



# THE BROOKINGS INSTITUTION

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## THE EURASIAN SECURITY ENVIRONMENT

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**House Armed Services Committee (HASC) Threat Panel**  
**United States House of Representatives**

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### **Introduction:**

From the perspective of the United States, the threat environment in Eurasia has changed dramatically over the last 20 years; primarily because Russia has receded as the global strategic competitor for the United States with the collapse of the Soviet Union and the dramatic deterioration of Russian military capability since 1991. The threat of a Soviet nuclear first strike on the United States has been replaced by the risk of an accidental nuclear launch (as a result of Moscow's possible loss of command and control over its missile systems); and the worst case, nightmare scenario, of a "rogue regime" or terrorist group acquiring a Russian nuclear weapon, (or fissile material, or Soviet-era chemical, or biological agents from across the region) to use against the United States.

Most other identifiable threats in Eurasia directly threaten the security and stability of the regional states themselves and their immediate neighbors rather than the United States. But given the region's geopolitical location, bordering states of considerable concern to the United States, such as Iran, and China; and the fact that another regional state, Afghanistan, served as the base for the terrorist networks that launched strikes on the United States in September 2001, none of these threats should be unduly minimized. Furthermore, in Ukraine, under former President Leonid Kuchma, the government was implicated in selling radar installations to Saddam Hussein's government on the eve of the U.S. invasion of Iraq—the culmination of many years of providing conventional weapons to civil conflicts across the globe from Soviet-era weapons factories. There are numerous Soviet-era arsenals and factories across Eurasia—in places like Belarus and the secessionist Trans-Dniester region of Moldova—where leaders are not necessarily well-disposed toward the United States, and where commercial and criminal interests

often take precedence in arms sales and transfers over sober calculations of broader security risks. Threats such as these have not been given sufficient U.S. or international attention given the understandable preoccupation with WMD material, but they should also be considered by the panel.

U.S. policy in Eurasia has certainly taken account of many of the threats in the region since the collapse of the Soviet Union. By way of a quick summary, U.S. policy has generally been directed at securing Russia's Soviet-era nuclear weapons and research facilities; reducing missile stockpiles; eliminating sources of conflict with Russia; and trying to encourage a positive trajectory in this country's long-term economic and political development. Beyond Russia, the United States has aimed at preventing the emergence of a security vacuum in Eurasia, or a major conflict and instability that might lead to military penetration by states with interests inimical to those of the United States like Iran; and at thwarting attempts to assert a new security monopoly by Russia or another major power like China. Other more specific U.S. concerns have targeted ensuring the development and security of Caspian oil exports across the Caucasus to Turkey through the Baku-Tbilisi-Ceyhan pipeline (local military units in the Caucasus are now being trained for this purpose with American assistance); and, since 2002, addressing new or ongoing threats in Central Asia that might undermine the U.S.-led project of the stabilization and reconstruction of Afghanistan.

### **Overview of Possible Threat Scenarios in Eurasia:**

There are, however, many other possible threat scenarios over the next 20 years in Eurasia, including (but by no means limited to):

#### **I) Potential tension between Russia and China in the Russian Far East, as well as in Central Asia.**

Russia (the USSR) and China fought a full-scale boundary war in the late 1960s along their common border in the Pacific region. The Soviet military build-up in the region from the 1960s to the 1980s was directed as much at defending the USSR against China as against the United States in the Pacific. Relations between China and Russia are now generally viewed as better than at any other point in the past—indeed President Putin made a point of highlighting the excellent state of Russo-Chinese relations in a discussion with foreign journalists and analysts on September 5, 2005. Trade between China and Russia has been rising at a rate of about 30% annually over the last few years, and China is one of Russia's most important clients for arms sales. In fact, as President Putin also noted in his September 5 discussion, the summer 2005 joint military exercises between Russia and China had a strong commercial component to boost the prospects for continued Russian sales to Beijing.

But many Russian military analysts greatly fear China's future military as well as its economic prowess—China's huge conventional force is rising in numbers and improving in technological capability, while Russia's is in decline. China's economic influence is also rising across Eurasia, even though Russia has bounced back economically since 1999 and is now one of the key energy suppliers to the Chinese market, creating new forms of economic inter-dependency. But the

confrontations between Uzbekistan and its Central Asian neighbors are entirely possible in the future. This is a major problem as Uzbekistan is the one regional state that borders all the other Central Asian states, including Afghanistan.

#### **IV) The emergence of new extremist and terrorist groups in Central Asia with links to Afghanistan.**

Central Asia has considerable potential for the emergence of new extremist groups, including the radicalization of opposition groups seeking the overthrow of regional governments (as has already happened in Kyrgyzstan and seems to be developing in Uzbekistan). Currently, however, with only one notable exception, the Islamic Movement of Uzbekistan (IMU)—now renamed the Islamic Movement of Turkestan—there are no clearly defined terrorist groups operating or based within the region. But Central Asia has a long history of radical Islamic opposition movements dating back to the Tsarist period; the *Basmachi* partisan movement that opposed the advance of Soviet power into Central Asia in the 1920s; and the late 1980s when power dissipated from Moscow and the Soviet Union. As the USSR collapsed, Central Asia became a conflict zone. Violent clashes erupted between ethnic groups in the region's Ferghana Valley in 1989-1990. Civil war in Tajikistan, in 1992-1997, became entangled with war in Afghanistan, with many of the Tajik opposition forces finding a safe haven and staging ground in Afghanistan and becoming radicalized under the influence of *mujaheddin* fighters. At the end of the Tajikistan civil war, some of the most radical members of the Tajik opposition, who refused to compromise and participate in a new united Tajik government, stayed in Afghanistan, or joined forces with the IMU. From 1997-2001, the IMU operated in the mountainous regions of Tajikistan, out of the reach of the new—and weak—Tajik government, and often with the support of some of its prominent members from the former opposition. The IMU threw in its lot with the Taliban in 2001, and despite being devastated as a result of the U.S. military campaign in Afghanistan, has potential for revival.

The activities in the region of groups like the IMU have been greatly facilitated by porous borders between Afghanistan and Central Asia and by the presence of well-established drug routes that date back at least to the Soviet invasion and occupation of Afghanistan in the 1980s and extend to Russia and Europe. The drug trade across Eurasia exploded in the 1990s with the support of corrupt regional officials and military personnel. Paramilitary formations associated first with the Tajik opposition, and then with the IMU, in effect became militias for the drug trade—arming and supporting themselves from associated revenues. By 2000, local drug control experts estimated that the IMU controlled perhaps as much as 70% of the drug trade from Afghanistan across Tajikistan and into Kyrgyzstan.

Illegal transit across Central Asian borders from Afghanistan will remain a major problem for the foreseeable future. Only the Uzbek-Afghan border is really controlled. It is much shorter than the others (Turkmenistan and Tajikistan), has fewer crossing points, and is heavily mined as well as electrified. In contrast, Tajikistan's border with Afghanistan is almost impossible to fortify or patrol effectively, especially in the most mountainous regions, and Tajik border guards are inadequate in number and poorly trained and equipped.

Beyond the drug trade and porous regional borders, other factors encouraging the emergence of new terrorist groups like the IMU include: faltering political and economic reforms in Central Asian states; mounting social problems; the exclusion of opposition forces from the political mainstream; persistent and frequently harsh government repression of dissent; the infiltration and establishment of foreign networks like *Hizb-ut-Tahrir*, which use Islam as a political mobilizing force; and the establishment in the region of criminal networks involved in the smuggling of other contraband, and trafficking in people—especially in Tajikistan and Kyrgyzstan. The introduction of U.S. bases and an increased international presence in Central Asia, beginning in 2002-2003, have also offered a new range of potential targets for regional militant groups. In addition, there are few effective regional institutions and mechanisms for dealing with terrorism and other threats, and there is little coordination of outside interventions.

**V) The proliferation of material for a “dirty bomb” from Central Asia, and/or the Caucasus.**

In Central Asia, the existence of former Soviet nuclear, chemical and biological weapons sites, in Kazakhstan and Uzbekistan in particular, has raised significant non-proliferation concerns in U.S. intelligence circles since the terrorist attacks of September 11, 2001. The relatively free movement of IMU militants, as well as members of the Afghan Northern Alliance across the border between Afghanistan and Central Asia, along with movement up and down drug routes throughout Eurasia over the last decade, suggests the possibility of smuggling fissile and other weapons materials along the same routes (for potential use against an American or other Western target). Indeed, in 2002, Uzbek officials along the border with Turkmenistan reported several seizures of radioactive materials that could have been used to manufacture a “dirty bomb.” Similar evidence of repeated instances of radioactive material smuggling between the Caucasus and Russia has also been compiled.

Post-Soviet Central Asia raises the same kinds of proliferation issues as Russia. With the breakdown of the Soviet system of weapons command and control and WMD research and development, Central Asian scientists and research facilities, like their Russian counterparts, have been cast adrift. Central Asia poses some additional, more specific, problems given its function as a base for Soviet nuclear testing in and around Semipalatinsk in Kazakhstan, and for the testing of biological weapons on Vozrozhdeniye Island in the Aral Sea, which is split between Kazakhstan and Uzbekistan. Vozrozhdeniye was the reported source of origin of a smallpox outbreak in the Kazakh coastal city of Aralsk in 1971 after the purported open-air test of a smallpox biological weapon. Thanks to the retreat of the Aral Sea, this island has now become a peninsula offering easy access to abandoned laboratories. Central Asia’s role as a center for biological weapons development, as well as civilian disease research, was largely the result of the fact that the region is a natural reservoir of exotic and highly dangerous pathogens, including plague, anthrax, hemorrhagic fevers, and foot and mouth disease.

**VI) The failure of the region’s limited capacity to deal with new and existing threats in Central Asia.**

In looking at the capacity to deal with the range of threats in Central Asia, a basic lack of coordination is the primary obstacle to enhancing local capacity, and to formulating and building

effective threat and counter-terrorism strategies for Central Asia. This does not seem set to change appreciably in the foreseeable future. There are only two functioning regional security institutions: the Tashkent Treaty—also known as the Collective Security Treaty Organization, and initiated by Russia in 1992 as part of the security framework of the now largely defunct Commonwealth of Independent States (CIS)—and the Shanghai Cooperation Organization (SCO).

The Tashkent Treaty's capacity for generating concrete action by all its members (which also include Armenia and Belarus) has been limited. It was activated on an *ad hoc* basis to cover Russia's intervention in the Tajik civil war and the deployment of peacekeepers there, as well as for consultations on the threat from the civil war and Taliban takeover in Afghanistan in the late 1990s. But, for the most part, the Central Asian Treaty members and Russia have made their own arrangements to address regional threats. A number of joint exercises to prepare for potential counter-terrorist campaigns in the region have been conducted since 1998; Russia has also deployed aircraft and troops at the Kant base outside Bishkek in Kyrgyzstan as the base for a collective rapid-deployment force; and a regional anti-terrorist center has been set up in Bishkek headed by a Russian General.

The Shanghai Cooperation Organization has become the main focal point for a regional military response to security threats. The SCO was initially formed in 1996 to deal with border security and confidence-building issues along the former Chinese-Soviet border, where there were outstanding border disputes between China and its Central Asian neighbors. In 1999, the Shanghai group expanded its mandate to focus on drug-trafficking and combating extremism and terrorism. A regional anti-terrorist center was created in Bishkek tied to other Central Asian efforts; and the SCO has also created a rapid reaction force and conducted joint military exercises against terrorism.

In spite of pledges of close coordination and effective measures, tensions among the member states, squabbles over budgets, a shortage of funds for group commitments, and the initial regional reactions and responses to the U.S. campaign in Afghanistan, have hampered the SCO's development as an effective institution. There has been a great deal of organizational "process," but, overall, SCO mechanisms remain fledgling. China is the dominant player and driver in the SCO, as most analysts in Moscow and Central Asia will admit.

Beyond the Tashkent Treaty and Shanghai Cooperation Organization, individual Central Asian government mechanisms for dealing with terrorism and other threats are few. Military reform from the old Soviet system to new militaries capable of dealing with new threats from militants and insurgents—including replacing heavy motorized divisions with light border and mountain forces—remains incomplete. Regional governments and their institutions have limited financial and personnel resources and thus limited capacity for collecting, processing, and acting on intelligence. States have compensated for these deficiencies with an often brutal and blanket approach to clamping down on terrorist suspects. Political dissent and protest is frequently equated with terrorism, with no real attempt to distinguish among observant Muslims and political moderates and those with more radical views or affiliations. Mass arrests in Uzbekistan of people often doing nothing more than handing out leaflets, harsh punishments, including the torture of suspected IMU and *Hizb-ut-Tahrir* members and the active persecution of their

families, have all been well-documented by international Human Rights groups. Although there has been some improvement over the last couple of years across the region, corruption in law enforcement remains rampant. Individuals and their families are consistently targeted by police in anti-terror sweeps to obtain bribes. Police forces are in general poorly paid and trained, and while there has been much progress in narcotics interdiction training (especially in Tajikistan) there has been less effort at more sophisticated training in counter-terrorism in spite of the links between militants and the drug trade.

In response to the threats in Central Asia, there are numerous American and international programs already under way in the region—including through the Pentagon and NATO's Partnership for Peace Program. These were given a major boost in 2002 with supplementary appropriations to the assistance budget from the U.S. Congress. Some of these programs, such as the State Department's Export Control and Related Border Security (EXBS) and Anti-Terrorism Assistance (ATA) programs, have explicit counter-terrorism goals, while others are targeted toward related but more general aspects of human rights protection, civil society development, and economic reform (all of the U.S. programs are described in the annual report from the Office of the Coordinator of U.S. Assistance to Europe and Eurasia at the Department of State). Other U.S. Government-supported entities, like the National Laboratories, the National Nuclear Security Administration, and National Institutes of Health, are also tackling specific issues related to the security of fissile and other materials, the clean-up of nuclear and biological weapons testing sites, and moving former biological weapons scientists in the region toward civilian medical research.

Unfortunately, the sum total of these efforts is a disparate catalogue of initiatives with overlapping mandates and duplicative programs—both within the U.S. government and assistance community, and internationally. Unintended consequences are the norm rather than the exception. For example, counter-narcotics trafficking and counter-terrorism initiatives that aim to harden border regimes and detection and interdiction capabilities have often have opened up more opportunities for corruption among customs officials and made cross-border legal trade even more difficult, exacerbating economic and social problems. This is especially the case in Uzbekistan, where antipersonnel mines planted on borders with Tajikistan and Kyrgyzstan to block the transit of the IMU have killed and injured numerous civilians; and on the Kyrgyz/Tajik border where the introduction of new border posts and controls (along a non-demarcated and still-disputed section of the border) sparked riots in January 2003.

## **VII) Conflicts over energy and water resources in Central Asia.**

This is the new frontier of inter-state conflicts in Central Asia looking ahead to the next two decades. As in the Middle East and other regions where energy resources are unevenly distributed and water is scarce, some countries have the upper hand—thus exacerbating existing tensions over other political and security issues. For example, Kazakhstan, Turkmenistan, and Uzbekistan have considerable oil and gas resources, but Kyrgyzstan and Tajikistan control the region's major watersheds, which originate in their mountainous regions. Uzbekistan has already turned off gas supplies to Kyrgyzstan during political disputes, while the latter has threatened to divert water resources. Likewise, Uzbekistan has threatened Turkmenistan with military intervention if there is any diversion of water flows from the Kara-Kum canal in conjunction

with a grandiose plan of President Niyazov to create a huge lake out of an existing reservoir in Turkmenistan. And Kazakhstan is engaged in a series of ongoing disputes with China over watersheds, which could increasingly flare-up in the future as China pursues the long-term development of Xinjiang, and thus reduces the flow of water in rivers like the Ili and Irtysh that supply Kazakhstan's two large eastern lake systems.

### **VIII) Continued strife in Russia's North Caucasus that threatens the long-term development of Russia itself as well as the rest of the Caucasus.**

Russia's North Caucasus region is currently the major source of threat to the long-term stability of the country and shows every sign of developing into a "mini-Afghanistan" or "Balkans" crisis for Russia within its own borders. Since the Soviet period, the North Caucasus has lagged behind other areas of the Russian Federation on all major indices, with high unemployment and poverty rates, and low average wages and per capita incomes. Places like war-ravaged Chechnya and Ingushetia display poverty levels more akin to sub-Saharan Africa than the rest of Russia. The region also has a long history of inter-communal strife that dates back to the Soviet period and erupted again in the 1990s—with a conflict between ethnic Ingush and Ossetians, for example, taking more than 600 lives in 1992 before Moscow's intervention in Chechnya, where the human cost of the war in terms of military and civilian casualties has been appalling.

The North Caucasus conflicts and its socio-economic problems have bred instability and radicalism—with radical Islam increasingly attracting youth across the region. An Islamist element has been rising since the late 1990s, when militant groups entrenched themselves in North Caucasus republics like Kabardino-Balkaria and Karachaevo-Cherkessia. This phenomenon has been exacerbated by the heavy-handed reaction of the authorities who have, for example, closed down virtually all the mosques in Kabardino-Balkaria. As an illustration of the extent and seriousness of the militant phenomenon, volunteer fighters from the North Caucasus were captured by international coalition forces in Afghanistan in 2001-2002.

In fact, none of the North Caucasus fighters captured in Afghanistan was from Chechnya—in spite of the evident radicalization of the Chechen rebel movement, which is no longer chiefly driven by a political campaign for independence. Arguably, the situation in Chechnya is now slowly improving, while things are getting markedly worse in the rest of the North Caucasus with the spread of militant insurgency from Chechnya to neighboring republics. Last year's brutal school siege in Beslan, North Ossetia, highlighted the fact that the situation in the North Caucasus has become increasingly desperate. Since then, there have been daily reports from the North Caucasus of terrorist attacks, explosions, assassinations, and incidents of intra-communal violence, kidnappings, disappearances, and other atrocities. There is also now clearly an ideological link between Chechen and other North Caucasian radicals and international jihadi terrorists. There is also a demonstration effect. Terror tactics adopted by jihadis in Chechnya have been propagated by video and the internet, and adopted elsewhere—including in Iraq. The spread of these tactics across the North Caucasus and the links with international jihadi terror raise the possibility that the next "soft target" of North Caucasian terrorism, perhaps in Moscow, could be a U.S. or a Western one. There is also every possibility that the North Caucasus, like Afghanistan before it, could become the training and staging ground for terrorist recruits for operations in Europe, if not the United States.

In spite of the troubled history of the North Caucasus, and numerous reports on its dire situation published by Russian institutions, Moscow has consistently neglected the region's security, economic, social, and political problems. The Russian military is still not equipped to deal with militant insurgencies. It initially fought both wars in Chechnya—from 1994-1996, and again after 1999—using a conscript military structure better designed for fighting World War II or meeting Cold War threat scenarios than a “21<sup>st</sup> Century-type” war. Although reforming the military is a major priority for the Russian government, and Moscow plans to move toward a smaller, contract-based military with more mobile units trained in counter-terrorism operations over the next few years, force restructuring is anything but complete. In addition, the ongoing low-level military operations in Chechnya have been farmed out by the Ministry of Defense to Interior Ministry and special police forces, as well as to pro-Moscow Chechen paramilitaries who have terrorized the local population. The fact that Russian Defense Minister Sergei Ivanov desecrated Russia's Interior Ministry as the most corrupt and ineffective institution in Russia, in a September 2004 interview in the immediate wake of Beslan, suggests that Moscow is unlikely to solve its counter-terrorism problem in the North Caucasus in the immediate future.

Politically, Russia is also not equipped to deal with the long-term stabilization of the North Caucasus. Regional development was not a designated priority for Moscow until the tragedy of Beslan forced the Russian government to consider a new approach in 2004. My own interviews, and reports from the North Caucasus, including a document leaked to the Russian press in June 2005 by President Putin's regional representative, Dmitry Kozak, all suggest that North Caucasus local leaders are running the region into the ground. Politics in the North Caucasus—as the tragedy of Beslan underscored all too clearly—is defined by corruption, incompetence, and a seeming disregard for the well-being, interests, and opinions of ordinary citizens. Unfortunately, many of the political steps taken by the Russian government since September 2004 in response to Beslan—including the decision to reappoint regional leaders directly from the center to make them responsible to the Kremlin—have not reversed the negative trends. These changes have also increased political tensions in the North Caucasus by removing local participation in decision-making through the electoral process—stripping beleaguered North Caucasus populations of what little role they had in regional politics. Furthermore, most of the appointments Moscow has made over the last year have simply been the re-appointment of the incumbent leader—with the exception of President Dzhosokhov in North Ossetia, who was too compromised by the disaster of Beslan to keep in place and encouraged to resign. And even here, Dzhosokhov's replacement came out of his immediate political circle, so this was not a genuine change of leadership. As Dmitry Kozak reportedly stated in his June 2005 report, at this juncture in six out of the twelve regions of Russia's Southern Federal District that covers the North Caucasus, the negative ratings of the leadership now far outweigh any positive assessments.

Even though there have been many overtures, including from the United States Government, the European Union, the World Bank, and individual European governments, since the tragedy of Beslan, Russia has consistently declined to accept international assistance in dealing with the range of problems in the North Caucasus. There is an increasing feeling in Russia outside the Kremlin that Moscow cannot stabilize the North Caucasus with its current policies and that “another Beslan” is inevitable in the near future.



**IX) Unresolved conflicts in Nagorno-Karabakh, South Ossetia and Abkhazia in the South Caucasus that leave the region vulnerable to future outbreaks of intra-communal violence, armed confrontation, intervention by Russia, and new extremist movements.**

Looking ahead, it is unlikely that the so-called frozen conflicts in the South Caucasus—in Nagorno-Karabakh, Abkhazia, and South Ossetia—will be resolved in this decade. Comparing the conflicts in the Caucasus with other similar situations in Cyprus and Northern Ireland, a final settlement is extremely difficult to achieve, even with concerted international efforts at resolution, and the long-term prospect of European Union membership (which is an aspiration of the Caucasus states). Time hardens the positions of the opposing sides, and all of these conflicts are now in their second decade.

Even if there is some significant step forward in one of the conflicts in the Caucasus—and there is currently much optimism for a break through in Nagorno-Karabakh, spearheaded by the OSCE’s “Minsk Group” trio of negotiators from Russia, France and the United States—there will always be those who oppose the terms of resolution, or whose interests will be threatened. There is every chance that these currently low intensity conflicts will flare-up (as happened in Ulster in Northern Ireland in September 2005), with unpredictable consequences. Indeed, there have been repeated incidents of fatal shootings along the self-patrolled cease-fire line between Armenia and Azerbaijan—reminiscent of similar events in Cyprus at the height of the most recent tensions on the island in the 1990s. Full-scale fighting also broke out between Georgia and South Ossetia in summer 2004, provoking threats of military intervention by Russia, after new President Mikhail Saakashvili tried to push for a speedy resolution of the conflict. And there are repeated incidents at sea off the coast of Abkhazia, with Georgian naval vessels trying to intercept Russian ships carrying goods and passengers to Abkhazian ports, and seizing Turkish ships and personnel trading with Abkhazia. Any of these incidents could develop into something more serious given the antagonism that persists between the respective sides in the conflicts, and with those external parties that seem to give preference to one side over the other.

A serious clash between Russia and Georgia, provoked by Russia’s pursuit of its war in Chechnya, for example, was barely avoided in 2002. In this period, refugees and fighters from Chechnya moved into Georgia’s Pankisi Gorge, an isolated area with an indigenous Chechen population. Georgia initially did little to address the problem in spite of considerable pressure from Russia. Like the Central Asian states, its military and border guards were too few and poorly equipped to deal with incursions across mountainous terrain. The Georgian government was also consumed with internal squabbles, the increasing unpopularity of (now former) President Eduard Shevardnadze, social unrest, entrenched corruption, widespread criminality, and the challenges of dealing with its own secessionist regions of Abkhazia and South Ossetia. External observers, especially in Moscow, began to refer to Georgia as a “failed state.” Immediately after the September 2001 terrorist attacks, Russia declared the right to intervene in Georgian territory to protect itself from terrorist activity using the same language of justification as the U.S. when it launched the military campaign in Afghanistan. President Putin also reportedly informed President Bush in a phone call that Russia would send troops into Georgia. This spurred the U.S. to initiate, in April 2002, the “train and equip” program to strengthen the

capacity of the Georgian military. However, by September 2002, Russia and Georgia were still at loggerheads over the Chechen forces in the Pankisi Gorge. After a tense period of mutual recriminations, covert Russian bombing raids inside the Gorge, Russian threats to still send troops into Georgian territory despite (or perhaps even because of) the U.S. presence training the Georgian military, the Georgian government finally launched its own counter-terrorism operation. Chechens, and Arab militants with reported links to *al-Qaeda*, were rounded up and respectively handed over to Russia and the United States. This operation and a Russo-Georgian agreement to carry out joint border patrols provided a temporary solution to the problem.

Although the Georgian military is now better prepared to deal with cross-border militant threats, poor relations between Georgia and Russia seem set to continue in the foreseeable future irrespective of any symbolic change in the broader regional security environment. Russian politicians, including President Putin and Defense Minister Sergei Ivanov, make it clear that they still view Georgia as a failed state, even after the events of the Rose Revolution. And in many respects the confrontation between Russia and Georgia is as acute under new President Mikhail Saakashvili as it was under President Shevardnadze. Abkhazia remains the major preoccupation for both states in their relationship. Having played a role in Abkhazia's secession, Russian forces man the cease-fire line, Russia functions as Abkhazia's only link with the outside world, the Russian ruble circulates as the official currency, and the majority of the population now have travel documents issued by Moscow to replace expired Soviet-era passports. These documents only allow travel to Russia, and as a result Abkhazia's *de facto* dependence on Russia has become quasi-*de jure*. Moscow has repeatedly signaled the clear desire, if not the outright intent, to make Abkhazia a full *de jure* region of the Russian Federation—most recently suggesting that it will use the precedent of Kosovo's independence (if it is recognized) to press for Abkhazia's official separation from Georgia and its prospective inclusion in Russia. As a result of these developments and continued U.S. support for the government of Georgia—Georgia is now one of the main flashpoints in U.S.-Russian relations.

The situation between Azerbaijan and Armenia is somewhat different as the conflict over Nagorno-Karabakh has been internationalized and the roots of its antagonism are primarily between the two states themselves—although Azerbaijan and Nagorno-Karabakh are also linked to Armenia's ongoing dispute with Turkey over the recognition of the genocide of 1915 and the restoration of diplomatic relations between the two countries. Beyond the bilateral conflict, the domestic political situation in both Armenia and Azerbaijan is increasingly unstable in the wake of the revolutionary events in Georgia, Ukraine, and Kyrgyzstan in 2003-2005. The opposition in Armenia, for example, has threatened its own "colored revolution" against President Robert Kocharian.

In Azerbaijan, the opposition and the government came to blows during the October 2003 presidential elections after the death of President Heydar Aliyev (the central and dominant figure in Azeri politics since the late Soviet period) undermined the coherence and legitimacy of the ruling elite. Aliyev's son, Ilham, who succeeded his father is seen both inside and outside Azerbaijan as more of a transitional figure who is unlikely to be able to effect a real change in direction—in spite of Azerbaijan's considerable oil wealth and the rapid growth of its energy industry since 1994—given the range of forces arrayed against him within his father's more hard-line former entourage as well as in the opposition. With parliamentary elections coming up

in Azerbaijan in November 2005, the political turmoil is already evident. There is also a new and worrying trend with the emergence of political Islam as a mobilizing force in Azerbaijan, especially after the political confrontations of 2003. This follows patterns elsewhere in the region and in the Middle East, but is very much out of step with Azerbaijan's secular traditions that date back to the early 20<sup>th</sup> Century and its first independent republic. The risks of the emergence of extremist Islamist groups, and the interests of Azerbaijan's immediate neighbors—Russia, Turkey, and Iran—in the state's future, point to the importance of the U.S. prioritizing Azerbaijan, like Georgia, in the Caucasus. In spite of its great potential for economic and political development, absent concerted action by the United States and other interested parties, Azerbaijan could easily be plunged back into the kind of chaotic and violent political upheavals that marked its emergence as an independent state in the 1990s.

**X) A down-turn in world oil prices that would threaten the long-term economic viability of Russia, with serious consequences for Russia itself and Eurasia as a whole.**

Since 1999, with the rise of world oil prices, the Russian economy has increasingly become tied to energy export revenues and international energy markets, making it extremely vulnerable to future oil shocks. In the meantime, the oil-fueled growth of the Russian economy has turned Russia into a migration magnet for the rest of Eurasia. Over the last five years, millions of people from all across the region have flooded into Russian cities in search of work—becoming accustomed to the idea that there is work in Russia, even if unemployment is high elsewhere. This migration has become a regional safety valve and has taken the edge off social conflicts and economic disparities across Eurasia. Impoverished states like Tajikistan and Kyrgyzstan have increasingly tailored their own economies and labor forces to serving the Russian market. Even in the three Caucasus countries of Armenia, Azerbaijan, and Georgia, remittances from migrant workers in Russia account for between 20-25% of GDP. If the oil price drops and energy export revenues fall in Russia, economic growth will taper off. Moscow will have to make decisions about what to prioritize and pay for at home; current migrant workers may have to return to their countries of origins; and new migrants may not find work in Russia. The problem will not just be one of constrained remittances. Trade flows in goods and services to Russia will also be negatively affected retarding regional economic growth and exacerbating regional tensions.

**XI) A new front for social upheaval and terrorism from illegal migration into Russia.**

Migration into Russia is, in of itself, a potential threat to the stability of the Russian Federation over the next two decades if its social implications are not addressed. Labor migration in Russia is broadly similar to current economic migration to the United States from Latin America. Migrants to Russia from neighboring countries retain ties with their homeland and move back and forth. As in the United States, in spite of the evident mutual benefits from labor migration (in this case, migrants from Eurasia offset increasing labor shortages in Russia produced by continued demographic decline) the phenomenon is also creating a significant backlash.

Migrants are now the new front for social upheaval in Russia and most labor migrants are working in Russia illegally. Ingrained poverty at home, Eurasia's porous borders, and unreasonable administrative barriers to official migration are all factors contributing to the scope

of illegal labor migration. The plight of migrants who are exploited, have no economic, social, or political rights, and are often trafficked across borders is increasingly coming into focus in Russia, as migrants are also rapidly becoming the victims of often deadly racially-motivated attacks by skinheads and other extreme racist groups.

As in the U.S. and Europe, nationalist critics in Russia of labor migration complain that foreign migrant communities are growing faster than those of permanent residents in Russian cities, and that migrants are thus upsetting Russia's ethnic and cultural balance. With the bulk of labor migrants in many cities now coming from Central Asia (Tajik workers currently predominate at construction sites all across Moscow, for example), the Muslim proportion of the Russian population looks set to rise—provoking an even more negative reaction. (Russia's indigenous, historic Muslim communities currently account for around 10% of the population.)

The words “uncontrolled migration” now resonate within Russia as a threat to social stability, and are frequently evoked in speeches by Russian leaders. They are also accompanied by calls to crackdown and send illegal workers back to their countries of origin. The Russian government has few tools to deal with the social problems emanating from illegal labor migration and an increase in Russian extremism, beyond resorting to bureaucratic methods like quotas and the police. And Central Asian and Caucasus states in particular are very fearful of social or political backlash against migrants in Russia that would result in large numbers being sent back—because of the negative effects on their own economic, political and social situations. Looking to the decades ahead, Russia runs the risk of replicating the problems of contemporary European countries by creating new disaffected immigrant Muslim minority communities that are cut-off from the mainstream, consigned to long-term poverty, and increasingly vulnerable to extremist ideologies and militant groups. This could be the next source of terrorism in Russia after the North Caucasus.

### **Conclusion:**

These are just a few of the existing and new threat scenarios in Eurasia. Obviously there are many variables to consider in looking ahead. The gradual economic and political development of the regional states offers some grounds for optimism. To date, some of the states, including Russia, the three Caucasus states, and Kazakhstan in Central Asia, have made remarkable progress since the collapse of the Soviet Union, in spite of all their more obvious problems. Changes in the external environment, such as a genuine future rapprochement between the U.S. and Iran, could also change the general trajectory of events in a positive direction. But the factors fostering instability in Eurasia still seem to outweigh those in favor of stability, especially in the next decade. All of the issues described above raise the importance of continuing to factor Eurasia and individual states into long-term U.S. security calculations rather than simply viewing the region as more peripheral to United States interests when compared with Europe, the Middle East, or Asia.