

# CRS Issue Brief for Congress

Received through the CRS Web

## **Central Asia's New States: Political Developments and Implications for U.S. Interests**

**Updated May 9, 2003**

Jim Nichol  
Foreign Affairs, Defense, and Trade Division

# **CONTENTS**

SUMMARY

MOST RECENT DEVELOPMENTS

BACKGROUND AND ANALYSIS

Historical Background

Overview of U.S. Policy Concerns  
Post-9/11

Fostering Pro-Western Orientations  
Russia's Role

Obstacles to Peace and Independence  
Regional Tensions and Conflicts

Democratization and Human Rights

Security and Arms Control  
Weapons of Mass Destruction

Trade and Investment  
Energy Resources

Aid Overview

## Central Asia's New States: Political Developments and Implications for U.S. Interests

### SUMMARY

After the collapse of the Soviet Union in 1991, the United States recognized the independence of all the former Central Asian republics and established diplomatic relations with each by mid-March 1992. The United States also supported their admission to the Organization on Security and Cooperation in Europe (OSCE) and other Western organizations, and elicited Turkish support in countering Iranian influence in the region. Congress was at the forefront in urging the formation of coherent U.S. policies for aiding these and other Eurasian states of the former Soviet Union, and approved the Freedom Support Act and other legislation for this purpose.

Soon after the terrorist attacks on America on September 11, 2001, all the Central Asian states offered overflight and other support to coalition anti-terrorist efforts in Afghanistan. Kyrgyzstan, Tajikistan, and Uzbekistan have hosted coalition troops and provided access to airbases. After 9/11, the United States boosted its security assistance throughout the region for anti-terrorism, counter-narcotics, non-proliferation, border and customs, and defense cooperation programs, while also increasing aid for democratization and free market reforms.

U.S. policy goals in Central Asia include fostering stability, democratization, free market economies, free trade and transport throughout the Eurasian corridor, denuclearization in the non-Russian states, and adherence to international human rights standards. An over-arching U.S. priority is to discourage attempts by extremist regimes and groups to block or subvert progress toward these goals. Administration policy also aims

to integrate these states into the international community so that they follow responsible security and other policies, and to discourage xenophobic and anti-Western orientations that threaten peace and stability. The Administration is concerned about human rights and civil liberties problems in all the states. The Administration's policy goals in Central Asia reflect the differing characteristics of these states. U.S. interests in Kazakhstan include the security and elimination of Soviet-era nuclear and biological weapons materials and facilities. In Tajikistan, U.S. aid increasingly focuses on economic reconstruction. U.S. energy firms have invested in oil and natural gas development in Kazakhstan, Turkmenistan, and Uzbekistan.

Some observers call for different emphases or levels of U.S. involvement in Central Asia. Some have called for strengthening conditions linking aid to progress in improving human rights or in making adequate progress in democratization and the creation of free markets. Some have disputed the importance of energy resources to U.S. national security. Others point to civil and ethnic tensions in the region as possibly endangering U.S. lives and investments. Heightened congressional interest in Central Asia was reflected in passage of "Silk Road" language in late 1999 (P.L.106-113) authorizing enhanced U.S. policy attention 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.



## MOST RECENT DEVELOPMENTS

Hailing U.S.-led coalition victories in Afghanistan and Iraq, Uzbekistan's President Islam Karimov stated on May 4, 2003, that "the balance of power on the economic and political map of the world has changed." On May 8, his National Security Council endorsed sending medical and other humanitarian and rebuilding aid to Iraq. Uzbekistan was heavily criticized for alleged fiscal and monetary mismanagement and human rights abuses during the annual meeting of the European Bank for Reconstruction and Development (EBRD), held in Tashkent, Uzbekistan on May 4-5, 2003. EBRD President Jean Lemierre stressed that the bank's future cooperation with Uzbekistan would depend on Tashkent's fulfillment of civil society and economic reforms.

## BACKGROUND AND ANALYSIS

### Historical Background

Central Asia consists of the former Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, and borders Russia, China, the Middle East, and South Asia. The major peoples of all but Tajikistan speak Turkic languages (the Tajiks speak an Iranian language), and most are Sunni Muslims (some Tajiks are Shia Muslims). Most are closely related historically and culturally. By the late 19th century, Russian tsars had conquered the last independent khanates and nomadic lands of Central Asia. After the breakup of the tsarist empire, Central Asia was at first included within Soviet Russia, but by 1936 five "union republics" had been created. Soviet communist rule resulted in massive loss of life from collectivization and purges, though economic development took place. Upon the collapse of the Soviet Union in December 1991, the five republics gained worldwide diplomatic recognition. (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*.)

#### Central Asia: Basic Facts

**Area:** 1.6 million sq. mi., larger than India; Kazakhstan: 1.1 m. sq. mi.; Kyrgyzstan: 77,000 sq. mi.; Tajikistan: 55,800 sq. mi.; Turkmenistan: 190,000 sq. mi.; Uzbekistan: 174,500 sq. mi.

**Population:** 57.1 million (2002 est., *Economist Intelligence Unit*), somewhat less than France; Kazakhstan: 14.8 m.; Kyrgyzstan: 4.9 m.; Tajikistan: 6.4 m.; Turkmenistan: 5.4 m.; Uzbekistan: 25.6 m.

**Gross Domestic Product:** \$47.7 billion in 2001; per capita GDP is about \$948; poverty is rampant. Kazakhstan: \$24.8b.; Kyrgyzstan: \$1.6b.; Tajikistan: \$1.1b.; Turkmenistan: \$12.3b.; Uzbekistan: \$7.9 b. (*EIU*, current prices)

### Overview of U.S. Policy Concerns

After the collapse of the Soviet Union at the end of 1991, the United States recognized the independence of all the former Central Asian republics. Citing the dangers they faced from Iranian-sponsored Islamic fundamentalism, U.S. diplomatic relations were established with all five new states by mid-March 1992. Faced with calls in Congress and elsewhere that the Administration devise a policy on aiding the new Eurasian states, former President Bush

sent the Freedom Support Act to Congress, which was amended and signed into law in October 1992 (P.L. 102-511). In 1999, Congressional concerns led to passage of the “Silk Road Strategy Act” authorizing language (contained in Consolidated Appropriations for FY2000; P.L. 106-113) calling for enhanced policy and aid to support conflict amelioration, humanitarian needs, economic development, transport and communications, border controls, democracy, and the creation of civil societies in the South Caucasus and Central Asia.

**Post-9/11.** 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 9/11 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. In a speech on April 10, 2003, Assistant Secretary of State Elizabeth Jones reiterated that the “United States is wholly committed to intensive engagement and dialogue” with a “pivotal region of the world,” and committed to assist the countries to “remain independent, and become democratic, stable, and prosperous partners of the United States.”

Immediately after 9/11, the Central Asian governments condemned the attacks, but over the next two weeks, as U.S. attention focused on Afghanistan, none unambiguously offered to permit overflight rights or U.S. military airbase access. However, since Tajikistan and Uzbekistan had long supported the Northern Alliance’s combat against the Taliban, they were predisposed to welcome U.S.-led backing for the Northern Alliance. These Central Asian states, along with Kyrgyzstan, also had suffered from incursions by the IMU and other terrorists, who were harbored by the Taliban.

On September 24, 2001, Turkmenistan’s President Saparamurad Niyazov gave his consent for ground transport and overflights to deliver humanitarian aid to support U.S. anti-terrorism efforts in Afghanistan because “evil must be punished.” Kazakhstan’s President Nazarbayev also offered airfields, military bases, and airspace. That evening, President Putin stated that Russia would support U.S. efforts by providing intelligence, overflight rights for humanitarian cargoes, access to Central Asian airbases, and support for the Northern Alliance. The next day, Kyrgyz President Akayev indicated that he had received the backing of the other members of the Commonwealth of Independent States’ (CIS’s) Collective Security Treaty for U.S. use of Kyrgyz airspace for anti-terrorism in Afghanistan. On September 24, 2001, Uzbek President Karimov permitted U.S. use of Uzbek airspace against Afghan-based terrorists for “humanitarian and security purposes” if Uzbekistan’s security was guaranteed. This condition was met with a U.S.-Uzbek agreement signed on October 7, a Joint Statement issued on October 12, 2001, and a Declaration on the Strategic Partnership signed on March 12, 2002 (see below, *Security*).

The United States and Kazakhstan signed a memorandum of understanding on July 10, 2002, permitting U.S. military aircraft to use Kazakhstan’s airport in Almaty for emergency military landings. The accord was needed in part because military flights out of Kyrgyzstan’s Ganci airbase at Manas Airport, 120 miles away, can be disrupted by harsh weather. A few days later, the United States and Kazakhstan reached another agreement providing increased U.S. military training and equipment for the Kazakh armed forces. The United States is refurbishing a military base at Atyrau on the Caspian Sea to help Kazakhstan provide land

and sea security for its energy resources. The State Department's *Patterns of Global Terrorism 2002* report, released April 30, 2003, highlighted Kazakhstan's, Kyrgyzstan's, Tajikistan's, and Uzbekistan's continuing "strong" and "unprecedented" support for U.S. and international anti-terrorism efforts, including Kazakhstan's approval of more than 800 U.S. overflights in support of coalition actions in Afghanistan since December 2001.(see also below, *Security*).

**Support for Iraqi Freedom.** Uzbekistan was the only Central Asian state that joined the coalition of the willing that endorsed military operations in Iraq. Uzbek President Islam Karimov on March 6 stated that the Iraq operation was a continuation of "efforts to break the back of terrorism," and the government said it would provide post-war medical and construction aid to Iraq. Among other Central Asian states, Kazakh Foreign Minister Kasymzhomart Tokayev on March 28 voiced general support for disarming Iraq. Tajik President Emomaliy Rakhmanov reportedly on March 13 refused Russia's request to denounce coalition actions in Iraq. However, Sayed Abdullo Nuri, head of Tajikistan's Islamic Renaissance Party, on March 26 termed the Iraq conflict a "disgraceful" humanitarian disaster, but rejected talk of an anti-coalition jihad. Kyrgyzstan's Legislative Assembly (lower chamber) issued a statement on March 24 calling for the United States to cease "gross violations" of international law by undertaking military action in Iraq.

There are various views among U.S. policymakers and others on the types and levels of U.S. involvement in the region, although there is basic support for advocating democratic and economic reforms and stability in the region. Many of those who endorse continued or enhanced U.S. support for Central Asia argue that political instability and the growth of terrorist groups in Central Asia can produce spillover effects both in important nearby states, including U.S. allies and friends such as Turkey, and worldwide. They also argue that the United States has a major interest in preventing terrorist regimes or groups from illicitly acquiring nuclear weapons-related technology in the region. They maintain that U.S. interests do not perfectly coincide with those of its allies and friends, that Turkey and other actors possess limited aid resources, and that the United States is in the strongest position as the superpower to influence democratization and respect for human rights. They stress that U.S. leadership in world aid efforts to foster reform will help alleviate the social distress exploited by anti-Western Islamic extremist groups to gain 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 forestall Russian attempts to re-subjugate the region.

Some views of policymakers and academics who previously objected to a more forward U.S. policy toward Central Asia appeared less salient after 9/11, but aspects of these views could gain more credence once Afghanistan appears less unstable. These observers argued that the United States historically had few interests in this region and that developments there were largely marginal to U.S. interests. They advocated limited U.S. contacts undertaken with Turkey and other friends and allies to ensure U.S. interests. They discounted fears that anti-Western Islamic extremism would make enough headway to threaten secular regimes or otherwise harm U.S. interests. They were dubious of claims of sizeable oil and gas resources in these new states and argued that, in any event, such resources could not be economically developed and delivered to Western markets. Other still topical arguments include whether the United States should continue to try to foster democratization among cultures some view as historically attuned to authoritarianism. Some observers urge reducing

or cutting off most aid to repressive governments that widely violate human rights, arguing that such aid provides tacit support for these regimes, and might even unwittingly be fueling the rise of Islamic fundamentalism as an alternative channel of dissent. These observers reject arguments that U.S. interests in anti-terrorism, nonproliferation, regional cooperation, trade, and investment outweigh concerns over democratization and human rights. They warn that the populations of these states may come to view U.S. engagement as propping up authoritarian leaders. Some observers point to civil problems in the region as another reason for the United States to eschew major involvement such as military access that might place more U.S. personnel and citizens in danger.

## Fostering Pro-Western Orientations

The United States has encouraged the Central Asian states to become responsible members of the international community, and supported their admission to the Organization for Security and Cooperation in Europe (OSCE), NATO bodies, and other Western organizations. The United States has supported these integrative goals through bilateral aid and through coordination with other aid donors, including regional powers such as Turkey. These and other means are used to discourage radical regimes, groups, and Islamic fundamentalists — who use repression or violence to oppose democratization — from attempts to gain influence. All the Central Asian leaders publicly embrace Islam, but display hostility toward Islamic fundamentalism. At the same time, they have established some trade and aid ties with Iran. While they have had greater success in attracting development aid from the West than from the East, some observers argue that, in the long run, their foreign policies will probably not be anti-Western, but may more closely reflect the concerns of other Islamic states. (See also CRS Report RL30294, *Central Asia's Security*.)

**Russia's Role.** The events of 9/11 may weaken Russia's influence over the Central Asian states, though long-term impacts depend 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 9/11, the Putin Administration had tried to strengthen Russia's interests in the region while opposing the growth of U.S. and other influence. On the other hand, while calling Central Asia an important or even "vital" interest of the United States, U.S. Administrations had generally deferred to Russia on regional security issues and had refused major U.S. military assistance to the states to combat terrorism. Russia's other reasons for permitting the increased U.S. and coalition presence after 9/11 included its interests in boosting some economic and other ties to the West and its hope of regaining influence in a post-Taliban Afghanistan. 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. 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.

In accord with long-standing U.S. policy, the Bush Administration generally views a democratizing Russia as able to play a traditional stabilizing role in Central Asia, though emphasizes that Russia should not seek to dominate the region or exclude Western and other involvement. Assistant Secretary of State Jones reiterated this policy on February 11, 2002, stating that "our goal with the Russians is to make sure they understand that ... we're not

trying to take over Central Asia from them, but we have ... international common interests that we will be transparent about.” While some observers continue to warn that Russia seeks to reabsorb Central Asia into a new empire, most discount Russia’s capabilities, if not intentions, because of what they view as Russia’s deep economic, ethnic, and military problems. Virtually all U.S. analysts agree, however, that Russia’s actions should be monitored to ensure that they do not infringe on the independence of the Central Asian states.

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 12,000 Russian Border Troops (mostly ethnic Tajiks under Russian command) still defend “CIS borders” in Tajikistan, but were largely phased out in Kyrgyzstan in 1999. Russia justified a 1999 military basing accord with Tajikistan for its estimated 7,800 Russian troops of the 201<sup>st</sup> motorized rifle division stationed there by citing the Islamic extremist threat to the CIS. In late 1999, the last Russian military advisors left Turkmenistan. In 1999, Uzbekistan withdrew from the Collective Security Treaty, citing its ineffectiveness and obtrusiveness.

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, Russia called for the members of the Collective Security Treaty (CST) to approve the creation of rapid reaction forces, including in Central Asia, to combat terrorism emanating from Afghanistan, and hinted that such a force might launch pre-emptive strikes on Afghan terrorist bases. These hints elicited U.S. calls for Russia to exercise restraint and consult the UN, and elicited Taliban warnings of reprisals against Central Asian states if they permitted Russia to use their bases for strikes. Marking mutual concern, Presidents Clinton and Putin agreed at their June 2000 summit to set up a working group to examine Afghan-related terrorism, and the group held two meetings prior to 9/11. A May 2001 CST summit approved the creation of a Central Asian force composed of Kazakh, Kyrgyz, and Tajik country-based battalions 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 against Afghanistan. CIS members in 2001 also approved the creation of a regional Anti-Terrorist Center (composed of intelligence agencies) in Kyrgyzstan. These events prior to 9/11 helped to ease the way for Russian and Central Asian assistance to the U.S.-led coalition in Afghanistan.

Soon after 9/11, Russia demonstrably reversed its policy of drawing down its military presence in Central Asia by increasing its troop presence in Tajikistan. In mid-June 2002, Russia also signed military accords with Kyrgyzstan extending leases on military facilities to fifteen years, 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 force. 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.



Economically, Russia seeks to counter Western business interests and gain substantial influence over oil and gas resources in the region through participation in joint ventures and by insisting that pipeline routes transit Russian territory. At the same time, Russia has avoided large economic subsidies to the region. Russia's views regarding a Western role in energy development in the Caspian remain complex. Particularly after the signing of the Statement on Energy Cooperation at the May 2002 U.S.-Russia summit, it appeared that Russia would support or accept a Western role in the Caspian region, including construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline. In April 2003, Leonard Coburn of the U.S. Energy Department testified to Congress that "the Russians have basically said as long as the economics are there, they have no objection to [the BTC pipeline]." However, Russian energy firms (including Lukoil and the state-owned Transneft) have failed to participate in building or to commit to supplying the BTC pipeline, and some Russian officials have continued to argue that the pipeline is un-necessary and un-economical, and that a proposed undersea link to Kazakhstan is environmentally hazardous.

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 the majority.

## Obstacles to Peace and Independence

The presidents of four out of five of the Central Asian states have been in power since independence, and were previous communist party heads or officials during the Soviet period. They have remained in place by orchestrating extensions of their terms and by limiting political freedoms. U.S. policymakers have warned, however, that political repression ultimately harms stability. The lack of obvious successors to the present leaders raises concern among many observers. Kyrgyzstan's Constitutional Court in 1999 ruled that President Askar Akayev could run for a third term as president, although the constitution set a two-term limit, and Niyazov orchestrated a constitutional change in late 1999 naming him president for life. Nazarbayev too in 2000 gained some official powers for life. A referendum in early 2002 extended Karimov's term to 2007. Rakhmanov will benefit from proposed constitutional changes that will permit him to run for another 7-year term. Belying the appearance of stability, Uzbekistan's capital of Tashkent was shaken in February 1999 by explosions that Karimov denounced as a coup attempt (see below, *Bombings*), an attempted coup was launched against Niyazov in November 2002, and Karimov's, Niyazov's, and Akayev's regimes face rising popular protest (see below, *Democratization*).

**Regional Tensions and Conflicts.** The legacies of co-mingled ethnic groups, convoluted borders, and vague national identities pose serious problems to stability in all the Central Asian states. With the Soviet collapse, most in Central Asia support national identities, but also are emphasizing identifications with clan, family, region, and Islam. Some in the four Turkic-language states (Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan) promote a pan-Turkic identity. Most analysts conclude that in the foreseeable

future, the term Central Asia will denote a geographic area more than a region of shared identities and aspirations, although it can be argued that the land-locked, poverty-stricken, and non-populous region will need to embrace economic integration in order to develop.

Central Asia's borders, described as among the world's most convoluted, fail to accurately reflect ethnic distributions and are hard to police, hence contributing to potential instability. Ethnic Uzbeks make up sizeable minorities in the other Central Asian countries and Afghanistan. In Tajikistan, they make up almost a quarter of the population. More ethnic Turkmen reside in Iran and Afghanistan — over three million — than in Turkmenistan. Sizeable numbers of ethnic Tajiks reside in Uzbekistan, and seven million in Afghanistan. Many Kyrgyz and Tajiks live in China's Xinjiang province. The fertile Ferghana Valley was divided by Stalin among Tajikistan, Kyrgyzstan, and Uzbekistan, leaving large numbers of people outside their "national" borders. Criss-crossing mountains thwart Tajikistan's integrity.

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 4,300 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). The SCO played no real role in U.S.-led coalition actions in Afghanistan. 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 9/11. Some Chinese officials have acknowledged that U.S. anti-terrorism efforts in the region have increased stability along China's borders. Nonetheless, Russia and China retain long term interests in limiting the U.S. presence and in gaining influence in the region.

*The Bombings in Tashkent, Uzbekistan.* After the February 16, 1999, explosions, which by various reports killed 16-28 and wounded 100-351, Uzbek officials detained dozens of suspects, including political dissidents. Karimov in April 1999 accused Mohammad Solikh (former Uzbek presidential candidate and head of the banned Erk Party) of masterminding the plot, along with Tohir Yuldashev (former leader of the banned Uzbek Adolat social movement) and the Taliban. The first trial of 22 suspects in June 1999 resulted in six receiving the death sentence. The suspects were described in court proceedings as Islamic terrorists who received training in Afghanistan (by the Taliban), Tajikistan, Pakistan, and Russia (by the terrorist Khattab in Chechnya), and were led by Solikh, Yuldashev, and militia head Jama Namanganiy. Testimony alleged that Solikh had joined the Islamic Movement of Uzbekistan (IMU), led by Yuldashev and Namanganiy, in mid-1997, and that Solikh, Yuldashev, Namanganiy, and others had agreed that Solikh would be president and Yuldashev defense minister after Karimov was overthrown and a caliphate established. In November 2000, the Uzbek Supreme Court convicted twelve persons of terrorism, nine of whom were tried in absentia. The absent Yuldashev 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. Yuldashev too has eschewed responsibility for the bombings but warned that more might occur if Karimov does not step down.

In September 2000, the State Department designated the IMU 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 Osama 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,” in ways that respect basic human rights. According to *Patterns of Global Terrorism 2002*, IMU forces assisting the Taliban against coalition actions in Afghanistan suffered major losses, and Namanganiy was probably killed, but the IMU remains a regional threat.

*The Incursions into Kyrgyzstan.* Several hundred Islamic extremists and others first invaded Kyrgyzstan in July-August 1999. Namanganiy headed the largest guerrilla group. They seized hostages and several villages, allegedly seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan. With Uzbek and Kazakh air and other support, Kyrgyz forces finally forced the guerrillas out in October 1999. According to some observers, the incursion indicated both links among terrorism in Kyrgyzstan, Uzbekistan, Russia (Chechnya), and elsewhere and the weakness of Kyrgyzstan’s security forces. Dozens of IMU and other insurgents again invaded Kyrgyzstan and Uzbekistan in August 2000. Uzbekistan provided air and other support, but Kyrgyz forces were largely responsible for defeating the insurgents by late October 2000, reporting the loss of 30 Kyrgyz troops. According to the State Department, the IMU did not invade the region in the summer before September 11, 2001, in part because bin Laden had secured its aid for the Taliban offensive against the Afghan Northern Alliance.

*Civil War in Tajikistan.* State Department officials served as observers at the U.N.-sponsored inter-Tajik peace talks and pledged to help Tajikistan rebuild after a peace settlement, indications of the Administration’s efforts to ease ethnic and civil tensions in the Eurasian states. The United States has been the major humanitarian donor to alleviate the effects of the Tajik civil war. The United States supported the presence of U.N. observers in Tajikistan, and urged Russian-CIS “peacekeeping” forces to cooperate fully with them and to abide by international law. U.S. programs in Tajikistan have been complicated by the U.S. closure of its embassy in Dushanbe in 1998, and relocation of personnel to Kazakhstan, because of inadequate security. Beginning in 2000, some diplomatic personnel have traveled back and forth to Dushanbe. A site has been leased where a secure chancery will be built.

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 groups – 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. These United Tajik Opposition (UTO) rebels variously received help from Iran and the IMU. In 1993, the CIS authorized “peacekeeping” in Tajikistan, consisting of Russian and token Kazakh, Kyrgyz, and Uzbek troops. After the two sides agreed to a cease-fire, the U.N. Security Council established a small U.N. Mission of Observers in Tajikistan (UNMOT) in December 1994. In June 1997, Tajik President Emomali Rakhmanov and UTO leader Seyyed Abdullo Nuri signed a *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, and the NRC disbanded in March 2000. UNMOT pulled out in May 2000, and a small U.N. Tajikistan Office of Peace-Building (UNTOP) was set up to facilitate aid. The CIS declared its peacekeeping mandate fulfilled in June 2000, but Russian troops remain under a 25-year basing agreement. Tajikistan's future remains clouded by regional, ethnic, and religious tensions and poverty. It is among the world's poorest countries.

## Democratization and Human Rights

A major concern of U.S. policy in Central Asia has been to foster the long-term development of democratic institutions and policies upholding human rights. U.S. democratization support has been provided for political parties, voter education and electoral laws, legal and constitutional reform, media, structuring the division and balance of governmental powers, and parliamentary and educational exchanges. At the same time, the United States has worked with the ex-Communist Party officials who have led in the five states (even in Tajikistan, the current president was once a low-level party official) since before independence, recognizing that they may continue to hold power for some time.

Scenarios of political development in Central Asia include continued rule in most of the states by former Soviet elites, gradual transitions to more nationalistic elites who are at least somewhat democratic and Western-oriented, or large-scale and perhaps violent transitions to Islamic fundamentalist or xenophobic rule. All the Central Asian leaders have given assurances to the United States that they support democratization, but all have continued to rule largely as they did during the communist period, with minimal adaptations. During Nazarbayev's 1994 U.S. visit, he and then-President Clinton signed a Charter on Democratic Partnership recognizing Kazakhstan's commitments to the rule of law, respect for human rights, and economic reform. During his December 2001 visit, Nazarbayev repeated these pledges in a joint statement with President Bush. In March 2002, Uzbek Foreign Minister Abdulaziz Komilov and Secretary Powell signed a Strategic Partnership Declaration pledging Uzbekistan to "intensify the democratic transformation" and improve freedom of the press. During previous visits in 1997 and 1999 to Washington, D.C., Tajikistan's President Rakhmanov was not received at the presidential level as a protest against failures in democratization, but during his December 2002 visit he met with President Bush and other top officials, and the Administration highlighted Tajikistan's recent "significant progress" in democratization and its support for U.S.-led coalition actions in Afghanistan.

According to the State Department's *Country Reports on Human Rights Practices for 2002*, presidential power in all the Central Asian states overshadows legislative and judicial power, and all the states have lost ground in democratization. Turkmenistan and Uzbekistan are generally viewed as the most repressive, while Kazakhstan and Kyrgyzstan permit some limited free expression and other rights. Tajikistan experienced many conflict-related human rights abuses in the course of its 1992-1997 civil war, but during its fragile peace there have been a few human rights improvements. In most of the states, religious freedom is threatened by repression against nonfavored faiths, missionaries, and pious Muslims who tend to be viewed as extremists. Unfair elections and unseemly extensions of presidential terms increase political alienation and frustration among the populations and contribute to the formation of clandestine groups seeking to overthrow the regimes. In its 2002

*Trafficking in Persons Report*, the State Department categorized Kyrgyzstan and Tajikistan as having serious problems with human trafficking for labor or prostitution. If the states do not make serious efforts to reduce trafficking by the time of issuance of the 2003 report, they could be subject to aid sanctions (however, there is a presidential waiver provision).

The U.N. Rapporteur on Torture in March 2003 completed a draft report on his late 2002 visit to Uzbekistan that concluded that police and prison officials systematically employed torture and other coercive means to obtain confessions and as punishment. The Uzbek government denied that human rights problems in the prisons were systematic, while admitting that some instances of abuse occurred but were being fully addressed. In a speech on April 10, 2003, Assistant Secretary of State Elizabeth Jones reported that the Administration's "persistent and consistent diplomatic engagement" with Uzbekistan had resulted in recent months in "real achievements" in improving human rights conditions in Uzbekistan. The State Department's 2002 Human Rights Report also commends Uzbekistan for permitting the Birlik opposition movement to hold meetings. On May 6, 2003, it held its first congress since 1992, re-electing exiled Abdurahim Polatov as its head and resolving to petition the government for legalization.

In Turkmenistan, a late November 2002 failed coup resulted in dozens of arrests and trials, the first of which resulted in the quick conviction in late December of former Turkmen foreign minister Boris Shikmuradov and two other opposition leaders (tried in absentia) for organizing the coup attempt. The U.S. State Department strongly protested violations of legal due process and "credible reports" of forced confessions and other human rights abuses. Concerns about human rights led OSCE members to call for a fact-finding mission. Although Niyazov refused to let the mission into the country, it drew up a sharply negative assessment of Turkmenistan's recent human rights record. The United States supported the passage of a resolution by the U.N. Human Rights Commission on April 16, 2003, that strongly condemned political repression and other human rights abuses in Turkmenistan. U.S. citizen Leonid Komarovsky, who was held for alleged involvement in the coup attempt, was finally permitted to leave Turkmenistan on April 24, 2003 (see also CRS Report RS21384, *Turkmenistan's Attempted Coup*).

Some critics who argue that there have been stepped-up human rights abuses in Kazakhstan and Uzbekistan – despite U.S.-led coalition actions in Afghanistan that helped to ease terrorist threats to the regimes – surmise that leaders of these states have viewed post-9/11 U.S. policy as being less interested in human rights. Others surmise that regional populations have pressed democratization demands, emboldened by the U.S. presence.

In Congress, conferees on H.R. 4775 (H.Rept.107-593; an emergency supplemental for FY2002; P.L. 107-206 ) called for added Foreign Military Financing (FMF) aid to Uzbekistan to be conditioned on a report by the Secretary of State that it is making progress in meeting its human rights commitments under the "Strategic Partnership" agreement. Omnibus Appropriations for FY2003 (P.L. 108-7; signed into law on February 20, 2003) goes further, forbidding FREEDOM Support Act assistance to the government of Uzbekistan unless the Secretary of State determines and reports that Uzbekistan is making substantial progress in meeting its Strategic Partnership Declaration commitments to democratize and respect human rights. P.L. 108-7 also forbids assistance to the government of Kazakhstan unless the Secretary of State determines and reports that Kazakhstan has significantly improved its human rights record during the preceding six-month period. Unlike the case

with Uzbekistan, the legislation permits the Secretary to waive this requirement on national security grounds. These provisions in P.L. 108-7 reflect the similar concerns of S.J.Res. 3, introduced January 14, 2003, and approved with amendment on May 1, which criticizes Central Asian governments for human rights abuses, and calls on the President to condition U.S. political, economic and military relations with the regional governments on their respect for human rights and democracy. A similar bill, H.Con.Res. 32, was introduced on February 11, 2003, and referred to the House International Relations Committee.

## Security and Arms Control

Since 9/11, U.S. and coalition action in Operation Enduring Freedom (OEF) to halt the export of terrorism from Afghanistan has greatly increased the security of Central Asia. The development of U.S. security ties with Central Asia pre-9/11 facilitated the cooperation of the states in OEF. Reportedly, such pre-9/11 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. Kazakhstan has provided overflight rights and expedited rail transshipment of supplies. Turkmenistan has permitted blanket overflight and refueling privileges for humanitarian flights. 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. (See also CRS Report RL30294, *Central Asia’s Security*.)

Among the accords, on March 12, 2002, a U.S.-Uzbekistan Declaration on the Strategic Partnership was signed 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.

A small but increasing amount of U.S. security assistance was provided to the region pre-9/11, and much more after 9/11. All the states receive FMF and International Military Education and Training (IMET) assistance, and are eligible to receive Excess Defense Articles (EDA) on a grant basis. Increasing support is also provided to enhance border security to combat trafficking in drugs, humans, and weapons of mass destruction. In 2003, the Drug Enforcement Administration will set up its first counter-narcotics unit in the region in Uzbekistan. U.S. Central Command in 1999 became responsible for U.S. military engagement activities, planning, and operations in Central Asia. It states that its peacetime

strategy aims 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-9/11. Defense Secretary Donald Rumsfeld visited the region in December 2001 and April-May 2002.

Efforts to foster military cooperation were furthered when all the Central Asian states except Tajikistan joined NATO’s PFP by mid-1994. Tajikistan decided to join PFP before 9/11, and signed accords on admission in February 2002. Central Asian officers and troops have participated in PFP exercises in the United States since 1995, and U.S. troops participated in 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. Central Asian PFP command exercises termed “Regional Cooperation” were held in Germany in mid-2001. On April 28-30, 2003, participants and observers from over nineteen NATO and PFP countries (including all the Central Asian states but Turkmenistan) took part in “Ferghana 2003” emergency rescue exercises in Uzbekistan.

**Weapons of Mass Destruction.** Major U.S. security interests have included elimination of nuclear weapons remaining in Kazakhstan after the breakup of the Soviet Union and other efforts to control nuclear proliferation in Central Asia. The United States has tendered aid aimed at bolstering their export and physical controls over nuclear technology and materials, including because of concerns that Iran is targeting these countries. In December 2002, Harlan Strauss, the head of Counterproliferation Programs at the U.S. Defense Department, reported that U.S. aid had assisted Central Asian states during 2002 in halting the smuggling of radioactive materials out of the region that could have been used in so-called “dirty bombs” (radioactive materials mixed with conventional explosives).

After the Soviet breakup, Kazakhstan was on paper a major nuclear weapons power (in reality Russia controlled these weapons). Though some in Kazakhstan urged “retaining” the weapons, it pledged to become a non-nuclear weapons state. All bombers and their air-launched cruise missiles were removed by late February 1994. On April 21, 1995, the last of about 1,040 nuclear warheads had been removed from the SS-18 missiles and transferred to Russia, and Kazakhstan announced that it was nuclear weapons-free. The SS-18s were eliminated by late 1994 and most silos were blown up in 1995-1996. In December 1993, the United States and Kazakhstan signed a CTR umbrella agreement for the “safe and secure” dismantling of 104 SS-18s, the destruction of their silos, and related purposes. In June 2002, the United States and Kazakhstan signed an extension accord to destroy six remaining silos at the Leninsk testing ground in the Kyzyl-Orda region.

Besides the Kazakh nuclear weapons, there are active research reactors, uranium mines, and milling facilities in Kazakhstan, Kyrgyzstan, and Uzbekistan that pose proliferation concerns. 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 low enriched uranium. Kazakhstan had a fast breeder reactor at Aktau, the world’s only nuclear desalinization facility. Shut down in April 1999, it has nearly 300 metric tons of enriched uranium and plutonium spent fuel in storage pools. Kazakhstan and Kyrgyzstan report that their mining and milling activities have resulted in massive and hazardous waste dumps. In 1997 and 1999, U.S.-Kazakh accords were signed on safeguarding and mothballing the Aktau reactor and eventually removing its weapons-grade plutonium.

Kazakhstan and Uzbekistan hosted major chemical and biological warfare (CBW) facilities during the Soviet era. CTR and Energy Department funds are being used to eliminate infrastructure at a former biological weapons production facility in Stepnogorsk, Kazakhstan, and for retraining scientists. At the U.S.-Uzbek Joint Commission meeting in May 1999, the two sides signed a CTR agreement on securing, dismantling, and decontaminating the Soviet-era Nukus chemical research facility. Other aid will help keep Uzbek weapons scientists employed in peaceful research. U.S. aid has been used to eliminate active anthrax spores and other hazards at a Soviet-era CBW testing site on an island in the Aral Sea belonging to Kazakhstan and Uzbekistan. (See also CRS Report RL31539, *Nuclear Smuggling and International Terrorism*.)

## Trade and Investment

The Administration and others stress that U.S. support for free market reforms directly serves U.S. national interests by opening new markets for U.S. goods and services, and sources of energy and minerals. U.S. private investment committed to Central Asia has greatly exceeded that provided to Russia or most other Eurasian states except Azerbaijan, although the region is relatively isolated and the states lag behind Russia in accommodating commercial ties. However, corruption is stifling the emergence of the rule of law, as exemplified by allegations that both Nazarbayev and Niyazov siphoned energy revenues into bank accounts they controlled. Currency convertibility problems in Uzbekistan and Turkmenistan stymie investment, business growth, and trade. In October 2002, U.S. Ambassador to Kazakhstan Larry Napper announced a "Houston Initiative" of U.S. aid to support enhanced U.S. investment in both energy and non-energy sectors to foster diverse economic development. However, a foreign investment law signed in Kazakhstan in January 2003 appears to lower safeguards against contractual violations by the Kazakh government.

U.S. trade agreements have been signed and entered into force with all the Central Asian states. Permanent normal trade relations with Kyrgyzstan were established by law in June 2000, so that Jackson-Vanik trade provisions calling for presidential reports and waivers no longer apply. The Export-Import Bank (Eximbank) has obligated funds for short-term insurance, loans, or guarantees for export sales of industrial and agricultural equipment and bulk agricultural commodities to all the states except Tajikistan. The Overseas Private Investment Corporation (OPIC) has signed agreements with all the Central Asian states on insuring U.S. private investments overseas, and has obligated funds for financing or insurance in all the states except Tajikistan. The Central Asian American Enterprise Fund, authorized by Congress to lend up to \$150 million, was bedeviled by convertibility problems and major defaults on its joint venture loans and has halted operations.

All the states of the region possess large-scale resources that could yield export earnings, but major investments are needed to revamp, develop, or market the resources in most cases. The Kazakh and Turkmen economies are dependent on energy exports but need added foreign investment for production and transport. Uzbekistan's cotton and gold production rank among the highest in the world and much is exported. It also has moderate energy reserves. Kyrgyzstan owns major gold mines and strategic mineral reserves, is a major wool producer, and could benefit from tourism. Tajikistan has one of the world's largest aluminum processing plants and is a major cotton grower.



**Energy Resources.** U.S. policy goals regarding energy resources in the Central Asian and South Caucasian states have included supporting their sovereignty and ties to the West, supporting U.S. private investment, breaking Russia's monopoly over oil and gas transport routes by encouraging the building of pipelines that do not traverse Russia (but see below), promoting Western energy security through diversified suppliers, assisting ally Turkey, and opposing the building of pipelines that transit "energy competitor" Iran or otherwise give it undue influence over the region. Security for Caspian region pipelines and energy resources also has been a recent interest. President Bush's May 2001 *National Energy Policy* report suggests that greater oil production in the Caspian region could not only benefit regional economies, but also help mitigate possible world supply disruptions. It recommends U.S. support for building oil and gas pipelines from Baku, Azerbaijan, through Tbilisi, Georgia, to Ceyhan, Turkey, coaxing Kazakhstan to use the oil pipeline, and otherwise encouraging the regional states to provide a stable and inviting business climate for energy development. It avers that the building of the pipelines will enhance energy supply diversification, including for Georgia and Turkey. In August 2002, U.S. Coordinator of Assistance to Eurasia William Taylor resurrected U.S. support (dropped during Taliban rule) for construction of a gas pipeline from Turkmenistan through Afghanistan to Pakistan and possibly to India.

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. DOE reports estimates of 10-17.6 billion barrels of proven oil reserves and 53-83 trillion cubic feet of natural gas in Kazakhstan, and 98-155 trillion cubic feet of proven gas reserves in Turkmenistan. Kazakhstan's Tengiz oil field began to be exploited by Chevron-Texaco and Kazakhstan during 1993 in a consortium called TengizChevoil (U.S. Exxon-Mobil, ARCO, and Russia's LUKoil later joined). The non-Kazakh partners balked in late 2002 at a Kazakh demand for higher taxes, but the dispute seemed to be resolved in early 2003. In July 2002, another consortium led by Italy's Agip oil firm reported findings from its test wells and research that Kazakhstan's Kashagan offshore Caspian oil field had between 7-9 billion barrels of oil in proven reserves and up to 38 billion barrels in probable reserves, comparable to those of Tengiz. Kazakhstan's oil exports currently are over 630,000 barrels per day (bpd), compared to 3 million bpd for Russia. (See also CRS Report RS21190, *Caspian Oil and Gas: Production and Prospects*.)

The Central Asian states have been pressured by Russia to yield portions of their energy wealth to Russia, in part because Russia controls most existing pipelines to export markets. In a strategy similar to one Russia has used in other CIS and in Eastern Europe, where it restricted energy supplies until given commercial concessions, 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 percent, in the Caspian pipeline consortium (CPC), which completed construction in late 2001 on a 930-mile oil pipeline from Kazakhstan to Russia's Black Sea port of Novorossiysk – the region's first new large-capacity pipeline – that initially carries 560,000 bpd, and eventually will carry 1.3 million bpd. President Bush hailed the opening of the pipeline as an example "that the United States, Russia, and Kazakhstan are cooperating to build prosperity and stability in this part of the world." He stated that the CPC project also "advances my Administration's National Energy Policy by developing a

network of multiple Caspian pipelines ... [that] help diversify U.S. energy supply and enhance our energy security.” The Administration’s advocacy of pipeline routes that break Russia’s near-monopoly of existing routes may be changing following the signing of a Statement on Energy Cooperation at the May 2002 U.S.-Russia Summit.

In the late 1980s, Turkmenistan was the world’s fourth largest natural gas producer. It is now largely dependent on Russian export routes. It tried unsuccessfully for several years to get higher prices for its gas sales to Russia’s natural gas firm Gazprom (or its subsidiary Itera). Appearing to resolve this issue, Presidents Putin and Niyazov signed a 25-year accord in April 2003 on the supply of up to 80 million cubic meters of gas per year to Russia, tying up the bulk of Turkmenistan’s planned gas exports. Under the deal, Gazprom will pay far less than world market price for the gas, permitting it to export more of its own gas to Europe at world market prices. According to Niyazov, the deal could result in revenues of up to \$100 billion for Turkmenistan (plus goods and services Gazprom will value at \$100 billion), compared to \$300 billion that would be earned by Gazprom, seemingly indicating Niyazov’s resignation concerning Russia’s control of the main export route.

Before the April 2003 Russian-Turkmen gas supply agreement, Turkmenistan tried to diversify its export routes. In December 1997, it opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile pipeline linkage to Iran’s pipeline system, but disputes have limited the amount of gas sent to Iran. Some oil is also sent to Iran in a swap arrangement. In November 1999, Turkmenistan, Azerbaijan, Georgia, and Turkey signed a framework accord on a trans-Caspian gas pipeline, but contention between Azerbaijan and Turkmenistan over shipment quotas for this planned pipeline, and other problems, scuttled Turkmen participation. Turkmenistan also has been unsuccessful in convincing investors to help it build a gas pipeline through still-unstable Afghanistan.

## Aid Overview

The Bush Administration provided added security and other assistance to the Central Asian states in FY2002 in response to the events of September 11, 2001. Some observers characterized this assistance as a U.S. *quid pro quo* for the use of military facilities and an incentive for continued cooperation. The Administration has argued that the safer environment in the Central Asian states fostered by security assistance and the U.S. military presence should permit greater democratization, respect for human rights, and economic liberalization in the region, and the development of Caspian energy resources.

For much of the 1990s and until 9/11, U.S. assistance to Central Asian states was far less than that to Russia, Ukraine, Armenia, and Georgia (most such aid was funded from the FREEDOM Support Act account in Foreign Operations Appropriations, but some derived from other program and agency budgets). Cumulative foreign aid budgeted to Central Asia for FY1992 through FY2002 amounted to \$2.76 billion, about 13% of the amount obligated to all the Eurasian states of the former Soviet Union, reflecting the lesser priority given to these states prior to 9/11. The amount of aid provided to Central Asia usually but not always tracked with the “roller coaster” of declining (FY1994-FY1997), increasing (FY1998-FY1999), and declining (FY2000-FY2001) aid provided to the rest of the Eurasian states. In FY2000, despite declining FREEDOM Support Act assistance, budgeted support for Central Asia increased to \$222.57 million (including other program and Agency funding).

The same situation occurred in FY2001. Estimated spending for FY2002 for Central Asia, during OEF, was greatly boosted in absolute amounts and as a percent of total aid to Eurasia. Aid amounts for FY2003 and proposed for FY2004 appear less in absolute amounts than in FY2002, but aid to Central Asia planned for FY2004 looms larger as a percent (27%) of the total FREEDOM Support Act aid to Eurasia (see Table 1).

Besides bilateral and regional aid, the United States contributes to international financial institutions and nongovernmental organizations that aid Central Asia. Policy issues regarding U.S. aid include whether the states are properly using it (is the aid subject to corruption or is the aid conditioned on reforms), what it should be used for, and who should receive it. (For details, see CRS Issue Brief IB95077, *The Former Soviet Union and U.S. Foreign Assistance.*)

**Table 1. U.S. Foreign Assistance to Central Asia**  
(in millions of dollars)

Central Asian Country	Cumulative Funds Budgeted FY1992-FY2002*	FY2001 Budgeted*	FY2002 Budgeted*	FY2003 Budgeted***	FY2004 Request***
Kazakhstan	885.95	74.87	89.34	42.72	32
Kyrgyzstan	635.03	41.46	95.66	37.85	40
Tajikistan	489.96	56.48	141.29	25.8	35
Turkmenistan	218.2	12.57	18.06	7.8	8
Uzbekistan	530.59	57.22	239.78	38.75	42
Total	2,759.73**	242.6	584.13	152.92	157
Percent	13%	21%	25%	20%	27%

**Source:** State Department, Office of the Coordinator for U.S. Assistance to Europe and Eurasia.

\*FREEDOM Support Act and Agency funds.

\*\*In addition, \$22.61 million in region-wide funds were budgeted FY1992-FY2002.

\*\*\*FREEDOM Support Act and other Function 150 funds, not including Defense or Energy Department funds; the FY2004 request excludes funding for exchanges.

**Map: Central Asia's New States**



Source: Map Resources. Adapted by CRS. (08/02 M.Chin)