U.S. FOREIGN POLICY IN CENTRAL ASIA

Risk, Ends, and Means

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Located in the heart of Central Asia are five weak states: Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan. Structural factors such as small populations and geographic remoteness, combined with a failure to provide adequate levels of "political goods," are the sources of their weakness.[1] The governments' failures are due in large part to the political and economic development paths they have followed since independence at the breakup of the Soviet Union in 1991. The governments in Central Asia are largely authoritarian and ruled by former Communist Party officials. The ruling elites of each Central Asian state have gradually consolidated power into their own hands, by repressing political opponents, free speech, and the media, and by funneling the proceeds of their states' economies to their personal benefit or that of the apparatuses that keep them in power. As a result, political institutions are generally very weak, corruption and "rent seeking" are rampant, and economic management is poor.[2] The ability of citizens to effect peaceful change is very limited, and economic benefits typically do not trickle down. In summary, the governments of Central Asia have failed to provide for the needs of their people and are sowing the seeds of unrest.[3]

The general political and economic weakness of all five countries makes them candidates for state failure and conflict. With state failure comes increased criminal activity, corruption, poverty, civil strife, radicalism (of which terrorism is one of many forms), and economic and environmental devastation.[4] As a scholar has reminded us, failed states like Afghanistan and "their associated problems simply do not go away. They linger, and they generally

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get worse."[5] The negative side effects of state failure can and do easily spread in today's rapidly globalizing world and thereby impact U.S. interests.[6] The possibility that one or more Central Asian states could fail and become havens for terrorists, international criminal activity, and other sources of instability is a matter of concern not just for Russia, Pakistan, and China but for the United States and the West generally.[7]

Central Asia's strategic importance is based on three factors: location, human rights, and energy. The first factor, location, is important because of who lies upon the borders. The second factor, human rights, is a major U.S. national interest and an objective of the George W. Bush administration's foreign policy.[8] The last factor, energy, is important not because Central Asian oil will free the West from dependence on OPEC oil but because of its impact on corruption and other indicators of state failure.

Central Asia presents several formidable challenges to American policy makers. Foremost among them is the ability of the United States to effect positive change and reform in the region's governance and economic conditions. Progress to date has been limited. The primary reasons have been the nature of the regimes in power, regional geopolitics, resources devoted, and misalignment of ends and means on the part of the United States. Additional factors include the remoteness of the Central Asian states and a general lack of coordination among the many governments, international organizations (IOs), and nongovernmental organizations (NGOs) that are providing assistance. The significance of all these factors and weaknesses is that there is little likelihood that the United States or the West as a whole will be able to stimulate representative governments, free markets, adherence to human rights, etc., in Central Asia in the short or medium term.[9] The only real opportunity to effect major change in the next ten to fifteen years will arise when the current leaderships change. If it is to take advantage of this opportunity, the United States (and the West generally) should pursue two courses of action: first, focus on long-term objectives and advance agendas that will set the stage for the eventual rise of new leadership favorable to Western goals and objectives; and second, avoid piecemeal and uncoordinated projects that do not offer rewards for broadly based, sweeping reforms.[10] Such a strategy is not risk free, but neither is the current U.S. approach.

The goal of this article is to provide analysis and policy recommendations that could reduce American strategic risk. Strategic risk can be lowered only if the mismatches between ends and means are reduced and strategy is made subservient to policy.

WHY THE WEST AND THE UNITED STATES SHOULD CARE

The most pressing source of Central Asia's strategic importance is the fact that it borders Russia, China, Iran, and Afghanistan, and is near Pakistan and India. It

is in the U.S. interest that the neighbors of China, Russia, Iran, and Afghanistan be peaceful, prosperous, and strong.[11] The possibility that one or more Central Asian states could fail and become sources of regional instability and transnational threats is very real. Weak states, especially anocracies (that is, states that are neither clearly democratic nor authoritarian), are inherently unstable and highly susceptible to failure.[12] The region's two autocracies, Turkmenistan and Uzbekistan, seem now to be politically stable, but their stability is not likely to be sustainable over the long run. The May 2005 riots in Uzbekistan and the political unrest that brought down the Askar Akaev presidency in Kyrgyzstan are recent examples of the kinds of instability that could lead to state failure.

Misrule and economic mismanagement have allowed radicalism and corruption to take root in Central Asia, which over the long term are likely to become severe impediments to regional development and security. In Central Asia "dire poverty—combined with despair and outrage over rampant corruption, repressive policies, and governments' failure to address local needs—could lead to outbreaks of localized unrest with the potential to spread into a wider regional conflict."[13] None of the states that surround Central Asia, least of all Russia or Afghanistan, can afford to have failed states on their borders. The frontiers of Central Asian states are very porous, and there is no reason to believe that such unstable elements as terrorists, criminal organizations, drugs, etc., will not cross

them. The international community has already seen the impact of state failure in Afghanistan—a million dislocated people, refugees, terrorist training camps, and human rights abuses.[14] Should a Central Asia state fail, Russia or another regional power will likely intervene to restore order.

The second U.S. interest in the region is human rights, which lie at the core of American values and beliefs and have traditionally been a major national interest. As President Bush has stated on numerous occasions, the United States believes strongly in human rights and the dignity of all people.[15] Not only do Americans believe that supporting human rights is morally the right thing to do, but doing so also benefits American national security in today's globalized world.[16] Congressionally mandated programs like the State Department's annual Country Reports on Human Rights Practices and newer initiatives like the Millennium Challenge Account are examples of how the United States uses foreign policy to advance the national interest of human rights.[17] Therefore it is likely that the U.S. government will continue to concern itself with abuses of human rights in Central Asia.

The last reason why the United States should pay attention to what occurs in Central Asia is energy. Many, like Vice President Dick Cheney and former secretary of energy Spencer Abraham, see Central Asia as a region where the West can access non-OPEC-controlled energy. Energy underpins the global economy; therefore economic growth and prosperity are tied to energy security: "Our energy security is linked directly to the energy supplies of our trading partners."[18] When the United States talks about energy in the Central Asian context it means oil in Kazakhstan, especially the Kashagan oil field, and natural gas in Kazakhstan, Turkmenistan, and Uzbekistan.[19]

However, the ability of the three energy-rich states to extract and export oil and gas has been limited by underdevelopment, aging infrastructure, and the cost of transport to markets. The region's remoteness and geopolitics are also serious impediments to the export of gas and oil. If Central Asia is to become a significant energy exporter, it will need substantial investment in its energy infrastructure, investment that can only come from abroad.[20] Chinese national oil companies have already spent $1.3 billion on oil infrastructure and promised in November 2004 to spend another $9.5 billion on pipelines and oil fields in order to transport oil from Kazakhstan to China.[21] The Kashagan oil field, it is estimated, will cost twenty-nine billion dollars to develop (Kazakhstan's gross domestic product in 2003 was only $29.7 billion).[22] In general, tens of billions of dollars of foreign direct investment (FDI) are required to develop fully the region's energy reserves, a fact that makes energy from Central Asia much more costly than that from the Middle East and elsewhere.

Additionally, according to the Energy Information Agency (a branch of the U.S. Department of Energy), Caspian Sea (that is, Azerbaijan, Kazakhstan, and Turkmenistan, as well as parts of Russia and Iran) "production levels, even at their peak, will pale in comparison to OPEC countries' production levels. Production levels are expected to reach 4 million barrels per day (bbl/d) in 2015, compared to 45 million bbl/d for the OPEC countries in that year."[23] This means that oil from Central Asia will not only cost more but be exhausted sooner and in the meantime will be able to provide the West only a small percentage of the energy it requires. Central Asia will not be able to free the West from its reliance on OPEC oil. The real importance of the region's energy reserves is in their impact on corruption and other indicators that lead to state weakness and possible state failure.

Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan all rely heavily on a few nonrenewable resources—oil, natural gas, and gold (see table 1). This dependence makes them vulnerable to the "resource curse," or "resource trap."[24] Natural resources can become a burden if their net effect is to reduce economic growth, increase the likelihood of civil war or authoritarian rule, or impede the development of democracy.[25] Specific economic aspects of the "resource curse" include an increase in a country's real exchange rate due to a large influx of foreign currency, which results, in turn, in "Dutch disease," low employment opportunities and inability to absorb laid-off workers from other sectors due to the capital- vice labor-intensive nature of the gas and oil industries; a rise in subsidies and corruption; and increased foreign debt.[26] Central Asian governments can avoid these outcomes if they improve the accountability, transparency, and public oversight of the development of their resources.[27] Unfortunately, however, the indications are that they are already suffering from the effects of the resource curse. Specifically, the repression effect is apparent in all of them, as are high levels of corruption and lack of transparency and accountability in the management and use of the profits earned from their natural resources.[28]

PROSPECTS FOR CHANGE

Can Central Asian states change and develop into strong states? The short answer is, not soon. Of course, anything is possible, and it can be argued that things are improving, at least economically. However, the conditions required to drive the fundamentally needed reforms are absent. The main reason is the nature of the regimes. All five states, with the possible exception of Kyrgyzstan since March 2005, and the political elites that support them, generally resist change that does not reinforce their hold on power.[29] External pressures that run counter to this aim are also resisted. As has been observed, "These governments

TABLE 1
2003 ECONOMIC DATA

	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
GDP U.S.$ billions	29.7	1.9	1.4	6.2	9.9
Natural resources	Energy (gas, oil), uranium (1/4 of world)	Gold, other minerals	Aluminum processing and cotton	Energy (gas)	Cotton (12% of world 2001/02), gold, energy (gas)
Agriculture as % of GDP in 2003	7.8	38.7	23.4	19.7	35.2
Imports as % GDP	30.8	43.2	63.0	40.7	25.8
Exports as % GDP	45.6	39.2	57.0	58.9	31.0
Exports U.S.$ millions	12,900	745	798	3,465	3,065
Imports U.S.$ millions	8,300	821	881.3	2,521	2,554
Fuel & oil products % of total export trade	59.8	0	0	30.4	0
Products as % of total export trade 2003	Base metals 11.6%	Gold 44.1%	Aluminum 49%, electricity 23%, cotton 12%	Natural gas 54% cotton 3%	Gold 34.7%, cotton 28.8% (4th-largest producer in world)

Source: All data either from World Bank, *World Development Indicators 2004,* available at www.worldbank.org/data/wdi2004/; "World Bank Country at a Glance" data sheets available at web.worldbank.org/; U.S. State Department Country data sheets available at www.state.gov/p/eur/ci/.

constantly seek to evade foreign relations that entangle them in a perceived web of dependency that prevents the unbridled exercise of powers at home."[30] This is one of the main reasons why efforts to foster regional cooperation have largely been ineffective. All of these governments are highly suspicious of outside institutions and organizations. They see the domestic political climate as more anarchic than that of the external world; therefore, they strive to prevent outside actors and factors from stimulating internal forces that could weaken their control or diffuse their power.[31] This political atmosphere has resulted in a decade-long process of the consolidation of economic and political power in the hands of small ruling elites. Whether this will continue to be the norm in Kyrgyzstan is hard to tell, but since the new leadership largely comprises members of the former regime, this is not out of the question.

The net result of all this has been a weakening of democracy and the rule of law in general. Institutions like the judiciary and legislative branches of government are extremely weak and have very limited ability to effect change; therefore it will be very difficult to alter the current distribution of power via elections and democratic processes. The leadership in the region has in effect created a situation where the ability of the states to meet their obligations to their citizens is very limited, if not absent. This in turn has produced economic stagnation (except in Kazakhstan), human rights violations, pervasive corruption, high levels of poverty, and a further weakening of social and political institutions. These trends have contributed to a gradual erosion of the legitimacy of Central Asian

governments in the eyes of their citizens. Once a government loses its legitimacy, as happened in Kyrgyzstan, violence erupts and leaders fall.

From this we can draw three conclusions about the prospects in Central Asia. First, governance is not likely to improve significantly on its own. Second, real political reform will require a change in leadership and governing institutions. Regime change will probably not happen on its own through normal political processes, such as elections; some other significant event will be needed to catalyze change.[32] Aside from a major revolt from within or invasion from without, the best opportunity will arise when the current presidents move on. The presidents of Uzbekistan, Turkmenistan, and Kazakhstan are all in their mid-sixties; their deaths or departures from office for reasons of health are probably not far off. Reformers may not replace them, but the transitions will present opportunities for a fresh start. Central Asian states do not have the strong institutions and civil societies needed to manage the peaceful transfer of power. It is quite possible that an internal power struggle could result in unrest, even chaos, or, just as easily, elevate a member of the former president's immediate family or clan who would continue where his predecessor left off.

Short of regime change, change will be slow and uneven through the medium term. Over the long term, the general weakness of Central Asian states will make their peoples susceptible to a host of negative forces. Globalization, as it gradually encroaches, will lend greater impact to outside sources of conflict and instability like radicalism (terrorism and Islamism) and criminal activity. The criminalization of Central Asian society is likely to continue, then, as a result of poor governance, corruption, and a growing nexus between criminal elements (drug traffickers, smugglers, etc.) and political elites.[33] Unless these trends are reversed, Central Asia's future will be one of continued state weakness and growing possibility of failure.

IMPLICATIONS FOR U.S. POLICY

Central Asia presents many challenges for American policy makers. The most severe is that the United States will continue to find it difficult to influence the regimes and people of the region.

Limits on American Influence

American influence there has increased over the last several years, but it is still very limited.[34] Four factors limit U.S. influence: geopolitics, regime characteristics, history and culture, and structural issues.

Regional Geopolitics. The Central Asian states and their neighbors are largely authoritarian. In such a neighborhood, democracy, human rights, and other Western concerns do not dominate the agenda. The regional powers (Russia, China, and Iran) are concerned about their influence over their weaker

neighbors. They, especially Russia, desire regimes that are stable but follow their lead, politically and economically. No action the United States might take can be viewed in isolation; Washington must weigh the impact of any decision on the regional powers.

Russia and China often see the United States as an outsider intruding on their spheres of influence. President Vladimir Putin and numerous Russian officials have expressed concern at U.S. presence in the region. In 2004, Putin suggested that Russia, China, and India should work together economically and politically to counterbalance U.S. hegemony.[35] Essentially, he was advocating a new axis, or "strategic triangle," to offset Russia's own weaknesses. Greater American and other Western involvement in the region is likely to be resisted by the regional powers and to fuel competition, not inspire cooperation.

A further geopolitical issue is the general failure of the regional cooperation needed to solve many of Central Asia's most pressing issues, especially economic development and poverty, drug trafficking, transregional criminal activity, water and border disputes, and terrorism. Regional cooperation has improved somewhat over the last few years, but it still continues to be weak and ineffective. Most of the improvement has been in antiterrorism. Overall regional cooperation can be expected to remain weak as long as current regimes are in power.[36] Unless Central Asian states can create a common security and economic identity, intraregional cooperation will likely suffer.

Afghanistan is another geopolitical factor. As long as Afghanistan remains unstable and weak, its problems will continue to reduce Central Asian stability. Further, Afghanistan impacts American ability to influence Central Asia in two ways. First, it tends to dominate attention and allocation of resources in the region; time and money spent on Afghanistan means less of either for Central Asia.[37] Secondly, Afghanistan serves as a haven for and source of radicalism and criminal activity. The drug trade undermines governance in poor states like Tajikistan, which worsens corruption—administrators are poorly paid, judges and border guards easily corrupted, etc. The institutions of Central Asia are not well equipped to deal with the forces emerging from Afghanistan.

The Nature of the Regimes. As we have seen, the regimes that control Central Asian governments are not inclined to change or reform, and if they do not want to change, it is very difficult for the American government to make them. Even U.S. bases and seeming agreement on terrorism have not increased American influence. Central Asian regimes do not see terrorism as the United States does but as a factor through which they can use the United States against each other and to legitimize the suppression of domestic political opponents. This is especially true in Uzbekistan and, to a lesser degree, in Tajikistan and Kyrgyzstan.

A good example occurred in Uzbekistan on 13 May 2005, when President Islam Karimov used deadly force to crack down on a protest by relatives of twenty-three jailed businessmen. He justified his actions by calling the protestors Islamic extremists and terrorists.[38] Uzbekistan and other Central Asian states have legitimate concerns about terrorism, especially the Islamic Movement of Uzbekistan (IMU), but not to that extent—in any case, the United States destroyed the bulk of the IMU in Afghanistan in 2002.

For the United States, this means that influence must be exercised in subtle and indirect ways. Washington has many such ways and does try to use them, but so far it has achieved only limited results. American "soft power" and support of international and nongovernmental organizations are two of its better tools.[39] As countries become more integrated into globalization, international and nongovernmental organizations have greater opportunities to influence foreign audiences. Unfortunately, many of the positive aspects of globalization do not penetrate Central Asian society to any great extent. The lack of Internet access or truly free media, low levels of development, and high poverty rates inhibit the effectiveness of American soft power. NGOs and IOs are very active in the region but have been unable to get much done.[40] NGOs are largely foreign funded, have a limited base outside big cities, and are often suppressed by local governments.[41] These factors severely hamper their ability to foster a vibrant civil society.

Cultural Norms and Historical Legacies. Unlike the societies of Eastern Europe, those of Central Asia are not predisposed toward liberal modes of governance or life. The ruling elites have the same mentality they had prior to independence in 1991. Cultural norms like obedience to the clan and local leaders reinforce the authoritarian nature of their governments. Most people in the region do not have the cultural basis or experience needed to mature such liberal concepts as federalism, democracy (especially a genuine party system), free trade, or freedom of the press.[42] This does not mean they cannot adopt liberal forms of governance, but it does mean that liberal institutions and ideas will require time and considerable effort to take hold. The conservative nature of the power structures in the region will continue to obstruct Western organizations, institutions, and ideas; therefore, the ability of Washington to use them as levers for reform will be limited.

Structural Issues. Geography, small and disconnected populations and economies, poor transportation networks, and weak institutions, combined with a generally hostile investment climate (pervasive corruption, weak rule of law, and ineffective economic structures), make it very hard for one of the West's best tools, capitalism, to penetrate. Access to the world's markets would likely lead to more and deeper interaction; given greater economic interaction, other Western norms might penetrate that could improve governance and the overall quality of life.

However, the region's remoteness and the fragmentation of its markets tend to discourage investment, outside of the gas and oil sectors. These factors, combined with the influence of authoritarian neighbors like Russia and China, tend to impede the positive potentials of globalization and to restrict American influence.

Closely related is Central Asia's human rights record. The U.S. government and other Western entities have achieved modest success in this area, but human rights abuses seem to be standard operating procedure, especially in Uzbekistan. A case in point is that of Ruslan Sharipov, an Uzbek journalist and human rights activist convicted of what his supporters considered politically motivated and fabricated charges in August 2003. Torture, sexual assault, and other forms of abuse are common in the Uzbek penal system.[43] The U.S. State Department, the Organization for Security Cooperation in Europe (OSCE), Freedom House, and numerous other organizations continue to document similar problems throughout Central Asia. External pressure and response to high-profile cases like Sharipov's will help individuals, but wholesale change in the region's poor human rights performance is unlikely any time soon. Until greater internal pressure for reform is forthcoming, the human rights outlook in Central Asia will be poor.

The final implication for U.S. policy deals with the likelihood of conflict. It is unlikely that resource competition, drugs, poverty, radicalism, the criminalization of Central Asian society, the return of great-power rivalries, or other such trends will in themselves cause interstate conflict;[44] however, one of them or a combination could catalyze fighting. The regimes themselves are the key factor—whether or not conflict occurs depends primarily on their ability to withstand the discontent and instability that are likely to arise in each state. Should one or more of these five states fail, conflict is likely to erupt, first within but then beyond the borders of individual countries.

Means, Ends, and Risks

Gaps between ends and means increase strategic risk. In order to achieve its long-term goals in Central Asia, U.S. policy needs to reduce risk arising from mismatches between ends and means. Are the means being employed by the United States likely to promote the ends it desires in Central Asia? Only time can definitively answer this question. However, it is possible to make reasonable predictions as to whether American goals can be achieved in Central Asia.

The ultimate goal of American foreign policy in Central Asia is to create stable states on Russia's southern flank. Stability from the American perspective is more than the absence of conflict. It means peaceful and prosperous states that can integrate themselves into today's globalized world. According to President Bush:

> It should be clear that decades of excusing and accommodating tyranny, in the pursuit of stability, have only led to injustice and instability and tragedy. It should be

> clear that the advance of democracy leads to peace, because governments that respect the rights of their people also respect the rights of their neighbors. It should be clear that the best antidote to radicalism and terror is the tolerance and hope kindled in free societies. And our duty is now clear: For the sake of our long-term security, all free nations must stand with the forces of democracy and justice.[45]

American policy makers believe this can happen only if the Central Asian states adopt representative forms of government, embrace the free market, respect the rule of law, protect human rights, and allow freedom of the press, religion, and other personal freedoms. Former Deputy Secretary of State Richard Armitage declared on 27 April 2004 that the "region is a lynchpin in global peace and prosperity" and that therefore stability in Central Asia "is of paramount importance and of vital national interest to our nation." The key to regional stability, he stated, is "to have successful and fully independent states, which, in the long term, will depend on open economies and representative governments."[46] American foreign policy and strategy, then, in their broadest sense, are primarily about producing states that can deliver political goods adequately to their citizens—because such states will be reliable trading partners, respect human rights, and refuse to become havens for transnational threats like terrorism. This logic and strategy are sound; states that effectively deliver political goods to their citizens are less likely than others to weaken or fail, lessening potential security threats to American and Western interests.

In order to achieve this broader stability in Central Asia, American policy makers need to unify the elements of national power—diplomatic, military, economic, informational, and cultural—in a comprehensive strategy. Each element needs to reinforce the others, and short-term objectives should undermine long-term ends as little as possible. Recent U.S. Central Asian policy has not achieved this synergy or consistency. To many, it has seemed overshadowed by short-term military requirements and objectives.[47] The establishment of military bases and the signing of the United States–Uzbekistan Declaration on the Strategic Partnership and Cooperation Framework increased security-related assistance (especially in 2002), and the American focus on terrorism moved security and military concerns to the forefront of the U.S. agenda in the region. In many ways, these actions were necessary correlatives to the war in Afghanistan; increased U.S. military presence in the region has had the benefit of increasing American influence, and some argue that American military presence in itself will likely generate positive results.[48] However, the recent focus on traditional security concerns may undermine long-term U.S. strategy and fail to create the level of stability needed.

The reason can be found in the political realities on the ground. For the regimes and the elites who support them, the point is to stay in charge, to maintain their hold on power. The war on terrorism furthers these goals; exaggerating the

terrorist threat justifies repressive measures and diverts attention from internal problems. The United States is still concerned about real reform, but the regimes see a shift in the American message, away from concern with real reform; they now see a United States prepared to deal with them on their own terms in return for military cooperation in the war on terror. The secretary of defense, chairman of the Joint Chiefs of Staff, and other Defense officials have reinforced this message. For example, in August 2004 the chairman of the Joint Chiefs criticized a State Department cutoff of aid to Uzbekistan due to a lack of progress in human rights; the cutoff, he declared, reduced U.S. military influence.[49] The chairman announced an increase in nonproliferation aid and the transfer of fourteen patrol boats to Uzbekistan. Such mixed signals are dangerous because it allows local leaders to choose the messages they want to hear and ignore other critical aspects of American policy.

This overemphasis on traditional security measures is the first of the six strategic risks the United States faces in aligning its Central Asian goals with its means. The key challenge is not to let short-term actions determine policy. Should this happen, and the current strategy ends up helping Central Asian regimes consolidate their hold on power, we are likely to see an exacerbation of existing tensions and structural problems that could lead to state failure.

A second and closely related risk deals with how the United States categorizes local terrorist groups. American policy tends to see all terrorists as inherently evil and as enemies of the West. It does not distinguish between truly transnational groups and those existing largely in response to local conditions. Radicalism in Central Asia, however, is not the same as radicalism in the Middle East or Afghanistan. Some terrorists, like the IMU, have links to transnational groups, but Central Asian radicalism is firmly embedded in local realities: lack of political participation, poverty, poor governance, corruption, and government oppression. Because local governments, especially in Uzbekistan, tend to classify anyone who opposes them as criminals or terrorists, the United States could end up being viewed as backing oppressive and corrupt regimes. The populations of the region might turn away from democracy, trade liberalization, and other U.S. goals and start to see the models of China or Russia as attractive alternatives to Western-style governance. A second outcome might be a rise in anti-Americanism, as Central Asian youth, unable to express their dissatisfaction with their governments, turn their anger toward the United States. Such an outcome would only play into the hands of extremists.

Another risk for the United States and the West generally is that Western ideals and support may fail to meet the high expectations of local populations. Many understand only poorly the nature of international power relations and the limits on the ability of Western institutions to influence their governments.[50] Combine

seeming failure with governments that spout empty words about democracy and fail to deliver basic political freedoms or reform, and the result could be a discrediting of democracy and Western institutions in the eyes of Central Asians.

A fourth risk factor is a potential lack of resources. If U.S. policy is to succeed, it must not only be the right strategy but be properly supported by resources. Resources fall into two broad categories: attention of senior decision makers and funding. Contrary to the hopes of some commentators, Central Asia has not moved to the center of American foreign policy; it is not even a significant focus. Senior policy makers from the president on down spend the majority of their time on the Middle East, Europe, China, Iran, East Asia (Japan and the Koreas), Pakistan, Mexico, Russia, and whatever the crisis of the moment is.

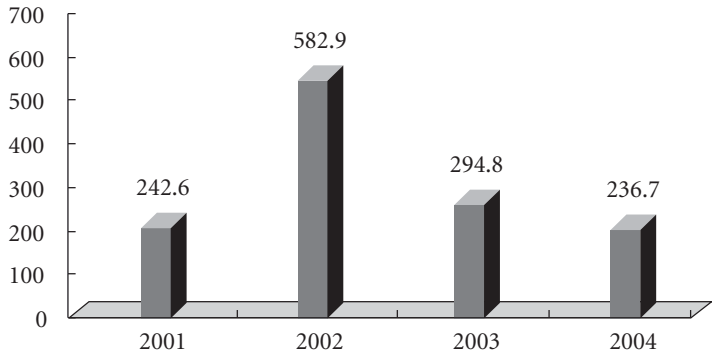
This is to be expected. As the world's sole superpower, the United States has interests everywhere. The attention and focus they demand exceed the capacity of a handful a key decision makers.[51] A distant region like Central Asia is therefore bound to be on the periphery of their concerns—with the result that American Central Asia policy is likely to be captured by other policy agendas and subjected to gross oversimplification. For this reason American policy in the region is, and will likely continue to be, full of inconsistencies and contradictions. Greater regional expertise would help but would not totally mitigate this risk.

The second half of the resource problem, funding, directly relates to the first. Policy makers who misunderstand Central Asia politics and events are not likely to devote the right resources to the region. Even if they do, resources are always finite; policy makers have to prioritize. As figure 1 shows, prior to 9/11 American assistance to the region was $242.6 million (fiscal year 2001).[52] In fiscal year 2002, U.S. assistance more than doubled to $582.6 million, in connection with fighting al-Qa'ida in Afghanistan. Two years later, the figure had decreased to $236.7 million, slightly lower than in 2001 (1.14 percent of total foreign assistance, 1.47 percent in 2001).

Apparently, then, the amount of money the United States is willing to spend on the region is very small, compared to the three billion dollars the United States gives in military aid to Israel and Egypt every year.[53] This is a poor region, with many needs; this level of funding might not support the desired ends. Also, if the money available is spent on one tool at the expense of others, the objectives advanced could overshadow, even negate, the effectiveness of those others.

Further, studies indicate that if aid is to be effective, recipient countries must be moving toward sound policies and institutions.[54] Financial and economic aid generally does not work well in a bad policy environment; governments that do a poor job of allocating and delivering services to the public generally do not use aid effectively. By that measure, any aid or assistance given to a Central Asian government is liable to be used ineffectively or siphoned off by corrupt

FIGURE 1
TOTAL U.S. ASSISTANCE TO CENTRAL ASIA (U.S.$ MILLIONS)



Sources: Jim Nichols, *Central Asia's New States: Political Developments and Implications for U.S. Interests*, Congressional Issue Brief IB93108 (Washington, D.C.: Congressional Research Service, April 1, 2003), p. 16, table 1; U.S. State Department Bureau of European and Eurasian Affairs fact sheets, available at www.state.gov/p/eur/rls/fs/.

individuals or agencies. The risk the United States runs in providing aid to the region is that it may fail to reach the intended recipients or generate needed reform, instead supporting oppressive regimes.

American bases and increased involvement in the region could create a fifth risk, the return of great-power rivalry in the region. As already discussed, Russia and China have over the last couple of years taken steps to counter U.S. moves. Each sees the United States as an intruder in its sphere of influence; it is quite possible that American actions in the region could impede interests more vital to the United States than Central Asia. In any case, should great-power competition arise in the region and the United States decide to play, it will have to devote more resources there—resources that may not be available.

The last risk the United States could face is that its policy may only strengthen the current regimes' hold on power, not generate the reform needed to achieve U.S. objectives. Politically stable governments in the states of the former Soviet Union, one scholar has found, have generated the least economic reform and democracy, whereas in the least politically stable governments (Poland, Bulgaria, and three Baltic states), vested interests were not allowed to gain control of the government, and so economic reform and democracy were able to grow.[55] Central Asian states being not inclined to economic and political reform, American actions that foster the status quo may only inhibit the achievement of U.S. objectives. Political chaos, once it comes, may be all the more risky, because the radicalism built up in the meantime by political repression or economic stagnation could produce state failure.

POLICY RECOMMENDATIONS

The desired end state of United States and Western policy in Central Asia should be reformed governments capable of delivering adequate levels of political goods. Such states will be stable and economically prosperous, have good human rights records, enjoy some form of representative governance, and resist terrorists, drug traffickers, or other transnational threats. American strategy

must be balanced with an understanding of the limitations of U.S. influence in the region. It must better align all instruments of national power to ensure that each reinforces the others. The departments of State and Defense and other U.S. agencies must not send mixed messages to the governments and people of Central Asia. The Defense Department should ensure that its security objectives support overall policy. The State Department needs to be the coordinating point of all U.S. policy so that the region receives a unified message from Washington. In addition to a unified American strategy, there needs to be a coordinated Western strategy between the United States, Western aid agencies, international organizations like the OSCE and NATO, and international NGOs.

A second element of this coordinated strategy must be with regional powers. NGOs, international institutions, and individual Western governments, working singly, have only limited ability to induce change in current Central Asian governments. However, if they can combine their efforts and develop a common strategy with the United States and other regional powers, the ability of the international community to influence Central Asian regimes will be dramatically improved. This should also reduce the ability of regimes to play off one power against the other; that in turn could lessen great-power competition and dramatically improve the effectiveness of aid and other policy tools. The United States and regional powers will not agree in all areas, but there are enough areas of mutual concern to generate cooperation. Areas of common interest include economic development, border control, poverty alleviation, strengthening of the institutions of governance, financial reform, development of human capital, counternarcotics, and transportation infrastructure. By focusing on areas of common value, all sides will be able to advance their interests in a mutually beneficial manner, with a positive effect on stability. This will also make it much easier for the United States to convince other powers that it is not trying to dominate the region. The United States will never be able to eliminate Russian and Chinese unease, but through careful diplomacy and policy it can reduce suspicion to a level that does not impede cooperation.[56]

A key element of a coordinated regional strategy will be finding a way to increase cooperation between the five Central Asian states, the West, and regional powers. One avenue would be existing regional organizations, like the Shanghai Cooperation Organization, as mediums for confidence building and cooperation. However, these organizations have generally been ineffective at generating real cooperation between Central Asian states and have largely been vehicles for regional powers to maintain or increase their influence.[57] A better solution would be for the United States, OSCE, regional powers, and Central Asian states to form a new regional multilateral organization focused on building cooperation. The institutions it created would allow for greater interaction and create

forums where the interests of all involved states could be advanced. A new regional multilateral organization backed by the great powers could produce collaboration in areas where it is currently lacking, such as economic reform, governance, and border control—which in turn would improve trade, counternarcotics enforcement, and counterterrorism. Likewise, institutions and mechanisms to handle water distribution, especially in areas such as the Kyrgyz Batken Valley and Tajik Sogd Province, could reduce cross-border conflict over water rights.

Such an entity might also be able to deal with political instability should one or more of the regional governments fail. Such a structure could help Central Asian states peacefully and collectively manage political turmoil in the region. An independent, multilateral organization would also be a natural forum in which major powers could confer and pool resources with which to respond to such a contingency; individual powers would thereby be less likely to take action on their own.

However, a coordinated regional strategy, though it offers many benefits, will not totally eliminate the need for bilateral engagement by the United States. For some areas, such as military assistance, bilateral relations may prove more effective. The challenge for Washington will be to ensure that the bilateral and cooperative approaches reinforce each other. If not carefully designed, bilateral economic and military aid can undermine a coordinated strategy. Effective management between the bilateral and cooperative means that one agency—the State Department—will have to coordinate all actions and ensure that the various agencies involved stay focused on the big picture and long-term strategic objectives. If Central Asian states do not see American policy as united and consistent, they will be able to play off one agency against the other.

The next key element of policy must be a realization that Central Asia states are all weak states and could fail. Some are less likely to than others, but all have significant difficulties in delivering political goods to their societies. Weak states or not, however, they are highly resistant to change. In terms of policy, this means that reform is likely to be achieved only through political instability—the best hope for the creation of alternative centers of power and breaking the hold of entrenched interests. U.S. policy must therefore be ready for, and help lay the groundwork for, leadership change; as already noted, the best opportunity for that will occur when the old Soviet-era leadership moves on. When it does, the transition is likely to be ugly, due to the weakness of political institutions. Therefore, helping create an environment that allows for legitimate alternatives to the current governments, on one hand, and Islamism, on the other, needs to be a central element of U.S. strategy.

Helping create an environment that can weather the storm of regime change and political instability is a strategy focused on preventing state failure. This strategy has two elements. The first involves the use of diplomacy and other means to create political space for civil action. The key here is to find ways to constrain state violence and repression in order to give nonviolent groups the opportunity to develop and mature. This may involve targeted sanctions against the economic interests of government officials and ruling elites or the withholding of military and economic assistance.

The second component of this strategy would be helping societies develop tools and ways of thinking that will allow them to reform themselves politically, socially, and economically when given the chance. This component is about creating and investing in the human capital needed to handle the transition from authoritarianism to democratic rule. Substantial civil societies focused on nonviolence historically have been able to manage this transition.[58] Encouraging such conditions will require the United States and other donors to invest in and support student organizations, anticorruption groups, election-monitoring and voter-education organizations, independent media, political party training and building, trade unions and worker organizations, women's groups, and think tanks.[59]

Such strategy carries considerable risk and will be difficult to institute in the region, especially in Uzbekistan and Turkmenistan. However, the alternative is likely to be chaos, violence, and reduced chances that good governance will emerge from the eventual regime transition. For instance, civic life had not fully developed in Kyrgyzstan when the government fell in March 2005. As a result, violence occurred during the ensuing Kyrgyz Tulip Revolution, some of it organized by criminal elements in the southern part of the country.[60] It is still too early to tell whether Kyrgyzstan will finally achieve representative rule, but history demonstrates that if it does, it will have been largely because of the ability to tap the human capital created prior to the fall of the Akaev regime.[61] Civic life in Uzbekistan and Turkmenistan is considerably less developed than Kyrgyzstan's; should those regimes fall, the Uzbek and Turkmen states are more likely to fail.

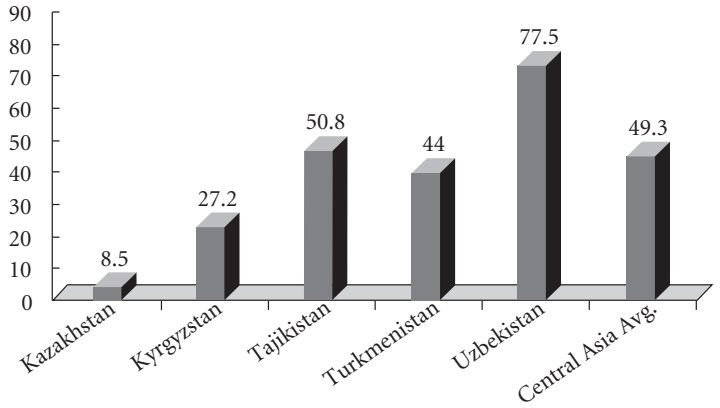
The fourth element of U.S. policy must be to discourage Uzbekistan's desire for regional hegemony. Since independence, Uzbekistan has generated mistrust in and poor relations with its neighbors. Its economic policies, border control, and security policies have worsened the political and economic climate of Central Asia. The challenge for policy, then, is how to encourage the kind of political and economic reform needed to create a strong and free Uzbekistan without being seen as favoring or promoting Uzbek ambitions.

The fifth element of U.S. policy should be a focus on economic reform and the alleviation of poverty. Over the last few years most Central Asian states have

seen double-digit growth in gross domestic product. This is an encouraging sign, but it hides underlying economic weaknesses. A large segment of the region is not seeing the benefits of economic growth; 49 percent of the population in Central Asia lives on less than two dollars a day (see figure 2). Instead, a disproportionate amount of those benefits are being captured by ruling elites and their supporters, producing, as we have seen, corruption, rent seeking, and illegal activity. Recent initiatives such as the Trade and Investment Framework Agreement are positive steps, but ways need to be found to raise the standard of living of the average Central Asian.[62] Corruption prevention, aid, and structural reform measures must break the pattern of poor economic governance and endemic corruption. Specific U.S. policy measures that might promote this end are listed in table 2.

How can the United States and the West in general improve economic conditions in remote, landlocked countries with fragmented markets, poor economic governance, corruption-ridden societies, and uncertain futures? Foreign direct investment (FDI) in such an environment will be sparse, except in high-payoff industries like oil and gold extraction. Liberal economic policies, while welcome, would not compensate for the absence of commercial opportunities. The keys to improving regional economic conditions are market expansion and reintegration, which can happen only if borders are opened more widely, adequate dispute-resolution mechanisms are put in place, and the rule of law (in such areas as banking and private-property reform) is dramatically strengthened. Increased trade with the United States and the European Union will also help, but geography and other structural factors limit the possibilities there. Accordingly, American economic strategy should aim primarily at increasing intraregional trade and the institutions that support it (see table 2).

FIGURE 2
2003 POVERTY LEVELS
(PERCENTAGE OF POPULATION LIVING ON LESS THAN $2/DAY)



Poverty data from World Bank Group, *2004 World Development Indicators* (Washington, D.C.: 2004), table 2.5, available at www.worldbank.org/data/wdi2004/pdfs/table2-5.pdf.

Energy extraction in itself, however, should not be the focus of Washington's regional economic engagement strategy. Only three of the states have significant quantities of oil and gas, of which the economic benefits go largely to the elites. The only viable exporter of energy over the next ten years will be Kazakhstan.

TABLE 2
RECOMMENDED POLICY

Economic Measures (aid, trade agreements, loans)	Human Capital and Civil Society Development

• Trade harmonization
• Currency convertibility
• Diversification of trade away from primary commodities (i.e., gold, oil, gas, cotton)
• Agricultural reform to include:
  • Improving irrigation infrastructure
  • Outreach and other training designed to shift agricultural production from cotton to less water-intensive crops
• Tax reform (simplification and enforcement) designed to move more of the region's economic activity from the gray economy into the legal economy
• Auditing of Central Asian government and corporate finances by outside agencies (improve transparency)
• Work with Asian Development Bank to provide micro loans to small and medium-sized businesses
• Fund building of transportation infrastructure.
	• Building of educational infrastructure, including funding to pay for teachers
	• Fund translation of English texts into local languages and make readily available to libraries and community centers
	• Fund independent printing presses
	• Fund independent news media
	• Increase cultural and educational exchanges (students, lawmakers, military, police, and businessmen)
	• Fund scholarships for up-and-coming leaders to attend U.S. institutions (Harvard's Kennedy School of Governance, etc.)
	• Provide access to modern information technology at the local level (NGOs, schools, community centers).

The American concern with respect to Central Asian oil and gas should not be more FDI but greater transparency in the management and distribution of profits from Kazakhstan's energy wealth. "The need for improved transparency applies not only to the government, but also to foreign and domestic oil companies."[63] Regulation could require American companies to be completely transparent in their payments to regional states and companies; it should also urge greater openness in the oversight of the National Fund of the Republic of Kazakhstan (created in August 2000).[64] FDI will naturally flow as soon as the region is seen as a good investment and credit risk—and that can result only from economic stability and good governance.

The sixth policy recommendation deals with how aid is used in the region. As we have seen, American aid is fairly small; therefore, it is likely to influence decisions only in areas that regimes consider of low importance. Humanitarian aid to the sick and poor is one of those areas. Second, since current conditions dilute aid effectiveness, it should be limited to items that will promote economic and political reform and the development of a vibrant civil society. To this end, it should be limited to the modest and patient roles of disseminating ideas, transmitting experiences of other countries, educational and leadership exchanges, media reform, legal and economic technical assistance for banks and other economic institutions, and projects that support civil society at the grassroots level. Most importantly, aid projects must be viewed by locals as helping them and not supporting corrupt governments. Conflict-prevention projects in Uzbekistan

are a good example; funding Kyrgyzstan's only independent printing press is another.

The United States cannot, however, leverage its soft power or effectively deploy its information tools if the region's leaders and citizens are not persuaded that the security aspects of American policy cannot be separated from its nonsecurity aspects. Therefore, human rights and the promotion of human dignity must be given a central role in U.S. policy. Torture in prisons and suppression of political opponents must have costs. The United States may not be able to effect a complete reversal of the human rights record in the region, but it can keep the issue visible. Every political dissident freed through U.S. pressure will be a victory for American soft power and its ideals. Real progress in human rights and freedom will only occur with internal reform; Washington's job is to keep the pressure on and show the people of the region that there are alternatives to their current situation.

U.S. policy should also promote broad-based reforms; political gradualism only makes real reform less likely, resulting perhaps in liberal autocracies like those of the Middle East.[65] Liberal autocracies in Central Asia would be no more likely than those of the Middle East today to be strong states or prevent the propagation of radicalism and other transnational threats. Such a transformation could make permanent the underlying weaknesses that currently exist. Encouraging broad-based reform risks alienation of elites and even instability. Even so, short-term political instability and frequent, if peaceful, changes in government would be better than a collapsed state.

Lastly, success in Afghanistan will enhance Central Asian security more than anything else American action could achieve. A properly functioning, prosperous Afghanistan will secure the region's southern border and largely eliminate the threat posed by transnational threats. Destroying the bulk of the Islamic Movement of Uzbekistan in Operation ENDURING FREEDOM was the first step in the process. Political and economic stability followed by good governance in Afghanistan is the next step; because the United States has not been able to achieve it, Afghanistan still threatens Central Asian security. Notably, the expansion of the opium trade is destabilizing, especially in Tajikistan. It will likely be many more years before Afghanistan will effectively govern itself and be able to control its borders. In the meantime, the international community—specifically NATO, which took over the International Security Assistance Force in that country in 2003—needs to find a way to secure Afghanistan's northern border with Central Asia.

LIMITED LEVERAGE, LONG-TERM GOALS

Central Asia is a region populated by weak states. This weakness is largely a result of the inability of the region's governments to deliver political goods equitably and adequately. Endemic corruption, weak civil societies, government harassment of citizens, subversion of democratic norms, breaches of the rule of law, severe poverty, and other indicators of state weakness are all present.

The rise of instability and radicalism in Central Asia has largely resulted from the failure of governance. Military power and foreign aid by outside powers will not reverse that failure. The United States is limited in its ability to effect change in the region by geopolitics, the nature of the local regimes, and a lack of leverage. American policy must therefore use what leverage it has more effectively, through better understanding of the regional dynamics. In general, it should focus on Central Asia as a whole, while realizing that each of its states is different. Further, the United States should act as a promoter and sponsor of a unified regional cooperative strategy—one that seeks unity among all actors and promotes economic prosperity, regional cooperation, civic life, and good governance.

Specifically, American Central Asian policy should embrace the seven elements elaborated above. First, Washington needs to develop a unified strategy that will align all the elements of national power. All U.S. government agencies should focus on two goals: ensuring that Central Asian states do not fail and improving their ability to deliver political goods to their citizens. Policy and strategy needs to be coordinated not only within the U.S. government but also with other Western institutions and agencies working in the region. Second, a coordinated strategy should be developed with regional powers, one aimed at a regional cooperative architecture that will ultimately produce an independent regional multilateral organization. Third, policy should be grounded in the fact that though all Central Asia states are weak and could fail, their regimes, with the possible exception of the new Kyrgyz government, are highly resistant to change; therefore, political instability will likely be one of the only ways to break existing power structures and generate reform. Western strategy should lay the groundwork for such a possibility, by supporting nonviolent resistance by broadly based civic coalitions and pressuring governments to expand the political space for nonviolent civic action. Fourth, Uzbekistan's aspirations to regional hegemony should be discouraged. Fifth, policy and aid should focus on improving regional trade and institutions that support it, to foster economic reform and alleviate poverty. Sixth, because U.S. foreign aid devoted to the region is limited, it needs to concentrate on projects that support long-term objectives that will not

be seen as directly supporting corrupt regimes or ruling elites. Last, and perhaps best, to promote stability in Central Asia, the United States and NATO must succeed in Afghanistan.

America's current Central Asia policy is far from perfect. New and creative thinking is needed if it is to have a chance of overcoming the challenges it faces. In particular, American Central Asian policy can succeed only if the tools of policy and the goals are related more closely. There can be no guarantee of success, but strategic risk can be reduced by a better understanding of U.S. limitations and a better alignment of ends and means.

NOTES

1. According to Robert I. Rotberg, "Political goods are those intangible and hard to quantify claims that citizens once made on their sovereign and now make on states." He argues that "nation-states exist to provide a decentralized method of delivering political (public) goods to persons living within designed parameters (borders)." Political goods include security, education, health services, economic opportunity, environmental surveillance, a legal framework of order and a judicial system to administer it, and fundamental infrastructural requirements such as roads and communications facilities. Robert I. Rotberg, "The Failure and Collapse of Nation-States: Breakdown, Prevention and Repair," in *When States Fail: Causes and Consequences,* ed. Robert I. Rotberg (Princeton, N.J.: Princeton Univ. Press, 2004), pp. 2–3.
2. Rent seeking refers to nonproductive activities that are designed to generate personal wealth. Generally, rent seeking is accepted as the use of public office for private gain. Olga Oliker and Thomas Szayna, eds., *Faultlines of Conflict in Central Asia and the South Caucasus: Implications for the U.S. Army* (Santa Monica, Calif.: RAND, 2003), pp. 90–92.
3. International Crisis Group, *Incubators of Conflict: Central Asia's Localized Poverty and Social Unrest,* ICG Asia Report 16 (Brussels: 8 June 2001), pp. ii–iii; Martha Brill Olcott, Anders Åslund, and Sherman W. Garnett, *Getting It Wrong: Regional Cooperation and the Commonwealth of Independent States* (Washington, D.C.: Carnegie Endowment for International Peace, 1999), pp. 234–45.
4. Radicalism has many variants. All typically "break from standard analytical norms and conventions while simultaneously demanding sweeping and often violent change in the global political process." Anarchism, nihilism, terrorism, and Islamism are all forms of radicalism. Thomas F. Lynch III, "Foundations of Radicalism," in *Strategy and Force Planning,* ed. Security, Strategy, and Forces Faculty, 4th ed. (Newport, R.I.: Naval War College, 2004), pp. 88–89.
5. Robert H. Dorff, "Strategy, Grand Strategy, and the Search for Strategy," in *The Search for Security: A U.S. Grand Strategy for the Twenty-First Century*, ed. Max G. Manwaring, Edwin G. Corr, and Robert H. Dorff (Westport, Conn.: Praeger, 2003), p. 132. Afghanistan, after the Soviet occupation, became a haven for radicalism (Islamic Movement of Uzbekistan and al-Qa'ida), narcotic trafficking, and general instability. Its instability has had a destabilizing impact on Central Asian states due to large refugee flows, breakdowns in economic relations, spillover effects of drug trafficking, and terrorism.
6. "State failure opens the way to terrorism, mass violence, and insurgency, which then could create the opportunities to threaten both American forces and vital American interests in security, energy, and democratization of the region." House of Representatives, testimony by Professor Stephen Blank, in *Central Asia: Terrorism, Religious Extremism, and Regional Stability*, hearing before the Subcommittee on the Middle East and

Central Asia of the Committee on International Relations, 108th Congress, 1st sess., 29 October 2003, serial 108-71, p. 44.

7. These factors could be called "the dark forces" of globalization. They include drug trafficking, trade in persons, money laundering, refugee migration, spread of diseases like AIDS/HIV, depletion of natural resources due to overexploitation, and radicalism. Three U.S. national interests—favorable world order, promotion of values, and economic well-being—are impacted by this possibility.

8. George W. Bush, *The National Security Strategy of the United States of America* (Washington, D.C.: White House, September 2002), pp. 3–4; Second Inaugural Address, 20 January 2005, available at www.whitehouse.gov/news/releases/2005/01/20050120-1.html.

9. American strategic interests in Central Asia are: security, including our fights against terrorism, proliferation, and narcotics trafficking; energy, involving reliable and economically sound transit of Caspian oil and gas to global markets, and the use of energy revenues to foster sustained and balanced economic growth; and internal reform, encompassing democratic and market economic transformations in these countries that can support human rights and expand freedom, tolerance, and prosperity in these countries. House of Representatives, testimony of Beth Jones, Assistant Secretary, Bureau of European and Eurasian Affairs, U.S. Department of State, in *Central Asia: Terrorism, Religious Extremism, and Regional Stability*, hearing before the Subcommittee on the Middle East and Central Asia of the Committee on International Relations, 108th Congress, 1st sess., 29 October 2003, serial 108-71, p. 10.

10. "The recent progress of these states [Poland, Hungary, other former Soviet states in Eastern Europe] suggest that the domestic institutions of countries that are not initially predisposed to liberalization are more likely to be changed by broad-based, sweeping reforms and the promise of full membership in the institutions of the West than by piecemeal and often uncoordinated projects." Alexander Cooley, "Western and Domestic Choices: The Influence of External Actors on the Post-Communist Transition," in *Nations in Transition 2003: Democratization in East Central Europe and Eurasia*, ed. Adrian Karatnycky, Alexander Motyl, and Amanda Schetzer (Lanham, Md.: Rowman & Littlefield, 2003), p. 36.

11. Strong states are states that are able to deliver a wide range of political goods to their citizens. Strong states adhere to their end of the social contract between the state and the people. By providing security, economic opportunities, rule of law, and the ability to participate in the political process, they achieve legitimacy in the eyes of their citizens.

12. "Anocracies are a middling category rather than a distinct form of governance." Monty G. Marshall and Ted Robert Gurr, *Peace and Conflict 2003* (College Park, Md.: Center for International Development and Conflict Management, 2003), pp. 9, 19–20.

13. "Many parts of Central Asia are waiting for a spark to ignite them, thanks to a complex array of problems including the spread of underground Islamist activism, rebel incursions, tense ethnic relations, border frictions, geopolitical ambitions, and simmering disputes over land and water." International Crisis Group, *Incubators of Conflict,* p. ii.

14. Conflict-ridden countries export refugees, armed conflict, and insecurity to surrounding countries. Marshall and Gurr, *Peace and Conflict 2003,* p. 8.

15. President Bush stated in his 2002 State of the Union Address, "America will always stand firm for the non-negotiable demands of human dignity: the rule of law; limits on the power of the state; respect for women; private property; free speech; equal justice; and religious tolerance." State of the Union Address 2002, 29 January 2002, available at www.whitehouse.gov/news/releases/2002/01/print/20020129-11.html. Also see Address to the United Nations General Assembly, 12 September 2002, available at www.whitehouse.gov/news/releases/2002/09/20020912-1.html.

16. According to the Program on International Policy Attitudes, most Americans believe "promoting and defending human rights in other countries" should be an important goal for U.S. foreign policy. Poll data available at www.americans-world.org/. According to the U.S. Human Rights and Democracy Strategy, "the United States is persuaded that regimes

that violate the human rights of their own citizens are more likely to disrupt peace and security in their region and to create a reservoir of ill will that can accrue to the detriment of the United States. The best guarantor of security and prosperity at home and abroad is respect for individual liberty and protection of human rights through good governance and the rule of law." U.S. State Dept., *Supporting Human Rights and Democracy: The U.S. Record 2003–2004* (Washington, D.C.: Government Printing Office [hereafter GPO], 2004), p. vii. Similar statements are also contained in the *National Security Strategy of the United States*, pp. 1–4, and Second Inaugural Address.

17. The Millennium Challenge Corporation uses numerous indicators to determine eligibility for aid. Two categories, "Ruling Justly" and "Investing in People," focus on human rights issues. Millennium Challenge Corporation, *Report on the Criteria and Methodology for Determining the Eligibility of Candidate Countries for Millennium Challenge Account Assistance in FY 2004* (Washington, D.C.: 2004), p. 2, available at www.mca.gov/countries/selection/methodology_report.pdf.

18. Spencer Abraham, "Kazakhstan: Investment and Trade," remarks by the Secretary of Energy at Conference on Kazakhstan. Overland Park, Kansas, 1 July 2002, available at www.state/gov/p/eur/rls/rm/2002/11635pf.htm.

19. Kazakhstan oil reserves are estimated to be on the order of 9–17 billion barrels of oil, which is only 0.75 percent of the world's proven reserves. Natural gas reserves in Kazakhstan, Turkmenistan, and Uzbekistan equal 3.4 percent of the world's reserves. U.S. Energy Dept., *International Energy Outlook 2004* (Washington, D.C.: Energy Information Agency, April 2004), p. 50.

20. The costs are so high that it usually takes a consortium of oil companies to finance oil extract projects. Paul Roberts, *The End of Oil: On the Edge of a Perilous New World* (New York: Houghton Mifflin, 2004), pp. 172, 251.

21. Michael Lelyveld, "China's Mounting Influence in Central Asia: The Battle for Oil," Eurasianet.org, 20 November 2004, www.eurasianet.org/departments/business/articles/pp112004.shtml.

22. Oil production is not expected to start until 2008. U.S. Energy Dept., *Kazakhstan Country Analysis Brief,* Country Analysis Briefs (Washington, D.C.: Energy Information Agency, December 2004), available at www.eia.doe.gov/emeu/cabs/kazak.html.

23. Kazakhstan oil exports in 2004 were only one million barrels per day. U.S. Energy Dept., *Caspian Sea Region,* Country Analysis Briefs (Washington, D.C.: Energy Information Agency, December 2004), available at www.eia.doe.gov/emeu/cabs/centasia.html.

24. Michael L. Ross, "Does Oil Hinder Democracy?" *World Politics* 53 (April 2001), p. 357; Svetlana Tsalik, "Overview and Recommendations," in *Caspian Oil Windfalls: Who Will Benefit?* ed. Robert Ebel (West Haven, Conn.: Herlin, 2003), pp. 7–8.

25. "Authoritarian governments may be less able to resolve domestic conflicts and hence more likely to suffer from civil war. Slow growth may make domestic unrest tougher to resolve; civil wars, in turn, wreak economic havoc. There is nothing inevitable about the resource curse: states like Malaysia, Chile, and Botswana have done relatively well despite their oil and mineral wealth. Yet most others have found—like King Midas—that their resource wealth can be an unexpected source of grief." Ross, "Does Oil Hinder Democracy?" p. 357. Also see Paul Collier, "The Market for Civil War," *Foreign Policy* (May/June 2003), pp. 39–45, and Michael L. Ross, "What Do We Know about Natural Resources and Civil War?" *Journal of Peace Research* 41, no. 3 (May 2004), p. 352.

26. "Dutch disease" is the term economists use to describe the less desirable effects oil and natural gas revenues have on exchange rates, trade balances, domestic production, and the availability and cost of credit. Open Society Institute, "Overview and Recommendations," p. 7.

27. Ibid., p. 5.

28. "Repression effect" occurs when governments build up internal security forces to ward off democratic pressures; Ross, "Does Oil Hinder Democracy?" p. 356. Kazakhstan's oil fund, which is supposed to alleviate some of the effects of the resource curse, suffers from "governance flaws, including the lack of accountability and transparency." Open

Society Institute, "Overview and Recommendations," p. 10.

29. It is still too early to tell if the new regime in Kyrgyzstan will take a new path toward greater democracy and better governance or revert to the old ways of consolidating power in the hands of the few for their personal benefit.

30. Stephen Blank, "Democratic Prospects in Central Asia," *World Affairs* 166, no. 3 (Winter 2004), p. 140.

31. Ibid.

32. President Akaev's fall from power was largely a result of his lack of popularity due to his failure to build state institutions and to corruption that surrounded his family, resentment that manifested itself during the 27 February 2005 parliamentary election. With new leadership, Kyrgyzstan may be the one exception, in that there is a possibility that the current political process could find new leadership favorable to reform. International Crisis Group, *Kyrgyzstan: After the Revolution,* ICG Asia Report 97 (Brussels: 4 May 2005), pp. 1–2.

33. Maral Madi, "Drug Trade in Kyrgyzstan: Structure, Implications and Countermeasures," *Central Asian Survey* 23, nos. 3–4 (December 2004), p. 249–50, 268; Phil Williams, "Criminalization and Stability in Central Asian and South Caucasus," in *Faultlines of Conflict in Central Asia and the South Caucasus,* ed. Oliker and Szayna, pp. 71–107.

34. An example of the limits of U.S. influence occurred in February 2004, when Kyrgyzstan turned down the American request to operate Air Force AWACS aircraft from the base in Kyrgyzstan. *Air Force Times,* 14 February 2004, available at www.airforcetimes.com.

35. Sergei Blagov, "Putin's Push for a Strategic Triangle," *Asian Times,* 8 December 2004, available at www.atimes.com/atimes/Central_Asia/FL08Ag02.html.

36. Niklas Swanström, "The Prospects for Multilateral Conflict Prevention and Regional Cooperation in Central Asia," *Central Asian Survey* 23, no. 2 (March 2004), p. 51.

37. It can be argued that time and money are not a zero-sum game, but current political and fiscal realities (rising national debt and war expenditures in Iraq and Afghanistan) will for at least the near term ensure that Afghanistan remains much more important to U.S. policy makers.

38. Gulnoza Saidazimova, "Uzbek President Blames Group for Unrest," Radio Free Europe/Radio Liberty, 14 May 2005; "Uzbek Officials Claim Terrorists behind Violence," Radio Free Europe/Radio Liberty, 17 May 2005; both available at available at www.rferl.org.

39. "Soft power" is about getting others to want what one wants. It co-opts people rather than coerces; it rests on the ability to set the political agenda in a way that shapes the preferences of others. Soft power arises in large part from values. Joseph S. Nye, Jr., *The Paradox of American Power* (New York: Oxford Univ. Press, 2002), p. 9.

40. These institutions have the least influence in postcommunist societies, due to their inability to enforce change on governments not predisposed to change. Cooley, "Western and Domestic Choices," pp. 26–27.

41. Central Asian governments generally view NGOs and IOs more as threats than as positive forces for change. Swanström, "The Prospects for Multilateral Conflict Prevention and Regional Cooperation in Central Asia," p. 49.

42. Michael A. Weinstein, "Kyrgyzstan's Chronic Complications," *Power and Interest News Report,* 18 March 2005, available at www.pinr.com/.

43. Sharipov spent ten months in the Uzbekistani penal system, most of the time in a prison camp, before recently being granted political asylum in the United States. Ruslan Sharipov, "Special Report: Uzbek Prisons—A Survivor's Guide," *Institute for War and Peace Reporting*, 10 December 2004, available at www.iwpr.net.

44. Oliker and Szayna, eds., *Faultlines of Conflict in Central Asia and the South Caucasus,* pp. xix–xxii.

45. "President Discusses War on Terror," speech to National Defense University, 8 March 2005, available at www.ndu.edu/nduspeeches/PresidentDiscussesWaronTerror.html.

46. Richard L. Armitage, remarks at the U.S. Kazakhstan Business Association Conference at the Ronald Reagan International Trade Center Washington, D.C., 27 April 2004, available at www.state.gov/s/d/rm/31870.htm.

47. Institute for War and Peace Reporting, *Will U.S. Policy Backfire in Central Asia?* (London: 30 March 2004), available at www.iwpr.net/; Pauline Jones Luong, "The Middle Easternization of Central Asia," *Current History* (October 2003), pp. 333–34; House of Representatives, Fiona Hill testimony, in *Central Asia: Terrorism, Religious Extremism, and Regional Stability*, hearing before the Subcommittee on International Relations, 108th Congress, 1st sess., 29 October 2003, p. 67; Ahmed Rashid, "As New Term Approaches, Bush and Administration Confronts Old Problems in Southwest and Central Asia," *Eurasia Insight,* 14 December 2004, available at www.eurasianet.org/departments/insight/articles/eav121404_pr.shtml.

48. David J. Trachtenberg, "Finding the Forest among the Trees: The Bush Administration's National Security Policy Successes," *Comparative Strategy* 23, no. 1 (January/February/March 2004), p. 6.

49. Jim Nichols, *Central Asia's New States: Political Developments and Implications for U.S. Interests*, Congressional Issue Brief IB93108 (2004 update) (Washington, D.C.: Congressional Research Service, November 2004), p. 10.

50. Intentional Crisis Group, *Is Radical Islam Inevitable in Central Asia? Priorities for Engagement,* ICG Asia Report 72 (Brussels: 22 December 2003), p. 23.

51. Eliot A. Cohen, "History and Hyperpower," *Foreign Affairs* 83, no. 4 (July/August 2004), p. 57.

52. Jim Nichols, *Central Asia's New States: Political Developments and Implications for U.S. Interests*, Congressional Issue Brief IB93108 (Washington, D.C.: Congressional Research Service, 1 April 2003), p. 16, table 1.

53. This figure does not include economic or other forms of aid.

54. World Bank, *Assessing Aid: What Works, What Doesn't, and Why* (New York: Oxford Univ. Press, 1998), p. x; Jim Kolbe, "Lessons and New Directions for Foreign Assistance," *Washington Quarterly* 26, no. 2 (Spring 2003), p. 193; Congressional Budget Office, *The Role of Foreign Aid in Development* (Washington, D.C.: GPO, May 1997), pp. 21, 31.

55. Anders Åslund, *Building Capitalism: The Transformation of the Former Soviet Bloc* (Cambridge, U.K.: Cambridge Univ. Press, 2002), pp. 384–86, 394–95.

56. The legitimacy of the presence of American military forces in the region in the eyes of Russia and China will probably be the most problematic. The United States has stated its forces will remain in Kyrgyzstan and Uzbekistan only as long as needed to deal with the terrorist threat and instability in Afghanistan. However, there are indications that the Defense Department might like to make the bases more permanent. The longer U.S. forces are stationed in the region, the greater their illegitimacy in the eyes of Russia and China. This situation may require Washington to set limits on military activities or on how long American forces will remain, in order to get cooperation on items of common interest. Zhao Huasheng, "China, Russia, and the United States: Prospects for Cooperation in Central Asia," *CEF Quarterly* (February 2005), p. 34, available at www.chinaeurasia.org/Newsletter.html.

57. SCO members include Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, China, and Russia.

58. Adrian Karatnycky and Peter Ackerman, *How Freedom Is Won: From Civic Resistance to Durable Democracy* (Washington, D.C.: Freedom House, May 2005), p. 2, available at www.freedomhouse.org/research/specreports/civictrans/index.htm.

59. Ibid., p. 10.

60. Svante Cornell and Niklas Swanström, *Kyrgyzstan's Revolution: Poppies or Tulips?* (Washington, D.C.: Central Asia–Caucasus Institute, 18 May 2005), available at www.cacianalyst.org/.

61. Karatnycky and Ackerman, *How Freedom Is Won,* p. 7.

62. On 1 June 2004 the United States and all five Central Asian states signed a Trade and Investment Framework Agreement (TIFA). According to the agreement a TIFA council would be formed that would meet once a year to discuss policy issues and ways to cooperate. This approach is not likely to lead to much improvement in the economic climate in the region, due to the infrequence of its activity. The TIFA Council should meet at least quarterly and build a staff that meets at least

monthly in order to focus all the players on ways to improve economic cooperation.

63. Ebel, ed. *Caspian Oil Windfalls,* p. 143.

64. For specific recommendations on the current status of the fund and how to increase transparency, ibid., pp. 145–57.

65. An effective argument can be made that Kazakhstan has already become a liberal autocracy. For a good discussion on the negative impacts of liberal autocracies see Daniel Brumberg, *Liberalization versus Democracy: Understanding Arab Political Reform,* Carnegie Paper 37 (Washington, D.C.: Carnegie Endowment for International Peace, May 2003).