



Remarks at the U.S. Kazakhstan Business Association Conference

Richard L. Armitage , Deputy Secretary of State
Ronald Reagan International Trade Center
Washington, DC
April 27, 2004

Good morning. Paul, thank you very much for your kind introduction. I am particularly delighted to be here today to address this group. It's been twelve years since my first trip to Central Asia, and time has done nothing to diminish my conviction that a more robust business community with ties to the rest of the world is an absolutely essential element for Kazakhstan and for the other countries that suffered under Soviet dominion if they are to be successful nations in their own right, as well as full and functioning members of the international community. So I do commend you all for playing a part in the emergence of this country and the recovery of one of the world's most vital regions.

As Paul mentioned, twelve years ago, I had the honor and the challenge of serving as the Coordinator for Assistance to the Commonwealth of Independent States. When we first launched Operation Provide Hope in February of 1992, far too many people in the former states of the Soviet Union were struggling in the confusion to survive. We set out to join European and Japanese counterparts in addressing critical needs for food and for medicine.

It is hard now to recall what it was exactly like then, but at the time, we were, indeed, breaking new ground. In some cases, our Air Force pilots were using outdated maps to fly through airspace that no American had ever ventured into. Some cases, we had members of our military community walking airfields of the former Soviet Union, a place where no other Americans had ever set foot.

But for me, the experience was unforgettable, even more so now that I have had the opportunity to return to so many of those countries and see how much has changed.

I just traveled to Armenia last month. It was, for me, remarkable. My first trip there over a decade ago, we stayed in one of the finest hotels in the country. It had no heat – and no windows, for that matter – and this was the middle of winter, which, for those of you who haven't been to Armenia, is cold. Very, very cold. And yet today, Yerevan is still cold in the winter, but it is also a modern city, with all of the amenities and the life that entrepreneurial activity brings.

Of course, even back then, Kazakhstan was another story. There were certainly significant challenges, but the level of development was already reasonable. Indeed, one of our interlocutors there made a deep impression on me. He was smart, he was decisive, and he was enterprising –and quickly acquired a taste for North Carolina barbecue. I am pleased to say that my early impression of Grigory Marchenko has proven true in the years since, although I can't say if he still likes ribs. But I suspect if you want to check the proposition, if you go down to the Red, Hot and Blue, you may find Grigory down there of an evening. Mr. Marchenko, I am not at all surprised to see you here as the head of the Kazakh delegation and as a key advisor to the President of Kazakhstan.

I think sometimes it can be hard to fathom how much has happened in these ten-plus years. I know we are not lacking for challenges today, from the war against terrorism, to Iraq, to North Korea. But remember with me for a moment. Remember what it felt like a decade ago to stand on the edge of a precipice, looking at the wreckage left after the collapse of communism. None of us had any idea at all what would happen next to the millions of people left stranded in the vacuum.

When you consider that background, without question, Kazakhstan has come an awfully long way. And much of that progress is due to President Nazarbayev's leadership. He has made important choices for his country on matters of security, on matters of economy, and on matters of political development.

And while this has been to the benefit of the people of Kazakhstan, his decisions are also significant when you consider the regional context. As the largest, most stable and prosperous Central Asian state, Kazakhstan casts a long shadow not just on neighboring countries, but across the Caucasus and beyond.

Moreover, this is a country that has extended its influence by seeking a prominent place in the international community. So it is all the more important that Kazakhstan continue the forward motion of today's momentum.

Indeed, for the United States, this one-time Cold War battlefield is a decisive, strategic region. Of course, Central Asia has long been the nexus for the world's great nations, the world's great civilizations, sitting between Western Europe, China, and Russia, between Islam and the west. Today, Central Asia is also a crossroads in another sense. Many of the great transnational challenges and opportunities of our time come to a head in that region. Terrorism, narcotics, weapons, and refugees, from Afghanistan and elsewhere, as well as traders in energy, mineral, and agricultural goods, have all traveled along the old silk roads in the last decade. The region is a lynchpin in global peace and prosperity. Ad so stability in the area is of paramount importance and of vital national interest of our nation.

In turn, the key to regional stability is without question to have successful and fully independent states, which, in the long term, will depend on open economies and representative governments. Many of the nations in the region still have a long way to go toward that destination, and Kazakhstan can and should, in my view, serve as a guiding light in that journey.

President Nazarbayev started that journey ten years ago when he decided to give up Kazakhstan's nuclear capability. There is no question that Kazakhstan and all of Central Asia are both safer and more stable for that tremendous decision. Indeed, President Nazarbayev's choice continues to resonate today, at a time when nations such as Iran and North Korea continue to pursue nuclear weapons at the expense of their people, and at the expense of regional and global stability and when rogue operators are looking to buy and sell these dangerous technologies. Yet we have also seen in recent days that a nation such as Libya can decide to follow in Kazakhstan's footsteps.

Kazakhstan not only serves as a leader in the global nonproliferation effort, the country has taken a stand for regional and international stability on other key fronts -- as a nation that has long participated in NATO's Partnership for Peace, as well as being a key player in the international effort to defeat terrorism -- as are other Central Asian nations, including Uzbekistan and Kyrgyzstan. In particular, Kazakhstan is actively participating in coalition operations in both Afghanistan and Iraq. And indeed, Kazakhstani peacekeeping troops in Iraq have done a remarkable job disposing of more than a half-million landmines and pieces of unexploded ordnance.

And while this laudable commitment to peace and stability would make Kazakhstan a regional leader in any case, that position is underwritten by the country's economic growth. And again, President Nazarbayev has shown important leadership in this area by spurring a spate of reforms. I believe the banking and financial sectors, in particular, have flourished, and we owe much of that success to Mr. Marchenko's term as Chairman of the Central Bank of Kazakhstan.

Of course, as I'm sure many of you in this audience are intimately aware, in highlighting Kazakhstan's economic growth it would be difficult to overstate the importance of energy reserves and resources. Kazakhstan could well be producing over 3 million barrels of oil per day by the end of this decade, making the country one of the world's top five oil-exporting nations.

And again, Kazakhstan has made some wise choices which have allowed the country to avoid the crippling inflation that can come with sudden hard currency inflows. At the same time, there are also many benefits oil wealth simply will not bring. Oil alone cannot integrate Kazakhstan into the global economy. Oil alone will not create enough jobs for the country's youth or improve life for those mired in rural poverty. And oil alone will not continue to attract foreign investment.

All of this and more will require that Kazakhstan continue its commitment to market-based economic reform, to the consistency and the transparency necessary to maintain a welcoming investment environment, and to diversifying Kazakhstan's economy and capturing the human potential of a very well-educated populace. Indeed, these are the same elements that will help other states in the region, with or without hydrocarbon resources.

The bottom line, however, is that success of economic reforms depends on tandem political reforms. Prosperity and political enfranchisement are simply not separable. A strong, open economy will only thrive when it is supported by a healthy civil society, including non-governmental organizations and some form of participatory politics.

This is going to mean political pluralism, and an independent media, and respect for human rights. It's going to mean building a representative government and open economy. You can't cherry pick some institutions and leave out the others when you do that. It's a package deal.

President Nazarbayev has shown that he understands the interlocking nature of economic and political progress. Certainly, in his desire to see Kazakhstan as the Chair of the OSCE, in his decision last week to veto a law that would have restricted the freedom of the news media, in his leadership on inter-faith dialogue and religious tolerance, and in some of the political changes he has helped steer in the past. But these developments have been set back by the selective prosecution of opposition figures and harassment of journalists.

Indeed, elections for parliament later this year are an important indicator. Is this a country that will continue to expand its economy, integrate into the international community, and become for the United States a truly reliable and truly respected strategic partner?

The answer may well depend on the conduct of elections that are free, that are fair, and that are transparent, with a genuine opportunity for opposition candidates to compete. I want to emphasize that the road to a viable, independent state with long-term prosperity and political stability does not run through "managed democracy." That is, in my personal opinion and in the opinion of my government, an unaffordably short-term and unsustainable approach.

Indeed, the importance of the upcoming election goes beyond the borders of Kazakhstan. In the next three years, Uzbekistan, Kyrgyzstan, and Tajikistan will all face elections, as well. And, of course, there is Turkmenistan, which lags behind its neighbors in every possible way. With the example of Georgia's "rose revolution" on everyone's mind, Kazakhstan can be a positive role model for peaceful change at an important moment of opportunity for the region.

Back in 1992, when the first Provide Hope cargoes arrived in Almaty, a young Kazakh entrepreneur was on hand to meet the crews. "I am a capitalist, I love America," he told a reporter. But he noted that the country needed "venture capital and know how" more than food and aid. "Help us make a new society," he said. "We must work together."

That is, of course, just what we have tried to do in the decade since. Indeed, the United States has devoted some \$3 billion in assistance to Central Asia not just for humanitarian aid, but also to build civil society, and to promote political and economic change, and to combat proliferation of weapons of mass destruction, to combat criminal activities, and to combat terrorism.

We have brought almost 13,000 citizens of the region to the United States for professional and academic training and supported a myriad of programs, everything from the founding of a new university in Bishkek, which has become a center of academic integrity and excellence in the region, to the establishment of a printing press in Kyrgyzstan late last year, which has already produced some 28 independent newspapers.

The United States has also developed a strong security partnership with many countries in the region. And indeed, the violence in Uzbekistan last month reminded us all of the common dangers we face from terrorism. At the same time, we have never shied away from telling even our most valuable partners, such as Uzbekistan, that we believe their long-term success depends on improving their domestic situation.

So while we'll continue to work together with the nations of Central Asia to promote regional stability, our baseline will remain fixed: Peace and long-term prosperity depend on democratic and economic reforms, respect for human rights, freedom of religion, rule of law, and a willingness to cooperate within the region.

Kazakhstan and the neighbors, the nations of this neighborhood, have come a very long way in the first 12 years since independence, and that took considerable determination as well as enormous will on the part of both the leadership and the people of the region. So I sincerely hope at this moment of opportunity, that same determination and that same enormous will can carry the region forward and that we will be able to marvel, once again, at the remarkable progress we will see 12 years from today.

Thank you all very much.

(Applause.)

2004/454

Released on April 27, 2004

 [BACK TO TOP](#)