴⁵ Shukhart Ismatullaev and Pulat Akhunov, co-chairmen of Birlik, also reported being severely beaten during incarceration.⁴⁶ Polat and Ismatullaev were forced to leave

⁴³ R. Tazhetdin. "Nega soobshchaet: Uzbekistan" (Independent newspaper reporting: Uzbekistan), *Nezavisimaia Gazeta*, 1 February 1992, 3.

⁴⁴ "Nega soobshchaet: Uzbekistan" (Independent newspaper reporting: Uzbekistan), *Nezavisimaia Gazeta*, 21 March 1992, 3.

⁴⁵ "Prosecutor Investigates 'Birlik' Leaders Attack," *FBIS-SOV-92-128*, 2 July 1992, 72.

⁴⁶ Knight, *Spies Without Cloaks*, 188. After a similar attack, Polat and fellow Birlik leader, Muralim Adylov, were denied treatment and refused as inpatients. The hospital called the police, and a senior police officer informed the two that they would have to leave, or else they would be removed by force. "Police Evict Opposition Leaders From Hospital," *FBIS-SOV-92-139*, 20 July 1992, 64. Adylov was also assaulted in late May, while Ravshan Dzhuraev, leader of Birlik's youth organization, was attacked on the streets a week earlier. "Nega soobshchaet: Uzbekistan" (Independent newspaper reporting: Uzbekistan), *Nezavisimaia Gazeta*, 28 May 1992, 3.

the country, while Akhunov was jailed on a fabricated charge of petty hooliganism.⁴⁷ By December 1992, the Uzbek Supreme Soviet ordered the Supreme Court to consider the legal status of Birlik.⁴⁸ Once Erk began to assert its claim for more political freedom, their leader, Solih, who had run against Karimov in 1991, was brought in for questioning, after which he fled the country in the spring of 1993.⁴⁹

With the ratification of a new constitution in December 1992, Karimov's eradication of opposition continued unhindered. Article 57 prohibited political parties based on national and religious principles. In January 1993 this meant that the government would no longer recognize Birlik. Upon appeal, the Justice Ministry claimed the abolition of the movement was "legal and expedient," citing the arrests of 166 Birlik members between 1991 and 1993, and upheld the ban for an interim period ending on 15 April 1993.⁵⁰ Re-registration attempts in 1993 again proved futile because Birlik lacked an official address after the government confiscated their headquarters shortly before the registration deadline.

Erk also came under fire when plans for a "long-term" coup were discovered. In September 1994 the Uzbek Security Service began a thorough investigation of Erk plans to recruit young Uzbeks and send them to Turkey for political and military training.⁵¹ The hope was that ties with Turkey would help ensure the survival of the opposition movement. The trial was held several months after September to avoid darkening the

⁴⁷ I. Rotar', "'Demrossiia' i 'Birlik' obviniaut Uzbekskoe rukovodstvo" ("Democratic Russia" and "Birlik" accuse Uzbek leadership), *Nezavisimaia Gazeta*, 26 September 1992, 3.

⁴⁸ "Nega soobshchaet: Uzbekistan" (Independent newspaper reporting: Uzbekistan), *Nezavisimaia Gazeta*, 12 December 1992, 3.

⁴⁹ O. Panfilov, "Khel'sinki Voch o Situatsii v Srednei Azii" (Helsinki Watch on the situation in Central Asia), *Nezavisimaia Gazeta*, 7 May 1993, 3.

⁵⁰ "Government Suspends Activities of Birlik Opposition Group," *FBIS-SOV-93-012*, 21 January 1993, 73-74.

⁵¹ "Sentenced Erk Leaders' Activities Profiled," *FBIS-SOV-95-100*, 24 May 1995, 66-67.

mood of citizens before the parliamentary elections to be held in December.⁵² Several defendants were arrested for possession of the banned Erk publication and illegal weapons. Murad Dzhuraev, the editor of the banned publication, was arrested by the Uzbek secret service in Kazakhstan. All told by April 1995 severe sentences were administered ranging from four to twelve years for Dzhuraev. The weight of evidence against these individuals sealed Erk's political fate.

The new constitution retained its democratic façade. The Oliy Majlis was intended to be a legislative body of elected officials on a "multi-party basis." There was also a renewed commitment to a "free mass media with no censorship."⁵³ These phrases again highlight the gap between what is said and what is practiced in Uzbek politics. Even on the day of ratification, political repression could not be resisted. Abdumannov Polat, chairman of the Uzbekistan Society for Human Rights and brother of Birlik leader, Abdurahim Polat, was abducted by the Uzbek secret police after addressing a human rights conference in neighboring Kyrgyzstan.⁵⁴ He was rushed to Tashkent and charged with insulting the honor of the president.⁵⁵ International outcry led to his release eight

⁵² A. Musin, "V Tashkente gotovitsia krupnyi sudebnyi protsess nad oppozitsiei" (Tashkent is preparing a big trial of opposition), *Nezavisimaia Gazeta*, 23 September 1994, 3; and "Erk Party Trial Resumes," *FBIS-SOV-95-029*, 13 February 1995, 76-77. In light of Erk allegations, Uzbek spokesman, Fakhritdin Parpiev, responded that "anyone who is in jail belongs there for seeking to publish underground newspapers or for other illegal activities. No one has the right to agitate against power, against the regime, against nationalism." Fred Hiatt, "Uzbekistan Cracks Down on Dissidents," *Washington Post*, 24 September 1994, A24.

⁵³ According to public opinion research, Uzbek respondents seriously doubt whether any uncensored material is obtainable. 60 percent of the people polled stated that there were no forms of media, readily accessible, free of government control. Steven Wagner, *Public Opinion in Uzbekistan, 1996* (Washington, D.C.: IFES, 1997), 69.

⁵⁴ I. Rotar', "Vlasti provotsiruiut Tadzhiiskii variant" (The authorities provoke the Tajik variant), *Nezavisimaia Gazeta*, 12 January 1993, 3; and M. Lebedeva, "V Tashkente novii raund davleniia na oppozitsiiu. V Bishkeke—otstavka zamministra VD" (A new round of pressure on the opposition in Tashkent. In Bishkek, the resignation of the Interior Minister), *Izvestiia*, 12 February 1993, 2.

⁵⁵ The charge stemmed from a 1992 photograph taken of Polat with two students who had a portrait of Karimov bearing the slogan "some animals eat their young." For more on the trial see, M. Lebedeva, "Uzbekskogo pravozashchitnika Abdumannoba Pulatova khotiat upriatat' v tiurmu na 6 let, khotia vina ego ne dokazana" (They want to imprison Uzbek human rights leader Abdumannob Pulatov for six years,

days later, but such a demonstration reinforces the control that Karimov has within and outside his country.⁵⁶

The effectiveness of Karimov's domestic repression is evidenced by the first post-Soviet "multi-party" elections held in December 1994.⁵⁷ While these elections were truly multi-candidate (634 candidates stood for 250 legislative seats), there were only two registered political parties that participated. Karimov's PDP dominated the new legislature: 69 deputies were directly elected from the PDP, 167 deputies came from local administrative bodies, which favor Karimov,⁵⁸ and 14 were elected from Vatan Tarakkiyeti (Progress of the Homeland Party).⁵⁹ This latter party, which emerged on the coattails of the PDP in 1992, served the same function as Erk had back in the 1991 elections. It upheld the democratic façade and gave the illusion that political opposition

although guilt has not been proven), *Izvestiia*, 27 January 1993, 2; and idem, "Abdumannob Pulatov otpushchen na svobodu" (Abdumannob Pulatov set free), *Izvestiia*, 28 January 1993, 1. Similarly, Vasilii Inoiatova, a well-known Uzbek human rights activist and secretary of Birlik, was charged with insulting the dignity of Karimov in a poem that depicted a ruler issuing orders to execute people by firing squad. The depictions closely resembled events that occurred during unrest in January 1992, and supposedly warranted her charge disrespecting the head of state. O. Panfilov, "Sud nad poetessoi-pravozashchitnitsei" (Trial of poetess-human rights activist), *Nezavisimaia Gazeta*, 27 February 1993, 3.

⁵⁶ In his trial Polat's lawyer was not able to see any materials pertaining to the case until shortly before the trial began. Ironically, the court released Polat, even though he had been convicted of the crime. Earlier that year another attempt was made to abduct Polat from a similar conference in Kazakhstan. This attempt was unsuccessful because of the intervention of Kazakh authorities. Martha Brill Olcott, *Central Asia's New States: Independence, Foreign Policy, and Regional Security* (Washington, D.C.: U.S. Institute of Peace Press, 1996), 107. In September 1993 Uzbek secret police also tried to arrest Abdurashid Sharif, Yadigar Abit, and Abdurahim Polat while the three dissidents were in Baku, Azerbaijan. "Uzbek Secret Service Tries to Seize Dissidents," *FBIS-SOV-93-185*, 27 September 1993, 29.

⁵⁷ On face value the elections appeared completely democratic, but the parties themselves conducted the nominations for deputy seats. The old conservatives nominated themselves for various positions and limited outside nominees except for the occasional non-party members. A. Pulatov, "Uzbekistan vstupaet v polosu sotsial'nykh potriasiinii" (Uzbekistan enters a period of social upheaval), *Nezavisimaia Gazeta*, 15 February 1995, 2.

⁵⁸ Out of the unaffiliated block of candidates sponsored by regional legislative councils, 124 members were also members of the PDP, giving that party a much higher *de facto* count. Roger Kangas, "The Heirs of Tamerlane," in *Building Democracy: The OMRI Annual Survey of Eastern Europe and the Former Soviet Union* (Armonk, NY: M. E. Sharpe, 1996), 278.

⁵⁹ "Pervaia sessiia Olii Mazhlisa respubliki Uzbekistan pervogo sozyva" (Convening of the first session of the Oliy Majlis of the republic of Uzbekistan), *Pravda Vostoka*, 25 February 1995, 1.

existed.⁶⁰ The inability of the independent political opposition (Birlik and Erk) to field a candidate then left three groups in the Oliy Majlis all beholden to Karimov. Citing the results of the elections, Karimov urged the world to accept Uzbekistan “as a society that is being transformed into a democracy.”⁶¹

Despite Karimov’s take on Uzbek democracy, he apparently was aware that the democratic façade needed strengthening, and the state sponsored the creation of another political party. In late February 1995, five days before the opening session of the Oliy Majlis, Adolat was created.⁶² Once the government recognized Adolat, 47 deputies elected from the regional bloc, who had become members of the newly formed party, were officially registered as another parliamentary faction. In May 1995 two other political groups emerged. The political party, Mili Tiklanish (the National Revival Party), was founded supposedly at the initiative of a group of artists; and the Birlik Social Movement was permitted, although it was not a political party and therefore could not nominate candidates for elected office.

The official programs of these pro-government groups varied little, as all were dedicated “to the development of an independent and democratic state.”⁶³ The dominant PDP officially endorses “a gradual, evolutionary development of the economy and the preservation of social peace and interethnic harmony.” In contrast to its former Communist ideology, the PDP claims to support the interests of all citizens and not just the proletariat, such as workers and farmers. Other recognized groups have comparable

⁶⁰ Vatan Tarakkiyeti began under the leadership of Uzman Azim, who left Birlik to join Karimov’s Presidential Council, the body charged with carrying out governmental policy.

⁶¹ “Uzbekistan Elects a New Legislature,” *New York Times*, 26 December 1994, A10.

⁶² “Novaia politicheskaiia partiia” (New political party), *Pravda Vostoka*, 21 February 1995, 1.

⁶³ For more on these platforms see Bohr, *Uzbekistan*, 12.

goals, but differ in the interest groups they supposedly represent. For instance, Vatan Tarakkiyeti supports the interests of businessmen and entrepreneurs; Mili Tiklanish defends the interests of the intelligentsia; and Adolat professes that its primary goal is “to facilitate the development of a law-based state and the strengthening of social justice.” Finally, the Birlik Social Movement advocates “the construction of a just civil society on the basis of socio-political stability, cultural dialogue, and openness.” Despite this appearance of pluralism in Uzbekistan, the purpose of these groups is not to defend the interests of their respective constituents, but rather to contribute to the democratic façade within Uzbekistan and provide Karimov with a compliant national parliament willing to support his initiatives. This became clear when the newly elected legislature came to office.

In its first session, the pro-Karimov legislature voted to hold a referendum in March 1995 on extending the president’s term until the year 2000. As in Soviet times, official returns recorded that 99.3 percent of the eligible voters turned out to vote, with 99.6 percent of them voting in favor of extending Karimov’s presidency. Thus, Karimov successfully secured his political position for another five years without holding another presidential election scheduled for 1996.⁶⁴ In response to the vote, he stated,

I regard the referendum results as a mandate of confidence, a mandate of confidence in the president and the government, and in the course that is being pursued in the republic. I regard the referendum results as being the faith and confidence of our society and people in their own future.⁶⁵

⁶⁴ By this extension of his first presidential term, Karimov also remained eligible to run in the 2000 election, thereby bypassing the provision in the constitution that limits a president from holding office for more than two consecutive terms.

⁶⁵ “Referendum Results Reflect Confidence in Reform,” *FBIS-SOV-95-062*, 21 March 1995, 74. Karimov also stated, “the initiative to hold it came from the parliament elected by the people, and it based its decision on the Constitution. Therefore, the legitimacy of the arrangement cannot be doubted in the slightest.” “Put’ Uzbekistana – integratsiia v mirovoe soobshchestvo” (Uzbekistan’s path is integration into the world community), *Pravda Vostoka*, 30 March 1995, 2.

Independent political opposition fared little better in subsequent years. In December 1998, another political party, Fidokorlar (Altruistic People), was formed, in response to Karimov's call for a political movement to bring honest people to office. The birth of this party brought the total number of political parties to five that could participate in the December 1999 parliamentary elections.⁶⁶ Yet, once again political parties were less a tool to channel and lobby for the interests of the Uzbek people, and more a manipulation by Karimov to support some semblance of political pluralism.

Karimov's political security was further enhanced after the most recent presidential elections. On 9 January 2000 Karimov retained the presidency with 92 percent of the vote (as 95 percent of eligible voters turned out) against nominal opposition, which attests to the success of his domestic tactics.⁶⁷ His opponent, Abdulhafez Jalalov, First Secretary of the Central Council of the People's Democratic Party (which Karimov headed until he left the party in 1996), received 4 percent of the vote but was rarely seen during the election. Ironically, among those that voted for Karimov were Jalalov himself, who told reporters that he had done so in the interests of "stability, peace, our nation's independence [and] the development of Uzbekistan." When asked why he ran in the first place, he stated: "So that democracy would win."⁶⁸ Given recent events, Karimov's political position seems even more secure. On 6 December

⁶⁶ The PDP won 48 seats, Fidokorlar 34 seats, Vatan Tarakkyeti 20 seats, Adolat 11 seats. Mili Tiklanish 10 seats, while local and regional groups that tend to support Karimov won 110 seats. There was one vacancy and independent initiative groups claimed 16 seats.

⁶⁷ Abdumannob Polat, "Karimov Will Stay in Office. But Recent Elections Send Mixed Messages," *RFE/RL Newslines*, 7 January 2000; and "Uzbekistan's President Re-Elected," *RFE/RL Newslines*, 10 January 2000.

⁶⁸ Commission on Security and Cooperation in Europe, *Human Rights and Democratization in Uzbekistan and Turkmenistan*, 106th Cong., 2nd sess., 2000, 8.

2001 Uzbekistan's parliament endorsed a proposal to extend Karimov's current term from 5 to 7 years.

Throughout the decade, Karimov embarked upon the systematic and calculated elimination of internal political threats to his political position. As we saw in the previous chapter, this prompted increased security cooperation with Russia especially in light of a resurgence of religious extremism by the late 1990s.

CONCLUSIONS

This chapter examined the domestic political setting within Uzbekistan and highlighted the impact of internal threats, in this case political violence and domestic political opposition, on Karimov's foreign policy calculations. The principle assumption of the IT/ED framework, that leaders focus on their political survival, was clearly demonstrated by Karimov over the past decade, as he continued to consolidate his position in the government. While much of the previous discussion demonstrated the extent to which Karimov thwarted any domestic political opposition, the fear of religious extremism continued to shape his alignment towards Russia. This prompted Karimov to adopt a rather strong pro-Russian alignment early on in the 1990s because of his own fear of domestic religious and secular opponents, the rising intensity of regional instability, and the need for Russian military assistance in securing the Tajik-Afghan border and providing a stabilizing force during the Tajik civil war. This falls in line with the logic of the IT/ED framework, which suggests that the more internal threats to leaders exist, the more likely a pro-Russian alignment will be adopted.

The necessity of this alignment changed when Karimov was able to secure his political position by the 1995 referendum (as well as lessen Uzbek economic dependence on Russia discussed in Chapter V). With his political security in hand and a decline in the number of internal threats challenging his regime, Karimov was in a stronger position to adopt a more independent alignment, which eventually led to Uzbekistan's withdrawal from the CIS Collective Security Treaty. The lingering specter of religious extremism emerged again in the late 1990s, prompting Karimov to cooperate with Russia to combat this common enemy.

Karimov's actions against extremism have also shaped the changing geopolitical landscape and made Uzbekistan a welcomed partner of the United States in Bush's international coalition against terrorism. For instance, Uzbekistan supported on several occasions the establishment of an international antiterrorism center under the auspices of the United Nations. As Foreign Minister Abdulaziz Kamilov pointed out recently, Uzbekistan raised the issue twice before the September 11th terrorist bombings.⁶⁹ The difficulty is that Karimov's actions towards religious groups in Uzbekistan have directly contributed to the resurgence of extremism in the region. At present the United States is willing to lend political and military assistance to Uzbekistan, especially given Uzbek approval to use its military airspace, to assist in the fight against extremism.

While Karimov's stock rose post 9/11, the United States must keep in mind the regional peculiarities of the extremist threat and the underlying motives of leaders in this international struggle. In the short-term, Karimov's attempts to balance his internal political threats has greatly been enhanced through overt security cooperation with Russia and the United States. This is also interesting because it suggests that the United States,

⁶⁹ "Uzbekistan Again Proposes International Antiterrorist Center," *RFE/RL Newslines*, 14 September 2001.

and perhaps only in this limited capacity in the fight against global terrorism, is willing to assist Karimov in his struggle against internal threats. Previously, this was a role that was almost exclusively held by Russia. The Clinton administration either stressed human rights in their dialogue with Uzbekistan, or they chose not to speak out against these violations when it was deemed necessary for regional stability. Given the shifting priorities of the Bush administration, the United States does see Karimov's political security as a vital security interest, especially insofar as Uzbekistan is a critical regional power neighboring Afghanistan and willing to actively cooperate with the United States. Yet, beyond this political dimension, there were also considerable developments on the economic front that influenced Karimov's political security and shaped his alignment strategies towards Russia.

CHAPTER V

UZBEKISTAN AND ECONOMIC DEPENDENCE ON RUSSIA

This chapter examines the second independent variable of the IT/ED framework, economic dependence on Russia, and assesses its influence on Karimov's alignment calculations towards Russia. The IT/ED framework suggests that the more economically dependent a country is on Russia, the more likely a pro-Russian alignment will be adopted because of the need for Russian direct and indirect economic assistance. However, when leaders can mitigate or sever this dependence, then they are less constrained in their relations towards Russia, allowing for a more independent alignment strategy. As we will see, Karimov looked to Moscow for economic assistance after independence. But becoming aware of the asymmetrical nature of these relations, Karimov developed a self-sufficiency strategy to lessen Uzbek dependence on Russia.

The first section of this chapter examines Karimov's perceptions of Uzbek dependence on Russia and strategies envisioned by the president to address the dependence. The initial phase of Uzbek-Russian economic relations (1991-93) are analyzed in light of Karimov's stated economic objectives (drawn from a series of booklets and pamphlets written by Karimov). This period is chosen purposefully because it relates to the lifespan of the Ruble Zone, the post-Soviet monetary system FSU states adopted. The collapse of the Ruble Zone is thus a defining moment in the economic independence of FSU states since thereafter they were forced to introduce their own currencies. During this period, Karimov became increasingly aware of the inherent asymmetries in Uzbek-Russian economic relations, and sought to meet Uzbekistan's

economic needs through a self-sufficiency strategy that increased domestic production, thereby lessening Uzbek economic dependence on Russia.

After setting the context, this section turns to a more explicit discussion of Uzbekistan's dependence on Russian trade and energy, while also examining the availability of alternative economic resources from Western countries and institutions. As the chapter shows, Karimov has been highly successful at first understanding the economic needs of Uzbekistan, and then developing an economic strategy that was intended to lessen Uzbek dependence on Russia. The success of Karimov's self-sufficiency strategy made an independent alignment away from Russia economically feasible. This was critical because he was unable to obtain significant Western economic resources that were necessary to adopt a more independent foreign policy. The lack of economic reform and consistent state intervention into the economy were the main factors that undermined continued Western assistance.

KARIMOV'S ECONOMIC APPROACH

Several factors shaped Karimov's understanding of Uzbekistan's economic dependence on Russia, and most were the result of years of Russian and Soviet domination. First, Uzbekistan was a relatively poor republic within the FSU at the time of independence, a consideration true for all Central Asian states. Second and related, the Uzbek economy traditionally focused on the extraction of raw materials. However, under the Soviet system, only 10 percent of the materials were processed within Uzbekistan, with the lion's share being sent to Russia. Uzbekistan's main export is cotton, dominating exports at roughly 80 percent. Other resources exist such as vast mineral deposits

including gold, silver, copper, lead, zinc, wolfram, tungsten, uranium and other minerals. Natural gas and oil deposits also exist in sizable quantities. Third, as we will discuss at greater length below, the structure of trade was tilted strongly towards Russia, with Russia making up about 53 percent of both imports and exports in 1992.¹ Karimov recognized these factors, which led to several conclusions: 1) Uzbekistan needed to readjust its trade balance with Russia, 2) Uzbekistan would need to restructure its domestic production of goods, and 3) given the difficulties of these transitions, economic cooperation with Russia would be necessary in the short-term.

Karimov's assessment of Uzbek economic dependence on Russia fundamentally shaped his economic strategy. In a March 1991 interview, Karimov highlighted the many challenges that justified cooperation with Russia:

After sober analysis of the situation in Uzbekistan, however, we have come to the view that our republic's best prospects lie in a renewed federation. I would like to give you just two figures. The per-capita national income in Uzbekistan is not only three times lower than in the Baltic states, but it is also only half of the Union average. The republic has a completely underdeveloped, one-sided economy. We are mainly deliverers of raw material, and even the existing processing industry provides mostly only intermediate products. A total of 92 percent of all Uzbek cotton fibers are not processed in our country. On the other hand, we have to import more than half of the goods needed by the population.²

The country's concentration on raw material exports, most notably cotton, was the first hurdle to overcome for the Uzbek economy. Even before the Soviet collapse, the Communist Party of Uzbekistan suggested that despite the benefits from Uzbekistan's membership in the Soviet Union, its economy was heavily skewed towards raw material exports and that its main social and economic indicators were low in comparison to other

¹ International Monetary Fund, *Uzbekistan: IMF Economic Reviews*, no. 4 (1994): 73.

² "Uzbek President on Nationality Conflicts," *FBIS-SOV-91-051*, 15 March 1991, 85.

Soviet republics.³ At times, Karimov even suggested that this was a result of Moscow's exploitation of Uzbekistan natural resources, where, he noted, profits were taken out of the country.⁴ Uzbek leaders agreed that Uzbekistan needed to focus less on the exportation of raw materials.⁵

Unlike other former Soviet countries that adopted "shock therapy," Karimov preferred gradual economic reform. The experiences of shock therapy in Eastern Europe, the Baltic states, and Ukraine were unsettling, where reform brought with it severe short-term costs, such as unemployment, inflation, and general economic uncertainty. These short-term costs would presumably threaten Karimov's political security and place added pressure on his regime. Thus, while it was widely accepted that Uzbekistan needed to reorient its economy and address its dependence, cooperation with Russia was needed in the short-term.

Based on these factors, Karimov's initial economic strategy outlined a gradual path to economic reform. His strategy of state construction and economic reform focused on several related principles. First, the economic realm has priority over politics. Second, the state is to serve as the main agent of reform, in essence controlling the economy during the transition. Third, priority is given to law and legal obedience. Fourth, the state must adhere to a strong social policy that takes into account the demographic structure of the country. And fifth, the transition to a market economy must come through evolutionary means, thereby buffering the country from the instability associated with

³ "Kompartiiia Uzbekistana: pozitsiia v perestroike" (Communist party of Uzbekistan: position on perestroika), *Pravda Vostoka*, 9 June 1990, 1.

⁴ Islam Karimov, *Uzbekistan: Sobstvennaia model' perekhoda na rynochnye otnosheniia* (Uzbekistan: Its own model for transition to a market economy) (Tashkent: Uzbekiston Publishers, 1993), 13-14.

⁵ Karimov, *Uzbekistan: Svoi put' obnovlennii i progressa* (Uzbekistan: The road of renewal and progress) (Tashkent: Uzbekiston, 1992), 57.

shock therapy.⁶ Karimov's strategy placed a tremendous amount of power in the hands of the state, and more specifically the president, to ensure that the transition and the distribution of economic resources would occur in the most favorable manner to Karimov. This also placed Karimov in the position to maintain and support when necessary the social safety net that would provide for Uzbeks hit hard by the economic conditions.

The next section discusses how Karimov went about implementing this strategy in his relations with Russia. After establishing the pattern of cooperation or lack thereof with Russia, this chapter returns to the key economic indicators of this framework (trade, access to energy, and economic reform) to suggest ways in which they influenced relations with Russia and the West.

ECONOMIC RELATIONS WITH RUSSIA AND THE CIS: THE EARLY YEARS

Before independence, Karimov supported a renewed relationship between Russia and the former Soviet republics, although he stressed the necessity for Uzbek sovereignty and independence. To this end, he added a second question to the March 1991 referendum ballot on the Soviet Union: "Do you agree that Uzbekistan should remain within the renewed Union (federation) as a sovereign, equal republic?"⁷ The Uzbek people widely supported the March 1991 referendum, with over 90 percent of the voters in every region voting to preserve the Soviet federation.⁸ This was a clear mandate that there was a willingness to continue cooperation with Russia.

⁶ Karimov, *Uzbekistan: Sobstvennaia model' perekhoda*, 37-38.

⁷ A. Orlov, "Vtoroi biulleten' dlia referendumu v Uzbekistane" (Second ballot for referendum in Uzbekistan), *Izvestiia* 21 February 1991, 1.

⁸ The only exception was in Tashkent, where the referendum received 87 percent of the vote.

After the failed 1991 August putsch, Karimov continued to support a renewed Economic Community Treaty, which would maintain links between Russia and other Soviet republics. However, he was still skeptical of a rekindling of the old Soviet hierarchy. For instance, in October 1991, he drew attention to the proposed executive bodies: “Coordination is needed. But when they write ‘executive-managerial organs,’ this means that they are again creating new structures over us. I would pose the question thus: ‘coordinative-managerial,’ but ‘executive,’ not in any instance.”⁹ The new Economic Community Treaty, which was signed by Uzbekistan on 18 October 1991, contained an executive body, the Interstate Economic Committee, but the emphasis was on coordination and not top-down approaches. The new treaty was short-lived as the three Slavic states agreed to disband the Soviet Union. Uzbekistan, as did the other Central Asian states, agreed to join the new Commonwealth of Independent States (CIS), which would presumably serve many of the same functions as the Soviet system.

Karimov’s decision to join the CIS was based on Uzbekistan’s economic needs. Karimov realized that economic cooperation with Russia at least in the short-run was necessary to achieve “genuine independence” faster, since inter-republic cooperation could presumably address the most difficult economic problems the countries would face.¹⁰ As Henry Hale found through interviews with Uzbek officials and presidential advisors, while there was some disagreement over the scope and nature of cooperation with Russia and the CIS, there was consensus that such coordination was necessary.¹¹ Indeed, Karimov continued to speak of the utility of CIS cooperation, as opposed to

⁹ V. Kuznetsova and V. Desiatov, “V Alma-Ata v mukakh rozhden dogovor ob ekonomicheskom soobshchestve byvshikh soiuznykh respublik” (An agreement on economic community of the former soviet republics is partially born in Alma-Ata), *Nezavisimaia Gazeta*, 2 October 1991, 1.

¹⁰ Karimov, *Uzbekistan: Svoi put’ obnoblennii i progressa*, 25.

¹¹ Hale, “Statehood at Stake,” 54-55.

Ukrainian president Leonid Kravchuk who believed that the CIS was not really a viable institution.¹² There were limits however.

Given Russia's preponderance within the CIS, economic policies initiated by Moscow tended to have far ranging consequences and because of Russia's economic preponderance it was not constrained by other CIS states. By January 1992, for example, it became clear that Russia intended to engage in economic liberalization despite its impact on other CIS states. These decisions had a direct impact on the political stability of Uzbekistan, as price hikes sparked student riots in Tashkent. Karimov consistently voiced his concerns with Russian policies throughout 1992. Shortly after the student riots he argued:

Economic reform, price liberalization, and privatization should take place in a coordinated manner. And not like this: One president, to put it crudely, releases prices on a whim. We are not living on the other side of the fence, so we too are forced to hurry, even if our situation is different. Then you get the campus demonstrations and inflamed passions. I am basically now a hostage to decisions made in Moscow.... The main point is that the Commonwealth should make decisions collectively, collegially, after careful consideration, in an atmosphere of tolerance.¹³

As Karimov pointed out in the spring of 1992: "Moscow is not taking us into consideration in formulating its next measures. This is a cause of great concern for us. What will the reforms produce tomorrow? What will the Russian government reconsider next? And in what kind of situation will these developments put us?"¹⁴ This sentiment and a growing awareness of Russia's unwillingness to work with other CIS members prompted Karimov to suggest in April 1992 that each republic should conduct its own pricing policy. Individual strategies would take into account demographic and cultural

¹² "Karimov News Conference Previews Summit," *FBIS-SOV-92-095*, 15 May 1992, 7-8.

¹³ "Kak zhit' v sodruzhestve" (How to live in the Commonwealth), *Sovetskaia Rossiia* 23 January 1992, 2.

¹⁴ V. Portnikov, "Govorit o granitsakh—znachit razorvat sredniuiu aziuu" (To speak of borders means to tear up Central Asia), *Nezavisimaia Gazeta*, 15 May 1992, 2.

factors since comparable price adjustments “could cause the situation to explode” in Uzbekistan.¹⁵ Tensions also arose when Russia pressured other members of the Ruble Zone, and by November 1993 Uzbekistan announced its own currency and left the Ruble-zone altogether, therein ending the first phase of Uzbek-Russian cooperation.

Perhaps even more significant in these initial years of independence, Uzbekistan looked to Russia for a continuation of direct and indirect subsidies. However, after independence, these subsidies became increasingly scarce. In 1992, for example, Uzbekistan effectively received subsidies equal to 69 percent of its GDP in the form of printed rubles.¹⁶ Yet, as Russia looked inward, these much-needed subsidies dried up. Thus, Karimov focused on ways in which Uzbekistan’s economic dependence could be addressed. Tremendous inroads were made in the trade and energy sectors, while the lack of economic reform limited Karimov’s access to alternative economic resources from the West.

STRUCTURE OF TRADE WITH RUSSIA

The inherent economic dependence that existed between Russia and Uzbekistan prompted Karimov to adopt an economic strategy that sought to limit the import of industrial and finished products from other countries of the FSU (notably Russia) while increasing the domestic production of critical supplies that tended to be imported. As seen above, there was also an awareness of the need to orient the Uzbek economy away from the exportation of raw materials.¹⁷ To this extent, Karimov’s strategy was one of self-sufficiency and adjusting the structure of trade with Russia was of paramount

¹⁵ “Presidents Hold News Conference,” *FBIS-SOV-92-080*, 24 April 1992, 9.

¹⁶ Hale, “Statehood at Stake,” 467.

¹⁷ Karimov, *Uzbekistan: Sobstvennii model’ perekhoda*, 108.

concern. By the end of the decade, the trade balance with Russia would be drastically restructured. In the early 1990s, when the trade balance favored Russia, Uzbekistan adopted a pro-Russian alignment, but once Uzbek trade dependence on Russia was lessened by the mid 1990s, a more independent alignment was possible.

The structure of trade between Russia and Uzbekistan gradually improved in terms favorable to Uzbekistan. For instance, between 1994-95, Uzbek exports to Russia declined as a percentage of Uzbekistan's total trade from 38.9 percent to 29.7 percent, while total Uzbek exports increased over the same period of time by about 40 percent (See Table 2). After 1995, in which Uzbek foreign policy became more independent, Uzbek exports to Russia as a percentage of total trade continued to decline and averaged around 20 percent annually.

Part of the reorientation of Uzbek exports was offset by an increase in regional trade with neighboring Central Asian states, especially Kyrgyzstan and Tajikistan and to a lesser extent Kazakhstan. While Uzbek exports to neighboring Central Asian states averaged 14 percent of total trade between 1994-96, this figure increased to 24 percent between 1997-2000. More to the point, between 1999-2000 intra-regional trade made up the largest share of Uzbek exports, with energy being a major export to Kyrgyzstan and Tajikistan. This has proven problematic for Uzbekistan when trying to collect payments from these states, which themselves face dire economic conditions. The inability to pay for Uzbek energy exports prompted Karimov repeatedly to reduce or cut supplies to these countries until deals were reached concerning outstanding debts.

This shifting trade balance was also offset by an increase in Uzbek exports to Organization for Economic Cooperation and Development (OECD) countries. Between

1994-1996, for example, exports to OECD countries averaged 31.7 percent of total exports, while exports to Russia averaged 30.4 percent over the same period of time. Despite these optimistic figures, exports to OECD countries declined between 1997-2000, averaging 24.7 percent of total exports, although they remained slightly higher than exports to Russia at 23.2 percent of total exports.

Table 2
Uzbek Foreign Export Trade, 1994-2000 (*millions of US dollars*)

	1994	1995	1996	1997	1998	1999	2000
Total (world)	1,991	2,718	2,618	2,890	2,441	2,183	2,709
Russia	774 (38.9)	808 (29.7)	593 (22.7)	923 (31.9)	474 (19.4)	423 (19.4)	602 (22.2)
OECD Countries	693 (34.8)	724 (26.6)	886 (33.8)	731 (25.3)	663 (27.2)	491 (22.5)	639 (23.6)
Intra-Region Trade	134 (6.7)	564 (20.7)	387 (14.7)	495 (17.1)	561 (22.9)	632 (28.9)	766 (28.2)

Sources: International Monetary Fund, *Direction of Trade Statistics Yearbook* (Washington, D.C.: International Monetary Fund, 2000), 479; and International Monetary Fund, *Direction of Trade Statistics Quarterly* (Washington, D.C.: International Monetary Fund, June 2001), 268.

Exports remained focused on the export of raw materials, like cotton and gold. The rationale behind this policy was two-fold: 1) it allowed Uzbekistan to mitigate its existing dependence on Russian markets, and 2) it increased Uzbekistan's access to hard currency. For example, between January and August 1992, \$411 million in hard currency was obtained through cotton fiber, while the second highest export (copper and copper

products) secured only \$31 million.¹⁸ This was inconsistent with Karimov's long-term goals of reorienting the Uzbek export market, but cotton remained the primary source of hard currency and this could not be ignored. Cotton production and its share of Uzbek exports remained strikingly high. Based on exports to countries outside the CIS (which is a more accurate measure of competitiveness in world markets), cotton exports continued to account for roughly 70 to 80 percent of exports followed by nonferrous and ferrous metals between 4 to 6 percent.¹⁹

Beyond reorienting exports towards OECD countries, there was also an additional effort to improve Uzbekistan's import structure. Uzbek imports from Russia continued to decline throughout the decade (See Table 3). In 1994, Russia represented 36.4 percent of total Uzbek imports, while this figure declined to 29.9 percent in 1995. Much like export values, imports from Russia continued to decline to 21.2 percent of total imports in 1997, 17.4 percent in 1998, with this figure hitting a decade low in 1999 at 9.9 percent of Uzbek imports. The decline in Russian imports was primarily the result of an increase in the domestic production of goods typically imported from Russia, especially energy, fuel, and cereal grains. Prior to independence, Uzbekistan received the vast majority of its oil from Russia, approximately 4.5 million tons each year. As we will see in the next section, the increased domestic production of oil within Uzbekistan enabled the country to sever this dependence on Russian supplies.

Part of Karimov's economic strategy also entailed diversifying the country's sources of imports, especially in finding alternative trading partners. Preference was

¹⁸ Internal government document cited in Hale, "Statehood at Stake," 31.

¹⁹ This structure does not factor in the export of uranium or gold, however. Eshref F. Trushin, "Uzbekistan: Foreign Economic Activity," in *Central Asia: The Challenges of Independence*, ed. Boris Rumer and Stanislav Zhukov (Armonk, NY: M. E. Sharpe, 1998), 215.

given to the OECD countries that could provide the largest source of economic resources. For instance, Russian imports as a percentage of total Uzbek imports dropped steadily from 36.4 percent in 1994, to 24.5 percent in 1996, and hitting an all-time low at 9.9 percent in 1999. This was balanced with a reciprocal increase in the amount of imports received from OECD countries. Between 1994-1997, imports from OECD countries averaged 32 percent of total Uzbek imports, while that figure increased to 39.3 percent between 1998-2000 (a figure almost three times that of Russian imports).

Table 3
Uzbek Foreign Import Trade, 1994-2000 (*millions of US dollars*)

	1994	1995	1996	1997	1998	1999	2000
Total (world)	2,522	3,030	4,870	4,538	3,055	2,676	2,581
Russia	917 (36.4)	907 (29.9)	1,191 (24.5)	962 (21.2)	533 (17.4)	264 (9.9)	302 (11.7)
OECD Countries	782 (31.0)	838 (27.7)	1,736 (35.6)	1,524 (33.6)	1,156 (37.8)	1,188 (44.4)	922 (35.7)
Intra-Region Trade	377 (14.9)	434 (14.3)	563 (11.5)	470 (10.3)	318 (10.4)	390 (14.5)	499 (19.3)

Sources: IMF, *Direction of Trade Statistics Yearbook*, 479; and IMF, *Direction of Trade Statistics Quarterly*, 268.

This shift towards Western imports stemmed from Uzbekistan's desire to import new machinery and equipment. These imported goods represent roughly one third of all Uzbek imports, with over 70 percent of them coming from the countries of the OECD.²⁰ This fell in line with Karimov's state industrial strategy that emphasized a need to

²⁰ *Ibid.*, 214.

upgrade and modernize the industrial base through state investment. This top-down strategy focused on importing technology to increase domestic production, and resembled import-substitution strategies, but the results have not been spectacular in the economic development of Uzbekistan.

Perhaps the most significant economic factor that allowed Karimov to adopt a more independent alignment from Russia was his ability to restructure the balance of trade, by eliminating the import of Russian energy supplies in favor of heightened domestic production. This issue is discussed below.

STRATEGIC GOODS

The IT/ED framework suggests that the availability of domestic energy supplies is a crucial if not determining factor in a country's ability to forge more independent relations from Russia. Uzbekistan was fortunate in this regard because it possessed natural gas and oil deposits that enabled it to sever its energy dependence on Russia, unlike other states of the FSU like Ukraine. Under the Soviet system, Uzbekistan's role as an energy producer was muted. Instead, it was a leading producer of cotton and gold. This underdevelopment of energy resources would not last long.

A fundamental element in Uzbekistan's self-sufficiency strategy was domestic energy production. Uzbekistan relied heavily on oil deliveries from Russia, and as of 1991, the republic imported almost three-quarters of its oil needs, approximately 4.5 million tons of oil each year. After independence, Karimov embarked on a more ambitious plan for the development of indigenous oil and gas supplies. Indeed, Uzbekistan holds a rare distinction among the energy producers of the FSU, in that it is

the only state in which oil and gas production increased every year from 1991-1997 (See Table 4). Domestic production started off slowly, but by the middle of the decade Uzbekistan severed its dependence on Russian energy imports. Whereas in 1991, the republic produced 2.8 million tons of oil, this figure increased to 5.5 million tons in 1994, 7.6 million tons in 1995 and 1996, and 7.9 million tons in 1997. Thus, these figures exceeded what Uzbekistan was able to produce as well as what it imported from Russia before independence.

Table 4
CIS Oil Production, 1991-1997^a (*millions of tons*)

	1991	1992	1993	1994	1995	1996	1997
Ukraine	4.9	4.5	4.2	4.2	4.1	4.1	4.1
Uzbekistan	2.8	3.3	3.9	5.5	7.6	7.6	7.9
Russia	462	399	354	316	307	301	306
Kazakhstan	26.6	25.8	23.0	20.3	20.5	23.0	25.8
Azerbaijan	11.7	11.1	10.3	9.6	9.2	9.1	9.1
Turkmenistan	5.4	5.2	4.9	4.1	4.5	4.3	–

^a Crude Petroleum, including gas condensate.

Sources: CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudartsv i strani mira. Statisticheskii Sbornik* (Commonwealth of Independent States and the world. Statistical yearbook) (Moscow: CIS Interstate Statistical Committee 1999), 132, 134; and CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudarstv v 1994 godu* (Commonwealth of Independent States in 1994) (Moscow: CIS Interstate Statistical Committee, 1995), 46-47.

Similarly, gas production, which Uzbekistan is even more endowed with, increased steadily over the decade (See Table 5). In 1991 41.9 billion cubic meters were produced, which increased to 45.0 billion cubic meters in 1993, 48.6 billion in 1995, and 51.2 billion in 1997. Programs that capitalized on Uzbekistan's vast natural gas reserves complemented the increased production. For example, Karimov initiated programs, such

as the conversion of 250,000 state-owned vehicles from gasoline to compressed natural gas, which capitalized on Uzbekistan's vast gas reserves.²¹

Table 5
CIS Natural Gas Production, 1991-1997 (*billion cubic meters*)

	1991	1992	1993	1994	1995	1996	1997
Ukraine	24.4	20.9	19.2	18.3	18.2	18.4	18.1
Uzbekistan	41.9	42.8	45.0	47.2	48.6	49.0	51.2
Russia	643	641	618	607	595	601	571
Turkmenistan	84.3	60.1	65.3	35.6	32.3	35.2	–
Kazakhstan	7.9	8.1	6.7	4.5	5.9	6.5	8.1
Azerbaijan	8.6	7.9	6.8	6.4	6.6	6.3	6.0

Sources: CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudarstv i strani mira*, 132, 134; and CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudarstv v 1994 godu*, 46-47.

While it is seen as secondary importance to energy supplies, another strategic good that was highlighted by Karimov was grain production and overcoming Uzbek reliance on grain imports. This strategy called for a reallocation of arable lands for agricultural purposes. To compliment this gradual reduction of land used for cotton production, more advanced technologies were introduced that made production more efficient. Land that was once used to produce cotton was now used to produce cereals and grains. More specifically, the government from 1990-1996 reduced the areas sown to cotton (from 44 to 35 percent), while increasing the arable land used for cereal production (from 24 to 41 percent).²² Accordingly, the gross output of cereals grew by

²¹ Akira Miyamoto, *Natural Gas in Central Asia: Industries, Markets and Export Options of Kazakhstan, Turkmenistan, and Uzbekistan* (London: Royal Institute of International Affairs, 1997), 56-57.

²² Eskender Trushin, "Uzbekistan: Problems of Development and Reform in the Agrarian Sector," in *Central Asia: The Challenges of Independence*, ed. Boris Rumer and Stanislav Zhukov (Armonk, NY: M. E. Sharpe, 1998), 272.

1.6 times, which enabled domestic producers to meet almost half of the republic's demand for cereals. Although cereal imports remain high (almost half of grain and cereals are still imported), some added level of security was provided by Karimov's initiatives. While this strategy proved effective in the short-term, long-term issues need to be addressed to more sincerely alter Uzbek dependence on grain imports.²³

Karimov addressed the dependence on imported goods through a consistent policy of domestic self-sufficiency and increased production. This proved the decisive factor in alleviating Uzbek dependence on Russia, especially since Karimov had difficulty obtaining Western economic resources from individual countries and international financial institutions. As we will see, this was a direct result of Karimov's unwillingness to engage in economic reform and restrict state intervention the economy.

ALTERNATIVE RESOURCES FROM THE WEST

Uzbekistan has been somewhat successful at reorienting its trade balance to gain greater access to Western markets and hard currency. But despite Karimov's previous inclinations, this reorientation merely capitalized on the export of raw materials. This strategy allowed Uzbekistan to mitigate its economic dependence on Russia, but more sincere economic reorientation towards the West has been less forthcoming. As the IT/ED framework suggests, the main factor determining the extent to which FSU leaders can obtain Western economic resources rests on a leader's willingness to enact and implement economic reform. In this regard, Uzbekistan's limited and inconsistent path of economic reform undermined efforts to obtain more Western economic resources. This

²³ For instance, this policy does not increase hard currency earnings; it will be increasingly difficult to maintain in the event of privatization once state intervention is curtailed; and its yields significantly less value than cotton production. For more on these long-term problems see, *ibid.*, 272-73.

section surveys the extent to which economic reform was implemented, and its influence on Karimov's ability to obtain alternative economic resources from the West.

The initial interaction between Uzbekistan and the IMF proved difficult. By 1994 Karimov appeared to be willing to implement economic reform as evidenced by his 21 January decree. The decree, "On Measures for Further Deepening Economic Reforms, Providing for the Protection of Private Property and for the Development of Entrepreneurship," was seen at the time as a major turning point and bolstered the power of the state to promote economic reform. Among the most important aspects of this initiative were the establishment of an inter-ministerial committee on economic reform, entrepreneurship, and foreign investment and the expansion of powers of the privatization committee to include aspects of private sector development. However, by increasing the role of the state in the reform process, a consideration largely consistent with Karimov's objectives, the country faced problems when dealing with the IMF and other international financial institutions.

Support of the fledgling Uzbek currency was the first pressing issue. Negotiations began in February 1994 but broke off in May. Uzbekistan independently introduced its new currency and provided for a transfer of the sum-coupon to the sum on 1 July at a rate of seven to the dollar. The Uzbek government and the Central Bank of Uzbekistan believed this was possible without IMF assistance because Uzbek foreign exchange reserves (\$700 million) and gold (\$440 million) could allow the currency to be floated.²⁴ This proved shortsighted, however, as inflation and the anticipated currency risk undermined the stability of the new currency, which depreciated to 20 to the dollar by

²⁴ Michael Kaser, *The Economies of Kazakhstan and Uzbekistan* (London: Royal Institute of International Affairs, 1997), 29.

October. By the end of 1994, Uzbek officials sought IMF economic assistance, and the first agreement with the IMF was signed in January 1995. Uzbekistan received \$74 million under the systemic transformation facility to support the government's program of macroeconomic stabilization and systemic reform. These funds were negotiated against the Uzbek government's program of reducing the fiscal deficit to 3.5 percent of GDP (of which 2 percent was funded by domestic banks), and other reforms including the further liberalization of prices, the phasing out of budgetary subsidies, and the increased privatization of medium and large-scale enterprises.²⁵

The IMF apparently was pleased by the progress of the Uzbek government on these measures since it continued to extend assistance in December 1995 (See Table 6). The IMF approved a package totaling \$259 million to support the government's 1995-96 economic reform program. Of this total, \$185 million was made available under a 15-month stand-by credit, while a second drawing under the systemic transformation facility was made for \$74 million. As per the negotiated agreement, the program sought to reduce real economic activity to 1.5 percent in 1996, cut the rate of inflation to 21-25 percent, while keeping the overall deficit at about 4 percent of GDP. The IMF also established clear expectations for the Uzbek government with respect to structural reform. The government was required "to add momentum to its structural reform efforts, with particular emphasis on the privatization of medium and large-scale enterprise, enterprise reform, continued liberalization of foreign trade, and further disengagement of the government in economic activity."²⁶

²⁵ IMF Press Release no. 95/7 of 25 January 1995 (www.imf.org/external/np/sec/pr/1995/pr9507.htm, 26 October 2001).

²⁶ IMF Press Release no. 95/67 of 18 December 1995 (www.imf.org/external/np/sec/pr/1995/pr9567.htm, 26 October 2001).

This interaction underscores how Western assistance could be obtained when economic reform was initiated. However, initial reform successes did not last long, especially when the IMF continued to criticize administrative interventions into the economy. This was consistent with Karimov's strategy to make the state the main agent in the reform process. Government intervention was also necessary to capitalize on the most valuable raw materials Uzbekistan had to offer, including cotton and gold for exportation and oil and gas production for domestic consumption. Karimov's top-down strategy was not well received in international financial institutions, but it stemmed in part from his unwillingness to relinquish control over economic decisions fearing economic decline and the resultant political consequences.

Table 6
IMF Summary of Disbursements and Repayments
To Uzbekistan (*millions of US dollars*)

	Disbursements	Repayments
1995	105,950,000	0
1996	59,250,000	0
1997	0	0
1998	0	0
1999	0	18,365,625
2000	0	49,350,000
2001	0	30,984,375

Source: "Republic of Uzbekistan: Financial Position in the Fund,"
(www.imf.org/external/country/UZB/index.htm, 10 November 2001).

As reform slowed, so to did Western assistance. Many problems identified during 1995 became apparent as Uzbekistan fell into economic crisis. The most serious problems related to the production of cotton, which remained a major source of hard currency. First, the 1995 domestic cotton harvest proved disastrous; and second, world

prices for cotton remained low. These realities compelled the government to disregard IMF advice and increase its intervention into the economy, most notably through the imposition of foreign exchange controls and an increase in the printing of money that stoked inflation. These decisions ran counter to the conditions of the December 1995 stand-by credit, and the IMF suspended it on 19 December 1996. Officially, the IMF suspended the funds because the government missed its inflation targets, and the imposition of tighter state control over currency transactions further limited foreign direct investment. Karimov was unwilling to weather the short-term adjustment costs associated with economic reform, as seen in the Baltic states, Russia, and Ukraine.

During 1997 and 1998 Karimov continued to resist economic reform. He was unwilling to restructure and privatize enterprises and postponed the privatization of the oil and gas sectors, which as we have seen, were critical in Uzbekistan's drive for energy self-sufficiency. In this regard, Karimov preferred a more mercantilist approach, which protected vital industries in Uzbekistan, in contrast to a more open integration into the world economy.

By 1998, the possibility of obtaining Western economic resources remained bleak. Negotiations with the IMF stalled over currency convertibility. This issue remains a significant obstacle in IMF negotiations because it has become increasingly difficult to promote and attract foreign direct investment. The main stumbling bloc is over multiple currency exchanges. In essence, there are three types of exchange rates in Uzbekistan: 1) the official rate established by the Republican Hard Currency Exchange through a complex system of administrative transactions; 2) the commercial rate which differs from the official rate in that a surcharge of up to 15 percent is levied for bank services, and 3)

the black market rate which differs from the official rate by a factor of two or more.²⁷

This multiple exchange rate system allows the government to control vital aspects of the country's economy. This is consistent with Karimov's objectives because it ensures state purchases of imports, especially investment goods and allows the government to improve the balance of payments by establishing control over import transactions. However, such practices run counter to the more laissez-faire attitude of the IMF and other international financial institutions, and continue to inhibit Uzbek access to Western economic resources. The lack of reform even prompted the IMF to remove their representative in Tashkent when his term is over.

CONCLUSIONS

This chapter set out to examine the extent of Uzbek economic dependence on Russia and to determine how this shaped Karimov's patterns of cooperation with Russia. Karimov's pursuit of economic resources did not propel the leader strongly towards Russia (i.e. Belarus) or the West (i.e. the Baltic states). Rather, Karimov pursued a different path; one of economic self-sufficiency. There were two overarching economic considerations that shaped his relations with Russia: 1) the need to cooperate with Russia in the short-term to assist the country's transition and prevent economic collapse, and 2) the need to increase domestic energy production so as to sever Uzbekistan economic dependence on Russian energy imports.

Shortly after the collapse of the Soviet Union, it became apparent that economic cooperation with Russia came at great cost. In the early years Uzbekistan sought to

²⁷ For more on the multiple exchange rate system and its consequences see, Trushin, "Uzbekistan: Foreign Economic Activity," 216-19.

reorient its structure of trade to limit its dependence on Russian markets and increase access to Western markets and goods. This strategy proved fairly successful although it relied on the export of raw materials, notably cotton. By the middle of the decade Uzbekistan severed its energy dependence on Russia. The balance of trade became less skewed towards Russia, and domestic energy production proved highly successful. This left Karimov less economically constrained, and coupled with a decline in his internal threats, enabled the leader to adopt a more independent alignment by the mid to late 1990s.

Western economic resources have been less forthcoming because of Karimov's unwillingness to implement comprehensive economic reform. There were initial signs that Uzbekistan may work with the IMF, but this became increasingly unlikely by the middle of the decade. Karimov continued to intervene in the economy in order to buffer the country from the economic consequences of reform. The rationale is simple and closely linked to his pursuit of political survival. By embracing radical economic restructuring, the likelihood of economic dislocation within Uzbekistan would increase dramatically. This decline in the country's economy ultimately would have political consequences and further jeopardize Karimov's political position (a fact most evident in the executive turnover in the Baltic states). Concerns over rapid economic decline and its potential impact on political stability were not without precedent having occurred in the Ferghana valley in 1989, 1990, and again in Tashkent in January 1992. Thus, the safer political path for Karimov was one of gradualism, whereby the president could continue to provide economic benefits to Uzbek citizens. By consistently bringing home the bacon and weathering any economic vicissitudes, Karimov ensured his political position, since

the average citizen feels they are better off with the more conservative strategy that continues to provide some sense of economic stability.²⁸ Long-term growth and development remains elusive, but Karimov remains surely entrenched in his political position, which as this dissertation seeks to explain is of primary interest to FSU leaders.

In the end, Uzbekistan has been able to adopt a more independent orientation from Russia, but the long-term question remains as to how long such a path can persist. This is evident in Karimov's stated goals of the need to reorient the Uzbek economy away from simple raw material extraction, yet the short-term necessities for the country have forced the country to continue its exportation of raw materials.

²⁸ According to public opinion data, 56 percent of the people polled felt that life had improved since independence, whereas only 32 percent felt it got worse. Wagner, *Public Opinion in Uzbekistan*, 57.

CHAPTER VI

UKRAINIAN-RUSSIAN SECURITY RELATIONS AND ALIGNMENT PATTERNS

This chapter examines Ukrainian-Russian security relations to provide a basic timeline for the understanding of how and when policy shifts occurred. It begins with a discussion of the basic differences between the security environment of Ukraine and Uzbekistan. Three factors stand out, namely geographic location, military position after the Soviet collapse, and historical ties with Russia.

Balance of power and balance of threat theories are then used in a similar way as in Chapter III. That is, if we assume that Russia poses the greatest external threat to Ukrainian security, both in terms of capabilities and perceived aggressiveness, then it would be the state most likely balanced against. Indeed, because of its vast military and nuclear resources, realists would suggest that Ukrainian balancing efforts should be easier since Kiev could deter with nuclear weapons and its conventional forces.

Traditional alignment theories lead us astray however, and the case of Ukraine is puzzling for several reasons. First, why would Ukraine be willing to give up nuclear weapons, when they could be used to ensure their security from a potentially neo-imperial Russia; second, why did Ukraine not balance Russia as strongly as some would predict; and third, why would Ukraine choose to return back to Russia after a decade of establishing its independence from Moscow in the first place? These are all troubling propositions for traditional alignment theories. The IT/ED framework sheds light on this puzzle. It provides us with a better understanding of why alignment strategies unfolded as they did and what the underlying motivations for leaders' alignment calculations were.

As we will see in Chapters VII and VIII, respectively, the best answers are found by examining the way in which leaders ensured their political positions in the face of internal threats and the extent economic dependence a country had on Russia.

Ukrainian-Russian security relations are presented in two general phases. This timeline is used to chronicle security cooperation between Russia and Ukraine, although as we will in subsequent chapters, the alignment patterns observed according to the IT/ED framework differ. The first phase runs from 1991 until 1997 when relations with Russia were normalized and many of the outstanding disagreements between Ukraine and Russia were resolved. Much of the initial security focus for Western policy makers was on ensuring that Russia would emerge from the Soviet collapse as the only nuclear power, which meant that Ukraine would have to join the Non Proliferation Treaty (NPT) to win the approval of Western countries. The second phase runs from 1997 to present where Ukraine worked with both Russia and the West, making sure that Ukrainian sovereignty and territorial integrity were not compromised. More recently, there has been an even greater willingness of Kiev to cooperate with Russia along a variety of security lines, although there has not been a tremendous shift in the overall military capabilities of the two states.

STARTING POINTS AND BALANCING OPTIONS

This section first highlights fundamental differences between the initial security environments Ukraine and Uzbekistan faced after independence. These differences are rooted in geographic location, the military inheritance after the Soviet collapse, and historical ties between Ukraine and Russia. First, Uzbekistan is a land-locked state in

Central Asia with little direct contact with Western security institutions, although it is strategically placed in the region because it borders every country in the region. On the other hand, Ukraine was the second largest republic within the Soviet Union and located strategically between Russia and other European states, and more specifically geographically proximate to European security and economic institutions, like the North Atlantic Treaty Organization (NATO) and European Union (EU). This made discussion of eventual Ukrainian integration into European institutions possible, although highly problematic.

The second major difference between Ukraine and Uzbekistan is in military preparedness immediately after the Soviet disintegration.¹ Uzbekistan did not possess nuclear weapons, unlike Russia, Ukraine, Belarus and Kazakhstan. As we will see, the issue of nuclear disarmament shaped the discourse between Ukraine and Western policy makers in the early 1990s, almost to the exclusion of other issues, although it did provide Ukraine with some degree of leverage in arms control negotiations. Ukraine possessed 1,512 warheads, 212 strategic carriers of which 176 were ICBMs and 36 heavy bombers, and in fact Ukraine held the third largest nuclear arsenal in the world behind only the United States and Russia.² Moreover, the sheer size of Ukraine's armed forces totaling 700,000 made it the second largest military power on the European continent and clearly a state that needed to be dealt with to assure the security of Europe. These conditions were not present in the case of Uzbekistan, although as of recent U.S. engagement with

¹ For good overviews of the Ukrainian armed forces and its adaptation after independence see, Paul D'Anieri, Robert Kravchuk, and Taras Kuzio, *Politics and Society in Ukraine* (Boulder, CO: Westview Press, 1999); and John Jaworsky, "Ukraine's Armed Forces and Military Policy," in *Ukraine in the World: Studies in the International Relations and Security Structure of a New Independent State*, ed. Lubomyr A. Hajda (Cambridge: Harvard University Press, 1998).

² Marta Dyczok, *Ukraine: Movement without Change, Change without Movement* (Singapore: Harwood Academic Publishers, 2000), 113.

Central Asia has increased dramatically due to the ongoing war on terrorism in use of military force in Afghanistan.

There was also a third factor that stemmed more from the historical connection between Ukraine and Russia. One of the greatest obstacles for Ukraine was overcoming the stigma of being considered the “younger brothers” of the Russians. Thus, there is an immense historical legacy shared between Russia and Ukraine that is not present between Uzbekistan. Indeed, as Leonid Kuchma has pointed out, “in Russia they pretend that Ukraine as a sovereign, independent state does not exist...the stereotype of viewing Ukraine as its constituent part or, at any rate, as the sphere of its prevailing influence has not yet been eliminated.”³ Similarly, Kuchma’s top national security advisor, Volodymyr Horbulin, stated in a 1997 interview that he could not provide a rational explanation for why differences remain within the Ukrainian-Russian relationship. Providing one impression, he went on to quote Henry Kissinger: “I often recall what former U.S. Secretary of State Henry Kissinger told me: ‘I never met a single Russian who thought that Ukraine could be independent.’”⁴ Commenting on the importance of Ukraine to Russia and its status as a great power (an underlying factor in Russian-Ukrainian relations), Zbigniew Brzezinski suggested that “It cannot be stressed strongly enough that without Ukraine, Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire.”⁵ This sentiment clearly

³ V. Timoshenko, “Leonid Kuchma gotov postupit’ sia mnogim radi podpisaniia dogovora s Rossiei” (Leonid Kuchma is ready to give up a lot for the sake of signing an agreement with Russia), *Nezavisimaia Gazeta*, 20 February 1997, 1-3.

⁴ V. Timoshenko, “Vladimir Gorbulin: Sodruzhestvo Nezavisimykh Gosudarstv perspektivy ne imeet” (Volodymyr Horbulin: The Commonwealth of Independent States does not have a future), *Nezavisimaia Gazeta*, 5 February 1997, 3.

⁵ Zbigniew Brzezinski, “The Premature Partnership,” *Foreign Affairs* 73, no. 2 (1994): 80.

complicated relations between Kiev and Moscow, and as we will see, it often led to bouts of inflamed rhetoric that only exacerbated tensions.⁶

A related issue involves Russians living abroad. This was more of an issue in Ukraine than it was in Uzbekistan, where Russians only made up a fraction of the population, approximately 7 percent. The same was not true in Ukraine, where there was a clear distinction between Western Ukraine and Eastern Ukraine, which tended to have many Russians and Russian-speaking Ukrainians living there. For instance, throughout eastern and southern Ukraine, the percentage of Ukrainian speakers as a share of total population is less than one-third.⁷ Samuel Huntington described Ukraine as a “torn” country in his clack of civilizations thesis, in large part because Russian made up 22 percent and native Russian speakers 31 percent of the total population.⁸

From the perspective of balance of power and balance of threat theories, Ukraine was in a much stronger position to balance Russia based on its own military capabilities than Uzbekistan. This is an important factor for realist scholars because it suggests that the need to find balancing partners may not have been as pressing given the status of Ukraine’s military, notably its possession of nuclear weapons. The nuclear deterrent gave Kiev an advantage that Tashkent did not enjoy. Some prominent realists suggested that

⁶ In one instance, Kuchma identified what he called the “divorce syndrome,” characterizing it as a “complicated political-psychological problem that casts an ominous shadow on the entire complex of Ukrainian-Russian relations.” A. Bovina, “Chto stoit za ‘chetverkoi’ Kuchmy?” (Why does Kuchma grade Russian-Ukrainian relations a B minus?) *Izvestiia*, 24 February 1998, 4.

⁷ Valeri Khmelko and Andrew Wilson, “Regionalism and Ethnic and Linguistic Cleavages in Ukraine,” in *Contemporary Ukraine: Dynamics of Post-Soviet Transformation*, ed. Taras Kuzio (Armonk, NY: M. E. Sharpe, 1998), 73.

⁸ Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996), 165-68.

Ukraine should hold onto them to ensure the country's security, noting, "nuclear proliferation sometimes promotes peace."⁹

Given the power disparity between Ukraine and Russia, balance of power and balance of threat theories would still predict that Ukraine would increase its security cooperation with the West, and inevitably NATO. This would be the most tangible evidence of balancing efforts. Hence, the best way to deal with a threat from Russia would be to join the principle Western alliance that at one time stood toe to toe with the Soviet Union and Warsaw Pact. This was an approach adopted by the Baltic states, although as we will see, few other FSU states embraced such cooperative relations with NATO. Thus in the end, traditional alignment theories would suggest that 1) Ukraine would keep its nuclear arsenal as the best security guarantee from a Russian invasion, and 2) they would work to join the NATO alliance, thereby ensuring Ukraine's security through the pledge of NATO retaliation. As we will see in Chapters VII and VIII, traditional alignment logic did not hold true for reasons associated with domestic political and economic factors.

The next section identifies the general patterns of security relations between Ukraine and Russia, with the U.S. and other Western countries and institutions playing a significant countervailing force to Russia. Throughout negotiations with Russia, the overarching concern for both Kravchuk and Kuchma was ensuring Ukraine's sovereignty and territorial integrity, realized through the signing of the Friendship Treaty in 1997, which also brought about a new partnership with NATO.

⁹ John J. Mearsheimer, "The Case for a Ukrainian Nuclear Deterrent," *Foreign Affairs* 72, no. 3 (1993): 51.

UKRAINE (1991-1997): LOOKING WEST AND STRUGGLING WITH THE EAST

This section examines the first phase of Ukrainian security relations with Russia that stretches from independence until the signing of the Treaty of Friendship in May 1997. The treaty solved a number of long-standing issues with respect to Crimea and the Black Sea Fleet (BSF) and Russia's recognition of Ukraine's territorial integrity. It therefore serves as a defining moment for Ukrainian-Russian relations, although as we will see, it did not imply that Ukraine's foreign policy would be any more or less pro-Russian.

The principle objective for the Kravchuk administration in the wake of the Soviet collapse was ensuring that Ukraine's territorial integrity would be respected and that independence could be assured free of Russian domination. This was in fact a main current throughout the early and mid 1990s, as both Ukrainian presidents Kravchuk and later in 1994 Kuchma agreed on this larger principle. This did not always coincide with Washington's approach. Indeed, in the initial days of independence U.S. policy makers were uncertain about a more independent strategy for a nuclear Ukraine. This stunted Ukrainian cooperation in the beginning of the decade, but as Kuchma came into power in the summer of 1994, there was greater talk of working both with Russia and the West.

The Kravchuk Years (1991-1994)

This section discusses the initial phase of Ukrainian foreign policy, which was largely defined by the initial collapse of the Soviet Union and Ukraine's attempt to solidify independence from Russia. Kravchuk attempted to sever ties with Moscow in favor of working with the West. He tried to assert Ukrainian independence by

demonstrating an unwillingness to settle a wide range of issues on Russian terms, including the ownership of former Soviet foreign assets and the fate of nuclear weapons located in Ukraine. His pro-independence sentiment was coupled with a pro-Western orientation, aimed at garnering access to Western resources and security guarantees. This was a strategy that, as we will see, proved difficult in the initial years of independence largely in part to U.S. interests which favored a strong Russia.

As part of Kravchuk's initial policy of looking away from Russia, he remained critical of CIS integration suggesting that the organization served as a "civilized divorce." In February 1992 Kravchuk described the CIS in starker terms as "a committee to liquidate the old structures."¹⁰ Indeed, the Ukrainian parliament ratified the initial CIS agreement only after adding twelve reservations, including the affirmation of the inviolability of state borders, the right to independent military forces, and the downgrading of joint foreign policy activities from "coordination" to "consultation." During the initial years of independence, Kravchuk consistently criticized the development of centralized structures within the CIS, stating that Ukraine would not go any further than a loose form of economic cooperation. He emphasized that CIS structures should base their activities on the principles promoted by the United Nations and Organization for Security and Cooperation in Europe, and that the CIS should not be viewed as a supra-national structure, but rather as an international organization for facilitating the resolution of problems and tensions among member-states.¹¹

Greater political and military integration was not a priority for Ukrainian leaders.

¹⁰ B. Grushin and V. Tret'iakov, "Chelovek Ianvaria v Rossii – Leonid Kravchuk" (Leonid Kuchma is the man of January in Russia), *Nezavisimaia Gazeta*, 12 February 1992, 1.

¹¹ "Chu Virute Vu u Perspektivu SND?" (Do you believe in the future of the CIS?) *Uryadovuy Kurier*, 1 January 1994, 2.

For instance, Ukraine did not join the collective security agreement signed in Tashkent in May 1992 by representatives of six CIS governments, as Kravchuk feared that this agreement could have been used to legitimate Russian military intervention.

While Kravchuk sought to distance Ukraine from security ties with Russia, he actively security cooperation with the West. The difficulty for Kravchuk was that while he wanted to strengthen relations with Western countries and institutions, Western countries themselves, especially the United States, were unsure if a strong and independent Ukraine was a good idea. Moreover, U.S. policy makers focused narrowly on the nuclear arsenal of Ukraine and its dismantling, which tended to limit discussions between Ukraine and Western countries to these issues. To U.S. policy makers supporting reform was secondary, especially for the first George Bush administration, what was most important was ensuring that Russia emerged as the only nuclear power from the FSU. Bush's now infamous speech to the Ukrainian Parliament in August 1991 is a case in point. In his "Chicken Kiev" speech, Bush in effect warned Ukraine "...freedom is not the same as independence... [Americans] will not aid those who promote suicidal nationalism based on ethnic hatred."¹² This clearly demonstrated that the outgoing Bush administration was not in touch with the interests and concerns of Kiev, as much as they were with how Ukraine should fit into a collapsing Soviet organization.

In the early 1990s Western interaction with Ukraine focused on these larger security concerns for geopolitical reasons. Washington preferred to deal with one single de facto power on security and economic issues, rather than having to deal with a

¹² George Bush, *Public Papers of the Presidents of the United States: 1991*, vol. 2 (Washington, D.C.: U.S. Government Printing Office, 1992). 1007.

multiplicity of new and relatively unpredictable independent former Soviet republics, and U.S. policy remained Russo-centric.¹³ Therefore, during the first year and a half of Ukraine's independence, U.S.-Ukrainian relations were, to a large degree, one side of a triangular relationship involving Russia as well.¹⁴

Ukraine's nuclear arsenal provided Kravchuk with a compelling bargaining chip, and one that would eventually be used to "blackmail" the United States into meeting, or at the minimum addressing, the legitimate security concerns of Ukraine. Since Western and U.S. policy makers focused on the fate of Ukraine's nuclear weapons, Kravchuk's policies initially tried to attract Western attention by questioning the right of Russia to ratify the Strategic Arms Reduction Treaty (START I) on behalf of Ukraine. In response to this issue, U.S. Secretary of State James Baker and the foreign ministers of Belarus, Kazakhstan, Russia, and Ukraine signed the Lisbon Protocol on 23 May 1992. The protocol recognized all four states as parties to START I and provided for the adherence of the non-Russian republics to the Non Proliferation Treaty (NPT). The Lisbon Protocol did not resolve the nuclear weapons issue completely, and some problems remained, such as the sale of enriched uranium extracted from warheads located on Ukrainian territory. Nonetheless, Ukraine demonstrated its willingness to work with the United States on the nuclear question, but the road to ratification was anything but simple.

Kravchuk's approach to START I and the NPT was multifaceted. He made ratification conditional on compensation for nuclear weapons materials, security

¹³ Yaroslav Bilinsky, "Basic Factors in the Foreign Policy of Ukraine," in *The Legacy of History in Russia and the New States of Eurasia*, ed. S. Frederick Starr (Armonk, NY: M. E. Sharpe 1994), 173.

¹⁴ James A. Baker, III with Thomas M. DeFrank, *The Politics of Diplomacy: Revolution, War & Peace, 1989-1992* (New York: G. P. Putnam's Sons 1995), 560; and Atlantic Council of the United States, *The Future of Ukrainian-American Relations: Joint Policy Statement with Joint Policy Recommendations* (Washington, D.C.: Atlantic Council of the United States, 1995), 10.

guarantees from the nuclear powers, as well as generous economic assistance for its disarmament program. Much to the dismay of U.S. policy makers, ratification was also difficult. In January 1993 the Ukrainian parliament made no movement on the Lisbon Protocol, and by February the speaker of the parliament stated that START ratification was not a priority.¹⁵ On 8 April the Ukrainian government emphasized that the timing of nuclear weapons removal from Ukraine would depend on a wide range of factors, such as the progress in Russia-Ukraine talks over the liquidation of these weapons including the issue of compensation for nuclear fuel.¹⁶ These sentiments were shared in an open letter “on Ukraine’s nuclear status” signed by 162 deputies of the parliament made public in the same month. Citing similar considerations about the necessity of financial compensation, the letter warned:

at the same time it would be a mistake to agree to promises of insignificant monetary compensations in exchange for Ukraine’s immediate nuclear disarmament. The question of nuclear disarmament, state independence, national security, and territorial integrity cannot become an object for bargaining or “monetary compensations.”¹⁷

Thus, underscoring the importance for U.S. policy makers of dealing with both Ukraine’s security and economic needs during the disarmament process

By the end of 1993, U.S. policy makers were more attuned to the demands of Ukraine and more willing to address its legitimate security concerns. Early on in the Bill Clinton administration there was a general policy review of the post-Soviet situation and especially Ukraine’s nuclear arsenal. The review led to a more balanced policy approach.

¹⁵ “Supreme Soviet Chairman on START I Ratification Delay, Further Plyushch Comment,” *Foreign Broadcast and Information Service-Central Eurasia-93-027* (hereafter cited as *FBIS-SOV*), 11 February 1993, 33.

¹⁶ “Zayava Press-Sluzby Kabinetu Ministriv Ukrainu” (Statement of the press office of the Cabinet of Ministers of Ukraine). *Uryadovuy Kuryer*, 8 April 1993, 2.

¹⁷ “People’s Deputies Advocate Country’s Nuclear Status,” *FBIS-SOV-93-082*, 30 April 1993, 51.

For instance, in May 1993 then U.S. Ambassador-at-Large Strobe Talbott visited Ukraine to discuss ways in which a “turning of the page” could occur between Kiev and Washington. Discussions moved beyond nuclear issues to include economic assistance, expanded defense and security ties, and a renewed political relationship between Washington and Kiev. This was followed by a June visit by Secretary of Defense Les Aspin, who was returning from a trip to Russia where nuclear disarmament discussions took place. So by October when Secretary of State Warren Christopher traveled to Kiev tensions between Ukraine and Washington subsided, and a genuine trilateral negotiating process emerged between Washington, Kiev, and Moscow. This led to the signing the next January of the Trilateral Agreement in Moscow between the presidents of the United States, Russia, and Ukraine.

The Trilateral Agreement was important and proved to be a defining moment in the disarmament process. The agreement and its provisions finally addressed Ukraine’s basic security requirements. For the first time in both theory and practice, a trilateral process had brought about resolution of the nuclear issue, which not only legitimated U.S. involvement in the eventual dismantling but also brought much-needed technical assistance to the negotiating process.

Furthermore, the United States, Russia, and the United Kingdom extended basic security assurances to Ukraine upon Ukraine’s signing of the NPT. Clinton also promised to expand the assistance to Ukraine beyond the minimum of \$175 million already agreed to. Indeed, Kravchuk was rewarded for securing his country’s accession to the treaty upon his trip to Washington in March 1994, where U.S. aid to Ukraine was doubled to \$700 million (half of which was provided for nuclear disarmament). While Ukrainian

officials cited security guarantees as the major reason for joining the NPT, the timing of this decision clearly indicates that economic factors were of considerable importance. As Sherman Garnett noted, “the key to success in the U.S. policy toward Ukraine was the marriage of U.S. nuclear non-proliferation policy with a broad-based policy that supported economic and political reform and addressed Kiev’s security concerns.”¹⁸

During his years as president, Kravchuk attempted to sever ties with Russia and forge new ones with the West. As we have seen, much attention during his term focused solely on the nuclear question. Ultimately, given the concerns of Washington little constructive dialogue could be pursued until this larger security question was addressed. Once this occurred, a new era of U.S.-Ukrainian relations emerged. Kravchuk ushered in this new era and began Ukraine’s trajectory towards the West, as for instance, when Ukraine joined the Partnership for Peace (PfP) program with NATO in February 1994 or when Ukraine signed a partnership agreement with the European Union in June 1994. All the more provocative since Ukraine was the first CIS country to establish such ties with European institutions. Yet, Kravchuk would play little role in this new era, since his political leadership ended with Kuchma’s victory in the July 1994 presidential elections.

The Kuchma Years (1994-1997)

Kuchma came to power suggesting that Kravchuk’s approach to dealing with Russia proved wholly unsuccessful, as evidenced by the staggering energy debt (examined in greater length later in Chapter VIII). At times, Kuchma also based this reorientation towards Moscow on loftier ideas of Ukraine’s place on the continent. For instance, during his presidential inauguration address in July 1994, he suggested:

¹⁸ Sherman W. Garnett, “Ukraine’s Decision to Join the NPT,” *Arms Control Today* 25, no. 1 (1995): 7.

“Ukraine is historically a part of the Eurasian economic and cultural space. Today, the vitally important national interests of Ukraine are focused precisely on this territory of the former Soviet Union.”¹⁹ As we will see, this more pro-Russian orientation led to a softening of policies in both the CIS and over the contested Crimea and BSF, although in neither case was Ukrainian sovereignty or territorial integrity compromised.

After the initial pro-Russian honeymoon was over, Kuchma also began to look more actively to the West. 1997 proved a watershed year as well because of NATO’s enlargement into Central Europe, which culminated in NATO’s creation of a “distinctive partnership” with Ukraine in May. Days later Ukraine and Russia finalized the much debated Treaty of Friendship, Cooperation, and Partnership. Thus, the security picture for Ukraine was largely secured and many of the problematic issues that caused tension with Russia were resolved by 1997.

Kuchma continued Kravchuk’s policies towards nuclear disarmament. Domestic politics slowed the decision over the NPT until November 1994, when the parliament ratified the treaty on the eve of Kuchma’s trip to the U.S. While in Washington, Kuchma received an additional \$200 million in gratitude for his efforts in implementing economic reform and achieving Ukraine’s nuclear disarmament, both of which he supported in the parliament. After Ukraine’s accession to the NPT, the Conference on Security and Cooperation in Europe provided Ukraine with a document during its December 1994 meeting in Budapest. The document was a memorandum on security assurances (although not formal security guarantees) that essentially promised to respect Ukraine’s borders in accordance with the principles of the Helsinki Final Act, refrain from the

¹⁹ Roman Solchanyk, *Ukraine and Russia: The Post-Soviet Transition* (Lanham: Rowman & Littlefield Publishers, 2001), 92.

threat or use of force against the territorial integrity or political independence of Ukraine, refrain from economic coercion, and seek UN Security Council action in the event of nuclear aggression or the threat of nuclear aggression.²⁰ Interestingly, Ukrainian sources published the memorandum suggesting the document represented security guarantees, which of course it did not.²¹ Ultimately, Ukraine's nuclear disarmament allowed it to avoid pariah status, and become a welcome member of the international community.²²

Ukrainian-Russian security relations were also strained by the contested Crimea, a region dominated by ethnic Russians, and ownership of the Black Sea Fleet. In 1991 Ukraine recognized the autonomous status of Crimea and allowed the republic to enact laws that did not conflict with Ukrainian laws. Although Russian leaders assured their Ukrainian counterparts that they fully respected the independence of Ukraine and had no intention of reclaiming parts of the country, tensions remained high over Crimea. In May 1992, for instance, the Russian parliament declared that the transfer of Crimea from Russia to Ukraine in 1954 was illegal. Despite threats by some Russian politicians to renegotiate its border with Ukraine, Moscow accepted the inviolability of Ukrainian borders by June 1992, although a year later Russia's parliament declared Sevastopol a Russian city. Yeltsin did not enforce this resolution, but it aggravated relations between Moscow and Kiev, raising fears in Ukraine as to what could happen if hard-liners came to power in Moscow.

The most complicated issue was over the ownership of the BSF and its base in Sevastopol. While the Minsk agreement of December 1991 clearly stated that the former

²⁰ For the text of this document see, Garnett, "Ukraine's Decision to Join the NPT," 11.

²¹ Solchanyk, *Ukraine and Russia*, 92.

²² Scott D. Sagan, "Why Do States Build Nuclear Weapons? Three Models in Search of a Bomb," *International Security* 21, no. 3 (1996/97): 54-86.

Soviet navy was under CIS High Command, Kiev viewed strategic forces as only those that carried nuclear weapons, and since the BSF did not carry them, it belonged to Ukraine. In response, Russia asserted control over the fleet. When the commander-in-chief of the CIS joint armed forces resigned to take a high-level position in the Russian government, it put an end to the CIS joint military command, and Russia started to form its own armed forces, claiming the BSF as a specifically Russian fleet.

Following the spring 1992 war of decrees between Kravchuk and Yeltsin, attempts were made to settle this issue during meetings at Dagomys in 1992 and Moscow in 1993. At Dagomys the two leaders postponed discussion of the Crimea to the indefinite future and agreed in principle on a division of the BSF. In August 1992 Kravchuk and Yeltsin agreed to put an end to the CIS joint command and to consider the BSF a Ukrainian-Russian fleet under joint command until 1995.²³

In June 1995 Yeltsin and Kuchma signed an agreement that resolved in principle the dispute over the BSF fleet. Russia argued that for strategic reasons it needed the full use of the Sevastopol naval base and insisted on having a long-term lease on the bulk of Crimean naval bases and exclusive rights over Sevastopol, while Ukraine insisted that the base be used jointly. Under this agreement the port where Ukraine would base its navy was not specified, leaving open the opportunity that two navies could share Sevastopol.²⁴ The two countries agreed in principle to split the fleet, with Russia purchasing most of the Ukrainian share, ending up with 82 per cent of the vessels.²⁵

The question of dividing the BSF for all practical purposes was resolved on 31

²³ "Yaltunskiy Kompromiss" (Yalta's compromise), *Uryaduvoy Kuryer*, 7 August 1992, 1.

²⁴ Ustina Markus, "Black Sea Fleet Dispute Apparently Over," *Transition*, 28 July 1995, 31-34.

²⁵ Steven Erlanger, "Russia and Ukraine Settle Dispute over Black Sea Fleet," *New York Times*, 10 June 1995, A3.

May 1997, when Yeltsin and Kuchma signed the bilateral Treaty of Friendship, Cooperation, and Partnership. At long last, Russia formally recognized Ukraine's independence and territorial integrity. Ukrainian officials agreed to give Russia 32 percent of its half-share of the BSF as compensation for its outstanding debt, while the remaining 18 per cent would be used either to enhance its own navy or be sold for scrap.²⁶ It was also agreed that the Russian fleet would be based in three bays in Sevastopol on a 20-year lease; that Ukraine could not enter into any agreements with third parties aimed against Russia; and that Ukraine could not allow the stationing of NATO troops and nuclear weapons on its territory. As these developments between Kiev and Moscow unfolded, Kuchma simultaneously pursued security cooperation with the West, notably NATO.

As we saw earlier, Ukrainian relations with the West improved dramatically after the signing of the Trilateral Agreement in January 1994, which addressed the issue of Ukraine's nuclear disarmament and potential for security assurances. Since February 1994, when Ukraine became the first CIS country to join NATO's PfP program, which provides 27 countries with associative membership, and the first to sign the agreement on Partnership and Cooperation with the European Council, it has extensively participated in alliance activities, particularly in military exercises. Ukraine intensified its participation in NATO's PfP program, and, according to the Individual Partnership Program (IPP), agreed to cooperate in all 19 spheres of activities envisaged by PfP, which included preparation for joint activities in cases of civil emergencies.²⁷

²⁶ Stephen D. Olynyk, "The State of Ukrainian Armed Forces: ROA National Security Report," *The Officer* (November 1997): 27.

²⁷ Serhiy Tolstov, "Ukrainian Foreign Policy Formation in the Context of NATO Enlargement," *The Ukrainian Review* 44, no. 2 (1997): 9.

Kuchma's foreign minister also suggested in 1995 that Ukraine desired to participate "in several organs of NATO whose sphere of activity represents a particular interest for Ukraine."²⁸ The visit of President Clinton to Ukraine in May 1995 highlighted the improvement of U.S.-Ukrainian relations with the proclamation of the "strategic partnership" between the U.S. and Ukraine. Ukraine took part in such activities as NATO-PfP field training exercises such as Peaceshield 96, Cooperative Neighbor 97, and Peaceshield 99, which were conducted on Ukrainian territory. This strengthening of ties between Ukraine and the West was extremely positive for Ukraine, but not surprising to Kuchma, since as he suggested, "Ukraine's return to Europe is a completely natural process."²⁹ Thus, shortly after a year of promising a more pro-Russian orientation, Kuchma made sure that his avenues to the West remained open.

By the spring and summer of 1996, Ukraine's more balanced security policy between East and West took form. Kuchma and his advisors had set a course for a return to Europe, which was expressed clearly in the president's address at a meeting with top foreign policy officials in July. For Kuchma, Kiev's most strategic path was to "integrate" with European and transatlantic organizations while "cooperating" within the CIS framework:

I would also like to note that our foreign policy terminology should reflect the principled political line of the state. Along with the strategic choice of adhering to the processes of European integration, Ukraine's firm and consistent line is the line of maximum broadening and deepening of bilateral and multilateral forms of cooperation both within and outside the framework of the CIS while safeguarding the principles of mutual benefit and respect

²⁸ Hale, "Statehood at Stake," 328.

²⁹ Solchanyk, *Ukraine and Russia*, 90.

for each other's interests and abiding by the generally recognized norms of international law.³⁰

As Ukrainian Foreign Minister Hennadiy Udovenko stated repeatedly, "Our strategic goal is to fully integrate into European and transatlantic structures and to play an important role in the economic of East and Central Europe."³¹

NATO expansion into Eastern Europe brought much of this debate to the fore. A principle difference between Kiev's and Moscow's perception of NATO expansion rests in the fact that Kuchma acknowledges that expansion is "no menace to Ukraine," but he did caution that the alliance should take Russia into consideration when expanding, since "a nation like Russia cannot be left out of processes currently under way."³²

Nevertheless, Kuchma was not deterred from cooperating with NATO and in fact cooperation under the PfP auspices was common. In 1997, for example, 228 joint exercises were conducted under the PfP program, 200 with NATO, 70 with the United Kingdom, and only 10 were held jointly with Russia over the same span of time.³³

Moreover, as NATO expanded to the east, it opened up a greater dialogue between the West and Kiev, which enabled Ukraine to improve relations with both the West and Russia. Two days after the agreement was signed between NATO and Russia on 27 May, Ukraine and NATO signed a cooperation agreement that provided for a special partnership with NATO, which would be officially signed on 8 July 1997 at the

³⁰ Roman Solchanyk, "Ukraine, Russia, and the CIS," in *Ukraine in the World: Studies in the International Relations and Security Structure of a New Independent State*, ed. Ludomyr A. Hajda (Cambridge: Harvard University Press, 1998), 32.

³¹ Dyczok, *Ukraine*, 120. Several bureaucratic changes were made to reflect Ukraine's interest in strengthening ties with the EU. For example, in the fall of 1997, a European Union Department was created in the Ukrainian Ministry of Foreign Affairs. Similarly, the National Agency of Ukraine for Reconstruction and Development was renamed the National Agency of Ukraine Development and European Integration.

³² Marta Kolomayets, "Ukraine to Seek Special Partnership with NATO," *The Ukrainian Weekly*, no. 26 (1996): 1.

³³ Dyczok, *Ukraine*, 121.

Madrid meeting. The document outlined practical areas of cooperation between NATO and Ukraine and established a standing mechanism for consultation.

The heightened Western interest in Ukraine also prompted Russian leaders to complete the Friendship Treaty and after the NATO-Ukraine accord was signed, Russia finally signed the treaty on 31 May that recognized the unconditional borders of Ukraine. At long last Ukrainian leaders had been able to ensure the legitimacy of Ukraine's borders irrespective of Russian interests. With this assurance that Russia would not be able to contest Ukrainian territory any more, Ukrainian security relations could continue along the dual path of working both with NATO and Russia. This balanced approach enabled Kuchma to maximize his security relations, however, as we will see in Chapter VII, changes in his domestic standing greatly increased the necessity of fostering greater ties with Moscow.

This discussion of security relations appears to fall in line with aspects of balance of power and balance of threat logic. That is, Ukrainian leaders did strengthen security cooperation with the West and NATO, although it fell short of full membership into NATO. However, what is most puzzling is that once normalization occurred and Ukrainian inroads to European institutions were laid, Ukrainian foreign policy began to shift back to a more pro-Russian alignment. So why did Ukrainian security policy take this unexpected path and reverse its original trajectory? The answer rests in domestic political and economic factors discussed in Chapters VII and VIII. The following section draws attention to some of the primary indicators that highlight Ukraine's slow drift back East.

UKRAINE (1997-2001): NORMALIZATION AND THE SLOW DRIFT BACK EAST

What became apparent in this second phase of Ukrainian foreign policy is that the multi-vectored approach was not without problems. Increasingly, the Western nations, who Kuchma had warmed to after his election in 1994, slowly lost patience with the reform process, or lack thereof, in Ukraine. As we will see in Chapter VIII, this was most evident in Ukraine's failure to implement economic reform, and in the process undermined Kiev's ability to continue to receive economic assistance from Western financial institutions. This was a gradual shift, but one that became visible by the end of the decade.

While relations with NATO warmed in 1997, the extent to which Ukraine would become an active member remained in limbo. Cooperation and joint exercises were embraced by Kiev, as this only strengthened the security of the region while facilitating a greater dialogue with Western nations. In 2001 Ukraine continued to cooperate with NATO, including 120 joint-participation events with NATO, more than 70 with Poland, more than 60 with the United States, and more still with other NATO members.³⁴

Yet, while cooperation continued, actual membership was fraught with difficulties. As Volodymyr Horbulin admitted, "We recognize that we are not yet ready to become a NATO member both in terms of meeting the necessary criteria and in terms of public opinion in Ukraine."³⁵ This latter consideration raised questions within Ukraine about the desirability of membership. Based on 1997 opinion polls, attitudes towards NATO membership varied considerably: 42 percent of the people polled could not

³⁴ Carlos Pascual and Steven Pifer. "Ukraine's Bid for a Decisive Place in History." *Washington Quarterly* 25, no. 1 (2002): 185.

³⁵ Volodymyr Horbulin, "Ukraine's Contribution to Security and Stability in Europe." *NATO Review* 46, no. 3 (1998): 12.

answer the question saying it is difficult to say, 19 percent said yes as soon as possible, 18 percent favored the idea but that it should be done later, while 21 percent opposed the idea altogether.³⁶ Similarly, according to Deputy Head of National Security and Defense Council of Ukraine, Oleksandr Razumkov, almost 60 percent of the population of Ukraine opposes integration of Ukraine into NATO.³⁷ Thus, the reality was that Ukrainian cooperation with NATO and formal entrance into the organization were two separate issues. Ukraine remained stuck in the middle, but as the years progressed, the limits of security cooperation with the West became clearer, and Kiev began to drift back to the East.

The growing Western disengagement that set on by 2000, prompted Kuchma to strengthen ties with Russia. In 2000 alone Putin and Kuchma held eight meetings with one another, a clear indicator of a burgeoning relationship.³⁸ Indeed, as Kuchma proclaimed on several occasions, Russia is a strategic partner of Ukraine aside from which “there is no alternative.”³⁹ In January 2001 Ukrainian and Russian officials signed a 52-point military cooperation plan that foresees the creation of a joint command post in Sevastopol and a joint rescue detachment of the Russian and Ukrainian BSF.⁴⁰ After a 12 February 2001 meeting in Dnipropetrovsk, Ukraine and Russia signed a series of agreements culminating in 16 documents on economic cooperation aimed at strengthening cooperation in the areas of high technology, industry and energy. Additionally, Ukrainian and Russian space agencies signed a memorandum on

³⁶ Solchanyk, *Ukraine and Russia*, 97; and Maria Kopylenko, “Ukraine: Between NATO and Russia,” in *Enlarging NATO: The National Debates*, ed. Gale A. Mattox and Arthur R. Rachwald (Boulder, CO: Lynne Rienner, 2001), 196.

³⁷ T. Ivzhenko, “Ukraina ne vstupit v NATO v blizhaishie 10 let” (Ukraine will not join NATO within the next 10 Years), *Nezavisimaia Gazeta*, 11 February 1999, 1-2.

³⁸ “Politicheskiye Itogi—2000” (Political summary—2000), *Zerkalo Nedeli*, 30 December 2000, 1-4.

³⁹ “Naveki s Russkim Narodom” (Forever with the Russian people), *Zerkalo Nedeli*, 21-27 October 2000.

⁴⁰ “Ukraine, Russia Agree on BSF, But Differ on NATO,” *RFE/RL Newswire*, 19 January 2001.

cooperation with rocket and aerospace equipment. The most compelling development, however, surrounded the decision to reconnect the Ukrainian and Russian electricity power grids with subsequent exportation of Russian electricity through Ukrainian territory. The delivery of Russian electricity to Ukraine significantly weakens Ukrainian power generating companies, and reduces Ukraine's long-term capacity to meet its own electricity requirements. Besides, such energy exports increase Russia's ability to influence Ukraine in more indirect ways. Furthermore, on 13 June 2001 the Russian and Ukrainian prime ministers met in St. Petersburg and agreed to restart the work of a permanent intergovernmental commission that will deal with outstanding issues, with Kinakh suggesting that the two sides should be more serious in the implementation of agreements already signed.⁴¹ Kuchma also chose to join the Eurasian Economic Community in March 2002, a community that consists of the remaining core of the CIS including Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Belarus. His rationale stems from his growing awareness that there are fewer alternatives in the world for Ukraine. Kuchma explained Ukrainian needs, stating: "We can see that the world isn't becoming a kinder place, and new trade barriers are emerging over time. These barriers have to be overcome."⁴²

While Kuchma strengthened his alignment with Russia in the past few years, the real impetus came not from a shift in the military balance or the rise of a newly threatening state, but rather the rising political insecurity he felt by late 2000 and the lingering effects of Ukrainian economic dependence on Russia. Chapter VII argues that the increasing intensity of internal threats to Kuchma made him fear his political security,

⁴¹ "Kasyanov, Ukrainian Counterpart Agree to Expand Cooperation," *RFE/RL Newswire*, 14 June 2001.

⁴² *Nezavisimaia Gazeta*, 19 March 2002, 6, in *Current Digest of the Post-Soviet Press* 54, no. 12 (2002): 14.

which as the IT/ED framework suggests, typically leads FSU leaders to adopt strong pro-Russian alignments. Chapter VIII then examines the constraining effect economic dependence on Russia has had on Ukraine's alignment vis-à-vis Russia.

CONCLUSIONS

This chapter has provided a timeline for understanding Ukrainian-Russian security relations. In short, two basic security patterns can be observed between Ukraine and Russia. The first spanned from 1991 to 1997 and ended with the signing of the Friendship Treaty that resolved several outstanding disputes. This was a period of normalization that led to a series of agreements signed with the United States and NATO that also placed Ukraine in its respective geopolitical light. The second phase highlights a gradual return back to Russia, although as we saw there were few changes in the immediate security environment that could be used to explain this alignment strategy. Indeed, why would Ukraine reverse its trajectory towards the West in the late 1990s, when it had proven successful during the mid 1990s? The answer lies not on what was happening outside of Ukraine, but rather what was occurring within it.

CHAPTER VII

UKRAINIAN LEADERS AND INTERNAL POLITICAL THREATS

Whereas Chapter VI focused on security cooperation (and to a lesser extent economic cooperation) between Ukraine and Russia, this chapter examines how internal political threats to Ukrainian leaders shaped relations with Russia. The IT/ED framework suggests that when leaders feel their political positions are threatened, they are more likely to align with Russia to obtain direct and indirect assistance. Based on the conceptualization of internal political threats used for this dissertation, there were two moments in which internal threats to Kravchuk and Kuchma were most evident, and in both instances leaders survived by adopting strong pro-Russian alignments. Kravchuk met his political fate in the 1994 presidential elections, with Kuchma winning the election based on the political support of the eastern and southern regions of the country and promising to adopt more pro-Russian policies.

Kuchma's experience in office is a bit more puzzling. After his re-election in the 1999 presidential elections, he faced an unprecedented political scandal surrounding the mysterious death of opposition journalist Georgiy Gongadze in the fall of 2000, when allegations linked Kuchma and some of his advisors to the killing. This prompted an unprecedented level of political protest in Ukraine's political system. As the IT/ED framework would predict, when internal political threats are high, Ukraine tended to strengthen its pro-Russian alignment, a conclusion evident in Kuchma's pro-Russian rhetoric during the 1994 elections and over the past few years as relations with Moscow have strengthened. In this sense, the intensity of internal political threats were not

constants that Ukrainian leaders were concerned with at all times, unlike Karimov's attitude towards Islamic extremism and domestic political opposition in Uzbekistan. Yet, when they existed, the leader's response, in this case Kuchma on two occasions, entailed strengthening ties with Moscow.

Another key distinction between Karimov's experience with internal threats and those of Kravchuk and Kuchma is that the latter two gained their positions through a relatively open political system where other actors curbed the power of the president. This provides insight into how FSU leaders pursued their political security under different political conditions. Ukrainian leaders could secure their political positions, with Kuchma infinitely more successful than Kravchuk, but they could not rely on open repression as Karimov could.

Based on the IT/ED framework, a basic analytical difference exists when discussing different types of political systems based on a loose spectrum from authoritarianism to democracy. FSU leaders in more democratic systems, or quasi-democratic systems as in Ukraine, tended to form winning coalitions from among various actors within the state, in essence bandwagoning with powerful domestic actors and making sure their political base was strong enough to ensure their position. On the other hand, in more authoritarian political systems leaders tended to undermine any and all political opponents, whether violent, revolutionary, or mainstream; or in other words, authoritarian leaders tended to balance their internal threats as opposed to bandwagoning with them.

Once in power, Ukrainian leaders distributed the country's economic resources (both formally and informally) to their political supporters (a political/economic

transaction discussed at greater length in Chapter VIII). In this regard, Ukrainian leaders tend to bandwagon with various groups and issues to build a base of political support, or what some have termed the “party of power” discussed below. This is in large part because Ukrainian leaders do not have the power to jail and eliminate (or balance) their political opponents. Although as we will see, Ukrainian leaders were conscious of threats to their positions and attempted to increase their political power. Thus, while means may vary, the ends are the same: FSU leaders prioritize their political survival.

Another significant difference between Ukraine and Uzbekistan is that Ukraine has a substantial Russian minority (and Russian-speaking Ukrainians) that live predominantly in the eastern and southern portion of the country. Kravchuk and Kuchma had to walk a tight rope, making sure policies did not drift too far to the West and similarly too far East, since either foreign orientation would isolate a significant portion of the country’s population. Kravchuk tended to isolate the Russian-speaking portions of the population, when he criticized greater integration with Russia. However, Kuchma catered to these groups. While this divide played a significant role in politics during the early 1990s and still remains an important consideration, the East-West divide was far less pronounced in the presidential elections in the fall of 1999 and demonstrated that significant changes had occurred within the overall orientation of Ukraine.¹

This chapter proceeds as follows. The following section provides a brief historical background on parliamentary and presidential relations within Ukraine. Within the first five years of independence the constitutional powers of the legislature and the presidency were hotly contested, and it was not until the signing of the first post-Soviet constitution

¹ Thomas F. Klobucar, Arthur H. Miller, and Gwyn Erb, “The 1999 Ukrainian Presidential Election: Personalities, Ideology, Partisanship, and the Economy,” *Slavic Review* 61, no. 2 (2002): 315-44.

in 1996 that the overarching constitutional questions about the balance of institutional power within the government were resolved. The political system in Uzbekistan remained largely unchanged, with the president dominating the policy making process. Within this discussion the initial political interaction between Kravchuk and Kuchma is highlighted, since the latter served as prime minister under Kravchuk.

The chapter then turns to a more explicit examination of who Kravchuk and Kuchma coopted into their party of power (i.e., those political and economic elites that made up the pro-leadership coalition in the government). Following this, the role of domestic political opposition is analyzed in the recent case of Kuchma and the Gongadze scandal. Previously, political opposition to Ukrainian leaders was limited, but in the winter of 2000-01 much of this changed, leading Kuchma to adopt a stronger pro-Russian alignment.

UKRAINIAN POLITICS: THE EARLY YEARS

Unlike Karimov in Uzbekistan, Ukrainian leaders faced domestic political opposition throughout the decade and were forced to obtain their office through relatively open elections. In the initial period of independence, Ukrainian presidents were challenged by other political forces as well, namely the Parliament. This section sketches a brief picture of Ukrainian politics shortly after independence, highlighting specifically the tensions between the president, prime minister, and parliament over the distribution of governmental power and the political interaction of Kravchuk and Kuchma before Kuchma's election in 1994.²

² For a good overview of these events see, Charles R. Wise and Volodymyr Pigenko, "The Separation of Powers Puzzle in Ukraine: Sorting Out Responsibilities and Relationships between President, Parliament,

Strong executive branches are more the norm, than the exception in the FSU, and Ukraine is no exception. Within the post-Soviet era, there were two general time frames that differentiate executive/legislative tensions. The first period spanned from December 1991 until June 1996. During this phase Ukrainian leaders struggled with the Parliament to both define the appropriate constitutional powers of their respective political institutions and pass a political and economic agenda that could meet the needs of the leaders (although this did not always mean they would be best for the Ukrainian people or economy). Once the new constitution was signed in the middle of 1996, however, much of the legal debate concerning the division of power was resolved, although tensions did not disappear altogether between Kuchma and the Parliament. The second phase spans roughly from the signing of the 1996 constitution until today, characterized by a stronger Ukrainian presidency.

Shortly before independence, parliamentary elections held in March 1990 performed somewhat of a representative function, as a multi-party system emerged for the first time. This was not to suggest that Ukrainian politics transformed entirely. Indeed, opposition political parties had limited participation throughout the country. In 1991, for example, the total membership of all non-Communist political parties was 35,000 to 40,000 out of a population of nearly 52 million. The Communist Party of Ukraine, on the other hand, claimed 2.9 million members at its December 1990 congress.³ The discrepancies did not end there. The main opposition force within the parliament came from the nationalist-democratic movement, and they were able to garner

and the Prime Minister,” in *State and Institution Building in Ukraine*, ed. Taras Kuzio, Robert S. Kravchuk, and Paul D’Anieri (New York: St. Martin’s Press, 1999); and Paul D’Anieri, Robert Kravchuk, and Taras Kuzio, *Politics and Society in Ukraine* (Boulder, CO: Westview, 1999).

³ Taras Kuzio, *Ukraine: Perestroika to Independence*, 2nd ed. (New York: St. Martin’s Press, 2000), 156.

almost one-third of the seats in the parliament during these elections. However, these parties were unstructured and loosely organized and lacked a substantial parliamentary majority, which made pushing through the national-democratic agenda difficult. What compounded this problem for the nationalist-democratic movement was that party cohesion was near impossible, whereas the Communists voted along party lines, earning them the title of the Group of 239, or the number of Communists in the parliament (See Table 7).

In the last days of the Soviet Union, Kravchuk became more concerned with increasing Ukraine's autonomy within the Soviet Union and ensuring the power of the Communist Party of Ukraine. The most significant obstacle to this objective was the interference of Moscow leaders, but in the wake of the failed August pusch in Moscow, centralized power structures weakened. The Ukrainian Parliament declared Ukraine's independence on 24 August 1991, with the notion of a federation controlled centrally from Moscow evaporating on 1 December, when Ukrainian voters indicated that 90 percent were in favor of complete independence.⁴ The Communist Party of Ukraine was subsequently outlawed at the end of August.⁵

⁴ Roman Solchanyk, "Ukraine: From Sovereignty to Independence," *Radio Free Europe/Radio Liberty (RFE/RL) Research Report*, no. 1 (1992): 37.

⁵ Although it was re-legalized in 1993, the new Communist party did not claim to be the successor to the former Communist Party of the Soviet Union.

Table 7
Party Representation in the Ukrainian Parliament, 1990-1991

Political Party	Number of Members
Left	(239)
Communist Party of Ukraine	239
After August 1991	
Socialist Party of Ukraine	38
Peasant Party of Ukraine	44
Independents	157
Moderate Left	(40)
Party of Democratic Rebirth of Ukraine	36
Social Democratic Party of Ukraine	2
United Social Democratic Party	1
People's Party of Ukraine	1
Nationalist Bloc	(78)
Rukh	40
Ukrainian Republican Party	12
Democratic Party of Ukraine	23
Ukrainian Conservative Republican Party	1
Ukrainian Christian Democratic Party	1
Statehood and Independence for Ukraine	1
Uncommitted/Independents	(87)
Total	444

Sources: Bogdan Szajkowski, *Political Parties of Eastern Europe, Russia, and the Successor States* (Essex: Longman Information & Reference, 1994); and Dominique Arel, "The Parliamentary Blocs in the Ukrainian Supreme Soviet: Who and What Do They Represent?" *Journal of Soviet Nationalities* 1, no. 4 (1990/91): 108-54.

Kravchuk was elected president of Ukraine in December 1991, with over 60 percent of the vote. For Kravchuk, as we will see below, political support came from the more conservative forces within Ukrainian politics, namely the former Communist Party, although he also coopted the nationalists into his initial political coalition by insisting on Ukrainian independence and sovereignty. When the Communist Party of Ukraine was outlawed through the repeal of Article 6 of the 1978 Soviet Constitution, many former Communists quickly organized into the Socialist Party of Ukraine, under the leadership

of Oleksandr Moroz, and remained firmly entrenched in their positions.⁶ These individuals still represented the vast majority of parliament based on pre-independence election held in 1990, and therefore remained the dominant political force in Ukraine. The IT/ED framework suggests that FSU leaders in more democratic systems are more likely to bandwagon with the most influential actors in the country as opposed to balancing them. This was the precise motivation that drove Kravchuk's political coalition of former Communists and other state apparatchiks.

Over the next few years, Kravchuk relied on the political support of the former nomenklatura, or former Soviet officials linked to the state apparatus, and thus any policy or reform efforts could not jeopardize the interests of these individuals. If reform threatened their interests, then they would be less likely to support Kravchuk, denying him much-needed political support. As we will see, the inability of Kravchuk to deal with Ukraine's needs in a long-term fashion based on his narrow self-interests of staying in power, ultimately led to his political demise in 1994 as the country plummeted into economic crisis.

The major difference between Ukraine's initial experience with independence and that of Eastern Europe is that the old regime was not swept out during the transition, but rather they were able to reorganize and remain entrenched in their position of political and economic power. Thus, as one commentator notes, the nomenklatura in Ukraine "managed to preserve real power and property quite easily after 1991 by means of a peculiar political deal—by recruiting to its ranks the most conformist leaders of the former counter-elite and by a timely change in its slogans for the sake of a new

⁶ Article 6 declared the Communist Party the sole means of political representation.

‘legitimacy.’”⁷ This also played out in tensions between the executive and legislative branches.

Much of the difficulty of Ukraine’s political and economic transition came from the lack of coordinated policy making and questions over the right to make policy, whether this rested in the hands of the parliament, president or prime minister. Initially, Ukraine began with a hybrid premier-presidential regime, or a system, which has both a prime minister, who depends on the on-going confidence or absence of non-confidence of the parliament, and a popularly elected president.⁸ While the president typically has the right to appoint the prime minister, pending parliament’s approval, he or she does not have the ability to dismiss the prime minister without the support of the parliament.

Kravchuk did not push the parliament about expanding presidential powers because his political supporters were firmly entrenched there and it would come at a great political loss if he took on the parliament. Instead, Kravchuk chose to accept the division of policy making in Ukraine, while making sure his political supporters would not be influenced adversely. As Charles Wise and Trevor L. Brown conclude, “While opportunities existed to expand the role and function of the presidency, Kravchuk preferred to work within the boundaries of the executive branch, shoring up his power in the bureaucracy through patronage and kickbacks. Rarely did Kravchuk enter into policy confrontations with the Parliament.”⁹

⁷ Paul D’Anieri, “The Impact of Domestic Divisions on Ukrainian Foreign Policy: Ukraine as a ‘Weak State,’” in *State and Institution Building in Ukraine*, ed. Taras Kuzio, Robert S. Kravchuk, and Paul D’Anieri (New York: St. Martin’s Press, 1999), 87.

⁸ M. S. Shugart, “Of Presidents and Parliaments,” *East European Constitutional Review*, no. 2 (1993): 30-32.

⁹ Charles R. Wise and Trevor L. Brown, “Laying the Foundation for Institutionalisation of Democratic Parliaments in the Newly Independent States: The Case of Ukraine,” *Journal of Legislative Studies* 2, no. 3 (1996): 231.

While Kravchuk was nonconfrontational towards the parliament, his view of a subordinate prime minister was much clearer. As he suggested in 1992, “The president should be responsible for building the state, while the prime minister should manage the economy.”¹⁰ The obvious implication was that prime ministers were more expendable than the president since their objectives were more narrowly defined than the president’s. Moreover, the economic transition in Ukraine was a more daunting undertaking than that of building a nation. Initially, Kravchuk chose Vitold Fokin as his prime minister, a former head of the State Planning Committee and much like Kravchuk a member of the Communist Party of Ukraine’s administrative apparatus. Fokin’s policies were anything but spectacular, but they were designed to secure economic advantages for Kravchuk’s political supporters. Indeed, important governmental and industrial elites relied heavily on their ties to the former state planning apparatus to preserve state subsidies, lobby for favors, and maintain existing privileges.¹¹ This was necessary for the political trade-off to ensure Kravchuk’s position. Shortsighted policies and rapid economic decline strained the government, and the democratic opposition in parliament, led by Viacheslav Chornovil, forced Fokin out in September 1992.

To replace Fokin, Kravchuk turned to Kuchma, another former Communist official. Kuchma’s appointment, however, drew from a different party constituency. He was from the industrial-managerial faction of the Communist Party as opposed to Fokin formerly of the command administrative faction. During the Soviet era, Kuchma

¹⁰ Ilya Prizel, “Ukraine between Proto-Democracy and ‘Soft’ Authoritarianism,” in *Democratic Changes and Authoritarian Reactions in Russia, Ukraine, Belarus, and Moldova*, ed. Karen Dawisha and Bruce Parrott (Cambridge: Cambridge University Press, 1997), 345.

¹¹ Paul Kubicek, “Post-Soviet Ukraine: In Search of a Constituency for Reform,” *Journal of Communist Studies and Transition Politics* 13, no. 3 (1997): 103-26; and Adrian Karatnycky, “Ukraine at the Crossroads,” *Journal of Democracy* 6, no. 1 (1995): 117-30.

managed the largest rocket manufacturing plant in the Soviet Union, so his ties were rooted deeper in the industrial sector. Kuchma also promised to renew ties with Russia. In his view there was a direct connection between economic decline and anti-Russian policies. By restoring economic ties with Moscow, Kuchma sought to address the growing economic crisis and more specifically Ukraine's dependence on Russian energy supplies. On this latter issue, he was particularly critical of his predecessor. For instance, he argued that Fokin allowed substantial amounts of inexpensive Russian energy (approximately 10-20 percent of world prices in late 1992) to be re-exported at world prices, with corrupt individuals benefiting tremendously while the Ukrainian state accumulated a massive energy debt.¹²

While Kuchma pushed for a more reformist path and was critical of the slow pace of privatization, he was unwilling to engage in shock therapy, preferring a more gradual approach to reform. Initially, he promised to continue Fokin's policies, calling for a process of "evolutionary change" and a search for a "Ukrainian model" of reform.¹³ In essence, he assured that the political/economic trade-off occurring between Kravchuk and the former Communist elite would remain unchanged. Parliament ensured this by keeping anti-reform actors in the Kuchma's Cabinet of Ministers, including two Fokin appointees, Hryhorii Piatachenko and Vadim Hetman, who kept their positions as the minister of finance and the chairman of the National Bank, respectively. Reform would have to wait until Kuchma returned to power as president in 1994, although even then reform efforts were not without problems.

Once in power (13 October 1992), Kuchma was given ten days to formulate an

¹² Prizel, "Ukraine between Proto-Democracy," 347.

¹³ "Dream On," *The Economist*, 17 October 1992, 56.

economic recovery program. One of the boldest steps taken was when Kuchma asked the parliament for a six-month emergency power “to rule the economy by decree,” which was subsequently passed. This enabled Kuchma to forward his economic program, which received broad support in Western financial circles. His initiative was impressive, and it forced Kravchuk to accept reform measures given the momentum of the new government. This also placed Kuchma in the spotlight, a factor that was not wasted on Kravchuk.

Tension between Kravchuk and Kuchma intensified in the spring of 1993 when Kuchma requested an extension to his six-month emergency powers. In an attempt to strengthen his grip on economic policy, Kravchuk issued a decree that would establish an “extraordinary committee” of the cabinet to deal with economic issues and assert the president’s control over the government. The political struggle was inflamed by a ten-day strike of coal-miners in the Donbas region of eastern Ukraine, who demanded an increase in wages and a national referendum of confidence in the president and the parliament. Kuchma addressed the strikers by articulating an even more detailed plan of economic reform. Tensions remained high between Kuchma and Kravchuk as economic crisis set on, but parliament was unwilling to accept Kuchma’s resignation in hopes of balancing Kuchma off Kravchuk. Nonetheless, by September 1993, Kuchma’s resignation was accepted and a no confidence vote was passed on the entire cabinet.

Ultimately, throughout Kuchma’s tenure as prime minister, Kravchuk remained unaware of Ukraine’s vast economic problems, while he tended to attack Kuchma’s policy of easing relations with Russia.¹⁴ As we will see later, this was a shift that eventually led to Kravchuk’s demise and Kuchma’s ascendancy. With Kuchma’s exit as

¹⁴ Prizel, “Ukraine between Proto-Democracy,” 347.

prime minister, Kravchuk turned to the former mayor of Donetsk, Yukhym Zviatkovskiy, to be his new prime minister, but little changed over the next few months except the continued decline of the Ukrainian economy.

Kuchma remained in the background of Ukrainian politics, until the presidential elections of 1994. In the first round of elections on 26 June, Kravchuk received 37.7 percent of the vote with Kuchma gaining 31.3 percent, and the Socialist leader, Moroz, obtaining 13.1 percent. However in the runoff election on 10 July, Kuchma picked up the majority of Moroz's supporters and defeated Kravchuk, receiving 52.1 percent of the vote to Kravchuk's 45.1 percent. Kravchuk lost the elections in large part because of the poor economic conditions, but the road ahead for Kuchma was not without obstacles.¹⁵

The first major difficulty Kuchma faced once in office was the lack of a basic constitution that clearly defined the separation of powers between the president and the parliament. When he was prime minister, Kuchma attempted to expand his power to implement reform, and when he became president he similarly sought to increase the power of the presidency. As we saw above, increasing presidential power was not critical to Kravchuk because he held power in more informal ways through his contacts with conservatives in the parliament. Kuchma, however, sought to consolidate power in the executive branch.

Kuchma dramatically changed the role of the president in Ukrainian politics. His first tactic came in the form of presidential decrees, which were highly explicit. Much like Boris Yeltsin's successes in Russia, this enabled the president to bypass the parliament's legislative power, in effect turning the president into a law-making entity.

¹⁵ Regional differences also played an important role. Andrew Wilson, "Parties and Presidents in Ukraine and Crimea, 1994," *Journal of Communist Studies and Transition Politics* 11, no. 4 (1995): 362-371.

His decrees have been far-reaching in the areas of privatization, the vertical structure of governance, and the reorganization of the agricultural and energy sectors.

Kuchma remained concerned with the separation of governmental power. Under the existing constitution, the Cabinet of Ministers was accountable to the parliament. Thus, the government (under the guidance of the Cabinet) was responsible to both the president and parliament. This meant that the parliament had the constitutional power to remove an individual or an entire government through a no-confidence vote without the expressed consent of the president. The Speaker of the parliament also was afforded tremendous powers to submit candidates for many leading political institutions, including the Constitutional Court, the National Bank Chairmanship, and the Prosecutor General of Ukraine. In short, policy decisions were shared by the president, prime minister, and speaker or the parliament, although consultation was not necessary for some actions to be taken. This complicated the issue of implementing economic reform because the left dominated the parliament, and they were unwilling to hand over power to the executive branch.

Despite this, by the end of 1994, Kuchma expanded his presidential powers. For starters, Kuchma's relative approval rating was much higher than that of the parliament's, and this afforded him a fair degree of political leverage. In early December 1994 he presented the Law on State Power and Local Administration in Ukraine, or the so-called "Power" bill. This served as an interim constitution until the final draft passed. The original version of the "Power" bill eliminated regional parliaments, providing the president with the authority to appoint regional administrators, and it concentrated power

at the national level, by allowing the president to appoint a Cabinet and a prime minister without parliamentary approval.

The accord served as a preliminary constitution, but parliament was reluctant to act. In return, Kuchma utilized the bully pulpit. By the end of May 1995, he threatened to hold a national plebiscite on the “Power” bill on national television, only to have the parliament reject it on constitutional grounds. Shortly thereafter, he formalized his plebiscite order in a written decree, and the parliament reconsidered because of a lack of public support in the legislature. According to one poll conducted from 28 April 1995-10 May 1995, Kuchma had on average a 37 percent approval rating and a 37 percent disapproval rating, compared to the parliament, which had on average a ten percent approval and a 64 percent disapproval rating.¹⁶ In the court of public opinion, Kuchma was much more secure, and therefore more willing to engage in political brinkmanship with the left-leaning parliament. Parliament yielded, and the “Power” bill was passed with a 240-81 vote before any nationwide referendum of confidence could be held on him, or more importantly the parliament.¹⁷ The president obtained the exclusive right to form the government, issue decrees, and overrule local councils that blocked reform. Institutional wrangling between the executive and legislature branched continued, but it did provide the basic framework of leadership, which not unlike most FSU states provided for a strong executive.

For one year, the accord restricted Parliament’s formal powers over approval of the budget, ratification of the government’s program, and drafting of ordinary legislation.

¹⁶ Wise and Brown, “Laying the Foundation,” 244.

¹⁷ Chrystyna Lapychak, “Showdown Yields Political Reform,” *Transition* 1, no. 13 (1995): 3-7; and Taras Kuzio, *Ukraine under Kuchma: Political Reform, Economic Transformation and Security Policy in Independent Ukraine* (New York: St. Martin’s Press, 1997), 99-109.

The president, however, gained the exclusive right to form a government, issue decrees, appoint elected chairman of local and regional councils as heads of their respective state administrations, and dismiss the heads of local administrations for violations of the law, Constitution, or presidential decrees. Kuchma's appointment power was unprecedented. He could appoint the prime minister, cabinet, and the heads of power ministries, such as defense, foreign affairs, internal affairs, security service, and so on, without Parliamentary confirmation. The prime minister was now subordinate to the president. Parliament could express "no confidence" in the entire government or individual ministries, but they could not appoint successors, which remained within the newly defined presidential powers.¹⁸

Thus, over the course of the first five years of independence, Ukrainian leaders wrestled with other political institutions within Ukraine, namely the parliament. Kravchuk was more passive in his confrontation with the parliament, since most of his political supporters were found in the left-leaning parliament. Yet, when Kuchma came into office, he sought to reorganize governmental power, and in the process, establish a strong Ukrainian presidency, which enabled him to maintain relative political security for the rest of the decade. With this historical background, the following section turns more specifically to the political parties that were coopted by Kravchuk and Kuchma over the years to give some explanation as to where their political base of support rested. In essence, answering the question who did Ukrainian leaders bandwagon with?

¹⁸ For more on parliamentary attitudes towards this separation of power see, Vladimir Pigenko, Charles R. Wise, and Trevor L. Brown, "Elite Attitudes and Democratic Stability: Analysing Legislators' Attitudes towards the Separation of Powers in Ukraine," *Europe-Asia Studies* 54, no. 1 (2002): 87-108.

POLITICAL PARTIES AND THE PARTY OF POWER

The IT/ED framework suggests that FSU leaders in more democratic political systems tend to bandwagon with influential domestic actors to provide for their political survival. This contrasts with the more authoritarian systems, like Uzbekistan, in which leaders tend to balance or eliminate political opponents. In the case of Ukraine, Kravchuk and later Kuchma adopted this domestic bandwagoning strategy as they forged winning political coalitions to ensure their political positions. This section focuses more attention on which political parties or factions made up the pro-leadership coalition.

Throughout much of the former Soviet space, the previous political leadership was replaced with leaders more in tune and often more representative of the interests of the people or the country itself. This was not the case in Ukraine where the former Communist leadership was able to reinvent itself. As Mykola Riabchuk contends, what emerged in Ukraine shortly after independence was a “new nomenklatura” reminiscent of its predecessor under the Soviet system. The new “party of power,” or *partiiia vldy*, is a group of “pragmatically oriented and de-ideologized high ranking members from the old nomenklatura, including representatives of the state apparat, the mass media, and directors of traditional sectors of industry and agriculture.”¹⁹ These political actors wield tremendous influence over Ukrainian politics, but they rarely embrace reform and often seek to undermine it. Those in the party of power, or pro-leadership coalition, gain

¹⁹ One important distinction between the Soviet and post-Soviet eras is worth noting. That is, the new nomenklatura operates differently than the Soviet one. The Communist Party previously played a “leading and directing” role in policy making, however the new party of power works behind the scenes (and often behind closed doors), while playing a more “manipulative” role than in the past. Riabchuk cited in Paul Kubicek, *Unbroken Ties: The State, Interest Associations, and Corporatism in Post-Soviet Ukraine* (Ann Arbor: University of Michigan Press, 2000), 42. Some Ukrainian observers contend that it is more accurate to call the party of power the “party of chameleons” since individuals are free to change colors as they see fit; or others have drawn distinctions between the “economic nomenklatura” and the “administrative nomenklatura.” Kubicek, *Unbroken Ties*, 46-47.

substantial political and economic advantages, and those that are not are on the fringes of policy making in Ukraine.

Kravchuk's party of power was a timely political alliance of convenience. In effect, Kravchuk, a former Communist himself, adopted the strongest position of the nationalists, namely the insistence on Ukrainian independence, and forged a political alliance between these forces and his former Communist colleagues. His most telling success was that he "succeeded in co-opting both the Rukh program and its top leaders" into the new government through a series of high-level appointments.²⁰ The nationalists, lacking the institutional support to translate their goal of national independence into a political reality, similarly welcomed this political alliance. Thus, Kravchuk and other former Communists became "national" Communists. As Alexander Motyl writes, Kravchuk transformed himself from "guardian of the Soviet state to guardian of the Ukrainian state, from supporter of all things Soviet to critic of all things Soviet, from enemy of Ukrainian nationalism to Ukrainian nationalist *par excellence*."²¹ Unlike other former Communist leaders in Eastern Europe, Kravchuk then was not swept away by the nationalist movement.

Kravchuk's political supporters were primarily his former Communist cronies, and he made sure that he did not undermine the previous system. As Volodymyr Zviglyanich comments, "[U]nder pretext of moving towards liberal democracy, rule of law and...a market economy, a revamped collectivist elite entrenched itself in power,

²⁰ Roman Solchanyk, "Ukraine: A Year of Transition," *RFE/RL Research Report*, no. 1 (1993): 59.

²¹ Alexander Motyl, *Dilemmas of Independence: Ukraine After Totalitarianism* (New York: Council of Foreign Relations Press, 1993), 150.

with Mr. Kravchuk as its leader and symbol.”²² Radical institutional or political reform would only threatened the interests of these entrenched elites, and inherently intensify the level of internal threats to Kravchuk’s leadership. The end result is that conservative, anti-reform elements tended to dominate the political arena. In many ways, former Soviet officials merely reinvented themselves. They chose not to build and develop new institutional relationships, but rather adjust former practices to the new environment. In the end, ruling elites sought to maintain their positions at all cost and through informal practices and political and economic trade-offs. As one report concluded in 1993:

Political conditions remain almost the way they were over two years ago (1991) when a minority, in the form of the Communist Party, had uncontrolled and undemocratic monopoly of political, economic, and social power over the people...Now government leaders seek to legitimize their rule by claiming to be “building an independent democratic state.” In fact, during the past two years Ukraine has not drawn even one step closer to “real” democracy.²³

The nationalist dimension of Kravchuk’s political base dwindled in late 1992. At the end of 1992, Rukh split, but without an economic power base the party was left at the fringes of the policy making process, and became increasingly marginalized politically. As Vyacheslav Chornovil, leader of Rukh, the leading national-democratic group, suggested, “the party of power, headed by the President, is straining all its muscles to prevent any reformers from achieving power.”²⁴ Rukh was no longer a part of Kravchuk’s political base, which also meant that their political voice would be diminished and

²² Volodymyr Zviglyanich, “Analysis: Stability and Reform Pose Challenges to New President,” *The Ukrainian Weekly*, 16 October 1994, 2.

²³ Kubicek, *Unbroken Ties*, 44.

²⁴ V. Skachko, “Vlast’ govorit o vyborakh, oppositsiia – o reformakh” (The authorities are talking about elections, the opposition is talking about reforms), *Nezavisimaia Gazeta*, 4 January 1994, 3.

therefore less problematic for Kravchuk.²⁵ To fall out of the pro-leadership coalition only limited the political and economic power of groups in the future.

In the end, Kravchuk adopted a political alliance of convenience between his former Communist colleagues and the more nationalist groups in Western Ukraine that supported Ukrainian independence. Little reform was implemented under his administration (a consideration examined at greater length in Chapter VIII) primarily because economic reform threatened the entrenched interests of the new nomenklatura, and threatening these interests only threatened Kravchuk's political supporters. This practice ultimately led to economic crisis in 1993-94, and with it Kravchuk's political demise.

In the 1994 presidential elections, Kuchma defeated Kravchuk by drawing on support from the eastern and southern regions of the country, while Kravchuk was more successful in the extreme Western regions.²⁶ Ultimately, the election came down to the issue of the economy, and as we saw in Chapter VI, Kuchma suggested warming up to both the West and Russia. His message resonated in the western and central parts of the country since he was suggesting the need for greater reform and interaction with the West, while talk of increasing cooperation with Russia reassured those in the other side of the country. Kuchma capitalized on issues that were embraced by both those on the left and right, and in turn he developed a base of support that settled more in the center of the Ukrainian political spectrum.

Beyond the presidential turnover, the parliament itself underwent significant

²⁵ Prizel, "Ukraine between Proto-Democracy," 345.

²⁶ For more on the elections see, Taras Kuzio, "Kravchuk to Kuchma: The Ukrainian Presidential Elections of 1994," *Journal of Communist Studies and Transition Politics* 12, no. 2 (1996): 117-44.

changes, especially since the 1994 election was the first since Ukraine became independent. Not surprisingly, incumbents fared poorly, which represented a form of house cleaning from the Soviet past. Over one-third of the deputies ran for re-election, yet only 66 were re-elected.²⁷

A few peculiarities of the Ukrainian party system are worth noting before discussing these results. First, the nature of Ukrainian electoral laws made it more difficult to win a seat in parliament under a recognized political party as opposed to running as an independent. Candidates who ran under a political party had to garner more signatures to participate, as well as support through district branch party conferences, which enabled entrenched party leaders to undermine democratic and nationalist groups. As Bilous and Wilson assert “it is not in the interests of either the president, the leaders of the military-industrial complex, the heads of the collective farms, or those who work in the government executive to associate themselves with any party.”²⁸ Second and related, because of the multiplicity of political actors within the parliament as well as the number of independents, deputies were encouraged to form and align into factions.²⁹ The concept of factions is different in Ukrainian politics, than it is in the Western sense of the term. In the West, faction is used to describe a portion of a larger group, but in Ukraine it is used to define an assemblage of parties as a parliamentary group (i.e., bloc), including members from one or more parties and

²⁷ Victor Chudowsky, “The Ukrainian Party System,” in *State and Nation Building in East Central Europe: Contemporary Perspectives*, ed. John S. Micgiel (New York: Institute on East Central Europe, Columbia University, 1996), 337. Adrian Karatnycky suggested that 56 deputies out of 188 that ran for re-election won. Karatnycky, “Ukraine at the Crossroads,” 124-25.

²⁸ Andrew Wilson and Artur Bilous, “Political Parties in Ukraine,” *Europe-Asia Studies* 45, no. 4 (1993): 693-703.

²⁹ For instance, deputies who organize into factions were afforded office space, staff, technical support, and a seat on the powerful Presidium, while those that continue to work as independents did not. Wise and Brown, “Laying the Foundation,” 226-27.

additional independent deputies. This was an attempt to streamline the rather fractured Ukrainian parliament and enhance the process of legislating.³⁰

One surprise of the 1994 parliamentary elections was that the left, consisting of the Communists, Socialists, and Agrarians, showed up well, although their support was limited to the southern and eastern regions of the country. The Communist stronghold fell from 239 deputies in the March 1990 parliament to 90 deputies, with other members of the left wing adding some leverage to the bloc (See Table 8). As a bloc, the left tends to favor a state-run economy, restoration of the former Soviet Union, and Russian as a second official language. The Socialist and Peasant Parties share similar views, stressing the necessity of subsidies to industry to the agricultural sector, although the Peasant Party does not take any position on the language issue.

³⁰ For the March 1998 parliamentary elections, a different electoral law was implemented, which was aimed at increasing party cohesion and encouraging party coalitions. In this election, half of the seats of the parliament were elected by proportional representation and individual seats were allotted by the percentage of votes each party received, while parties that received less than 4 percent were excluded. D'Anieri, et. al., *Politics and Society in Ukraine*, 156.

Table 8
Faction Membership in Ukrainian Parliament, October 1994³¹

Political Party	Number of Members
Left	(172)
Communists	90
Socialists	30
Peasants (Agrarians)	52
Center	(135)
Unity	34
Inter-Regional Deputies Group	33
Reforms	31
Center	37
Liberal/Nationalist	(55)
Rukh	27
Statehood	28
Unaffiliated	31
Total	393

Source: D'Anieri et. al., *Politics and Society in Ukraine*, 157.

The more liberal and nationalist parties hold the opposite view of those on the left. These parties, most notably Rukh, favor Western European parliamentary democracy for Ukraine. They tend to be pro-market, want to leave the CIS in favor of integration within European structures, are concerned with the revival of Ukrainian language and culture, and are against a federal system. Based on the pro-Western orientation it is not surprising that the base of support for these groups is found in Western Ukraine.

While there are clear distinctions between the left and more liberal political parties, the center is a particularly gray political area in which confusion and complexity

³¹ For other estimates of faction memberships between 1994 and 1998 see, Chudowsky, "The Ukrainian Party System," 340-41; Wise and Brown, "Laying the Foundation," 228; Kataryna Wolczuk, "The Politics of Constitution Making in Ukraine," in *Contemporary Ukraine: Dynamics of Post-Soviet Transformation*, ed. Taras Kuzio (Armonk, NY: M. E. Sharpe, 1998), 126, 128; Wilson, "Parties and Presidents in Ukraine and Crimea, 1994," 362-71; Taras Kuzio, "The 1994 Parliamentary Elections in Ukraine," *Journal of Communist Studies and Transition Politics* 11, no. 4 (1995): 335-61; and Marko Bojcum, "The Ukrainian Parliamentary Elections in March/April 1994," *Europe-Asia Studies* 47, no. 2 (1995): 229-49.

are par for the course.³² A variety of factions made up the center in the 1994-1998 Parliament including, the Inter-Regional Deputies Group, Social-Market Choice, Unity, Independents, Center, and Constitutional Center. The center favors close economic ties with Russia, although it opposed greater political and military integration with Russia, and they favor economic reform as well. Language and cultural matters play less of a role in the orientations of these parties. Kuchma gained his greatest support from these centrist forces.

Under most circumstances, centrist forces would be considered a positive for democratic development; however, the center does not always work in positive ways. As Artur Bilous writes, the various centrist factions “can only be distinguished by their amorphousness and an absence of direction in terms of their political and economic orientation. For this reason, this agglomerate of forces can sooner be described as a gray void than as a political center in the European sense of the term.” Similarly, Rukh chairman, Chornovil, sees the political center in Ukraine as a “parliamentary sludge.” As he criticized, “Sometimes they side with the leftists and sometimes with the rightists. They represent what might be called a situational majority, which, unfortunately, does not want to be constructive, and which, in the event of any weakening, disappears.”³³ As we will see, Kuchma turned to this burgeoning center for his political support. In many ways, the 1994 election of Kuchma brought to life a new party of power as Kravchuk’s

³² In the 1994 elections, as stated above, there were a significant number of deputies that won seats in parliament (218) that did not run under a political party, but rather as independents, joining factions once in office. Non-party members of parliament were represented in every faction, but the centrist (Unity, Reforms, Inter-Regional, and Center) and Agrarians attracted most independents. The Agrarian faction absorbed 16 percent of them, Center gained 16 percent, Independents, 10 percent, Inter-Regional, 12.4 percent, Reforms, 13 percent, and Unity, 14 percent. Few independents chose to the communist, socialist, or Rukh factions. Chudowsky, “The Ukrainian Party System,” 341.

³³ Bilous and Chornovil are quoted in D’Anieri et. al., *Politics and Society in Ukraine*, 159.

gave way. Yet, the implementation of reform was not guaranteed since it similarly threatened many of Kuchma's political allies.³⁴

Kuchma's parliamentary support came largely from centrists and democratic reformers, and the primary policy divisions revolved around those that supported Kuchma's economic reform program and those that opposed it.³⁵ Kuchma first flirted with the InterRegional Bloc of Reforms (MRBR) and then threw in his lot with the People's Democratic Party (NDPU) and the Agrarians (See Table 9). The power of the Agrarians was in the rural communities that tended to vote with the left, thus, Kuchma could enhance his position in the eastern and southern portions of the country traditionally dominated by conservative, Communist politicians. Simultaneously, he suggested the necessity of economic reform and capitalized on the interests of those in the center that sought a greater Western orientation.

³⁴ For more on why pro-reform elements are lacking in Ukraine see, Kubicek, "Post-Soviet Ukraine."

³⁵ Wise and Brown, "Laying the Foundation," 224.

Table 9
Factions in the Post-March 1998 Ukrainian Parliament

Political Party	Number of Members
Left	(167)
Communists	120
Left-Center (Socialists/Peasants)	33
Progressive Socialists	14
Center	(206)
People Democrats	86
Hromada	45
Independents	26
United Social Democrats	25
Greens	24
Liberal/Nationalist	
Rukh	47
Unaffiliated	30
Total	450

Source: D'Anieri et. al., *Politics and Society in Ukraine*, 158.

As we will see in Chapter VIII, Kuchma ensured his political survival in the same way Kravchuk had. The main difference is who benefited from a given leader. Under Kravchuk, it was the former Communists and nomenklatura that was resistant to change and reform. Under Kuchma, it was groups that sought to capitalize on the economic opportunities provided by greater interaction with the West and privatization within the country. In this sense, both leaders required a solid base of political support to ensure their political positions, which required bandwagoning strategies. What was also common was to place a leader's political allies and friends in political and economic positions to make sure the rank and file did not stray. For example, there was a mass migration of officials from Dnipropetrovsk, where Kuchma served as the director of *Pivdenmash*, the largest missile factory in the FSU, to Kiev upon Kuchma's presidential victory. By one estimate, there were over 60 officials from Dnipropetrovsk in the executive branch by

April 1995, with over 160 by the middle of 1996.³⁶ This was yet another method for obtaining political survival in the FSU, and it falls in line with the traditional neo-patrimonial and nepotistic practices common throughout the FSU political systems.³⁷ The following section looks more specifically at the internal political threats that Kuchma faced in the latter part of the decade, and the impact they had on a stronger pro-Russian alignment.

INTERNAL THREATS AND PRO-RUSSIAN ALIGNMENT PATTERNS

The IT/ED framework suggests that the more internal threats to leaders exist, the more likely a pro-Russian alignment will be adopted to secure the political position of the present leader. As we have seen, internal political threats to Ukrainian leaders (in the form of political violence and domestic political opposition) have been relatively low throughout the decade. They peaked for Kravchuk in the summer of 1994 and led to his defeat in the presidential elections. On the other hand, as the IT/ED framework would predict, Kuchma came to power promising to strengthen relations with Moscow. As we will see in Chapter VIII, the root of Kravchuk's internal threats came from the economic crisis that set on by 1993 and domestic dissatisfaction with his pro-Western, anti-Russian orientation.

The second experience with internal threats for Kuchma occurred in the fall of 2000, in the wake of a political scandal surrounding the death of journalist Georgiy

³⁶ Sherman W. Garnett, "Like Oil and Water: Ukraine's External Westernization and Internal Stagnation," in *State and Institution Building in Ukraine*, ed. Taras Kuzio, Robert S. Kravchuk, and Paul D'Anieri (New York: St. Martin's Press, 1999), 113.

³⁷ For a good discussion of this point see, Hans Van Zon, "Neo-Patrimonialism as an Impediment to Economic Development: The Case of Ukraine," *Journal of Communist Studies and Transition Politics* 17, no. 3 (2001): 71-95.

Gongadze. Audiotapes were released that allegedly contained the voices of Kuchma, Internal Affairs Minister Yuriy Kravchenko, and Presidential Administration Head Volodymyr Lytvyn. The tapes linked the president and two of his top aides to the disappearance of Gongadze. Gongadze's disappearance and the ensuing scandal led to some of the most outspoken acts of political protest in Ukraine to date. For instance, on 19 December 2000 over 5,000 protesters marched to the parliament and demanded Kuchma's resignation. Since the protests were so massive and included an array of political parties, such as Communists, Socialists, the Christian Democratic Party, the extreme nationalist party (UNA-UNSO) and the more centrist party (SOBOR), Kuchma met with the leaders of the movement. During this meeting he agreed to conduct an independent analysis of the audiotapes and seek independent forensic testing on the corpse found outside Kiev in November, which turned out to be Gongadze's.

Protests continued in Kiev. Yet as Kuchma intimated, forces within the state were attempting to turn the death of Gongadze into "a political weapon designed to destabilize Ukraine."³⁸ Accordingly, in two separate incidents, he authorized the removal of protesters who had established a "tent city" on Kiev's main street and a local park.³⁹ During a state ceremony at the statue of Ukrainian national poet Taras Shevchenko in early March 2001, police confronted over 200 people when Kuchma arrived to lay ceremonial flowers.⁴⁰ On 9 March in response to this incident between 5,000 and 10,000 people protested outside of the presidential administration building in Kiev, the largest political demonstration since independence.

³⁸ *Financial Times*, 27 February 2001.

³⁹ "Ukrainian Police Dismantle Tent City, Arrest Anti-Kuchma Protesters," *RFE/RL Newswire*, 1 March 2001; and "Authorities Sweep Away Second Anti-Kuchma Tent City," *RFE/RL Newswire*, 8 March 2001.

⁴⁰ "Ukrainian Police Clash with Anti-Kuchma Protesters," *RFE/RL Newswire*, 9 March 2001.

Similarly, the sacking of Yulia Tymoshenko in January 2001 demonstrated the extent to which Kuchma favored entrenched interests, sparking further protest against the president. Tymoshenko's dismissal was a response to her efforts to introduce transparent rules in the energy sector, which threatened the interests of Ukrainian oligarchs. Tymoshenko was later arrested and accused of smuggling gas and forging documents by Kuchma. Protests continued outside of the prison in which she was held demanding her release. However, Kuchma dismissed much of this political protest, suggesting that the majority of demonstrators were paid to protest, and therefore do not accurately reflect the interests of the average Ukrainian. Tymoshenko was eventually released and formed a political movement called "Ukraine without Kuchma," but she continues to be hassled by the Ukrainian government concerning her alleged improprieties when in Kuchma's government.

Thus, as internal political threats to Kuchma rose and economic dependence remained high, Kuchma adopted an even stronger alignment with Russia, discussed in Chapter VI. In the words of Taras Stetskyv, a member from the Forum for National Salvation, the recent Putin-Kuchma agreements came about as a result of "the strengthening of the opposition to Kuchma."⁴¹ That is, by cooperating with Russia, Kuchma strengthened his domestic position, particularly since Russian president Vladimir Putin described the Gongadze case as a matter of Ukrainian internal affairs. In this regard, Russia was the only country willing to diplomatically and politically support Kuchma in the face of increased domestic opposition.

⁴¹ *Ukrainian News Agency*, 12-18 February 2001.

CONCLUSIONS

This chapter examined the domestic political setting within Ukraine, and attempted to explain how Ukrainian leaders secured their political positions. As the IT/ED framework posits, FSU leaders tend to prioritize their political survival in alignment calculations. While leaders in more authoritarian systems are more likely to balance internal threats, leaders in more democratic systems are more likely to bandwagon or join with the strongest political and economic actors. This latter theoretical assumption was evident in the domestic political strategies of Kravchuk and Kuchma, although the political bases of support differed. Kravchuk relied on his former Communist connections to secure his position, which worked well until Ukraine spiraled into economic decline. Indeed, internal threats are likely to emerge under conditions of rapid economic decline; such was Kravchuk's experience.

Kuchma pledged to strengthen relations with Russia and the West. This undermined his credibility with the left factions in the parliament, although he was able to garner the support of the Agrarians in eastern and southern Ukraine. Kuchma built his party of power from centrist parties, which were willing to work with Russia on economic matters, while continuing to look to the West.

Ukrainian leaders did not eliminate domestic political opposition in an overt manner, but rather they worked around opposition through informal channels based on personal relations with various political groups. However, the political scandal that rocked Ukraine beginning in the fall of 2000, led to a dramatic and unprecedented rise of internal threats to Kuchma, with many groups such as "Ukraine without Kuchma" calling for the leader to step down. The IT/ED framework posits that the more internal threats to

leaders occur, the more likely a strong pro-Russian alignment will be adopted. As we saw in Chapter VI, this has taken shape in recent years, but another driving force underlying Kuchma's alignment calculations is that of economic dependence on Russia, a factor examined in the ensuing chapter.

CHAPTER VIII

UKRAINE AND ECONOMIC DEPENDENCE ON RUSSIA

This chapter examines the second independent variable of the IT/ED framework, economic dependence on Russia, and assesses its impact on Ukrainian alignment patterns towards Russia. The IT/ED framework suggests that the more economically dependent a country is on Russia, the more likely a pro-Russian alignment will be adopted. However, when leaders can mitigate or sever this dependence, then leaders are less constrained in their relations towards Russia, allowing for a more independent alignment strategy.

As we will see, Ukraine has been unable to sever its dependence on Russian trade and energy throughout the decade, which has severely limited Kiev's foreign policy options. After independence, Kravchuk sought to break ties with Russia, but because his political supporters were conservative, including many former Communists, they did not favor economic reform, which hindered access to Western economic assistance. Upon his election in 1994, Kuchma adopted a more balanced approach that combined economic reform, designed to attract Western assistance, and a willingness to expand economic cooperation with Russia. Yet, by the end of the decade, Western support dwindled as reform stalled.

This chapter assesses the extent of Ukrainian economic dependence on Russia based on the three indicators elaborated on in Chapter II: 1) the structure of trade, 2) access to energy supplies, and 3) access to alternative resources from Western countries and financial institutions. Ukraine's structure of trade, namely its heavy reliance on

Russian energy supplies, served as the most significant factor influencing (and limiting) a pro-independence and pro-Western orientation.

The economic crisis that afflicted the country by 1994, brought on by Ukraine's heavy reliance on subsidized Russian energy supplies, led to the removal (albeit peacefully) of Kravchuk. Kuchma was much more successful than Kravchuk at obtaining economic resources from Western sources, primarily because of his initial willingness to implement economic reform. The rest of the decade did not prove as promising, and economic assistance fizzled when the implementation of reform slowed. This exacerbated Ukraine's economic dependence on Russia, prompting a more pro-Russian alignment.

The lack of reform in Ukraine is a result of how Ukrainian leaders consolidated their positions. Ukrainian leaders distributed economic resources to their allies to obtain political support. This political trade-off tended to strengthen conservative forces within Ukraine, who permitted reform but only so far as it could benefit them personally. In the process, Ukrainian leaders facilitated the growth of a powerful anti-reform constituency, such as oligarchic and informal networks, which manipulated the uncertain economic conditions in Ukraine to their financial advantage, often at the expense of the Ukrainian state. Once in office Vladimir Putin sought to bring in the oligarchs in Russia, but the same cannot be said for Kuchma in Ukraine.

ECONOMIC RELATIONS WITH RUSSIA AND THE CIS: THE EARLY YEARS

As we saw in Chapter VI, Kravchuk was reluctant to cooperate with Russia on security matters. However, after the first year of independence, Ukrainian leaders began to understand the necessity of working with Russia, especially on economic issues.

Leonid Kuchma's appointment as prime minister in the fall of 1992 underscored the necessity of working with Russia. As Kuchma stated bluntly, "anti-Russian actions in politics [lead] to anti-Ukrainian economic consequences."¹ Ukraine could not sever all ties with Russia, as Kravchuk had hoped, but rather the country needed to adopt a moderate approach to cooperation with Russia and the CIS.

Accordingly, by late 1992 Ukrainian leaders spoke more about the possibility for greater cooperation within the CIS framework, although economic discussions proved more successful than political and military ones. This was evident at the January 1993 summit. Kravchuk refused to sign the CIS charter, which had been on the table since May 1992.² He argued that the agreement was less about improving the situation for the CIS, and more about a ploy by "certain political forces" (Russia) to exploit the document for political reasons.³ However, Ukraine signed a number of documents related to economic cooperation at the Minsk summit. Most notably, Ukraine signed a declaration signed by all CIS states, which suggested that the main priority of the organization was economic improvement. Ukraine also signed an agreement, which would establish an "Interstate Economic Bank." This body would help restore trade ties between CIS states. The bank was never established, but it did suggest that Ukrainian leaders were more willing to work with Russia to address pressing economic concerns. Furthermore, in April 1993 Ukraine signed the agreement to form the CIS Coordination Consultative Committee, which was prefaced on the understanding that it would be limited to economic issues.

¹ Solchanyk, "Ukraine, Russia, and the CIS," 29.

² O. Oliynuk, "Pru Yeduniy Diyi. Do Pidsumkiv Vizuty Delegaziyi Verxovnoyi Radu Rosiyi do Kuyeva" (Joint activities. Summarizing the results of the Supreme Soviet visit of Russia to Kiev), *Uryadovuy Kuryer*, 23 March 1993, 1.

³ Hale, "Statehood at Stake," 321.

Later in September, Ukraine took a half-hearted position towards the creation of the Economic Union, opting for the undefined status of “associate member.” Indeed, until early 1994 Ukrainian leaders consistently resisted attempts to create an institutional structure within the CIS, while supporting the idea of loose economic cooperation through the consultative organ of the CIS Inter-Parliamentary assembly.

Much as he had during his term as prime minister, Kuchma emphasized the merits and necessity of strengthening economic ties with Russia. As Kuchma stated, “Ukraine no longer looks upon economic cooperation with Russia and the CIS as an unfortunate necessity but as an urgent requirement.”⁴ Accordingly, Kuchma moderated Ukraine’s stance towards economic cooperation with Russia and the CIS. In October 1994 Kuchma continued to foster economic relations within the CIS, by signing on to set up the Interstate Economic Committee (IEC). The IEC dealt with such transnational activities as energy systems, communications, gas and oil pipelines, agriculture, and transportation and helped coordinate economic and social policy, which represented the first supranational organ to be created in the CIS. Afraid of going too far in a pro-Russian direction, however, Ukrainian officials refused to join a proposed monetary union, citing the absence of a common payments system as the reason. Ukraine also signed customs legislation and joined the CIS Common Air Defense Structure in February 1995. To be fair, Ukraine’s involvement in the CIS is characterized more accurately as “fake participation.” This was clearly evident by mid-1998, when Ukraine had signed only 130 out of the 910 CIS documents, with its parliament ratifying only 30 of these.⁵ But it was

⁴ Taras Kuzio, *Ukraine: Back From the Brink* (London: Institute for European Defense and Strategic Studies, 1995), 31.

⁵ Taras Kuzio, “Geopolitical Pluralism in the CIS: The Emergence of GUUAM,” *European Security* 9, no. 2 (2000): 84.

in the economic realm that Ukraine most required Russian assistance, and despite his election time rhetoric, as we saw in Chapter VI, Kuchma was no more receptive to political, military, and security cooperation with Russia in the CIS than Kravchuk. Indeed, Kuchma stated forcefully that he did not become president of Ukraine “in order to become a vassal of Russia.”⁶ The rest of this chapter turns to a more explicit discussion of the indicators of economic dependence as outlined in Chapter II.

STRUCTURE OF TRADE WITH RUSSIA

The balance of trade between Ukraine and Russia is the first indicator that Ukraine remained economically dependent on Russia throughout the 1990s. With respect to exports, Ukraine was successful at finding alternative trading partners besides Russia. For example, between 1994-1996, Ukraine on average exported about 40 percent of its total exports to Russia (See Table 10). This figure improved during the period 1997-2000, where Russia received only 23 percent of Ukrainian exports. Much like Uzbekistan, Ukraine was able to increase its exports to OECD countries to offset the diminished trade to Russia. Trade levels were nominal between 1994-1996, averaging roughly 17 percent of total Ukrainian exports. They rose considerably in the last four years of the decade to approximately 28 percent of exports. The United States specifically played a minor role in importing Ukrainian exports, representing only 3.5 percent of total Ukrainian exports.

⁶ V. Skachko, “Ia ne budu nich’im vassalom” (I will not become anybody’s vassal), *Nezavisimaia Gazeta*, 28 October 1994, 3.

Table 10
Ukrainian Foreign Export Trade, 1994-2000 (*millions of US dollars*)

	1994	1995	1996	1997	1998	1999	2000
Total (world)	9,531	14,966	14,400	14,232	12,637	11,582	13,994
Russia	3,837 (40.2)	6,015 (40.2)	5,577 (38.7)	3,728 (26.2)	2,906 (23.0)	2,396 (20.7)	3,315 (23.7)
OECD Countries	1,509 (15.8)	2,740 (18.3)	2,639 (18.3)	2,976 (20.9)	3,560 (28.2)	3,446 (29.8)	4,624 (34.4)
United States	336 (3.5)	429 (2.9)	380 (2.6)	302 (2.1)	502 (4.0)	436 (3.8)	861 (6.2)

Sources: International Monetary Fund, *Direction of Trade Statistics Yearbook* (Washington, D.C.: International Monetary Fund, 2000), 466-67; and International Monetary Fund, *Direction of Trade Statistics Quarterly* (Washington, D.C.: International Monetary Fund, June 2001), 258.⁷

While these figures suggest Ukraine has been successful at finding countries willing to accept its exports, the import picture is less optimistic. In 1994 Ukraine imported 54.1 percent of its total imports from Russia (See Table 11). This percentage dropped to 37.8 percent in 1995, but for the next five years Ukraine imported on average 46 percent of its total imports from Russia. Thus, the extent of Ukraine's economic dependence on trade with Russia is extensive, with Russia receiving approximately 30 percent of Ukrainian exports and responsible for just under half of its total imports.

⁷ Primary sources are largely consistent with these figures. CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudarstv i strani mira. Statisticheskii Sbornik* (Commonwealth of Independent States in the world. Statistical yearbook) (Moscow: CIS Interstate Statistical Committee, 1999), 280, 292; State Statistics Committee of Ukraine, *Schorichnuk Ukrainu za 1998 rik* (Ukraine yearbook for 1998) (Kiev: State Statistics Committee of Ukraine, 1999), 289; State Statistics Committee of Ukraine, *Statustchnuy Schorichnuk Ukrainu za 1996 rik* (Statistical yearbook of Ukraine for 1996) (Kiev: State Statistics Committee of Ukraine, 1997), 327; and CIS Interstate Statistical Committee, *Sodruzhestvo Nezavisimykh Gosudarstv v 1994 godu* (Commonwealth of Independent States in 1994) (Moscow: CIS Interstate Statistical Committee, 1995), 65.

Imports from OECD countries gradually increased over the decade from 12.8 percent of total imports in 1994, to 26.6 percent in 1997, and 30.3 percent in 2000.

Table 11
Ukrainian Foreign Import Trade, 1994-2000 (*millions of US dollars*)

	1994	1995	1996	1997	1998	1999	2000
Total (world)	11,082	20,054	17,586	17,114	14,676	11,844	13,457
Russia	5,998 (54.1)	7,588 (37.8)	8,817 (50.1)	7,838 (45.8)	7,064 (48.1)	5,592 (47.2)	5,527 (41.1)
OECD Countries	1419 (12.8)	3,742 (18.7)	3,776 (21.5)	4,560 (26.6)	4,194 (28.6)	3,214 (27.1)	4,102 (30.3)
United States	185 (1.7)	245 (1.2)	570 (3.2)	651 (3.8)	590 (4.0)	402 (3.4)	209 (1.6)

Sources: International Monetary Fund, *Direction of Trade Statistics Yearbook*, 466-67; and International Monetary Fund, *Direction of Trade Statistics Quarterly*, 258.

The real vulnerability for Ukraine rests not only in the overall balance of trade, but also in the types of goods that are traded. Russia is the dominant trading partner of Ukraine, not unlike many FSU states, but Ukraine suffers from one of the most strategic vulnerabilities, the lack of indigenous oil and gas supplies (discussed at greater length in the following section). For instance, in 1997 Russia supplied Ukraine with 100 percent of its oil, 81 percent of gas supplies, and 50 percent of its raw materials.⁸ While Ukrainian exports are not as concentrated as imports, Russia still serves as the most important market for Ukrainian goods accounting for 63.7 percent of food exports, 51.4 percent of

⁸ D'Anieri, et. al, *Politics and Society in Ukraine*, 174; and Gregory V. Krasnov and Josef C. Brada, "Implicit Subsidies in Russian-Ukrainian Energy Trade," *Europe-Asia Studies* 49, no. 5 (1997): 825-43.

machinery and equipment exports, 37.3 percent of vehicles, and 21.3 percent of chemicals.⁹

Ukraine steered clear of greater integration with Russia in the CIS, unless on a limited basis in the economic realm. Ukraine did not want any part of the Russia-Belarus Union, and they also opted against the CIS Customs Union, which includes Russia, Belarus, Kazakhstan, and Kyrgyzstan.

Throughout the 1990s, trade tensions also existed between Kiev and Moscow. For instance, in January 1996 Kuchma complained that Russia continued to levy a value-added tax (VAT) of 20 per cent, and an additional special tax of 3 per cent on its exports to Ukraine. As a result of this policy, raw materials imported from Russia were sold in Ukraine at a price 50 per cent above the domestic price in Russia. In retaliation, the Ukrainian government increased excise duties on vodka, cigarettes, and pipe tobacco imported from Russia. Due to high import taxes, Ukrainian exports to Russia in the first eight months of 1997 fell by more than 27 per cent compared to the same period of 1996.

To alleviate economic pressure what was needed was a more moderate pro-Russian approach. This led to an agreement signed by Russia and Ukraine in March 1997, which allowed Russia to use two Soviet-era ballistic-missile radar stations located in Ukraine in exchange for spare parts for Ukraine's military sector.¹⁰ Later in the year, Russia also announced that it would import an annual quota of 600,000 tons of Ukrainian sugar. Within the quota framework, Ukrainian sugar was exempted from the 25 per cent duty on imported sugar introduced by Russia in March 1997. In a further attempt to improve trade relations between the two countries, Ukraine and Russia concluded the

⁹ Oleksandr Bilotserkivets, "Ukraine's Foreign Trade: Structure and Developments," *Ukrainian Economic Monitor*, no. 6-7 (1998): 23-28.

¹⁰ "Chronicle of Events," *The Ukrainian Quarterly* (Spring-Summer 1997), 173.

Interstate Economic Treaty in March 1998. In accordance with the agreement, the two countries dropped the value-added tax (VAT) and other trade barriers between them. It was anticipated that this agreement would help expand trade between the two countries by some 10-15 percent.¹¹

By the end of the decade, Ukrainian trade dependence served as a major constraint on Ukrainian foreign policy. Indeed, Ukraine's trade deficit with Russia grew from an estimated \$1.4 billion in late 1992 to over \$12.5 billion by the end of 1998.¹² There was little that could be done because the root of the problem rested in Ukraine's inability to find alternative energy suppliers other than Russia. This dilemma is examined below.

STRATEGIC GOODS

By 1993-94 Kravchuk and later Kuchma were forced to contend with a severe energy crisis. The problem came with Kravchuk's decision to sever economic ties with Russia, which meant an end to subsidies, and the two countries would trade at world prices. This decision proved perilous, and the importance of energy subsidies became increasingly evident. Previously, Russia subsidized Ukraine by supplying around 50 million tons of oil and a substantial amount of gas each year at a fraction of world prices. Since Ukraine could not meet its energy needs domestically, it imported 30 to 35 million tons of oil and 85 billion to 90 billion cubic meters of gas per year. These purchases required allocation of \$9 billion to \$15 billion for this purpose annually.¹³ Considering that oil and gas prices within the FSU were roughly 35-45 per cent of world prices,

¹¹ D'Anieri, et. al., *Politics and Society in Ukraine*, 175.

¹² *Ibid.*, 176.

¹³ Ustina Markus, "Debt and Desperation," *Transition*, 14 April 1995, 14.

Russia's removal of energy subsidies to Ukraine had a series of negative economic consequences for Ukraine, most notably the creation of sizable trade deficits to Russia.

By this time, Ukrainian leaders were aware of the inherent flaws of this strategy. Kravchuk suggested that miscalculations were made in the initial days of independence, which demonstrated Ukraine's underlying dependence on Russia. In the spring of 1993 he stated:

Working out the economic strategy, we obviously underestimated the capabilities of the Ukrainian economy, and did not consider that it structurally was built on the principle of incompleteness, was deprived of integrity, harmony, completion. We were not aware also of the great degree of dependence on the economies of the other states of the former Union. From this arose the energy and payments crisis, which today are the most dangerous factors. We also with tardiness realized the danger of dependence of the monetary system of Ukraine on the unified emissions bank in the borders of the CIS, and thereby on the new monetary policy of Russia.¹⁴

This dependence was in large part due to a lack of sufficient energy sources within Ukraine itself. In his speech to the Supreme Council in 1993, Kuchma noted bluntly that Ukraine must face the fact of "total dependence" on Russia, which was "a key factor in Ukraine's economic development."¹⁵

If Ukraine relied on Russian energy imports and was therefore significantly dependent on Russia, the IT/ED framework would predict that a leader would either try to promote domestic production or conservation or that a leader would try to find alternative trading partners willing to provide the necessary energy supplies. Unlike Uzbekistan, which had proven energy reserves, Ukraine was not as fortunate. Whereas Ukraine produced twice as much oil as Uzbekistan did in 1991 (4.9 million tons to 2.8), by 1997 Uzbekistan completely reversed this figure, in that Uzbek oil production had

¹⁴ Quoted in Hale, "Statehood at Stake," 320.

¹⁵ Oles M. Smolansky, "Ukraine's Quest for Independence: The Fuel Factor," *Europe-Asia Studies* 47, no. 1 (1995): 80.

increased to 7.9 million tons while Ukrainian production steadily declined to 4.1 million tons. Thus, with limited reserves at home, Ukraine was forced to look abroad to find energy, which inexplicably meant working with Russia (and to a lesser extent Turkmenistan).

Russia remained the primary source of energy for Ukraine after independence. The underlying dilemma for Ukraine was that oil and gas together accounted for about 60 percent of Ukraine's overall energy needs, and what is even more striking is that Russia provided Ukraine with 40 percent of its overall energy needs.¹⁶ Coupled with the fact that Russia accounted for more than 54 percent of total Ukrainian imports and Ukraine had no alternative port or pipeline facilities to import oil from other sources, this placed Ukraine in a highly dependent position. Ukraine was thus forced to negotiate with Russia in the short-term given the magnitude of trade between the two countries, and what became apparent was that Russia was willing to continue to extend credits to Ukraine allowing a massive debt to accumulate. There was one factor, however, that favored Ukraine.

While Russia enhanced its power through pipelines and transit routes, Ukraine, at times, could exert counter-pressure on Russia, given its position between Europe and Russia and its extensive pipeline infrastructure. Indeed, Ukraine did try to exploit Russia's dependence on Ukrainian pipelines, since 90 percent of Russia's natural gas exports ran through its territory. This is not surprising, as Albert Hirschman points out, because countries that handle transit trade have the ability to gain tremendous influence through trade, provided the commodity traded is indispensable and it only superficially

¹⁶ Paul J. D'Anieri, *Economic Interdependence in Ukrainian-Russian Relations* (Albany: State University of New York Press, 1999), 73.

affects the state profiting from this transit trade.¹⁷ Ukraine could always secure 50 million to 80 million cubic meters of gas daily as a transit fee because a full shutoff was too costly for Gazprom. When Russia cut off gas to Ukraine in March 1994, Ukrainian leaders openly warned that a cutoff might result in the siphoning of pipelines.¹⁸ Ukrainian leaders continued to negotiate with Russian policy makers over the issue of pipelines and more specifically the siphoning of gas throughout discussions over Ukraine's energy debt to Russia.

Since Ukraine lacked domestic energy reserves, the only other option open to Ukrainian leaders was to find alternative sources of energy, with Turkmenistan, Iran, and Uzbekistan being the most likely candidates although they were not always the most willing and receptive. Attempts were made, such as from Turkmenistan, but this could not bring any significant results because full payment for energy supplies could not always be assured.¹⁹ At times, such as in March 1992 and February 1994, Turkmenistan too halted gas deliveries to Ukraine because of outstanding debt. Possibilities of working with Iran and Uzbekistan also fizzled as the Ukrainian government moved slowly at building its own port and pipeline facilities at Odessa, without which Ukraine remained dependent on Russian pipelines.

The downfall of Kravchuk was his inability to handle the energy dependence on Russia, which led to an energy crisis by 1993 and the amassing of a sizable debt to Russia. This influenced Kravchuk's policies towards Russia in a way predicted by the

¹⁷ Hirschman, *National Power and the Structure of Foreign Trade*, 33-34.

¹⁸ "Russia Cutting Fuel to Neighbors," *New York Times*, 4 March 1994, A6.

¹⁹ Prime Minister Leonid Kuchma emphasized this fact in 1993. "Ne Plutaymo Syogodnishni Zluudni z Nashum Realnum Potenzialom. Vustyp Premyer-Ministra Ukrainu L.D. Kuchma na Sasidanni Verkhovnoyi Radu Ukrainu 31 Serpnia 1993 r." (Do not mix present impoverishment with our real potential. The speech of the prime minister of Ukraine L.D. Kuchma at the session of Verkhovna Rada on 31 August 1993), *Uryaduvoy Kuryer*, 2 September 1993, 5.

IT/ED framework. That is, when a country is economically dependent on Russia, there is a greater likelihood that leaders will adopt more pro-Russian alignments.

Kravchuk first attempted to deal with Ukraine's energy needs in a pragmatic fashion at the September 1993 Massandra summit. At the meeting Kravchuk reportedly agreed to surrender the fleet to Russia in return for the forgiveness of Ukraine's energy debt to Russia. The deal proved too costly domestically for Kravchuk, as many Ukrainians looked to the issue of Crimea as an important litmus test for Russian-Ukrainian relations and were therefore unwilling to give strategic assets away hastily. However, this demonstrated that while Kravchuk was unable to find alternative sources of energy, he did attempt to address the issue on some instances, and by his actions, demonstrated that economic dependence on energy was a primary factor shaping Ukrainian-Russian relations.

The emergence of GUUAM in 1996 also represents an attempt by Kuchma to confront Ukraine's energy dependence on Russia through more multilateral initiatives that work around Russia. GUUAM was seen as an important element in deepening economic and energy cooperation among its members, with priority given to gaining access to Caspian oil and gas. However, such GUUAM cooperation is at best a long-term solution to the economic dependence Ukraine retains on Russian energy supplies.

In an attempt to foster even greater economic ties between GUUAM members (a consideration that would presumably increase Ukrainian access to non-Russian economic resources), Kuchma stressed the need to create a free trade zone within GUUAM at the June 2001 Yalta summit of GUUAM presidents. Yet, while this proposal was not accepted at the meeting due to minor "formalities," GUUAM members did sign a formal

charter that stressed the goals of socio-economic development of its members, resolution of regional security problems, and the fight against international crime and the narcotics trade.²⁰ What became apparent was that Kuchma could not find a quick fix for Ukraine's economic situation through immediate GUUAM cooperation. He was inevitably forced to continue his pro-Russian orientation. This is unlikely to change from the perspective of GUUAM either, given Uzbekistan's decision to pull out of the regional organization in June 2002.

Little progress has been made in alleviating Ukraine's energy dependence on Russia, which according to the IT/ED framework, leads to a more pro-Russian alignment. What has begun to occur is that Ukraine will make significant concessions in a variety of realms to Russia and Russian companies and businessmen to alleviate debt problems associated with energy imports. Indeed, this has been a mainstay of economic relations between Moscow and Kiev, and unfortunately for the long-term prospects of Ukraine, Russian capital finds the Ukrainian economy very attractive but not always in ways that will benefit the overall development of the country.

In 1999, for example, Russian officials attempting to resolve the gas debt problem provided a Ukrainian delegation with a list of Ukrainian enterprises that Russia, in exchange for writing off part of the energy debts, was interested in seeing privatized and in which it could later acquire shares.²¹ Thus, Ukraine's indebtedness and need to maintain constructive ties with Russia potentially opens the Ukrainian economy to

²⁰ With respect to formalities, Uzbek President Islam Karimov noted that Moldova and Georgia are members of the World Trade Organization and have no right to sign such an accord without the approval of the WTO. "GUUAM Countries Sign Charter But Fail to Adopt Free Trade Accord," *Radio Free Europe/Radio Liberty (RFE/RL) Newslines*, 8 June 2001.

²¹ A list of enterprises Russia expressed its interest in can be found in "Zenu Otday Dyade, a Sam Idi k ... Tyete?" (Give your wife to your uncle and yourself to ... the aunt?) *Zerkalo Nedeli*, 11-17 December 1999, 1.

Russian companies seeking to become major stockholders. This setting creates favorable conditions for Russian oligarchic networks interested in Ukrainian enterprises and could have serious long-term consequences.²² Officials have also stated that Ukraine may provide up to one-third of its fuel-pipeline network as a “concession” to Russia.²³ Similarly, Ukraine softened its approach towards Russia on some military matters. For example, in 1999 Ukraine gave Russia eight Blackjack TU-160 and three Bear TU-95 strategic bombers along with 674 cruise missiles in exchange for writing off \$285 million of Ukraine’s natural gas debts.²⁴

Staving off such serious steps, Ukraine and Russia reached a breakthrough agreement on the debt issue in early November 2000. Ukraine agreed to stop siphoning Russian natural gas piped through its territory in exchange for a Russian agreement to defer collecting Ukraine’s gas debt for 10 years, while maintaining a low rate of interest. Moreover, Russia agreed to give Ukraine an eight-to-ten year break on debt payments for half of future gas supplies, if Ukraine pays for the remaining half in cash and stops siphoning off gas.²⁵

In the end, Ukraine remains heavily dependent on Russian energy, and little changed with this picture over the years, other than the daunting size of Ukraine’s debt to Russia. The subsequent section examines how effective Kravchuk and Kuchma were at obtaining economic resources from the West. As we will see, Kuchma was more successful, which at times enabled him to adopt a more independent foreign policy.

²² See, for example, Hirschman’s discussion of the “commercial fifth column” that evolves through extensive trade. Hirschman, *National Power and the Structure of Foreign Trade*, 29.

²³ Peter Byrne, “Report: Kyiv May Toss Moscow a Pipeline,” *Kyiv Post*, 3 August 2000.

²⁴ “Sales of Bombers Irk US,” *Kyiv Post*, 10 August 2000.

²⁵ “Ukraine, Russia Reach ‘Breakthrough’ Deal on Gas Debts,” *RFE/RL Newswire*, 4 December 2000.

ALTERNATIVE RESOURCES FROM THE WEST

The IT/ED framework suggests that FSU leaders can turn to Western countries and financial institutions for economic assistance, but aid is largely conditioned of promises to both enact and implement economic reform necessary for a successful market transition and reorientation towards Western trading partners. If the assistance is significant enough and it helps a country stabilize its economy and eventually grow, then leaders may be less constrained if economic dependence on Russia decreases. There were ups and downs in the case of economic reform, Western assistance, and Ukraine during the 1990s, and unfortunately for those in the West and Ukraine, the partnership has stalled and remains largely unfulfilled. Much of this is a result of Ukrainian leaders and their pursuit of political survival, which enables members of the pro-leadership coalition to benefit economically through their political connections.

Without economic reform, a leader's access to Western resources is likely to be more limited; such was the case during the Kravchuk years. As we saw in Chapter VI, some of Kravchuk's difficulties were the result of Washington's insistence that Ukraine get rid of its nuclear weapons and its Russo-centric outlook towards the FSU. Nonetheless, Kravchuk's was unable to garner significant economic resources from the West because of a general apathy towards economic reform. In many ways, Kravchuk's foreign policy priorities (independence from Russia and a pro-Western orientation) took precedence over internal reform, for instance, in the case of foreign trade liberalization, which ran far ahead of domestic liberalization.²⁶ This made sense, as we saw in the last chapter, because it shored up Kravchuk's political support and ensured his position. The

²⁶ Neil Malcolm, "Introduction: Economic and Society," in *Contemporary Ukraine: Dynamics of Post-Soviet Transition*, ed. Taras Kuzio (Armonk, NY: M. E. Sharpe 1998), 161.

practices that sealed this trade-off were also the primary reasons why Western economic assistance to Ukraine remained limited during the Kravchuk years.

Kravchuk's political supporters preferred rentier capitalism and economic instability because of their ability to convert political positions from the previous system into financial and economic power in the new transition economy.²⁷ As Oleh Havrylyshyn notes:

The so called "new" rentier capitalists are an amorphous and ill-defined group including Directors of enterprises, kolhosps and radhosps, heads of trade groups and new private, "commercial" group entities formed as spin-offs from state enterprises...Illegal actions occur, of course, but they have been incidental or they have been built upon the main tendency of earning large "rents" from having a privileged position to obtain large credits and special licenses to trade or export.²⁸

The privatization process in eastern Ukraine during 1992-1994 was indicative of how Kravchuk and the elites who supported him benefited during the economic transition. A large majority of privatization in the region was done by local political and economic elites, with 80 percent of these privatizations acquired through a lease-to-buy system (in contrast to full-scale privatization) and the majority of them obtained despite legal violations.²⁹ As Paul Hare, Mohammed Ishaq, and Saul Estrin conclude: "Privatization is often about power and the distribution of property to those already close to power—the nomenklatura."³⁰ This distribution occurred in myriad ways under Kravchuk.

Anti-reform elements within Ukraine based their relationships on informal

²⁷ R. Shpek, "Zuttia Stane Krashchum" (Life would become better), *Uryadovuy Kuryer*, 4 February 1995, 1.

²⁸ Quoted in Prizel, "Ukraine between Proto-Democracy," 348.

²⁹ Kuzio, *Ukraine under Kuchma*, 157.

³⁰ Paul Hare, Mohammed Ishaq, Saul Estrin, "Ukraine: The Legacies of Central Planning and the Transition to a Market Economy," in *Contemporary Ukraine: Dynamics of Post-Soviet Transition*, ed. Taras Kuzio (Armonk, NY: M. E. Sharpe, 1998), 194.

networks institutionalized under the Soviet system, and acquired many mechanisms to pursue private gains with official means. Indeed, Ukraine's first two years of independence were marked by massive credits to heavy industry and the agricultural sector, with regulations on foreign trade allowing top government officials and other members of informal networks to enrich themselves.³¹

For instance, substantial administrative control over exports allowed bureaucrats to continue extracting rents through a complicated set of licenses and quotas designed to control trade and access to hard currency. Particularly attractive for personal enrichment were the energy supplies because prices of oil and gas charged by Russia for the former Soviet republics in 1991 were approximately 35-45 percent of the corresponding world levels. This allowed bureaucrats and their cronies to purchase gas and oil from Russia at subsidized prices and then re-sell it to the West at world prices.³² Naturally, the quotas and permissions for trading the energy supplies were provided to a limited number of actors who maintained personal ties with the political leadership and provided their political support in exchange for these economic benefits.

One of the most widespread devices was to spin off private "daughter companies," owned by managers and their close allies. Such companies acquired the output of the enterprise and sold it at market prices; meanwhile, the main enterprises accumulated debt, withheld taxes, and delayed wages. Particularly impressive in its "achievements" was the symbiosis of corrupted state bureaucrats and entrepreneurs operating on the energy market. In the absence of transparent rules regulating the energy

³¹ John Jaworsky, *Ukraine: Stability and Instability*, McNair Paper, no. 42 (Washington, D.C.: Institute for National Strategic Studies, 1995), 8.

³² V. Ilchenko, "Teche Nafta v Ukrainu, ale y Vutikaye" (Oil flows to Ukraine, but flows out as well), *Uryadovuy Kuryer*, 9 December 1992, 1.

market, the companies operating on this market were not only protected from potential competitors but also were granted a tax-free status. This resulted in billions hryvnas losses for the state budget. Similarly, a former head of the Parliament was in the management of a company that received an \$80 million credit for purchase of agricultural equipment under government guarantees. The company ultimately went bankrupt and the money was never returned.³³

Kravchuk also provided capital to inefficient state enterprises to keep them afloat. Instead of adjusting to market reforms, managers of these enterprises began to incur debt. The solution to the debt problem was usually socialist in spirit: managers of large inefficient state enterprises, relying on their informal contacts with state banks, received credits at the expense of new private and potentially more efficient enterprises. The informal links were also widely exploited in the horizontal inter-firm relations where suppliers extended credits to their customers with a purpose of protecting their markets, while customers made loans to suppliers to guarantee the flow of necessary supplies. As a result, enterprises were engaged in complex cross-indebtedness relations where delay or postponement of past-due payments was a common practice.

As the Ukrainian economy plummeted, Kravchuk sought to renew the command economy in late 1993. State orders and contracts were issued for certain critical goods and consumer products. Kravchuk's goal was to stabilize production. However in the process, he contributed to greater capital flight as the government supported inefficient firms. Much like Soviet times, enterprises that met state goals received fuel, raw

³³ Kateryna Fonkych, "Rent-Seeking and Interest Groups in Ukrainian Transition," *Ukrainian Journal Economist* (March 2000): 58.

materials, and other privileges.³⁴ Thus, in the end, economic reform was not a top priority for Kravchuk, which limited access to alternative Western resources because it would only jeopardize the economic interests of his political supporters. As we saw previously, his economic strategy placed Ukraine in a position of massive debt to Russia, and with the election of Kuchma in the summer of 1994 the situation appeared more optimistic.

The probability that economic reform would be implemented increased dramatically by 1994 with the onset of economic crisis, which in turn increased the probability that Western assistance would be more accessible to Kuchma than it had been to Kravchuk. Kuchma was forced to reassess potential security consequences of preserving the economic status quo. In one instance, he suggested that only radical economic reform could assure Ukraine's sovereignty.³⁵

Compared to those of his predecessor, Kuchma's efforts in economic reform were serious and warranted the attention of Western countries and financial institutions. His reform program was characterized by cuts in state subsidies, gradual progress on privatization, the deregulation of many prices, reductions in government spending, the reduction of heavy tax burdens, and the establishment of markets for state securities including bonds.³⁶ These measures fell in line with the conventional logic emanating from Washington and other international financial institutions and helped Kuchma attract

³⁴ D'Anieri, et. al., *Politics and Society in Ukraine*, 194.

³⁵ "Gluboki Ekonomichni Reformu—Shlyax do Vidrozdennya Ekonomiku, Zabezpechennya Suverenitetu Ukrainu. Vustyp Presudenta Ukrainu Leonida Kuchmu na naradi u Lvovi 13 lyutogo z.r." (Radical economic reform—the way of restoring the economy, securing sovereignty of Ukraine. The speech of the president of Ukraine Leonid Kuchma at the meeting in Lviv on 13 February), *Uryadovuy Kuryer*, 16 February 1995, 3-4.

³⁶ Hare, et. al, "Ukraine," 188-91; and D'Anieri, et. al., *Politics and Society in Ukraine*, 195.

much needed Western resources, despite the fact that reform fell short of what we would identify as radical reform in the spirit of shock therapy.³⁷

By the fall of 1994 Western financial institutions began to extend Kuchma much needed economic assistance. A marked turn in the Western attitude toward Ukraine was evident at the October 1994 G-7 meeting in Winnipeg, where Ukraine was promised \$4 billion in aid. This contrasted sharply with the April 1993 Vancouver summit, where Russia was offered \$1.6 billion in U.S. aid and Ukraine nothing. The International Monetary Fund (IMF) approved a \$371 million stabilization loan on 26 October and the World Bank approved a \$500 million credit on 22 December to support ambitious plans for economic reform, including price liberalization, quicker privatization, and banking reform announced on 11 October. The World Bank also supported a comprehensive privatization program, including the creation of investment funds, the launch of mass privatization and acceleration of small-scale privatization with a rehabilitation loan in 1994. The approval of the 1995 Ukrainian budget, by both the Ukrainian parliament and the IMF, also paved the way for the IMF to release almost \$2 billion in aid, which consisted of a one-year Stabilization Fund (\$1.5 billion), to be given in conditional tranches, and the second portion of the Systematic Transformation Facility (\$392 million, the first half of which was released in October 1994).³⁸

However, by the following spring, the initial economic measures that Kuchma announced as a part of his fall 1994 reform program (measures that largely followed the

³⁷ Alexander Motyl reasons that Ukraine was not in a position to enact shock therapy: "The structural legacy of the USSR's collapse, in particular, the kinds of elite Ukraine inherited and its resource endowment, has kept Ukraine on the path of evolutionary change." Alexander J. Motyl, "Structural Constraints and Starting Points: The Logic of Systemic Change in Ukraine and Russia," *Comparative Politics* 29, no. 4 (1997): 435.

³⁸ For an excellent overview of these events see, Kuzio, *Ukraine under Kuchma*, chap. 5.

prescriptions of Western financial institutions) were openly criticized by Ukrainian leaders. Instead of adhering to the blind monetarist policy prescribed by Western institutions, Kuchma increasingly saw the need for a more state-regulated transition. Addressing the parliament in early April 1995, he stated that economic reform should be state-regulated, more gradual, and should provide a greater social safety net.³⁹ A few months later, Kuchma disregarded IMF conditions, when he outlined a fundamental policy correction that dropped the IMF target of 1 or 2 per cent monthly inflation to 4 or 5 per cent by the end of the year.⁴⁰ While Kuchma continued to speak about ensuring that economic reform was irreversible, his more gradualist approach was accepted overwhelmingly by parliament in October 1995. This solidified the pace of economic reform in Ukraine. Indeed, ever since this “correction,” economic reform in Ukraine has failed to get back on track, although several major reforms were implemented after 1995, such as the establishment of a new currency in September 1996 and large-scale privatization completed between 1996-98.

Privatization was slow going in Ukraine, since as we saw in the previous section, both Kravchuk and Kuchma engaged in trade-offs between the distribution of economic resources for the political support of important elites in the country. The overall pace of privatization remained low during the Kravchuk years. As a World Bank study found, the total number of privatized objects was approximately 11,852 during 1992-94, while in 1995 (after Kuchma’s efforts at reform) 16,227 enterprises were privatized, with 19,487

³⁹ “Zvernennya Prezidenta Ukrainu Leonida Kuchmu do Verkhovnoyi Radu Ukrainu 4 kvitnya 1995 roku” (The address of the president of Ukraine Leonid Kuchma to the Verkhovna Rada of Ukraine on 4 April 1995), *Holos Ukrainu*, 6 April 1995, 3.

⁴⁰ “Vid Politichnoyi do Ekonomichnoyi Stabilizatsiyi: Vustyp Prezidenta Ukrainu Leonida Kuchmu v Uzgorodi na Urochustomu Zasadanni z Nagodu 50-yi Richnuzi Vozzyednannya Zakarpattya z Ukrainoyi” (From political to economic stabilization: The speech of the president of Ukraine Leonid Kuchma in Uzhorod during the anniversary meeting dedicated to the 50th anniversary of the reunification of Zakarpattia with Ukraine), *Uryadovuy Kuryer*, 1 July 1995, 2-4.

privatized in 1996.⁴¹ These were not favorable figures if Kravchuk hoped to obtain greater Western economic resources.

Kuchma was more effective in some aspects of the privatization process, but less so in others. The real successes came in small-scale privatization, such as of shops, restaurants, small service establishments, in which existing managers and employee groups sought to purchase small enterprises. For instance, by 1997 over 90 percent of the estimated 45,000 small enterprises in Ukraine were privatized. The same cannot be said for medium- and large-scale enterprises, since by mid 1997 only 9,649 of the over 18,000 medium and large firms had entered the preprivatization stage, and only 5,087 had transferred more than 70 percent of their shares to private hands.⁴²

As we saw in the previous chapter, the parliament also had a hand in slowing the privatization process down. The left-leaning parliament sought to block further privatization in the wake of Kuchma's election by voting to suspend the process, enacting a moratorium on the sale of medium and large firms. Parliament also refused to lift the moratorium unless "strategically important" firms were earmarked and exempt from privatization, of which many were in the energy, transportation, and communications sectors. While the moratorium lasted four months until the cabinet excluded the best industries of the economy, immense debate ensued as to which types of firms should be included on the list, just as the sheer numbers of firms fluctuated over time.⁴³

In the fall of 1996, the IMF actively worked with the Ukrainian government and

⁴¹ World Bank, *Ukraine: Restoring Growth with Equity, A Participatory Country Economic Memorandum* (Washington, D.C.: World Bank, 1999), 205.

⁴² D'Anieri, et. al., *Politics and Society in Ukraine*, 185.

⁴³ For instance, in February 1995 the cabinet expanded the list to 5,600 entities; in March 1995, the list was increased to 6,102; by November 1996 the number increased again to 7,111; only to decline again in early 1997 to 5,125. *Ibid.*, 186, n. 59.

the National Bank of Ukraine on its new reform package. These reforms became the basis of the Extended Fund Facility (EFF), a three-year loan program targeted at both macroeconomic and structural reform. However, it became increasingly apparent by the summer of 1997 that neither the Ukrainian government nor the parliament were interested in the implementation of such reform. Aware of this, the IMF concluded a minor one-year stand-by agreement with limited conditions and few dollars attached (slightly under \$400 million). As some observers have noted, by the summer of 1997, Ukrainian authorities became strangely seized by a sense that financial constraints were easing, at a time when Western institutions were suggesting continued conditionality.⁴⁴

The death of the EFF agreement by the summer of 1997 and Ukraine's inability to meet IMF conditions also blocked World Bank funding, which in 1996 totaled over \$1 billion. The majority of World Bank assistance went to projects in the sectors of electricity power and energy development, agriculture, mining (related to coal adjustment), and the private sector. In line with the approach of the IMF, the World Bank released no monies to Ukraine during 1997, and it was not until well into 1998 that other assistance was extended.

The deadlock over economic reform continued, and little Western assistance was extended during the first half of 1998. Yet, on 18 June Kuchma ended the stalemate and declared that given parliament's paralysis over the question of reform, he would adopt several presidential decrees, among them reduction of the tax burden, elimination of

⁴⁴ Anders Aslund and Georges de Menil, "The Dilemmas of Ukrainian Economic Reform," in *Economic Reform in Ukraine: The Unfinished Agenda*, ed. Anders Aslund and Georges de Menil (Armonk, NY: M. E. Sharpe, 2000), 12.

arrears in the budget sector, and measures aimed at encouraging business activity.⁴⁵ Many of these decrees had been part of the initial economic reform package outlined in 1996. Thus, in the span of one month Kuchma was able to accomplish many of the reforms sought after for the past several years. The IMF deemed the reform efforts as sufficient for the conclusion of an EFF agreement during the summer of 1998, one that would replace the aborted agreement of spring 1997. The agreement was eventually completed in September 1998 and provided just under \$2 billion in assistance. However, the trajectory of reform continued to decline and with it so has access to Western resources.

The IT/ED framework suggests that access to Western economic resources enables leaders to adopt more independent alignments. Such a foreign policy is largely conditioned by a leader's willingness to implement economic reform. In this regard, Kuchma's implementation of economic reform upon his election in 1994 brought about much needed aid. However, his inability to continue the reform process led Western institutions to slow their assistance programs.

Several factors led to a suspension of IMF funds. First, many conditions placed on IMF funding never came to fruition, including stalled discussions over the gas sector, restructuring the bank sector, the privatization process, and the writing off of debts and unpaid taxes by the Ukrainian government.⁴⁶ The lack of reform led the IMF to suspend the disbursement of funds to Ukraine in September 1999. Although lending was resumed

⁴⁵ "Zvernennya Prezidenta Ukrainu L.D. Kuchmy do Ukrainського Narodu vid 18 chervnya 1998 roku" (The address of the president of Ukraine L. D. Kuchma to the Ukrainian people on 18 June 1998), *Uryadovyy Kuryer*, 20 July 1998, 1-3.

⁴⁶ "IMF Unlikely to Give Money to Ukraine in March," *RFE/RL Newswire*, 8 February 2001. See also Aslund and Menil, *Economic Reform in Ukraine*.

after a 14-month break in December 2000, the IMF chose not to extend a scheduled March 2001 tranche.⁴⁷

Another factor leading to the suspension of IMF aid is that IMF officials became aware that between 1996 and 1998 Ukraine's Central Bank conducted almost \$1 billion worth of transactions that moved several hundreds of million of dollars through Credit Suisse First Boston, a Swiss-owned investment bank. These transactions gave a false impression of healthy currency reserves, and Ukraine received funding that otherwise would have been withheld. Ukraine's interaction with the IMF has changed substantially from the mid-1990s, in that assistance has been less forthcoming (See Table 12).

Table 12
IMF Summary of Disbursements and Repayments to Ukraine (*in SDRs*)

Year	General Resources Account (GRA)	
	Disbursements	Repurchases
1994	249,325,000	0
1995	787,975,000	0
1996	536,000,000	0
1997	207,262,000	0
1998	281,815,500	77,331,250
1999	466,600,000	407,031,249
2000	190,070,000	643,491,270
2001	0	188,645,104

Source: "Ukraine: Financial Position in the Fund," (www.imf.org/external/country/UKR/index.htm, 31 May 2001).

In reality, the relationship between IMF/World Bank assistance and economic reform is not so clear-cut. Indeed, as critics point out, repeated failures of FSU states (with much of the attention focusing on Russia) to meet the conditions of Western

⁴⁷ "IMF Withholds Loan Tranche to Kyiv," *RFE/RL Newswire*, 19 February 2001.

institutions were only met with temporary delays in funding, during which time monetary commitments were scaled back or delayed (but rarely cancelled) to allow these states time to substantiate claims that they had met particular conditions.⁴⁸ As one former top Russian official in several Yeltsin administrations stated cynically: “The IMF was pretending that it was seeing a lot of reforms [while] Russia was pretending to conduct reform.”⁴⁹

With respect to Ukraine in a geopolitical sense, the U.S., through its leadership position in the IMF and World Bank, supported Kuchma, provided that he steered clear of Russia, regardless of the seriousness of Ukrainian reform. U.S. willingness to tolerate corruption and a lack of reform is considerably lower than Russia’s. This gives Russia a geopolitical advantage, but the difference is one of degree, not of category.⁵⁰ Nonetheless, the IMF still strongly links reform to continued aid, as it demonstrated recently by not releasing expected tranches in 2001. Thus, faced with IMF delays, Kuchma began to question the usefulness of the IMF, suggesting that the need for assistance has passed and that Ukraine could live without it.⁵¹ When leaders fail to implement economic reform, their access to Western resources diminishes and as a result their foreign policy is more likely to shift in a pro-Russian direction. This shift has become increasingly apparent in Kuchma’s foreign policy towards Russia.

There are other indicators that substantiate an increasingly pro-Russian orientation. In September 2000, for instance, pro-Western Foreign Minister, Borys

⁴⁸ For good recent studies see, Cohen, *Failed Crusade*; Wedel, *Collision and Collusion*; and Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia’s Reforms: Market Bolshevism Against Democracy* (Washington, D.C.: U.S. Institute of Peace Press, 2001).

⁴⁹ Boris Fyodorov is quoted in Cohen, *Failed Crusade*, 59.

⁵⁰ I am indebted to Paul D’Anieri for suggesting this point.

⁵¹ “Kuchma Wants Ukraine to Learn to Live Without IMF,” *RFE/RL Newline*, 6 April 2001.

Tarasyuk, who Moscow disliked, was removed and replaced by Moscow-oriented diplomat, Anatoly Zlenko. As one observer noted, Tarasyuk dismissal was a “major concession to Russia and a slap to the West.”⁵² In a similar manner, the sacking of Energy Minister Yulia Tymoshenko in January 2001 demonstrated the extent to which Kuchma favored anti-reform interests in Ukraine. Her dismissal was a response to efforts to introduce transparent rules in the energy sector, which threatened oligarchic interests. As Oleksandr Turchynov, *Batkivschyna* Party faction leader, concludes, Tymoshenko’s dismissal was a result of oligarchic activities rooted in one of the most corrupt sectors of the economy.⁵³ Moreover, Tymoshenko went on to become one of the leaders of the Forum for National Rescue, an opposition movement aimed at removing Kuchma from office after allegations of his involvement in the death of journalist Georgy Gongadze. In May 2001 the replacement of the pro-reformist premier Viktor Yushchenko with Anatoliy Kinakh led many in the West to question the sincerity of Ukrainian leaders’ commitment to continued reform, not to mention their overall orientation towards Europe. These developments were complemented by Vladimir Putin’s appointment of former Russian Premier Viktor Chernomyrdin as Russian Ambassador to Ukraine. This appointment is seen by critics as a further attempt to promote Russian interests in Ukraine (presumably to the detriment of Ukrainian interests).⁵⁴

⁵² Quoted in Oleksandr Pavliuk, “An Unfulfilling Partnership: Ukraine and the West, 1991-2001,” *European Security* 11, no. 1 (2002): 88.

⁵³ “Prazdnik na Ulize Oligarxov” (Celebration on the street of oligarchs), *Zerkalo Nedeli*, 20-26 January 2001, 3.

⁵⁴ “Moscow to Step Up Economic Pressure on Kyiv Following Chernomyrdin’s Appointment?” *RFE/RL Newsline*, 11 May 2001.

CONCLUSIONS

This chapter has assessed Ukrainian economic dependence on Russia based on the indicators presented in Chapter II. The findings of this chapter reveal that Ukraine has remained heavily dependent on Russia in its trade relations, especially in the import of Russian energy supplies. The dependence on energy contributed to billions of dollars of debt owed to Russia, which fundamentally constrained the alignment choices of Ukrainian leaders.

Perhaps the underlying issue with Ukrainian dependence on Russia is that Ukrainian leaders failed to address the dependence in any long-term fashion, and instead did what was necessary to secure their political positions in the short-term, which inherently meant distributing economic resources and benefits to political allies. This tendency, as we saw in Chapter VII, undermined Ukraine's fledgling democracy, and its ability to reorient its economy towards the West.

Ultimately, Ukraine faced a common problem when leaders have difficulties mobilizing support, both popular and among the most powerful elites, for economic reform. Without a pro-reform constituency in Ukraine, it makes the deeper penetration and implementation of reform less effective because strong domestic actors have a vested interest in maintaining the status quo system in which they have mastered the rules of the game. The unofficial or shadow economy of Ukraine has also been difficult to curb, contributing to the loss of sizable sums of taxable income.

The dominance of anti-reform actors also undermined the development of transparent institutions, since transparency only threatened informal networks. Oligarchs and other anti-reform actors shaped the pattern and character of reform in Ukraine and

made sure that reforms got stuck at the first stage and did not proceed too far in terms of deregulation.⁵⁵ Privatization enhanced the power of anti-reform actors tremendously, where bureaucrats and oligarchs became the new owners. They then benefited from favorable interpretations of the privatization process and stripped the best assets of the former Soviet economy for their own narrow interests. New owners continued to exploit their good connections with their old buddies in the bureaucracy to get subsidized credits, tax breaks and other privileges.

In short, even though Kuchma came to power in 1994 promising reform, the reality of the political game was that Kuchma's supporters, similar to those of Kravchuk, were interested in controlling the economic status quo or making sure that any reform measures would serve their interests. In this regard, widespread corruption, a lack of rule of law, inadequate protection of property rights, a lack of transparency and predictability in state's policy decisions, and all other arrangements that can be qualified as informal institutions reflected the dominance of anti-reform actors on the Ukrainian political scene. Informal practices meant that oversight and accountability would be much more elusive and allow strategically positioned individuals the opportunity to amass tremendous wealth. By the end of the decade the lack of economic reform coupled with the political crisis in the fall of 2000 meant that the West was no longer a receptive audience, and were less willing and less trustworthy of Kuchma's talk of reform and change. This led Ukraine back to the East and continued cooperation (and dependence) on Russia.

⁵⁵ Anders Aslund, "Why Has Ukraine Failed to Achieve Economic Growth?" in *Economic Reform in Ukraine: The Unfinished Agenda*, ed. Anders Aslund and Georges de Menil (Armonk, NY: M. E. Sharpe, 2000), 268.

CHAPTER IX

CONCLUSIONS

This chapter summarizes the findings from the empirical discussions of this dissertation. It also returns to some of the theoretical and policy-oriented concerns raised in Chapter I.

More specifically, it connects the IT/ED framework with what has and is going on within the FSU today, and illustrates the relevance of the framework's logic for larger issues, such as the ongoing war on terrorism, efforts at nation-building, and the politics of economic reform. The chapter ends by discussing the applicability of the IT/ED framework in the larger global context.

SUMMARY OF EMPIRICAL FINDINGS

This dissertation developed an original and unique way of thinking about alignment patterns between Russia and its former Soviet republics in general terms, arguing that the most fruitful way for doing so involved closer examination of two critical variables—internal political threats to leaders and economic dependence on Russia.

In particular, the findings are robust against the IT/ED framework. They suggest that when internal political threats to leaders were high and the extent of economic dependence on Russia was severe, leaders are more likely to adopt strong pro-Russian alignments (H1). Reciprocally, when internal threats to leaders were low or absent and the level of economic dependence was low, leaders are more likely to adopt more pro-independence (and often anti-Russian) alignment patterns (H4). When the values of the

independent variables were mixed, leaders are more likely to adopt moderate pro-Russian alignments (H2 and H3).

This is interesting because it reveals an aspect of the international and domestic politics of FSU states previously neglected by international relations scholars as well as comparative politics researchers. Indeed, a central objective of the IT/ED framework was to develop a theoretical understanding that bridged this rather artificial intellectual divide between these disciplines, and create an explanation that would be appreciated by both sets of scholars.

The first independent variable (internal threats to leaders) underscores the centrality of FSU leaders to the policy making process. When FSU leaders wanted something, they were more times than not able to accomplish this through their ability to leverage and manipulate the political process. There were few institutional constraints on FSU leaders such as strong legislative and judicial branches capable of curbing their power. The public by and large played only a minor role in the policy making process, which was dominated by former Soviet bureaucrats, state officials, and newly emerging oligarchs.

However, not all FSU leaders were able to eliminate political threats to their positions alone or through the repression of domestic opponents. This is most evident when leaders faced political violence. This violence emanated from a variety of sources, most prominently secessionist movements, civil conflict, and religious extremism. Leaders at times even faced assassination attempts on their lives. The presence of these violent political threats often meant, especially in the initial days of independence, that Russia was the only state willing or able to help prop up status quo leaders, many of

which were products of the Communist systems themselves. Moreover, in some instances, Russia was actually the instigator of and supplier for secessionist movements that were designed to destabilize regimes and ultimately lead to more active requests for Russian involvement.

The second independent variable (economic dependence on Russia) addresses the asymmetrical economic positions that FSU countries found themselves in after the Soviet Union's collapse. FSU states were tied to the Soviet command economy to such an extent that few were capable of sincerely pursuing an independent path without the assistance of Russia. This was especially true for those states that lacked energy supplies, which were by in large subsidized by Russia both before the Soviet collapse and after for those willing to cooperate more readily with Russia. (The most notable exceptions were the Baltic states, who despite their continued need for Russian energy supplies were able to reorient their economic towards the West through the implementation of political and economic reform.)

The empirical findings of this dissertation were robust against the IT/ED framework in the cases of Uzbekistan and Ukraine examined in Chapters III through XIII. In particular, when internal threats to leaders rose, the strongest alignment patterns towards Russia were observed. However, both variables are necessary to explain alignment outcomes and variations in the strength of a given alignment (i.e., strong pro-Russian, moderate pro-Russian, and strong pro-independence alignments).

This was true in the Uzbek case in two different moments in time. The first was in the initial days of independence when instability led to civil war in Tajikistan. These events led to a great deal of concern over regional security, which prompted Karimov to

join the CIS Collective Security Treaty and forge a strong alignment towards Russia. However, as the instability in neighboring Tajikistan waned by 1997, the necessity of stronger security relations with Russia declined, and Karimov chose not to renew Uzbek membership in the Collective Security Treaty in 1999.

The second moment of rising internal threats to Karimov came shortly thereafter. When Islamic extremists began to operate out of Tajikistan and Afghanistan in the areas of southern Kyrgyzstan and the Ferghana Valley in Uzbekistan in the summers of 1999 and 2000, security cooperation with Russia increased. This led Karimov to soften his stance towards Russia and adopt a more moderate pro-Russian alignment. As we will see below, what changed in the post 9/11 security environment is that the United States was willing to assist regional leaders in their combat against Islamic extremists, thereby lessening the importance of Russia as a guarantor of regional stability.

In the case of Ukraine, Kravchuk faced a dire economic crisis brought on by attempts to sever economic ties with Russia. This led to his political demise in the 1994 presidential elections. Kuchma came to power, as the IT/ED framework would suggest, by promising to strengthen relations with Russia, capitalizing on the anti-Western sentiment widespread in the eastern and southern portions of the country. Kuchma (as well as Kravchuk) relied on a different political strategy for maintaining his political positions that contrasted sharply from Karimov's in Uzbekistan. The latter president eliminated political opposition and inhibited the opening of the political process, whereas the former coopted influential sectors of Ukrainian political and economic circles, promising behind the scenes to distribute economic resources to these groups in exchange for their continued political support.

This practice was successful for Kuchma, as outright repression would have undermined his quest for political survival. However, in the wake of “Kuchmagate,” or the scandal linking Kuchma to the death of a Ukrainian journalist in the winter of 2000, political protest emerged in an unprecedented fashion. Hence, with a rise in the level of internal threats to his leadership, Kuchma turned to Russia for greater assistance, as the IT/ED framework would suggest. This opened the way for the strongest pro-Russian alignment from Ukraine in the past decade, culminating in the decision to declare 2001 the year of Russia in Ukraine and vice versa in 2002.

Economic dependence on Russia also influenced alignment patterns in ways predicted by the IT/ED framework. When economic dependence on Russia is high, leaders are more likely to adopt pro-Russian alignments. This was true in Uzbekistan in the early 1990s. Karimov initially favored stronger economic ties with Russia in hopes of maintaining the level of economic subsidies obtained during the Soviet system. Yet, as Russia altered the terms for economic cooperation, the asymmetrical nature of relations became more apparent. Karimov became acutely aware that continued economic cooperation would come at a lofty price to FSU states. Accordingly, he addressed the most significant aspect of Uzbek economic dependence strategically, namely its reliance on Russian oil supplies, through the development and production of domestic oil supplies. The strategy proved highly effective, and by 1995 Uzbek dependence on Russian oil imports was severed. Indeed, Karimov’s economic approach was targeted at self-sufficiency, and despite his lack of economic reform, which undermined Uzbekistan’s ability to garner Western economic resources, the country maintained a degree of economic stability, although economic growth was limited. This coupled with

the declining level of internal threats enabled Karimov to adopt a strong pro-independence alignment by the late 1990s. However, as we saw above, a more moderate alignment emerged when Islamic extremists reemerged as a threat to Karimov's regime.

In Ukraine's case, economic dependence on Russia served as the strongest impediment to a pro-independence alignment. Ukraine was unable to sever its dependence on Russian energy imports. Attempts to find substitute trading partners proved futile since Ukraine was often unable to pay for energy deliveries from other suppliers. Coupled with a lack of domestic energy reserves, Ukraine remained dependent on Russian energy. The staggering energy debt that accrued over the decade exacerbated Ukrainian dependence on Russia.

Similar to Uzbekistan, Ukraine was unable to obtain continuous Western economic assistance. Kravchuk failed to implement economic reform, and it was not until Kuchma came into power in 1994 that reform measures were taken in line with IMF prescriptions. Access was short-lived, however. By the spring of 1995, reform efforts slowed, and within a few years they ground to a halt. This led to a suspension of IMF and World Bank funds to Ukraine, and by the end of the decade Kuchma strengthened economic ties with Russia, especially given Ukrainian dependence on Russian energy supplies.

Thus, in the cases of alignment patterns of Uzbekistan and Ukraine the IT/ED framework provides compelling explanations as to why leaders were willing to cooperate with Russia under certain circumstances and other were not. This does not suggest that the IT/ED framework can explain everything. More testing of the framework is needed to assert its validity throughout the FSU. Nonetheless, the confirmatory evidence offered by

the cases of Uzbekistan and Ukraine can be seen as plausibility studies. If for instance, the IT/ED framework did not provide sufficient evidence in these cases then the applicability of the framework would already be in question. Yet, since it offers ample evidence in explaining Uzbek and Ukrainian alignment patterns the framework carries more theoretical and empirical weight. Further testing of its propositions and logic against more cases of the FSU, however, are necessary to suggest it is the best explanation for FSU alignment patterns.

INSIGHTS OF THE IT/ED FRAMEWORK

One work is unlikely to capture all the trends and patterns in the international relations of the FSU. But the IT/ED framework provides us with a short cut for understanding critical aspects of these relations as well as highlighting under what conditions FSU leaders are most likely to cooperate with Russia. Below, I elaborate on the theoretical insights offered by the framework as well as some of the security, political, and economic implications of the framework.

This dissertation began with a straightforward puzzle about alignment patterns between FSU states and Russia. Why have the most powerful FSU states tended to adopt the strongest pro-Russian alignments, whereas the weakest states adopted the most pro-independent and anti-Russian foreign policies? Balance of power and balance of threat theories were highlighted given their prominence in the field of security studies. However, their logic was inconsistent with the realities of alignment patterns in the cases of Uzbekistan and Ukraine, as argued in Chapters III and VI respectively. These states did not actively balance Russia as they would predict, and in the case of Ukraine it

actually relinquished its nuclear weapons in the early 1990s and then adopted strong pro-Russian policies by decade's end.

Moreover, balance of threat theory conceptualizes the notion of external threat (i.e., power, geographic proximity, offensive capabilities, and aggressive intentions) in a way that is less compelling in the context of the FSU. For instance, in the Uzbek case such a conceptualization would miss the threat posed by Islamic extremists, since they would score low according to Walt's definition. Not to mention his theory is primarily state-centric, and would have difficulty accounting for transnational threats.

As discussed in Chapter I, there are contextual and situational factors that these theories are unable to account for. Two are perhaps most illuminating. First, the FSU as a region is not one in which systemic anarchy prevails, but rather given the extensive connections and historical relations between Russia and other FSU states, the region is epitomized more by hierarchy and anarchy. Second, FSU leaders represent major forces in the policy making process within these countries. Accordingly, the IT/ED framework built on and refined the work of Steven David, who placed the analytical focus on leaders when explaining alignment patterns in Third World or quasi-state nations that lack much of the political institutionalization found in the Western world. As we have seen through the findings of this dissertation, this theoretical nuance provides greater insight into alignment patterns within the FSU, than traditional alignment theories. Beyond this theoretical contribution, the insights generated from the IT/ED framework touch on other compelling security, political, and economic issues that dominate discussion both in academic and policy circles.

The FSU remains a critical region in world affairs. Despite the collapse of the

Soviet system and the subsequent waning of Russian military power, the international system is greatly influenced by events that occur within this region. Most recently, the expanding war on terrorism in the wake of the 9/11 terrorist attacks brought new attention to the centrality of Central and South Asia to U.S. national security. Whereas the Bill Clinton administration focused on economic interaction and concerns over human rights, the George W. Bush administration focused more on the security dimension, namely bringing pressure on (and eventually overthrowing) the Taliban regime in Afghanistan. As we saw in Chapters III and IV, the threat of Islamic extremism greatly influenced the alignment calculations of Karimov in Uzbekistan. The threat posed by religious extremists to Karimov's political security prompted the Uzbek leader to cooperate with Russia immediately after independence as the Tajik civil war unfolded and later in the decade when a resurgence of political violence left few alternatives but a return to Russian assistance.

However, in the wake of 9/11, Karimov found that Russia was not the only country willing to assist in the pursuit of his political survival. In this regard, the Bush administration was less constrained by concerns with human rights violations, and more willing to aid both directly and indirectly in Karimov's struggle with Islamic extremists, namely the Islamic Movement of Uzbekistan (IMU). This was especially true after Bush's 20 September 2001 speech to Congress in which he specifically highlighted the destabilizing effect the IMU had on regional security. His acknowledgement of the IMU had less to do with the IMU within the ranks of other international terrorist groups, and more to do with securing the support of a critical regional ally in the military campaign against the Taliban. This cooperation continues today, and the U.S. military presence in

Central Asia is unlikely to decline in the near future. The emergence of terrorism in the region also touches on aspects of the political development of these countries, whereby the role of political openness and dissent has largely been confined.

The fall of the Soviet empire brought with it tremendous change in the way in which FSU states themselves organized their newly independent political and economic systems. The Clinton administration focused a great deal of attention and Western funds on the large-scale nation-building enterprise throughout the FSU. Western assistance and guidance fueled this process, but by the end of decade it had proven largely futile in the development of more transparent and formal political and economic institutions. In this regard, the billions of dollars of Western assistance channeled through bilateral and multilateral means did not always bring about the intended results. This was largely because these international institutions were unable to accept FSU states for what they were and instead focused naively on what they thought they could become. The end product was that much was wasted and directly and indirectly channeled to individuals who manipulated the political process for their own narrow benefit.

This dissertation underscores this dilemma with its principal focus on the FSU leader as the primary actor in post-Soviet politics. Few in the West in the beginning of the 1990s fully appreciated the power of FSU leaders in the post-Soviet political systems, and more specifically, their willingness to do whatever it took to maintain their political positions throughout the post-Soviet transition. This in turn led to development strategies that were not tailored made for FSU states, but rather ones that were imposed based on the presumed wisdom of past development successes. Indeed, by the end of the decade leaders in both the IMF and World Bank openly acknowledged their failure in adjusting

preconceived notions of what would work in favor of ideas of what could work in the post-Soviet context. This is also an institutional concern for these organizations because as many in the IMF structure will reveal the IMF does not attempt to solve these domestic issues. While these international organizations cannot be tasked with every objective under the sky, they nonetheless played a role in the post-Soviet transition that was not always productive.

The lessons derived from the nation-building enterprise offer additional insight. Not surprisingly, in those countries that embraced political and economic reform, the role of Western assistance proved very effective. This is especially true in the context of transitions in Eastern Europe with many of these states looking more actively to Europe, first in the form of NATO enlargement, and second in the more difficult path to EU accession. Yet, this dissertation is about the FSU and there are far fewer examples of success in this context. The sole examples in the FSU are the Baltic states, which as mentioned earlier fall outside of the parameters of the IT/ED framework in large part because of their willingness to embrace change and reorient both their political and economic systems towards Western norms and practices. As Abraham Lowenthal noted in a sweeping study of efforts to export democracy to Latin America, democratic consolidation was only possible when conditions within a country were propitious.¹ Without a sincere desire to follow through on reform measures, little political change can occur, and little did occur throughout the FSU over the past decade.

Nation-building efforts were thwarted from within, as this dissertation argued. FSU leaders were primarily concerned with securing their own political positions and

¹ Abraham Lowenthal, *Exporting Democracy: The United States and Latin America* (Baltimore: Johns Hopkins University Press, 1991).

such an assumption undermines the capacity to reform a political system, since reform would likely threaten a leader's political position. As Joel Hellman points out, in those countries where the governments were most susceptible to the threat of an electoral backlash, reform efforts were adopted and comprehensive reform programs flourished.² Thus, the desire to transform FSU states into more open, politically free, and transparent societies was untenable from the beginning because few political leaders were willing to relinquish it for such an endeavor.

This also raises broader concerns about the politics of economic reform, and the ability to implement economic reform. Traditional logic in international political economy suggests that leaders need to be insulated from those parties that would most likely suffer from reform measures. That is to say, the short-term losers of economic reform, such as striking workers, resentful former state officials, impoverished pensioners, or masses of unemployed, are the greatest threats to debunking reform because they are the groups most likely to suffer the greatest costs.³ Thus, traditional thinking was that leaders must be protected and insulated from these groups since if they are not then these groups are likely to push for a change in the present regime, which could ultimately lead to the collapse of the reform effort.⁴

When applied to the FSU, such logic proved counter-productive because it only

² Joel S. Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics* 50, no. 2 (February 1998): 232.

³ For a good overview of the literature see, Hector E. Schamis, "Distributional Coalitions and the Politics of Economic Reform in Latin America," *World Politics* 51, no. 2 (January 1999): 236-68.

⁴ Variations of this theme stress the merits of autonomous states in Peter Evans, "The State as Problem and Solution: Predation, Embedded Autonomy, and Structural Change," in *The Politics of Economic Adjustment*, ed. Stephen Haggard and Robert R. Kaufman (Princeton: Princeton University Press, 1992); powerful executives in Haggard and Kaufman, *The Political Economy of Democratic Transitions*; and insulated technocrats in John Williamson, "In Search of a Manual for Technopols," in *The Political Economy of Policy Reform*, ed. John Williamson (Washington, D.C.: Institute for International Studies, 1994).

fed the interests of those leaders that were already in power. FSU leaders did not want an electoral backlash, which would threaten their positions, and often, as we saw in the case of Ukraine in Chapter VII, leaders ensured their political survival by trading economic resources for the political support of powerful elites within the society. In short, as Hellman argues, the greatest threat to economic reform came not from the short-term losers, but rather the short-term winners, or those individuals that benefited from an unstable and highly volatile economy.⁵ The short-term winners, such as enterprise insiders, commercial bankers, local corrupt officials, and the mafia, manipulated the reform process for their own advantage and stripped their respective countries of valuable assets that ultimately left the country worse off than when it started to implement reform, while increasing their personal coffers. The IT/ED framework addresses this phenomenon in its analysis of how FSU leaders maintained their political positions.

In the end, the international and domestic politics of the FSU have gone through tremendous change over the decade since independence. Many things have changed such as in the nature of relations between Russia and its former Soviet republics. Unfortunately, many things have stayed the same as evident in the rather conservative orientation of most FSU leaders. They did not embrace political and economic reform as wholeheartedly as others did in Eastern Europe or in the Baltic states. Instead, most FSU leaders sought to ensure their political positions in the near future, and since many of today's FSU leaders are former Communist leaders themselves, they have clearly been highly successful at this pursuit. Only time will tell how the issues in this dissertation play out.

⁵ Hellman, "Winners Take All."

THE IT/ED FRAMEWORK IN THE REST OF WORLD

This dissertation examined alignment patterns in a fairly limited geographical space and time frame—relations between CIS countries and Russia since independence in 1991. But the themes of leadership survival and political threats and economic interdependence and dependence also resonate in different spatial and temporal contexts. David's work on alignments began with one qualification. That is, internal threats as an explanatory variable are most illustrative in weak states that lacked political institutions. In such countries domestic politics is not highly formalized; the state apparatus tends to possess a disproportionate share of the nation's wealth; and there are often competing subnational groups that are prone to violence.

These types of conditions exist today, and leaders throughout the world often focus on internal threats to their political positions. For instance, in 1998 Andres Pastrana, the then new president of Colombia, announced his intention to engage in a peace process with the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), armed groups that controlled regions of the country, generally for the production of narcotics such as cocaine. These groups are heavily armed and often funded by drug cartels to serve as security forces against the national government. As negotiations stalled and eventually collapsed the same policy of combating these groups emerged. In August 2002, a new president was elected, Alvaro Uribe, who has promised yet again to crackdown on the country's left-wing insurgents and right-wing paramilitaries.⁶ In line with the logic of the IT/ED framework, Uribe is strengthening his external alignment with the United States to combat his internal threats, and more importantly gain much needed access to U.S. funds, military hardware, and

training. This has been received warmly in Washington, and as one commentator wrote, the Bush administration is supporting Uribe's war plans with an "open wallet."⁷

Similarly, the royal family in Saudi Arabia is unable and unwilling to crack down on Islamic extremists within its own country for fear of the political backlash. This is all the more real since 15 of the 19 hijackers that participated in the 9/11 terrorist attacks were of Saudi descent. To move aggressively on such groups would only serve as catalyst for greater extremism within the country itself, potentially leading to the ouster of the royal family. The same can be said for General Pervez Musharraf in Pakistan. Few would disagree that Islamic extremism continues to fester in Pakistani schools, but for Musharraf to rid the country of extremists would ultimately lead to his removal, probably violent, which would then place nuclear weapons in the hands of such radical elements.

The public statements of Arab countries against a U.S. attack on Iraq can be seen from a similar perspective. Arab countries have openly spoken out against such an attack, at one time claiming after an Arab summit that an attack on Iraq would be seen as an attack on the Arab world. However, such public posturing has more to do with the interest of Arab leaders than it does about any sincere resistance to U.S. plans in Iraq. If Arab leaders took a weaker stance towards U.S. policies, then their political longevity would be highly questionable, since those in the Arab streets would inevitably see this as selling out to the United States. Accordingly, these leaders are forced to take a particular foreign policy stance to ensure their domestic political security.

In other areas of the world, such as in Africa and Southeast Asia, these themes continue to carry both practical and theoretical weight. The domestic politics in these

⁶ Julia E. Sweig, "What Kind of War for Colombia?" *Foreign Affairs* 81, no. 5 (2002): 122-41.

countries is anything but predictable and peace is often as elusive as leadership survival. Thus, while this dissertation emphasized the importance of internal threats in the context of the CIS that does not suggest that the internal political threats as an explanatory variable cannot be utilized in other regional contexts.

Economic interdependence and dependence similarly resonates in other areas of the world. The world is increasingly interdependent, and with organizations like the World Trade Organization (WTO) growing and expanding, this interdependence will expand tremendously in the next century. As this dissertation argued, the most constraining aspect of economic relations is when a country is dependent on another, meaning that they cannot find alternatives and substitutes from other countries. Energy supplies were seen as a major factor influencing a country's dependence, and this is true for countries throughout the world. One of many reasons that European countries, such as France, are reluctant to openly support an invasion of Iraq is because of their continued need for oil from the Middle East and their desire to receive the billions of dollars owed to it by Iraq. This touches on a larger issue as to how OPEC has been able at times to leverage its dominant position in the world's energy market because of the world's dependence on its energy supplies.

China is also a priority issue for the United States today, and this issue of economic interdependence/dependence is often interjected into policy discussions. The United States welcomes expanded trade ties with China because of the vastness of the Chinese market and the access to inexpensive imports from the country. In essence, everyone benefits from this increased trade, but as a realist may argue, by increasing

⁷ Jeremy McDermott, "Colombia Imposes Democratic Authority," *Jane's Intelligence Review* 14, no. 10 (2002): 21.

Chinese dependence on the United States and the WTO this could serve as a powerful constraint on Chinese foreign policy in decades to come. Extending the argument further, one might suggest that the more trade is expanded in the future, the more access there will be to Western ideas and practices. This could in time lead to a rise of internal political challenges to the Communist regime, challenges that already exist today in their infancy but are unable to gain significant momentum. Moreover, Chinese energy consumption has risen by 250 percent since 1980, in large part as a result of economic growth and development.⁸ This rise in consumption has outstripped domestic resources and China itself is starting to alter its external relations to address its energy needs, furthering confirming the importance of energy dependence in shaping a country's foreign relations.

⁸ Christoph Bluth, "Energy Needs Shape China's External Relations," *Jane's Intelligence Review* 14, no. 10 (2002): 40-43.

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