

## **RUSSIAN POLICY TOWARD THE CASPIAN REGION: FROM YELTSIN TO PUTIN**

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The dramatic passing of the reins of presidential power in Russia from Boris Yeltsin to Vladimir Putin at the end of 1999 raised the intriguing question of whether a change in the chief executive at the top makes a discernible difference in a state's foreign policy. Keeping this in mind, the present study asks whether Yeltsin's replacement by Putin resulted in significant changes in Russia's policy toward the Caspian region. In so doing, three narrower questions need to be addressed: (1) Did Russia's policy toward the Caspian region change significantly during this period; (2) Was any such change in policy substantially attributable to the change in the individual occupying the presidency; and (3) What was the role of other factors in accounting for any policy change. For the sake of analysis, the major factors considered as relevant for determining Russian policy toward the Caspian region will be grouped under three headings: external, bureaucratic/organizational, and individual. It should be added that at its outset this study hypothesized that the apparent great individual differences between Yeltsin and Putin would result in significant differences in Russian policy toward the Caspian region.

After briefly considering definitional, theoretical, and methodological issues, the study compares the Yeltsin and Putin periods with respect to three parameters for Russian policy: external factors, bureaucratic/organizational factors, and individual factors. Next, the study compares the policies Russia actually pursued toward the Caspian region under Yeltsin and Putin on two dimensions: (1) security and political policies, and (2) energy and pipeline policies. Finally, the study concludes by summarizing its findings, attempting to explain them, and discussing their implications.

## Definitions, Theory, and Methodology

In order to compare the foreign policies of the Yeltsin and Putin administrations it is necessary to specify time periods envisaged for each administration. One can justify setting the beginning point for the Yeltsin administration at December 1993, when voters approved the Russian constitution and elected the first Russian State Duma. Similarly, one can understandably (if arbitrarily) establish the end date of the Putin administration used in this study as 31 October 2000 – when the research for this study ended. Choosing a dividing date between the two administrations is more problematic, because Putin served as Yeltsin's prime minister from 8 August 1999 until 31 December 1999 – on which date Yeltsin announced his resignation as president effective immediately. Nevertheless, 31 December 1999/1 January 2000 makes good sense as the dividing line between the two administrations, since Putin was his own prime minister as well as acting president thereafter. Later, after winning a majority in the first round of the presidential election held on 26 March 2000, Putin became president. Consequently, for purposes of this paper the Putin administration was in office during the ten months between 1 January 2000 and 31 October 2000 – a comparatively brief period for policy development.

As stated earlier, this study conceptualizes three types of determinants of Russian policy toward the Caspian region: external, bureaucratic/organizational, and individual. These categories have the advantage of being broadly compatible with the well-known levels-of-analysis paradigm: i.e., the systemic, state, and individual levels.<sup>1</sup> Under external determinants affecting Russian policy in the Caspian region, one would need to consider the overall balance of power. Therefore, one would pay particular attention to any threats and opportunities for Russia in the region. Under bureaucratic/organizational determinants, one would pay attention to the relative influence of policy-implementing bureaucracies such as the foreign, security, and defense ministries, and the importance of top-level policy-coordinating mechanisms like the Security Council.<sup>2</sup> Under

individual determinants, one might well explore differences between Yeltsin and Putin (e.g., their generational outlooks or levels of energy). On the other hand, one could also examine similarities between them (e.g., shared interests arising from the fact that Yeltsin's "family" selected Putin to be Yeltsin's successor).

A final methodological need is to define the Caspian region. A useful, but narrow definition would specify only the Caspian Sea itself and the five riparian states: Russia, Kazakstan, Azerbaijan, Turkmenistan, and Iran. However, other countries must be kept in mind when analyzing policy: in particular, the nearby states of Armenia, Georgia, and Turkey, and also the United States – a major external actor in the region.

### **External Factors as Determinants of Russian Policy**

During the Yeltsin period, the countries of the Caspian region were beset by severe economic difficulties and the threat of political instability. Russia strove to maintain a hegemonic position in the region: military, political, and economic. Perhaps the major threats faced by Russia were: the spread of political Islam in various forms, and the efforts of Western oil and gas companies to increase their influence in the region – including their proposals for export pipelines that would avoid transiting Russia. To cope with these conditions, Russia notably utilized its military in numerous instances to advance its interests in the region. The Commonwealth of Independent States (CIS), however, proved a less effective instrument for advancing Russian interests. With its own economic fortunes in decline Russia had fewer economic carrots to wield.

None of this changed during the Putin period. However, Russia's policy proved to be highly influenced by a security issue that was technically domestic in nature – Russia's second intervention in Chechnya (beginning in August 1999), which was designed to bring that region under effective Russian rule. Russia's war in Chechnya seriously affected Russia's policy toward the Caspian region both

during the final stage of the Yeltsin administration and the initial phase of the Putin administration. Accordingly, Russian policy made a priority cutting off the flow of outside arms and persons to Chechnya. In early 2000, it was characteristic that the Commonwealth of Independent States approved Russia's proposal for the establishment of a counter-terrorism center. At the same time, in bilateral contexts, Russia threatened and applied pressures to Azerbaijan and Georgia, in particular, to close their borders to movements of goods and persons capable of aiding the opposition in Chechnya. Only with the diminution of large-scale Russian military operations in Chechnya beginning in March 2000 did Russia take a more balanced approach toward the Caspian region. Consequently, by the end of October 2000 the balance of threats and opportunities faced by Russia in the Caspian region basically resembled that prevailing during most of the Yeltsin years.

### **Bureaucratic/Institutional Factors as Determinants of Russian Policy**

Under Yeltsin Russian foreign policy was notoriously poorly coordinated and administered. Even policy-coordinating machinery such as the Security Council appeared dysfunctional. Russian policy seemed to be highly dependent upon whim or upon factional infighting among persons with direct access to the group of persons surrounding Yeltsin known as the "family." The disastrous first Chechen intervention, 1994-1996, stands as a notorious example of failure piled upon failure.<sup>3</sup> The defense and security agencies appeared at times almost to operate their own policies, often clashing with those of the foreign ministry. Overall coherence in policy was difficult to discern.

In contrast, Russian foreign and security policy coordination notably increased following Putin's accession to the presidency. In the first place, the Security Council, headed by Sergei Ivanov, apparently became an important and visible means of making and coordinating foreign and security policy.<sup>4</sup> In one instance, a hot policy dispute between the Minister of Defense and the Chief of the General Staff

over a proposed reorganization of the armed forces was dealt with in the Security Council.<sup>5</sup> In another case, the Security Council made a decision to create a special working group on the Caspian within the Ministry of Foreign Affairs and to appoint a special representative of the President on Caspian matters.<sup>6</sup> Second, an inter-agency process employed in the early phase of the Putin administration resulted in the development of security and foreign affairs “concept” papers setting policy priorities and guidelines – the overall effectiveness of which was unclear. Third, Putin showed a penchant for posting personnel from the security apparatus to various posts throughout government – including the Ministry of Foreign Affairs. The net effect of these measures might have been to enhance Putin’s overall influence in shaping Russian policy. If the bureaucracy and the policy-making institutions often appeared to have the upper hand under Yeltsin, Putin instead seemed to assert the primacy of the presidency over the bureaucracy.

### **Individual Factors as Determinants of Russian Policy**

The enfeebled Yeltsin seemingly could hardly have chosen someone more different to succeed him. Putin was young and obviously vigorous; he was shown on Russian television performing martial arts exercises and flying a military jet aircraft. If Putin’s mental and physical capacity exceeded Yeltsin’s, so too did his apparent ability to organize an effective administrative team. Putin’s major reliance on former security personnel for sensitive positions (in keeping with his previous career) may also have distinguished him somewhat from Yeltsin. Yet, perhaps this difference should not be overdrawn, for Amy Knight observed that by the end of the nineties “the ubiquitous presence of the security services had become a prominent feature of the Yeltsin administration.”<sup>7</sup>

On the other hand, Yeltsin and Putin as individuals were similar in certain obvious respects. For example, Putin immediately issued a decree insuring that Yeltsin would be protected from prosecution for misdeeds while in office, and Putin retained Yeltsin’s chief of the

presidential administration, Alexander Voloshin, in that position. This suggested the existence of shared interests. Also Yeltsin and Putin may have shared certain values in common. Significantly, one lacks information that would suggest any important differences between Yeltsin's and Putin's goals for Russian foreign policy. For example, both men probably believed that Russia should become a strong state. In this case, the only difference between them as individuals would be that Putin alone possibly possessed the wit and skill to accomplish this goal.<sup>8</sup>

### **Did the Putin Administration's Security and Political Policies toward the Caspian Region Differ Significantly from the Yeltsin Administration's?**

Under Putin's foreign minister, Igor Ivanov, Russian policy was explicitly "multipolar" and "multivector."<sup>9</sup> This meant that Russia sought to offset the United State's influence by seeking to cultivate relations with such countries as Iran, Iraq, China, and India. However, in this respect Putin's broad political and security policies appeared entirely consistent with the implicit multipolarity pursued by Yevgenyi Primakov, foreign minister under Yeltsin.

In particular, a strong continuity in Russia's foreign policy was evident in the Caspian region. Under both presidential administrations Russia attempted to offset the "drift" of Azerbaijan and Georgia toward NATO, as well as to thwart substantial political inroads from Turkey seeking ties with "Turkic" peoples in the area.<sup>10</sup> On security grounds Russia established and continued to maintain strong ties with Armenia – causing friction with Azerbaijan, which chafed over Armenia's continued occupation of 20% of Azerbaijan's territory as a result of the fighting over Nagorno-Karabakh.

As stated earlier, at the outset of the Putin Administration Russia perceived the Caspian region primarily through the prism of Chechnya – which led to a policy of threats and intimidation to bring about a tightening of the borders of Chechnya – but which policy was toned

down after March 2000. At the same time, Russia put the countries of the CIS on notice that it would no longer automatically permit citizens of member-states to enter Russia without visas – a policy that will most affect Georgia and possibly Azerbaijan. In summary, it is difficult not to conclude that Russia's political and security policies toward the Caspian region changed hardly at all in the transition from the Yeltsin administration to the Putin administration.

### **Did the Putin Administration's Energy and Pipeline Policies toward the Caspian Region Differ Significantly from the Yeltsin Administration's**

In the areas of energy and pipeline policies, the Putin administration appeared also to be following basic directions laid down under Yeltsin. In both administrations, Russian policy generally attempted to counter the large Western investments in oil and gas in Caspian region countries beginning in the 1990s. Furthermore, Russia attempted to respond to the U.S.-backed plan for the Baku-Ceyhan Pipeline for a large-diameter oil pipeline running from Baku, Azerbaijan, through Georgia to Ceyhan, Turkey, on the Mediterranean Sea.

Under both presidential administrations a chief focus in the Caspian region was Kazakstan, which had large oil and gas fields, and with which Russia shared a long border and other key interdependencies. Russia's approach to Kazakstan had two main components. First, Russia pushed for the development of a large-diameter pipeline running from Kazakstan's large Tengiz field to Russia's Black Sea port of Novorossisk. Currently this project is under construction.<sup>11</sup> Second, Russia sought to come to an agreement with Kazakstan on dividing the mineral wealth below the Caspian seabed.

In this light, it was significant when presidents Yeltsin and Nazarbaev signed an agreement concerning the Caspian seabed on 6 July 1998. This agreement represented a creative evolution of Russia's policy toward the Caspian, because Russia abandoned its previous

position that the Caspian should be treated as a lake, in which all riparian powers had equal interest except for resources lying within 45 nautical miles of their shores. Thus, Russia and Kazakstan agreed that all minerals lying below the seabed should belong to one of the riparian states – with the exact territorial boundaries to be subsequently determined. At the same time, Russia and Kazakstan considered that resources lying *on or above* the seabed – e.g., pipelines and fish – should be jointly owned. However, during the Yeltsin administration Russia and Kazakstan failed to persuade other Caspian states to adopt this position.

Compared with Kazakstan, Russia had less success in forging agreements with Azerbaijan. To Russia's chagrin, Azerbaijan during the Yeltsin administration concluded an agreement with Western oil companies on the construction of a small-diameter pipeline running west from Baku to Supsa, Georgia, on the Black Sea. This "western" pipeline is now operational. In contrast, Russia argued the case for utilizing a small-diameter "northern" pipeline linking Baku with Novorossisk, Russia. However, a disadvantage of the northern route was that, until recently, it passed through Chechnya, where it was subjected to frequent disruption and oil losses. Another difficulty between Russia and Azerbaijan was that Azerbaijan also supported the construction of a large-diameter pipeline westward through Georgia to Ceyhan, Turkey. Russia was unhappy about Azerbaijan's pipeline policies.

With the waning of its Chechnya campaign after March 2000, the Putin administration began actively pursuing energy and pipeline deals in the Caspian region. The former minister of oil and gas, Viktor Kalyuzhny, became President Putin's special envoy for Caspian Affairs with the rank of deputy foreign minister. As before, Russia paid special attention to Kazakstan, which meanwhile had discovered a large oil field (the Kashagan field) in its offshore sector of the Caspian Sea.<sup>12</sup> At a summit meeting, Presidents Vladimir Putin and Nursultan Nazarbayev reaffirmed the principles in the agreement between Russia and Kazakstan on 6 July 1998, and called for a stepped up search for a compromise on the seabed's status.<sup>13</sup> Other aspects of their agreements



included Moscow's promise to increase the capacity and quotas for Kazakhstan to export oil to the Baltic States via the Atyrau-Samara oil pipeline.<sup>14</sup> An area of disagreement, however, was Kazakhstan's refusal to give up plans for transporting oil southward to link up with the planned Baku-Ceyhan pipeline.<sup>15</sup>

Subsequently, Putin's special envoy, Viktor Kalyuzhny, visited Azerbaijan, Turkmenistan, and Iran. In two major interviews, Kalyuzhny revealed that he had run into major rebuffs from Turkmenistan, which had particular quarrels with Azerbaijan over ownership of certain fields beneath the seabed, and Iran, which refused to give up the principle of equality in sharing the resources of the Caspian – a position like Russia's before July 1998.<sup>16</sup> It was interesting to learn that Russia had come up with at least one innovation: a proposal for two countries to share disputed fields lying on their territorial boundary on a 50-50 basis. Specifically, Russia proposed applying this principle to one of the fields disputed by Turkmenistan and Azerbaijan.

On another issue with Azerbaijan, Russia had a success that may turn out to be a failure. When the Baku-Novorossisk pipeline was forced to shut down during Russia's Chechnya intervention, the Putin Administration assured Azerbaijan that it would construct a pipeline segment that would by-pass Chechnya. Russia's Transneft surprised many by finishing the bypass construction before deadline and below cost. However, it appeared that Azerbaijan had no oil to send by the northern route, having enough capacity on the western route to Supsa. Bickering and disagreements ensued over the breaking of agreements and the allegedly high price Russia was planning to charge for transport of crude to Novorossisk. Additional complications had to do with the fact that characteristics of Baku's crude made it especially difficult to transport by pipeline. It appeared that Russia would have difficulty recovering the cost of Chechnya bypass construction.

The conclusion that seems warranted concerning the energy and pipeline sector is that the Putin administration staked out no new directions during its first ten months. Perhaps a greater priority was now placed on Caspian progress, but Russia had as yet little to show for

it. Russia under Putin made some innovations in its proposals concerning dividing the Caspian, but so had Russia under Yeltsin. Putin appeared to be sticking with the basic 1988 Yeltsin position: to divide the resources under the Caspian seabed, but to divide nothing on the surface of the seabed or above it.

## Conclusion

The foregoing analysis suggests that, despite the apparent differences between Yeltsin and Putin as individuals, Russia's policy toward the Caspian region showed little, if any, change during the Putin administration's first ten months. In short, the original hypothesis of this study was simply not sustained.

For possible explanations of this result, one may return to the three determinants considered above. First, with respect to *external* factors, this study shows that the balance of threats and opportunities for Russia in the Caspian region changed hardly at all. To be sure, Russia's second Chechnya intervention after August 1999 changed the situation in important ways, but its impact lessened considerably after March 2000.

Second, regarding *bureaucratic/organizational* factors, this study finds considerable contrast between the Yeltsin and Putin administrations. In the Putin administration changes in the institutional procedures brought about markedly better coordination of Russia's foreign and security policies. In turn, these changes could be attributed to the individual differences between Yeltsin and Putin – in particular, to Putin's better management skills. Nonetheless, it was striking that this greater coherence in foreign policy was not accompanied perceptibly by changed goals for Russian policy in the Caspian region. Clearly, coordination of policy and the goals of policy are different things, although better coordination may make the achievement of goals more probable.

Third, concerning *individual* factors, striking differences in Yeltsin and Putin as individuals existed. Nevertheless, the conspicuous

differences in their health and vigor failed to affect Russian foreign policy directly, aside from the fact that Putin's better health and vitality could serve as a foundation for a more effective foreign policy. As suggested above, similarities between the two men – characteristics that were less obvious – could help explain the substantial continuity observed in the goals of Russian policy in the Caspian region. For example, both presidents Yeltsin and Putin probably shared the nationalist goal of building a strong Russian state.

For greater certainty about the validity of the explanations suggested above, it would be useful to research further the values and goals held by presidents Yeltsin and Putin. It would also be useful to extend the time period of the Putin administration significantly forward in order to establish more definitively the validity of the finding concerning the fundamental continuity of Russian policy toward the Caspian region. Finally, a longer time horizon for the Putin period might also produce useful evidence concerning whether greater Russian policy coordination will lead to greater policy achievement in this region.

### ***NOTES AND REFERENCES***

1. E.g., see John T. Rourke, *International Politics on the World Stage* (7<sup>th</sup> ed.; Dushkin/McGraw-Hill, 1997): chaps 3-5.
2. Although Andrew Bennett makes a useful distinction between bureaucratic politics and organizational politics as types of explanations of political processes and decision-making, this distinction is developed in the present study (Andrew Bennett, *Condemned to Repetition? The Rise, Fall and Reprise of Soviet Russian Interventionism, 1973-1996* (Cambridge, MA: MIT Press, 1999).
3. See Bennett, chap. 8; Anatol Lieven, *Chechnya: Tombstone of Russian Power* (New Haven: Yale University Press, 1998).
4. For a list of the members of the Security Council, see "Executive Branch," *NIS Observed: An Analytical Review* 5, no. 9 (21 June 2000) <<http://web.bu.edu/iscip/digest/vol5/ed0590.html>>, 5 Nov. 2000. Chief of the General Staff, Anatoly Kvashnin was added to the Security Council in June 2000. "Putin Brings Kvashnin Closer," *Current Digest of the Post-Soviet Press*, 12 July 2000: 18.

5. "Putin Brings Kvashnin Closer."
6. Marina Dracheva, "Russia Reasserts Leading Role in Caspian," *Oil Daily*, 25 April 2000, Infotrac, Expanded Academic ASAP.
7. Amy Knight, "The Enduring Legacy of the KGB in Russian Politics," *Problems of Post-Communism* 47:4 (July/August 1999): 4.
8. Vladimir Putin. Address to the Nation.
9. See statements by Sergei Ivanov, Secretary of the Security Council, lecture at the Moscow State Institute of International Relations, reported 15 March 2000, Sevodyna, in *Current Digest of the Post-Soviet Press*, 12 April 2000: 7; and Igor Ivanov, Foreign Minister, ITAR/TASS News Agency, 24 May 2000, Infotrac, Expanded Academic ASAP.
10. Stanislav Cherniavskiy, "The Caucasus Vector of Russian Diplomacy." *Central Asia and the Caucasus: Journal of Social and Political Studies*, 2000, no. 5: 94.
11. For details, see U.S. Energy Information Administration, "Caspian Sea Oil and Natural Gas Export Routes," <<http://www.eia.doe.gov/emeu/cabs/casproute.html>>, 8 Nov. 2000.
12. Richard Giragosian, "Massive Kashagan Oil Strike Renews Geopolitical Offensive in Caspian," *Central Asian and Caucasus Analyst*, 7 June 2000. <<http://www.cacianalyst.org>>.
13. "PUTIN, NAZARBAYEV URGE PROGRESS IN CASPIAN TALKS," Interfax Diplomatic Panorama for 20 June 2000. *World News Connection*.
14. "PUTIN AND NAZARBAYEV REAFFIRM WARM RELATIONS BETWEEN RUSSIA AND KAZAKHSTAN," 20 June 2000, *Current Digest of the Post-Soviet Press*, 19 July 2000: 16.
15. "MOSCOW AND ASTANA'S THREE PRIORITIES," 21 June 2000, *Current Digest of the Post-Soviet Press*, 19 July 2000: 17.
16. "RUSSIA DEFINES ITS PRIORITIES ON THE CASPIAN," 18 July 2000, *Current Digest of the Post-Soviet Press*, 16 Aug. 2000: 17; "MAKING THE CASPIAN A SEA OF PEACE AND STABILITY," 28 July 2000, *Current Digest of the Post-Soviet Press*, 23 Aug. 2000: 16.

**Х ц л а с я****РУСИЯНЫН ХЯЗЯР РЕЭИОНУ СИЙАСЯТИ:  
ЙЕЛТСИНДЯН ПУТИНЯ****Филип С. ЪИЛЛЕТТ***(Old Dominion Университяси, Норфолк, АБШ)*

1999-бу илин сонунда Борис Йелтснин щакимийятдан эетмяси вя Владимир Путинин эялмясийля, бир чох сийасятщнаслар бир юлкянин иъра структурунун башында дуран шяхсин дяйишмясинин о юлкянин хариъи сийасят курсуну дяйишмясиня неъя тясир эюстярмяси мясялясини бир даща юн плана чыхардылар. Бу мягалядя дя мцяллиф бящс олунан нязяри тезиси Русийада баш верян президент дяйишиклийи щадисясиня тятбиг едяряк, Путинин щакимийятя эялмясиндян сонра Русийанын Хязяр сийасятиндя ъидди дяйишмя олуб-олмадыъыны арашдырыр. Филип С. Ъиллетт юз тядгигатыны цч спесифик суал цзяриндя гурур: 1) Путинин щакимийятя эялмясиндян сонракы дюврдя Русийанын Хязяр щювзяси сийасятиндя ня кими дяйишикликляр баш вермишдир? 2) Яэяр щягигятян дя ъидди дяйишикликляр баш верибся, bunda щакимийят башында олан шяхсин фярди кейфийятляри ня дяряъядя рол ойнамышдыр? 3) Диэяр амиллярин сийасят дяйишмясиндяки ролу ня олмушдур?

Йелтсин вя Рутин дюврляриндя Русийанын Хязяр сийасятини ики ясас мясяляйя – биринъиси, тящлцкясизлик сийасяти; икинъиси, енержи вя бору кямярляри сийасятиня истинадян мцгайисяли тящдид етдикдян сонра, мцяллиф беля бир гянаятя эялир ки, Русийадакы щакимийят дяйишиклийи бу юлкянин Хязяр сийасятиндя щеч бир дяйишмяйя сябяб олмамышдыр. Нийя? Филип С. Ъиллетт буну цч ясас фактора баълайыр:

1) Чцнки бюлэядяки тящлцкясизлик структуру, хариъи тящдидлярин вя фцрсятлярин мцмкцнлцц ъидди бир дяйишмяйя урамамышдыр.

2) Русийанын хариъи сийасят структурлары вя тяшкилатлары артыг гейри-координасийалы олмайыб, чох мцтяшяккилдир. Буна эюря дя, артыг щяр щансы бир лидерин фярди дцнйэюрцщ, юлкянин хариъи сийасят мягсядлярини дяйишмясиня ъидди тясир эюстяря

билмир.

3) Цмумиййятля, сийаси лидерляр арасындакы фярди кейфиййят фярдилиикляринин бир ящямиййяти вармы? Путин вя Йелтсинин фярди кейфиййятляри ня гядяр фяргли олса да, нятигья етибариля, щяр икисинин дя сийаси дцнйэюрцщц миллятчи прагматизмдир...