



## Central Asia: Developments and the Administration's Policy

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Madam Chair, Members of the Committee:

Thank you for the opportunity to appear today to discuss with you developments in Central Asia and the Administration's policy toward that region.

Since the Soviet Union's collapse, the United States has supported the transition of the Central Asian countries — Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan — from Communism toward democratic political systems and market economies. With the exception of Turkmenistan, we have already achieved a great deal, but much still remains to be done.

The United States has three sets of strategic interests in Central Asia:

- **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.

#### War on Terror

Despite the long distance that separates the Central Asian states from the United States, we have vital strategic interests there. Since September 11, 2001 the United States has focused in Central Asia on prosecuting the War on Terror and eliminating the influence of terrorist groups, as well as other destabilizing groups. Continuing air access to Afghanistan through Central Asia is an important interest so long as war there continues. Three of the five Central Asian republics border on Afghanistan, and all five have provided support to Operation Enduring Freedom in various forms — bases, overflights, and re-fueling facilities. Recently, Kazakhstan dispatched an engineering battalion to Iraq, where it is engaged in de-mining and water purification projects. Uzbekistan also has an offer on the table to provide a 135-man peacekeeping and medical battalion.

#### U.S. Efforts

Moving beyond the immediate post-September 11 period, we have no doubt that true security and stability, and eventual prosperity for the nations of Central Asia lie in democratic and economic reforms, respect for human rights, rule of law, and willingness to cooperate with one another. Moreover, as we continually emphasize to the governments there, progress in these areas is essential to our ability to sustain strong, positive and lasting relationships with them.

When we talk with leaders of Central Asian countries, we always remind them of the need to do a better job of living up to their own promises as well as international commitments to democratic pluralism and economic openness. We emphasize the centrality of such reforms to long-term stability. Today, parallel to our concerns with internal reforms, we also find ourselves increasingly involved with border security and preventing weapons proliferation, and trafficking in narcotics and other illicit goods. Working closely with a number of partners, such as international organizations, non-governmental organizations (NGOs), international financial institutions, and other U.S. government agencies, we are helping the nations in the region to overcome these challenges. Through one mechanism or another, we can address "top to bottom" issues, from recommending drug control legislation to training border guards on how to use more sophisticated inspection devices.

To address all these concerns in FY 2003, we spent \$286 million on assistance to Central Asia to build civil society, promote political and economic change, and combat criminal activities and terrorism. Our vision is simple: namely, that these countries remain independent and become democratic, stable and prosperous partners of the United States who respect human rights, are increasingly integrated into the global economy, and avoid the poverty, isolation, and intolerance that breed terrorism and fundamentalism.

#### Exchanges: A Vital Tool To Effect Change

Exchange programs and their alumni activities strengthen democracy, tolerance, and the development of civil society. Since 1993, we have brought over 13,000 citizens from the five Central Asian states to the United States for short-term professional or long-term academic training, including over 150 this year. These programs give participants the opportunity to see first-hand how a market democracy operates in practice. They also establish valuable, long-lasting relationships with American counterparts. One Turkmen participant in an exchange program told me: "If you really want to punish the Niyazov regime, triple the number of exchanges."

We have also supported the foundation of an independent university, the American University of Central Asia, located in Bishkek, which has become a center of academic integrity and excellence for the region.

Madam Chair, these vital educational and exchange programs are probably our most important tool for effecting the long-term transformation of these countries into market-based democracies. Unfortunately, these programs are under threat of being zeroed out in this year's Commerce, Justice, State appropriations bill. I know the Congress is facing extraordinary budget pressure this year, but we need your help so that we do not lose these critical programs. We hope that you and other members of the Subcommittee will seek to ensure full funding for the President's request of \$100 million in FY 2004.

#### Terrorism

Countering Islamic intolerance and extremism are growing and serious challenges in Central Asia. We are working with governments to eliminate the root causes as well as to assist them in dealing with terrorist and guerrilla activities. Despite the death of its military leader during Operation Enduring Freedom the Islamic Movement of Uzbekistan (IMU), a U.S.-designated terrorist organization, is active in the Kyrgyz Republic, Tajikistan, Uzbekistan and reportedly Kazakhstan. No longer capable of meaningful military action, the IMU continues to threaten the states of the region as well as American interests as a terrorist organization. We are working closely with these governments by providing training and equipment to overcome this adversary and to create the social conditions necessary to erode support for the IMU. On the last point, we are using our assistance to create jobs, improve health care, support schools and find money for small businesses to combat the attraction of extremist groups. At the same time, we explain constantly to the leaders of these countries that repression merely radicalizes the population and generates recruits for the IMU.

#### Religious Extremism

Another group, Hizb ut-Tahrir (HT), active in Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan (as well as more than 30 other countries worldwide), presents a more complex problem. It is stridently anti-Western. Although there is no confirmed evidence of HT's involvement in violent actions as an organization, HT propaganda has praised martyrdom operations against Israel and called for attacks against coalition forces in Iraq. HT leaflets have also claimed that the United States and the United Kingdom are at war with Islam, and have called for all Muslims to defend the faith and engage in jihad against these countries. It seeks to replace the regimes of the region with a supranational Islamic caliphate. Its appeal for revolutionary transformation could be a significant danger to states in the region that do not undertake the political and economic reforms necessary to de-fang its ideological message. Governments need to open a political space and give citizens a way to participate in constructive political dialogue so that they are not attracted to HT or other extremist groups.

#### Regional Stability: Economic Cooperation and Integration

Reluctance to cooperate across borders in the region has impeded economic growth. Uzbekistan's decision to close the border and erect tariff barriers along with its refusal to cooperate on transportation questions is particularly onerous. Why deny farmers in southern Kazakhstan, the Kyrgyz Republic, and Tajikistan access to markets, when these very same farmers would then have the income to purchase goods from Uzbekistan? Traditions of cronyism and statist control stifle the economic growth that arises from market reforms and regional economic cooperation. Moreover, only the Kyrgyz Republic has become a member of the World Trade Organization (WTO) and opened its economy. Even Kazakhstan, despite its many economic reforms, has moved slowly to reach agreement with its negotiation partners on WTO accession protocols.

Cooperation on transportation and other infrastructure areas such as electricity and water is needed. The integrated systems of the Soviet period have broken down. Lacking the political will to compromise for the good of all, governments in the region have failed to replace these systems with new modes of cooperation. For example, despite a general shortage of water and a strong push from the United States and the international community, Uzbekistan and Turkmenistan have yet to resolve their dispute over diversions from the Amu Darya River, a failure that contributes to the strangulation of the Aral Sea.

#### Success Stories

I have described the challenges. But, despite the many difficulties, we have scored some important successes. Our policy of engagement on all fronts is helping to tie the countries of Central Asia into the world economy and community. Our programs to develop non-governmental organizations promote citizen participation and more vibrant civil societies. In some particularly difficult countries, such as Turkmenistan, our assistance to NGOs is crucial to those brave and lonely citizens striving to carve out some sphere of public life not dominated by the state. In the Kyrgyz Republic, where there is more space for civil society, a network of NGOs carried out a successful campaign to repeal an onerous government decree that would have limited freedom of speech and the press.

Concerning economic reform, in the Kyrgyz Republic, the United States is providing business skills training and conducting appraisals of the Russian market in support of a cotton fabric plant in the Ferghana Valley region of Osh. Support for local governance has led to a new law that drastically increases the ability of local governments to manage their finances. Micro-lending programs have helped more than 170,000 clients, primarily poor women, obtain capital to improve their businesses, earn a living and feed their families. The repayment rate for the micro-lending programs is extraordinarily high — roughly 99 percent.

In the energy field, the United States is helping Kazakhstan and international oil firms develop the legal framework required to provide access for oil producers in Kazakhstan to the Baku-Tbilisi-Ceyhan (BTC) pipeline. This effort will extend the reach of our multiple Caspian pipeline strategy to Central Asia. Our objective in supporting this network is to afford the Caspian states reliable, commercially attractive, and environmentally sound alternatives to a previous pipeline system that exclusively transited Russia. By so doing, we can help enhance global energy security, bolster the independence of Caspian energy producing countries, and deepen the integration of countries along these pipeline routes into the global economy.

The United States is helping Uzbekistan more effectively manage its water resources. Programs include establishment of water users associations, water-saving demonstration models for farmers, improved water district management, procurement of equipment needed to clean the canals and maintain the infrastructure, and providing potable water in Karakalpakstan near the Aral Sea. If we succeed, our program to use water more wisely in Uzbekistan will benefit the entire region in terms of agricultural output and job creation. Uzbekistan introduced currency convertibility in consultation with the IMF, announced a promising agricultural reform program that we want to support, and plans to replicate decentralized health care reforms that we hope to pilot test in three districts in the Ferghana Valley.

Dealing with the roots of extremism is perhaps the clearest example of our diplomacy and assistance programs working hand-in-glove. In Central Asia, poor economic and social conditions and widespread corruption strengthen the appeal of extremist Islam in the Ferghana Valley. We seek to head off conflict by improving infrastructure, creating employment opportunities, and helping to develop and strengthen civil society. We are creating jobs through marketing assistance. In Dushanbe, we helped a local technology company plan and organize for growth. The company now has 50 new employees and has quadrupled equipment sales with a 150% increase in its internet services outlets.

To promote educational reform and fight corruption, we have introduced merit-based education to the region. Working with the Kyrgyz Government, we developed and aided in administration of the National Scholarship Test. On July 3, President Akayev of the Kyrgyz Republic congratulated 200 high school graduates who received top scores on the test and will now be entering the Kyrgyz university of their choice based on merit, rather than family or political connections. In 2003, for the second time, the test was funded by FREEDOM Support Act assistance and administered at 83 sites throughout the country. These students and more than 5,000 others out of over 35,000 test takers will receive national scholarships this year.

Weak controls on the proliferation of weapons, weapons technology and expertise hurt our own security as well as that of the countries of the region. Therefore we are helping all of the countries in the region with security assistance. For example, our programs — which complement our counter-terrorism assistance — include continuing the demilitarization of the former chemical weapons facility in Nukus and enhancing the air patrol and

interdiction capabilities of Uzbekistan's Ministry of Defense and Border Guards. We continue to work with Kazakhstan on the conversion of the former biological warfare facilities in Stepnogorsk into a technology park. And just this month, the Department of State led a delegation of American experts that visited former biological and chemical weapons institutes in Georgia, Kazakhstan and Tajikistan as part of a program intended to redirect former weapons scientists toward peaceful, sustainable and commercially viable research.

#### Continuing Challenges

Despite our successes, we have much more to do. For example:

We are working to promote political pluralism. Silencing of critics by all the governments of Central Asia continues in varying degrees. The centuries-long tradition of autocratic rule, capped by Soviet totalitarianism, still informs the thinking of many. The propensity of political elites to perpetuate their rule should not be underestimated, and none of the governments in the region can be considered tolerant of dissent. Regrettably, Kazakhstan has not responded to an OSCE report that imprisoned opposition journalist Sergei Duvanov's trial was marked by procedural violations and lacked sufficient evidence to convict him by ensuring that he receives due process during the appeals process. Opposition leader Galymzhan Zhakiyanov faces four new politically motivated charges of tax evasion and has yet to receive a reply from the presidential administration to his request for a pardon. In Uzbekistan, two May deaths due to torture of suspects under detention represent a serious setback to Uzbekistan's human rights record; we have received no response to high-level demarches calling to account those responsible for the deaths. We had high hopes for Uzbekistan to address the serious problem of torture after its cooperation with the visit of the UN Special Rapporteur on Torture. Unfortunately, the Government of Uzbekistan has not yet implemented his recommendations in response to his conclusion that torture remains systematic in Uzbek jails. We urge Uzbekistan to swiftly carry out the Action Plan to combat torture. Harassment of the media continues, including the fact that the courts have convicted independent journalist Ruslan Sharipov in a trial falling far short of international procedural norms; he has reportedly been beaten while in jail.

No country in the region has held a free and fair democratic election. Moreover, attempts by governments to curtail political activity through spurious or selective prosecutions, and through removing opposition candidates from the ballot are common. Kazakhstan has pledged to adopt a new liberal elections law that meets OSCE standards. Though the current draft before parliament is not OSCE-compliant, we hope that Kazakhstan will continue its close cooperation with the OSCE to ensure that it is. We have also emphasized the importance of a normal, constitutional transfer of power in the Kyrgyz Republic upon President Akayev's promised departure from office in 2005. After the disappointing and flawed constitutional referendum there in February, we hope that the Kyrgyz government will cooperate with OSCE expert advisors to ensure that resulting legislation meets international standards.

Religious tolerance has diminished in some countries and improved somewhat in others. Most governments in the region are uncomfortable with proselytizing by non-Orthodox, non-Sunni religions, although Kazakhstan's President Nazarbayev has displayed leadership through his sponsorship of a September conference on religion focusing on tolerance and mutual understanding. We have worked where we can to promote registration requirements that are clear and reasonable and that do not prevent minority religious groups from carrying out their legitimate activities. There may be openings in several countries to help rekindle the tolerance and moderation that is indigenous to Central Asia through development of primary and secondary school curricula and preservation of cultural sites and manuscripts. In Uzbekistan, we urged the Government to submit its restrictive law on religion to the OSCE/ODIHR panel of experts for review, which the Government did in June. Now we will continue to press it to use those findings in amending the restrictive law. In addition, the State Department has created a program to promote religious pluralism in Uzbekistan. Activities include partnerships between American and Uzbek universities to develop comparative religious studies curricula and exchanges that bring religious and community leaders to the United States to observe interfaith relations, how Muslims live in America, and the separation between church and state.

Although all countries of Central Asia fall short on key human-rights indicators, there are distinctions among them. Tajikistan has shown considerable progress in protection of human rights, but the June 2003 constitutional referendum enabling the president to serve another 14 years was a disappointment. To my dismay, Kazakhstan has fallen short of the mark in a number of high-profile cases that have marred its overall record. Over the last year, Uzbekistan has moved itself toward the negative end of the spectrum with the widespread arrest, torture, and imprisonment of political opponents.

Worst of all, the situation in Turkmenistan warrants particular attention because of the concentration of power in the hands of one man, whose regime is responsible for a large number of documented abuses of political, civil and religious rights. The re-imposition of exit visas, which we were told was a temporary measure after the November 2002 alleged attempt on President Niyazov's life, shows no sign of disappearing. Oppression of religious minorities continues, and appears to intensify with the passage of a proposed law to criminalize unregistered religious activities that are now merely administrative infractions. The government of Turkmenistan even refuses to register groups that have met legal requirements and have filed the proper documents. We remain deeply concerned about the poor human rights situation in Turkmenistan and will continue to call upon Turkmenistan to comply with the recommendations of the OSCE report resulting from the Moscow Mechanism and with the resolution of the UN Commission on Human Rights, both of which the United States cosponsored.

#### Conclusion

Not surprisingly, the challenges of the transition process in Central Asia are far greater than in Eastern Europe and some of the European parts of the former Soviet Union, and 9/11 and Afghanistan sharpened our appreciation of the importance of not letting these states fail. Our big strategic interests in Central Asia — counter-terrorism, non-proliferation, energy, the integration of this isolated and long-dominated region into the world community, and the expansion of freedom and prosperity — are not temporary. For this reason, we in the Administration are committed — as I know Congress is — to long-term engagement in Central Asia in the face of many difficult challenges. We are grateful for your funding support and that of your Congressional colleagues for our initiatives in Central Asia. Our continuing assistance through the FREEDOM Support Act and other assistance accounts is essential to promoting U.S. interests in Central Asia. Indeed, our engagement is already bearing fruit. Working together with our international partners, the United States will continue to be a force for change in the region. Truly, we have no alternative.

