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## **Central Asia's Security: Issues and Implications for U.S. Interests**

**Updated January 7, 2005**

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# Central Asia's Security: Issues and Implications for U.S. Interests

## Summary

The Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) face common security challenges from crime, corruption, terrorism, and faltering commitments to economic and democratic reforms. Security in the region is likely in the near term to vary by country, since cooperation among them remains halting. Kyrgyzstan's and Tajikistan's futures are most clouded by ethnic and regional tensions, and corruption in Kazakhstan and Turkmenistan could spoil benefits from the development of their ample energy resources. Authoritarianism and poverty in Turkmenistan and Uzbekistan could contribute to succession crises. Kyrgyzstan's emerging civil society may help the relatively small nation to safeguard its independence, and Turkmenistan's ethnic homogeneity could put it in good stead, but both contain fractious regions and clans. Uzbekistan could become a regional power able to take the lead on policy issues common to Central Asia and to resist undue influence from more powerful outside powers, because of its large territory and population (57 million) and energy and other resources. However, tensions between Uzbekistan and other Central Asian states stymie regional cooperation.

Internal political developments in several bordering or close-by states may have a large impact on Central Asian security. These developments include a possibly more authoritarian and globalist Russia, ethnic and political instability in China, political liberalization in Iran, or re-surg-ing drug production and Islamic extremism in Afghanistan.

After the September 11, 2001 terrorist attacks on the United States, the Administration has established bases and other military access in the region for U.S.-led coalition actions in Afghanistan, and it has stressed that the United States will remain interested in the long-term security of the region. U.S. interests in Central Asia include fostering democratization, human rights, free markets, and trade; assisting the development of oil and other resources; and combating the proliferation of weapons of mass destruction, drug production and trafficking, and terrorism. The United States seeks to thwart dangers posed to its security by the illicit transfer of strategic missile, nuclear, biological, and chemical weapons technologies, materials, and expertise to terrorist states or groups, and to address threats posed to regional independence by Iran. Some critics counter that the United States has historically had few interests in this region, and advocate only limited U.S. contacts undertaken with Turkey and other friends and allies to ensure U.S. goals. They also argue that the region's energy resources may not measurably enhance U.S. energy security.

Most in Congress have supported U.S. assistance to bolster independence and reforms in Central Asia, but questions remain about what should be the appropriate level and scope of U.S. interest and involvement in the region. Congressional attention has included several hearings and legislation, the latter including endorsements of regional energy development and criticisms of human rights abuses. The 106<sup>th</sup> Congress authorized a "Silk Road" initiative for greater policy attention and aid for democratization, market reforms, humanitarian needs, conflict resolution, transport infrastructure (including energy pipelines), and border controls.

## Contents

Introduction .....	1
Central Asia's External Security Context .....	1
Security Problems and Progress .....	2
Islamic Extremism .....	4
Terrorist Activities .....	5
Turkmenistan's 2002 Attempted Coup .....	6
Attacks in Uzbekistan .....	7
Attacks in Kyrgyzstan .....	8
The Incursions into Kyrgyzstan and Uzbekistan in 1999-2000 .....	8
Civil War in Tajikistan .....	9
Border Tensions .....	10
Crime and Corruption .....	12
Economic and Defense Security .....	13
Water Resources .....	16
Energy and Transport .....	17
Non-Proliferation of Weapons of Mass Destruction .....	19
Illegal Narcotics Production, Use, and Trafficking .....	20
Implications for U.S. Interests .....	21
U.S. Security Assistance .....	25
Counter-Narcotics Aid .....	27
Military Aid .....	28
Safety of U.S. Citizens and Investments .....	31
Embassy Security .....	33
Issues for Congress .....	33
Should the United States Play a Prominent Role in Central Asia? .....	34
What are U.S. Interests in Central Asia? .....	34
What Roles Should Outside Powers Play in the Region? .....	36
How Significant Are Regional Energy Resources to U.S. Interests? .....	37
What U.S. Security Involvement is Appropriate? .....	38
Should the United States Try to Foster Democratization? .....	39
Appendix 1:	
Selected Outside Players .....	41
Russia .....	41
Afghanistan .....	43
China .....	44
Iran .....	46
Turkey .....	46
The South Caucasus .....	47

## List of Tables

Table 1. Cumulative Funds Budgeted FY1992-FY2003 for Central Asian Security Programs (Freedom Support Act and Agency Funds) .....	25
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Table 2. Central Asia: Basic Facts .....	48
Table 3. U.S. Government FY1992-FY2003 Budgeted Security Assistance to Central Asia, FREEDOM Support Act, and Agency Budgets .....	49

# Central Asia's Security: Issues and Implications for U.S. Interests

## Introduction

The strategic Central Asian region bordering regional powers Russia, China, and Iran is an age-old east-west and north-south trade and transport crossroads.<sup>1</sup> After many of the Soviet Union's republics had declared their independence by late 1991, the five former Soviet republics of Central Asia followed suit. Since this largely unexpected beginning of independence, the Central Asian countries have taken some uneven steps in building defense and other security structures and ties. In some instances, the states have viewed their exposure to outside influences as a mixed blessing. While welcoming new trade and aid, the leaders of Central Asia have been less receptive to calls to democratize and respect human rights.

This report discusses the internal and external security concerns of the Central Asian states. Security concerns faced by the states include mixes of social disorder, crime, corruption, Islamic extremism, terrorism, ethnic and civil conflict, border tensions, water and transport disputes, the proliferation of weapons of mass destruction (WMD), and illegal narcotics. The Central Asian states have tried with varying success to bolster their security forces and regional cooperation to deal with these threats. The United States has provided assistance for these efforts and greatly boosted such aid and involvement after the terrorist attacks on the United States on September 11, 2001, but questions remain about what should be the appropriate level and scope of U.S. interest and presence in the region.

## Central Asia's External Security Context

Central Asia's states have slowly consolidated and extended their relations with neighboring and other countries and international organizations that seek to play influential roles in Central Asia or otherwise affect regional security. These include the bordering or close-by countries of Russia, Afghanistan, China, Iran, Turkey, and the South Caucasus states (see below, *Appendix 1*), and others such as the United States, Germany, India, Israel, Pakistan, Saudi Arabia, South Korea, and Ukraine. In terms of ties with close-by states, Turkmenistan may be concerned more about bordering Iran and Afghanistan than with non-bordering China, while Kazakhstan

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<sup>1</sup> Central Asia consists of the former Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. For overviews, see CRS Report 97-1058, *Kazakhstan*; CRS Report 97-690, *Kyrgyzstan*; CRS Report 98-594, *Tajikistan*; CRS Report 97-1055, *Turkmenistan*; and CRS Report RS21238, *Uzbekistan*. See also CRS Issue Brief IB93108, *Central Asia*, updated regularly.

may be concerned more about bordering Russia than with non-bordering Afghanistan. While soliciting and managing ties with these states, the Central Asian countries also seek assistance from international organizations, including the World Bank, International Monetary Fund, Economic Community Organization (ECO), Organization of the Islamic Conference (OIC), the European Union (EU), the Commonwealth of Independent States (CIS), and NATO.

Outside powers, while sometimes competing among themselves for influence in Central Asia, also have cooperated in carrying out certain common interests. Since September 11, 2001, Russia, China, and the United States have cooperated more in combating terrorism in the region. A major question is whether this cooperation will continue now that the terrorist threat from Afghanistan may be declining. Cooperation is also needed to combat drug, arms, and human trafficking, manage water resources, develop and deliver energy, and tackle infectious diseases. Iran and Russia collaborated during the latter 1990s to keep the United States and Turkey from becoming involved in developing Caspian Sea oil and natural gas resources. Though collaboration has ebbed, each state continues in varying ways to oppose such involvement. Some observers warn that increasing cooperation or similarity of interests among Russia, Iran, and China in countering the West and in attempting to increase their own influence could heighten threats to the sovereignty and independence of the Central Asian states. Others discount such threats, stressing the ultimately diverging goals of the three states.

## **Security Problems and Progress**

The problems of authoritarian regimes, crime, corruption, terrorism, and ethnic and civil strife and tensions jeopardize the security and independence of all the new states of Central Asia, though to varying degrees. Kazakhstan has faced the potential of separatism in northern Kazakhstan where ethnic Russians are dominant, although this threat appears to have diminished in recent years with the emigration of hundreds of thousands of ethnic Russians. Tajikistan faces the uncertain resolution of its civil war and possible separatism, particularly by its northern Soghd (formerly Leninabad) region. Kyrgyzstan has faced increasing demands by its southern regions for more autonomy that it has tried to meet in part by promulgating a new constitution in 2003 that provides for some local rights. Turkmenistan faces clan and regional tensions and declining social services that could exacerbate a succession crisis. Uzbekistan faces rising dissidence from those President Islam Karimov labels as Islamic extremists, from a large ethnic Tajik population, and from an impoverished citizenry. Ethnic Uzbeks and Kyrgyz clashed in 1990 in the Fergana Valley. This fertile valley is divided between Kyrgyzstan, Tajikistan, and Uzbekistan, and contains about one-fifth of Central Asia's population. All the states are harmed by drug and human trafficking and associated corruption and health problems.

Despite these problems, Turkmenistan's oil and gas wealth could contribute to its long-term stability. Also, its location at a locus of Silk Road trade routes potentially could increase its economic security. Uzbekistan's large population and many resources, including oil, natural gas, and gold, could provide a basis for its

stable development and security. If Kyrgyzstan is able to develop economically, it could bolster its defense and security systems.

The authoritarian presidents of the Central Asian states remain in power by orchestrating extensions to their terms and by sharply limiting political freedoms.<sup>2</sup> If the current leaders die unexpectedly, there are no clear political heirs apparent such as vice presidents or strong opposition party leaders (Kazakh President Nursultan Nazarbayev's and Kyrgyz President Askar Akayev's children have been groomed by some courtiers as dynastic successors), raising the threat of succession struggles. These struggles for power may well be violent, fueled by popular discontent over low levels of democratization and high levels of income inequality.<sup>3</sup> There also have been violent efforts to remove Central Asian presidents from power, including assassination attempts in Turkmenistan and Uzbekistan, that raise the specter of future civil turmoil (see below, *Terrorism*).

Regional cooperation theoretically is enhanced by affinities among the leaders. All learned a common language (Russian) and received similar Soviet-era ideological training stressing authoritarianism, and four of the five leaders were acquainted with one another as Communist Party officials. In actuality, the leaders sometimes vie with one another and regional cooperation is minimal.

Most of the people in the Central Asian states have suffered steep declines in their quality of life since the dissolution of the Soviet Union. The gap has widened between the rich and poor, accentuating social tensions and potential instability. Social services such as health and education, inadequate during the Soviet period, have declined further. Efforts to combat massive environmental problems threatening health and hampering economic recovery have made little headway. Attempts in Turkmenistan to cushion the decline in living standards through subsidies for flour, salt, water, and electricity have been deficient because supplies are often unavailable. The Turkmen government has drastically reduced the quality and scope of secondary and higher education, further threatening living standards. In Kazakhstan, the government has given low priority to social welfare and has instead requested that foreign investors pay pensions and wage arrears and support sports, medical, and educational facilities, thereby eroding popular trust in the government. Uzbekistan's faltering economy and harsh restrictions on petty trading threaten to increase the number of citizens in poverty.<sup>4</sup>

Increasing poverty could exacerbate ethnic tensions, separatism, and extremism, although a large percentage of the states' populations remain employed in the agricultural sector where economic gyrations have been somewhat buffered. This

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<sup>2</sup> In December 2002, Kazakh President Nursultan Nazarbayev stated at a conclave of Central Asian leaders that they should "learn" from the succession practices of the Chinese Communist Party. *FBIS*, December 27, 2002, Doc. No. CEP-218.

<sup>3</sup> According to Eugene Rumer, "political succession is the biggest long-term threat to regional stability." *Strategic Forum*, Washington, D.C.: National Defense University, December 2002.

<sup>4</sup> World Bank. *World Development Indicators 2004*, April 2004. World Bank. *Press Release*, April 23, 2004.

sector has a surfeit of manpower, however, and cannot readily absorb new workers as the populations continue to increase. In the late 1990s, the Central Asian states weathered the collapse of Asian and Russian economies and declines in world oil prices without major political and social repercussions, but civil discontent might increase if the governments fail to redistribute currently growing oil and other revenues.<sup>5</sup>

## Islamic Extremism

Calls for government to be based on Sharia (Islamic law) and the Koran are supported by small but increasing minorities in most of Central Asia. Most of Central Asia's Islamic population appears to support the concept of secular government and has had scant exposure to religion, but interest is growing.<sup>6</sup> Tajikistan's civil conflict, where the issue of Islam in political life contributed to strife, has been pointed to by several other Central Asian states to justify crackdowns. They also point to Russia's conflict with its breakaway Chechnya region as evidence of the growing threat. In many cases, crackdowns ostensibly aimed against Islamic extremism have masked ethnic, clan, political, and religious repression. In some regions of Central Asia, such as Uzbekistan's Fergana Valley, many Uzbeks kept Islamic practices alive throughout the repressive Soviet period, and some now oppose the secular-oriented Uzbek government. Islamic extremist threats to the regimes may well increase as economic distress continues. Heavy unemployment and poverty rates among youth in the Fergana Valley are widely cited by observers as making youth more vulnerable to recruitment into religious extremist organizations.<sup>7</sup>

Although much of the attraction of Islamic extremism in Central Asia is generated by factors such as poverty and discontent, it is also fostered by groups in Afghanistan, Pakistan, Saudi Arabia, and elsewhere that provide funding, education, training, and manpower to the region. Some of these ties were at least partially disrupted by the U.S.-led coalition actions in Afghanistan and the U.S. call for worldwide cooperation in combating terrorism.

The Central Asian states impose several controls over religious freedom. All except Tajikistan forbid religious parties such as the Islamic Renewal Party (Tajikistan's civil war settlement included the IRP's legalization), and maintain Soviet-era religious oversight bodies, official Muftiates, and approved clergy. The governments censor religious literature and sermons. According to some analysts, the close government control over traditional Islam may leave a spiritual gulf that underground radical Islamic groups seek to fill.

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<sup>5</sup> *Incubator of Conflict: Central Asia's Localized Poverty and Social Unrest*, International Crisis Group, June 8, 2001.

<sup>6</sup> Most Central Asian Muslims traditionally have belonged to the Sunni branch and the Hanafi school of interpretation. Islamic Sufi Path influences have been significant, as have pre-Islamic customs such as ancestor veneration and visits to shrines.

<sup>7</sup> Ahmad Rashid, *Jihad: The Rise of Militant Islam in Central Asia*, Yale: Yale University Press, 2002; T. Jeremy Gunn, *Sociology of Religion*, Fall 2003, pp. 389-410; Pinar Akcali, *Central Asian Survey*, June 1998, pp. 267-284; Aziz Niyazi, *Religion, State & Society*, March 1998, pp. 39-50.

Officials in Uzbekistan believe that it is increasingly vulnerable to Islamic extremism, and Uzbekistan has been at the forefront in Central Asia in combating this threat. Reportedly, thousands of alleged Islamic extremists have been arrested and sentenced and many mosques have been closed. Restrictions were tightened when the legislature in 1998 passed a law on “freedom of worship” banning all unregistered faiths, censoring religious writings, and making it a crime to teach religion without a license. The Uzbek legislature also approved amendments to the criminal code increasing punishments for setting up, leading, or participating in religious extremist, separatist, fundamentalist, or other illegal groups. Public expressions of religiosity are discouraged. Women who wear the hijab and young men who wear beards are faced with government harassment and intimidation.<sup>8</sup>

Uzbekistan and other Central Asian states have launched arrests of adherents of Hizb ut-Tahrir (HT; Liberation Party, a politically oriented Islamic movement calling for the establishment of Sharia rule), sentencing them to lengthy prison terms or even death for pamphleteering, but HT reportedly continues to gain adherents. Uzbekistan argues that HT not only advocates terrorism and the killing of apostates but is carrying out such acts.<sup>9</sup> Some Kyrgyz authorities emphasize the anti-American and antisemitic nature of several HT statements and agree with the Uzbek government that some elements of the group are moving away from nonviolence, but others in Kyrgyzstan argue that the group is largely pacific and should not be harassed.<sup>10</sup>

## Terrorist Activities

Terrorist actions aimed at overthrowing regimes have been of growing concern in all the Central Asian states and are often linked to Islamic extremism. Some analysts caution that many activities the regimes label as terrorist — such as hijacking, kidnaping, robbery, assault, and murder — are often carried out by individuals or groups for economic benefit or for revenge, rather than for political purposes. Also, so-called counter-terrorism may mask repressive actions against religious or political opponents of the regime. Terrorist actions had taken place during the Tajik civil war. Reportedly, terrorist forces belonging to the Islamic Movement of Uzbekistan (IMU; see below), Iran’s Revolutionary Guards, and Al Qaeda assisted the Tajik opposition during the civil war.<sup>11</sup> With the winding down of the civil war in the late 1990s, most of these forces left Tajikistan but still pose a

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<sup>8</sup> The State Department. *The International Religious Freedom Report for 2004*, September 15, 2004.

<sup>9</sup> Cheryl Bernard has argued that HT writings borrow heavily from Marxism-Leninism and rely much less on Islamic principles. HT publications have stated that the movement “has adopted the amount [of Islam] which it needs as a political party,” that the Islamic world is the last hope for establishing communism, and that terrorist acts against Western interests are appropriate. *Hizb ut Tahrir — Bolsheviks in the Mosque*, RAND Corporation.

<sup>10</sup> HT literature has demanded the withdrawal of U.S.-led coalition forces and the closure of the coalition’s Manas airbase in Kyrgyzstan. *FBIS*, March 13, 2003, Doc. No. CEP-104; *FBIS*, January 7, 2003, Doc. No. CEP-91.

<sup>11</sup> Osama bin Laden in mid-1991 began dispatching mujahidin to assist in overthrowing the then-communist regime in Tajikistan. National Commission on Terrorist Attacks Upon the United States. *Final Report*, July 23, 2004, pp. 58, 64.

threat to the government. According to a declassified U.S. intelligence report, Al Qaeda in the late 1990s operated terrorist training camps in Russia's breakaway Chechnya region that it planned to use in part as launching pads for establishing new cells and camps throughout Central Asia.<sup>12</sup>

Terrorist activities of the IMU and similar groups in the region appear to have been at least partially disrupted by U.S.-led coalition actions in Afghanistan. Many observers, however, warn that terrorist cells may be re-forming and that surviving elements of the IMU, Al Qaeda, and other terrorist groups may be infiltrating from Afghanistan and setting up new bases.<sup>13</sup> Lending credence to this view, a Kazakh security official announced in November 2004 that the government had arrested seventy members of the Islamic fundamentalist group Jama'at (see below). He alleged that the group leaders were former IMU members and had ties to Al Qaeda. The group had cells in several cities in Kazakhstan and also in Kyrgyzstan, Uzbekistan, and Russia. Caches of explosives and arms were uncovered. Members of the group had been involved in violence in Uzbekistan, including suicide bombings, and were planning assassinations.<sup>14</sup> However, the Russian head of the CIS Anti-Terrorism Center's branch in Bishkek, Sergey Reva, in May 2004 appeared to discount Islamic extremism as an imminent threat to the governments of Central Asia. He stated that it was the consensus view of the Central Asian analysts at the center that "the situation in these states as a whole in respect to terrorist threats is manageable and that the law-enforcement authorities are abreast of all ongoing events and are taking action of a preventive nature. There is at this stage no broad-based outbreak of terrorism in the region."<sup>15</sup>

**Turkmenistan's 2002 Attempted Coup.** A late November 2002 failed coup in Turkmenistan apparently is not linked to Islamic extremism but to rising discontent with Niyazov's rule among some former elite members. Niyazov immediately launched mass arrests and detentions, and the first of several trials resulted in the conviction at the end of December 2002 of former Turkmen foreign minister Boris Shikhmuradov and two other opposition leaders (tried in absentia) for organizing the failed coup. Subsequent trials have resulted in several dozen convictions. Many of the accused "admitted" their guilt on state television, and even begged to be executed, causing human rights organizations and others to raise allegations of torture. Niyazov accused various countries of tacitly or actively supporting the coup attempt, contributing to heightened diplomatic and military tensions with Uzbekistan and others, but the Niyazov government appeared to move

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<sup>12</sup> Judicial Watch, *Defense Intelligence [Agency] Report Details al Qaeda's Plans for Russia, Chechnya & WMD*, Press Office, November 16, 2004. The declassified Intelligence Information Report is dated October 1998.

<sup>13</sup> *FBIS*, March 6, 2003, Doc. No. 217. In testimony in October 2003, Assistant Secretary of State Elizabeth Jones stated that "there is a resurgence of the ability of the IMU to operate" in Central Asia and that it "represents a serious threat to the region and therefore to our interests." U.S. Congress. House International Relations Committee. Subcommittee on the Middle East and Central Asia, Hearing, October 29, 2003.

<sup>14</sup> *FBIS*, November 11, 2004, Doc. No. CEP-371.

<sup>15</sup> *FBIS*, May 18, 2004, Doc. No. CEP-283.

in subsequent months to mend its trade and other ties with several of the accused states. The U.S. State Department strongly protested violations of legal due process and “credible reports” of forced confessions and other human rights abuses.

**Attacks in Uzbekistan.** Several explosions outside government buildings in Tashkent on February 16, 1999, were variously reported to have killed 13-28 and wounded 100-351 individuals. Uzbek officials detained hundreds or thousands of suspects, including political oppositionists and HT members. The first trial of 22 suspects in June 1999 resulted in six receiving the death sentence. Karimov in April 1999 alleged that Mohammad Solikh (former Uzbek presidential candidate and head of the banned Erk Party) was the mastermind of the plot, and received support from the Taliban and Uzbek Islamic extremist Tohir Yuldash. The 22 suspects were described in court proceedings as receiving training in Afghanistan (by the Taliban), Tajikistan, Pakistan, and Russia (by Al Qaeda terrorist Khattab in Chechnya), and as led by Solikh and Yuldash and his ally Jama Namanganiy, the latter two the heads of the terrorist Islamic Movement of Uzbekistan (IMU). Testimony alleged that Solikh had made common cause with Yuldash and Namanganiy in mid-1997, and that Solikh, Yuldash, Namanganiy, and others had agreed that Solikh would be president and Yuldash defense minister after Karimov was overthrown and a caliphate established. According to an Uzbek media report in early July 1999, the coup plot included a planned attack on Uzbekistan by Namanganiy and UTO allies transiting through Tajikistan and Kyrgyzstan (*see below*).

Another secret trial in August 1999 of six suspects in the bombings (brothers of Solikh or members of his Erk Party) resulted in sentences ranging from 8 to 15 years. In November 2000, the Uzbek Supreme Court convicted twelve persons of terrorism, nine of whom were tried in absentia. The absent Yuldash and Namanganiy were given death sentences, and the absent Solikh 15.5 years in prison. U.S. officials criticized the apparent lack of due process during the trial. Solikh has rejected accusations of involvement in the bombings or membership in the IMU. Yuldash too has eschewed responsibility for the bombings, but warned that more might occur if Karimov does not step down. Dozens of Uzbek herdsmen accused of assisting the incursionists received prison sentences in July 2001 after trials and torture denounced as unjust by the U.S. State Department and human rights organizations.

On March 28 through April 1, 2004, a series of bombings and armed attacks were launched in Uzbekistan, reportedly killing 47. President Karimov asserted on March 29 that the violence was aimed against his government, in order to “cause panic among our people, to make them lose their trust in the policies being carried out.” An obscure Islamic Jihad Community of Uzbekistan (*Jama’at al-Jihad al-Islami*, reportedly an alias of the IMU) claimed responsibility for the violence. After the attacks, media censorship intensified. Although some observers alleged that there were wide-scale detentions, the human rights organization Freedom House reported in July 2004 that detentions like those of 1999 “did not materialize” and that local trials of suspects appear to respect the rights of defendants. (Human Rights Watch, however, has stated that virtually all defendants are tortured.) The defendants in several of these trials were accused of being members of Jama’at or HT and of attempting to overthrow the government.

The first national trial of fifteen suspects ended in late August 2004. They all confessed their guilt and received sentences of 11-16 years in prison. Some of the defendants testified that they belonged to Jama'at and were trained by Arabs and others at camps in Kazakhstan and Pakistan. They testified that IMU member Najmiddin Jalolov (one of those convicted in absentia in 2000) was the leader of Jama'at and linked him to Taliban head Mohammad Omar, Uighur extremist Abu Mohammad, and Osama bin Laden. The suspects testified that an accidental explosion at a safe house had prematurely triggered their attacks. Over 100 individuals reportedly have been convicted so far in various trials.

Suicide bombings occurred in Tashkent, Uzbekistan, on July 30, 2004, at the U.S. and Israeli embassies and the Uzbek Prosecutor-General's Office. Three Uzbek guards reportedly were killed and about a dozen people were injured. All U.S. and Israeli diplomatic personnel were safe. The next day, then-Secretary of State Colin Powell condemned the "terrorist attacks." The IMU and Jama'at claimed responsibility and stated that the bombings were aimed against the Uzbek and other "apostate" governments. U.S. concerns about the ongoing attacks include increased instability that could affect the security and future of the U.S. coalition airbase at Karshi Khanabad (also known as K2), reduce coalition access to Afghanistan by air or ground, and heighten the danger of trafficking in WMD technology and know-how (see also CRS Report RS21818, *Violence in Uzbekistan*).

**Attacks in Kyrgyzstan.** In recent years there have been sporadic suicide bombings and other attacks seemingly aimed against the government. In mid-November 2004, a suicide bomber killed a policeman, and the bomber was traced to several other Kyrgyz and Uzbeks who might have been involved in attacks in Uzbekistan. Prominent attacks have included bombings at the Oberon market in Bishkek in December 2002 and at a currency exchange outlet in Osh in southern Kyrgyzstan in May 2003. The explosion at the Oberon market killed seven Kyrgyz citizens and injured over 20 people. One person was killed in Osh. Five people, including three Uzbeks, a Uighur citizen of China, and a Kyrgyz, were charged in July 2003. Kyrgyz security officials claimed that they were IMU members trained in Chechnya (by Al Qaeda's Khattab) and Afghanistan and that they had also planned to bomb the U.S. Embassy in Bishkek but were foiled by tight security around the embassy.<sup>16</sup>

**The Incursions into Kyrgyzstan and Uzbekistan in 1999-2000.** Several hundred Islamic extremists and others who fled repression in Uzbekistan and settled in Tajikistan (some of whom were being forced out at Uzbekistan's behest), and rogue groups from Tajikistan that refused to disarm as part of the Tajik peace settlement, entered Kyrgyzstan in July-August 1999. Namanganiy headed the largest guerrilla group. The guerrillas seized hostages, including four Japanese geologists, and several Kyrgyz villages, stating that they would cease hostilities if Kyrgyzstan provided a safe haven for refugees and would release hostages if Uzbekistan released jailed extremists. The guerrillas were variously rumored to be seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan.

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<sup>16</sup> *FBIS*, February 16, 2004, Doc. No. CEP-237; June 23, 2003, Doc. No. CEP-178; and May 14, 2003, Doc. No. CEP-443.

Kyrgyzstan's defense minister on October 18, 1999, announced success in forcing virtually all guerrillas out of the southwestern mountains into Tajikistan (some critics argued that the onset of winter weather played an important part in the guerrilla retreat). Uzbek aircraft targeted several alleged guerrilla hideouts in Tajikistan and Kyrgyzstan, eliciting protests from these states of violating airspace. Uzbek President Islam Karimov heavily criticized Kyrgyz President Askar Akayev for supposed laxity in suppressing the guerrillas. In November 1999, the Tajik government, which has mercurial relations with Uzbekistan, incensed it by allowing the guerrillas to enter Afghanistan rather than wiping them out (some Tajik opposition elements have ties to Namanganiy).

According to many observers, the incursion indicated both links among terrorism in Afghanistan, Kyrgyzstan, Uzbekistan, and Russia (Chechnya and Dagestan) and the weakness of Kyrgyzstan's security forces in combating threats to its independence. Observers were split on whether this terrorism is related more to Islamic extremism, or to efforts to control narcotics resources and routes.

Dozens of IMU and other insurgents again invaded Kyrgyzstan and Uzbekistan in August 2000, in Kyrgyzstan taking foreigners hostage and leading to thousands of Kyrgyz fleeing the area. Uzbekistan provided air and some other support, but Kyrgyz forces were largely responsible for defeating the insurgents by late October 2000, reporting the loss of 30 Kyrgyz troops. In Uzbekistan, the insurgents launched attacks near Tashkent and in the southeast, leading to thousands of Uzbeks fleeing the areas and the loss of 24 Uzbek troops in putting down the insurgency. Limited engagements by Kyrgyz border troops with alleged insurgents or drug traffickers were reported in late July 2001. According to some reports, the IMU did not engage in major attacks in 2001 because of its increasing attention to bin Laden's agenda, particularly after September 11, 2001, when IMU forces fought alongside bin Laden and the Taliban against the U.S.-led coalition. The activities of the IMU appeared to have been dealt a blow by the U.S.-led coalition. Although the threat of incursions has decreased, growing civil unrest in Kyrgyzstan has prompted Akayev to seek closer security ties with Russia, China, and the United States.

**Civil War in Tajikistan.** Tajikistan was among the Central Asian republics least prepared and inclined toward independence when the Soviet Union broke up. In September 1992, a loose coalition of nationalist, Islamic, and democratic parties and movements — largely consisting of members of Pamiri and Garmi regional elites who had long been excluded from political power — tried to take over. Kulyabi and Khojenti regional elites, assisted by Uzbekistan and Russia, launched a successful counteroffensive that by the end of 1992 had resulted in 20,000–40,000 casualties and up to 800,000 refugees or displaced persons, about 80,000 of whom fled to Afghanistan. In 1993, the CIS authorized “peacekeeping” in Tajikistan. These forces consisted of Russia's 201st Rifle Division, based in Tajikistan, and token Kazakh, Kyrgyz, and Uzbek troops (the Kyrgyz and Uzbek troops pulled out in 1998–1999).

After the Tajik government and opposition agreed to a cease-fire in September 1994, the UNSC established a small U.N. Mission of Observers in Tajikistan (UNMOT) in December 1994 with a mandate to monitor the cease-fire, later expanded to investigate cease-fire violations, monitor the demobilization of UTO

fighters, assist ex-combatants to integrate into society, and offer advice for holding elections. In December 1996, the two sides agreed to set up a National Reconciliation Commission (NRC), an executive body composed equally of government and opposition members. On June 27, 1997, Tajik President Emomali Rakhmanov and UTO leader Seyed Abdullo Nuri signed the *comprehensive peace agreement*, under which Rakhmanov remained president but 30% of ministerial posts were allotted to the opposition. Benchmarks of the peace process were largely met, including the return of refugees, demilitarization of rebel forces, legalization of rebel parties, and the holding of elections. In March 2000, the NRC disbanded, and UNMOT pulled out in May 2000. The CIS declared its peacekeeping mandate fulfilled in June 2000, but Russian troops remain under a 25-year basing agreement. Stability in Tajikistan remains fragile. An unsuccessful insurrection in northern Tajikistan in late 1998 highlights concerns by some observers about secessionist tendencies in the Soghd (formerly Leninabad) region and about ethnic tensions between ethnic Tajiks and Uzbeks in Tajikistan.

## Border Tensions

Borders among the five Central Asian states for the most part were delineated by 1936, based partly on where linguistic and ethnic groups had settled, but mainly on the exigencies of Soviet control of the region. The resulting borders are ill-defined in mountainous areas and extremely convoluted in the fertile Fergana Valley, parts of which belong to Kyrgyzstan, Tajikistan, and Uzbekistan. Over a dozen tiny enclaves add to the complicated situation. Some in Central Asia have demanded that borders be redrawn to incorporate areas inhabited by co-ethnics, or otherwise dispute the location of borders. Caspian Sea borders have not been fully agreed upon, mainly because of Turkmen and Iranian intransigence, but Russia and Kazakhstan have agreed on delineation to clear the way for exploiting their seabed oil resources. China has largely settled border delineation with Kazakhstan, Kyrgyzstan, and Tajikistan, reportedly involving “splitting the differences” on many of the disputed territories, which are usually in unpopulated areas. Popular passions were aroused in Kyrgyzstan after a 1999 China-Kyrgyzstan border agreement ceded about 9,000 hectares of mountainous Kyrgyz terrain. Kyrgyz legislators in 2001 opened a hearing and even threatened to try to impeach Akayev. He arrested the leader of the impeachment effort, leading to violent demonstrations in 2002 calling for Akayev’s ouster and the reversal of the “traitorous” border agreement. Dissident legislators appealed the border agreement to the Constitutional Court, which ruled in February 2003 that it was legal.<sup>17</sup>

The problem of ambiguous borders has been an important source of concern to Russia and Kazakhstan, since northern Kazakhstan still has a large concentration of ethnic Russians. During most of the 1990s, neither Russia nor Kazakhstan wished to push border delineation, Russia because of concerns that it would be conceding that Kazakhstan’s heavily ethnic Russian northern regions are part of Kazakhstan, and Kazakhstan because of concerns that delineation might inflame separatism. In 1998, Russia established border patrols along its 4,200 mile border with Kazakhstan for security reasons, and determined to delineate the border. By late 2004, most of

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<sup>17</sup> *FBIS*, February 28, 2003, Doc. No. CEP-284; *FBIS*, March 9, 2003, Doc. No. CEP-27.

the Russian-Kazakh border had been delimited, except for ten problem sections, and Russian Premier Mikhail Fradkov discussed these during an October visit to Kazakhstan. The primary disputed area contains a gas field.<sup>18</sup> To head off separatist proclivities in the north, Kazakhstan reorganized administrative borders in northern regions to dilute the influence of ethnic Russians, established a strongly centralized government to limit local rule, and moved its capital northward.

Uzbekistan has had contentious border talks with all the other Central Asian states. As of late 2004, there were still dozens of disputed border areas between Uzbekistan and Kyrgyzstan, including oil fields and industrial locations. Legislators and others in Kyrgyzstan in 2001 vehemently protested a border delineation agreement with Uzbekistan reached by the two prime ministers that ceded a swath of the Kyrgyz Batken region, ostensibly to improve Uzbek access to its Sokh enclave in Kyrgyzstan. Faced with this protest, the Kyrgyz prime minister argued that no binding agreement had been reached, and the government sent a demarche to Uzbekistan repudiating any intention to cede territory. Similarly, in October 2004 Kyrgyz legislators demanded that Uzbekistan's Shohimardon enclave in Kyrgyzstan (ceded in the 1930s) be returned, and the Kyrgyz prime minister agreed to press this case at the next border delimitation meeting.<sup>19</sup>

Uzbekistan's unilateral efforts to delineate and fortify its borders with Kazakhstan in the late 1990s led to tensions. In September 2002, however, the Kazakh and Uzbek presidents announced that delineation of their 1,400 mile border was complete, and some people in previously disputed border villages began to relocate if they felt that the new borders cut them off from their "homeland." However, many people continued to ignore the new border or were uncertain of its location, leading to several shootings of Kazakh citizens by Uzbek border troops. The Uzbek and Tajik presidents signed an accord in October 2002 delimiting most of their 720 mile joint border.<sup>20</sup>

Besides border claims, other problems revolve around whether borders are open or closed. Open borders within the Central Asian states after the breakup of the Soviet Union were widely viewed as fostering trafficking in drugs and contraband and free migration, so border controls have been tightened in all the states. During 2001, Kazakhstan joined Turkmenistan and Uzbekistan in imposing a visa regime on cross-border travel, while Kyrgyzstan has loosened its visa requirements on U.S. and Western European travelers. Uzbekistan mined its borders with Kyrgyzstan and Tajikistan in 1999, intended to protect it against terrorist incursions, but in fact

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<sup>18</sup> *FBIS*, February 19, 2003, Doc. No. CEP-275; October 8, 2004, Doc. No. CEP-239; October 12, 2004, Doc. No. CEP-109.

<sup>19</sup> *FBIS*, November 6, 2004, Doc. No. CEP-130.

<sup>20</sup> In the case of contention between the residents of the Batken region in southern Kyrgyzstan and the bordering Soghd region in northern Tajikistan, the U.N. Development Program has implemented initiatives to create mutual trust and the sharing of trans-border resources such as water. Border delimitation between Tajikistan and Kyrgyzstan has not been completed. *FBIS*, August 26, 2004, Doc. No. CEP-339.

leading to many civilian Kyrgyz and Tajik casualties.<sup>21</sup> Kyrgyzstan has demanded that Uzbekistan clear mines it has sown along the borders, including some allegedly sown on Kyrgyz territory, but the Uzbek Foreign Ministry in March 2003 asserted that it would maintain the minefields to combat terrorism. (Kyrgyzstan too has raised tensions by sowing mines and blowing up mountain passes along its borders with Tajikistan.) Border tensions between Uzbekistan and Turkmenistan also flared in late 2002, after Turkmenistan accused Uzbek officials of complicity in the coup attempt. Uzbekistan's economic problems led it in mid-2002 to impose heavy duties on imports and at the beginning of 2003 to close its borders to "suitcase trading" (small-scale, unregulated trading), heightening tensions with bordering states.

Iran and Turkmenistan are the major impediment to wider agreement on Caspian Sea border delineation and resource use and access, contributing to tensions and the build-up of naval forces in the Sea. Iran's intransigence led Russia in August 2002 to conduct the largest naval maneuvers in its history in the northern Caspian. Kazakhstan announced its intent to form a navy in early 2003, leading to protests from the Russian Foreign Ministry, but Kazakh military officials emphasized their determination to proceed with plans to protect their offshore oil fields and maritime borders and said they were receiving support from the Russian military.

## Crime and Corruption

Corruption is a serious threat to democratization and economic growth in all the states. The increasing amount of foreign currency entering the states as the result of foreign oil and natural gas investments, the low pay of most government bureaucrats, and inadequate laws and norms are conducive to the growth of corruption. Perhaps most important, the weakness of the rule of law permits the Soviet-era political patronage and spoils system to continue.<sup>22</sup> Organized crime networks have expanded in all the Central Asian states, and have established ties with crime groups worldwide that are involved in drug, arms, and human trafficking. Kyrgyzstan, Tajikistan, and Kazakhstan serve as origin, transit, or destination states for human trafficking. Crime groups collude with local border and other officials to transport people to the Middle East or other destinations for forced labor or prostitution.<sup>23</sup>

Sizeable revenues from oil and gas exports have exacerbated corruption in Turkmenistan and Kazakhstan. Turkmen President Niyazov controls a "presidential fund," that receives 50% of gas revenues and is ostensibly used for economic development, though budgetary transparency is lacking on how the fund is used. He has fired and imprisoned many of his ministers and other officials on allegations of corruption. Perhaps the most sensational allegations of corruption have involved

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<sup>21</sup> Tajik officials reported in early 2003 that 60 people had been killed since the sowing of the mines in August 2000, and about the same number wounded. *FBIS*, January 6, 2003, Doc. No. CEP-130.

<sup>22</sup> U.S. Embassies in Central Asian capitals, *Investment Climate Statements*, 1998-2004; For ratings for Kazakhstan and Uzbekistan, see Transparency International, *Corruption Perceptions Index*, [<http://www.transparency.org>].

<sup>23</sup> U.S. Department of State. *Trafficking in Persons Report*, June 2004.

signing bonuses and other payments by U.S. energy companies operating in Kazakhstan (or by their proxies) that allegedly were funneled into Swiss bank accounts linked to Kazakh officials, including Nazarbayev. U.S. officials concurred with a Swiss decision to freeze the funds and open investigations in 1999-2000. The *New York Times* reported that Nazarbayev unsuccessfully raised the issue of unfreezing some of these accounts during his visit with President Bush in December 2001.<sup>24</sup> A U.S. federal trial of U.S. businessman James Giffen on the bribery charges reportedly will begin in early 2005. Another case investigated by the U.S. Security and Exchange Commission (SEC) involving bribes to Kazakh officials by the Swedish-Swiss firm ABB was settled in mid-2004.<sup>25</sup>

## Economic and Defense Security

The Central Asian states have worked to bolster their economic and defense capabilities by seeking assistance from individual Western donors such as the United States, by trying to cooperate with each other, and by joining myriad international organizations, including the ECO, OIC, CIS, EU bodies, NATO's Partnership for Peace (PFP), GUUAM, and the Shanghai Cooperation Organization (SCO).<sup>26</sup> Regional cooperation has faced challenges from economic crises in Asia and Russia, differential economic development and hence divergent interests among the states, and more nationalistic postures. Cooperation also is undermined by what the states view as Uzbekistan's overbearing impulses.

Some observers argue that the establishment of U.S. military bases in Central Asia has exacerbated the strategic imbalance within the region, with the states viewing Uzbekistan (and much less so, Kyrgyzstan) as gaining military power from its U.S. ties. However, others argue that the United States has somewhat ameliorated such concerns by stressing its "nonpermanent" basing arrangements and by bolstering military ties with most of the regional states. Nonetheless, concerns about Uzbekistan's power have contributed to Tajikistan's countervailing ties with Russia, Turkmenistan's ties with Iran, and Kyrgyzstan's and Kazakhstan's ties with Russia and China.

Besides being stymied by tensions among the states, regional cooperation problems are potentially magnified by the formation of extra-regional cooperation groups such as the CST Organization (a military secretariat set up in April 2003 in Moscow), PFP, and the SCO. Each group reflects the diverging interests of Russia, the United States, and China, although the fact that each group stresses anti-terrorism would seem to provide motivation for cooperation.

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<sup>24</sup> *New York Times*, December 11, 2002, p. A16; *Interfax-Kazakhstan*, February 5, 2003; *Washington Post*, June 10, 2002, p. A12; *Financial Times* (London), April 16, 2002, p. 12; *Agence France Presse*, September 24, 2001; *PR Newswire*, January 10, 2001; *Washington Post*, September 25, 2000, p. A1. A National Fund was created in early 2001 by the Kazakh National Bank for receipt of oil revenues, and operates under strict accounting standards.

<sup>25</sup> *Eurasianet*, September 17, 2004; *New York Law Journal*, July 7, 2004, p. 1; *Financial Times* (London), July 7, 2004, p. 27.

<sup>26</sup> GUUAM is named after members Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova. See below.

All of the Central Asian states have been faced with creating small military and border forces and have had vexing problems with military financing and training. At first dependent on the contract service of Russian troops and officers in their nascent militaries, the states now rely little on such manpower, but continue to depend on training and equipment ties with Russia. After September 11, 2001, the states have benefitted from boosted U.S. military training and equipment aid.

The capabilities of the military, border, and other security forces are limited, compared to those of neighboring states such as Russia, China, or Iran. Military forces range in manpower from about 6,000 in Tajikistan (excluding Russians) to 65,800 in Kazakhstan.<sup>27</sup> The states have variously solicited training and technical assistance from the United States, Turkey, China, and other countries, have forged security ties with the Commonwealth of Independent States (CIS) and NATO's PFP, and cooperated in regional bodies such as SCO and GUUAM.<sup>28</sup>

The Central Asian states generally have criticized the CIS as both ineffective and dominated by Russia. Kazakhstan, Kyrgyzstan, and Tajikistan joined Russia and Belarus in reaffirming the CIS Collective Security Treaty (CST) when it came up for renewal in 1999.<sup>29</sup> Turkmenistan did not sign the treaty, citing its neutral status. Uzbekistan withdrew from the treaty in 1999. Kazakhstan, Kyrgyzstan, and Tajikistan participate in CIS (in actuality, Russian) air defense and air force programs and exercises.

Cooperation among the Central Asian states began to develop by the mid 1990s, leading to several initiatives, but by 2004 showed few real results. A customs union formed between Kazakhstan and Uzbekistan in January 1994 (Kyrgyzstan and Tajikistan joined later) achieved some modest early success as a regional forum. Renamed the Central Asian Economic Community (CAEC) in July 1998, it consisted of an executive committee of heads of state and government, a Council of Foreign Ministers, Centrazbat, and a Central Asian Bank. Criticizing the scant achievements of the CAEC, Karimov in early 2001 proposed that it become a forum for "wide-ranging" policy discussions, and it was renamed the Central Asian Cooperation Organization in December 2001 (CACO).

Economic cooperation has been stymied by Uzbekistan's price controls and restrictions on currency convertibility, tariffs levied by the states on Kyrgyzstan because of its membership in WTO, and tightening border restrictions that stifle

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<sup>27</sup> *The Military Balance, 2003-2004*, International Institute for Strategic Studies, 2003; *FBIS*, September 30, 2002, Doc. No. CEP-367.

<sup>28</sup> Another group is the 6+2 contact group on Afghanistan, formed under U.N. auspices at Uzbekistan's behest in 1997 to promote peace in Afghanistan. The members include Kyrgyzstan, Tajikistan, Uzbekistan, China, and Iran, along with the United States and Russia. The last meeting of the group was in September 2002.

<sup>29</sup> The CST calls for signatories to abjure force against each other and to assist one another in case of outside acts of aggression. See *FBIS-SOV-92-101*, May 26, 1992, pp. 8-9.

trade.<sup>30</sup> CACO suffered a serious blow in September 2003 when Kazakhstan joined Belarus, Russia, and Ukraine in proclaiming the building of a “common economic space.” In October 2004, CACO abandoned its focus on creating a regional identity separate from Russia by admitting Russia as a member. According to one critic, the admission of Russia was a tacit acknowledgment by the states that CACO was floundering and that they were acquiescing to Russia’s role as the arbiter of regional disputes.<sup>31</sup>

Another attempted area of regional cooperation involves securing energy transport and supply that is outside Russian control. Formed in 1997, GUAM admitted Uzbekistan as a member in April 1999 (becoming GUUAM) while leaders and officials were attending the Washington NATO Summit. Karimov stated that Uzbekistan joined the group to facilitate the delivery of its oil and gas resources to Western markets.<sup>32</sup> Ukraine and some other East European states are interested in Caspian region energy resources both as supplies and as means to lessen vulnerability to Russian sources. In 2001, GUUAM appeared riven by Moldova’s election of a communist government that was seeking closer ties to Russia, and differences of view about where Caspian resources should go.

Uzbekistan retracted an announcement in June 2002 that it was withdrawing from GUUAM because it had proven ineffective but has “suspended” much of its active participation. Perhaps allaying such concerns about GUUAM’s ineffectiveness, in late 2002, Assistant Secretary of State Elizabeth Jones met with GUUAM ambassadors to announce a “Framework Program” for projects in trade and transport and combating terrorism, organized crime, and drug trafficking. The United States initially funded customs and border security assistance and the creation of a “virtual” law enforcement center, along with meetings of U.S. and group law enforcement officials, the first of which took place in Baku in February 2003. At a meeting of GUUAM foreign ministers in September 2004, Jones reaffirmed U.S. support for the organization.

In 1996, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, signed the “Shanghai Treaty” with China pledging the sanctity and substantial demilitarization of mutual borders, and in 1997 they signed a follow-on treaty demilitarizing the 4,000 mile former Soviet-Chinese border. China has used the treaty to pressure the Central Asian states to deter their ethnic Uighur minorities from supporting separatism in China’s Xinjiang province, and to get them to extradite Uighurs fleeing China (for details, see CRS Report RL31213, *China’s Relations with Central Asian States*). In 2001, Uzbekistan joined the group, re-named the Shanghai Cooperation Organization (SCO). In an interview explaining why Uzbekistan joined, President Karimov seemed to indicate that the primary motive was to protect Uzbekistan’s interests against any possible moves by the SCO. He appeared to stress the possible military

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<sup>30</sup> Analyst Martin Spechler argues that the Central Asian region lacks the impetus to cooperation provided by a perceived outside threat. *Problems of Post-Communism*, November/December 2002, p. 46.

<sup>31</sup> Farkhad Tolipov, *Central Asia - Caucasus Analyst*, December 1, 2004.

<sup>32</sup> *FBIS*, May 3, 1999, Doc. No. FTS-662.

aid the SCO might provide to beef up the Uzbek armed forces and help it combat terrorism, and to dismiss the capability of the SCO to engage in effective joint action. He also indicated that Uzbekistan wished to forge closer relations with China.<sup>33</sup>

The SCO played no real role in U.S.-led coalition actions in Afghanistan. Reportedly, the United States attempted to contact the SCO right after September 11, 2001, but discovered that its “headquarters” in Bishkek was dormant. China and Russia have appeared to move slowly in bolstering the SCO, since some of the reasons for forming it — to counter terrorism and limit U.S. presence — appear less salient since the United States moved militarily into the region after September 11, 2001. Though raising concerns about how long the United States will maintain a military presence in the region, some Chinese officials have acknowledged that U.S. anti-terrorism efforts have increased stability along China’s borders.

Although Karimov had criticized the SCO as ineffective, in August 2003 he praised Russia’s greater attention to regional security and insisted that Uzbekistan host the SCO Anti-Terrorism Center. Appearing to return to his earlier assessment, in April 2004 he criticized the SCO for failing to aid Uzbekistan during the March-April 2004 attacks and concluded that Uzbekistan should “rely on its own power.” Some observers have argued that these vacillations reflect a policy of playing off the major powers to maximize aid. This policy appeared to pay dividends at the June 2004 SCO summit, when China reportedly proffered up to \$1.25 billion in grants and loans to Karimov and Russia up to \$2.5 billion in investment.

**Water Resources.** Growing demand for limited water resources may threaten the stability of the region and hinder economic development (though more efficient water use would be ameliorative). River diversion and the overuse and misuse of water for cotton growing have drained the Amu and Syr Darya Rivers, so that little or no water reaches the Aral Sea, creating region-wide environmental problems. Regional cooperation on water management has foundered, replaced by ad hoc arrangements. A three-year drought (2000-2002) accentuated tensions among the states, since increased demand in the downstream states could not be met because of decreased supplies of water in Kyrgyzstan and Tajikistan. Despite the drought, profligate wasting of water continued because of ill-designed and deteriorating irrigation canals, lack of water meters, efforts to boost cotton production. Niyazov’s plan to begin diverting water in 2006 from the Amu Darya to create a new 150 billion cubic meter lake may threaten Uzbekistan’s cotton production. The lack of regional cooperation is illustrated by Uzbekistan’s 2003 seizure of a part of the Karshinskiy Canal in Turkmenistan, the only source of water for Uzbekistan’s Kashkardarya oblast, after bilateral water-sharing talks broke down. The need for even wider discussion of water resources is illustrated by China’s efforts to divert Irtysh River water to its Xinjiang region, reducing such resources for Russia and Kazakhstan (the latter two states also vie over this water), and disputes between Russia and Kazakhstan over whether the former can sell trans-border water under international law.<sup>34</sup>

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<sup>33</sup> *The Times of Central Asia*, June 17, 2001.

<sup>34</sup> *FBIS*, October 29, 2004, Doc. No. CEP-338.

**Energy and Transport.** According to the U.S. Department of Energy (DOE), the Caspian region is emerging as a significant source of oil and gas for world markets. Oil resources, DOE reports, are comparable to those of the North Sea, and Turkmenistan, Uzbekistan, and Kazakhstan rank among the top countries in terms of proven and probable gas reserves. Kazakhstan possesses the Caspian region's largest proven oil reserves at 9-17.6 billion barrels, according to DOE, and also possesses 65 trillion cubic feet (tcf) of natural gas. The Tengiz oil field began to be exploited by Chevron-Texaco and Kazakhstan in a consortium during 1993 (U.S. Exxon-Mobil and Russia's LUKoil later joined). The Karachaganak onshore field is being developed by British Petroleum, Italy's Eni, U.S. Chevron-Texaco, and LUKoil, who estimate reserves of more than 2.4 billion barrels of oil and 16 tcf of gas. In 2002, another consortium led by Eni reported that the Kashagan offshore field had between 7-9 billion barrels of proven oil reserves, comparable to those of Tengiz. Kazakhstan's oil exports currently are about one million barrels per day (bpd). Armitage stated in April 2004 that "Kazakhstan could well be producing over three million bpd by the end of this decade, making [it] one of the world's top five oil-exporting nations." Private foreign investors have become discouraged in recent months by harsher government terms, taxes, and fines.

Turkmenistan possesses about 101tcf of proven gas reserves, according to DOE, among the largest in the world. In the late 1980s, Turkmenistan was the world's fourth largest natural gas producer (See also CRS Report RS21190, *Caspian Oil and Gas: Production and Prospects*).

The land-locked Central Asian region must rely on the uncertain benevolence and stability of its surrounding neighbors to reach outside markets. Regional transport links include the railway from Druzhba in Kazakhstan to Urumchi in China, opened in 1992. China and Pakistan are assisting Kazakhstan and Kyrgyzstan in upgrading the Karakaroum Highway from Urumchi to Pakistan. A railway link between Iran and Turkmenistan opened in 1996. The "Friendship Bridge" linking Uzbekistan and Afghanistan was closed by Uzbekistan in 1997 as a result of drug and arms trafficking and terrorist threats. It was re-opened in 2002 with U.S. assistance following the ouster of the Taliban. The EU-sponsored Transport Corridor Europe-Caucasus-Central Asia (TRACECA) program started in 1993, aimed at the re-creation of the "silk road" linking East and West. The transport routes would bypass Russia and enhance the independence of the Central Asian states. TRACECA has funded the refurbishment of rail lines and roads, and is supporting the building of a rail line from Uzbekistan through Kyrgyzstan to China. Another EU program, INOGATE (Interstate Oil and Gas Transport to Europe), focuses on rehabilitation, modernization, and extension of oil and gas pipelines from the Caspian region to the West. Some in Central Asia have criticized the EU or regional states for tardy implementation.<sup>35</sup>

To a significant degree, Central Asia's energy security is dependent on stability in the South Caucasus and beyond. The CPC pipeline is vulnerable to instability in Russia's North Caucasus area. An oil pipeline now being constructed from Baku through Georgia to Turkey's Mediterranean port of Ceyhan (termed the Baku-Tbilisi-

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<sup>35</sup> FBIS, March 23, 2004, Doc. No. CEP-384.

Ceyhan or BTC pipeline), which may receive some oil from Kazakhstan, and a proposed gas pipeline from Baku to Turkey, which may eventually be linked to Turkmenistan, face problems of instability in Azerbaijan, Georgia, and Turkey. Whereas terrorists such as Kurdish groups in Turkey are usually able to only temporarily and superficially disable pipelines, political and ethnic instability and separatism in the North and South Caucasus may pose greater problems.

The Central Asian states face pressures from Russia's energy firms and government to yield portions of their energy wealth to Russia and to limit ties with Western firms. These efforts include some free-market moves such as building pipelines and obtaining shares in Central Asian consortiums, but Russia's firms and government sometimes pursue negative measures such as trying to block Western investment and Central Asian exports.

Turkmenistan is currently largely dependent on Russian export routes. In 1993, Russia had halted Turkmen gas exports to Western markets through its pipelines, diverting Turkmen gas to other Eurasian states that had trouble paying for the gas. In 1997, Russia cut off these shipments because of transit fee arrears and other problems. In 1998 and every year thereafter, Turkmenistan has tried to get higher prices for its gas but has capitulated to Russia's natural gas firm Gazprom or, since 2000, its subsidiary Itera. Putin's talks in January, 2002 with Niyazov on long-term gas supplies were unproductive because Niyazov balked at the low prices offered. Appearing resigned to getting less than the world market price, Niyazov signed a 25-year accord with Putin in April 2003 on supplying Russia about 200 billion cubic feet of gas in 2004 (about 12% of production), rising to 2.8 tcf in 2009, perhaps then tying up a large part of Turkmenistan's production.

Seeking alternatives, Turkmenistan in late 1997 opened a 125-mile gas pipeline from a Turkmen gas field to the Iranian pipeline system for use in northern Iran. Plans for substantial shipments to Iran remain unrealized, however. A 1998 framework agreement and a May 1999 gas supply agreement between Turkey and Turkmenistan envisaged Turkmen gas flows to Turkey when a pipeline either traversing Iran or a trans-Caspian route through Azerbaijan and Georgia were built.<sup>36</sup> In September 1999, Turkmenistan also joined Azerbaijan, Georgia, and Turkey in signing a declaration on a trans-Caspian gas pipeline (with an eventual capacity of sixteen billion meters per year). Plans for a trans-Caspian gas pipeline, however, were derailed in 2000 by a clash between Turkmenistan and Azerbaijan over how much gas each nation could ship through the Baku-Turkey leg of the prospective gas pipeline, and by Turkmenistan's rejection of proposals from the PSG consortium formed to build the trans-Caspian leg of the pipeline. Turkmenistan's efforts to interest investors in building a gas pipeline through Afghanistan to Pakistan have been unsuccessful because of the Afghan government's uncertain control over its territory and questions about Turkmenistan's stability.

Perhaps marking dissatisfaction with Russian delays in opening pipelines, and Moscow's use of pipeline pressure to extract economic concessions, in December

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<sup>36</sup> The gas pipeline from Tabriz to Ankara began operations in December 2001, but Turkmen gas is not yet being sold to Turkey through this pipeline.

1997, Kazakh President Nazarbayev, Azerbaijani President Heydar Aliyev, and Georgian President Eduard Shevardnadze agreed to explore building an oil pipeline under the Caspian Sea to link up with the proposed BTC pipeline. In October 1998, these leaders were joined by Uzbek President Karimov and the Turkish president in signing an “Ankara Declaration” endorsing the BTC route with a possible trans-Caspian extension. Turkmenistan later endorsed this route. On November 18, 1999, Kazakhstan, Azerbaijan, Georgia, and Turkey also signed an “Istanbul Protocol” on construction of the BTC pipeline. Most of the pipeline was in place by early 2005, and it is expected to be completed by the end of 2005 with a capacity of one million barrels per day.

Russia placed strict quotas on oil shipments through its pipelines to pressure Kazakhstan to yield shares in energy projects. Russia’s restrictions on Tengiz oil exports to Europe were eased slightly in 1996 after the consortium admitted LUKoil and after Gazprom was admitted to another consortium. Russian shareholders have a controlling interest, 44%, in the Caspian Pipeline Consortium (CPC), which in 2001 completed building a 930-mile oil pipeline from Kazakhstan to Russia’s Black Sea port of Novorossiisk, the region’s first new pipeline capable of carrying 560,000 bpd. The completion of the pipeline provided a major boost to Russia’s economic leverage in the Caspian region, since it controls the pipeline route and terminus, although Kazakhstan in theory also gained some say-so as a partner in CPC.

In 2003, China and Kazakhstan completed an oil pipeline from Atasu in northwestern Kazakhstan to the Caspian seaport at Aktau. Construction began in September 2004 on another pipeline to link Atasu to China’s Xinjiang region, scheduled for completion in December 2005. This will be the second major pipeline exiting the Caspian Sea region that does not transit Russian territory (the first is the BTC oil pipeline). This pipeline is expected to have an initial capacity of about 200,000 bpd. To assuage Russia that it is not in competition for Asian markets, Kazakhstan has invited Russia to send some oil through the Xinjiang pipeline.

## **Non-Proliferation of Weapons of Mass Destruction**

International concerns over the proliferation risks posed by Central Asia’s nuclear research and power reactors, uranium mines, milling facilities, and associated personnel have been heightened by increasing Western, Russian, and Central Asian media reports of attempted diversions of nuclear materials to terrorist states or criminal groups. Nuclear fuel cycle facilities are often only minimally secured, and personnel may be poorly paid, creating targets of opportunity. Kazakhstan is reported to possess one-fourth of the world’s uranium reserves, and Kazakhstan and Uzbekistan are among the world’s top producers of yellow cake (low enriched uranium).<sup>37</sup> Major customers for Kazakhstan’s yellow cake have included the United States and Europe. Kazakhstan’s Ulba fuel fabrication facility provides nuclear fuel pellets to Russia and other NIS. Kazakhstan had a fast breeder reactor at its Caspian port of Aktau, the world’s only nuclear desalinization facility. Decommissioned in

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<sup>37</sup> After the Soviet breakup, independent Kazakhstan was on paper one of the world’s major nuclear weapons powers, but in reality these weapons were controlled by Russia. On April 21, 1995, the last nuclear warheads were transferred to Russia.

April 1999, it has nearly 300 metric tons of enriched uranium and plutonium spent fuel in ill-kept storage pools. Uzbek's Navoi mining and milling facility exports yellow cake through the U.S. firm Nukem. Kyrgyzstan's Kara Balta milling facility ships low-enriched uranium to Ulba and to Russia. Kazakhstan and Uzbekistan also hosted major chemical and biological warfare (CBW) facilities during the Soviet era, raising major concerns about possible proliferation dangers posed by remaining materials and personnel.

## **Illegal Narcotics Production, Use, and Trafficking**

The increasing trafficking and use of illegal narcotics in Central Asia endanger the security, independence, and development of the states by stunting economic and political reforms and exacerbating crime, corruption, and health problems.<sup>38</sup> As a conduit, the region receives increasing attention from criminal groups smuggling narcotics from Afghanistan, Iran, Pakistan, and elsewhere to markets in Russia and Europe. Afghanistan has been the main producer of drugs. The U.N. Office on Drugs and Crime (UNODC) estimates that about 30% of the opiates produced in Afghanistan are trafficked through Central Asia, and that this percentage is increasing. Most of the opiates grown in northern Afghanistan end up in Tajikistan, a short distance away, and then are transported elsewhere. UNODC also reports that such trafficking appeared to increase in 2003-2004 despite the anti-drug efforts of the post-Taliban Afghan government. Treatment facilities for the increasing numbers of drug addicts in Central Asia are inadequate.

Organized crime groups based in producer countries have been able to expand their influence in Central Asia because of poorly patrolled borders, lack of cooperation among the states, lawlessness, and corruption among officials, police, and border guards. Also, problems with traditional export routes for Asian drugs have encouraged the use of Central Asia as a heroin transshipment route. Nigerian organized crime groups reportedly tranship some Pakistani heroin through Central Asia to Russian markets, and sell some in Central Asia. Even Latin American crime groups have reportedly smuggled drugs into Central Asia destined for Russia, such as cocaine from Brazil. These and other international organized crime groups are integrating Central Asian crime groups into their operations.<sup>39</sup> Organized crime groups also have worked closely with Islamic terrorist groups such as the Taliban and the IMU in drug trafficking. According to Interpol, the IMU was the major smuggler

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<sup>38</sup> U.N. Office on Drugs and Crime, and the Afghanistan Counter-Narcotics Directorate. *Afghanistan Opium Survey 2004*, November 2004. Up to 7% of the GDP of the region is derived from drug trafficking, but the UNODC warns that funds derived from drug trafficking destabilize the state by supporting crime, corruption, and terrorism, and compromise legitimate investment and economic growth. UNODC also estimates that about 1% (365,000-432,000) of Central Asia's population is addicted to drugs, with the percentage addicted to opiates being higher than that in Europe. See U.N. Office on Drugs and Crime. *Illicit Drugs Situation in the Regions Neighbouring Afghanistan and the Response of the ODCC*, October 2002, pp. 25. See also Nancy Lubin, Alex Klaitis, and Igor Barsegian, *Narcotics Interdiction in Afghanistan and Central Asia*, Open Society Institute, 2002.

<sup>39</sup> Irina Adinayeva, International Drug Trafficking and Central Asia. *Building a Common Future*, ed. by P. Stobdan, New Delhi, 1999; *FBIS*, August 4, 1999.

of heroin through Central Asia.<sup>40</sup> Russian and Tajik border troops along the Tajik-Afghan border allegedly gain major revenues from bribes from drug smugglers from Afghanistan. In Kazakhstan, some police and security personnel reportedly vie to offer their services to drug traffickers.<sup>41</sup>

Counter-narcotics agencies in the Central Asian states are hampered by inadequate budgets, personnel training, and equipment, but most have registered ever greater drug seizures. According to the State Department, the Kazakh government's efforts to combat drug smuggling improved somewhat in 2003, but such smuggling still continued "essentially unimpeded." In Kyrgyzstan, authorities have largely failed to halt rising drug trafficking. Tajikistan seized more illicit drugs in 2003 than the previous year, but the amounts smuggled also had increased. Most of the drugs were seized by Russian border troops, who are being phased out and replaced by Tajik troops.

Turkmenistan is centrally located for smuggling opiates from Afghanistan and Iran northward and westward, but its somewhat successful efforts to control smuggling may be persuading some smugglers to use the Tajik route instead. However, large-scale smugglers may use bribes and links to Turkmen officials to facilitate trafficking through Turkmenistan. Heroin use is widespread in smoked form, increasing the need for anti-drug education and drug treatment. In Uzbekistan, the National Center for Drug Control attempts to coordinate anti-drug efforts carried out by the police, security, and customs agencies, with mixed results. According to the State Department, drug smuggling into Uzbekistan involves families or small groups rather than national rings.<sup>42</sup>

## Implications for U.S. Interests

Since the terrorist attacks on the United States on September 11, 2001, the Administration has stated that U.S. policy toward Central Asia focuses on three inter-related activities: the promotion of security, domestic reforms, and energy development. The September 11, 2001, attacks led the Administration to realize that "it was critical to the national interests of the United States that we greatly enhance our relations with the five Central Asian countries" to prevent them from becoming harbors for terrorism, according to Deputy Assistant Secretary of State B. Lynn Pascoe in testimony in June 2002.

Although then-U.S. Caspian emissary Elizabeth Jones (currently Assistant Secretary of State) in April 2001 carefully elucidated that the United States would not intervene militarily to halt incursions by Islamic terrorists into Central Asia, this

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<sup>40</sup> U.S. House of Representatives. Committee on the Judiciary. Subcommittee on Crime. Testimony of Ralf Mutschke, Assistant Director, Subdirector for Crimes Against Persons and Property, Interpol, December 13, 2000.

<sup>41</sup> Martha Olcott, *Kazakhstan*, Washington, D.C.: Carnegie Endowment, 2002, pp. 219-220.

<sup>42</sup> U.S. State Department. Bureau for International Narcotics and Law Enforcement Affairs. *International Narcotics Control Strategy Report — 2003*, March 1, 2004.

stance was effectively reversed after September 11, 2001. U.S.-led counter-terrorism efforts were undertaken in Afghanistan, including against terrorists harbored in Afghanistan who aimed to overthrow Central Asian governments and who were assisting the Taliban in fighting against the coalition. Added security training and equipment were provided to the Central Asian states, supplemented by more aid to promote democratization, human rights, and economic reforms, because the latter aid addressed “root causes of terrorism,” according to Jones in testimony in December 2001. She averred that “we rely on [Central Asian] governments for the security and well-being of our troops, and for vital intelligence,” and that the United States “will not abandon Central Asia” after peace is achieved in Afghanistan.

More recently, Assistant Secretary Jones in testimony in October 2003 stressed that “our big strategic interests [in Central Asia] are not temporary” and that the United States and its international partners have no alternative but to “be a force for change in the region.” Defense Secretary Donald Rumsfeld similarly stressed in February 2004 that “it is Caspian security ... that is important for [the United States] and it is important to the world that security be assured in that area.”

U.S. ties to the Central Asian states appear generally sound in the wake of U.S.-led coalition operations in Iraq in March-April 2003 to eliminate state-sponsored terrorism and weapons of mass destruction. Initial responses in the region ranged from support by Uzbekistan to some expressions of concern by Kyrgyzstan and Turkmenistan. The escalation of violence in Iraq during 2004 has raised some concerns in Kazakhstan (see below).

- Uzbekistan was the only Central Asian state to join the “coalition of the willing” that supported operations in Iraq. Uzbek President Islam Karimov on March 6, 2003, stated that the Iraq operation was a continuation of “efforts to break the back of terrorism.” On May 8, his National Security Council endorsed sending medical and other humanitarian and rebuilding aid to Iraq, but on August 30, Karimov indicated that plans to send medics to Iraq had been dropped. He has argued for greater U.S. attention to terrorist actions in Afghanistan that threaten stability in Central Asia.
- Kazakh Foreign Minister Kasymzhomart Tokayev on March 28, 2003, voiced general support for disarming Iraq but not for military action. However, on April 24 Kazakh President Nursultan Nazarbayev stated that Saddam’s removal in Iraq enhanced Central Asian and world security. Reportedly after a U.S. appeal, Nazarbayev proposed and the legislature in late May approved sending military personnel to Iraq. Twenty-seven Kazakh combat engineers arrived in Iraq in late August 2003 and have served with Polish and Ukrainian units. Citing the escalation of violence in Iraq, Kazakh Defense Minister Mukhtar Altynbayev recommended in April 2004 that the engineers be pulled out and not replaced. The government two days later rejected this proposal but stated that future deployments depended on ensuring the safety of the troops.

- Tajik President Emomaliy Rakhmanov reportedly on March 13, 2003, refused Russia's request to denounce coalition actions in Iraq. Tajik political analyst Suhrob Sharipov stated on April 3 that Tajikistan was neutral regarding U.S.-led coalition actions in Iraq because Tajikistan had benefitted from U.S. aid to rebuild the country and from the improved security climate following U.S.-led actions against terrorism in Afghanistan.
- Kyrgyz Foreign Minister Askar Aitmatov on March 20, 2003, expressed "deep regret" that diplomacy had failed to resolve the Iraq dispute, raised concerns that an Iraq conflict could destabilize Central Asia, and proclaimed that the Ganci airbase could not be used for Iraq operations. During a June 2003 U.S. visit, however, Aitmatov reportedly told Vice President Cheney that Kyrgyzstan was ready to send peacekeepers to Iraq (and Afghanistan). Kyrgyz Defense Minister Esen Topoyev in April 2004 announced that Kyrgyzstan would not send troops to Iraq, because of the increased violence there.
- Turkmenistan's President Saparmurad Niyazov on March 12, 2003, stated that he was against military action in Iraq and, on April 11, called for the U.N. to head up the creation of a democratic Iraq and for aid for ethnic Turkmen in Iraq displaced by the fighting.

U.S. efforts to help resolve conflicts in the new independent states (NIS) have included naming a State Department Coordinator of Regional Affairs, whose portfolio in the 1990s included helping to settle the Tajik civil war. Similarly, the U.S. interest in Caspian oil and gas led in 1998 to the creation of the post of Special Advisor to the President and the Secretary of State for Caspian Basin Energy Diplomacy, to coordinate TDA, OPIC, Eximbank and other agency programs to ensure the "development of the Caspian and open commercial access to its energy resources." These posts have been retained by the Bush Administration (though the Special Advisor's post has been slightly downgraded).

The U.S. government has moved to classify various groups in the region as terrorist organizations, making them subject to various sanctions. In September 2000, the State Department designated the IMU, led by Yuldash, as a Foreign Terrorist Organization, stating that the IMU resorts to terrorism, actively threatens U.S. interests, and attacks American citizens. The "main goal of the IMU is to topple the current government in Uzbekistan," it warned, linking the IMU to bombings and attacks on Uzbekistan in 1999-2000. The IMU is being aided by Afghanistan's Taliban and by terrorist bin Laden, according to the State Department, and it stressed that the "United States supports the right of Uzbekistan to defend its sovereignty and territorial integrity from the violent actions of the IMU." At the same time, the United States has stressed that efforts to combat terrorism cannot include widespread human rights violations. The designation made it illegal for U.S. entities to provide funds or resources to the IMU; made it possible to deport IMU representatives from, or to forbid their admission to, the United States; and permitted the seizure of its U.S. assets. It also permitted the United States to increase intelligence sharing and other security assistance to Uzbekistan.

On September 20, 2001, President Bush in his address to a Joint Session of Congress stressed that the IMU was linked to Al Qaeda and demanded that the Taliban hand over all such terrorists, or they would be targeted by U.S.-led military forces. According to most observers, the President was stressing that Uzbekistan should actively support the United States in the Afghan operation. Some critics have argued that by formally condemning the IMU, the United States is viewed by many in Uzbekistan as allying itself with the Karimov regime.

In August 2002, the United States announced that it was freezing any U.S. assets of the East Turkestan Islamic Movement (ETIM), a Uighur group operating in Central Asia, since the group had committed numerous terrorist acts in China and elsewhere and posed a threat to Americans and U.S. interests. In September 2002, the United States, China, and other nations asked the U.N. to add ETIM to its terrorism list. China reported that its military exercises with Kyrgyzstan in November 2002 were aimed at helping Kyrgyzstan to eliminate the group.

On the other hand, the United States has not yet classified Hizb ut-Tahrir (HT) as a terrorist group. According to the State Department's *Patterns of Global Terrorism 2001*, "despite [Eurasian] regional governments' claims, the United States has not found clear links between Hizb ut-Tahrir and terrorist activities."<sup>43</sup> Reflecting this view, U.S. officials have criticized Central Asian governments for imprisoning HT members who are not proven to be actively engaged in terrorist activities, and for imprisoning other political and religious dissidents under false accusations that they are HT members. According to a November 2002 State Department factsheet, HT has not advocated the violent overthrow of Central Asian governments, so the United States has not designated it a Foreign Terrorist Organization.

The State Department is monitoring HT because it has "clearly incite[d] violence" since September 11, 2001, such as praising Palestinian suicide attacks against Israel, denouncing the basing of U.S.-led coalition forces in Central Asia, and calling for jihad against the United States and the United Kingdom. Nonetheless, the State Department has urged the Central Asian governments to "prosecute their citizens for illegal acts, not for their beliefs." Reflecting concerns about violence by HT, however, German authorities in January 2003 outlawed HT activities in Germany, declaring that it was a terrorist organization that advocates violence against Israel and Jews. After the start of coalition operations in Iraq in mid-March 2003, HT leaflets in Kyrgyzstan allegedly called for Muslims to fight against U.S. "infidels." Reportedly, in late 2004 the U.S. Administration was reassessing its stance on HT.<sup>44</sup>

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<sup>43</sup> U.S. Department of State. *Patterns of Global Terrorism 2001*, May 2002. According to Rashid, the U.S. Government debated the status of HT in 2000 but declined to classify it as a terrorist group. *Jihad*, pp. 132-135.

<sup>44</sup> *Washington Post*, December 27, 2004, p. A4.

## U.S. Security Assistance

Besides humanitarian and reform aid, the Administration bolstered its U.S. security assistance to Central Asia after September 11, 2001. Such aid amounted to \$705.5 million in cumulative budgeted funds through FY2003, of which the largest quantity went to Kazakhstan for Comprehensive Threat Reduction (CTR) programs (see Tables 1 and 3, below). U.S. security assistance to the region has declined somewhat in absolute terms in FY2003-FY2005, although it remains about one-third of all agency aid budgeted for the region. Security and law enforcement aid to Central Asia was \$187.55 million in FY2002 (31% ), \$101.5 million (33%) in FY2003, and \$69.6 million (33%) in FY2004.

U.S. foreign aid for FY2005 (Omnibus Appropriations, P.L.108-447) emphasizes security assistance to the Central Asian states. Funding for IMET programs is maintained or decreases only slightly for all the states, with the aim of fostering closer military-to-military ties and respect for democratic civil-military relations. Funding for Foreign Military Financing (FMF) is increased for all the states except Kyrgyzstan. Funding for non-proliferation, anti-terrorism, demining, and related programs (NADR) and for export controls and border security (EXBS) programs remained at FY2004 levels for all the states.

**Table 1. Cumulative Funds Budgeted FY1992-FY2003  
for Central Asian Security Programs  
(Freedom Support Act and Agency Funds)**  
(million dollars)

DOD Cooperative Threat Reduction	227.9
DoD/FBI Counterprolif.	6.8
DHS/US Customs Service Counterproliferation	2.7
DOD Warsaw Initiative (Partnership for Peace)	7.2
DOE Material Protection, Controls and Acct.	26.8
DOE Nonproliferation and Intern. Security	90.1
DOE / DOS Nuclear Reactor Safety	15.0
DOE / DOS Initiatives for Prolif. Prev. (IPP)	7.6
DOS Export Control and Border Security	90.4
DOS USDA - Agricultural Research Serv.	12.8
DOS EPA - Bio Redirect	2.6
DOS HHS - Bioterrorism Engagement Prog.	4.4
DOS Foreign Military Financing	98.2
DOS International Military Exch. and Training	16.4
DOS Peacekeeping Operations	0.7
DOS Nonproliferation/Disarmament Fund	1.2

DOS Science Centers	26.8
DOS Anti-Crime Training and Technical Asst.	48.5
DOS Anti-Terrorism Assistance (ATA)	8.4
DOS DoJ Overseas Prosecut. Development and Training	1.1
DOS / NSF Civilian R&D Foundation (CRDF)	9.9
TOTAL Security and Law Enforcement Asst.	705.5

After the breakup of the Soviet Union, U.S. fears of nuclear proliferation were focused on nuclear-armed Kazakhstan, and it has received the bulk of regional CTR and Department of Energy (DOE) aid for de-nuclearization, enhancing the “chain of custody,” and demilitarization. Some CTR and DOE aid also has gone to Uzbekistan. As of September 30, 2003, \$344.8 million in such funds had been budgeted for Kazakhstan and Uzbekistan. Prominent activities in Uzbekistan include the transfer of eleven kilograms of enriched uranium fuel, including highly enriched uranium, to Russia in September 2004 with U.S. assistance. Material physical protection aid provided to Kazakhstan’s Ulba Metallurgical Plant includes alarms, computers for inventory control, and hardening of doors.<sup>45</sup> Similar aid has been provided for Kazakhstan’s Aktau reactor.

Agreements were signed at the November 1997 meeting of the U.S.-Kazakh Joint Commission to study how to safely and securely store over 300 metric tons of highly-enriched uranium and plutonium spent fuel from the Aktau reactor, some of which had become inundated by the rising Caspian Sea and was highly vulnerable to theft. Enhanced aid for export controls and customs and border security for Kazakhstan following reports of conventional arms smuggling, including a 1999 attempted shipment of Soviet-era Migs to North Korea.<sup>46</sup> Kazakhstan has received CTR funds for dismantling equipment and for environmental monitoring at several Soviet-era chemical and biological warfare (CBW) facilities.

At the U.S.-Uzbek Joint Commission meeting in May 1999, the two sides signed a CTR Implementation Agreement on securing, dismantling, and de-contaminating the Soviet-era Nukus chemical research facility. Other aid helped keep Uzbek weapons scientists employed in peaceful research. On June 5, 2001, Secretary of State Colin Powell signed his first international agreement, extending new CTR assistance to Uzbekistan. The United States assisted in cleaning up a Soviet-era CBW testing site and dump on an island in the Aral Sea belonging to

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<sup>45</sup> Previous U.S. assistance has included removing about 600 kilograms of highly enriched uranium from an inadequately safeguarded warehouse in Kazakhstan, and shipping it to the United States (the operation was codenamed “Project Sapphire”). In 1995, the U.S. Defense Department assisted Kazakhstan in sealing tunnels at the Semipalitinsk former nuclear test site, to secure nuclear wastes.

<sup>46</sup> *FBIS*, February 17, 2001, Doc. No. CEP-120.

Kazakhstan and Uzbekistan, where Western media in June 1999 had reported the alarming discovery of live anthrax spores.<sup>47</sup>

The National Defense Authorization Act for FY2003 (P.L. 107-314, Sec. 1306) provides for the president to waive prohibitions on CTR aid (as contained in Sec. 1203 of P.L. 103-160) to a state of the former Soviet Union if he certifies that the waiver is necessary for national security and submits a report outlining why the waiver is necessary and how he plans to promote future compliance with the restrictions on CTR aid. The waiver authority, exercisable each fiscal year, will expire at the end of FY2005. The six restrictions in P.L. 103-160 call for CTR recipients to be committed to dismantling WMD if they have so pledged, foregoing excessive military buildups, eschewing re-use in new nuclear weapons of components of destroyed weapons, facilitating verification of weapons destruction, complying with arms control agreements, and observing internationally recognized human rights. Although Russian arms control compliance appeared to be the main reason for the restrictions, on December 30, 2003, the President certified and reported that Uzbekistan had failed to respect human rights, making a waiver necessary.

**Counter-Narcotics Aid.** According to the State Department and U.S. Drug Enforcement Agency (DEA), drugs produced in or transiting Central Asia have not yet reached the United States in major quantities. However, there is rising U.S. concern, since Latin American and other international organized groups have become involved in the Central Asian drug trade, and European governments have begun to focus on combating drug trafficking through this new route. U.S. policy also emphasizes the threat of rising terrorism, crime, corruption, and instability posed by illegal narcotics production, use, and trafficking in Central Asia. The FBI, DEA, and Customs have given training in counter-narcotics to police, customs, and border control personnel in Central Asia as part of the Anti-Crime Training and Technical Assistance Program sponsored by the State Department's Bureau of International Narcotics and Law Enforcement Affairs. Some Central Asian drug officials also have received training at the Budapest ILEA, and by the U.S. Coast Guard. Other U.S. aid is provided through the U.N. Office on Drugs and Crime.<sup>48</sup>

Since the bulk of opiates enter Central Asia from Afghanistan, where they are produced, U.S. assistance for drug control efforts in Afghanistan can have an effect on trafficking in Central Asia. The U.S. Administration has budgeted \$220 million for anti-drug efforts in Afghanistan in FY2004.<sup>49</sup> Among programs undertaken in

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<sup>47</sup> Gulbarshyn Bozheyeva, Yerlan Kunakbayev, and Dastan Yeleukenov. *Former Soviet Biological Weapons Facilities in Kazakhstan*, Center for Nonproliferation Studies, Monterey Institute of International Studies, June 1999; *FBIS*, November 20, 2002, Doc. No. CEP-139.

<sup>48</sup> U.S. State Department. *International Narcotics Control Strategy Report*, 2002; U.S. Justice Department, DEA. *The Supply of Illicit Drugs to the United States*, November 1998. U.S. State Department. *U.S. Government Assistance to and Cooperative Activities with Eurasia, FY2003 Annual Report*, January 2004.

<sup>49</sup> CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*. S. Frederick Starr argues that Afghanistan traditionally was not a major drug producer and  
(continued...)

Central Asia, an agreement went into force with Kazakhstan in 2003 to provide counter-narcotics training and equipment for police and border guards. With U.S. funding, Kyrgyzstan has created a Drug Control Agency with 300 police and staff and has set up a well-equipped customs post as a model. In Uzbekistan, the U.S. Drug Enforcement Administration (DEA) has trained personnel and, in May 2003, opened a Sensitive Investigation Unit in the Interior Ministry that has conducted several undercover and international operations. A Resident U.S. Legal Advisor has helped Uzbekistan draft counter-drug legislation. The National Defense Authorization Act for FY2004 (P.L. 108-136) called for up to \$40 million in counter-narcotics aid for Tajikistan, Turkmenistan, and Uzbekistan.

**Military Aid.** The United States and the Central Asian states signed defense cooperation accords prior to September 11, 2001, that provided frameworks for aid and joint staff and working group contacts and facilitated enhanced cooperation after September 11, 2001. Reportedly, such pre-September 11, 2001, ties included Uzbek permission for U.S. clandestine efforts against Al Qaeda in Afghanistan. According to Assistant Secretary of Defense Crouch in testimony in June 2002, “our military relationships with each [Central Asian] nation have matured on a scale not imaginable prior to September 11<sup>th</sup>.” Kyrgyzstan, he relates, is a “critical regional partner” in OEF, providing basing for combat and combat support units at Manas Airport (at the U.S.-designated Ganci airbase) for U.S., French, Italian, Norwegian, Canadian, and South Korean forces.

Uzbekistan provides a base for U.S. operations at Karshi-Khanabad and a base for German units at Termez, and a land corridor to Afghanistan for humanitarian aid via the Friendship Bridge at Termez. It has also leased to the coalition IL-76 transport airlift for forces and equipment. Kazakhstan has provided overflight rights and expedited rail transshipment of supplies. Turkmenistan has permitted blanket overflight and refueling privileges for humanitarian flights in support of OEF. Tajikistan has permitted use of its international airport in Dushanbe for U.S., British, and French refueling and basing. While the Administration has rejected the idea of permanent military bases in these states, Crouch stated in June 2002 that “for the foreseeable future, U.S. defense and security cooperation in Central Asia must continue to support actions to deter or defeat terrorist threats” and to build effective armed forces under civilian control.

According to a late November 2002 State Department fact sheet, the United States does not intend to establish permanent military bases in Central Asia but does seek long-term security ties and access to military facilities in the region for the foreseeable future to deter or defeat terrorist threats. The fact sheet also emphasizes that the U.S. military presence in the region likely will remain as long as operations continue in Afghanistan. More recently, the *Washington Post* reported on March 25, 2004, that the Administration may be considering asking Kyrgyzstan, Tajikistan, and Uzbekistan for long-term access to military facilities for emergency training and staging by rapid-reaction forces under a new U.S. military basing strategy. The

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<sup>49</sup> (...continued)

that as the country develops it will re-establish agriculture not based on poppy growing. *The National Interest*, Winter 2004/2005.

countries might serve as “forward operating sites” with only small U.S. military support staffs or as “cooperative security locations” with no permanent U.S. military presence. During a February 2004 visit to Uzbekistan, Secretary Rumsfeld stated that there were no plans for permanent U.S. bases in the region but that issues of U.S. basing strategy worldwide had been discussed with the Uzbek leadership, including possible “operating sites ... where the United States and coalition countries could periodically and intermittently have access and support.” In mid-2004, tents at the Ganci airbase reportedly were being replaced with metal buildings. U.S. officers allegedly denied that the buildings were permanent but averred that there was no end yet in sight for operations in Afghanistan.

Among pre-September 11, 2001, military ties, the United States fostered military-to-military cooperation through NATO’s PFP, which all the Central Asian states except Tajikistan had joined by mid-1994. With encouragement from the U.S. Central Command (USCENTCOM), Tajikistan indicated in mid-2001 that it would join PFP, and it signed accords on admission in February 2002. At the signing, a NATO press release hailed Tajikistan’s support to the coalition as “of key importance” to combating international terrorism. Central Asian officers and troops have participated in PFP exercises in the United States since 1995, and U.S. troops have participated in Centrazbat exercises in Central Asia in 1997, 1998, and 2000. Many in Central Asia viewed these exercises as “sending a message” to Islamic extremists and others in Afghanistan, Iran, and elsewhere against fostering regional instability. Centrazbat suffered from wrangling among its members and has been replaced by bilateral or ad hoc multilateral training exercises and exchanges, which were stepped up after September 11, 2001. It has appeared that Kazakhstan and Uzbekistan have vied to gain services from NATO.

U.S. security accords were concluded with several Central Asian states after September 11, 2001. These include a U.S.-Uzbekistan Declaration on the Strategic Partnership signed on March 12, 2002, that includes a nonspecific security guarantee. The United States affirms that “it would regard with grave concern any external threat” to Uzbekistan’s security and would consult with Uzbekistan “on an urgent basis” regarding a response. The two states pledge to intensify military cooperation, including “re-equipping the Armed Forces” of Uzbekistan. Similarly, visiting Kyrgyz President Askar Akayev and President Bush issued a joint statement on September 23, 2002, pledging to deepen the strategic partnership, including cooperation in counter-terrorism, and the United States highlighted its aid for Kyrgyzstan’s border security and military capabilities. Nothing was revealed about whether Kyrgyzstan would renew the Ganci base lease, but in January 2003, Akayev stressed that the presence of the coalition forces was temporary and would end when antiterrorist operations were concluded in Afghanistan. In early October 2002, Kyrgyzstan’s Deputy Prime Minister praised the economic benefits of Ganci, stressing that coalition forces already had spent up to \$35 million, about 15% of Kyrgyzstan’s yearly budget.

All the states except Tajikistan became eligible in FY1997 to receive non-lethal defense articles and services (Presidential Determination No. 97-19), including FMF grants through the PFP program. Tajikistan became eligible in FY2002 (Presidential Determination No. 2002-15). FMF aid supports military interoperability with NATO and participation in PFP exercises, and has included communications equipment,

computers, medical items, and English language and NCO training. The states received about \$6.9 million in FMF aid in FY2001, which was boosted after September 11, 2001, to \$55.66 million in FY2002 (over \$36 million of which went to Uzbekistan), \$16.1 million in FY2003, an estimated \$16.4 million in FY2004, and a requested \$16.4 million for FY2005. The states also are eligible to receive Excess Defense Articles (EDA) on a grant basis, to enhance interoperability with NATO. In February 2000, the United States transferred sixteen military transport vehicles to the Uzbek military to enhance interoperability with NATO forces, the first sizeable military equipment to be provided under the FMF program to Central Asia.

The IMET program supports PFP by providing English language training to military officers and exposure to democratic civil-military relations and respect for human rights. The State Department reported that 189 personnel from all states except Tajikistan took IMET courses in FY2002 and 265 personnel in FY2003. Training is estimated at 338 in FY2004 and is requested for 285 in FY2005, indicating the continuing importance the Administration attaches to this program.

In Congress, Omnibus Appropriations for FY2003 (P.L. 108-7; signed into law on February 20, 2003) forbade FREEDOM Support Act assistance to the government of Uzbekistan unless the Secretary of State determined and reported that Uzbekistan was making substantial progress in meeting its commitments to democratize and respect human rights. P.L. 108-7 also forbade assistance to the government of Kazakhstan unless the Secretary of State determined and reported that it significantly had improved its human rights record during the preceding six months. Unlike the case with Uzbekistan, the legislation permitted the Secretary to waive the requirement on national security grounds. The Secretary reported in May 2003 that Uzbekistan was making such progress and in July 2003 that Kazakhstan was making progress, eliciting some criticism of these findings from Congress. These conditions have been retained in Consolidated Appropriations for FY2004, including foreign operations (P.L. 108-199), while clarifying that the prohibition covers assistance to the *central* government of Uzbekistan and specifying that conditions include respecting human rights, establishing a “genuine” multi-party system, and ensuring free and fair elections and freedom of expression and media.

On July 13, 2004, State Department spokesman Richard Boucher announced that, despite some “encouraging progress” in respecting human rights, up to \$18 million in military and economic aid would be withheld because of “lack of progress on democratic reform and restrictions put on U.S. assistance partners on the ground.” Some affected programs were retained through use of “notwithstanding” authority (after consultation with Congress) and some aid was reprogrammed, so about \$7 million was actually cut. International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs, which are conditioned on respect for human rights, were among those affected. The Chairman of the Joint Chiefs of Staff, Gen. Richard Myers, during a visit to Uzbekistan on August 12, 2004, criticized the cutoff of programs as “shortsighted” and not “productive,” since it reduced U.S. military influence. Reportedly, he announced boosted nonproliferation aid of \$21 million and the transfer of fourteen patrol boats worth \$2.9 million, perhaps to reassure the Uzbeks of U.S. interest in their security.

USCENTCOM in 1999 became responsible for U.S. military engagement activities, planning, and operations in Central Asia (the region was previously the aegis of European Command). It states that its peacetime strategy focuses on PFP, Marshall Center (the defense educational coordinator for PFP), and IMET programs to promote ties between the regional military forces and U.S. and NATO forces, and to foster “apolitical, professional militaries capable of responding to regional peacekeeping and humanitarian needs” in the region. USCENTCOM Commanders visited the region regularly, setting the stage for more extensive military ties post-September 11, 2001. Besides these continuing visits by USCENTCOM Commanders, other U.S. military officials, including Defense Secretary Donald Rumsfeld (in 2001, 2002, and February 2004) have toured the region.

According to media reports, Uzbekistan’s Karshi-Khanabad airbase (also called K2) currently hosts U.S. gunships and transport aircraft and 1,500-2,000 troops, but as many as 5,000 troops were present at the height of operations in Afghanistan. K2 also serves as a refueling stop. Reportedly, other Uzbek airbases have been used by ISAF. Uzbek authorities insist that the airbases have been used solely for humanitarian and search-and-rescue activities. According to some reports, the limitations on operations at K2 requested by Uzbekistan gave impetus to the establishment of another coalition base in Kyrgyzstan. U.S. military engineers upgraded runways at the Manas airfield and built an encampment next to the airport, naming it the Peter J. Ganci airbase, in honor of a U.S. fireman killed in New York on September 11, 2001. According to media reports, the Ganci airbase currently hosts less than two dozen refueling and transport aircraft and about 1,100 U.S., Italian, and South Korean forces, but it earlier also hosted forces from other countries as well as attack aircraft.

Besides these airbases, over 100 French troops have used the Dushanbe airport in Tajikistan for refueling and humanitarian shipments. Kazakhstan has allowed overflight and transshipment rights, and U.S.-Kazakh accords were signed in 2002 on the emergency use of Kazakhstan’s Almaty airport and on military-to-military relations. Turkmenistan, which has sought to remain neutral, allowed the use of its bases for refueling and humanitarian trans-shipments. Kazakhstan, Kyrgyzstan, and Uzbekistan have sent several military liaison officers to USCENTCOM.

## **Safety of U.S. Citizens and Investments**

The U.S. State Department advises U.S. citizens and firms that there are dangers of terrorism in the region, including from ETIM, IMU, and Al Qaeda. Groups such as Hizb ut Tahrir (HT) also foment anti-Americanism. The Peace Corps pulled personnel out of Kyrgyzstan, Turkmenistan, and Uzbekistan after September 11, 2001, but in a policy aimed at fostering pro-U.S. views among Islamic peoples, personnel were re-deployed by mid-2002. U.S. military personnel in the region mostly stay on base, and travel in groups off base to maximize their safety. In the wake of the November 2002 coup attempt in Turkmenistan, the State Department advised U.S. citizens to carefully consider travel to Turkmenistan because of the heightened security tensions. One U.S. citizen was held for several weeks in connection with the coup attempt. Uzbekistan had no known incidents of damage to Western firms or politically-motivated violence against U.S. personnel until the bombing of the U.S. embassy in July 2004. The risks of political violence and

kidnaping are high in Tajikistan, and the State Department advises U.S. citizens to avoid travel to areas near the Afghan and Kyrgyz borders and in the Karategin Valley and Tavildara region. In June 2001, members of an international humanitarian group that included one U.S. citizen were taken hostage in Tajikistan, but were soon released. Kazakhstan, though viewed as low risk for political violence, including insurrections, has had economic protests that potentially could involve Western firms.

Some recent polls have shown that the regional populations are somewhat uncertain about what the United States intends by building up its presence.<sup>50</sup> Some observers have suggested that U.S. policies regarded with disfavor by many Muslims in the region, such as the 2003 invasion of Iraq, could harm the U.S. image and perhaps increase dangers to the safety of U.S. citizens and property.

Among recent incidents, the U.S. Embassy in Uzbekistan on November 4, 2004, issued a warning to U.S. citizens to exercise extreme caution in public places, citing countrywide protests against a harsh government crackdown on trade and commerce. Reported terrorist threats against U.S. interests in Uzbekistan added to State Department concerns. Perhaps indicative of the threat, an Uzbek court on November 3 sentenced sixteen people to 12-17 years in prison for planning to bomb the U.S. coalition airbase at Karshi-Khanabad. Kyrgyz media reported in July 2004 that the outgoing U.S. Ganci base commander thanked Kyrgyz authorities for helping to thwart three planned terrorist attacks on the base. One of the planned attacks was reported in November 2003, when Kyrgyz officials announced that individuals trained in Afghanistan and Pakistan had been arrested.<sup>51</sup>

In all the Central Asian states, widespread corruption is an obstacle to U.S. firms seeking to invest. In Kazakhstan and Turkmenistan, U.S. firms have reported that corruption is pervasive throughout the central and regional governments and most sectors of the economy, and is an obstacle to U.S. investment. Corruption is rampant in the Uzbek government, with bureaucrats seeking bribes as business “consultants.” Some officials have been prosecuted for corruption. Corruption is pervasive and is an integral part of the Tajik government. There is little effort to combat corruption and anti-corruption laws are inadequate. In terms of crime, the State Department warns that Western investment property and personnel are not safe in Tajikistan, and that crime rates are increasing in all the states (though rates are lower than in many other countries).<sup>52</sup>

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<sup>50</sup> Elizabeth Wishnick, *Growing U.S. Security Interests in Central Asia*, Carlisle, PA: U.S. Army War College, October 2002, pp. 34-36.

<sup>51</sup> *FBIS*, November 6, 2003, Doc. No. CEP-185; April 22, 2004, Doc. No. CEP-77; and July 7, 2004, Doc. No. CEP-164

<sup>52</sup> U.S. Embassies in Central Asian capitals, *Investment Climate Statements*, 1998-2002; U.S. Department of State, *Patterns of Global Terrorism 2001*, 2002; U.S. Department of State, *Political Violence Against Americans 2001*, 2002; Economist Intelligence Unit, *Riskwire: Kazakhstan Risk*, 2003.

**Embassy Security.** Immediately after September 11, 2001, U.S. embassies in the region were placed on heightened alert because of the danger of terrorism. They have remained on alert because of the ongoing threat of terrorism in the region. The IMU explained that the suicide bombing of the U.S. embassy in Tashkent, Uzbekistan, in July 2004 was motivated by U.S. support for Karimov and U.S. opposition to Islam. No embassy personnel were injured. U.S. government personnel in Kyrgyzstan since late 2002 have been restricted from traveling to areas south and west of Osh because of the threat of terrorism and presence of land mines along the Kyrgyz-Uzbek border and in the Batken region. During the Tajik civil war, U.S. personnel faced various threats and some embassy personnel were evacuated during flare-ups of fighting. Two U.S. Embassy guards were killed in Dushanbe in February 1997 while off-site but in uniform.

After the bombing of U.S. embassies in Tanzania and Kenya in August 1998, and intense fighting in Dushanbe, U.S. embassy facilities in Dushanbe were deemed to be too vulnerable and diplomatic staff were moved to Almaty in Kazakhstan. Some operations were resumed in 2000 and more were resumed in the wake of September 11, 2001. A new, secure chancellery is under construction, and staff are expected to move into it in mid-2005. U.S. government personnel in Tajikistan must travel in the embassy's armored cars with bodyguards, and are occasionally restricted from travel to certain areas because of safety concerns. U.S. officials have judged the embassy to be highly vulnerable to terrorism, including threats from the IMU and Al Qaeda.<sup>53</sup> Pakistani police in June 2002 reported the apprehension of three Uighurs with photographs and plans of U.S. embassies in Kazakhstan and Kyrgyzstan. The U.S. Embassy in Beijing accused ETIM of working with Al Qaeda to plan the attack against the U.S. Embassy in Kyrgyzstan.<sup>54</sup>

Conferees on H.R. 4775 (Emergency Supplemental Appropriations for FY2002; P.L.107-206) approved \$20.3 million for opening and securing diplomatic posts in Dushanbe, Tajikistan and Kabul, Afghanistan. Among other diplomatic premises in the region, Congress approved State Department requests for FY2002 and for FY2003 for designing and building secure embassy facilities in Tashkent, Uzbekistan and in the new capital of Kazakhstan, Astana. In FY2004, contracts were awarded for building the new embassy in Astana.

## Issues for Congress

Most in Congress have supported U.S. assistance to bolster independence and reforms in Central Asia and other NIS. Attention has included several hearings and legislation, the latter including earmarks at times for aid for Kyrgyzstan, sense of Congress provisions on U.S. policy toward Central Asia, statements and resolutions concerning violations of human rights in the region, and endorsements of aid for energy development. (For details, see CRS Report RL30148, *U.S. Assistance to the Former Soviet Union 1991-2001: A History of Administration and Congressional Action* .)

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<sup>53</sup> Rashid, p. 166.

<sup>54</sup> TASS, June 30, 2002; *ABC World News Tonight*, June 14, 2002.

## Should the United States Play a Prominent Role in Central Asia?

The Administration and others have argued that the United States should emphasize ties with the Central Asian states. They maintain that U.S. interests do not perfectly coincide with those of its coalition partners and friends, that Turkey and other actors possess limited aid resources, and that the United States is in the strongest position as a superpower to influence democratization and respect for human rights in these new states. They stress that U.S. leadership in world efforts to provide humanitarian and economic reform aid will help alleviate the high levels of social distress that are exploited by anti-Western Islamic extremist groups seeking new members. Although many U.S. policymakers acknowledge a role for a democratizing Russia in the region, they stress that U.S. and other Western aid and investment strengthen the independence of the states and their openness to the West and forestall Russian or Chinese attempts to (re-)subjugate the region.

Those who object to a more forward U.S. policy toward Central Asia argue that the United States has historically had few interests in this region, and that as peace is established in Afghanistan, the region will become less important to U.S. interests. They advocate limited U.S. involvement undertaken along with Turkey and other friends and coalition partners to ensure general U.S. goals of preventing strife, fostering democratization and regional cooperation, and improving human rights and the quality of life. Some objections to a forward U.S. policy might appear less salient given September 11, 2001, and other recent developments. These include discounting concerns that an anti-Western Islamic extremism might make enough headway to threaten secular regimes or otherwise harm U.S. interests, doubting the existence of sizeable oil and gas resources in the new states, and questioning whether the energy could be economically delivered to Western markets.

### What are U.S. Interests in Central Asia?

While a consensus appears to exist among most U.S. policymakers and others on the general desirability of fostering such objectives in Central Asia as democratization, the creation of free markets, trade and investment, integration with the West, and responsible security policies, there are varying views on the levels and types of U.S. involvement. Many of those who endorse continued or enhanced U.S. support for Central Asia argue that the United States has a vital interest in preventing the region from becoming an Afghanistan-like hotbed of terrorism aimed against U.S. interests.<sup>55</sup> They argue that political instability in Central Asia can produce spillover effects in important nearby states, including U.S. allies and friends such as Turkey. They also assert that the United States has a major interest in preventing outside terrorist regimes or groups from illicitly acquiring nuclear weapons-related materials and technology from the region. They also advocate the greater diversification of world energy supplies as a U.S. national security interest (see below, *Energy Resources*).

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<sup>55</sup> Charles Fairbanks, *The National Interest*, Summer 2002, pp. 45-53.

Others argue that the region is “strategically tangential” to more important U.S. concerns for the stability of Afghanistan, Russia, China, Turkey, and the Persian Gulf, and for combating global human rights abuses, nuclear proliferation, and drug trafficking.<sup>56</sup> They point to the dangers of civil and ethnic conflict and terrorism in the region as reasons for the United States to eschew major involvement that might place U.S. personnel and citizens at risk. These analysts call for withdrawing U.S. military personnel from the region and depending on U.S. rapid deployments from other bases.<sup>57</sup> The reticence of the Turkish legislature in March 2003 to permit U.S. use of bases for the Iraq operation, however, must be weighed against the safety risks of maintaining U.S. bases in Central Asia.

Calling for greater U.S. policy attention to Central Asia and South Caucasus, Senator Sam Brownback introduced “Silk Road” legislation in the 105<sup>th</sup> and 106<sup>th</sup> Congresses. Similar legislation was sponsored in the House by Representative Benjamin Gilman (105<sup>th</sup>) and Representative Doug Bereuter (106<sup>th</sup>).<sup>58</sup> In introducing the Silk Road Act in the 106<sup>th</sup> Congress, Senator Brownback pointed out that the Central Asian and South Caucasian states are “caught between world global forces that seek to have them under their control.” To counter such forces, he argued, the United States should emphasize democratization, the creation of free markets, and the development of energy and trade with the region to bolster its independence and pro-Western orientations. The Silk Road language was eventually enacted by reference in H.R. 3194 (Istook), Consolidated Appropriations Act for FY2000, and signed into law on November 29, 1999 (P.L. 106-113). The Silk Road language calls for enhanced policy and aid to support conflict amelioration, humanitarian needs, economic development, transport (including energy pipelines) and communications, border controls, democracy, and the creation of civil societies in the South Caucasian and Central Asian states.

Other congressional initiatives include the Security Assistance Act of 2000 (P.L. 106-280; signed into law on October 6, 2000), which authorizes aid to combat nuclear, biological, and chemical weapons and conventional weapons proliferation in the New Independent States. It authorized \$45.5 million in FY2001-FY2002 to assist GUUAM to carry out provisions of the Silk Road Act to strengthen national control of borders and to promote independence and territorial sovereignty.

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<sup>56</sup> Amy Jaffe, in Gennadiy Chufirin, ed., *The Security of the Caspian Sea Region*, Oxford, UK: Oxford University Press, 2001, p. 150.

<sup>57</sup> Wishnick, p. 35.

<sup>58</sup> The Silk Road language amends the Foreign Assistance Act of 1961 by adding a chapter 12. The chapter supercedes or draws authority from the Freedom Support Act (P.L. 102-511), which constitutes chapter 11 of the Foreign Assistance Act of 1961, and adds otherwise to the authority of the Freedom Support Act.

## What Roles Should Outside Powers Play in the Region?

Although many U.S. policymakers argue that a democratizing Russia could play a positive role in the region, they stress that U.S. and other Western aid and investment strengthen the independence of the states and forestall Russian attempts to dominate the region. Some observers warn that a more authoritarian Russia might soon seek to reabsorb Central Asia into a new empire. Others, however, discount such plans by a Russia facing immense internal economic, political, ethnic, and military disorder, but nonetheless endorse close monitoring of Russian activities that might infringe on the independence of the NIS. Some appear to acquiesce to Russia's argument of historic rights to a "sphere of influence" in Central Asia that provides a reduced scope for U.S. involvement. Russia's intentions in the region have become more murky since it has faltered in democratizing, according to many observers.

According to some observers, Administration policy should focus more clearly on refereeing Russian, Iranian, and Chinese influence in the region, since these states are bound to play roles in the region, with the aim of maximizing the independence of the Central Asian states and protecting U.S. interests. U.S. interests may correspond to other outside states' interests in political and economic stability and improved transport in the region, so that the coordination of some activities in the region becomes possible.<sup>59</sup> Alternatively, U.S. interests might conflict with those of Russia, Iran, or China, leading to compromises, tradeoffs, or deadlock. The U.S. interest in restricting Iran's financial ability to sponsor international terrorism, for instance, may conflict with desires by Central Asian states to build pipelines through Iran. U.S.-Iranian rapprochement might contribute to a less hostile Iranian attitude toward pro-U.S. governments in Central Asia and U.S. regional investment. In the cases of Russia and China, some observers warn that an ebbing of their anti-terrorism cooperation with the United States — linked to policy differences such as over U.S. operations in Iraq — could lead to their renewed efforts to reduce and limit U.S. influence in Central Asia. Poor U.S.-Iranian relations and questions about Russia's role contribute to U.S. support for the BTC pipeline.

While the Administration has supported a role for Turkey in the region, others argue that its economic problems during the 1990s have hindered its positive influence. Also, its disagreements in 2003 with U.S. policy toward Iraq indicate that it may not serve optimally as a proxy for U.S. interests in Central Asia. Some call for the United States to recognize Iran's ties with the region, and not press the Central Asian states to limit economic and political ties with Iran.

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<sup>59</sup> *U.S. Policy Priorities in Central Asia: Report of an Atlantic Council Delegation Visit*, The Atlantic Council, 1998, p. 2; Lena Jonson, *Central Asia & Caucasus Newsletter*, No. 1, 2003. On U.S. cooperation in a "regional concert," see Charles Fairbanks, S. Frederick Staar, C. Richard Nelson, and Kenneth Weisbrode, *Strategic Assessment of Central Asia*, The Atlantic Council and the Central Asia-Caucasus Institute, January 2001. Analyst Stephen Blank urges that USCENTCOM at Manas establish ties with the rapid reaction force at Bishkek, and that USCENTCOM and the Russian General Staff establish an expanded cell at USCENTCOM and other ties to discuss Central Asia matters. *The Future of Transcaspien Security*, Carlisle, PA, U.S. Army War College, August 2002, pp. 30-31.

The United States and Russia agreed to set up a working group on Afghanistan in June 2000 that assumed greater importance in the Bush Administration, particularly after September 11, 2001. Headed on the U.S. side by First Deputy Secretary of State Richard Armitage and on the Russian side by Vyacheslav Trubnikov, it was central to obtaining Russian acquiescence to the U.S. use of military facilities in Central Asia, with Armitage visiting Moscow just days after September 11, 2001. In May 2002, the group's mandate reportedly was expanded to more broadly cover counter-terrorism in Central Asia, the South Caucasus, and South Asia. At the meeting in January 2003, the two sides reportedly discussed the terrorist situation in Afghanistan, Chechnya, Georgia, Iraq, and North Korea, and Armitage reportedly reiterated that the United States would pull its troops out of Central Asia at the end of the anti-terrorism campaign in Afghanistan.

### **How Significant Are Regional Energy Resources to U.S. Interests?**

The Bush Administration's national energy policy report, released in May 2001, posited that the exploitation of Caspian energy resources could not only benefit the economies of the region, but also help mitigate possible world supply disruptions, a major U.S. security goal. It recommended that the President direct U.S. agencies to support building the BTC pipeline, facilitate oil companies operating in Kazakhstan to use the pipeline, support constructing a Baku-Turkey natural gas pipeline to export Azerbaijani gas, and otherwise encourage the Caspian regional states to provide a stable and inviting business climate for energy and infrastructure development. It averred that the building of the pipelines will enhance energy supply diversification, including for Georgia and Turkey.<sup>60</sup>

Critics of Administration policy question the economic viability of BTC and trans-Caspian pipeline routes given uncertainties about regional stability, ownership of Caspian Sea fields, world oil and gas prices, and the size of regional reserves. They question whether the oil and other natural resources in these new states are vital to U.S. security and point out that they are, in any event, unlikely to be fully available to Western markets for many years. Analyst Amy Jaffe argues that Caspian energy "hardly seems worth the risks" of an enhanced U.S. presence, since regional oil production is "likely to be less than 5% of world oil demand by 2010."<sup>61</sup>

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<sup>60</sup> Among Congressional action, the Foreign Operations Appropriations Act for FY1998 (P.L. 105-118) stated that the Central Asian and South Caucasian states are a major East-West transport route and contain substantial oil and gas reserves that will increase the diversity of supplies to the United States. Congress urged targeting policy and aid to support independence, friendly relations, conflict resolution, democracy, free markets, integration with the West, and U.S. business and investment in these states. The conferees on Omnibus Appropriations for FY1999 (including foreign operations; P.L. 105-277) recommended that up to \$10 million be made available to promote Turkmen energy development, and endorsed an east-west energy corridor that would exclude building pipelines through Iran.

<sup>61</sup> Jaffe, pp. 145, 150. See also *Kazakhstan Unlikely to Be Major Source of Oil for the United States*, GAO, March 1994, pp. 2-3; Bulent Aliriza, *Caspian Energy Update*, Center (continued...)

Some of those who oppose U.S. policy also juxtapose an emphasis on energy development in these states to what they term the neglect of broader-based economic reforms that they argue would better serve the population of the region. Other critics argue that the Administration's policy against energy routes and projects involving Iran makes it more likely that the Central Asian states will have to rely for several more years on Russia's willingness to export their oil.

## **What U.S. Security Involvement is Appropriate?**

The events of September 11, 2001, transformed the U.S. security relationship with Central Asia, as the region actively supported U.S.-led coalition anti-terrorism efforts in Afghanistan. These efforts were a top U.S. national security concern, but a major question is how the region may be regarded if Afghanistan becomes more stable. Some observers advocate maintaining the U.S. security relationship even if Afghanistan becomes more stable and the threat of Al Qaeda and other terrorism based in the area recedes. They stress that Central Asia was host to Soviet-era weapons of mass destruction and associated research and development facilities, and that residual technologies, materials, and personnel might fall prey to terrorist states or groups. They view military education and training programs as fostering the creation of a professional, Western-style military and democratic civil-military relations, and reducing chances of military coups. Training that these militaries receive through PFP is multinational in scope, involving cooperation among regional militaries, with the purpose of spurring these states to continue to work together. They also argue that as Iran increases its military capabilities, including missiles and possibly nuclear weapons, the Central Asian states may necessarily seek closer countervailing ties with the United States. They argue that a major dilemma of current policy is that while the United States proclaims vital interests in the region, it also states that military basing arrangements are temporary. This makes the U.S. commitment appear uncertain, spurring the Central Asian states to continue their search for security ties with other outside powers, these analysts warn.

The question of who the United States should partner with in Central Asia is also topical. Some in the Administration appear to emphasize the strategic importance of building ties with Uzbekistan, while others emphasize ties with Kazakhstan. In the case of Uzbekistan, its central location in the region and sizeable population and other resources (including energy) are stressed. Energy and other resources are also stressed in the case of Kazakhstan, as well as its huge territory and lengthy borders. Some observers argue that there are greater risks to U.S. interests from possible instability in Uzbekistan than in Kazakhstan because the former is more authoritarian.<sup>62</sup>

Critics of greater U.S. security involvement in the region argue that the United States should primarily seek to encourage regional demilitarization. They oppose providing formal security guarantees to regional states and urge the pullout of U.S.

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<sup>61</sup> (...continued)  
for Strategic and International Studies, August 24, 2000.

<sup>62</sup> Jacquelyn Davis and Michael Sweeney, *Central Asia in U.S. Strategy and Operational Planning*, The Institute for Foreign Policy Analysis, February 2004, p. vi.

bases now that the Taliban has been defeated and Al Qaeda largely roused from Afghanistan. A few critics assert that the region is not a vital U.S. interest and that EDA and other such aid is a waste of taxpayers' money. Some analysts warn that increased U.S. engagement in the region, including military basing, is unlikely to soon turn the countries into free market democracies, and will link the United States to the regimes in the eyes of the local populations. This may exacerbate anti-American Islamic extremism, place U.S. personnel in danger, stretch U.S. military capabilities, and antagonize China and Russia. Long-term U.S. basing in the region could in particular harm U.S.-Russia ties, by giving Russian hardliners ammunition in their attacks on Putin's conciliatory foreign policy.<sup>63</sup>

## Should the United States Try to Foster Democratization?

While Central Asia's leaders have appeared to counterpose stability to democratization, and opted for stability, the Administration and other observers have generally viewed the two concepts as complementary, particularly in the long term. They suggest that although the Central Asian states are making scant democratization progress, over a generation or so the states may emulate the positive features of Turkish or other secular democracies. In the meantime, the United States should be watchfully engaged and encourage the states to uphold human rights, according to this view.<sup>64</sup> Senator Brownback on June 30, 1999 cautioned against "ignoring" the region because of faltering democratization and human rights violations, arguing that "it is important to engage and continue to encourage a positive process." Omnibus Appropriations for FY2003 (P.L.108-7) called for FREEDOM Support Act aid to be provided to Kazakhstan and Uzbekistan only if the Secretary of State determined that each was making substantial progress in meeting its commitments to democratization and respect for human rights (in the case of Uzbekistan, as pledged in the U.S.-Uzbek Declaration on the Strategic Partnership). In the case of Kazakhstan, a national security waiver was provided. These provisions were retained in FY2004 (P.L. 108-199) and FY2005 (P.L. 108-447).

Critics of continued engagement have suggested that the Administration's stress on gradual and peaceful political change connotes U.S. support for the stability of current leadership. They warn that the populations of these states may come to view U.S. engagement as propping up authoritarian leaders, and such authoritarianism might encourage a countervailing rise of Islamic fundamentalism as an alternative channel of dissent. They also complain that increased U.S. aid to the Central Asian states after September 11, 2001, has focused more on bolstering their counter-terrorism capabilities than on supporting their democratic and economic reforms, and that U.S. officials have tended to overstate reform progress in these states.<sup>65</sup> They urge reducing or cutting off most aid to repressive governments that widely violate human rights, and reject arguments that U.S. interests in anti-terrorism,

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<sup>63</sup> Andrew J. Bacevich, *The National Interest*, Summer 2002, pp. 45-53.

<sup>64</sup> Alternatively, Rumer argues that the United States may be faced with a trade-off between stability and democratization, with stability the most essential for U.S. security interests. *Strategic Forum*, December 2002.

<sup>65</sup> Wishnick, p. 29.

nonproliferation, regional cooperation, trade, and investment outweigh concerns over democratization and human rights. Some point to an apparent contradiction between a U.S. policy toward Iraq and the wider Middle East that stresses regime change and democratization and a policy that appears to tolerate existing authoritarian regimes in Central Asia.<sup>66</sup> Still others oppose most aid for democratization programs they view as unlikely to succeed in cultures historically attuned to authoritarianism.

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<sup>66</sup> Christian Caryl, Collateral Victory, *Washington Monthly*, November 1, 2002, pp. 21-27; *Central Asia in U.S. Strategy and Operational Planning*, pp. iii-iv.

## Appendix 1: Selected Outside Players

**Russia.** For the Central Asian states, the challenge is to maintain useful ties with Russia without allowing it undue influence. This concern is most evident in Kazakhstan and Uzbekistan. Kazakhstan, because of its shared 4,200 mile border with Russia and its relatively large ethnic Russian population, is highly vulnerable to Russian influence. Uzbekistan is interested in asserting its own regional power and in limiting Russian influence in the region. Alternatively, Tajikistan's President Rakhmanov has relied to some extent on Russian security assistance to stay in power.

Russia's behavior in Central Asia partly depends on alternative futures of Russian domestic politics, though regardless of scenario, Russia will retain some economic and other influence in the region as a legacy of the political and transport links developed during Tsarist and Soviet times. The long-term impact of September 11, 2001, on Russia's influence over the Central Asian states depends on the duration and scope of U.S. and coalition presence in the region, Russia's countervailing policies, and the fate of Afghanistan.

Prior to September 11, 2001, the Putin Administration had tried to strengthen Russia's interests in the region while opposing the growth of U.S. and other influence. After September 11, 2001, Uzbekistan reaffirmed its more assertive policy of lessening its security dependence on Russia by granting conditional overflight rights and other support to the U.S.-led coalition, nudging a reluctant Putin regime to accede to a coalition presence in the region in keeping with Russia's own support to the Northern Alliance to combat the Taliban. Russia's other reasons for permitting the increased coalition presence included its interests in boosting some economic and other ties to the West and its hope of regaining influence in a post-Taliban Afghanistan. On September 19, 2001, Russian Foreign Minister Igor Ivanov indicated that the nature of support given by the Central Asian states to the U.S.-led coalition was up to each state, and President Putin reiterated this point on September 24, 2001, giving Russia's assent to cooperation between these states and the United States. Russia cooperated with Central Asia in supporting U.S. and coalition efforts, including by quickly sending military equipment and advisors to assist the Northern Alliance in attacks on the Taliban.

Russian officials have variously emphasized interests in strategic security and economic ties with Central Asia, and concerns over the treatment of ethnic Russians. Strategic concerns have focused on drug trafficking and regional conflict, and the region's role as a buffer to Islamic extremism. By the late 1990s, Russia's economic decline and demands by Central Asia caused it to reduce its security presence, a trend that President Putin may be seeking to reverse. About 11,000 Russian Border Troops (mostly ethnic Tajiks under Russian command) have defended "CIS borders" in Tajikistan, but Russia in 2004 agreed to accelerate a handover to Tajik control. Russian border forces were largely phased out in Kyrgyzstan in 1999. In late 1999, the last Russian military advisors left Turkmenistan. In 1999, Uzbekistan withdrew from the CST, citing its ineffectiveness and obtrusiveness. Russia justified a 1999 military base accord with Tajikistan by citing the Islamic extremist threat to the CIS.

In an apparent shift toward a more activist Russian role in Central Asia, in January 2000, then-Acting President Putin approved a “national security concept” that termed foreign efforts to “weaken” Russia’s “position” in Central Asia a security threat. In April 2000, Security Council secretary Sergey Ivanov called for the members of the CST to approve the creation of rapid reaction forces, including in Central Asia, to combat terrorism emanating from Afghanistan. He also stated that such a force might launch pre-emptive strikes on Afghan terrorist bases. A May 2001 CST summit approved the creation of a Central Asian Rapid Deployment Force composed (at least on paper) of nine Russian, Kazakh, Kyrgyz, and Tajik country-based battalions of 4,000 troops and a headquarters in Bishkek. This initiative seemed in part aimed to protect Russian regional influence in the face of nascent U.S. and NATO anti-terrorism moves in the region. A regional branch of the CIS Anti-Terrorism Center, composed of intelligence agencies, opened in Bishkek, Kyrgyzstan, in January 2002. Russia’s threats of pre-emptive strikes against the Taliban prompted them in May 2000 to warn the Central Asian states of reprisals if they permitted Russia to use their bases for strikes. At the June 2000 U.S.-Russia summit, the two presidents agreed to set up a working group to examine Afghan-related terrorism, and the group held two meetings prior to September 11, 2001. These events prior to September 11, 2001, helped to ease the way for Russian and Central Asian assistance to the U.S.-led coalition in Afghanistan.

Soon after September 11, 2001, Russia seemed to reverse the policy of drawing down its military presence in Central Asia by increasing its troop presence in Tajikistan by a reported 1,500. In mid-June 2002, Russia also signed military accords with Kyrgyzstan extending leases on military facilities to fifteen years (including, amazingly, a naval test base), opening shuttered Kyrgyz defense industries, and training Kyrgyz troops. Most significantly, Kyrgyzstan also agreed that its Kant airfield outside its capital of Bishkek could be used as a base for the Central Asian rapid reaction forces, marking a major re-deployment of Russian forces into the country. In signing the accords, Russian Defense Minister Sergey Ivanov declared that they marked Russia’s help — along with the U.S.-led coalition and China — in combating terrorism, were necessary for Russia to monitor the proliferation of weapons of mass destruction, and marked Russia’s intention to maintain a military presence in the region. According to some reports, Ivanov unsuccessfully urged Kyrgyz authorities to tell U.S. and coalition forces at Manas to vacate by mid-2003. Attack jets, transports, jet trainers, helicopters, and 700 Russian personnel began to be deployed at Kant at the end of 2002. During 2004 the CST Rapid Deployment Force strengthened ties with the SCO antiterrorism center and U.N. and OSCE counter-terrorism, anti-narcotics, and anti-crime offices. Russia, however, remains the predominant member of the Rapid Deployment Force, and its future as a cooperative body remains murky.

Russian economic policy in Central Asia has been contradictory, involving pressures to both cooperate with and to oppose US and Western interests. Russia has cut off economic subsidies to Central Asia and presses demands for the repayment of energy and other debts the states owe Russia. Russia increasingly has swapped this debt for equity in strategic and profitable energy and military industries throughout Central Asia. Its opposition to U.S. and Western private investment in the region initially led it to demand that Caspian Sea oil and gas resources be shared in common among littoral states and to insist that oil pipeline routes transit Russian

territory to Russian Black Sea ports. Russia's oil discoveries in the Caspian Sea, however, contributed to its decision to sign accords with Kazakhstan in 1998 and with Azerbaijan in 2001 on seabed borders. Russian energy firms have become partners with U.S. and Western firms in several regional oil and gas development consortiums. Nonetheless, Russia continues to lobby for pipeline routes through its territory. During Turkmen President Niyazov's Moscow visit in January, 2002, President Putin called for Central Asian states to form a Eurasian Gas Alliance to "export through a single channel," which Russian media speculated meant that Putin wanted to counter U.S. energy influence in the region. Instead of opposing, some Russians argue that enhanced cooperation with U.S. and Western private investment and business in the region would best serve Russian national interests and its oil and other companies. Russia has been wary of growing Chinese economic influence in the region.

The region's continuing economic ties with Russia are encouraged by the existence of myriad Moscow-bound transport routes, the difficulty of trade through war-torn Afghanistan, and U.S. opposition to ties with Iran. Also, there are still many inter-enterprise and equipment supply links between Russia and these states. While seeking ties with Russia to provide for some security and economic needs, at least in the short term, the Central Asian states have tried with varying success to resist or modify various Russian policies viewed as diluting their sovereignty, such as Russian calls for dual citizenship and closer CIS economic and security ties. Karimov and Nazarbayev have been harsh critics of what they have viewed as Russian tendencies to treat Central Asia as an "unequal partner."

The safety of Russians in Central Asia is a populist concern in Russia, but has in practice mainly served as a political stalking horse for those in Russia advocating the "reintegration" of former "Russian lands." Ethnic Russians residing in Central Asia have had rising concerns about employment, language, and other policies or practices they deem discriminatory and many have emigrated, contributing to their decline from 20 million in 1989 to 6.6 million in 2001. They now constitute 12% of the population of Central Asia, according to the CIS Statistics Agency. Remaining Russians tend to be elderly or low-skilled. In Kazakhstan, ethnic Kazakhs have again become a majority.

**Afghanistan.** The stability of Afghanistan is of central concern to Central Asia, China, and Russia. Particular concerns of Central Asia in recent years have focused on the export of drugs and Islamic extremism from Afghanistan. Historical trade routes facilitate the smuggling of drugs and other contraband through the region to Russian and European markets. Central Asia's leaders do not want Islamic extremists to use bases in Afghanistan, as the Tajik opposition once did. They objected to the refuge the Taliban provided for the IMU and for terrorist Usamah bin-Ladin, who allegedly contributed financing and training for Islamic extremists throughout Central Asia who endeavored to overthrow governments in that region. Several Central Asian ethnic groups reside in northern Afghanistan, raising concerns in Central Asia about their fates. Tajikistan has been concerned about the fate of 6.2 million ethnic Tajiks residing in Afghanistan. Uzbekistan, likewise, has concerns about 1.5 million ethnic Uzbeks in Afghanistan. Karimov has supported ethnic Uzbek paramilitary leader Abdul-ul-Rashid Dostum in Afghanistan. Dostum lost to Taliban forces in August 1998 and exited Afghanistan, but returned to help lead

Northern Alliance forces to victory post-September 11, 2001. Iran and Tajikistan supported ethnic Tajik Ahmad Shah Masood, who was killed on September 9, 2001, allegedly by Al Qaeda operatives. Iran's massing of troops on the Afghan border in August 1998 in response to the Taliban's takeover of Mazar-e-Sharif and killing of Iranian diplomats and Shiite civilians also gave support to Masood. Turkmenistan's concerns about the status of half a million ethnic Turkmen residing in Afghanistan, and its hopes for possible energy pipelines through Afghanistan, led it to stress workable relations with both the Taliban and the successor government.

Tajikistan was especially challenged by the Taliban's growing power. A Taliban victory in Afghanistan threatened to present it with regimes in both the north (Uzbekistan) and south (Afghanistan) that pressed for undue influence. Iran and Uzbekistan backed different sides in the Tajik civil war, but both opposed the Taliban in Afghanistan. Tajik opposition ties with Iran provided friction with the Taliban. Tajikistan's instability and regional concerns caused the Rakhmanov government to rely more on Russia and, by granting formal basing rights to Russia, antagonized Uzbekistan and the Taliban.

As Afghanistan stabilizes, Central Asian states will be able to establish more trade ties, including with Pakistan. Hopes for the construction of a gas pipeline from Turkmenistan to Pakistan were evidenced by the signing of a framework agreement in December 2002 by President Niyazov, Afghan President Hamed Karzai, and Pakistan's Prime Minister Mir Zafarullah Khan. The problems of drug production in Afghanistan and trafficking through Central Asia have increased, however, in part because the Afghan government remains weak despite the hopeful success of the October 2004 presidential election.<sup>67</sup> Interest in regional stability led Afghanistan, Tajikistan, Turkmenistan, Uzbekistan, China, Iran, and Pakistan to sign a "Declaration of Good Neighborly Relations" in Kabul in December 2002 pledging mutual respect for sovereignty and territorial integrity. Russia's attempts to influence developments in Afghanistan are facilitated by its basing arrangement with Tajikistan, but its favored warlords were largely excluded in December 2004 from the new Karzai government (See also CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy.*)

**China.** China's objectives in Central Asia include ensuring border security, non-belligerent neighbors, and access to trade and natural resources. In April 1996, the presidents of Kazakhstan, Kyrgyzstan, Russia, and Tajikistan traveled to Shanghai to sign a treaty with Chinese President Jiang Zemin pledging the sanctity and substantial demilitarization of borders. They signed protocols that they would not harbor or support separatists, aimed at China's efforts to quash separatism in its Uighur Autonomous Region of Xinjiang Province, which borders Central Asia. According to the U.S. State Department, China continues to commit human rights abuses against the Uighurs, an Islamic and Turkic people.<sup>68</sup> In April 1997, the five presidents met again in Moscow to sign a follow-on treaty demilitarizing the 4,000 mile former Soviet border with China. In May 2001, the parties admitted Uzbekistan

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<sup>67</sup> S. Frederick Starr, *The National Interest*, Winter 2004/2005.

<sup>68</sup> U.S. Department of State. *Country Reports on Human Rights Practices for 2002 — China*. Washington, D.C.: Government Printing Office, March 31, 2003.

as a member and formed the Shanghai Cooperation Organization (SCO), and agreed to pursue common antiterrorist actions through a center established in Bishkek, Kyrgyzstan. In theory, China could send troops into Central Asia at the request of one of the states.<sup>69</sup> The states signed a Shanghai Convention on joint fighting against terrorism, extremism and separatism, viewed by some observers as Russia's and China's effort to gain greater support by the Central Asian states for combat against extremists and regime opponents of the two major powers. China's goals in the SCO echo its general regional goals noted above, as well as containing U.S. influence.

After September 11, 2001, SCO members did not respond collectively to U.S. overtures but mainly as individual states. China encouraged Pakistan to cooperate with the United States. China benefitted from the U.S.-led coalition actions in Afghanistan against the IMU and the Taliban, since these groups had been providing training and sustenance to Uighur extremists. Nonetheless, the U.S. presence in Central Asia poses a challenge to China's aspirations to become the dominant Asian power.

Most analysts do not anticipate Chinese territorial expansion into Central Asia, though China is seeking greater economic influence. China is a major trading partner for the Central Asian states and may become the dominant economic influence in the region. In comparison, Turkey's trade with the region is much less than China's. Central Asia's China trade exceeded \$1 billion annually by the late 1990s.

Kazakhstan and Kyrgyzstan have been deft in building relations with China. They have cooperated with China in delineating borders, building roads, and increasing trade ties. The construction of an oil pipeline from Kazakhstan to China's Xinjiang region marks China's growing economic influence in the region (see below). However, officials in these states also have been concerned about Chinese intentions and the spillover effects of tensions in Xinjiang. Some have raised concerns about growing numbers of Chinese "suitcase" traders and immigrants, and there are tensions over issues like water resources. China's crackdown on dissidence in Xinjiang creates particular concern in Kazakhstan, because over one million ethnic Kazakhs reside in Xinjiang and many Uighurs reside in Kazakhstan. Some ethnic Kyrgyz also reside in Xinjiang. On the other hand, Kazakhstan fears that Uighur separatism in Xinjiang could spread among Uighurs residing in Kazakhstan, who may demand an alteration of Kazakh borders to create a unified Uighur "East Turkestan." China's relations with Tajikistan improved with the signing of a major agreement in May 2002 delineating a final section of borders in the Pamir Mountains shared by the two states.

In 1993, China abandoned its policy of energy self-sufficiency, making Central Asia's energy resources attractive. In September 1997, Kazakhstan granted China's National Petroleum Corporation (CNPC) production rights to develop major oil fields, including the Aktyubinsk Region of northwestern Kazakhstan. China pledged to build a 1,900 mile trans-Kazakh pipeline to Xinjiang within five years (and a

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<sup>69</sup> China and Kyrgyzstan held joint border exercises in October 2002, the first under SCO auspices and the first by the Chinese People's Liberation Army on foreign soil. *FBIS*, September 19, 2002, Doc. No. CPP-031.

shorter pipeline to the Turkmen border). It appeared that China's attention flagged in the late 1990s, and Kazakhstan threatened to cancel some energy investment accords. More recently, China's booming economy has increased its need for energy imports, and hence its need to diversify suppliers to safeguard its energy security, causing renewed attention to joint energy projects with Kazakhstan. China and Kazakhstan agreed in May 2004 to begin construction of a 1,000 km pipeline from Kazakhstan to Xinjiang by the end of 2005. This pipeline may be connected to the Kenqiyaq oil field (being modernized jointly by the Kazakhs and Chinese) and to Caspian seaports via another Kazakh-Chinese pipeline completed in 2003.

**Iran.** Iran has pursued limited economic interests in Central Asia and has not fomented the violent overthrow of the region's secular regimes. Its economic problems and technological backwardness have prevented it from playing a major investment role in the region. Iran's support for the Northern Alliance against the Taliban placed it on the same side as most of the Central Asian states and Russia. Iran has had good ties with Turkmenistan, having established rail and pipeline links. Iran's relations with other Central Asian states are more problematic. Kazakhstan's ties with Iran have improved in recent years with a visit by Iranian President Mohammad Khatami to Astana in April 2002, during which a declaration on friendly relations was signed. Nazarbayev continues to urge Iran to agree to a median-line delineation of Caspian Sea borders rather than demand territorial concessions (Kazakhstan claims the largest area of seabed), and dangles prospects for energy pipelines through Iran and enhanced trade as incentives. Uzbek-Iranian relations have been mercurial. Iran allegedly harbors some surviving elements of the IMU, including founding leader Tohir Yuldash, creating Uzbek-Iranian tensions. Relations appeared somewhat improved after 2003 as both states cooperated on rebuilding projects in Afghanistan and as Uzbekistan attempted to develop trade and transport links to Middle Eastern markets.

The establishment of the U.S. military presence in Central Asia and Afghanistan after September 11, 2001, has directly challenged Iran's security and interests in the region by surrounding Iran with U.S. friends and allies, although Iran also has gained from the U.S.-led defeat of the Taliban and coalition operations in Iraq. Iran views U.S. support for the BTC pipeline and its regional military presence as part of U.S. efforts to make Central Asia part of an anti-Iranian bloc. During the 1990s, Iran and Russia shared similar interests in retaining their influence in the Caspian region by hindering the growth of U.S. and Western influence. They also opposed U.S. encouragement of Turkey's role in the region. They used the issue of the status of the Caspian Sea to hinder Western oil development efforts. With Russia's adoption of a more conciliatory stance regarding Caspian seabed development, Iran in 2001 became isolated in still calling for the Sea to be held in common, or alternatively for each of the littoral states to control 20% of the Sea (and perhaps, any assets). This ongoing stance and U.S. opposition have stifled Kazakhstan's interest in building pipelines through Iran to the Persian Gulf. (See also CRS Report RL32048, *Iran: U.S. Concerns and Policy*.)

**Turkey.** After the Soviet collapse, Turkey initially expected to play a major role in Central Asia among its mainly Turkic peoples. While Turkey plays a significant and U.S.-supported role in trade and cultural affairs in the region, it has been hampered by its own political struggles between secularists and Islamic forces and

has been obsessed with its own economic and ethnic problems. Also, the authoritarian leaders in Central Asia have been reluctant to embrace the “Turkish model” of relatively free markets and democracy. Russia opposes Turkey’s building of oil and gas pipelines to Ceyhan that would circumvent Russian control. The EU’s 1997 refusal to place Turkey on a fast-track for admission has invigorated Turkey’s efforts to forge ties with other areas of the world, including Central Asia. Turkey’s relations with Turkmenistan appeared strained in late 2002 after President Niyazov detained six Turkish citizens for involvement in a coup attempt against him, but Niyazov quickly moved to patch up ties by hosting a visit by (now Prime Minister) Recep Tayyip Erdogan in January 2003, and by returning the six suspects to Turkey in late March. (See also CRS Report RL32071, *Turkey: Update on Selected Issues*.)

Turkey’s main priority has been enhancing its economic and security relations with both the South Caucasian and Central Asian states along the “Silk Road” to bolster its future access to regional oil and gas. The building of prospective oil and gas pipelines will bolster ties between Central Asia and Turkey, and Turkey’s role as an energy conduit also would enhance its influence in Europe, according to some observers. Turkey desires the abatement of ethnic conflict in the Caspian region that threatens energy development.

**The South Caucasus.** Central Asia is linked with the South Caucasus region as an historic and re-emerging transport corridor. Construction and plans for major pipeline and transport routes from Central Asia through the South Caucasus region to Europe make Central Asia’s economic security somewhat dependent on the stability of the South Caucasus. At the same time, the authoritarian Central Asian leaders have been concerned that democratization in Georgia could inspire dissension against their rule.

**Table 2. Central Asia: Basic Facts**

Central Asian State	Kaz.	Kyr.	Taj.	Turk.	Uzb.	Total
Territory (000 sq.mi.)	1,100	77	55.8	190	174.5	1,597.3
Population (2003; Millions)	15.0	5.0	6.5	6.0	25.8	58.3
Gross Domestic Product (Bill. Dollars, 2003, Market Exchange Rates)	29.5	1.9	1.55	15.8	9.0	57.75
GDP per capita (Dollars)	1,990	380	239	2,633	349	1,000 (Avg.)
Proven Oil Reserves (Billion Barrels)	9-17.6	40	12	0.5-1.7	0.3- 0.59	61.8- 71.89
Natural Gas Reserves (Tr. Cubic Feet)	65	0.2	0.2	71	66.2	202.6
Size of Military	65,800	10,900	6,000	29,000	50,000- 55,000	32,840 (Avg.)
FY2003 U.S. Aid Budgeted (Mill. Dollars)	100.43	54.71	49.36	10.98	83.46	306.77**
of which: Security As- sistance (Mill. Dollars)	55.0	11.3	1.6	1.2	32.4	101.5
Administration Request FY2005 (Mill. Dollars; Foreign Operations)***	40.224	39.54	36.35	9.275	53.217	178.606

**Sources:** *Economic Structure*, Economist Intelligence Unit (London), various dates; *Caspian Sea Region: Survey of Key Oil and Gas Statistics*, U.S. Energy Information Administration, Department of Energy, December 2004; *Central Asia Region*, U.S. Energy Information Administration, 2002 (data for Kyrgyzstan and Tajikistan); *The Military Balance, 2003-2004*, International Institute of Strategic Studies, 2003; *U.S. Government Assistance to and Cooperative Activities with the New Independent States, FY2003 Annual Report*, Department of State; State Department, Coordinator of U.S. Assistance to the New Independent States; *Congressional Presentation for Foreign Operations, FY2005*, The Secretary of State.

\*\*Includes Central Asia Regional Funding of \$7.83 million.

\*\*\*Excludes Defense and Energy Department funds.

**Table 3. U.S. Government FY1992-FY2003 Budgeted Security Assistance to Central Asia, FREEDOM Support Act, and Agency Budgets**

(millions of dollars)

Agency*	Program	Kazakhstan	Kyrgyz Republic	Tajikistan	Turkmenistan	Uzbekistan	TOTAL
DOD	Cooperative Threat Reduction - Destruction and Dismantlement	199.1	0.4	0.0	0.0	28.4	227.9
DOD	International Counterproliferation	2.3	1.6	0.0	0.6	2.3	6.8
DHS	DHS/US Customs Service Counterproliferation	0.7	0.4	0.0	0.6	1.0	2.7
DOD	Warsaw Initiative (Partnership for Peace)	4.0	1.6	0.1	0.2	1.3	7.2
DOE	Material Protection, Controls & Accounting	23.1	0.0	0.0	0.0	3.7	26.8
DOE	Nonproliferation & International Security	86.9	0.0	0.0	0.0	3.2	90.1
DOE / DOS	Nuclear Reactor Safety	13.9	0.5	0.0	0.0	0.6	15.0
DOE / DOS	Initiatives for Proliferation Prevention (IPP)	7.6	0.0	0.0	0.0	0.0	7.6
DOS	Export Control & Border Security (EXBS)	13.7	24.0	10.8	6.7	35.2	90.4
DOS	USDA - Agricultural Research Services	7.4	0.0	1.1	0.0	4.3	12.8
DOS	EPA - Bio Redirect	2.5	0.0	0.0	0.0	0.1	2.6
DOS	HHS - Bioterrorism Engagement Program (BTEP)	4.4	0.0	0.0	0.0	0.0	4.4
DOS	Foreign Military Financing	16.6	21.4	3.7	3.5	53.0	98.2
DOS	International Military Exchanges and Training	5.0	3.7	0.7	2.4	4.6	16.4
DOS	Peacekeeping Operations	0.0	0.2	0.1	0.4	0.0	0.7
DOS	Nonproliferation/Disarmament Fund	0.3	0.0	0.0	0.0	0.9	1.2
DOS	Science Centers	15.5	4.3	0.5	0.0	6.5	26.8
DOS	Anti-Crime Training & Technical Assistance (ACTTA)	8.1	12.4	11.6	4.7	11.7	48.5
DOS	Anti-Terrorism Assistance (ATA)	2.6	1.9	0.0	0.0	3.9	8.4
DOS	DoJ - Overseas Prosecutorial Development and Training (OPDAT)	0.2	0.0	0.0	0.0	0.9	1.1
DOS / NSF	Civilian R&D Foundation (CRDF)	3.8	2.2	0.0	0.0	3.9	9.9
<b>TOTAL</b>		<b>417.7</b>	<b>74.6</b>	<b>28.6</b>	<b>19.1</b>	<b>165.5</b>	<b>705.5</b>

**Source:** State Department, Coordinator of U.S. Assistance to the New Independent States.

\*DOD, Defense Department; DOS, State Department; DOE, Energy Department; NSF, National Science Foundation.