The Liechtenstein Institute on Self-Determination (LISD) at Princeton University met with practitioners and experts representing the Central Asian region during two separate meetings on December 15 and 20, 2010 at the Capital Club in Berlin, Germany and at Café Landtmann in Vienna, Austria, respectfully. Representing LISD were Prof. DDr. Wolfgang Danspeckgruber, Ms. Jessica Sheehan and Mr. Daniel Nikbakht. Of LIVA, Mr. Frederik Trettin presided at the Berlin meeting while Ms. Kavya Rajan was in Vienna. Amb. Robert Finn channeled into both meetings via Skype video link.

Attendees at the Berlin meeting included H.S.H. Amb. Prince Stefan von und zu Liechtenstein, Ambassador of Liechtenstein to Berlin; Amb. Prof. Dr. Abdul Ashraf, Ambassador of the Islamic Republic of Afghanistan to Berlin; Minister-Counsellor Abed Nadjib, Embassy of the Islamic Republic of Afghanistan, Berlin; Amb. Ali Reza Sheikh Attar, Ambassador of the Islamic Republic of Iran to Berlin; Amb. Tolendy K. Makeyev, Ambassador of the Kirghizian Republic to Berlin; Col. Andreas H. Hannemann, Planning Staff, Federal Ministry of Defence; Mr. Charles King Mallory IV, Executive Director, Aspen Institute, Germany; Dr. Citha Maass, Stiftung Wissenschaft und Politik (SWP), German Institute for International and Security Affairs; Dr. Walter Posch, Stiftung Wissenschaft und Politik (SWP); Mr. Nabi Sonboli, Embassy of the Islamic Republic of Iran, Berlin; and Dr. Katrin Bastian, Embassy of the Principality of Liechtenstein, Berlin.

Attendees at the Vienna meeting included H.E. Amb. Ali Asghar Soltanieh, Ambassador of Iran to the United Nations in Vienna; Amb. Dr. Michael Postl, Ambassador of Austria to Armenia, Georgia and Uzbekistan; Amb. Xiaodi Hu, Ambassador of China to the United Nations in Vienna; Amb. Nuriddin Shamsov, Ambassador of Tajikistan to Austria; Amb. Ravshanbek Duschanov, Ambassador of Uzbekistan to Austria; Amb. Lidia Imanalieva, Ambassador of
Kyrgyzstan to Austria; Dr. Richard Schenz, Vice President, Wirtschaftskammern Österreichs (WKO); Dr. Werner Moerth, Raiffeisen Zentralbank (RZB); Mr. Valeriy Sitenko, Advisor to the Permanent Mission of Kazakhstan to the International Organizations in Vienna; Dr. Florian Schwarz, Director of the Institute of Iranian Studies at the Austrian Academy of Sciences; Mr. Amanat Ishimov, Attaché, Embassy of Kyrgyzstan (translator to Amb. Imanalieva); Ms. Ulrike Toscani, Raiffeisen Zentralbank (RZB); and Dr. Alexander Shishlov, Counsellor for Science, Embassy of Russia.

The objective of these meetings was to connect with those who have expertise and influence in Central Asia in order to assess the critical issues and challenges that demand LISD’s further examination and analysis. Discussions emphasized the rich economic opportunities in the region; the role of China as both a chief investor and also a worrisome aggressor; the multicultural, multiethnic heritage bestowed upon the region in the wake of the Soviet Union’s collapse; and real concerns about the future of Afghanistan and the United States’ presence in the region.

In terms of the regional dynamics, the former Soviet republics in Central Asia are in the process of forming their national identities in convergence with each other, while positioning themselves as influential political players. The following is a concise overview organized country-by-country.

**Kyrgyzstan**

Kyrgyzstan is a microcosm of the vectors in power in Central Asia. Russia and NATO each have bases within its borders and China is interested in both the security advantages and also the trade opportunities in Kyrgyzstan. The Kyrg-Chinese relationship is further strengthened by their permeable state boundary. Many Chinese Uighers reside in Kyrgyzstan and Kazakhstan while China contains an ethnically Kyrg province. Kyrgyzstan does have reservations over its border security, however, due to the large NATO base on the Kyrg-Chinese border.

Kyrgyzstan’s regional issues include the unsettled 2001 boundary delimitation with Kazakhstan. In addition, its disputes in the Isfara Valley have delayed the completion of delimitation with Tajikistan. The delimitation of 130 km of border with Uzbekistan is hampered by serious disputes around enclaves and other areas.

Economically, Kyrgyzstan has a dominant agricultural sector. Cotton, tobacco, wool and meat are its main agricultural products, although only tobacco and cotton are exported in any quantity. Its industrial exports include gold, mercury, uranium, natural gas and electricity.

Kyrgyzstan’s illicit cultivation of cannabis and opium poppy for CIS markets and the limited government eradication of illicit crops is a cause for concern. It is known
throughout the region as a transit point for Southwest Asian narcotics bound for Russia and Europe and is a major consumer of opiates.

Kyrgyzstan is pleased to inform its partners that after two months, it now has more order in the country—a speaker and newly formed government have been put in place.

Kyrgyzstan asks its neighbors and the international community to understand the difficult socio-economic situation in Kyrgyzstan ever since the revolution. The people of Kyrgyzstan have been waiting for stability, as does the international community. It believes that for great democratic values, one needs to pay a large price.

Kyrgyzstan’s top priority is economic development and socio-economic development, in which it seeks out partner countries for cooperation.

**Turkmenistan**

Turkmenistan is positioning itself to be a rising power in the region. It looks to enhance cooperation between its neighbors in order to promote economic expansion. The December 2010 signing of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) agreement highlights these efforts. TAPI is a $7.6 billion project that involves the construction of a 1,680 km gas pipeline, which will transport 3.2 billion cubic feet of natural gas per day (bcfd) from Turkmenistan’s rich gas fields to Multan in Central Pakistan and then end in the northwestern Indian town of Fazilka. While Turkmenistan is concerned about security risks in Afghanistan and the plausibility for such a pipeline to succeed, it is eager to look beyond the current Afghan conflict in order to promote further cooperation throughout the overall region.

In addition, once it expands its extraction and delivery projects, Turkmenistan’s extensive hydrocarbon and natural gas reserves could potentially be a boon to its economy. The Turkmen Government is working to diversify its gas export routes beyond the prevailing Russian pipeline network. In 2010, new gas export pipelines that carry Turkmen gas to China and to northern Iran began operations, effectively ending the Russian monopoly on Turkmen gas exports.

Regionally, the cotton monoculture in Uzbekistan and Turkmenistan has created water-sharing difficulties for the Amu Darya river states. In addition, since 2005 Turkmenistan has been involved in the field demarcation of its boundaries with Kazakhstan, however, its indecision over how to allocate the seawaters and seabed of the Caspian has stalled delimitation with Azerbaijan, Iran and Kazakhstan.

**Tajikistan**
Tajikistan is in many ways the most problematic of the Central Asian countries. It was originally created by the Soviets to be a Persian-speaking country at the expense of Uzbekistan, which has continued to fuel tensions between the two countries even today. This relationship is further complicated by the ethnic Uzbeks that form a substantial minority in Tajikistan’s Sughd province.

Tajikistan also has one of the lowest per capita GDPs among the 15 former Soviet republics. The 1992-1997 Tajik civil war severely damaged the country’s already weak economic infrastructure and caused a sharp decline in industrial and agricultural production. While Tajikistan has experienced steady growth since 1997, the country’s economy remains fragile due to the uneven implementation of structural reforms, corruption, weak governance, seasonal power shortages and the external debt burden. Due to a lack of employment opportunities in the country, nearly half of its labor force (approximately 1 million people) works abroad, primarily in Russia and Kazakhstan. Roughly 60 percent of the Tajik population lives below the poverty line.

Tajikistan reached a debt restructuring agreement with Russia in December 2002, which included a $250 million write-off of Tajikistan’s $300 million debt. The 2009 completion of the Sangtuda I hydropower dam, which was partially funded by the Russians, and the Sangtuda II and Rogun dams will substantially increase electricity output. If finished according to plan, Rogun will be the world’s tallest dam. The Chinese government has also provided Tajikistan with substantial infrastructure development loans to improve both roads and also an electricity transmission network. In addition, the United States funded a $36 million bridge that opened in 2007 and links Tajikistan and Afghanistan, thereby increasing north-south trade.

Although Tajikistan’s most important crop is cotton, this sector has been burdened with debt and obsolete infrastructure. Its mineral resources include silver, gold, uranium and tungsten. The Tajik economy mostly relies upon a mammoth, polluting aluminum plant on the Tajik-Uzbek border, in addition to hydropower facilities and small, obsolete factories that are mostly in light industry and food processing.

NATO’s intervention in Afghanistan has brought increased attention to Tajikistan by the international community, which in turn has brought increased economic development and security assistance. In the long term, this could lead to job creation and strengthened stability. Tajikistan is in the early stages of seeking World Trade Organization membership and has joined NATO’s Partnership for Peace.

Like other countries in Central Asia, Tajikistan is involved in delimitation talks with its neighbors. In 2006, China and Tajikistan agreed to commence demarcation of the revised boundary agreed upon in the 2002 delimitation. Talks with Uzbekistan have continued to delimit their border and remove mind fields. Delimitation with Kyrgyzstan has been delayed due to continued disputes in the Isfara Valley.

Aside from its troubled economy, Tajikistan’s human trafficking record has raised international concern. It has served as a source country for the trafficking of women
through Kyrgyzstan and Russia to the United Arab Emirates, Turkey and Russia for commercial sexual exploitation. Men are trafficked to Russia and Kazakhstan as compulsory laborers, primarily in the construction and agricultural industries. Due to its failure to provide evidence of increased efforts to prevent human trafficking, Tajikistan has been placed on the Tier 2 Watch List.

Furthermore, an alarming new development in Tajikistan has been the infiltration of Afghan fighters from the Islamic movement based in Uzbekistan. It has been reported that several Tajik soldiers were recently killed at the hands of these insurgents. This indeed embodies the nightmare of Central Asia that fundamentalist fighters from Afghanistan and Pakistan will reenter their countries.

From the Tajikistan perspective, it believes its country can serve as bridge between the East and the West. Tajikistan believes that if both security-related problems and development-related crisis can be addressed in a cooperative and regional manner, then sustainable progress is bound to take place.

Tajikistan says that is foreign policy is grounded in pragmatic and multilateral cooperation. Tajikistan’s foreign policy is based on respect to all friendly nation—an essentially open-door policy.

For Tajikistan, Afghanistan is considered a challenge to Central Asia, for the OSCE, for the EU, and of course, for the United States. After all, Tajikistan has the longest border with Afghanistan of all the Central Asian countries. Thus, Tajikistan seeks the construction of high voltage lines and the construction of road and rail as cooperation measures. It encourages any positive and constructive collaboration with Central Asia in order to make this part of the world safer, and also make it more involved with international affairs.

To Tajikistan, the most important aspect is the economic and trade aspect, as this strengthens cooperation. The country believes that most problems, particularly security and terrorist-related, have social and economic roots.

Kazakhstan

Kazakhstan is the “giant of Central Asia” with an ethnic population that is largely Kazakh (a combination of 13th-century Turkic and Mongol nomadic tribes that had rarely been united as a single nation) and Russian. Its current national issues and challenges include: developing a cohesive national identity; expanding the development of the country's vast energy resources and exporting them to world markets; diversifying the economy outside the oil, gas and mining sectors; enhancing Kazakhstan’s economic competitiveness; developing a multiparty parliament and advancing political and social reform; and strengthening relations with neighboring states and other foreign powers.
Kazakhstan has ambitions to become a developed country by 2030, which is one of the primary reasons it has sought leadership of the OSCE. The potential certainly exists. With the exception of Russia, Kazakhstan is the largest of the former Soviet republics and possesses enormous fossil fuel reserves and plentiful supplies of other minerals and metals. It also has a large agricultural sector featuring livestock and grain. Kazakhstan’s industrial sector is primarily focused on the extraction and processing of these natural resources.

Furthermore, the 2001 opening of the Caspian Pipeline Consortium, which extends from western Kazakhstan’s Tengiz oilfield to the Black Sea, substantially raised export capacity. Kazakhstan completed the Atasu-Alashankou portion in 2006 and, in 2009, the Kenkiyak-Kumkol portion of an oil pipeline to China that will extend from the country’s Caspian coast eastward to the Chinese border, according to plans.

While the potential is there for Kazakhstan, it does face considerable obstacles, including issues of political succession, human rights violations and deficient political freedoms. Furthermore, Kazakhstan’s primary challenge is to maintain a balance between the two giants, Russia and China, on either side of its borders, which it has successfully done thus far under the current Kazakh government.

Kazakhstan understands that its country is not immune from the threats and challenges of cross-border terrorism, illicit narcotics, the conflict situation in Afghanistan, and illegal migration. In light of these problems, it believes that the EU and UN have not utilized regional exiting organizations (e.g. the SCO, the collective treaty organization, etc.) to the best of their ability. After all, there is also Tashkent counter-terrorism center that is affiliated with the SCO. In addition, the UNODC established another organization—the Central Association of Centers of Exchange of Information on Narcotics and Drugs.

With regards to Education and Training, Kazakhstan has pledged $50 million to educate Afghan students. Last March, five Central Asian countries signed onto a nuclear free zone agreement. Three countries—the United State, France, and UK—are mostly worried about what this implies. Next year, Kazakhstan will celebrate the 20th year anniversary of the closing of the last nuclear facilities in the country. Kazakhstan believes it has a good track record of this kind of activities. Next March, in the Sharm el-Sheikh, the country will explain its plans for OSCE chairmanship. It seeks to use its background in the Central Asia nuclear free zone initiative to help its Middle Eastern partners.

With regards to Economy, Kazakhstan seeks to have access to world markets, be open to the seas, and active in the customs union. It looks forward to the EU and US support for WTO accession. Kazakhstan is building a road that originates in Western China, and will take passengers to Western Europe. Kazakhstan encourages and actively welcomes the participation of European companies.

Kazakhstan has a multi-vector energy policy in the region (e.g. Kasgan plant), and also supports economic issues over political ones—as economic growth is primary objective.
There is an ambitious industrial 20 year program, as 100 billion dollars is the budget for the infrastructure program.

With regards to Humanitarian issues, Kazakhstan is known for its tolerance, as it has hosted the Congresses of World Religions that took place in Astana. It also welcomes initiatives from the Dialogue of Civilizations (Iran) and Enlightened Moderation (Pakistan), and other projects in Indonesia for example. It seeks to end Islam-phobia.

Kazakhstan also wants to correct a misunderstanding that some may have about Kazakhstan with regards to not being a member of particular human rights and law enforcement conventions. However, from the Kazakhstan point of view, this is because European countries do not want Kazakhstan to part of such a group—not because Kazakhstan doesn’t want to be.

Outside of the regional dynamics between the various state actors in Central Asia, there are certain realities that apply to the region as a whole. First, as illustrated above, complex interrelationships exist between the various Central Asia states as they all seek to establish their national identities in convergence with not only their neighbors, but also the hundreds of ethnicities within their own borders who seek to establish their identities as well. Second, the threat of Chinese encroachment is pervasive, though several states rely on China for foreign investments. Third, there are major opportunities for economic development since the area is rich in natural resources such as natural gas, aluminum and wood, and for improved trade networks with the creation of new transit routes across the region. Fourth, with the US involvement in the Afghan conflict, Central Asia is wary of future US policy not only in Afghanistan, but also in the region as a whole. Finally, while Kazakhstan is positioning itself to become the leading actor in the region, several major powers continue to have stakes in the region and are seeking opportunities to expand their influence, including: China, United States, Russia, India, Turkey, Saudi Arabia and Iran.

*Complex Interrelationships and the Convergence of Emerging National and Ethnic Identities*

While the nations of Central Asia and the Caucasus region all share an intertwined common history and originate from the same culture and civilization, it is important to realize that these nations carry major differences. Indeed, despite being under the domination of Russia since the early 19th century, Russification was not successful during the 102 years of domination. After the collapse of the Soviet Union, the various ethnicities throughout Central Asia have continued to speak Russian, but they are proud to speak their native tongue, to partake in their cultural traditions, and to practice their religion. Russian dependence remains, however,
particularly in the area of energy, infrastructure, security and intelligence. Moreover, the national borders that were artificially drawn in Moscow own interests have deliberately caused problems for the peoples who reside in those nations. For instance, problems between ethnic minorities intensified over border disputes while mono-product economies suffered from the unequal distribution of natural resources.

*The China Factor*

Especially in the aftermath of the American economic fallout, China has risen as an influential player in Central Asia. First, China borders several Central Asian countries. Historically, and depending upon the political climate, there has been a fairly free flow of people back and forth across its borders. Thus, despite composing only a small percentage of the Chinese population, ethnic minorities of Turkic peoples reside in China and their welfare status is a significant consideration for Central Asian governments in their dealings with the Chinese government. China has also been involved in various delimitation negotiations with several Central Asian states to settle border disputes. While China has adjusted its borders with most Central Asia countries, it maintains its hold on 10 percent of Tajikistan.

Secondly, China is a critical trade partner and lender for many Central Asia countries. This role has also been a source for contention: one of the key issues between Uzbekistan and Kyrgyzstan stems from the fact that both China and Kyrgyzstan are members of FTO, so Chinese goods are able to pass through Kyrgyzstan and filter into Uzbek markets to the detriment of the Uzbek economy.

Third, regarding security concerns, China has been active in pushing the Shanghai Cooperation Organization (SCO), which is a regional group that focuses on trade, yet has a security aspect as well. As its membership includes over ¼ of all mankind, this organization is important to bear in mind when considering the regional dynamics.

*Economic Opportunity*

Following the disintegration of the Soviet Union, Iran was one of the first nations to compose a policy that recognized these nations and their problems as realities, yet looked to find commonalities between them rather than compound their ethnic problems. In the early 1990s, while Afghanistan was still immersed in civil warfare, Iran proposed the creation of a regional organization, the Economy Cooperation Organization (ECO), which could be a multilateral base for economic and cultural cooperation throughout the region. Its creators wanted the organization to be multilateral so that Afghanistan could benefit, Kyrgyzstan could contribute water resources, Turkmenistan and Iran could reach agreements over gas, and Iran and Kazakhstan could partner in the oil trade.
Because ECO promoted development in the area, Iran was optimistic that the international community would support this organization as a pathway to solve the democracy and ethnic concerns that were rising. In addition, the opportunities to build transit networks between Iran-Turkmenistan and Tajikistan-Afghanistan would benefit landlocked countries and boost trade within the region. Unfortunately, the incentives among ECO’s member states waned during the 1990s, however, interest and enthusiasm in the project has returned in the last several years.

With the support of the international community, ECO has the potential to play the role of a strong and powerful regional organization. While ECO may not necessarily look or act like the European Union in the next ten years, it does present opportunities and potential for wider cooperation throughout the region as well as economic development.

Outside of ECO and the opportunities that arise with greater regional cooperation, Central Asia is a largely underdeveloped region that contains a wealth of natural resources, including wood, gas, oil and other minerals. Moreover, construction projects that build new roads and transit networks will play a major role in the economic development of the region. The major concern is that the internal conflict in Afghanistan would spoil these efforts.

US Policy in Central Asia

The Afghan conflict marks the first time the United States has had a significant presence in Central Asia. Prior US policy toward the region was contained within black-and-white Cold War strategy. Since the collapse of the Soviet Union, however, US policy in Central Asia has lacked direction and clarity. Due to this lack of clarity, people in the region assume the worst since that has been their experience thus far.

The big question that looms is: what happens in Central Asia when the US withdraws from Afghanistan? Particularly, what does US withdrawal mean for countries bordering Afghanistan and Pakistan? The US currently lacks a strategy in Afghanistan, not even an exit strategy, in part due to the upcoming 2012 Presidential elections. It is important for the Americans to refocus their efforts in the Afghan conflict and work with those neighbors who have an impact, such as Saudi Arabia, in order to find a resolution.

Russian media has exploited American vagueness by pointing toward US bases and using the dynamics of the wars in Afghanistan and Iran as a way to send the message: “Look what happens if you are friendly with the Americans.” Indeed, it is these two wars that actually limit American influence in the region because they devour US resources.
In addition, the US’s future course with Iran will be an indicator of the future role of the Americans in the region. An important question to consider is whether we are able to change Iran policy away from a nuclear-centric policy to a regional security-centric policy.

It was largely accepted that the United States will maintain a continued presence in the region as it modifies its engagement with Afghanistan. Some predicted US involvement in Afghanistan would last decades, even beyond military troop withdrawal.

Currently, American diplomacy in the region has lacked nuance. Rather than seeking to engage the Central Asian states, the US typically raises issue over their human rights violations, as well as criticisms over their political processes. Such an approach immediately casts Americans in a more negative light than they would be if they came with a more carefully crafted policy.

Spheres of Influence

While it is evident that China has a major presence in the region both as a neighbor, but also as a primary lender and investor, it is difficult to decipher the truly influential players in the region. Is Central Asia a hinterland among the two competing powers, Russia and China? Some argue that China is emerging as the principal strategic competitor of the United States in Central Asia and Russia is falling back.

Another dynamic is the Turkish-Iranian rivalry in the region that is projected to continue and is beyond the control of the United States or Europe.

Europe is not a pushover, especially if the “Big Three” – meaning the United Kingdom, Germany and France – are cooperating and acting in unison. Without strategic understanding between these three countries, one will find the same situation as in 2003, which means a breakdown in European foreign policy.