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## 5. Major trends in military expenditure and arms acquisitions by the states of the Caspian region

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### I. Introduction

Official budgets of the newly independent states of the South Caucasus, Central Asia<sup>1</sup> and Iran clearly show that defence spending has increased in the region since 1995.<sup>2</sup> However, inconsistent reporting and coverage of defence budgets by regional countries are the norm and available data are often unreliable, seldom reflecting the actual military/security environment of the region. For example, paramilitary forces possessing military capabilities and performing defence-related tasks are not usually funded through defence budgets but by interior ministries. The evolving national security doctrines of a number of regional countries see international terrorism and political and religious extremism as the main threats to national security, resulting in increased priority being given to the development of interior ministry forces during the latter half of the 1990s. In this chapter these forces and their sources of funding are considered independently of the regular armed forces. Armed non-state groups are also active in the region and the secret nature of their sources of funding and equipment makes it difficult to reach reliable conclusions about their military capability and their impact on security in the region.

Arms transfers to the countries of the region increased during the second half of the 1990s, with Armenia, Iran and Kazakhstan emerging among the world's leading recipients of conventional weapons. Since 1998 several countries, including NATO member states (the Czech Republic, France, Germany, Turkey and the USA), plus China and Ukraine, have entered the traditionally Russian-dominated market. To modernize their armed forces countries of the region are importing more sophisticated weaponry as well as repairing existing weapons, concluding military-technical cooperation agreements with regional and extra-regional states, and developing indigenous scientific and industrial defence capabilities. The development and capabilities of their national armed forces are also strongly influenced by: (a) foreign financial aid, which in the case of Georgia significantly supplements the national defence budget; (b) the presence

<sup>1</sup> This chapter focuses on developments in Iran; the South Caucasus, comprising Armenia, Azerbaijan and Georgia; and Central Asia, comprising Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

<sup>2</sup> See chapter 1 in this volume; and tables 5.1 and 5.2 for figures. Unless otherwise stated, the SIPRI arms transfers and military expenditure projects are the source for the data in this chapter.

**Table 5.1.** Military expenditure in the Caspian Sea region, in local currencies, 1995–2000

Figures are in local currency at constant 1998 prices and exchange rates.

	1995	1996	1997	1998	1999	2000
Armenia (b. dram)	21.2	21.7	30.5	33.3	[36]	[45]
Azerbaijan (b. manats)	248	305	353	376	435	494
Georgia (m. lari)	[55]	[76]	[95]	[69]	[68]	[54]
Kazakhstan (b. tenge)	10.8	16.3	17.9	19	17.2	[18.8]
Kyrgyzstan (m. soms)	251	314	482	491	808	[1 016]
Tajikistan (m. roubles)	(713)	(3 977)	(10 713)	(13 562)	[17 070]	..
Turkmenistan (b. manats)	15.1	158	440	436	582	850
Uzbekistan (m. soms)	(3 355)	(6 900)	[13 700]	..	[34 860]	..
Iran (b. rials)	4 457	6 499	8 540	10 050	11 342	15 618

*Note:* Figures represent budget data and actual expenditure, as available.

( ) Uncertain figure.

[ ] SIPRI estimate.

*Source:* SIPRI military expenditure database.

of foreign military forces in several Commonwealth of Independent States (CIS) countries; (c) participation in international military exercises and training programmes (under CIS, NATO and US auspices); and (d) participation in bilateral and multilateral defence, security and military agreements and cooperation.

The newly independent states of the Caspian Sea region are going through a period of transition. Their economies are in the initial stages of development and their foreign and defence policies are still taking shape. However, despite a lack of economic resources in these countries, defence budgets continue to increase as a result of ongoing conflicts (in Afghanistan, Chechnya and the Ferghana Valley), unresolved conflicts (in Abkhazia, Nagorno-Karabakh and South Ossetia), and numerous emerging threats to regional stability including international terrorism, religious and political extremism, and drug trafficking. This chapter argues that the resulting national efforts to modernize armed forces are increasingly being supplemented by external aid in the form of monetary loans and grants, arms transfers and military training, and participation in international security arrangements. Admittedly, US/NATO aid up to now has been small in comparison to Russian aid, especially in arms transfers. However, it is significant as it represents a new set of influential actors contributing to the military capability of regional states and competing with Russia for political influence with them. The role of China in the military affairs of regional states is also increasing and cannot be overlooked.

This increased international engagement could lead to both cooperation and confrontation between these external actors, especially Russia and the West. Moreover, the emerging threats to regional security and stability which moti-

**Table 5.2.** Military expenditure in the Caspian Sea region, in US dollars, 1995–2000  
 Figures are US \$m. at constant 1998 prices and exchange rates.

	1995	1996	1997	1998	1999	2000
Armenia	255	220	272	273	[293]	[370]
Azerbaijan	329	338	378	406	513	569
Georgia	[212]	[211]	[246]	[173]	[143]	[108]
Kazakhstan	753	814	760	752	629	[608]
Kyrgyzstan	136	130	161	149	180	[185]
Tajikistan	(61.8)	(66.5)	(95.3)	(84.2)	[83.1]	..
Turkmenistan	377	363	550	466	504	646
Uzbekistan	(414)	(553)	[642]	..	[982]	..
Iran	4 580	5 189	5 821	5 737	5 432	7 144

*Notes:* Figures represent budget data and actual expenditure, as available.

( ) Uncertain figure.

[ ] SIPRI estimate.

*Source:* SIPRI military expenditure database.

vate much of the increased engagement show few signs of disappearing in the near future.

## II. Iran

Among the Caspian states (excluding Russia) Iran is unique by virtue of its long history as an independent state with capable and experienced armed forces and its more developed economy, which accommodates significant spending on defence. Its relative military strength, combined with its cultural, political, economic and strategic interests in the region, makes it an important actor in the Caspian geopolitical environment. The 513 000-strong active armed forces plus the 40 000 Ministry of the Interior forces and the estimated 200 000 ‘Popular Mobilization Army’ volunteers far outnumber the forces of Iran’s neighbours in the South Caucasus and Central Asia. They are also much better armed. The major conventional weapons at the disposal of Iran’s armed forces include: 1135 battle tanks; 440 armoured infantry fighting vehicles (AIFVs); 590 armoured personnel carriers (APCs); 1950 towed artillery pieces; 664 multiple rocket launchers (MRLs); 6500 mortars; 100 attack helicopters; 291 combat aircraft; and numerous missile defence systems.<sup>3</sup> These forces benefit from Iran’s higher defence expenditures. Significantly, the defence budget for 2000 of 15.6 billion rials (\$7.14 billion at constant 1998 prices and exchange rates) was 55.7 per cent more than the 1995 budget. Many countries are also concerned that Iran may be conducting extensive research on nuclear, biological and chemical (NBC) weapons; however, this section will focus on Iran’s conventional capabilities.

<sup>3</sup> International Institute for Strategic Studies, *The Military Balance 2000/2001* (Oxford University Press: Oxford, 2000), pp. 139–40.

**Table 5.3.** Military expenditure as a percentage of gross domestic product, 1995–2000

	1995	1996	1997	1998	1999	2000
Armenia	4.1	3.3	3.8	3.5	[3.6]	[4.3]
Azerbaijan	2.3	2.2	2.2	2.3	2.6	2.7
Georgia	[2.3]	2.0	2.1	[1.4]	[1.2]	..
Kazakhstan	1.1	1.1	1.1	1.1	0.9	[0.8]
Kyrgyzstan	1.6	1.3	1.6	1.4	1.7	[1.6]
Tajikistan	(1.1)	(1.3)	(1.7)	(1.3)	[1.3]	..
Turkmenistan	(2.3)	(2.0)	(4.0)	(3.1)	(3.4)	[3.9]
Uzbekistan	(1.1)	(1.2)	[1.4]	..	[1.7]	..
Iran	2.5	2.8	3.1	3.1	2.7	..

*Notes:* Figures are based on budget data and actual expenditure, as available.

( ) Uncertain figure.

[ ] SIPRI estimate.

*Source:* SIPRI military expenditure database.

As few countries are willing to supply it with weapons, Iran focuses on the development of its indigenous arms industry, especially regarding missile production technology. Particularly worrying to the West is the development by Iran of the Shahab-3 missile, equipped with a North Korean engine and with a range of 1300–1500 km. According to Iranian defence officials, larger Shahab-4 and Shahab-5 missiles are currently in production. Although Iran maintains that the missiles have only defensive applications, the West, led by the USA, fears their offensive potential, particularly since they could possibly reach targets in Israel, Saudi Arabia and Turkey.<sup>4</sup> Iran allegedly produces numerous other conventional weapons domestically, including main battle tanks (MBTs), AIFVs, various surface-to-air and anti-tank missile systems, fighter aircraft and attack helicopters, and several types of naval vessel.<sup>5</sup>

In the five-year period 1996–2000 Iran imported weapons worth \$816 million (in constant 1990 US dollars), mainly from three countries—Russia, China and North Korea.<sup>6</sup> Since 1990 Russia has provided Iran with 34 fighter and 12 bomber aircraft, 126 battle tanks, 85 infantry fighting vehicles, 800 anti-tank missiles, surface-to-air missile (SAM) systems, 3 submarines and other weapons. Russian transfers will probably increase following the December 2000 decision by Russia to withdraw from the 1995 Gore–Chernomyrdin memorandum banning such transactions.<sup>7</sup> Bilateral ties were strengthened

<sup>4</sup> ‘Iran now able to deploy Shahab-3’, *Jane’s Defence Weekly*, 22 Mar. 2000, p. 15; ‘Iran forms five units for Shahab ballistic missiles’, *Jane’s Defence Weekly*, 12 July 2000, p. 16; and BBC World Service, ‘Iran says missile for defence only’, 18 July 2000, URL <[http://news.bbc.co.uk/hi/english/world/americas/newsid\\_837000/837655.stm](http://news.bbc.co.uk/hi/english/world/americas/newsid_837000/837655.stm)>.

<sup>5</sup> Cordesman, A., *Iranian Arms Transfers: The Facts* (Centre for Strategic and International Studies: Washington, DC, 2000), pp. 7–8.

<sup>6</sup> SIPRI arms transfers database, Mar. 2001. The dollar amount is based on SIPRI trend-indicator values, not actual prices paid. On the sources of arms transfers to Iran see Cordesman (note 5).

<sup>7</sup> Hagelin, B. *et al.*, ‘Transfers of major conventional weapons’, *SIPRI Yearbook 2001: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2001), p. 327.

further on 12 March 2001 when Russian President Vladimir Putin and Iranian President Mohammad Khatami signed the Treaty on the Foundation of Relations and Principles of Cooperation in Moscow.<sup>8</sup> Some of the military–technical assistance Iran is hoping to receive from Russia includes battle tanks, armoured vehicles, and spare parts and components for Soviet-made MiG-29 and Su-24 fighter aircraft. Iran is also interested in obtaining Russian-made S-300 air defence systems.<sup>9</sup> Over the four years 1997–2000 Iran domestically produced 75 battle tanks under a licence issued by Russia in 1996 and, according to US officials, Russia is also contributing to the development of Iran’s domestic weapon production capabilities with training, testing equipment and some missile components.<sup>10</sup>

Russia is not the only CIS country engaged in supplying weapons to Iran. Iran imported 12 SAMs from Ukraine in 1993 and ordered 12 transport aircraft from the latter in 1997.

China passed Russia as Iran’s primary arms supplier in the late 1990s as a result of US pressure on President Boris Yeltsin’s government and Iran’s financial problems during this period.<sup>11</sup> Since 1995 China has supplied Iran with fighter and transport aircraft, anti-ship cruise missiles, missile-launching systems and other weapons. It has also contributed to Iran’s indigenous arms production capacity. As early as June 1985, in the midst of the Iraq–Iran War, Iran signed missile technology agreements with China. China also allegedly helped Iran develop infrastructure for developing, building and testing ballistic missiles. Press reports since 1995 allege that Iran has received advice and technology, including missile-guidance technology, testing materials and training, from China for the further development of its ballistic missile programme.<sup>12</sup>

North Korea’s military relations with Iran focus mainly on missile technology. During the 1990s North Korea transferred a substantial number of missiles and missile-launching systems to Iran, and in the 11-year period 1988–98 Iran produced 100 MRLs under a North Korean licence. North Korea has also been accused of providing engines for the development of Iran’s long-range missiles since the early 1990s.<sup>13</sup>

US legislation and political and diplomatic pressure have led most Western countries to refuse to export conventional weapons to Iran. Still, NATO member France transferred 6 aircraft to Iran in 1996 and an additional 6 may have

<sup>8</sup> ‘Iran set for first batch of Mi-8 derivatives’, *Jane’s Defence Weekly*, 19 Apr. 2000, p. 28; ITAR-TASS (Moscow), ‘Klebanov: Russia withdraws from agreement banning arms trade with Iran’, in Foreign Information Broadcast Service, *Daily Report–Central Eurasia (FBIS-SOV)*, FBIS-SOV-2000-1124, 29 Nov. 2000; and Interfax (Moscow), 12 Mar. 2001, in ‘Russia signs treaty on bilateral relations, cooperation with Iran’, FBIS-SOV-2001-0313, 13 Mar. 2001.

<sup>9</sup> IRNA (Tehran), 13 Mar. 2001, in ‘Iran: Russia to sell tanks, armoured vehicles to Iran’, Foreign Broadcast Information Service, *Daily Report–Near East and South Asia (FBIS-NES)*, FBIS-NES-2001-0313, 14 Mar. 2001.

<sup>10</sup> ‘Third Iranian Shahab test “a fizzle”’, *Jane’s Intelligence Review*, vol. 12, no. 11 (Nov. 2000), p. 5.

<sup>11</sup> Cordesman (note 5), p. 5.

<sup>12</sup> Katzman, K., *Iran: Arms and Technology Acquisitions* (Library of Congress, Congressional Research Service: Washington, DC, 5 May 2000), pp. 10, 12.

<sup>13</sup> Katzman (note 12), pp. 14–16.

been delivered. Fellow NATO country the Netherlands delivered 8 transport ships to Iran, although delivery of these vehicles ended in 1991. However, between 1992 and 1995 Iran produced 5 transport ships under the terms of a licence issued by the Netherlands. In the period 1994–95, before it joined NATO, Poland supplied Iran with 104 battle tanks.

Of the non-NATO countries, Brazil and Pakistan transferred a total of 50 trainer aircraft to Iran in the period 1989–91, and Romania transferred 150 battle tanks to Iran in 1989–90.

Although Iran's cultural, economic, political and strategic interests are also focused to the south, it has significant interests in the South Caucasus and Central Asia.<sup>14</sup> Its economic interests in the Caspian Sea region are focused primarily on the transport of oil and gas. It is competing with Russia and Turkey for the chance to transport oil and gas, mainly from Azerbaijan, Turkmenistan and Kazakhstan, across its territory and to the outside world. It argues that the southern route is the most financially viable option because the necessary infrastructure (pipelines, ports and refineries) is largely in place and there are links to the outside world on the Persian Gulf.<sup>15</sup> Iran's desire to serve as a transit for Caspian oil and to establish other forms of economic cooperation with regional countries, its relative economic and military strength, and its growing involvement in regional affairs therefore make it a crucial factor in the security environment of the Caspian Sea region as a whole.

### III. The South Caucasus

Among the newly independent states of the Caspian region the distinction between Western-oriented and Russian-oriented security and defence policies is most clear in the countries of the South Caucasus. Armenia and Azerbaijan are increasing their defence spending, presumably on the basis of the threats they perceive, including threats from each other. While Armenia consolidates its ties with Russia, Azerbaijan and Georgia are moving closer to the Western security orbit, maintaining and developing certain ties with Russia but also supplementing and even replacing them with new security links with NATO and bilateral cooperation with its member states, particularly the USA and Turkey. They rely on these new ties for financial aid, arms transfers, training and other aspects of the development of their national armed forces.

#### Armenia

Armenia's defence spending increased by 45 per cent in the six-year period 1995–2000 because of perceived threats from neighbouring Azerbaijan and Turkey. Its 2000 defence budget of 45 billion dram (\$370 million at constant 1998 prices and exchange rates) accounted for 4.3 per cent of gross domestic

<sup>14</sup> On Iran's cultural, economic, political and strategic interests in the Caspian region see chapter 9 in this volume.

<sup>15</sup> See chapter 3 in this volume.

product (GDP)—an increase from 3.6 per cent of GDP in 1999. Armenia's armed forces include 41 300 active servicemen, with a potential reserve of 210 000 persons with military experience. The army is equipped with 102 battle tanks, 168 AIFVs, and numerous surface-to-surface and surface-to-air missile systems. The air section of the army possesses 60 fighter and other aircraft. The 15 000–20 000 troops in Nagorno-Karabakh (including approximately 8000 Armenian nationals) are armed by Armenia and allegedly possess 316 pieces of equipment including battle tanks, armoured combat vehicles (ACVs) and artillery.<sup>16</sup>

To ensure national security, Armenian policy makers believe that ties must be developed with both Russian/CIS and US/NATO security structures, although cooperation with Russia remains a top priority.<sup>17</sup> Armenia's defence ties with Russia are based on the 29 August 1997 Treaty of Friendship, Cooperation and Mutual Assistance. Under the agreement the two countries agree to cooperate in matters of defence and to 'consult immediately' on the joint use of military facilities and mutual military assistance if either is threatened.<sup>18</sup> They have also agreed to increase cooperation between their defence industries and educational institutions. For Armenia, this means obtaining Russian-made weapons at lower cost and free training for its officers in Russian military schools.<sup>19</sup> According to a March 2000 protocol Russia may maintain a military presence in Armenia for 25 years, and on 27 September 2000 ties were further enhanced with the signing of three military cooperation agreements by the Armenian and Russian defence ministers—on joint planning of military activities, on the regulations governing the Russian military presence in Armenia, and on permitting Armenian and Russian military aircraft to fly in each other's airspace.<sup>20</sup>

Approximately 3100 Russian troops guard Armenia's western borders with Turkey, and Russia provides 50 per cent of the funding for this force. Armenian servicemen benefit from the training they receive as members of this force.<sup>21</sup> Russia's 127th Motor Rifle Division (MRD) is also stationed in Armenia at the military bases in Gyumri and Yerevan. It includes 4100 Russian personnel equipped with a squadron of MiG-23s and several MiG-29s, 74 tanks, 181 armoured fighting vehicles and 84 artillery pieces. Both Armenian and Russian troops use these weapons.<sup>22</sup> In April 2001 the decision was made to

<sup>16</sup> *The Military Balance 2000/2001* (note 3), pp. 84–87.

<sup>17</sup> Snark (Yerevan), 26 July 2000, in 'Armenia ready to step up cooperation with NATO, even given ties with Russia', Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS-SOV-2000-0726, 27 July 2000.

<sup>18</sup> Olcott, M. B., Åslund, A. and Garnett, S. W., *Getting It Wrong: Regional Cooperation and the Commonwealth of Independent States* (Carnegie Endowment for International Peace: Washington, DC, 1999), p. 102.

<sup>19</sup> *Jane's Intelligence Review*, vol. 12, no. 5 (May 2000), p. 12.

<sup>20</sup> 'Russia to keep base in Armenia', *Jane's Defence Weekly*, 22 Mar. 2000, p. 11; and Snark (Yerevan), 29 Sep. 2000, in 'Armenian, Russian defence ministers sign accords on strengthening co-operation', FBIS-SOV-2000-0929, 2 Oct. 2000.

<sup>21</sup> 'Russia to keep base in Armenia' (note 20); and Snark (Yerevan), 2 Dec. 1999, in 'Russian border guard service on Armenia–Turkey border', FBIS-SOV-1999-1206, 7 Dec. 1999.

<sup>22</sup> Olcott, Åslund and Garnett (note 18), p. 101; and Sokolsky, R. and Charlick-Paley, T., *NATO and Caspian Security: A Mission Too Far?*, Report MR-1074-AF (RAND Corporation: Washington, DC, 1999), p. 18, fn. 14.

further integrate the Armenian and Russian armed forces with the creation of a joint military unit which, according to representatives of the CIS Treaty on Collective Security of 1992 (the Tashkent Treaty), will 'play a large part in ensuring security' in the South Caucasus.<sup>23</sup> In March 1999 the two countries signed an 'Instruction on joint actions by the air defence forces of the Russian Federation and the Republic of Armenia'.<sup>24</sup> According to this agreement, if Armenian airspace is violated the commander of Russia's military base is empowered to determine the appropriate response in agreement with Armenia's military.<sup>25</sup> To facilitate air defence cooperation Russia announced its intention to transfer 8 additional MiG-29 fighter jets and an S-300V anti-aircraft missile air defence system to its Gyumri base. One of the most sophisticated systems of its kind, the S-300V is capable of downing aircraft, helicopters, non-strategic ballistic tactical missiles and cruise missiles at a range of 200 km and an altitude of 30 km.<sup>26</sup> Armenian Defence Minister Serzh Sarkisian confirmed in October 2000 that 76 APCs and infantry fighting vehicles would be transferred to the Gyumri base from the Russian military base at Akhalkalaki in Georgia.<sup>27</sup> Russia also allegedly transferred to Armenia conventional weapons worth an estimated \$1 billion between 1993 and 1996. According to reports, Armenia received these weapons free of charge apart from some minor transport costs. In fact, Russian officials claim that the deal cost Russia \$70 million.<sup>28</sup>

Armenia is also enhancing its ties with NATO and its member countries. In 1994, the first year of NATO's Partnership for Peace (PFP) programme, Armenia only participated in 11 exercises and seminars, but in 2000–2001 it plans to participate in 75.<sup>29</sup> Bilateral Armenian–US relations were enhanced with the signing on 24 July 2000 of an agreement for the transfer of US technical equipment worth \$300 000 to Armenia's border forces. The equipment to be transferred includes detection devices for NBC weapons.<sup>30</sup> In December 2000 the US Department of Defense agreed to grant Armenia an additional \$1.3 million for the training and equipping of its border guards and customs.<sup>31</sup> NATO member Greece hosts Armenian servicemen in its military academies, has agreed to help Armenia create and finance a battalion for participation in

<sup>23</sup> 'Armenia, Russia agree to create joint military contingent', Radio Free Europe/Radio Liberty (RFE/RL), *RFE/RL Newslines*, 17 Apr. 2001. On the membership of the Tashkent Treaty see the appendix in this volume. The text of the treaty was published in *Izvestiya*, 16 May 1992.

<sup>24</sup> Noyan Tapan (Yerevan), 30 Mar. 1999, in 'Russia, Armenia sign air defence accord', FBIS-SOV-1999-0331, 4 Apr. 1999.

<sup>25</sup> Interfax (Moscow), 15 Apr. 1999, in 'Air-defence system begins operations in Armenia', FBIS-SOV-1999-0415, 19 Apr. 1999.

<sup>26</sup> *Obshchaya Gazeta* (Moscow), 11 Feb. 1999, in 'Moscow view on Armenia air defense deal', FBIS-SOV-1999-0219, 22 Feb. 1999.

<sup>27</sup> 'Russia to close its South Georgian base this month', *RFE/RL Newslines*, 9 Oct. 2000; and 'Russia to withdraw tanks from Georgia to Armenia', *RFE/RL Newslines*, 19 Oct. 2000.

<sup>28</sup> Anthony, I. (ed.), SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 12–13; and *Sovetskaya Rossiya*, 3 Apr. 1997, in 'Armenia, Russia: Rokhlin details arms supplied to Armenia', FBIS-SOV-97-067, 9 Apr. 1997.

<sup>29</sup> 'NATO official wraps up Armenia visit', *RFE/RL Newslines*, 31 July 2000; and Snark (Yerevan), 15 Aug. 2000, in 'Armenian diplomat says Yerevan ready to expand cooperation with NATO', FBIS-SOV-2000-0816, 17 Aug. 2000.

<sup>30</sup> 'US to provide Armenia with border control equipment', *RFE/RL Newslines*, 25 July 2000.

<sup>31</sup> 'US military unveils aid program for Armenia', *RFE/RL Newslines*, 12 Dec. 2000.



NATO peacekeeping missions, and has donated medical and other supplies to its armed forces. Further agreements were reached on 28–30 August 2000 on training for Armenian officers in Greek institutions and on enhancing military–technical relations between the two countries’ defence industries.<sup>32</sup>

Armenia has also established military ties with other countries. In 1999 it reportedly received 8 Typhoon missiles from China. The missiles have a maximum range of 60 km and are considered sophisticated offensive weapons. The alleged transfer aroused sharp international criticism, not least from Azerbaijan. Prospects for increasing military cooperation have recently been discussed between defence and internal security committees from both countries.<sup>33</sup>

## Azerbaijan

Azerbaijan’s defence expenditure rose by 73 per cent in the six-year period 1995–2000. The increase was motivated by ongoing tensions with Armenia over Nagorno-Karabakh and the desire to develop its military capacity. The 2000 defence budget of 494 billion manats (\$569 million at constant 1998 prices and exchange rates) accounted for 2.7 per cent of GDP. Defence also consistently accounts for a high percentage of central government expenditure.<sup>34</sup> The country’s armed forces include 72 100 active personnel and 575 700 potential reserves equipped with 220 battle tanks, 135 AIFVs, 282 artillery pieces and over 60 SAM systems. The air force has 92 combat and other aircraft, and 35 attack and other military helicopters, as well as 100 SAM systems. In addition, Interior Ministry paramilitary forces number around 15 000 (10 000 militia and 5000 border guard) and are equipped with battle tanks, AIFVs and other weapons.<sup>35</sup> Significantly, combined spending on defence and public order and safety accounted for approximately 22 per cent of central government expenditure in 1999, while health care and education accounted for only 4 per cent.<sup>36</sup>

In February 1999 Azerbaijan decided to leave the Tashkent Treaty. However, emerging threats to regional security and stability may bring it closer to its fellow CIS partners. On 1 October 2000 it concluded three agreements on enhancing multilateral cooperation against terrorism in the North Caucasus

<sup>32</sup> ‘Armenian, Greek army chiefs vow to boost strategic partnership’, *RFE/RL Caucasus Report*, 31 Aug. 2000; Snark (Yerevan), 31 Aug. 2000, in ‘Armenia, Greece unanimous on all issues: Armenian chief of staff’, FBIS-SOV-2000-0831, 1 Sep. 2000; and Interfax (Moscow), 16 Jan. 2001, in ‘Greece to finance Armenian battalion for participation in NATO peacekeeping missions’ (Presidential Bulletin for 16 Jan. 2001), FBIS-SOV-2001-0116, 18 Jan. 2001.

<sup>33</sup> Interfax (Moscow), 18 May 1999, in ‘Azerbaijan protests Chinese missiles to Armenia’, FBIS-SOV-1999-0518, 19 May 1999; and Snark (Yerevan), 20 Feb. 2001, in ‘Armenia to develop military cooperation with China’, FBIS-SOV-2001-0221, 22 Feb. 2001.

<sup>34</sup> See tables 5.1, 5.2 and 5.3; and International Monetary Fund, *Government Finance Statistics Yearbook 1999* (IMF: Washington, DC, 1999), pp. 38–40. The trend of increasing defence expenditure will probably continue in 2001 as spending is expected to reach 539.5 billion manats, or 13% of central government expenditure. ‘Azerbaijan to increase military spending’, *RFE/RL Newslines*, 9 Mar. 2001.

<sup>35</sup> *The Military Balance 2000/2001* (note 3), pp. 86–87.

<sup>36</sup> *Government Finance Statistics Yearbook 1999* (note 34), pp. 38–40.

within the 'Borzhomi Four' (Armenia, Azerbaijan, Georgia and Russia).<sup>37</sup> Bilateral relations with Russia were enhanced with the signing on 9 January 2001 of the Baku Declaration by Russian President Putin and President Heidar Aliyev. The declaration calls for the development of closer military and military–technical cooperation between the two countries.<sup>38</sup>

Azerbaijan receives most of its weapons from CIS member countries. In 1992 and 1993 it reportedly received over 1700 weapons from Russia and Ukraine, including battle tanks, APCs, fighter aircraft, artillery systems and helicopters.<sup>39</sup> These may have included the confirmed transfer of 6 fast attack boats from the Russian Navy in 1992 and approximately 150 battle tanks from Ukraine in 1993–94. Armenian officials claim that Ukraine also transferred arms to Azerbaijan illegally, citing the suspected transfer of 16 fighter aircraft, 100 battle tanks, 2600 rockets, and an unspecified number of semi-active, laser-guided aerial bombs and surface-to-air anti-radar missiles.<sup>40</sup> Kazakhstan also reportedly transferred 8 MiG-25 fighter aircraft to Azerbaijan in 1998.<sup>41</sup>

At the same time, Azerbaijan is enhancing its ties with NATO and its member countries. President Aliyev signed the PFP Framework Document on 4 May 1994 and Azeri armed forces personnel have since participated in numerous PFP exercises and training programmes.<sup>42</sup> In the spring of 1999 Azerbaijan accepted an invitation to contribute a platoon to the NATO Kosovo Force (KFOR).<sup>43</sup> Calls have also been made for even closer ties with the alliance, as some Azerbaijani officials support hosting a NATO base—either US or Turkish—and eventual full membership in NATO. Azerbaijani Foreign Minister Vilayet Guliyev has made statements to this effect but points out that such issues will only be considered when the country's armed forces are brought into line with NATO standards.<sup>44</sup>

Bilateral relations between Azerbaijan and the USA were enhanced with the signing on 28 September 1999 of an agreement pledging cooperation in the counter-proliferation of NBC weapons. Under this agreement the US Department of Defense and Customs Service train and equip Azerbaijani officials 'in techniques of preventing, deterring, and investigating incidents involving the

<sup>37</sup> Interfax (Moscow), 1 Oct. 2000, in 'Russia, Armenia, Azerbaijan, Georgia to intensify cooperation in combating terrorism', FBIS-SOV-2000-1001, 3 Oct. 2000.

<sup>38</sup> ITAR-TASS (Moscow), 9 Jan. 2001, in 'Russian, Azeri presidents issue declaration on strategic cooperation', FBIS-SOV-2001-0109, 10 Jan. 2001.

<sup>39</sup> US Library of Congress, Federal Research Division, 'Azerbaijan: a country study', Mar. 1994, URL <<http://lcweb2.loc.gov/frd/cs/aztoc.htm>>.

<sup>40</sup> 'Ukraine helps Azeris build-up, says Armenia', *Jane's Defence Weekly*, 12 Mar. 1997, p. 3.

<sup>41</sup> *The Military Balance 2000/2001* (note 3), p. 49.

<sup>42</sup> United States European Command, 'Peaceshield 99 concludes on 14 Aug. in Ukraine', 15 Aug. 1999, URL <<http://www.eucom.mil/exercises/99/peaceshield99.htm>>; and 'Azerbaijan wants closer NATO co-operation', *RFE/RL Newslines*, 2 May 2000.

<sup>43</sup> ITAR-TASS World Service (Moscow), 2 Mar. 1999, in 'Azerbaijan to contribute to NATO force in Kosovo', FBIS-SOV-1999-0302, 3 Mar. 1999.

<sup>44</sup> Interfax, 10 Feb. 2000, in 'Possibility of future NATO bases exists: Azerbaijani minister', URL <<http://www.eurasianet.org/resource/azerbaijan/hypermail/200002/0020.html>>; and Interfax (Moscow), 30 Mar. 1999, in 'Azerbaijan reportedly considering NATO base', FBIS-SOV-1999-0330, 31 Mar. 1999.

proliferation of weapons of mass destruction and related materials'.<sup>45</sup> Financial aid from Turkey increased following the signing of the Azerbaijani–Turkish agreement on cooperation in the military field on 10 June 1996.<sup>46</sup> In July 1999 Turkey granted Azerbaijan \$3.45 million for the modernization of its armed forces and to cover costs related to the dispatch of its NATO battalion.<sup>47</sup> Turkey also agreed to train Azerbaijan's servicemen in its military academies and both countries are working to enhance cooperation between their respective defence industries.<sup>48</sup> On 17 July 2000, the Turkish Navy transferred a fighter boat to Azerbaijan's navy—in the words of Taner Balkis, the Logistic Head of Turkey's naval forces, 'to protect the rights of Azerbaijan, a good friend and an ally, in the Caspian Sea'. Following talks between defence representatives of the two countries in late February 2001, an intergovernmental Agreement on Free Military Assistance and a Protocol on Financial Assistance between the Azerbaijani Defence Ministry and the General Staff of the Turkish Armed Forces were signed under which Azerbaijan's military will receive \$3 million in financial assistance from Turkey.<sup>49</sup>

## Georgia

Georgia is the only country in the South Caucasus to have reduced its defence expenditure, in spite of unresolved conflicts in Abkhazia and South Ossetia and instability throughout Georgia. Its 2000 defence budget of 54 million lari (\$108 million at constant 1998 prices and exchange rates) was its lowest in real terms since independence. Defence spending remains low because Georgia's economy is failing and it has few domestic sources of revenue. However, defence still places a significant burden on the national economy, accounting for 9 per cent of central government expenditure in 1998. Combined with spending on public order and safety, defence accounted for 20 per cent of total central government expenditure in 1998, compared to 8.7 per cent for education and health.<sup>50</sup> Georgia also increasingly relies on foreign aid for the development

<sup>45</sup> US Department of Defense, 'US and the Republic of Azerbaijan sign WMD counterproliferation agreement', 6 Oct. 1999, URL <[http://www.defenselink.mil/news/Oct1999/b10061999\\_bt467-99.html](http://www.defenselink.mil/news/Oct1999/b10061999_bt467-99.html)>.

<sup>46</sup> Turan (Baku), 1 Nov. 1996, in 'Azerbaijan: protocols signed with visiting Turkish military delegation', FBIS-SOV-96-214, 5 Nov. 1996.

<sup>47</sup> Interfax (Moscow), 24 July 1999, in 'Turkey to help Azerbaijan bolster defence', FBIS-SOV-1999-0724, 26 July 1999; and Sariibrahimoglu, L., 'Turkish aid for forces in Georgia and Azerbaijan', *Jane's Defence Weekly*, 4 Aug. 1999, p. 6.

<sup>48</sup> 'Azerbaijan, Turkey sign co-operation agreement', *RFE/RL Newline*, 6 Apr. 2000; and Turan (Baku), 20 Sep. 2000, p. 2; and Turan (Baku), 28 Feb. 2001, in 'Azeri defence minister, Turkish military delegation discuss cooperation', FBIS-SOV-2001-0301, 2 Mar. 2001.

<sup>49</sup> Anatolia (Ankara), 17 July 2000, in 'Turkey delivers Turkish fighter boat to Azerbaijani Navy with ceremony', FBIS-SOV-2000-0717, 19 July 2000; 'Turkish firms close deals in Azerbaijan', *Defense News*, 2 Oct. 2000, p. 2; and Turan (Baku), 28 Feb. 2001, in 'Azeri defence minister, Turkish military delegation discuss cooperation', FBIS-SOV-2001-0301, 2 Mar. 2001.

<sup>50</sup> *Government Finance Statistics Yearbook 1999* (note 34), pp. 167–68. It is not clear if the decision to cut Georgia's armed forces personnel by 19% will affect defence spending. *Jane's Defence Weekly*, 5 July 2000, p. 2.

of its armed forces, receiving \$20 million from foreign sources in 1999 in the form of military supplies and officer training in several countries.<sup>51</sup>

Although Georgia left the Tashkent Treaty in 1999 it still cooperates with its CIS neighbours on certain military issues (training in Russian and Ukrainian military schools and bilateral security agreements).<sup>52</sup> However, in general Georgia is actively loosening its CIS ties, particularly with Russia. At the Organization for Security and Co-operation in Europe (OSCE) Summit Meeting in Istanbul in November 1999, Russia promised to reduce the number of its weapons based in Georgia by 31 December 2000 and to close its bases at Gudauta and Vaziani by 1 July 2001.<sup>53</sup> The future of its bases at Akhalkalaki and Batumi is yet to be determined. In addition, several Russian tanks, armoured vehicles and artillery batteries will be destroyed at the Tbilisi tank repair facility.<sup>54</sup> Georgia wants all four Russian bases closed by 31 December 2002, while Russia is hoping to keep a limited force there for a further 25 years.<sup>55</sup>

Abkhazia opposes the closure of the Gudauta base. Abkhazia does maintain a public army: because of a lack of resources to support a regular army, the local population makes up the main part of the army as each citizen can legally bear and bequeath arms. Military instruction is given to the adult population, young people are trained in 'active-service units' and weapons are obtained as war booty from Georgia and, according to Abkhazian President Vladislav Ardzinba, from unnamed foreign suppliers.<sup>56</sup> The continuing presence of Russian forces in Abkhazia is seen by the Abkhaz authorities as a security guarantee against a Georgian military being developed with significant international aid.<sup>57</sup>

Georgia relies on external sources for most of its weapons. It has a modest indigenous arms industry, and the Tbilisi Aircraft Works (TAW) announced in July 1998 that it would begin producing modified Su-25 fighter jets and air-to-air missiles. However, the extent to which this facility supplies Georgia's armed

<sup>51</sup> ITAR-TASS (Moscow), 29 Jan. 2000, in 'Georgia got \$20 million in military aid in 1999', FBIS-SOV-2000-0129, 31 Jan. 2000.

<sup>52</sup> 'Georgia got \$20 million in military aid in 1999' (note 51); and 'Georgia, Russia sign security agreement', *RFE/RL Newline*, 16 June 2000.

<sup>53</sup> 'Russia begins withdrawing military hardware from Georgia', *RFE/RL Newline*, 2 Aug. 2000; 'Russia begins Georgia pullout', *Jane's Defence Weekly*, 16 Aug. 2000, p. 8; Interfax (Moscow), 22 Nov. 1999, in 'Russia to cut military presence in Georgia by end 2000', FBIS-SOV-1999-1122, 23 Nov. 1999; and Iprinda (Tbilisi), 26 Oct. 2000, in 'Russia completes third stage of hardware withdrawal from southern Georgian base', FBIS-SOV-2000-1026, 30 Oct. 2000. According to Georgia's Foreign Minister Iraliy Menagarishvili, Russia fulfilled its obligation to withdraw certain amounts of military hardware from its bases in Georgia by the end of 2000. ITAR-TASS (Moscow), 8 Jan. 2001, in 'Georgian official: Russia honours weapons withdrawal accords', FBIS-SOV-2001-0108, 9 Jan. 2001.

<sup>54</sup> 'Last post for Russians in Georgia', Institute for War and Peace Reporting's Caucasus Reporting Service, no. 48 (8 Sep. 2000), URL <[http://www.iwpr.net/index.p15?archive/cau/cau-20009\\_48-02-eng.txt](http://www.iwpr.net/index.p15?archive/cau/cau-20009_48-02-eng.txt)>.

<sup>55</sup> Interfax (Moscow), 4 Aug. 2000, in 'Georgia: Russian military begins withdrawal from bases 4 Aug', FBIS-SOV-2000-0804, 7 Aug. 2000.

<sup>56</sup> *Vremya MN* (Moscow), 8 Aug. 2000, in 'Ardzinba on Russian military withdrawal, other Abkhazia issues', FBIS-SOV-2000-0809, 14 Aug. 2000.

<sup>57</sup> Iprinda (Tbilisi), 7 Sep. 2000, in 'Georgia: Abkhaz military objects to withdrawal of Russian base', FBIS-SOV-2000-0907, 8 Sep. 2000.

forces with weapons is unclear.<sup>58</sup> Russia transferred 5 battle tanks to Georgia in 1993 and allegedly another 100 tanks, 100 personnel carriers and 6 military launches in 1996.<sup>59</sup> In October 1997 Georgian and Russian defence officials signed a protocol for the transfer to Georgia of 4 Russian warships.<sup>60</sup> It is unclear if Georgia's armed forces benefited materially from the negotiated handover of 10 Russian military installations in January 1998 and the departure of Russian border guards in November 1999. According to bilateral agreements Georgia was entitled to 50 per cent of the weapons and facilities of the departing Russian border forces.<sup>61</sup> CIS member Ukraine has also allegedly transferred weapons to Georgia, including 10 fighter aircraft and 2 naval patrol craft in the period 1997–99.<sup>62</sup>

Georgia has been receiving aid from NATO and its member countries for training and equipment for its fledgling border guard and armed forces.<sup>63</sup> Ties with the alliance were strengthened with the participation of a Georgian battalion in KFOR. Georgian troops have participated in numerous NATO-sponsored military exercises and Georgia intends to host a major PFP exercise in 2001.<sup>64</sup> The August 2000 visit to the Georgian Black Sea port of Poti by the US Navy surveillance frigate *Hawes* and the on-site presence of NATO inspectors during the withdrawal of Russian weapons from Georgia were seen by some Russian officials as evidence of NATO's intention to extend its southern flank.<sup>65</sup> Georgian President Eduard Shevardnadze and Defence Minister David Tevzadze support Georgia's applying for NATO membership by 2004–2005. However, the country's armed forces will require significant restructuring to be brought into line with NATO standards, and according to Shevardnadze US aid is crucial in this regard.<sup>66</sup>

In 1998 a team of Georgian and US experts established a 'resource management study programme' to plan for the most efficient development of Georgia's armed forces. The USA financed the programme at an estimated cost of \$500 000 and has also agreed to grant Georgia \$1.35 million for the purchase of

<sup>58</sup> Feinberg, J., *The Armed Forces in Georgia, March 1999* (Center for Defense Information: Washington, DC, 1999), p. 25.

<sup>59</sup> 'Nadibaidze on "coup", Russo-Georgian military ties', Open Media Research Institute (hereafter OMRI), *OMRI Daily Digest*, 24 June 1996.

<sup>60</sup> Interfax (Moscow), 16 Oct. 1997, in 'Russia: Russia to give Georgia four warships', Foreign Broadcast Information Service, *Daily Report—Central Eurasia, Military Affairs (FBIS-UMA)*, FBIS-UMA-97-289, 20 Oct. 1997.

<sup>61</sup> 'Russian guards to quit Georgia', *Jane's Defence Weekly*, 25 Aug. 1999, p. 11; and Interfax (Moscow), 8 Jan. 1998, in 'Georgia: Ten Russian military sites to be transferred to Georgia', FBIS-SOV-98-008, 12 Jan. 1998.

<sup>62</sup> International Institute for Strategic Studies, *The Military Balance 1999/2000* (Oxford University Press: Oxford, 1999), pp. 46.

<sup>63</sup> Olcott, Åslund and Garnett (note 18), pp. 90–91.

<sup>64</sup> Darchiashvili, D., 'Georgia courts NATO, strives for defense overhaul', *Eurasia Insight*, 26 July 2000, URL <<http://www.eurasianet.org/departments/insight/articles/eav072600.shtml>>.

<sup>65</sup> ITAR-TASS (Moscow), 3 Aug. 2000, in 'Georgia: visiting US frigate seen as extension of NATO surveillance', FBIS-SOV-2000-0803, 4 Aug. 2000; and ITAR-TASS (Moscow), 7 Aug. 2000, in 'Georgia: NATO officers arrive to inspect former Russian military facilities', FBIS-SOV-2000-0807, 8 Aug. 2000.

<sup>66</sup> Interfax, 15 Mar. 2000, in 'Georgia to apply for NATO membership in 2005: Shevardnadze', URL <<http://www.eurasianet.org/resource/georgia/hypermail/200003/0032.htm>>; and 'Georgia restructures for NATO bid', *Jane's Defence Weekly*, 12 Apr. 2000, p. 12.

military communications equipment and over \$20 million for the development of its border force.<sup>67</sup> To further bolster Georgia's border force the USA agreed to supply it with 6 military helicopters, 2 patrol boats and communications equipment. It also plans to cover part of the cost (up to \$10 million) associated with the Russian military withdrawal from Georgia.<sup>68</sup> Under the US Foreign Military Financing (FMF) and the International Military Education and Training (IMET) programmes, Georgian armed forces personnel receive free and subsidized training.<sup>69</sup> The armed forces of the two countries also participate in bilateral military exercises.<sup>70</sup>

Other NATO member countries provide military aid to Georgia. Britain has joined the USA in offering to help finance the Russian military withdrawal from Georgia and donated two naval vessels in 1999.<sup>71</sup> Turkey granted \$9.3 million to Georgia's armed forces in 1998 and 1999 to modernize military and communications facilities and equipment, build training facilities for the Georgian military academy, and acquire computers and navigational equipment. In 1998 it donated a vessel to Georgia's navy and in the spring of 2000 offered an additional grant of \$4 million to bring its 11th Motor Infantry Division up to NATO standards and to fund the opening of a NATO office there.<sup>72</sup> Under a 15 April 1998 Georgian–Turkish 'memorandum of understanding on military cooperation', Georgian officers receive free training in Turkey.<sup>73</sup> The two countries also participate together in bilateral and multilateral military exercises, and on 30 October 2000 a Turkish Air Force unit arrived in Georgia to repair the Marneuli Military Airport, south of Tbilisi.<sup>74</sup> According to Turkish Foreign Minister Ismail Cem, Georgian–Turkish military cooperation will continue in the future, particularly in the joint protection of energy pipelines.<sup>75</sup> Germany and the Czech Republic host Georgian armed forces personnel at their military colleges.<sup>76</sup> Georgia also received (or is in the process of receiving) a

<sup>67</sup> ITAR-TASS World Service (Moscow), 19 May 1998, in 'Georgia: US military to draw up defense programme', FBIS-UMA-98-139, 21 May 1998; 'Georgia, US sign defense agreement', *RFE/RL Newsline*, 25 Mar. 1998; and ITAR-TASS (Moscow), 28 Apr. 2000, in 'US to help Georgia improve border control', FBIS-SOV-2000-0428, 2 May 2000.

<sup>68</sup> 'US to help Georgia improve border control' (note 67); and Interfax (Moscow), 18 July 2000, in 'Russia, US to confer on funding arms withdrawal from Georgia', FBIS-SOV-2000-0718, 19 July 2000.

<sup>69</sup> Darchiashvili (note 64); and ITAR-TASS World Service (Moscow), 9 Apr. 1999, in 'Georgia develops military cooperation with US', FBIS-SOV-1999-0410, 15 Apr. 1999.

<sup>70</sup> 'Joint US–Georgia naval exercise', *Jane's Defence Weekly*, 16 Aug. 2000, p. 8.

<sup>71</sup> *The Military Balance 2000/2001* (note 3), p. 50.

<sup>72</sup> 'Turkey allocates further grant for Georgian military', *RFE/RL Newsline*, 19 Apr. 2000.

<sup>73</sup> ITAR-TASS World Service (Moscow), 15 Apr. 1998, in 'Georgia: Georgian, Turkish officials sign military accord', FBIS-UMA-98-105, 17 Apr. 1998.

<sup>74</sup> *Hürriyet* (Istanbul), 27 Sep. 2000, in 'Turkey, Georgia to carry out joint military exercises 29 Sep.', FBIS-SOV-2000-0927, 28 Sep. 2000; and *Milliyet* (Ankara edn), 8 Nov. 2000, in 'Turkish air force team makes repairs to Georgian military airport', FBIS-SOV-2000-1108, 14 Nov. 2000.

<sup>75</sup> Anatolia (Ankara), 25 July 2000, in 'Turkey's Cem takes up Baku–Ceyhan, East–West corridor with Georgian counterpart', FBIS-SOV-2000-0725, 26 July 2000.

<sup>76</sup> ITAR-TASS, 29 Jan. 2000, in 'Georgia got \$20 million in military aid in 1999', FBIS-SOV-2000-0129, 31 Jan. 2000.

Lindau Class minesweeper from Germany and 120 battle tanks from the Czech Republic.<sup>77</sup>

Non-NATO members and numerous international organizations also contribute to the development of Georgia's armed forces. Romania announced in February 2000 that it would donate an anti-submarine vessel to the Georgian Navy, and agreed to exchange ordnance destruction equipment with Georgia and to establish a military education exchange programme.<sup>78</sup> Estonia has offered to train Georgian border guards, police and personnel from other forces.<sup>79</sup> The Council of Europe offered \$1.06 million for the development of Georgia's border forces and the European Union (EU) plans to grant equipment, vehicles and fuel for Georgia's checkpoints on the Chechnya border.<sup>80</sup>

#### IV. Central Asia

In Central Asia the distinction between Western- and Russian/CIS-oriented governments is much less striking than in the South Caucasus. Most Central Asian countries are developing new defence ties with Russia while at the same time enhancing links with NATO through participation in the PFP programme and bilateral agreements with its member states. They are generally increasing their defence expenditures (or have announced plans to do so) and are receiving military aid in the form of money and weapons from many old and new partners. Defence cooperation is also emerging between these governments and several Asian neighbours, including China, India and Pakistan. All of this bilateral and multilateral cooperation is motivated by the emerging threats to regional security—international terrorism, religious and political extremism, and drug trafficking—which show few signs of receding in the near future.

##### **Kazakhstan**

Kazakhstan's army of 45 000 active personnel is equipped with 930 battle tanks, 1343 ACVs, 1010 artillery pieces, 145 mortars and 12 surface-to-surface missile systems, among other weapons. In addition, 2680 battle tanks, 2428 ACVs and 6900 artillery pieces remain in storage. The 19 000 air force/defence personnel possess 180 fighter and other aircraft (plus 75 in storage), several military helicopters, 147 SAM systems and S-300 air defence systems.<sup>81</sup> These forces were allocated 18.8 billion tenge in 2000 (\$608 million at constant 1998 prices and exchange rates)—a decrease of 3 per cent from the previous year.

<sup>77</sup> On 4 Oct. 2000 Georgia received 12 of the tanks it had ordered from the Czech Republic. The tanks cost c. \$330 000 and were paid for using money from a \$5.5 million Turkish grant. 'Georgia takes delivery of Czech army tanks', *RFE/RL Newslines*, 5 Oct. 2000.

<sup>78</sup> 'Romanian corvette for Georgia', *Jane's Defence Weekly*, 23 Feb. 2000.

<sup>79</sup> Baltic News Service (Tallinn), 22 Aug. 2000, in 'Estonia to train Georgia border-guard, police officers', FBIS-SOV-2000-0823, 24 Aug. 2000.

<sup>80</sup> 'Council of Europe allocates funds for Georgian border guards', *RFE/RL Newslines*, 18 July 2000; and 'EU to help upgrade security on Georgian-Chechen border', *RFE/RL Newslines*, 7 Sep. 2000.

<sup>81</sup> *The Military Balance 2000/2001* (note 3), p. 171.

However, based on the fear of regional instability and the desire to combat international terrorism, religious extremism and other threats, defence expenditure is expected to double as a share of GDP in 2001. Defence officials announced in early 2001 that Kazakhstan plans to spend at least 25 billion tenge on defence in 2001, an increase of over 6 billion tenge from 2000.<sup>82</sup>

Significant defence-related forces are not reflected in Kazakhstan's defence budget. Spending on public order and security (including that on *c.* 20 000 Interior Ministry troops) amounted to 32.2 billion tenge in 1999—6.8 per cent of central government expenditure and nearly double the amount allocated for defence.<sup>83</sup> According to the February 2000 National Military Doctrine, these interior security forces now have an anti-terrorism function, namely, to locate and destroy militant formations on Kazakh territory.<sup>84</sup> The establishment of a 1200-strong military headquarters in the south of Kazakhstan and the decision to increase the number of checkpoints along Kazakhstan's borders by 25 per cent should be reflected in future defence budgets. Additional funds will be needed to man and equip these checkpoints, as well as for the unspecified number of reservists called up by the Kazakh Government following the incursions of Islamic militants into Kyrgyzstan and Uzbekistan in the autumn of 2000.<sup>85</sup>

Kazakhstan's ongoing military reforms are motivated by the emerging threats to national security and currently emphasize the creation of modern and professional armed forces. Reforms include increasing military unit size, creating rapid-response units, increasing overall mobility and increasing budget allocations to the military in 2001. By February 2001 a mobile reaction force to be sent to assist regional countries in times of emergency was almost completely formed. Inter-agency military exercises have been held involving units from the armed forces, special services and border troops to increase coordination in anti-terrorist/extremist operations. Local populations have been organized into *Sarbazy* (Warriors) detachments and have been trained to aid the authorities in their operations. Finally, according to defence officials, 'tens of millions of dollars' will be spent to modernize weapons beginning in 2002.<sup>86</sup>

Kazakhstan supplements these national efforts with cooperation within the CIS and bilaterally with Russia. Dozens of military-related treaties and agree-

<sup>82</sup> 'Kazakhstan to increase defence budget', *RFE/RL Newswire*, 19 May 2000; and 'Kazakh defense officials detail spending, arms exports', *RFE/RL Newswire*, 15 Jan. 2001.

<sup>83</sup> International Monetary Fund, *Staff Country Reports: Republic of Kazakhstan*, no. 00/29 (IMF: Washington, DC, Mar. 2000), p. 120; and *The Military Balance 2000/2001* (note 3), p. 171.

<sup>84</sup> Makarenko, T., 'Central Asia commits to military reform', *Jane's Intelligence Review*, Sep. 2000, pp. 30–31.

<sup>85</sup> Interfax (Kazakhstan)/BBC Monitoring, 'Kazakhs setting up 1200-strong military headquarters in south', 9 Aug. 2000, URL <<http://www.eurasianet.org/resource/kazakhstan/hypermail/200008/0018.html>>; Interfax (Kazakhstan)/BBC Monitoring, 'Kazakhs to increase border control check points to "effectively" combat drugs', 29 June 2000, URL <<http://www.eurasianet.org/resource/kazakhstan/hypermail/200006/0040.html>>; and 'Kazakhstan bolsters troop numbers', *Jane's Defence Weekly*, 13 Sep. 2000, p. 14.

<sup>86</sup> Makarenko (note 84); Xinhua (Beijing), 9 Feb. 2001, in 'Kazakhstan setting up rapid reaction force', FBIS-SOV-2001-0209, 13 Feb. 2001; and 'Defence Ministry plans upgrade of equipment, arms', *RFE/RL Newswire*, 20 Feb. 2001.



ments form the basis of Kazakh–Russian military and security ties. The 1992 Kazakh–Russian Treaty on Friendship, Cooperation and Mutual Assistance provides for Russian assistance in the development of Kazakhstan’s armed forces. Other significant agreements include the Treaty on Military Cooperation signed on 28 March 1994, the 20 January 1995 Declaration on the Expansion and Deepening of Russian–Kazakh Cooperation, 16 agreements signed on 26 January 1996 regarding joint communications, air defence and defence industry collaboration, and the July 1998 Declaration on Eternal Friendship and Alliance Oriented Toward the 21st Century.<sup>87</sup> Kazakh armed forces personnel receive free instruction at Russian military academies under these and other agreements.<sup>88</sup> The two countries also signed an intergovernmental agreement on the joint use of air defence testing facilities under which Kazakh armed forces personnel may participate in CIS air defence exercises.<sup>89</sup>

Kazakhstan inherited a significant defence industry from the Soviet Union. It comprised 3 per cent of the USSR’s defence industry and employed 75 000 workers, and significant production continues today.<sup>90</sup> Between 1996 and 2000 Kazakhstan ranked 21st among the world’s suppliers of major conventional weapons. The Chairman of the Defence Industry Committee within the Ministry of the Economy, Industry and Trade, Bekbulat Baigarin, stated that arms worth \$20 million would be exported in 2000.<sup>91</sup> However, it is unclear to what extent Kazakhstan’s national armed forces benefit from these indigenous sources of arms. Between 1996 and 2000 Kazakhstan ranked 37th among countries receiving conventional weapons. Russia is its primary supplier of weapons and has transferred MiG-29, Su-25 and Su-27 fighter aircraft and numerous SAM systems, among other weapons, to the republic.<sup>92</sup> In September 1999 then Russian Prime Minister Putin signed an edict for the transfer to Kazakhstan of part of Russia’s weapons quota under the 1990 Treaty on Conventional Armed Forces in Europe (the CFE Treaty), including 50 tanks, 200 armoured vehicles, 100 artillery pieces, 15 fighter aircraft and 20 helicopter gunships.<sup>93</sup> Russia also contributed to Kazakhstan’s air defence with the transfer of two highly advanced S-300 anti-aircraft missile systems and Su-27 fighter aircraft in the

<sup>87</sup> On Kazakh–Russian military ties, see Aben, E., ‘Kazakhstan–Russian relations today: the pros and cons’, *Central Asia and the Caucasus* (Luleå), no. 3 (2000), pp. 18–28; and Alexandrov, M., *Uneasy Alliance: Relations Between Russia and Kazakhstan in the Post-Soviet Era, 1992–1997* (Greenwood: London, 1999).

<sup>88</sup> ITAR-TASS (Moscow), 26 Jan. 1996, in ‘Russia, Kazakhstan sign military co-operation agreements’, FBIS-SOV-96-019, 30 Jan. 1996.

<sup>89</sup> Interfax (Moscow), 31 July 2000, in ‘Russia, Kazakhstan to share testing grounds for air defense exercises’, FBIS-SOV-2000-0731, 1 Aug. 2000.

<sup>90</sup> US Library of Congress, Federal Research Division, ‘Kazakhstan: a country study’, Mar. 1996, URL <[http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field\(DOCID+kz0058\)>](http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+kz0058)>).

<sup>91</sup> ‘Kazakhstan to acquire Russian arms’, *RFE/RL Newslines*, 14 Feb. 2000. Kazakhstan exported major conventional weapons worth c. \$194 million between 1996 and 2000. SIPRI arms transfers database, Mar. 2001. The dollar amount is based on SIPRI trend-indicator values, not actual prices paid.

<sup>92</sup> Kazakhstan imported conventional weapons valued at \$648 million (at constant US dollars and 1990 prices) between 1996 and 2000. SIPRI arms transfers database, Mar. 2001. The dollar amount is based on SIPRI trend-indicator values, not actual prices paid.

<sup>93</sup> ‘Russia’s CFE arms go to Kazakhstan’, *Defense News*, 11 Oct. 1999, p. 2.

period 1999–2001. One S-300 system protects the capital, Astana, while another covers the southern border of Kazakhstan and the CIS.<sup>94</sup>

Since Russian transfers are often made to pay its debt to Kazakhstan or as donations, only a small share of Kazakhstan's defence spending should be devoted to weapon procurement.<sup>95</sup> Presidents Nursultan Nazarbayev of Kazakhstan and Vladimir Putin of Russia reaffirmed their intention to promote their defence and military–technical cooperation in the summer of 2000, and advised their respective governments 'to form national sections within the Inter-State Commission for Military–Economic Cooperation of the CIS charged with jointly drawing up proposals for the further integration of enterprises of the military–industrial complex'.<sup>96</sup>

While developing cooperation with its principal strategic partner, Russia, Kazakhstan also seeks to establish links with diverse partners, including the USA. Its armed forces personnel receive training in US institutions under the IMET programme and joint seminars have been held on risk assessment and the creation of a national security strategy.<sup>97</sup> The USA finances the conversion of nuclear and other military-related facilities in Kazakhstan with funds from US military threat reduction programmes, and with US aid the missile control facilities at the Sary-Shagan military test site have been converted for civilian satellite communications operations.<sup>98</sup> The US–Kazakh Defense Cooperation Plan for 2000 provided for continuing IMET training for Kazakh servicemen, the Central Asian Battalion (CentrasBat) peacekeeping exercises and other forms of military cooperation.<sup>99</sup> Kazakhstan may also receive US assistance for the development of its mobile rapid-reaction forces.<sup>100</sup> To further facilitate bilateral cooperation, in mid-2000 US Secretary of State Madeleine Albright pledged \$3 million for the development of Kazakhstan's military.<sup>101</sup> The contribution of an armed patrol boat to Kazakhstan's fledgling navy in 1997 also revealed a developing relationship between the two countries.<sup>102</sup>

Kazakhstan has established military and security ties with other NATO members. In late 1999 Turkey granted it an interest-free loan of \$700 000 for

<sup>94</sup> Interfax (Moscow), 10 Jan. 2000, in 'Kazakhstan starts receiving Russian military hardware', FBIS-SOV-2000-0110, 11 Jan. 2000; Interfax (Moscow), 15 Mar. 2000, in 'Russia to complete supplying Kazakh S-300 AA system in Apr.', FBIS-SOV-2000-0315, 16 Mar. 2000; and Interfax (Moscow), 2 Mar. 2001, in 'Russia supplying weaponry to Kazakhstan to pay off debt', FBIS-SOV-2001-0303, 5 Mar. 2001.

<sup>95</sup> 'Donated Russian planes ready to put to use in Kazakhstan', *New Europe*, 7–13 Feb. 1999, p. 35; and Interfax (Moscow), 14 Feb. 2000, in 'Russia to supply military products to Kazakhstan for debts', FBIS-SOV-2000-0214, 16 Feb. 2000.

<sup>96</sup> ITAR-TASS (Moscow), 20 June 2000, in 'Putin, Nazarbayev agree on cooperation in defense', FBIS-SOV-2000-0620, 21 June 2000.

<sup>97</sup> Hitchens, T., 'Kazakhstan, US work to improve military relations', *Defense News*, 4–10 Mar. 1996, p. 25; and 'US, NATO conduct training courses in Kazakhstan, Uzbekistan', *RFE/RL Newslines*, 29 June 1999.

<sup>98</sup> Interfax (Moscow), 27 Oct. 1999, in 'US helps Kazakhstan convert defense facilities', FBIS-SOV-1999-1028, 20 Nov. 1999.

<sup>99</sup> On CentrasBat, see section V below.

<sup>100</sup> Office of the US Assistant Secretary of Defence (Public Affairs), 'US and Kazakhstan sign "Defense Cooperation Plan for 2000"', Washington, DC, 20 Dec. 1999, press release no. 580–99; and 'Kazakhstan, USA sign co-operation pact', *Jane's Defence Weekly*, 5 Jan. 2000, p. 4.

<sup>101</sup> Davis, A., 'Tighter security for Central Asia', *Jane's Defence Weekly*, 3 May 2000, p. 14.

<sup>102</sup> 'SeaArk Marine delivers patrol boat to Kazakhstan', *Defense News*, 21–27 July 1997, p. 3.

the modernization of its military communications systems, and in July 2000 it agreed to grant an additional \$1 million to Kazakhstan's Ministry of Defence. Bilateral talks have also focused on the training of Kazakh military personnel in Turkey and jointly combating terrorism, among other military-related issues.<sup>103</sup>

A Chinese donation of communications equipment and other items to Kazakhstan's armed forces is symbolic of the interests shared by both countries. According to Chinese Defence Minister Chi Haotian China and Kazakhstan plan to intensify joint efforts in the fight against separatism, international terrorism and religious extremism.<sup>104</sup>

## Kyrgyzstan

Kyrgyzstan's defence spending increased by 36 per cent over the six years 1995–2000. Its year 2000 defence budget of 1016 million soms (\$185 million at constant 1998 prices and exchange rates) accounted for 1.6 per cent of GDP. Presumably the most recent spending increases are motivated by the Islamic incursions into Kyrgyzstan.

With 9000 active personnel and 57 000 reserves, equipped mainly with outdated ex-Soviet weapons, Kyrgyzstan's armed forces are the weakest in Central Asia. This does not include the self-defence units being formed in southern Kyrgyzstan, manned by local residents and trained to repel invasions by extremist forces.<sup>105</sup> Officials have also announced plans to strengthen border security with the creation of four new frontier posts in the Batken Oblast staffed by 800 personnel and to establish an anti-terrorist centre in Kyrgyzstan in cooperation with the other Shanghai Forum countries (China, Kazakhstan, Russia and Tajikistan).<sup>106</sup> These initiatives, if carried through, should be reflected in future defence budgets.

Since it gained independence Kyrgyzstan's closest strategic partner has been Russia. While addressing the Assembly of Peoples of Kyrgyzstan on 30 June 2000, President Askar Akayev called Russia Kyrgyzstan's principal past, present and future strategic partner.<sup>107</sup> Many defence and military–technical agreements have been planned and signed by the two states in recent years, and Kyrgyzstan's relations both with Russia and within the Tashkent Treaty focus

<sup>103</sup> Interfax (Moscow), 24 Dec. 1999, in 'Kazakhstan: Turkey to give aid for military defense', FBIS-SOV-1999-1224, 27 Dec. 1999; 'Turkish loan to Kazakhstan', *Jane's Defence Weekly*, 12 Jan. 2000, p. 13; and 'Kazakh, Turkish presidents aim to expand co-operation', *RFE/RL Newslines*, 20 Oct. 2000.

<sup>104</sup> 'China to allocate aid to Kazakhstan's armed forces', *RFE/RL Newslines*, 3 May 2000; and Interfax, 2 May 2000, in 'China to give aid to Kazakh armed forces', URL <<http://www.eurasianet.org/resource/kazakhstan/hypermail/200005/0003.html>>.

<sup>105</sup> *The Military Balance 2000/2001* (note 3), p. 172; Interfax, 16 May 2000, in 'Self-defense units being formed in southern Kyrgyzstan', URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200005/0028.html>>; and Interfax (Moscow), 14 June 2000, in 'Kyrgyzstan: Security chief says ready to deal with Islamic fighters', FBIS-SOV-2000-0614, 15 June 2000.

<sup>106</sup> 'Kyrgyzstan creates four new frontier posts', *RFE/RL Newslines*, 3 Feb. 2000; 'Kyrgyzstan increases border defenses', *RFE/RL Newslines*, 18 Feb. 2000; and Kyrgyz Radio First Programme/BBC Monitoring, 'Plans for anti terrorism centre in southern Kyrgyzstan pushing ahead', 18 Sep. 2000, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200009/0057.html>>. On the Shanghai Forum see section V below.

<sup>107</sup> 'Kyrgyz President terms Russia "main strategic ally"', *RFE/RL Newslines*, 3 July 2000.

primarily on cooperative defence of the CIS southern borders against international terrorism and extremist threats to stability.<sup>108</sup>

Russia assumed the primary responsibility for defending Kyrgyzstan's border with China until January 1999, when it stopped funding its forces stationed there. In July 1999 Kyrgyzstan began guarding border areas formerly under Russian control; however, cooperation in this area continues as Russian military advisers remain in Kyrgyzstan, while Kyrgyz border guards receive training in Russian schools.<sup>109</sup> Over 440 Kyrgyz armed forces personnel were enrolled in Russian military schools as of November 1998, numerous joint air defence exercises have been held to facilitate bilateral cooperation, and the Russian Federal Border Service (FBS) began a training course for its Kyrgyz counterparts in early 2001.<sup>110</sup>

Kyrgyzstan's defence budgets are primarily devoted to the development of its border forces, and the development of the general armed forces therefore suffers.<sup>111</sup> However, military-technical cooperation with Russia may contribute to the modernization of Kyrgyzstan's weapons and other equipment. Officials have discussed the possible repair and modernization of Kyrgyz weapons at Russian facilities.<sup>112</sup> The Kyrgyz contribution to the joint air defence system with Russia is being modernized thanks to military-technical cooperation with the Russian Ministry of Defence and Kyrgyzstan has also received modern border control technology from the Russian Ministry of Atomic Energy.<sup>113</sup> Significantly, during the signing of the July 2000 Declaration of Eternal Friendship and a 10-year economic cooperation agreement by presidents Putin and Akayev, both leaders stressed that bilateral defence and military-technical cooperation and the further integration of CIS security structures will remain a priority in future relations between the two countries.<sup>114</sup>

When Islamist forces attacked Kyrgyzstan's Batken Oblast in August 1999, the parties to the Tashkent Treaty and Uzbekistan sent Kyrgyzstan aid in the form of heavy-calibre machine-guns and grenade launchers, ammunition and

<sup>108</sup> ITAR-TASS (Moscow), 12 Apr. 2000, in 'Kyrgyzstan pledges anti-terrorism cooperation with Russia', FBIS-SOV-2000-0412, 13 Apr. 2000; and ITAR-TASS (Moscow), 10 Oct. 2000, in 'Russian, Kyrgyz legislators agree to counter terrorism jointly', FBIS-SOV-2000-1010, 12 Oct. 2000.

<sup>109</sup> Smith, D. L., *Breaking Away from the Bear* (US Army War College Strategic Studies Institute: Carlisle, Pa., Aug. 1998), pp. 15-16; 'Kyrgyzstan, Russia sign border control accord', *RFE/RL Newswire*, 20 July 1999; Sköns, E. *et al.*, 'Military expenditure', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), p. 291; and ITAR-TASS (Moscow), 15 Jan. 1999, in 'Russia: Russia to continue helping guard Kyrgyz borders', FBIS-UMA-99-015, 21 Jan. 1999.

<sup>110</sup> ITAR-TASS (Moscow), 23 Nov. 1998, in 'Russia: Russia, Kyrgyzstan to sign military cooperation deal', FBIS-SOV-98-327, 24 Nov. 1998; Interfax (Moscow), 12 Jan. 1999, in 'Russia: Russia, Kyrgyzstan to sign defense cooperation accord', FBIS-SOV-99-012, 13 Jan. 1999; and Kyrgyz Press International News Agency (Bishkek)/BBC Monitoring Service, 4 Feb. 2001, in 'Russia, Turkish military specialists help Kyrgyzstan train officers', URL <<http://www.eurasianet.org/resources/kyrgyzstan/hypermail/200102/0011.html>>.

<sup>111</sup> Smith (note 109), p. 17.

<sup>112</sup> 'Russia: Russia, Kyrgyzstan to sign military cooperation deal' (note 110).

<sup>113</sup> Interfax (Moscow), 27 July 2000, in 'Russia: Kyrgyz President confirms strategic partnership with Russia', FBIS-SOV-2000-0727, 28 July 2000.

<sup>114</sup> 'Kyrgyz, Russian presidents sign eternal friendship declaration', *RFE/RL Newswire*, 28 July 2000.

other technical equipment.<sup>115</sup> To facilitate this military–technical assistance a special department was established within CIS headquarters responsible for analysing the conflict and rendering military assistance to Kyrgyzstan’s armed forces.<sup>116</sup> When the incursions resumed in August 2000, Russian Defence Minister Igor Sergeyev announced that Russia intended to provide Kyrgyzstan with military–technical aid, presumably in the form of weapons.<sup>117</sup> Kazakhstan also offered to send weapons and troops if necessary, while Belarus offered surveillance systems and other military equipment.<sup>118</sup>

NATO and its member countries also provide military and military–technical assistance to Kyrgyzstan’s armed forces. Kyrgyz units participate regularly in PFP exercises and during NATO Secretary General Lord Robertson’s July 2000 visit to Kyrgyzstan the enhancement of Kyrgyzstan’s cooperation with NATO dominated the discussions.<sup>119</sup> Kyrgyz and US servicemen have participated in several bilateral military exercises and both armed forces have agreed to hold regular joint exercises.<sup>120</sup> In addition, during her visit to Central Asia in April 2000 US Secretary of State Albright promised a grant of \$3 million to enhance the military capability and combat readiness of Kyrgyzstan’s armed forces and border guards. The first instalment of this aid (\$1 million-worth) reached Kyrgyzstan in December 2000.<sup>121</sup> The US State Department announced in early 2001 that the USA would provide an additional \$5.49 million in equipment, training and services over the next few years.<sup>122</sup> NATO member Turkey trains Kyrgyz servicemen, has granted \$210 000 to Kyrgyzstan for the purchase of modern communications equipment, and in December 1999 agreed to fund logistical and military–technical assistance for over 3000 Kyrgyz armed forces personnel.<sup>123</sup> Turkey also offered to provide additional funding to Kyrgyzstan’s armed forces following the Islamic incursions in August 2000.<sup>124</sup>

<sup>115</sup> ITAR-TASS (Moscow), 20 Sep. 1999, in ‘Russia to supply arms to Kyrgyz Government’, FBIS-SOV-1999-0920, 23 Sep. 1999; Interfax (Moscow), 2 Oct. 1999, in ‘CIS countries to give military help to Kyrgyzstan’, FBIS-SOV-1999-1002, 4 Oct. 1999; and ITAR-TASS (Moscow), 8 Oct. 1999, ‘Russia sending first batch of weapons to Kyrgyzstan’, FBIS-SOV-1999-1008, 13 Oct. 1999.

<sup>116</sup> ITAR-TASS (Moscow), 3 Sep. 1999, in ‘Department for aid to Kyrgyzstan set up at CIS HQ’, FBIS-SOV-1999-0903, 7 Sep. 1999.

<sup>117</sup> ITAR-TASS (Moscow), 7 Sep. 2000, in ‘Sergeyev: Russia to render military aid to Central Asia’, FBIS-SOV-2000-0907, 8 Sep. 2000.

<sup>118</sup> ‘Kazakhstan signals readiness to help Kyrgyzstan fight Islamic militants’, *RFE/RL Newline*, 13 Sep. 2000; and ‘Belarus agrees to provide Kyrgyzstan with military assistance’, *RFE/RL Newline*, 11 Oct. 2000.

<sup>119</sup> Interfax (Moscow), 19 Jan. 1998, in ‘Uzbekistan: NATO exercises to be held in Uzbekistan, Kyrgyzstan’, FBIS-SOV-98-019, 21 Jan. 1998; ITAR-TASS (Moscow), 25 Sep. 1998, in ‘Kyrgyzstan: Kyrgyzstan to host NATO manoeuvres 26–28 Sep.’, FBIS-SOV-98-268, 28 Sep. 1998; and Kabar (Bishkek)/BBC Monitoring, ‘Security in Central Asia of “serious” concern: NATO chief in Kyrgyzstan’, 6 July 2000, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200007/0005.html>>.

<sup>120</sup> Kabar (Bishkek)/BBC Monitoring, ‘Kyrgyz and US guards hold three-day military exercises’, 15 June 1999; and *Vechny Bishkek*/BBC Monitoring, ‘US–Kyrgyz military exercises underway’, 4 May 2000, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200005/0006.html>>.

<sup>121</sup> Kabar (Bishkek)/BBC Monitoring, ‘US–Kyrgyz officials issue joint statement’, 17 Apr. 2000, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200004/0028.html>>; and ‘US presents Kyrgyzstan with defense equipment’, *RFE/RL Newline*, 8 Dec. 2000.

<sup>122</sup> Kabar (Bishek)/BBC Monitoring, ‘US security experts discuss border security in Kyrgyzstan’, 8 Feb. 2001, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200102/0021.html>>.

<sup>123</sup> US Library of Congress, Federal Research Division, ‘Kyrgyzstan: a country study’, Mar. 1996, URL <<http://lcweb2.loc.gov/frd/cs/kgtoc.html>>; Anatolia (Ankara), 12 Dec. 1999, in ‘Turkey to extend

Emerging threats to regional stability have also resulted in Kyrgyzstan establishing ties with other regional governments. For instance, China granted Kyrgyzstan's border force 15 million yuan (*c.* \$1.6 million) in material assistance by Jan. 2001 and expressed its desire to increase bilateral cooperation against international terrorist and separatist/extremist threats.<sup>125</sup>

## Tajikistan

Tajikistan's defence spending increased by 34.5 per cent in the five-year period 1995–99. It fell slightly in 1998 and 1999 (in constant 1998 US dollars) after the conclusion of the Peace and National Reconciliation Accord in June 1997 ending the six-year civil war, but this trend will probably be reversed because of growing tension on Tajikistan's border with Afghanistan and throughout the region. The 1999 defence budget amounted to 17 billion Tajik roubles—\$83 million at constant 1998 prices and exchange rates, or 9.4 per cent of central government expenditure and 1.3 per cent of GDP—while spending on defence and law enforcement and judicial bodies combined accounted for 19.2 per cent of central government expenditure.<sup>126</sup>

Tajikistan's closest strategic partner is Russia and their bilateral relations are based on the Treaty of Friendship, Cooperation and Mutual Assistance of 25 May 1993. Regular meetings are held between their presidents, the leaders of their respective parliaments, and several ministries and agencies which coordinate the foreign policies of the two states and strengthen bilateral defence cooperation.<sup>127</sup> Bilateral ties were enhanced with the signing of two agreements on 16 April 1999, the Treaty of Alliance and Cooperation between the Republic of Tajikistan and the Russian Federation Oriented to the 21st Century, and the treaty on the status and conditions of the Russian military presence on the territory of Tajikistan. Under these agreements Russian troops may remain in Tajikistan for 25 years and assume the status of a military base.<sup>128</sup>

Russia assumed the primary financial and manpower burden of the CIS Collective Peacekeeping Force (CPF) in Tajikistan and observed and mediated the peace talks between the Tajik Government and the United Tajik Opposition (UTO).<sup>129</sup> Tajikistan's meagre armed forces (*c.* 6000 active personnel) rely on

military aid to Kyrgyzstan', Foreign Broadcast Information Service, *Daily Report—West Europe (FBIS-WEU)*, FBIS-WEU-1999-1212, 13 Dec. 1999; and 'Turkey to support Kyrgyzstan's military', *RFE/RL Newswire*, 14 Dec. 1999.

<sup>124</sup> Reuters (Ankara), 'Turkey offers Uzbeks, Kyrgyz aid against rebels', 2 Sep. 2000.

<sup>125</sup> Kabar (Bishkek)/BBC Monitoring, 'Kyrgyz border guards get Chinese aid, more in the pipeline', 1 June 2000, URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200006/0006.html>>; and 'China provides equipment for Kyrgyzstan's armed forces', *RFE/RL Newswire*, 8 Jan. 2001.

<sup>126</sup> See tables 5.1, 5.2 and 5.2; and International Monetary Fund, *Republic of Tajikistan: Recent Economic Developments*, IMF Staff Country Report no. 00/27 (IMF: Washington, DC, Mar. 2000), pp. 72–73.

<sup>127</sup> Olimova, S., 'Tajikistan–Russia: from "divorce" to integration', *Journal of Social and Political Studies*, no. 3 (2000), p. 37.

<sup>128</sup> Olimova (note 127), pp. 38–39; and Novichkov, N., *Jane's Defence Weekly*, 14 Apr. 1999.

<sup>129</sup> Zviagelskaya, I., 'The Tajikistan conflict', *SIPRI Yearbook 1999* (note 109), p. 74. Despite the decision to end the mandate of the CIS peacekeeping force in Tajikistan, the 201st MRD will remain. 'CIS defence ministers meet in Tajikistan', *RFE/RL Newswire*, 27 Oct. 2000.

cooperation with Russian forces to achieve national security and stability. Russia's 8200-strong 201st MRD and 14 500 FBS personnel assist Tajikistan's armed forces and border guards in protecting the Tajik–Afghan border, among other tasks.<sup>130</sup> Following the August 2000 incursions into Kyrgyzstan by Islamic militants the Russian border force moved to tighten security by building additional posts, increasing observations and planting landmines along the Afghan–Tajik border.<sup>131</sup>

Military cooperation with Russia benefits Tajikistan's armed forces in numerous ways. Specialized training companies composed of Russian instructors and Tajik servicemen have been created and Tajik servicemen also receive training and experience in their positions in the Russian forces in Tajikistan.<sup>132</sup> Hundreds of Tajik armed forces personnel attend Russian military academies every year (*c.* 500 in March 2000) and the armed forces of the two countries participate in regular military exercises, both bilaterally and within the CIS. According to Tajik and Russian officials, military/security cooperation of this sort will increase in the future.<sup>133</sup>

The two countries signed a protocol on 10 November 2000 under which Russia agreed to rebuild Tajikistan's weapon factories destroyed during its civil war.<sup>134</sup> Taking into account the extensive military-related contacts that Russia and Tajikistan have had in recent years and their common concerns about the threat to regional stability posed by political and religious extremism, international terrorism and drug trafficking, Russian arms exports to Tajikistan may increase in the future. Fellow CIS member Belarus allegedly transferred 5 Mi-24 and 10 Mi-8 combat helicopters to Tajikistan's air force, and plans are reportedly under way to transfer additional Su-25 fighter jets.<sup>135</sup>

Tajikistan has received little financial or military–technical assistance from non-CIS countries. It is the only regional state not participating in the PFP programme and, according to President Imomali Rakhmonov, will seek to increase military cooperation with regional states and push for more comprehensive cooperation within the Tashkent Treaty.<sup>136</sup> Clearly the country depends on defence cooperation with its CIS and Tashkent Treaty partners. As for other regional countries, China has agreed to grant \$700 000 in technical support to

<sup>130</sup> *The Military Balance 2000/2001* (note 3), p. 176.

<sup>131</sup> ITAR-TASS (Moscow), 29 Aug. 2000, in 'Russian border guards reinforce Tajik–Afghan border', FBIS-SOV-2000-0829, 30 Aug. 2000; and 'Russians guarding Tajikistan worried by Taleban advances', *International Herald Tribune*, 4 Oct. 2000, p. 6.

<sup>132</sup> Interfax (Moscow), 18 June 1998, in 'Tajikistan: Tajik President favours stronger military ties with Russia', FBIS-SOV-98-169, 22 June 1998.

<sup>133</sup> ITAR-TASS (Moscow), 11 Mar. 2000, in 'Russian Air Force commander visits Tajikistan', FBIS-SOV-2000-0311, 13 Mar. 2000; and Voice of the Islamic Republic of Iran/BBC Monitoring, 'Tajik–Russian military cooperation to be stepped up, Putin tells Tajik paper', 10 July 2000, URL <<http://www.eurasianet.org/resource/tajikistan/hypermail/200007/0003.html>>.

<sup>134</sup> 'Russia to help rebuild Tajikistan's military–industrial complex', *RFE/RL Newsline*, 13 Nov. 2000.

<sup>135</sup> *The Military Balance 2000/2001* (note 3), p. 176.

<sup>136</sup> ITAR-TASS World Service (Moscow), 3 Apr. 1999, in 'Tajik President backs extending CIS security treaty', FBIS-SOV-1999-0403, 5 Apr. 1999.

Tajikistan's armed forces. Iran has also agreed to supply Tajikistan with weapons and technical equipment.<sup>137</sup>

## Turkmenistan

Turkmenistan's armed forces of approximately 17 500 active personnel are equipped with 690 battle tanks, 1770 armoured vehicles, numerous artillery and missile defence systems, and 243 combat aircraft (with another 172 in storage).<sup>138</sup> Between 1995 and 2000 spending on these forces increased by 71 per cent. The 2000 defence budget was 850 billion manats (\$646 million at constant 1998 prices and exchange rates)—3.4 per cent of GDP. Turkmenistan's defence spending as a share of GDP has consistently ranked among the highest in Central Asia and the Caspian region as a whole. Allegedly, some military-related expenditures are not included in its defence budgets.<sup>139</sup> Additional funding may also be needed if plans to increase armed forces personnel to 40 000 and to develop a national navy are initiated.<sup>140</sup>

A joint Turkmen–Russian force guarded Turkmenistan's 2300-km border with Iran and Afghanistan until November 1999, when the 1993 Turkmen–Russian treaty regulating the Russian presence there expired. Turkmenistan's servicemen benefited from military–technical assistance and training provided by Russia, and since the expiry of the 1993 agreement Turkmenistan has guarded its borders with Afghanistan and Iran independently.<sup>141</sup> Despite the failure of plans to institute joint command of Russian and Turkmen armed forces, bilateral agreements have been concluded with Russia on the joint use of naval facilities at Krasnovodsk (in Turkmenistan) and joint naval exercises.<sup>142</sup> Turkmenistan also participates in the Caspian Sea Flotilla under Russian command.<sup>143</sup> The two countries have agreed to establish a joint air force training facility, and Russian and Turkmen leaders have expressed a desire to enhance bilateral cooperation further, particularly in the fields of defence and military technology.<sup>144</sup> In addition, Russia, Azerbaijan and Ukraine among the CIS countries host Turkmen armed forces personnel at their military academies.<sup>145</sup>

According to available sources Turkmenistan has not received arms transfers in recent years. In return for fuel Russia agreed in late 1994 to provide material

<sup>137</sup> 'China to provide technical assistance to Tajik military', *RFE/RL Newswire*, 14 July 2000; and IRNA (Tehran), 8 Mar. 2001, in 'Iran's defense minister in Dushanbe for military agreement', FBIS-SOV-2001-0308, 12 Mar. 2001.

<sup>138</sup> *The Military Balance 2000/2001* (note 3), pp. 176–77.

<sup>139</sup> See tables 5.1, 5.2 and 5.3; and Sköns *et al.* (note 109), p. 291.

<sup>140</sup> 'The 1999–2000 world defence almanac', *Military Technology*, vol. 24, no. 1 (2000), p. 219.

<sup>141</sup> *Rossiyskaya Gazeta*, 28 Jan. 1995, in 'Treaty on Turkmenistan joint border force', FBIS-SOV-95-023, 19 Nov. 1995; and 'Turkmenistan, Russia reach compromise on border guards', *RFE/RL Newswire*, 7 July 1999.

<sup>142</sup> Smith (note 109), pp. 31–32.

<sup>143</sup> *The Military Balance 2000/2001* (note 3), p. 169.

<sup>144</sup> Smith (note 109), p. 31; and ITAR-TASS (Moscow), 20 June 2000, in 'Putin, Nazarbaev agree on cooperation in defence', FBIS-SOV-2000-0620, 21 June 2000.

<sup>145</sup> Smith (note 109), p. 30; 'Ukraine to provide military assistance to Turkmenistan', *New Europe*, 16 Nov. 1996, p. 40; and 'Training offer to Turkmenistan', *Jane's Defence Weekly*, 29 Mar. 2000, p. 22.



and technical support for the development of Turkmenistan's armed forces, although information on subsequent transfers is either non-existent or not available.<sup>146</sup> It nevertheless seems reasonable to conclude that arms imports, or at least the repair of existing weapons, will be necessary if plans move ahead to increase the number of armed forces personnel on active duty and to form a national navy. Over 40 of Turkmenistan's Su-25 combat aircraft are being refurbished in Georgia at the TAW facility at a cost of \$1 million per aircraft. This is to be subsidized by Georgia for repayment of its debt to Turkmenistan (primarily for natural gas imports in 1992–96).<sup>147</sup> Ukraine has also agreed to provide technical maintenance and repair for additional Turkmen weapons.<sup>148</sup>

Turkmenistan's armed forces participate in multilateral military exercises within the PFP programme and its military personnel attend NATO-financed courses on planning and drafting budgets, the use of communications, computer and information systems, and medical training. In addition, Turkey and the USA host Turkmen military personnel at their military academies.<sup>149</sup> President Saparmurat Niyazov also supports a greater role for the UN in mediating a resolution to the Afghan conflict, determining the status of the Caspian Sea, and ensuring the security of regional oil and gas pipelines.<sup>150</sup>

Turkmenistan has also sought military cooperation with China, Iran and other neighbours: for example, its forces personnel receive training in Pakistan.<sup>151</sup>

## Uzbekistan

The armed forces of Uzbekistan include approximately 59 100 personnel equipped with 350 MBTs, 295 AIFVs, 379 APCs and hundreds of artillery pieces. Much of the 2000 tanks (T-64), 1200 ACVs and 750 artillery pieces transferred to Uzbekistan by the former Soviet Union in 1991 remains in storage. The air force has 135 combat aircraft and 42 attack helicopters, as well as SAM systems, at its disposal.<sup>152</sup> In 1999 spending on these defence forces amounted to 34.8 billion soms (\$982 million at constant 1998 prices and exchange rates)—1.7 per cent of GDP and a vast increase, by 137 per cent,

<sup>146</sup> Interfax (Moscow), 27 Dec. 1994, in 'Gas for arms deal signed with Russia', FBIS-SOV-94-248, 27 Dec. 1994.

<sup>147</sup> ITAR-TASS (Moscow), 7 Aug. 1999, in 'Tbilisi plant to repair warplanes for Turkmenistan', FBIS-SOV-1999-0808, 9 Aug. 1999; and 'Georgia to repair Turkmen jet fighters', *RFE/RL Newsline*, 8 July 1999.

<sup>148</sup> 'Ukraine to provide military assistance to Turkmenistan', *New Europe*, 16 Nov. 1996, p. 40.

<sup>149</sup> ITAR-TASS (Moscow), 20 Aug. 1997, in 'Turkmenistan: Niyazov approves partnership within NATO PFP program', FBIS-SOV-97-232, 21 Aug. 1997; Interfax (Moscow), 11 May 1999, in 'Turkmenistan to sign agreement with NATO program', FBIS-SOV-1999-0511, 12 May 1999; Turkmen Press News Agency (Ashkhabad)/BBC Monitoring, 'Turkmenistan to step up NATO partnership activities', 11 May 1999, URL <<http://www.soros.org/turkstan/omri/0103.html>>; and Smith (note 109), p. 30.

<sup>150</sup> 'Turkmen President calls for increased UN role in guarding pipelines', *RFE/RL Newsline*, 25 Aug. 2000.

<sup>151</sup> Smith (note 109), pp. 30–33; Interfax (Moscow), 10 Sep. 1999, in 'Turkmenistan for military cooperation with China', FBIS-SOV-1999-0910, 13 Sep. 1999; and 'Turkmen President remains lukewarm on CIS', *RFE/RL Newsline*, 16 May 2000.

<sup>152</sup> *The Military Balance 2000/2001* (note 3), p. 177.

since 1995. Significantly, the 17 000–19 000 internal security forces are not funded as part of the defence budget.<sup>153</sup>

The government has also initiated a process of extensive military reform. The reforms envisage the creation of mobile, well-equipped and well-trained armed forces and focus on training, reforming military command structures and modernizing armaments. To promote inter-agency compatibility and efficiency anti-terrorist exercises have been held involving participants from the military, the interior ministry and the border guard force. President Islam Karimov has also announced the creation of a new border defence unit. However, it is unclear what the ultimate scale of these reforms will be or how they will be reflected in future defence budgets.<sup>154</sup>

Russia remains Uzbekistan's most important strategic partner. This is in spite of Uzbekistan's increasing military cooperation with the West and its decision to withdraw from the Tashkent Treaty and join GUUAM in early 1999.<sup>155</sup> Describing the evolving bilateral relationship in December 1999, then Russian Prime Minister Putin stated: 'We are coming to a qualitatively new level of relations in security matters. We are ready by joint efforts to put a barrier to the spread of terrorism and extremism'.<sup>156</sup> In the same month the two countries concluded a Treaty on the Further Deepening of All-Round Cooperation in the Military and Military–Technical Spheres that calls for enhanced cooperation against international terrorism and in the development, production and delivery of advanced weapons.<sup>157</sup> Military and military–technical agreements were signed during President Putin's official visit to Uzbekistan in May 2000.<sup>158</sup>

Uzbekistan was frustrated with the failure to implement these agreements and with delays in the delivery of Russian arms, mainly because of its own failure to meet its payment obligations. These issues were addressed when President Karimov made a state visit to Moscow on 3–5 May 2001. The two states signed a protocol on exchanging instruments of ratification of the December 1999 agreement and agreed to create working groups within their national security systems to implement and regulate the military–technical cooperation called for in the agreement. Uzbekistan also offered to pay for future Russian aid with exports of cotton, gas, fruit and vegetables (at prices 30 per cent below average international prices).<sup>159</sup>

<sup>153</sup> *The Military Balance 2000/2001* (note 3), p. 177.

<sup>154</sup> Makarenko (note 84), p. 32; and 'Uzbekistan reforms military, upgrades border guards', *RFE/RL Newsline*, 15 Jan. 1999.

<sup>155</sup> On GUUAM see chapter 1 in this volume and section V below.

<sup>156</sup> ITAR-TASS (Moscow), 11 Dec. 1999, in 'Further on Russian–Uzbekistan military cooperation deal', FBIS-SOV-1999-1211, 13 Dec. 1999.

<sup>157</sup> Interfax (Moscow), 18 May 2000, in 'Russia: Putin informs Duma of Uzbek military agreement', FBIS-SOV-2000-0518, 19 May 2000.

<sup>158</sup> ITAR-TASS (Moscow), 2 June 2000, in 'Putin, Uzbek President discuss accords by telephone', FBIS-SOV-2000-0602, 5 June 2000.

<sup>159</sup> Uzbek Television first channel (Tashkent)/BBC Monitoring Service, 'Uzbekistan, Russia agree to set up military cooperation groups', 6 May 2001, URL <<http://eurasianet.org/resource/uzbekistan/hypermail/news/0007.html>>; and Tkachuk, T., 'Rossiya–Uzbekistan: nastupayet epokha potepleniya' [Russia–Uzbekistan: a phase of warming begins], *Nezavisimaya Gazeta*, 5 May 2001.

In June 2000 the Russian and Uzbek defence ministers, Igor Sergeev and Lieutenant-General Yuriy Akmazov, signed an additional agreement on the joint use of Russian weapon testing facilities, and on 19 June 2000 Uzbek and Russian officials agreed to initiate joint anti-aircraft defence duty. Uzbekistan thus joined Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia in the CIS Integrated Air Defence System and received advanced communications equipment for the continuous exchange of information.<sup>160</sup> Uzbek servicemen train in Russian military academies and the armed forces benefit from participating in CIS military exercises.<sup>161</sup>

According to Uzbek officials, current reforms will require the import of modern weaponry, the repair and modernization of existing stockpiles and increased military–technical cooperation with foreign states.<sup>162</sup> Russian assistance will be crucial in this regard. Between 1995 and 1997, Russia transferred 120 APCs to Uzbekistan, and it announced the transfer of 50 additional APCs in 2000.<sup>163</sup> In 1999 Russia and other CIS states supplied weapons to Uzbekistan’s armed forces fighting Islamic rebels, and renewed attacks in August 2000 led Russia to offer \$30 million in additional weapons, including armoured vehicles, Mi-8 helicopters, and other weapons and communications equipment. Uzbekistan subsequently accepted the Russian offer of military–technical aid.<sup>164</sup> Agreements have also been drafted for the repair of Uzbek weapons by Russian firms and the joint manufacture of explosives.<sup>165</sup> CIS member Ukraine supplied small amounts of weapons and military equipment to Uzbekistan in 1999 and offered additional military–technical assistance in the autumn of 2000. In addition, over 40 of Uzbekistan’s battle tanks have been modernized in Ukrainian facilities, and preparations are under way to have several armoured vehicles repaired there.<sup>166</sup>

The unstable security environment and the perception in Tashkent that Russia regards Uzbekistan as a ‘buffer zone’ between itself and unstable southern regions has led to the development of defence and security ties with NATO and its member countries, mainly within the PFP programme. Uzbek Army detach-

<sup>160</sup> Interfax (Moscow), 20 June 2000, in ‘Russia, Uzbekistan begin joint anti-aircraft defense service duty’, FBIS-SOV-2000-0620, 21 June 2000. Akmazov was replaced as Uzbekistan’s Defence Minister by Maj.-Gen. Kadyr Gulomov in the autumn of 2000. ‘Uzbekistan dismisses defence minister’, *Jane’s Defence Weekly*, 11 Oct. 2000, p. 28.

<sup>161</sup> ITAR-TASS (Moscow), 3 Oct. 2000, in ‘Uzbekistan to train army officers in Russian academies’, FBIS-SOV-2000-1003, 6 Oct. 2000; and Interfax (Moscow), 28 Mar. 2000, in ‘CIS joint command exercises begin in Tajikistan’, FBIS-SOV-2000-0328, 29 Mar. 2000.

<sup>162</sup> *Vatanparvar* (Tashkent), 23 May 2000, in ‘Uzbek Deputy Defense Minister outlines plans for re-equipping forces’, URL <<http://www.eurasianet.org/resource/uzbekistan/hypermail/200006/0003.html>>.

<sup>163</sup> *The Military Balance 1999/2000* (note 65), p. 158; and ITAR-TASS (Moscow), 20 Apr. 2000, ‘Russian Arzamas plant to supply 50 APCs to Uzbekistan’, FBIS-SOV-2000-0420, 24 Apr. 2000.

<sup>164</sup> Agence France-Presse, 30 Aug. 2000, in ‘Russia to send 30 million dollars of arms to Uzbekistan’, URL <<http://www.russiatoday.com/news.php?id=194396&section=CIS>>; and Saradzhyan, S., ‘Uzbekistan seeks Russian arms for border clashes’, *Defense News*, 18 Sep. 2000, p. 8.

<sup>165</sup> ‘Uzbekistan, Russia sign new military cooperation agreements’, *RFE/RL Newline*, 27 June 2000.

<sup>166</sup> ‘Ukraine on the world arms market’, *National Security and Defence*, no. 5 (2000), p. 66; *Kommersant*, ‘Russian paper gives details of Uzbek armed forces reform plans’, 7 Sep. 2000, URL <[http://www.uzland.uz/2000/09\\_09.htm#army](http://www.uzland.uz/2000/09_09.htm#army)>; and ‘Ukraine, Turkey offer to help combat threat to Central Asia’, *RFE/RL Newline*, 4 Sep. 2000.

ments trained in the US states of Louisiana in 1995 and North Carolina in 1996, and US forces have participated in exercises in Uzbekistan.<sup>167</sup> The USA and Uzbekistan have concluded a military–technical agreement and for several years Uzbekistan’s armed forces have received much-needed development aid under the FMF programme.<sup>168</sup> In April 2000, Secretary of State Albright pledged \$3 million to Uzbekistan for the development of its border force. She also informed President Islam Karimov during the United Nations Millennium Summit in New York in September 2000 that the USA was prepared to offer political, moral and material assistance to Uzbekistan’s armed forces in their fight against regional extremist forces.<sup>169</sup>

Germany has provided training to Uzbek Army and Air Force personnel and over \$26 million in medical and other military-related supplies to Uzbekistan’s armed forces. Turkey offered Uzbekistan financial aid immediately following the August 2000 Islamic incursions and agreed to train Uzbek counter-terrorism teams in its military academies.<sup>170</sup> Under a 16 October 2000 military cooperation agreement the two countries further agreed to jointly fight international terrorism and other criminal activities, and discussed the possible transfer of Turkish arms and other military equipment to Uzbekistan’s armed forces.<sup>171</sup> A joint defence cooperation commission has been established with France, and Greece hosts Uzbek armed forces personnel at its military academies. Uzbek military and government officials also participate in military exercises, courses and seminars held in several other NATO countries.<sup>172</sup>

Western countries have been much less active in supplying arms to Uzbekistan. Nevertheless, in the spring of 2000 the USA announced plans to transfer 12 military transport vehicles to Uzbekistan. The transfer is to be financed by a US Government grant.<sup>173</sup> Talks between NATO and Uzbek officials have also focused on NATO military supplies to Uzbekistan.<sup>174</sup>

Cooperation has also been established with other regional countries. In August 2000 China announced that \$365 000 in military aid would be granted to Uzbekistan’s armed forces. Shortly thereafter, Chinese Vice-President Hu Jintao stated that China planned to increase its cooperation with Uzbekistan in

<sup>167</sup> Pikulina, M., *Uzbekistan in the Mirror of Military Security: A Historical Preface to Current Events* (Royal Military Academy, Conflict Studies Research Centre: Sandhurst, Nov. 1999), p. 11; and Interfax (Moscow), 9 June 1997, in ‘Uzbekistan: Joint command exercises with United States completed’, FBIS-UMA-97-160, 10 June 1997.

<sup>168</sup> Finnegan, P., ‘US, Uzbekistan move to boost defense ties’, *Defense News*, 3–9 Nov. 1997, p. 4.

<sup>169</sup> ‘Tighter security for Central Asia’, *Jane’s Defence Weekly*, 3 May 2000, p. 14; and ‘Uzbek President says US ready to help wipe out banned Islamic movement’, *RFE/RL Newslines*, 12 Sep. 2000.

<sup>170</sup> Interfax (Moscow), 11 Apr. 1997, in ‘Uzbekistan: troops begin long-term military training program in Germany’, FBIS-SOV-97-101, 14 Apr. 1997; Reuters (Ankara), ‘Turkey offers Uzbeks, Kyrgyz aid against rebels’, 2 Sep. 2000; and Anatolia (Ankara), 18 Sep. 2000, in ‘Uzbek counter terrorism teams to be trained in Turkey’, FBIS-WEU-2000-0918, 25 Sep. 2000.

<sup>171</sup> Interfax, 16 Oct. 2000, in ‘Uzbekistan, Turkey, to join forces against terrorism, crime’, URL <<http://eurasianet.org/resource/uzbekistan/hypermail/200010/0026.html>>.

<sup>172</sup> Athens News Agency (Internet), 19 Nov. 1998, in ‘Greece–Uzbek military cooperation agreement signed’, FBIS-WEU-98-323, 20 Nov. 1998; ‘Uzbekistan, France co-operate further’, *Jane’s Defence Weekly*, 19 July 2000, p. 16; and Pikulina (note 167), p. 11.

<sup>173</sup> ‘USA approves sale to Uzbekistan’, *Jane’s Defence Weekly*, 15 Mar. 2000, p. 4.

<sup>174</sup> ‘Russian paper gives details of Uzbek armed forces reform plans’ (note 166).

several fields, including the joint fight against 'national separatism, international terrorism, religious extremism and other cross-nation crimes'.<sup>175</sup>

## V. Multilateral security cooperation

Some semblance of cooperation and coordination appears to be returning to security relations between CIS countries following a period when some states in the Caspian region distanced themselves from CIS security structures. It appears that, despite the withdrawal of Azerbaijan, Georgia and Uzbekistan from the Tashkent Treaty, the idea of military and security cooperation within CIS structures has been given a new lease on life. This is primarily due to the emerging threats to regional security—international terrorism, religious and political extremism, drug trafficking and other criminal activities—which regional countries are finding increasingly difficult to control unilaterally.

### The Tashkent Treaty

The remaining parties to the Tashkent Treaty—Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan—have drawn closer together because of the emerging threats. On 24 May 2000 their leaders signed nine documents on multilateral cooperation against international terrorism and political and religious extremism. To facilitate cooperation the signatories are able to buy Russian-made weapons at below-market prices. Cooperation within the treaty was further consolidated on 11 October 2000 with the signing in Bishkek of an agreement on the establishment of a rapid-reaction force that could be deployed to conflict areas on the territories of the signatories.<sup>176</sup> In addition, the Integrated Air Defence System involving all the parties to the Tashkent Treaty plus Uzbekistan is being given higher priority in the security policies of participating countries, particularly in Central Asia.<sup>177</sup>

Regional unrest has led to several agreements being concluded between Tashkent Treaty and other CIS countries. On 16 March 2000 CIS defence ministers signed 10 agreements primarily focused on cooperation in peacekeeping and counter-terrorism, and on 8 September 2000 CIS interior ministers signed a three-year programme on joint measures against international terrorism, extremism, drug trafficking and other criminal activities. The CIS prime ministers have also approved plans to establish an anti-terrorist centre in Moscow to enhance multilateral cooperation.<sup>178</sup> Similarly, CIS military training exercises

<sup>175</sup> 'Uzbekistan, China discuss military cooperation', *RFE/RL Newswire*, 28 Aug. 2000; and Xinhua (Beijing), 25 Aug. 2000, in 'PRC Vice President Hu Jintao discusses cooperation with Uzbek Defense Minister', Foreign Broadcast Information Service, *Daily Report—China (FBIS-CHI)*, FBIS-CHI-2000-0825, 28 Aug. 2000.

<sup>176</sup> 'Signatories to the CIS Collective Security Treaty to boost co-operation', *RFE/RL Newswire*, 25 May 2000; and 'CIS security pact signatories agree to create joint force', *RFE/RL Newswire*, 12 Oct. 2000.

<sup>177</sup> Saradzhyan, S., 'CIS treaty bears fruit in form of common air defense', *Defense News*, 9 Oct. 2000, p. 44.

<sup>178</sup> 'CIS defence ministers sign accords', *Jane's Defence Weekly*, 29 Mar. 2000, p. 14; Interfax (Moscow), 8 Sep. 2000, in 'Interior ministers of 11 CIS countries sign agreement on fight against terror-

are increasingly focusing on joint operations against terrorist and extremist groups.<sup>179</sup>

## NATO

Apart from Tajikistan, all the former Soviet republics in the Caspian region are members of the PFP and participate in armed forces development activities limited mainly to officer training, military exercises and military reform. Azerbaijan and Georgia, in particular, are the recipients of an increasing amount of NATO aid, partly through the PFP but also in the form of arms transfers. In March 2001 the foreign and defence ministers of Azerbaijan made statements favouring the deployment of a Turkish or NATO military base in Azerbaijan.<sup>180</sup> Soon afterwards Georgia announced that Turkish military aircraft would receive free access and service at its Marneuli airport.<sup>181</sup> As mentioned above, both Azerbaijan and Georgia have expressed interest in membership of NATO. Most of the regional states favour increasing military cooperation with NATO, but not at the expense of similar cooperation with Russia.

## The Shanghai Forum

Originally an arena for resolving border disagreements and developing regional confidence-building measures (CBMs), the Shanghai Forum (founded in 1996 by China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan: Uzbekistan received observer status in July 2000 and became a full member in June 2001) is expanding the scope of its agenda to deal with contemporary security issues. The determination of the Shanghai Forum countries to enhance interaction and cooperation in the fight against international terrorism, religious extremism and national separatism was reflected in both the Astana Communiqué of 30 March 2000 and the declaration adopted following the Dushanbe summit meeting in July 2000.<sup>182</sup> At the summit meeting in Shanghai in June 2001 the participants adopted a Convention on the Fight against Terrorism, Separatism and Extrem-

ism' (Presidential Bulletin, 8 Sep. 2000), FBIS-SOV-2000-0908, 12 Sep. 2000; and Interfax (Moscow), 20 June 2000, in 'CIS to set up antiterrorist center', FBIS-SOV-2000-0620, 21 June 2000.

<sup>179</sup> Interfax, 28 Mar. 2000, in 'CIS Command-Post operations begin in Tajikistan', URL <<http://www.eurasianet.org/resource/kyrgyzstan/hypermail/200003/0056.html>>; and Asia-Plus News Agency/BBC Monitoring, 'CIS air defence training held in Tajikistan 5th April', 6 Apr. 2000, URL <<http://www.eurasianet.org/resource/tajikistan/hypermail/200004/0007.html>>.

<sup>180</sup> ITAR-TASS (Moscow), 24 Mar. 2001, in 'Azerbaijan: Officials welcome foreign military presence' and 'Azerbaijan: Foreign minister sees possible deployment of NATO, Turkish base', FBIS-SOV-2001-0324, 26 Mar. 2001.

<sup>181</sup> Interfax (Moscow), 8 Apr. 2001, in 'Georgia confirms Turkish warplanes will be serviced at Marneuli airfield', FBIS-SOV-2001-408, 9 Apr. 2001.

<sup>182</sup> Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 526–27; ITAR-TASS (Moscow), 30 Mar. 2000, in 'Kazakhstan: Five defence ministers sign Astana Communiqué', FBIS-SOV-2000-0330, 4 Apr. 2000; Khovar (Dushanbe)/BBC Monitoring, 'Shanghai Five summit declaration: text', 5 July 2000, URL <<http://www.eurasianet.org/resource/tajikistan/hypermail/200007/0001.html>>; and ITAR-TASS (Moscow), 12 Feb. 2001, in 'Shanghai Five experts to discuss anti-terrorist measures', FBIS-SOV-2001-0214, 15 Feb. 2001.

ism, and decided to change the name of the forum to the Shanghai Cooperation Organization.<sup>183</sup>

### The Central Asian Union

The former Soviet republics of Central Asia have also developed security ties among themselves and with non-CIS countries. In 1994 Kazakhstan, Kyrgyzstan and Uzbekistan formed the Central Asian Union (CAU) as a primarily economic entity.<sup>184</sup> Tajikistan joined it in 1999. However, cooperation within this forum extended to defence and security issues with the establishment of a joint Council of Defence Ministers to coordinate 'military exercises, air defence, and defence supplies'.<sup>185</sup> In May 1996 the CAU member countries formed the trilateral peacekeeping battalion, CentrasBat, under the aegis of the UN, to be trained within the PFP programme. CentrasBat has received funding and technical support from the UN and the EU, as well as from the USA. It has also participated in numerous military exercises with armed forces units from Russia, the USA and other Western countries.<sup>186</sup>

In addition to several recent bilateral military cooperation agreements involving regional governments, on 21 April 2000 Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan signed a 10-year treaty on the joint fight against terrorism, political and religious extremism, organized crime and other regional security threats. These same countries later signed an agreement aimed at coordinating the activities of their intelligence and security agencies. Under the latter agreement, the participants agree to come to each other's defence in the event of aggression.<sup>187</sup>

### GUUAM

In the South Caucasus, Georgia and Azerbaijan have developed security links and military cooperation outside CIS security structures. The GUAM group, founded in October 1997 and at that time made up of Georgia, Ukraine, Azerbaijan and Moldova, was joined in April 1999 by Uzbekistan (thus becoming GUUAM). It is primarily an economic grouping; however, the members also regard cooperation within GUUAM as a viable alternative to the CIS security

<sup>183</sup> ITAR-TASS, 14 June 2001, in 'Uzbekistan becomes member of Shanghai Five forum', FBIS-SOV-2001-0614, 14 June 2001.

<sup>184</sup> On the CAU see chapter 1 in this volume.

<sup>185</sup> Allison, R., 'Subregional cooperation and security in the CIS', eds R. Dwan and O. Paviuk, *Building Security in the New States of Eurasia: Subregional Cooperation in the Former Soviet Space* (M. E. Sharpe: London, 2000), pp. 154–55.

<sup>186</sup> Allison (note 185), p. 154; Interfax (Kazakhstan), 'Kazakh leader, US military official discuss Centasian security', 13 Sep. 2000, URL <<http://www.eurasianet.org/resource/kazakhstan/hypermail/200009/0033.html>>; and Interfax (Kazakhstan), 'Centrasbat peacekeeping exercises end in Kazakhstan', 18 Sep. 2000, URL <<http://www.eurasianet.org/resource/tajikistan/hypermail/200009/0034.html>>.

<sup>187</sup> 'Uzbek summit participants sign anti-terrorism treaty', *RFE/RL Newswire*, 25 Apr. 2000; and 'Central Asian Pact', *Jane's Intelligence Review*, June 2000, p. 3.

structure and as a way to enhance cooperation with NATO.<sup>188</sup> The new Government of Moldova announced on 29 December 2000 that it would not participate in military cooperation initiatives within the group. Nevertheless, in December 1997 Azerbaijan, Georgia and Ukraine decided to form a tripartite battalion within GUUAM to be tasked with guarding future energy pipeline and regional transport routes, and the three countries have conducted joint military exercises within the GUUAM framework aimed at protecting the Baku–Supsa oil pipeline against terrorist attack.<sup>189</sup> The defence ministers of Azerbaijan and Ukraine reiterated their support for this project during the October 2000 signing of the Azerbaijan–Ukraine Defence Cooperation Program for 2001.<sup>190</sup> The full extent of its responsibilities, the amount of funding it will receive and the sources of that funding are yet to be determined. Reflecting Western interest in the development of GUUAM, in September 2000 the US Government voted \$45.5 million in new military aid to its member countries.<sup>191</sup>

## VI. Conclusions

Several trends are clear regarding armed forces development in Iran and the newly independent states of the Caspian Sea region.

### National trends

First, defence spending is increasing significantly in the region as a whole. Only two countries—Georgia and Kazakhstan—reduced their spending in the six-year period 1995–2000. Georgia is considered a ‘failed state’ by many, with very few domestic resources to allocate to the armed forces. It therefore relies increasingly on external sources to fund its armed forces. Kazakhstan, on the other hand, although it reduced defence expenditure in the period 1997–2000 (in constant prices), has announced that spending will increase in 2001. The changing security threat assessment that views international terrorism and political and religious extremism as the main threats to Kazakhstan’s national security has also resulted in significant attention and resources being devoted to the development of internal security forces.

Second, the countries of the region are importing more and more conventional weapons. These weapons are also becoming more sophisticated and represent a

<sup>188</sup> Valasek, T., *Military Cooperation between Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova in the GUUAM Framework*, Caspian Studies Program Policy Brief no. 2 (Harvard University, John F. Kennedy School of Government, Caspian Studies Program: Cambridge, Mass., Dec. 2000).

<sup>189</sup> ITAR-TASS World Service (Moscow), 13 Apr. 1999, in ‘Azerbaijan, Georgia, Ukraine begin joint exercises’, FBIS-SOV-1999-0414, 15 Apr. 1999; and ‘Ukraine: joint military force includes Georgia and Azerbaijan’, *RFE/RL Weekday Magazine*, 24 Mar. 2000, URL <<http://www.rferl.org/nca/features/2000/03/f.ru.000324145147.html>>.

<sup>190</sup> Turan (Baku), 13 Oct. 2000, in ‘Visiting Azeri Defence Minister and Ukrainian counterpart sign co-operation deal’, FBIS-SOV-2000-1013, 16 Oct. 2000; Turan (Baku), 22 Jan. 1999, in ‘Azerbaijan: GUUAM members sign communiqué on military co-operation’, FBIS-SOV-99-022, 26 Jan. 1999; and ‘Ukraine: joint military force includes Georgia and Azerbaijan’ (note 189).

<sup>191</sup> Parahonskiy, B., ‘The formation of regional cooperation models in GUUAM’, *Central Asia and the Caucasus* (Luleå), no. 2 (2000), pp. 73–79; ‘Russia and its neighbours: frost and friction’, *The Economist*, 30 Sep.–6 Oct. 2000, p. 45; and Allison (note 185), pp. 159–61.



major aspect of national military reform programmes in the region. A major goal of the programmes, which influences the type of weapons transferred to regional countries, is the development of mobile armed forces capable of confronting today's most prominent threats to regional security.

These military reform programmes represent the third major trend in armed forces development in the region. Kazakhstan and Uzbekistan, for example, are creating rapid-reaction units and increasing overall mobility and inter-service coordination and compatibility in order to effectively combat contemporary regional security threats.

Fourth, the countries of the region are developing indigenous defence industrial capabilities. For example, Iran is developing infrastructure for the production of short- and long-range missiles, tanks, fighter aircraft, naval vessels and other weapons. At the same time, certain newly independent states in the region are attempting to re-establish long-standing indigenous military industrial capabilities left over from the Soviet period (in Armenia, Kazakhstan and Uzbekistan).

### **International trends**

US/NATO military aid is admittedly small compared with Russian military assistance to the Caspian region states. However, the amount of US/NATO aid is increasing significantly. For example, there are few recorded US/NATO arms transfers to Caspian region states before 1998. By 2000 the USA/NATO share of arms transfers to the region had increased to 4.1 per cent, with Russia accounting for 90 per cent. There has also been an increase in the role of China in the military affairs of regional states because of its growing political and economic interest in the region, especially in its territories adjacent to Central Asia. It also cooperates extensively with Iran on military issues. By 2000 China's share in arms transfers to the region exceeded 5 per cent.

International military aid from these and other external actors supplements the regional countries' internal efforts to develop their armed forces. The aid comes in numerous forms, including: (a) financial assistance in the form of credits and grants, particularly from the West, that supplement national defence budgets; (b) increased arms transfers to regional countries; (c) training for armed forces personnel from the countries of the Caspian region in the military academies of regional and extra-regional states (e.g., Russia, Turkey and the USA); (d) the expansion of various forms of military cooperation between Russia and other Caspian regional states (with the exception of Georgia), particularly since the November 1999 Istanbul Summit Meeting of the OSCE; (e) growing military cooperation between the USA/NATO and the new states of the region (excluding Tajikistan)—cooperation which is assuming more sophisticated forms, from training to arms transfers to the organization of military exercises; and (f) the involvement of regional states in bilateral and multilateral security arrangements.

The former Soviet republics of the region are still in the early stages of developing their national armed forces, and these internal and external initiatives contribute to this process. These trends are increasing and will most likely continue to do so for several reasons, including: (a) the growing and often competing interests of extra-regional countries in regional affairs; (b) ongoing conflicts in the region and on its perimeter (Afghanistan, Chechnya and the Ferghana Valley); (c) unresolved conflicts where a resumption of violence is highly possible (in Abkhazia, Nagorno-Karabakh and South Ossetia); (d) unstable relations between regional states; and (e) the many emerging threats to regional stability—international terrorism, religious and political extremism, and drug trafficking. These factors will motivate regional countries to further develop their military capabilities, as domestic resources permit, while at the same time they motivate external actors, most notably Russia, the USA, NATO and China, to extend further assistance for the development of national armed forces in the region.