Russia – India Energy Cooperation: Trade, Joint Projects, and New Areas

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In 2017, Russia and India celebrate the 70th anniversary of diplomatic relations. Over the years the two states have implemented a wide range of long-term and large-scale joint projects in energy sector, first and foremost in the nuclear area, making it one of the foundations of their special and privileged strategic partnership. However, in order to boost comprehensive ties and bring them to a new level corresponding to the changing global economic environment Russia and India are in need of innovative approaches in energy sector. The present paper is a result of Russian and Indian experts’ joint efforts to evaluate the potential of new collaboration formats and develop specific recommendations for enhancing cooperation.

Recommendation by RIAC

1. Given the fact that Russia and India have similar views with regard to a more just world order, including the international architecture of energy security, it would be short-sighted to limit the energy partnership to a purely bilateral agenda. Russian and Indian energy companies could operate very successfully outside of their respective countries. There are plans to supply raw materials to Essar oil refineries in India from Venezuela, where a joint venture between Rosneft and Venezuela’s PDVSA is currently extracting. This particular deal is an example of building a global supply chain that will include Rosneft’s foreign production assets, as well as the oil refining capacity of Essar and the well-developed distribution network in India.

When it comes to implementing bilateral projects, Russian and Indian energy companies have already formed strong working relationships. Transforming these ties into a strategic partnership could be beneficial for both sides, helping create mechanisms for the mutualisation of risk in long-term capital-intensive projects. The joint work being carried out by Rosneft and OVL on the Vietnam Shelf could serve as an example of such a partnership.

Partnership with Russia could also give Indian companies a boost in terms of increasing their chances when competing for foreign assets.

For Russian companies, an alliance with partners in India would open up the South Asian, Southeast Asian and East African markets.

2. Russian companies should consider Indian investors as potential partners in the development of the resources on the Continental shelf of Russia and of other hard-to-recover reserves, especially considering the lack of Western financing. According to the Ministry of Natural Resources and Environment of the Russian Federation, as of early 2016, Russia had 585 million tonnes of explored oil reserves and 10,489 billion cubic metres of natural gas on the Arctic shelf.

A possible scheme for cooperation between Russian and Indian companies would be for Rosneft and Gazprom to set up a joint venture on the one hand (other Russian companies do not satisfy the criteria established by Russian legislation for the right to carry out operations on the Arctic shelf) and Indian oil and gas companies on the other. The joint venture would act as the operator of the deposit and operate on the basis of an agreement with the Russian license holder for the field (that is, Rosneft and Gazprom).
However, neither Russian, nor especially Indian companies have the technical capabilities to carry out drilling operations in the Arctic region. A technological partnership with western oil and gas giants is therefore necessary, so only minor shares in joint ventures may be allocated to Indian companies.

3. Nuclear cooperation is also a prospective area of mutual interest. Unlike China, Russia supports India’s efforts to become a member of the Nuclear Suppliers Group. Indian nuclear equipment suppliers will target countries that are closer to home, for example Sri Lanka and Myanmar, where they will compete not so much with Rosatom, but rather with Chinese companies that are getting ready to expand into the international market. Given India’s lack of experience in developing projects overseas and its rich history of nuclear cooperation with Russia, it is likely that Russia could expect to participate in joint projects in third countries. However, taking into account the fact that the decision to admit India into the club of nuclear suppliers should be made on the basis of consensus, Indian companies receiving access to the international market in the near term is unlikely.

4. Multilateral financial institutions such as the BRICS New Development Bank can boost the investment attractiveness of long-term energy projects.

The BRICS Bank was established to finance energy and infrastructure projects. It is likely that in the future BRICS Bank investments will expand to include the creation and modernization of the electric, oil and gas transport infrastructure, which is of great social importance.

5. The renewable energy sources (RES) market is enjoying a real boom period in India, while it has barely even begun to form in Russia. The government of the Russian Federation has set the goal of increasing the share of renewables in the energy balance up to 4.5 per cent (currently it accounts for circa 1 per cent) and has introduced measures to stimulate the use of green energy. In order to achieve this goal, the Government has adopted a package of incentives that involves holding tenders for Capacity Delivery Agreements (CDAs) guaranteeing a return on investment and even a certain amount of profitability. However, as payment for the CDA, the developer must ensure that equipment for the power generation facility is produced locally (after 2019, the minimum level of localization will be set at 65 per cent). As the Russian RES market is in the initial stages of the development, a certain exchange of experience would be useful for Russian companies and regulatory bodies as to how to organize auctions for the selection of production capacities and then how to integrate these capacities into the network for future operation. With the softening of the requirements of Russian legislation on the localization of RES manufacturing, the Russian market could be of interest to Indian companies – the wind turbine supplier Suzlon, for example.

Recommendation by Gateway House

LNG

1. Indian energy companies, such as Indian Oil and GAIL, can be invited to invest in new/ proposed LNG terminals and associated gas fields in Eastern Russia. Russia’s Pacific Coast is an ideal location from which to ship LNG to India.

2. Russian gas major Gazprom can be brought in as an investor in India’s LNG import terminals and downstream projects, which will use the gas (such as power, fertilizer and city gas).

Renewable Energy
3. Indian wind energy equipment manufacturers, such as Suzlon, Regen, RRB and Inox, can be invited to invest in Russia, in partnership with local companies. The local partners can be power generation companies with gas-fuelled power plants, of which Russia has plenty.

Natural Gas Vehicles

4. Indian companies, such as Mahanagar Gas and Indraprastha Gas, can be ideal partners to create city gas distribution systems in Russia, in partnership with its utilities. The Russian partners must be companies, set up specifically to provide city-level services, for clear management focus.

The Russian government can respond with friendly policy measures, such as, shifting public transport of major cities to CNG, as was done in Delhi and Mumbai in India. This will enable other associated Indian companies, which make the equipment for CNG fuelling stations and CNG conversion kits for regular vehicles, to set up operations in Russia.

The final step will be to bring Indian companies such as Tata Motors, Mahindra & Mahindra and Ashok Leyland, which make CNG-fuelled trucks, buses, and cars, to set up manufacturing in Russia. This can happen only after there is sufficient CNG infrastructure and consumer demand for vehicles.

Labour Mobility

5. Russia can open immigration to Indian farmers and agricultural workers to have them work on farms, and skilled workers for sectors such as oil and gas. This can follow the model of Indian workers in West Asia, who can live and work freely, but cannot easily become citizens. This will help circumvent concerns of a demographic shift taking place through migration.

Energy Benchmarks

6. Rosneft and Gazprom can start hedging their India sales on an Indian exchange such as the MCX. Companies, such as Indian Oil and GAIL, which import oil and gas on long-term contracts, can similarly start hedging their purchases. The state-owned companies can help launch this project and will provide the critical mass to succeed.

Oil exporters from West Asia and oil importers from East Asia too can be brought into this exchange to help make it an ‘Asian benchmark’. To be truly representative, this benchmark must be a blend of crudes from Russia and West Asia, corresponding to the import basket of buying countries, such as India, China, Republic of Korea and Japan.

**The Murderous Wave of Reprisals against Diplomats**

*Tatiana Zonova*

The relations between the People’s Commissariat for Foreign Affairs and the Soviet government were complicated from the very beginning. Leon Trotsky, who was appointed the country’s first People’s Commissar for Foreign Affairs, was of the opinion that, as the world revolution progressed around the globe, bourgeois institutions, including foreign ministries, would disappear along with the very notion of state. Trotsky saw his sole mission in publishing the Triple Entente’s secret treaties, after which he intended to “shut up shop.” However, life demonstrated the utopian nature of such views. In its attempts to emerge from diplomatic isolation, Soviet Russia set course towards a peaceful coexistence of different social systems. People’s Commissar for Foreign Affairs Georgy Chicherin, an intellectual of noble descent and a former Tsarist diplomat was committed to this new course. The radical purpose of
the Third Communist International, founded in Moscow in 1919, was to derail the Western state
institutions which ran counter to the objectives of the new diplomatic course. Chicherin repeatedly
stressed that the leaders of the Bolshevik party should leave the International’s executive committee.
The confrontation between the party nomenklatura and the diplomats was growing increasingly
evident. In the early 1920s, a so-called troika (triomvirate) was set up within the People’s Commissariat
for Foreign Affairs which was granted the right to “decide on personnel issues and appointments.”
Purges were launched against persons of “dubious social background,” those who did not demonstrate
“Bolshevik endurance” and did not enjoy trust “in the ideological and political sense.”

“The purge is at the centre of it all,” Chicherin wrote in April 1924. “Proletariat troikas are purging non-
proletariat organizations. Terrible things are afoot.” He repeatedly addressed the party and government
leaders with strong protests against the constant purges within the People’s Commissariat for Foreign
Affairs, arguing that such methods had already begun to cause irreversible damage to the Soviet state’s
foreign political activity and were sure to do even more harm in the future [1].

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Also in 1924, Chicherin notified Lev Karakhan, permanent representative in Beijing, that the troika did
not include representatives from the People’s Commissariat for Foreign Affairs and had been set up by
Joseph Stalin. A number of diplomats got into the hands of “the fairly fierce troika led by the ultra-vile
[Nikolai] Podvoisky”. That time, however, Chicherin still managed to have the diplomats reinstated to
their posts [2].

In one of his letters to Stalin, Chicherin stated resolutely: “Our commissariat cannot bear having fine,
knowledgeable, tested and well-adapted officers replaced with new ones, who are maladapted and unfit
for the role.” [3].

In 1930, Chicherin was fired and replaced at the helm of the commissariat by Maxim Litvinov. The
People’s Commissariat for Foreign Affairs had by then been stripped of the right to make even the most
basic personnel decisions without Stalin’s approval. Chicherin watched the advance of the times he
described as “the era of the brilliant mediocre” with great trepidation.

The trials of 1936–1938 and the reprisals that followed contributed significantly to the weakening of the
USSR’s position in the international arena. Soviet diplomats posted abroad were forced to operate amid
a massive anti-Soviet propaganda campaign. Ambassador to Hungary Alexander Bekzadyan reported to
Litvinov in June 1937 that, in the light of the mass executions in Moscow, local newspapers were describing the Soviet capital as “the city of death and horror” [4].

In the 1930s the People’s Commissariat for Foreign Affairs lost the last remnants of initiative and freedom to act. The party was tightening its grip on the diplomatic service. With Germany having succumbed to Nazism, the civil war raging in Spain, the aggressive Japanese militarism and the growing overall international tension, a witch hunt for “German, Japanese and English agents,” “Trotskyites,” “saboteurs” and “enemies of the state” began in the USSR. A commission was set up in 1937 to supervise the Commissariat’s activity. Chaired by Stalin, the commission comprised Vyacheslav Molotov, Lavrentiy Beria, Lazar Kaganovich and Nikolai Yezhov.

In 1989, a memorial plaque for the repressed diplomats was set up inside the building of the Ministry of Foreign Affairs of the Russian Federation.

While the initial wave of reprisals in the early 1930s only affected some of the diplomats, by the end of the decade the scale of the purges had increased dramatically. This is illustrated by the fact that for the 30 countries with which Russia maintained diplomatic relations at the time, the People’s Commissariat for Foreign Affairs had fewer than 500 career diplomats. Those subjected to the purges and reprisals largely represented the so-called Lenin school of diplomacy. The majority of them lost their lives. Some diplomats posted abroad decided not to return to the USSR, lest they should be arrested. Many leading Soviet diplomats were arrested, sentenced and executed in 1937–1938, including such experienced envoys as Vladimir Antonov-Ovseyenko, Dmitry Bogomolov, Yakov Davtyan, Leonid Stark and Konstantin Yurenev.
On May 3, 1939, Litvinov was replaced by Molotov as the People’s Commissar for Foreign Affairs. Molotov immediately initiated personnel reshuffles in the Commissariat. In particular, a group of Litvinov’s closest associates was arrested on May 4. Litvinov, however, was spared [5].

On July 23, 1939, a People’s Commissariat for Foreign Affairs meeting adopted a resolution which mentioned that the Commissariat had been purged of “ill-suited, dubious and hostile elements” within a very short period of time. In his 1939 letter to the Political Bureau, Litvinov mentioned vacant ambassadorial positions in Washington, Tokyo and a number of other foreign cities.

Five deputy commissars had been prosecuted by the summer of 1939. The reprisals affected 48 Soviet envoys. In particular, four former and active deputy commissars were sentenced and executed: Lev Karakhan, Nikolai Krestinsky, Grigori Sokolnikov and Boris Stomonyakov. Those repressed and executed also included: the ambassadors and permanent representatives Sergey Alexandrovsky, Alexander Bekzadyan, Mikhail Karsky, Christian Rakovsky, Karim Khakimov, Konstantin Yurenev, and Yakov Yanson; the Soviet trade representative in Sweden and Germany David Kandelaki; and 30 heads of the People’s Commissariat for Foreign Affairs departments and 28 heads of consulates. The consulates in China, Mongolia, Finland, Latvia, Lithuania, Poland, Czechoslovakia and Bulgaria suffered heavy losses. More than 140 members of the People’s Commissariat for Foreign Affairs administration and foreign offices were repressed.

In the People’s Commissariat for Foreign Affairs central office, only one out of the eight departments remained headed by an appointed chairman; the others were led by acting chairmen. The Commissariat lost its leading diplomats: Legal Department heads Mark Plotkin and Andrey Sabanin; Head of the Consulate and Personnel Departments Iosif Tumanov; Head of the Second Western Department David Stern; and Head of the Economic Section Boris Rozenblum. The repressions continued in 1940, when Georgy Astakhov, Head of the People’s Commissariat for Foreign Affairs’ Press Department and Charge d’Affaires in Germany, was arrested and subsequently executed.

Fyodor Raskolnikov, former commander of the Baltic Sea Fleet awarded with two Orders of the Red Banner and a career diplomat who had headed the Soviet representative offices in Afghanistan, Estonia, Denmark and Bulgaria, decided not to return to the USSR. In his open letter to Stalin, he strongly criticized the policy of reprisals, under which “people believe, or pretend to believe, any ‘intercepted’ document as if it was unquestionable evidence.”

“Fully aware of the fact that, what with our personnel depletion, every cultured and experienced diplomat is especially valued, you have lured into Moscow and destroyed, one by one, virtually all the Soviet ambassadors,” Raskolnikov wrote. “You tore down the entire administration of the People’s Commissariat for Foreign Affairs.” Charge d’Affaires in Romania, Fyodor Butenko, also refused to return [6].

By early 1939, the Soviet embassies in the United States, Japan, Poland, Romania, Spain, Lithuania, Denmark, Hungary and Bulgaria were still without ambassadors.

The vacant positions in the Commissariat’s central and overseas offices stayed vacant for a long time. By early 1939, the Soviet embassies in the United States, Japan, Poland, Romania, Spain, Lithuania, Denmark, Hungary and Bulgaria were still without ambassadors. In the central office, only one of the eight department heads had been appointed. The new personnel were selected based on the information contained in their personal files, which was absolutely not indicative of their suitability for diplomatic service. During interviews, candidates demonstrated insufficient knowledge of history,
foreign languages and international politics. Ivan Maisky, the Soviet envoy to the United Kingdom, wrote in 1937: “People who come over here are totally inexperienced in the art of diplomacy which, in a centre like London, is fairly complex and sensitive.”[7]

Litvinov wrote prophetically to Stalin about the risks of leaving the country without a diplomatic corps in the face of the looming threats. Diplomat Alexandra Kollontai would later mention in her memoirs that a number of the Soviet Union’s foreign political failures had been down to the diplomatic service having been “bled dry.”

The Soviet diplomatic service suffered more losses during the reprisals of the early 1950s. The years of perestroika saw the publication of a memorial book devoted to the Soviet diplomats who had been purged from the 1930s till the early 1950s. In 1989, a memorial plaque for the repressed diplomats was set up inside the building of the Ministry of Foreign Affairs of the Russian Federation.

25 Years of Coping: Key Economic Trends in Tajikistan

Aza Migranyan

Tajikistan is one of the poorest agro-industrial countries in the world despite its considerable economic potential. According to the International Monetary Fund (IMF), 63 per cent of the population lives on less than $2 a day (by purchasing power parity). A prolonged war and the associated disruptions and human losses sent the economy into a downward spiral (in 1995, its GDP was 41 per cent of its 1991 level). The Tajikistani economy is one of the weakest in Central Asia. The republic’s strong point is in its proven reserves of silver, lead, zinc and aluminium ores 1, its considerable hydropower potential and its competitive carpet weaving industry.

The Tajikistani economy is defined by its high dependence on imports, its underdeveloped agricultural sector, the almost complete absence of industrial production, a poorly qualified workforce (the majority of the working force is abandoning the country) and a production decline across the board. In 2012, agriculture accounted for 30.8 per cent of GDP, with the manufacturing sector contributing a further 29.1 per cent, and service industry contributing 40.1 per cent 2.

GDP Structure of Tajikistan by Sector

The dominant factor in the Tajikistani economy during the period from 1992 to 2015 was a trend towards deindustrialization. In 1992, industrial production accounted for 47 per cent of the republic’s GDP. By 2013, its share had shrunk to just 16 per cent. Agricultural output remained relatively stable during that period (growing from 20 per cent to 22 per cent). Meanwhile, the share of retail and wholesale trade increased from 3 per cent to 19 per cent, the construction sector grew from 5 per cent to 11 per cent of GDP, and transport and communications rose from 4 per cent to 16 per cent.

Fig. 1. Sector Composition of Tajikistan, 1992–2013
Compiled by the author based on data from the UNCTAD Statistical Database and national statistical agencies. URL: http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?IF_ActivePath

In contrast to other Central Asian republics, Tajikistan saw its share of other industries (the services and financial sectors) drop from 23 per cent to 7 per cent. This indicates a low level of development of small businesses and business activity prompted by a low demand for the services in question. The revised GDP sector composition for 2015 remains stable, showing a certain reduction in the agricultural output and in other sectors due to a drop in effective demand on both the domestic and external markets.

Anna Kuznetsova:
Greater Eurasia: Perceptions from Russia, the European Union, and China

A distinctive feature of the sectoral composition of Tajikistan’s GDP is the roughly equal share of goods (46.4 per cent) and services (42 per cent) based on 2014 statistics. This ratio, however, demonstrates the republic’s low export potential given that the bulk of manufactured goods (with the exception of aluminium and raw cotton) are consumed domestically. The structure of industry in Tajikistan is primarily made up of the manufacturing industry (74 per cent, including aluminium production, petroleum processing, food and light industries), followed in a distant second by power generation and water production (19 per cent) and the mining industry (17 per cent). The main arable crops include raw cotton, grain and grain legumes, cucurbits and potatoes. In addition to considerable bureaucratic hurdles for doing business, a range of other factors have contributed to a slowdown in GDP growth.

In an economy dominated by privately owned and small-scale enterprises (65 per cent, with the share of publicly owned enterprises at 35 per cent) the government retains control over all infrastructure facilities and export-oriented operations (aluminium and cotton production). According to the World Bank, Tajikistan shows a very low level of entrepreneurial freedom. It scored just 44 points on the World
Bank’s Index of Economic Freedom in 2015, placing it among those repressed countries that fail to facilitate the development of small and medium-sized enterprises. According to international estimates, regulatory practices in the republic are mostly of an authoritarian (repressive) nature. In a bid to overcome the severe bureaucratic limitations, the World Bank launched its Small and Medium Enterprise Development Project in 2009. However, the programme was not fully implemented because of a failure to comply with IMF requirements.

The following factors have contributed to the worsening of the sector composition and the slowdown of GDP growth in Tajikistan:

- The decline in demand for Tajikistan’s main export products – cotton and aluminium – has led to a drop in their production and a contraction of the manufacturing and agricultural industries, i.e. of the real sector;

- The decreased demand for the main export products has reduced the country’s foreign exchange earnings and, coupled with a decline in migrant worker remittances, considerably reduced domestic demand and imports (particularly, aluminium oxide imports used to produce aluminium);

- The 33.3 per cent decline in migrant worker remittances from 2014 to 2015 (the result of heavy reliance on workforce exports to Russia – the destination of 90 per cent of all migrants, and the sharp depreciation of the rouble) led to a significant drop in the value of the national currency – the somoni (with its official and market rates tumbling by 31.6 per cent and 38.6 per cent, respectively), as well as a 5.1 per cent surge in inflation according to official data; 1

- The low level of economic freedom and the lack of attractive investment industries has resulted in lower public revenue and higher foreign debt (which has increased from 22.7 per cent in 2014 to 27.9 per cent in 2015).

Along with the low level of basic development, the non-competitiveness of the economy and a lack of growth drivers, the cumulative effect of these risk factors has aggravated the existing economic situation in Tajikistan. A unique feature of Tajikistan’s economy is that it officially recognizes remittances from abroad as a growth driver for the economy and not just for the welfare of the population. This is due to the fact that, despite its best efforts, Tajikistan received the least external financing among Central Asian economies throughout the entire period that the study was conducted. The problem of low investment attractiveness has created a situation where the share of foreign direct investment has been reduced to an almost statistical error. In the recent years, Tajikistan has made considerable progress in resolving its foreign debt problem.
Investors are only ready to inject money into the Tajikistan economy against government guarantees, which leads to an increase in external debt made up of multilateral and bilateral loan agreements between creditors and the Tajikistan government. All told, Tajikistan’s foreign debt amounted to $2,194.5 million in 2015 (compared to $894.9 million in 2005), or 27.9 per cent of its GDP. This is without a doubt a considerable achievement, given that prior to 2000 external debt had consistently been above 100 per cent of GDP, peaking at 108.9 per cent in 2000. What is more, it is from this period that the foreign debt structure was improved considerably in regard to the composition of creditors. In 2007, Tajikistan’s major creditors were international financial organizations (responsible for over 74 per cent of the country’s total foreign debt) with 20 per cent more brought in by bilateral agreements (with Russia and Uzbekistan as its major creditor countries), and the remaining 6 per cent by other investments (including direct investments and investments against government guarantees) 4. The situation improved in 2015, with the pool of creditors expanding to include more countries. This also meant more that there could be more investments into specific development programmes rather than economic reform and crisis assistance programmes (the share of loans held by international institutions shrank to 40 per cent of the total loans, while creditors within the country accounted for 50 per cent).

The situation took a turn for the better in 2007 when China began investing heavily in the Tajikistani economy. Major Chinese investments began with $216.7 million in loans in 2007 and reached $888.7 million in investment in 2014. In 2015, the debt owed to China stood at 89 per cent of the total debt to creditor countries, with $1068.6 million payable to the Export–Import Bank of China and $12 million directly to the Chinese government (under a direct loan to the National Bank of Tajikistan). In total, the share of Chinese loans has reached 41 per cent of the total debt. Such a dependence on a single creditor appears to be a serious risk to Tajikistan’s financial independence. Chinese investment is crucial for Tajikistan’s infrastructure development.

The first Chinese loan (for $603.5 million) was signed in 2006 within the framework of the Shanghai Cooperation Organisation (SCO) and was allocated to infrastructure projects to build transportation and power lines 5. Subsequent tranches were channelled into the completion of a railway line and highways, which are mainly used to transport Chinese goods to various locations. The transport routes were operating almost at full capacity as of the end of 2015.

The second loan (worth $6 billion) was also signed within the framework of the SCO in 2014. $3.2 Billion of the total loan was injected into the construction of a gas pipeline linking Turkmenistan and China, while the remainder was invested in transport lines and the development of mineral resources 6.

As of today, the effect of the new highways on the Tajikistani economy remains a moot point. The terms of the financing agreement implied that: 1) construction will be conducted by the Chinese side with the minimal involvement of Tajikistani resources; 2) management of the railway sections in question will be carried out by the Chinese investors under concession agreements; and 3) highway maintenance will be the responsibility of Chinese companies. The ambiguity of the economic effect of these investments stems from the fact that domestic transportation in Tajikistan, both in terms of domestic consumption and foreign trade, is insufficient to make the investment worthwhile, Heavier involvement of Chinese companies in the development of mineral deposits in Tajikistan only serves to further deepen the republic’s dependence on China. Therefore, in addition to the risks of payment defaults, Tajikistan appears to be completely at the mercy of China when it comes to strategic resource management and transit potential.
The situation surrounding the China–Afghanistan–Iran railway project is a glaring example. While Tajikistan has taken an active interest in the project (if the railway line passes through Tajikistan, it could help the country break away from its transport dependence on Uzbekistan), the country’s interests have been neglected for the sake of China’s 7.

Tajikistan’s Foreign Economic Activities

Elena Alekseenkova:

The U.S. in Central Asia: between «C5+1» and «Make America Great Again»

Tajikistan’s foreign economic activities are characterized by a chronic trade balance deficit, with import volume heavily outweighing exports. For instance, in 1993, imports grew by 171 per cent, while exports contracted by 37 per cent. In subsequent years, the imbalance in export and import growth rates evened out to a certain extent, but it remained larger than all the other Central Asian nations. In 2014, the gap shrank further, but the trade deficit still remained considerable at $235.6 million in 2014 and $168.7 million in 2015, or 9 per cent and 6 per cent and of GDP, respectively. In 2015, exports stood at $83.5 million (down from $91.3 million in 2014), while imports amounted to $252.2 million (compared to $326.9 million in 2014). The pattern of Tajikistani exports, however, has not shown any significant changes. It still includes finished products goods and products used as investment resources.

Continued import surpluses are the result of a wide range of commodities consumed domestically, while the export structure is limited to a small line of export goods produced in Tajikistan. The key export commodities in Tajikistan include aluminium, raw cotton, electricity, fruit and vegetables and mineral resources (gold, silver, zinc, lead, rare earth metals, etc.). In the export structure, the share of the main strategic export product (aluminium) declined from 73 per cent in 2008 to 23 per cent in 2014. This was the result of the inability of the Tajik side to negotiate investments on behalf of its main aluminium producer, TALCO, whose Russian investor pulled out of the project in 2007. Also, while the degree of asset depreciation calls for modernization, efforts financed by Chinese investment (which lacked the introduction of state-of-the-art technology) did not produce the desired results. Furthermore, the chronic electricity shortage has a detrimental effect on the volume and quality of the product. The increase in the shares of other commodities is linked to a rise in the country’s transit potential and the development of mineral resources, mainly by Chinese investors. The import structure has, in turn, been very consistent and includes a wide range of goods used as investment resources. For instance, aluminium oxide used in aluminium processing, petroleum products, non-ferrous metals, machinery and equipment as well as finished products such as wheat, flour, foodstuffs, electricity and natural gas are all included in the list of resources.

Tajikistan’s major export partners are the CIS countries (20 per cent) and all remaining countries (80 per cent). Of that total, 10 per cent is exported to Russia; 7.4 per cent is exported to Kazakhstan, 3.4 per cent is exported to the European Union; 10 per cent is exported to Iran; 40.7 per cent is exported to Turkey; and 7.4 per cent is exported to China. The main import partners of Tajikistan are the CIS
countries, which provide 47.86 per cent of Tajikistan’s imports. This includes 15.1 per cent from Kazakhstan; 4.3 per cent from Kyrgyzstan; 21.96 per cent from Russia; 27.7 per cent from Turkmenistan; 2.3 per cent from Ukraine; 12.1 per cent from the European Union; 4.6 per cent from the United States; 4.28 per cent from Iran; and for 14.6 per cent from China.

Therefore, the structure of Tajikistan’s foreign trade confirms the economy’s competitive advantages and reflects economic growth driven by limited export resources and a heavy dependence on imports, particularly on those from other CIS countries. These competitive advantages are what are shaping the country’s production potential.

Economic, Financial and Foreign Exchange Risks

Proposals for Russia’s Migration Strategy through 2035

The economic model of Tajikistan is a system of economic relations with a quasi-market structure. The market is heavily regulated and competitive regulations and economic freedoms are almost entirely at the beck and call of the government. Meanwhile, this economic model also relies on domestic demand. Because direct foreign investment is limited (due to the country’s low investment rating) and production capacity is low, domestic demand is determined solely by the inflow of migrant worker remittances. In light of this, Tajikistan should be classified among those economies whose major export potential is formed on the basis of labour force migration, which is a major risk factor for the country’s economy. The level of risk increases dramatically amid uncertainty of foreign markets, specifically within the countries that host immigrants. In the case of Tajikistan, that host country is Russia, where the economic recession led to a considerable decline in migrant wages and a surge in inflation. The inflation spiral was prompted by the pressure on the Tajikistani somoni from the falling Russian rouble and a corresponding increase in the U.S. dollar rate. The national currency is susceptible to exchange rate fluctuations because of the high import share in the consumption structure. In 2014–2015, Tajikistan was under double pressure from the decline in migrant wages brought on by the falling rouble as well as a spike in prices due to the resurgent dollar. Tajikistan’s economy relies heavily on labour migration, which makes currency fluctuations a permanent risk for the economy.

The National Bank of Tajikistan was forced to resort to foreign exchange market interventions that nevertheless failed to have the desired effect. By the end of 2015, the somoni had plunged 46 per cent (from 4.77 to 6.98 somoni to the U.S. dollar, a drop of 2.21 somoni compared to the end of 2013). In that same period, the somoni had risen 69.85 per cent against the rouble (by 0.0435 somoni per rouble) 8. It was the combination of the falling rouble and the strengthening of the dollar that caused the inflation spike. According to official statistics of the National Bank of Tajikistan, inflation reached 5.3 per cent, while the World Bank puts the rate at 8.9 per cent. Therefore, consumer purchasing power is still shrinking at an accelerating pace, while product affordability is declining. To prevent a critical decline in consumption and possible social tensions, the government has elected to set upper price
limits and install rigid compliance controls. The strategy, however, only postpones dealing with the deep-seated problems.

With this economic model, the government of Tajikistan is trying, not unlike its Central Asian neighbours, to use investment to heat up its economy. However, faced with the lack of domestic resources, resorting to China as its main investor will not achieve this objective. China’s investment schemes are not designed to have a stimulating effect on the Tajikistan economy.

Possible Scenarios for Economic Stability and Growth in Tajikistan

In this situation, there can be only two possible scenarios of further economic developments in Tajikistan:

- The “no-change” scenario: The ‘no-change’ scenario implies that the current policies will be maintained, restricting the inflation rate through price controls and anticipating an increase in investments and migrant remittances following economic recovery in Russia. This strategy may be justified in the short term, provided that sufficient resources are procured to support the social sphere (which is only possible with new loans from international creditors).

- The evolutionary scenario: This scenario involves a dramatic change in economic policies by expanding the investment base through large-scale industrial cooperation with CIS countries and with Iran. Cooperation could take place with CIS countries if Tajikistan could ascend into the Eurasian Economic Union. Cooperation with Iran in conjunction with Uzbekistan through the development of the country’s flagship industrial company TALCO is also possible. Furthermore, Russia, Kazakhstan and China are seen as likely interested parties with improved negotiating skills concerning cooperation. Russia, Kazakhstan and China could be utilized by helping to increase agricultural exports and by setting up agricultural processing facilities within the country. Therefore, this strategy involves the development of a new investment policy that would facilitate the creation of jobs and the development of the real sector. It would also require the deregulation of the economy (or at the very least, certain sectors thereof).

1. According to data provided by the Main Department of Geology under the Government of Tajikistan // Source: http://www.gst.tj/glavnaya/prirodnye-resursy


3. Based on official statistics of the Republic of Tajikistan; according to the Central Bank of Russia, the decrease in migrant remittances amounted to 51 per cent in 2015 compared to 2014, which is the result not only of the depreciation of the rouble, but also of new and more stringent rules on migrants from countries outside the Eurasian Economic Union.

5. The Chinese loans were used to build power transmission lines (South–North, Lolazor–Khatlon, Khujand–Ayni, the single power grid of the northern Tajikistan, reconstruction of the Regar electrical substation, construction of the Heating Power Plant Dushanbe-2), reconstruction and construction of new motorways (Dushanbe–Kulma Pass along the border with China, and Dushanbe–Chanak to Uzbekistan), the construction of the Vahdat–Yovon section of the Dushanbe–Kurgan-tube railway line, the construction of a cryolite and aluminium fluoride plant, and the modernization of Tajik Aluminium Company (TALCO).

6. In exchange for financing the construction of Heating Power Plant Dushanbe-2, Chinese companies were granted licenses to develop coal mines (Tajikistan is rich in coal reserves) according to the formula “investment in exchange for mining licenses.” In addition, a joint Tajikistan–China mining company began development of the Altyn-Topkan lead and zinc deposit near the town of Qayraqqum in Tajikistan’s Sughd Province; China’s Zijin Mining Group received a license to develop a gold deposit in Panjakent at the Tajikistan Gold Mining Plant, the buyout of which was completed in 2007.

7. According to the Tajik side, the 1972-km long Kashgar–Herat section (including the 392-km section running through Tajik territory) would grant Tajikistan direct access to the railway networks of Kyrgyzstan and China. However, with the total budget for the Tajik section estimated at $3.5 billion, China settled for a different route via Uzbekistan as a less expensive option. The project is being implemented on the China–Kyrgyzstan–Uzbekistan route.

8. In 2016, the dollar continued to improve, rising by 56 per cent (2.8 somoni per U.S. dollar; from 5.03 to 7.86 somoni to the dollar compared to 2014). Based on data provided by the National Bank of Tajikistan.

**German Elections Are over but the Suspense Is Still on**

*October 16, 2017*

dpa / Boris Roessler

On September 24, 2017 Germany held its federal election which proved to be the pivotal point, if not for the entire German political system, then at least for its party component. The union of CDU-CSU and SPD earned much fewer votes than in 2013.

Immigration was the hottest topic of the elections. All other topics were seen through the prism of immigration, be it foreign policy, or social problems.

The ultra-radical Alternative for Germany won 12.6% of votes, making it to the lower chamber of the parliament as the third largest faction, which really came as a big surprise. Alternative made Germany quite a bit more “normal”, since populists can be found today in every European state. Yet, the Alternative soared in the eastern parts of Germany (up to 37% in some parts of the federal land Saxony) and in the areas largely inhabited by “the Germans from Russia”, which is indicative of a problem.

Shrinking support for the leftist parties is yet another shift brought on by the 2017 elections. In Germany, they tend to explain this trend, saying that Chancellor Merkel is “stealing the topics” in an offhand way. SPD and other leftist parties become indistinguishable, turning into discussants rather than creators of new reality.

Germany is most likely in for a black-yellow-green coalition (CDU/CSU, FDP and the Greens). There is no way of telling what kind of program they will generate or how they will share the departmental
portfolios. There is only one thing for sure so far — Angela Merkel will retain the office of the Chancellor.

Vladislav Belov:
**Germany: Elections Over, Uncertainty Remains**

The Federal Ministry of Foreign Affairs traditionally goes to the minors in the coalition, which means the Greens may have it. So far, Cem Özdemir hardly seems fit for this office, especially considering two other CDU heavy-weights — Ursula von der Leyen and Peter Altmaier.

There has been general consensus over the years that the electoral campaign and the elections themselves in Germany are apt to bore anyone to death. Firmly established parties churn out programs so remarkably similar that even political analysts believe they are playing “spot the difference”. And they inevitably lose. Chancellor Angela Merkel mastered the art of stonewalling to perfection when it comes to discussing issues of import for the public, skillfully avoiding debates with her opponents and winning election after election. However, one should not be dazed by all of this. In fact, the Bundestag-2017 elections proved to be the pivotal point, if not for the entire German political system, then at least for its party component.

Christian Democratic Union (CDU) got 26.8% of votes, whereas its allies in Bavaria — Christian Social Union (CSU) earned 6.2%. These two parties traditionally form coalition in the Bundestag and, therefore, are referred to as the union of CDU-CSU. Social Democratic Party of Germany (SPD) won 20.5% of votes. Which means that the two people’s parties earned much fewer votes than in 2013 — 34.1%, 7.4% and 25.7% respectively. The Left (Die Linke) and Alliance 90/the Greens (Bündnis 90/die Grünen) kept their ground — 9.2% against 8.6% in 2013 and 8.9% against 8.4% respectively. The ultra-radical Alternative for Germany (AfD) won 12.6% of votes, making it to the lower chamber of the parliament as the third largest faction, which really came as no big surprise — the polls correctly reflected the public opinion on the eve of the elections. Free Democratic Party also returned to the Bundestag (10.7%). In 2013, it never reached the benchmark 5% (barely making 4.8%). Since the other parties see no place for the Alternative in the government, there may be two options for the winners to form a coalition: the so-called Jamaica coalition (CDU/CSU, FDP and die Grünen), or the big coalition again (CDU/CSU and SPD). The latter, though, is out of question so far, as the SPD announced its drift into the opposition. One should also keep in mind, the minority cannot form a government in Germany, as the Chancellor who forms the government is elected by the majority in the Bundestag.

What do the voting results have in store for the German party system? Biparty system that reached its peak in the 1980s, evolving into the coalition of two people’s parties (CDU and SPD) plus three minions (FDP, Die Grünen and Die Linke), is the thing of the past now. Now that the Alternative for Germany made it to the Bundestag, there will be six parties in the parliament. And if one factors in the rekindled rivalry between the “sister parties” — CDU and its Bavarian ally CSU — there may be grand total of seven parties. More parties will mean more trouble in shaping up the government, not to mention...
certain existential discomfort for the academic community. The six-party reality does not fit into the theoretical models of electoral behavior, upon which the scholars used to dwell for decades, explaining who votes how and why. The Alternative shaped itself as a party of professors that has drawn the votes of mostly poorly educated people and the “losers” who never found their place in the globalized world. Granted, the AfD earned the votes of some professors — its staunch followers who still remember the scientific approach to the matters of European integration, despite the party’s massive swing to the right. This totally negates any effort to shape the theory of popular preferences by the income, social standing, etc., although the remaining constituents’ behavior negates any logic as well. Even if the Alternative ceases to exist in the nearest decade, with Frauke Petry — the party’s leader — marching out of the AfD faction the very day after the elections and announcing her intention to leave the party as well are the harbingers of a heated struggle within the Alternative for Germany, and the constituents are most unlikely to keep sticking to the outdated theories.

Shrinking support for the leftist parties is yet another shift brought on by the 2017 elections. SPD, the Left and the Greens combined gather fewer and fewer votes. In Germany, they tend to explain this trend, saying that Chancellor Merkel is “stealing the topics” in an offhand way. “Topical unscrupulousness” stems from the allegation that A. Merkel is the guarantor that the government will find the right solution for any complex crisis regardless of the ideological background. The latest and most profound shock was revision of the CDU family values when Angela Merkel de facto allowed the CDU members to vote on the problem of same sex marriage, following their “conscience” rather than the party discipline. A. Merkel voted “nay” on that matter, but the law was passed, same sex marriage became equal to traditional marriage, and the discussion was moved out of the ideological chambers of the CDU/CSU, while the SPD was stripped of yet another pre-election subject. And this is how SPD and other leftist parties become indistinguishable, turning into discussants rather than creators of new reality. However, Angela Merkel’s successful crisis management comes at a steep price: her decisions often go against the ideological and conceptual basis of the CDU, inevitably hurting the party and the electoral support.

Global trends also contribute to the loss of popularity by the leftist parties: social democracy is unable to offer a competitive concept of economically successful future. Stratification of society deepens in many countries, and Germany is no exception here. However, the opponents can’t seem to agree upon the return to the 1980-1990s model of distribution of social goods. Despite the successful reforming by Gerhardt Schroeder in the 2000s (no more unemployment problem, Germany is no longer “the sick European”, sustainable economic growth), German voters still find it hard to see social democrats as a competent economic actor. According to these same voters, only CDU and Angela Merkel are able to sort things out with financial meltdown and the Euro-zone crisis. After the most underwhelming performance in the 2017 elections, one would think twice before dubbing the SPD a “people’s” party, and the latter appears to be drifting further to the left: Andrea Nahles, former Federal Minister of Labor
and Social Affairs in the government formed by “the big coalition", known as the left-wing SPD member, is taking charge of the SPD faction in the Bundestag.

Following the election results, the CDU/CSU union is driven to review its position in the political spectrum. The “sister parties” agreed to table their disputes for the period of elections, but resumed their feud immediately after the votes had been tallied. In fact, the Bavarian CSU has traditionally been right-wing, conservative party, and would, from time to time, drift toward nationalist stance. The 2015 immigration crisis and Merkel’s response were hardly in line with such policy, so the discord only deepened in 2016. Approval of the maximum number of refugees which the FRG would accept proved to be the stumbling block. CDU has been persevering in refusing to approve any maximum amount whereas CSU keeps insisting on this issue, up to the point where it threatens to sink the new coalition agreement. CSU will try to keep its shift to the right, i.e. the field currently played by the Alternative and coveted from time to time by certain FDP officials. CDU will, most likely, try to preserve its centrist position, especially if the SPD drifts to the left. Angela Merkel is now loath to discuss the reasons for such dismal results at the elections. It only makes sense to assume that she is postponing the discussion in an attempt to avoid it altogether, or at least mitigate the problem.

Immigration was the hottest topic of the elections, According to the polls, 61% of Germans fear the tensions will grow due to the increasing number of migrants, a fear overshadowed only by extremism (62%) and terrorism (71%). All other topics were seen through the prism of immigration, be it foreign policy (relationship with Turkey, continued Western European integration), or social problems (deficient social housing, quality education, etc.). Meanwhile, CSU and SPD tried their best to focus on other problems, pushing the immigration problem out of the discourse. The Alternative and, to some extent, FDP hurried to pick the subject up. While the Alternative would occasionally slip into downright Nazi rhetoric, FDP only toyed with the topic, focusing rather on the matters of security. Ultimately, the Alternative played into the hands of the FDP. In the past few years, liberals were steadily lambasted for their allegedly anti-social position and for the lack of empathy for those in need. In 2013 elections, liberals responded to this situation by drifting to the left, and that cost them the seats in Bundestag. In 2017, compared to the Alternative, FDP appeared to be socially acceptable alternative for those dissenting with the government. The idea of freedom and personal responsibility for one’s own life, the cornerstone of the party’s ideology, is aligned with condemnation of the idea of sharing the benefits of a welfare state with the immigrants.

There is still no consensus on whether the immigration is, and has been the key problem, or it only “triggered” the discontent with the government policy, social stratification and the life itself. A lot of facts are in favor of the latter. To begin with, the immigration was as active in the early 1990s, yet there was no any crisis. Secondly, the flow of immigrants is petering out, with the German government contributing greatly (agreement with Turkey and a number of North African states that were promised stronger cooperation in the years to come). Thirdly, not every immigrant who came to Germany in 2015–2016 will stay — most of them were only given a temporary residence permit, and that’s including Syrian refugees. German government endeavors its best effort to organize repatriation of immigrants, adapting the laws and procedures which would help the remaining individuals integrate in the German jobs market.
Vladimir Morozov: 
**Germany, the USA, and Russia in the Changing World**

However, one would rightfully point out that almost total elimination of xenophobia from the political discourse in the post-war era by those wary of the Nazi past could not last forever. Scientific community and works of art never denied the existence of xenophobic behavior. Take, for example, “Fear Eats the Soul” (Angst essen Seele auf) by R. Fassbinder (1974), or the shocking deeds of the underground Nazis in 1998–2011, or even sociological research claiming that over one-third of German population is xenophobic to certain extent. Therefore, the right-wing populist Alternative made Germany quite a bit more “normal”, since populists can be found today in every European state.

So, what does this new “normalcy” mean for Germany? Firstly, it means that for quite a while we will be witnessing assiduous efforts to bring the political discourse back to the traditional German community. The Alternative way of discussion, which is found not only in provocative statements made by its grandstanding leaders and in social networks, but is also leaking offline, along with the substantive part of the Alternative policies will serve as a red flag for all other political actors in Germany. Bundestag is about to become one of the battlegrounds. In this light, appointment of Wolfgang Schäuble, former Federal Minister of Finance, to the position of the President of Bundestag appears to be totally reasonable. Secondly, there comes a problem of political education for the masses. The post-war system of educational and informational centers is no longer adequate for promoting the education and democratic values. Partly, it happened because some social groups gather information mostly from social platforms which allow people to separate themselves from other points of view and live de facto in one’s own information reality. Partly, it happened because the integration policy implemented over the last three decades failed to cover certain groups, such as part of population of the new German lands and ethnic Germans who have been moving to Germany from Eastern Europe and former Soviet Union since 1980s. Indeed, it would be wrong to maintain that these groups are allergic to democracy and its values. Yet, the Alternative soared in the eastern parts of Germany (up to 37% in some parts of the federal land Saxony) and in the areas largely inhabited by “the Germans from Russia”, which is indicative of a problem.

The 2017 elections should also be regarded as a turning point because of essential changes in the disputes about the differences between the Western and the Eastern Germans. This topic ceased to be a taboo. Thirty years into the reunification, Eastern lands still differ from the Western. Now one openly admits it and one no longer pretends that the problem does not exist. However, one should avoid seeing this fact as failure to integrate the “new” federal lands into the political and economic system of the “older” lands. Still, certain aspects of mentality that manifest themselves in voting for the Alternative indicate that certain “Western values” are rejected here. On the other hand, the fact that differences are finally articulated may well be indicative of the success after the decades of effort. Germany is a
federal state and its federal lands and certain regions differ quite a lot. Bavarians differ from the Frisians, while the Swabians are believed to possess some peculiar personality traits. Yet, they all form a unitary state, and Eastern Germans comprise its integral part.

On the one hand, the role of Germany in the EU and worldwide was a topic of the election campaign. On the other hand, it was not. Emmanuel Macron, President of France, offered his vision of the future Europe immediately after the elections in Germany. Timing like this makes one wonder about the extent of coordination between Paris and Berlin. The idea of stronger integration through increased distribution of financial assets within the entire EU or the Euro area alone is not exactly popular in Germany. About 58% of Germans voiced concerns for the increasing costs resulting from indebtedness of the other EU states. This is second “popular” concern after the increasing tensions caused by immigration. Despite its traditional pro-integration and pro-solidarity stance (and despite making Martin Schultz, former President of the European Parliament, its candidate for the office of the Bundeskanzler), SPD worked hard to keep these aspects out of its election agenda. Angela Merkel followed the suit, being fully aware of the quandary she is in: keeping her eye open to the public opinion, she cannot build foreign policy of a minnow state that can afford shedding responsibilities worldwide. Germany is bound to be a responsible member of the EU and a global player as befits its economic and political strength. Retirement of Wolfgang Schäuble, former Federal Minister of Finance who greatly favored the austerity approach, gets Merkel off the leash. However, one should hardly expect fundamental revision of the German policy in the sphere of stronger integration through financial tools.

Relationship with Turkey proved to be another important foreign policy topic. After the coup in 2016, Germany gave asylum to a number of Turkish military officers and public figures. Germany weathered a wave of scandals caused by the reports of Turkish intelligence spying after the FRG nationals under the cover of religious institutions. Under various pretenses, Turkish politicians were denied permits to make public appearances in German cities on the eve of the referendum in Turkey, in turn, the Turkish Republic detained several journalists and public figures who held dual (German and Turkish) citizenship (only two of them happened to have German citizenship alone). This topic is all the more complex, because relationship with Turkey is not exactly a matter of foreign policy for Germany. In many ways, it’s a matter of home policy. After M. Schultz in no uncertain terms said during the debates with A. Merkel that he was opposed to the EU membership of Turkey, one may wonder how German citizens who also retained Turkish citizenship would react to this stance of the SPD. Situation with Turkish community on Germany is rather indicative of the integration problems in the XXI century. There are over three million ethnic Turks in Germany today. Modern means of communication, ability to watch TV broadcasts from any country and social networks that tend to present information as they see fit — they all, if only unwittingly, hinder the integration, creating rather the feeling of presence and participation in the life of another country. No “offline” methods guarantee 100% of success in solving this problem. And this problem will be haunting Germany for quite a while, with conflicts between nationals and those who have dual citizenship or nationals of another country due to cultural differences (e.g., clothes as attribute of freedom of conscience). However, situation in Germany is hardly unique, as a lot of countries are facing similar difficulties.

Germany is most likely in for a black-yellow-green coalition (CDU/CSU, FDP and the Greens). There is no way of telling what kind of program they will generate or how they will share the departmental portfolios, as FDP and the Greens have totally opposing opinions on quite a number of issues. CDU and CSU also need to work out their joint program for the next four years. There is only one thing for sure so far – Angela Merkel will retain the office of the Chancellor. Christian Lindner (FDP) is most likely to become the Federal Minister of Finance. The Greens are apparently seeking the seat in the department
of environment protection. FDP kept talking about education and, therefore, is most likely to see their representative heading the Federal Department of Education and Science. It would only seem logical that CSU retains the Federal Ministry of the Interior, which means that Thomas de Maiziere will keep his office. The Federal Ministry of Foreign Affairs traditionally goes to the minors in the coalition, which means the Greens may have it. So far, Cem Özdemir hardly seems fit for this office, especially considering two other CDU heavy-weights — Ursula von der Leyen (Federal Defense Minister in “the big coalition”) and Peter Altmaier (Chancellor Chief of Staff in “the big coalition”), who are much more experienced to run for this position. Therefore, the suspense is still on: the elections are over but one never knows what kind of a cabinet there will be, not to mention its program. Even in this time of uncertainty, any optimistic expectations of revision of relationship with Russia appear to be groundless.

False Conflict: Universalism and Identity

October 13, 2017

“Beautiful Lego” by Mike...

Aristotle defined a city as a "unity out of plurality of individuals". Probably, this definition is suitable for the whole world, especially in the present era of globalization. Is there a contradiction in this formula, and is identity compatible with universalism?

Andrey Kortunov:
The Inevitable, Weird World

Generally speaking, the stability and adaptability of systems consisting of unlike (distinctive) elements, has many confirmations. And not only in society, but also in nature. It has long been known that intraspecific competition is more violent than interspecies competition, because only in the first case the resource requirements of competing individuals are completely identical. At the same time, the sustainability of any natural ecosystem directly depends on the diversity of species of living beings that make it up. Individual species complement each other, creating branched and intersecting food chains; accordingly, it is diversity that minimizes the danger that if one of the elements falls out (the disappearance of some species), the whole system collapses, and the extinction of other species begins.

The history of international relations confirms this general pattern, although, of course, it brings its amendments and clarifications. For example, the stability of the system of the nineteenth century’s European concert was mainly based on the socio-economic diversity of its member states. On the other hand, the presence of common "species specificities" of the great totalitarian systems of the first half of the twentieth century in no way prevented their clashes with each other. We can also say, that deep and principled "species differences" between the USSR and the United States contributed to the stability
of the Cold War-era world system, while "intraspecific" Soviet-Chinese competition reached direct military clashes in the same period of history.

Ivan Timofev:
From Authoritarianism to Democracy? The Future of Political Regimes

Thus, the conflict of universalism and identity seems fictitious, if we understand by universalism a certain set of common (universal) laws, rules, hierarchies and models of interaction of individual elements with each other within a system. No system, biological or social, can exist without such set of laws, since they constitute its structure. As to modern international relations, the structure functioning is determined by the existing universal norms of international law, established regimes and traditions, a network of bilateral and multilateral international agreements, regional and international organizations, headed by the United Nations. This universalism is not always effective; it periodically fails and needs constant improvement. But in general the international system still functions in one way or another.

It is quite another matter if by universalism we understand the global unification of the way of life and the system of normative regulations. That means a rejection of any group, national self-identifications in exchange for "global" individual self-consciousness in the spirit of Jacques Attali or George Soros. (However, long before prominent Western practitioners of the natural philosophy, this idea was voiced by Makar Nagulnov, the hero of Mikhail Sholokhov's novel "Virgin Soil Upturned": "Everyone will be blended and there will not be such a state in the whole world that one body is white, another yellow, and the third is black-skinned ... All will be nicely slightly dark-complexioned and look the same").

Ivan Timofev:

Such universalism, if realized, would result in a sharp decline of the complexity of the global society as a whole and the international system in particular. Reducing complexity, in turn, would dramatically increase the level of systemic risks and challenges. Let’s recall that a man-cultivated field is a much less stable system than a natural forest. The explosion of ethno-cultural, regional, national, religious and other forms of group identity that is taking place before our eyes is, in fact, nothing but a natural reaction of the system to challenges, connected with the tendency to reduce its complexity and the diversity of its elements. The living cell stubbornly does not want to turn into a dead crystal, even with perfect edges.

At the same time, to identify the revival of group identity with a banal return to the archaic traditionalism would be at least incorrect. After all, along with the traditional forms of self-identification (family, city, country, religion), there are also completely new forms (for example, the self-identification
of gamers in their favorite network games). In other words, the vector of development of group identity is directed not only to the past, but also to the future.

The question of the preservation of universal norms under these conditions becomes more difficult, since it is necessary to take into account a greater number and an increased variety of elements of the system. Relatively speaking, the world of the future will be built not from several identical cubes played by our grandfathers and grandmothers in their distant childhood, but from the premium Lego kit, bought for our children's birthday. And every season the indefatigable producer of our construction kit (the world society) offers the hooked buyers new and new elements of the game, and they also need to find a suitable place in the erected construction. There is something to scratch your head over. But, even with a pretty fiddling with a modern puzzling kit, the humanity is unlikely to return to the antediluvian cubes.

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**Changing Priorities: What are the Goals of Turkey’s Military Intervention in Syria?**

Turkey continues to mobilize more military forces to Syria’s northwestern province of Idlib, where the latest deployment aims to enforce an agreement reached between Turkey, Russia, and Iran in September during the sixth round of Astana talks on Syria. The three states agreed to create a fourth de-escalation zone, or safe zone, in the province, marking Turkey’s first such participation in Syria’s territory.

Although Ankara claimed that its new role aims to improve the humanitarian conditions of Syrian civilians, its most important goal is to preempt a Kurdish plan to establish an independent entity on its southern border. Its bid is founded on its designation of the so-called predominantly-Kurdish Syrian Democratic Forces (SDF), which seeks to expand in the region, as a terrorist organization. In other words, the Turkish military intervention in Syria seeks to isolate the Kurds and prevent them from expanding further into Syria’s hinterland, to areas such as Afrin, west of Aleppo City, and the Syria-Turkey border.

Among other things, Turkey’s new move indicates a relative shift in its goals and priorities for Syria from backing the Syrian opposition against the regime of Bashar al-Assad to confrontation with the Kurds. What stands out is that this variable was enough to bolster rapprochement with Iran, as evidenced by joint arrangements agreed by the two states to deal with the implications of the referendum for independence held by Iraqi Kurdistan Region on September 25, 2017.

**Multiple Outlines**

Turkey’s military presence in Syria is concentrated in three main zones. Zone 1 in central Idlib that houses the main operations HQ inside Syria and received an 850-strong reinforcement. Zone 2 in Turkey’s Hatay Province on its southern border with Syria, where some 25000 Turkish soldiers are stationed, is the nearest line of contact to Idlib. Zone 3 will be set up near Afrin to lay a
military siege on the town and isolate it from other areas that the Kurds want to annex to a de facto autonomous Kurdish-majority region known as Rojava.

Reports from Turkey and Syria, especially those citing sources close to the Syrian opposition, indicate that there is active coordination between a 1500-strong Free Syrian Army (FSA) force and Turkish armed forces which will oversee military operations for the first time. According to reports, the Free Syrian Army believes that these tactics can strengthen its capability to return to areas of influence where some opposition factions and terrorist organizations are operating.

Clashes broke out between factions from the Hay'at Tahrir al-Sham (HST), the most influential group operating in Idlib, and the vanguard of the Turkish forces in the border village of Kafr Lusein. However, reports reveal that clashes were limited and even do not rule out the possibility that these factions would reach understandings with the Turkish forces. This can explain why the Turkish military intervention was delayed for several weeks. Some views have it that the two parties are likely to reach an agreement to avoid escalation.

**Preemptive Action**

Turkey seeks to prevent the Kurds from establishing “a new Kobani”, according to statements delivered by President Recep Tayyip Erdogan who presented several justifications for his country’s military intervention in Idlib, including a bid to ward off possible security threats in this area.

Turkey appears to be working on linking Afrin to Idlib province to prevent the Kurds from creating a contiguous territory comprising, in addition to Afrin, both al-Hasakah and Qamishli provinces in eastern Syria. Erdogan hinted at the bid recently saying that Turkey will never allow a terror corridor along its borders in Syria. Moreover, with Turkish prime minister Binali Yıldırım, foreign minister and defense ministers making similar statements to emphasize the bid, military confrontations with the Kurdish SDF can break out if Ankara continues to work on annexing Afrin. Afrin has become a top priority in Turkey's current project especially after the first local elections were held in recent weeks to select representatives of so-called communes as the first step towards creating an independent administration for an autonomous region sought by the Kurds.

**Potential Challenges**

Turkey’s current efforts can face three primary challenges. The first challenge is a potential escalation of tensions with the United States which continues to count on Kurdish militia in its war on ISIS. Turkey’s latest military move can impact its relations with the United States, already strained over their evident disagreement about the role of Kurdish militants inside Syria. These tensions can further escalate in the event of wide clashes between the Turkish army and Kurdish militants in the coming period. Moreover, potential escalation between terrorist organizations and armed factions in northern Syria can cause a collapse of security arrangements reached between involved parties.

The second challenge is that it is difficult to protect involved parties in Idlib, especially because tensions between the Free Syrian Army and Hay’s Tahrir al-Sham can threaten existing arrangements thus putting more pressure on Turkey which will have constrained options. This is due in particular to the increasing possibility that agreement with Hay’at Tahrir al-Sham, which
deployed its fighters in the border town of Atma, north of Idlib, after it threatened to confront the Free Syrian Army.

The third challenge is potential implications of a military confrontation with Kurdish militias for relations with Russia, which is supposed to play a role in disengagement on the Turkey-Syria border in accordance with the trilateral talks held recently with both Turkey and Iran in Astana.

Overall, it can possibly be said that Turkey is keen on not rushing to open confrontations inside Idlib at the mean time because it is waiting for the outcome of understandings reached with various involved parties including Iran, Russia, al-Assad regime and terrorist and armed militias. Moreover, Turkey currently does not prioritize confronting terrorist organizations such as Hay'at Tahrir al-Sham because it is more focussed on preventing the Kurds from fulfilling their ambitions. This may force Turkey to wait to see how all involved parties would react to its potential escalation against the Kurds in the coming period.

Why Are the Houthis Recruiting Female Militants?

Houthis have recently started to recruit women and young girls for fighting inside Yemeni cities. The development reflects the insurgency’s exploitation of worsening economic conditions of targeted families. It also constitutes an evident violation of Yemeni women’s rights.

In January 2017, the Houthis put on an all-women military parade to show their arms and flex muscles against the legitimate and internationally-recognized government and allied Arab military coalition. Earlier, in September 2016, tens of Houthi women brandishing machine guns and rocket-propelled grenade launchers took part in anti-government protests and a military parade organized by the women’s society in al-Sabeen District, at Al-Orouba Club in the capital Sanaa.

Recruitment Methods
The Houthis pursue the following methods for recruiting female fighters:

1- Use of Force. The Houthi rebels take young girls including students to training camps by force and threaten those who resist compulsory recruitment to kill their parents. Female student dormitories are among places targeted by such campaigns run by female Houthi militants. Sources say that recently a group of female students were recruited in Hajjah Governorate and trained on using arms in Sanaa suburbs.

2- Financial Incentives. The Houthi militia tempt families of young girls with money, taking advantage of rampant poverty in Yemen.
3- Recruiting Women Prisoners. The Houthis use delinquent women serving terms at Al-Amal prison, and subject them to intensive training. These recruits formed special teams to train newly-recruited Houthi girls.

Women’s Training Camps
The Houthi militia train women recruits at the following sites:

1- Army Barracks. The Houthi rebels set up training camps for women recruits on lands dedicated for the 1st Armored Division. There, the recruit learn how to use, handle and disassemble and assemble guns, rifles and machine guns used in combat. The largest such training camp for women recruits is in Dhamar Governorate in central western Yemen.

2- Mosques and other places of worship. The Houthi militia use mosques for training carefully-selected women recruits. One such camp is in a mosque on the camp of Al-Eman University in Sanaa.

3- Public Schools. Al-Thawra school in Azal District in Sanaa has, until recently, been the site of one of the Houthis’ largest training camps for women. There, recruits learn how to command military formations and use light weapons such as guns and rifles.

Iranian Role
The Houthis use experienced Iranian, Iraqi, Lebanese and Syrian women brought to Yemen in 2014 to train women recruits in combat skills. Iran plays a vital role in this activity through coordination with Lebanon’s Hezbollah and the Houthis.

Sources pointed to the presence of a large number of Iranian women in Sanaa where they hold secret meetings with Houthi women and provide ideological and military training to new recruits in Sawan District, east of Sanaa, as well as in the houses of women supervisors.

Women supervisors who came from Iran are responsible for running “recruitment and mobilization” operations in the capital. They give special training to women recruits then send them back to their areas to train other women recruits.

These operations are facilitated by the following:

1- Recruitment Centers for Women and Girls. Young school and university girl students are recruited at a center run by a female relative of Abdul-Malik Badreddin al-Houthi, the top leader of the Houthi militia. She would report to the center only when a new batch of women recruits finish training and are ready to be deployed to practise training.

2- Cultural Training. This includes basic training followed by advanced ideological indoctrination and then a course in recruitment methods. The female supervisor of the training center delivers lectures herself.
Goals of Recruiting Women
Women and girls are recruited by the Houthis to carry out the following tasks:

1- Storming houses. Yemeni sources indicate that more recruited women and girls are used for storming houses than for combat on various fronts. After being criticized for using armed men to conduct raids on targeted civilian places, the Houthis had to use well-trained women recruits to loot gold jewelry in the capital and Amran Governorate.

2- Suppressing demonstrations. Female recruits were used by the Houthis to suppress demonstrations and protests staged by women, including mothers of people kidnapped by the Houthi militants, as well as assaulting any all-women opposition activity. In one such incident, female students at the College of Shariah in Sanaa University were beaten up by Houthi female personnel.

Compulsory Women’s Recruitment
Recruiting women and girls for military purposes followed Abdul-Malik al-Houthi’s statements on September 14, 2017, in which he announced that his militia plans to put compulsory recruitment back in place in Yemen to reinforce combat fronts with more fighters. Al-Houthi stopped short of specifying which segments of the population are targeted, but recruitment would not exclude any individuals from being forcibly taken to join rebel militias fighting against legitimate government and the Yemeni people. Al-Houthi’s statements violate a decision made by the Yemeni government in 2001 to abolish compulsory recruitment of all male high school graduates for a one-year national service.

Abdul-Malik Al-Houthi’s statement is proof of measures being taken by his militia on the ground. The rebel militants waged a compulsory recruitment campaign in the northern al-Mahwit Governorate that also targeted children. Yemeni Minister of Human Rights announced that the Houthis forcibly recruited some 20,000 children to fight with the militia on more than 40 fronts in areas under its control.

Offsetting Human Losses
Al-Houthis’ recruitment of women, girls and children for fighting alongside their militants indicates their desire to offset their human losses on various fronts. The militias suffers from a string of defeats and losses also because thousands of their militants fled from combat zones.

The Houthis’ call for reinstating compulsory recruitment sends out a clear message to former army personnel that they have to join the rebel militia or they will not receive their salary arrears covering more than one year. Moreover, the message emphasizes that the Houthis continue to prefer the military option to political settlement because peace, according to their view, would empower the legitimate government to restore the centralized state and consequently weaken their militias.
Why Border Crossings in the Middle East have become Increasingly Pivotal

Legal and illegal border crossings in the Middle East remain a key to understanding developments in the Middle East, both within states and between actors. States, parallel armies, terrorist organizations and regional and international powers seek to take control of crossing points and the flows of fighters, refugees, arms, goods and humanitarian aid.

The pivotal importance of border crossings in some states in this region stems from, and is determined by, several variable factors including political, security and economic interests as well as developments on the ground. Significantly, the issue of border crossings has become even more significant over the past ten months of 2017 due to such factors.

Various Factors
1- Restoring Momentum to Bilateral Relations. An evident instance is relations between Syria and Jordan which share a border stretching 370 kilometers. Neither state has closed its embassy in the other state's capital since the inception of the Syrian civil war in 2011.

Most recently, on October 9, 2017, the Syrian regime’s Charge D’Affaires in Amman, Ayman Alloush, stated that Syria will open its border with Jordan, that the Nasib crossing will be operated by the Syrian regime and that the opposition will have no role in the process. However, the issue of reopening the crossing between the two countries is complicated due to conditions set by the Free Syrian Army (FSA) to counter the Syrian regime’s conditions, which means the reopening of crossing remains unknown for the time being.

Moreover, the Arar border land crossing between Saudi Arabia and Iraq was re-opened recently for the first time in 27 years in a bid to improve bilateral relations.

2- Trade Facilitation. Lebanese Minister of Economy and Trade, Raed Khoury, in statements delivered on September 8, 2017, said that reopening land border crossings with Syria would facilitate trade in Lebanon. That is because the borders are still closed, sea and air shipping are very expensive, and farmers as well as factory owners cannot even ship exports by land, he said, adding that it is equally important to reopen crossings between Syria and Iraq and between Syria and Jordan to open trade routes. Lebanon's exports fell significantly because border crossings are closed.
Lebanon’s minister of Agriculture Ghazi Zaiter noted that agreements already signed with Syria would be reactivated and land crossings between the two countries would be reopened to facilitate Lebanon’s agricultural exports. Due to the ongoing conflict in Syria, Exports through land crossings is the second most damaged sector after tourism.

Later, on September 28, a third Lebanese official, Minister of Domestic Trade, Cooperatives and Consumerism Abdullah al-Gharbi, confirmed that all border land crossings with Syria will be reopened soon and that import and export traffic will be restored to normal.

3- Imposing Sanctions on Separatist Movements. Iraqi government forces deployed at border crossings in the wake of Kurdistan Region’s referendum for independence, held on September 25 is an evident example of imposing sanctions on separatist movements.

Three days later, on September 28, Turkish Prime Minister Binali Yildirim, during a phone call with Iraqi counterpart Haidar al-Abadi, affirmed his country’s full commitment to cooperation and coordination with the Iraqi government to take all necessary steps to take control of all air and land points of entry, according to a statement issued by the office of the Iraqi prime minister. Yildirim also said that Turkey will hold talks about border crossings, airports and economic activities only with the Iraqi central government. Turkey rejects the referendum because it fears that it would stoke separatist feeling among its own Kurdish minority who account for a quarter of the country’s total population. The same applies to the Iranian policy of economically suffocating Iraqi Kurdistan.

4- Settlement of Disputes. Recent statements made on October 10 by Khaled Aaba, head of the political bureau of the al-Jabha al-Shamiyya faction, reveal that the it handed over the Bab al-Salama border crossing with Turkey to the Syrian Interim Government backed by Ankara to end factional disputes and fragmentation in areas liberated from al-Assad regime’s forces, ISIS and Kurdish groups. The crossing is a gateway to opposition held areas in northern Syria.

Of note, Turkey created a buffer zone last year, and the said faction joined a parallel army commanded by the interim government. Last week, talks were held about handing over other border crossing linking Turkey to the north of Aleppo province.

5- Resolving Pending Issues. A good instance is the Egypt-sponsored talks between Palestinian political factions Hamas and Fatah, which discussed issues such as Hamas-appointed employees, security and border crossings to end a decade-long rift between Palestinians.

The talks aim, in part, to carry out a proposal to deploy police personnel from the Palestinian National Authority to Gaza Strip to reduce restrictions on border crossings and help over two million Gazans to improve their living conditions and revive their economy.

6- Taking relief aid into conflict zones in the Arab region. Syrian cities such as Raqqa face a challenging situation where International organizations such as Doctors Without Borders find it difficult to deliver humanitarian aid to civilians because of the ongoing war on ISIS. Although the border crossing between Iraq and the northeast of Raqqa is still open, traffic remains too slow and inadequate to fulfill the population’s needs, according to David Swanson, OCHA Public Information
7- Targeting Terrorist Cross-border Organizations. Lebanon’s army carried out offensives against ISIS positions using helicopters and missiles to regain control of areas around the town of Ras Baalbek, near the last land border crossing controlled by the group.

Turkey too closes border crossings with northern Syria because these areas are held by the so-called People’s Protection Units, the primary component of the so-called Syrian Democratic Forces, labelled by Turkey as a terrorist organization.

8- Curbing Maritime Piracy. Morocco plans to buy a French-built satellite designed for both military and civilian purposes. It will support operations to curb maritime piracy in the Gulf of Guinea, a growing threat to international trade on Africa’s west coast. The new high-resolution optical Earth-imaging satellite will be launched in November this year, according to Moroccan local media. The Moroccan government will use the satellite to counter threats posed by ISIS and combat illegal drug trade and smuggling networks.

The North African country also plans to tighten control on border crossings such as Gibraltar which has become a strategic target for terrorist organizations.

9- Curbing Illegal Immigrant Flow. Such flow originating in Sabratha City, a Libyan coastal city and a major hub for smuggling immigrants to Italy, has decreased, according to data from the United Nations Support Mission in Libya (UNSMIL). The development coincided with reports that Italy has reached a deal with the so-called Dabbashi militia, formed in early 2017.

According to the terms of the deal, signed as part of an agreement between the governments of Libya and Italy, the Dabbashi militia was annexed to the defense ministry of the Government of National Accord led by Fayez al-Sarraj, and was tasked with combatting illegal immigrant smuggling in the west of Sabratha. The militia pledged to protect oil installations in Mellitah City under the supervision of Italian oil and gas company, Eni.

10- Countering Criminal Attacks. Gangs exploit soft borderlines and form interest groups on both sides of targeted borders between states. Perhaps, this was among the main drivers behind reopening the only land border crossing between Iraq and Jordan on August 30, 2017 for the first time in two years. The crossing was closed after ISIS seized control of large swathes of territory in Iraq in 2014. The crossing, called Turaibil in Iraq and al-Karameh in Jordan, is 570 km from Baghdad and 370 km from Amman.

In a joint statement, the two countries’ governments said that the crossing was reopened after it was secured against attacks by criminal gangs, and that it will significantly improve bilateral relations. The reopening of the crossing will facilitate movement of goods and persons between the two states, they said. The two governments also pledged to make all possible efforts to ensure smooth traffic, serve the interests of their people and enhance opportunities for strengthening security, stability and developments in both countries.

11- Protecting borders of neighbors of the extended neighbors. Security authorities in regional
states are specially interested in controlling not only their state’s borders but also those of extended neighbors. Reports indicate that Iran’s Revolutionary Guard Corps (IRGC) use 100,000-strong militias from Lebanon, Afghanistan, Pakistan and Iraq to control Syria’s land border crossings with Iraq and Jordan. Deployed across Syria, these militias would operate like Iran’s own Basij militia and receive training and funding from the IRGC.

In recent months, the IRGC were focused on seizing control of an overland corridor between Iraq and Syria as well as a 400-km border with Jordan and Iraq. Tehran’s plan to control Syria’s border crossing with the two countries is driven by the IRGC’s increasing human losses in Syria. That is, outraged families of the casualties is pushing the IRGC to send less Iranians and more non-Iranians to fight in Syria.

But Tehran’s bid to control land border crossings between Iraq and Syria using militias also serves its plan to establish the so-called Shia crescent through using its militias in Iraq, Syria and Lebanon, as well as to serve its own economic interests. Within this context, President Hassan Rouhani, in a joint press conference with Turkish President Recep Tayyip Erdogan in Tehran on October 4, 2017, said that relations between the two countries are improving day after day and that they signed a number of agreements on border crossings. Accordingly, Iran will pump additional natural gas supplies to Turkey as part of plans to expand economic relations with its immediate neighbor.

12- Regional and international powers vie to control borders in the Arab region. For instance, the United States and Iran want to control the Syria-Iraq border and use their own local allies to serve their own interests. The United States uses the Sunni tribal militants while Iran uses Shia militants. Of note, if they remain uncontrolled, these borders will put cities and areas liberated from ISIS under persistent threats.

It should be noted that the Syria-Iraq borderline stretches for more than 600-km, from Anbar Governorate in western Iraq to Nineveh Governorate in the east. Along the rough desert borderline there are three land crossings: Al-Walid, controlled by the Iraqi army, Rabea, controlled by ISIS, and Rabea which is controlled by the Kurdish Peshmerga forces.

Iraqi Prime Minister Haidar al-Abadi, in a press conference in November 2016, stressed that security measures need to be put in place to secure Iraq’s border with Syria to prevent extremists expelled from Mosul from returning to it. In other words, protection of this border is one of the determinants of reducing ISIS’ influence.

Moreover, the United States recognized the importance of Syria’s southern regions for weakening the alliance between the Assad regime, Hezbollah and Iran. That is, controlling Al-Tanf border crossing which lies on a route linking Baghdad to Damascus, through al-Ratba city, west of Iraq’s Anbar, and the Syrian town of Sabaa Biyar, would enable Tehran to reach Damascus and the Mediterranean. That is why the United States wants to control this strategic stretch on the Iraq-Syria border.

Widening Impact
That said, it can be concluded that controlling border crossing has become a primary indicator of how influential actors in this region are, in armed conflict zones in particular. The chaotic spread
of arms, flow of militants and the shadow economies taking shape in the region, all make controlling border crossings between two cities in two states a highly complex and multi-dimensional issue.