Central Asia

Five Key Issues

Discussion Paper

Alex Gupta
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<th>Title and Role</th>
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<td>The Hon. Jeffery Bleich heads the Global Practice for Munger, Tolles &amp; Olson. He served as the U.S. Ambassador to Australia from 2009 to 2013. He previously served in the Clinton Administration.</td>
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<td>Nelson Cunningham is President of McLarty Associates.</td>
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<td>Vice Admiral Gunn is the President of the Institute of Public Research at the CNA Corporation, a non-profit corporation in Virginia.</td>
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Central Asia: Five Key Issues

Introduction

Central Asia has been the intersection between Europe and Asia for over 3000 years. Civilizations from India to the Caspian Sea have risen and fallen. The rugged landscape has been the setting of brutal and destructive warfare as well as for the flow of goods, ideas, and people across Eurasia.

“If you think about where the future is, the countries of Asia and the economies of Asia are going to be the drivers of global growth in the decades to come. And the ability to connect with, to be part of, and partner with these countries and these economies is what’s going to drive prosperity and security globally.” Nisha Desai Biswal, Assistant Secretary, Bureau of South and Central Asian Affairs, State Department.¹

Central Asia has again become a geopolitical chessboard. The superpowers of today, U.S., Russia, and China, have much at stake in Central Asia. China engages the region in order to tap the vast amount of natural gas. Russia is increasing trade with many countries in Central Asia for military and strategic purposes. The U.S. seeks to bring democracy and stability to Central Asia to prevent the region from becoming a cradle for terrorism.
1. Energy

Central Asia sits atop a vast supply of natural gas. According to British Petroleum (BP), the proven natural gas reserves of Kazakhstan, Turkmenistan, and Uzbekistan are estimated at over 700 trillion cubic feet, among the largest in the world. Turkmenistan is the 6th biggest holder of natural gas reserves in the world with over 618.1 trillion cubic feet.\(^2\)

Kazakhstan and Uzbekistan are not far behind in terms of supply. Kazakhstan possesses 45.7 trillion cubic feet of proven gas reserves (about 1% of world gas reserves). Uzbekistan has an estimated 39.7 trillion cubic feet of proven natural gas reserves. China is the biggest customer of Central Asian natural gas. Over half of China’s imported natural gas comes from Turkmenistan. In 2012, Turkmenistan supplied 21.3 billion cubic meters of natural gas to China. This accounts for 51.4% of Chinese natural gas imports in 2012.\(^3\)

China is a major trading partner for Central Asia and may become the dominant economic influence in the region. Uzbekistan, Kazakhstan, and especially Turkmenistan are significant suppliers of natural gas to China. The China-Central Asia Natural Gas Pipeline is a group of three, soon to be four, pipelines which span across Central Asia delivering natural gas to China.

China is diversifying the origin and routes of its natural gas pipelines in order to decrease geopolitical influence and increase their presence across Central Asia. China and Russia recently signed a 30-year $400 Billion natural gas deal. The deal allows Russia to expand away from the European energy market and gain an economic footprint in the Far East. China benefits by diversifying the sources of its natural gas imports.\(^4\)

In December 2010, the leaders of Turkmenistan, Afghanistan, Pakistan, and India signed an agreement on the construction of a natural gas pipeline to run from Turkmenistan to India. (TAPI Pipeline). The U.S. strongly supports the pipeline as a way to diversify the flow of Central Asia energy output.\(^5\)

The U.S. has also endorsed the creation of a trans-Caspian natural gas pipeline to link Central Asia natural gas with the European energy market. The U.S. has stated it supports the expansion and diversification of Central Asia natural gas pipelines in order to support world energy needs.\(^6\)
2. Security

Central Asia is an extremely important region to the world’s superpowers for national security purposes. The U.S. wants stability and democracy in Central Asia in order to improve human rights and reduce hostility in Afghanistan and the region as a whole. The policy of the U.S. is to discourage radical terrorist groups from gaining control of the region.

Russia seeks to enhance its strategic influence in Central Asia to secure sources of energy and broaden its sphere of influence. Russia over the last ten years has sought to increase its foothold in Central Asia through the use of economic and military agreements with Central Asia governments. This year Russia, along with Belarus and Kazakhstan, signed a treaty to create the Eurasian Economic Union. Tajikistan and Kyrgyzstan have also expressed interest in joining the Union.

When the U.S. commenced Operation Enduring Freedom in October 2001, Russia was initially supportive of an American military presence in Central Asia to combat Islamic fundamentalism. Russia gave its approval for U.S. airbases in Kyrgyzstan and Uzbekistan. However, beginning in 2003, Russia started to become more concerned with American intentions in Central Asia. Russia applied pressure on the Uzbekistan government to evict American forces from the Karshi-Khanabad Air Base. Uzbekistan forced the U.S. to abandon the base in 2005. The U.S. was also evicted from the Transit Center at Manas this year after the Kyrgyzstan government, with Russian support, ordered the U.S. to leave the airbase.7

China’s objectives in Central Asia include gaining access to natural resources and obtaining peace in the region. China is a major trading partner for the Central Asia and will likely continue to expand its influence across the region.

The Islamic Movement of Uzbekistan has reemerged as a dangerous and destructive terrorist organization operating from the autonomous Federally Administered Tribal Areas in northwest Pakistan. The IMU has now allied itself with the Taliban and Al-Qaeda. The IMU was responsible for an attack at the Jinnah International Airport in Karachi, Pakistan on June 8th 2014 which claimed 39 lives. The State Department has designated the IMU as a Foreign Terrorist Organization stating, “The main goal of the IMU is to topple the current government in Uzbekistan.”8

Coalition forces are currently in the process of withdrawing from Afghanistan. There is a risk of the Taliban, along with Al-Qaeda, regaining significant territory in Afghanistan once coalition forces finally depart. The potential threat could be compounded by other terrorist organizations joining forces. The IMU, with enough support, could then be able to more efficiently resume their original goals of attacking the Uzbekistan government.
3. Democratization and Human Rights

Democratization is the process of transitioning from an authoritative political regime to a democratic regime. Central Asian nations have a long history of authoritative governments. After the fall of the Soviet Union the communist leaders of most of these countries retained their power and suppressed any form of democracy. In 2011, then-Assistant Secretary Robert Blake stated that leaders in Central Asia “are suspicious of democratic reforms, and with some exceptions have maintained tight restrictions on political, social, religious, and economic life in their countries.”

In Kazakhstan, President Nursultan Äbishuly Nazarbayev continued as the leader of the country after its independence by placing himself as the only candidate in the country’s first presidential election. Not surprisingly, he won 91.5% of the vote. In October 2013, President Nazarbayev issued a statement stating he intends to stay in office and plans to run in the 2016 presidential election.

In Uzbekistan and Turkmenistan, President’s Islam Karimov and Saparmurat Niyazov, respectively, held onto their office through authoritative and repressive measures. Islam Karimov is still the President of Uzbekistan. Saparmurat Nivazov died in 2006. He was replaced by Gurbanguly Berdimuhamedow who has loosened some of the more oppressive laws enacted by his predecessor.

In Tajikistan, President Emomalii Rahmon was elected in 1990. Civil war broke out in 1992, by the time of the ceasefire in 1997 over 20,000 people had lost their lives. President Rahmon has remained in power through the use of intimidation and control of the state media.

Like many of the other Central Asia states Kyrgyzstan emerged from Soviet control in 1991 with its communist leader firmly in control. Askar Akayev retained control of the government after independence. In 2005, the Tulip Revolution forced Askar out of office. In December 2011 the pro-Russian candidate Almazbek Atambayev was elected to office. Former Assistant Secretary of State Robert Blake commented “Kyrgyzstan has been the primary exception in Central Asia. The democratic gains recently made in Kyrgyzstan … are cause for optimism.”
4. Climate Change

Climate change poses an extremely serious risk to Central Asia because of the arid environment of the region. Most people in Central Asia live in the rural countryside. Rural areas, especially the poorest communities, will be the most effected by climate change.

The food supply of Central Asia is in danger of a massive shortage because of the desertification of water sources and the over-farming of land. The Aral Sea has drastically shrunk since the 1970’s because of Soviet irrigation projects. The result has been the decimation of local industries and economic hardship. Increasing temperatures together with reduced rainfall will likely lead to increased desertification.\(^{11}\)

Glacial melting will likely increase due to climate change. The immediate result will be an increase in river water flow, however, this will not last. Eventually, melting glaciers in the Pamir and Hindu Kush mountain ranges will lead to arid, dry desert landscapes. Water flow will substantially decline.

The cotton industry, the livelihood for many people in Central Asia, will be devastated. Cotton production uses water throughout its lifecycle. The lack of water and sufficient irrigation could eventually annihilate the cash crop. The effect would be absolutely catastrophic to a country like Tajikistan where 80% of the country’s rural labor force is involved in the cotton industry.

Water scarcity has become a source of friction between Central Asia states, particularly between upstream and downstream nations. Dams in the upstream countries of Tajikistan and Kyrgyzstan make the downstream countries of Uzbekistan and Turkmenistan concerned because of the potential lack of water supply during the summer. Uzbekistan and Tajikistan relations have deteriorated because of the Rogun Dam in west Tajikistan.\(^{12}\)

Water storage and more efficient water reuse infrastructure is needed to combat water scarcity in Central Asia, especially in the rural areas.
5. Trade

The Central Asian Republics have an immense supply of natural resources, but they could significantly benefit from more foreign investment and added infrastructure. Kazakhstan is the world’s largest exporter of uranium. Tajikistan, Uzbekistan, and Kyrgyzstan have large gold and mineral deposits. They are also major cotton and wool producers. Turkmenistan and Kazakhstan export substantial amounts of natural gas and oil.

The U.S. has consistently promoted free market capitalism in Central Asia to open up new markets for American companies. The U.S. maintains bilateral investment treaties with Kazakhstan and Kyrgyzstan. U.S. trade with Central Asia accounts for less than 1% of U.S. global trade.

In 2013, the U.S. imported petroleum refinery equipment, agricultural products, fabrics, dried foods, and inorganic chemicals from Central Asia. The U.S. exported civilian aircrafts, automobiles, oil and gas field machinery, poultry, and communications equipment to Central Asia.\textsuperscript{13}

Only two Central Asian countries are members of the World Trade Organization (WTO). Kyrgyzstan joined in 1998 and Tajikistan became a member in 2013. The region could benefit commercially and economically if more Central Asian nations joined the WTO.

Currently, the largest trading partners by volume to Central Asia are Russia, China, Turkey, and Iran. Trade information from 2012 reveals that intra-regional trade is $3 billion, accounting for only 6.2% of total imports into Central Asia.

Intra-regional trade would substantially increase through open markets and local trade agreements.

The New Silk Road Initiative was proposed by the U.S. in 2011 as a way to help integrate and connect Afghanistan and Central Asia with Europe and East Asia. The New Silk Road Initiative is promoting economic connectivity in four key areas: Regional Energy Markets, Trade and Transport, Customs and Border Operations, and Businesses and People-to-People.\textsuperscript{14}
Conclusion

Central Asia will continue to be an enormous energy provider to China and Russia. The U.S. will continue to support the creation of more natural gas pipelines linking Central Asia to South Asia and Europe.

Russia is seeking support from regional leaders in order to create a military and economic umbrella over Central Asia. China is also leveraging its economic influence to gain a large footprint in Central Asia. The U.S. is pushing for more security stabilization in the region to promote peace and democracy.

Democratic reforms continue to be an issue in Central Asia. However, there has been slow and steady influence by opposing political parties and international organizations to repeal authoritative laws and stop government corruption.

Climate change in Central Asia is a growing threat because of the impact of water scarcity. Lack of water flow will cause lush, coastal environments to turn into deserts. The fishing and cotton industries will deteriorate from the lack of irrigation resulting in high unemployment.

Trade among Central Asian countries is extremely low. Intra-regional trade could expand exponentially if more countries in the region joined the WTO. The creation of the New Silk Road Initiative should help intra-regional trade as well as strengthen Central Asia's geopolitical role in Eurasia.

Further Reading:

Karachi Airport Attack Shines Light on Islamic Movement of Uzbekistan

China Doubles Down in Central Asia with New Natural Gas Pipeline

U.S. Bids Farewell to Important Central Asia Air Base

Avoiding Water Wars: Water Scarcity in South and Central Asia

About the Author:

Alex Gupta is an Adjunct Junior Fellow specializing in Central Asia studies at the American Security Project. He is in his last year at the University of Miami School of Law.
Endnotes:


The American Security Project (ASP) is a nonpartisan organization created to educate the American public and the world about the changing nature of national security in the 21st Century.

Gone are the days when a nation’s security could be measured by bombers and battleships. Security in this new era requires harnessing all of America’s strengths: the force of our diplomacy; the might of our military; the vigor and competitiveness of our economy; and the power of our ideals.

We believe that America must lead in the pursuit of our common goals and shared security. We must confront international challenges with our partners and with all the tools at our disposal and address emerging problems before they become security crises. And to do this we must forge a bipartisan consensus here at home.

ASP brings together prominent American business leaders, former members of Congress, retired military flag officers, and prominent former government officials. ASP conducts research on a broad range of issues and engages and empowers the American public by taking its findings directly to them via events, traditional & new media, meetings, and publications.

We live in a time when the threats to our security are as complex and diverse as terrorism, nuclear proliferation, climate change, energy challenges, and our economic wellbeing. Partisan bickering and age old solutions simply won’t solve our problems. America – and the world - needs an honest dialogue about security that is as robust as it is realistic.

ASP exists to promote that dialogue, to forge that consensus, and to spur constructive action so that America meets the challenges to its security while seizing the opportunities that abound.

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