

Secretary Pompeo's Visits to Kazakhstan and Uzbekistan Offer an Opportunity to Advance U.S. Interests

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KEY TAKEAWAYS

Central Asia presents security challenges and economic opportunities for the U.S. Cooperation with countries in the region is needed to address those challenges.

U.S. priorities in the region should be a stable and growing Central Asia and a sovereign Central Asia, free from malign Russian and Chinese influence.

Pompeo should use his upcoming visit to deepen U.S. engagement with Kazakhstan and Uzbekistan, promote closer economic ties, and work on shared security concerns.

U.S. Secretary of State Mike Pompeo will travel to Kazakhstan and Uzbekistan from February 1–4, 2020. In Tashkent, Uzbekistan, he will also chair a meeting of the C5+1.¹ This will be the first cabinet-level visit to Central Asia in half a decade. Central Asia has been, is, and will continue to be an area of geopolitical importance and competition. Secretary Pompeo should use this visit to begin deeper U.S. engagement with Kazakhstan and Uzbekistan, promote closer U.S. economic ties to the region, and work with countries in the region on shared security concerns.

U.S. Interests in Central Asia

Central Asia is a place where challenges and strategic opportunities converge for the U.S. On the one hand, the region is prone to many of the geopolitical

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problems the U.S. faces around the world: a resurgent Russia, an emboldened China, and the rise of Islamist extremism. On the other hand, there are many practical economic opportunities for the U.S.: Close cooperation with countries in the region can help solve larger problems, such as the situation in Afghanistan and the fight against terrorism. Additionally, oil and gas from the region can help reduce Europe's dependence on Russia, thus making NATO stronger.

The U.S. should have two primary goals for Central Asia:

1. **A stable and growing Central Asia.** The U.S. should promote policies in Central Asia that support regional security. A secure Central Asia offers many economic, trade, and energy opportunities. Assisting Central Asia in becoming a stable and secure transit and production zone for energy resources will greatly benefit America and its allies. A secure Central Asia will also encourage much-needed foreign investment in the region, encouraging more economic reforms that advance economic freedom.
2. **A sovereign Central Asia.** It is in America's interests that Central Asian countries remain self-governing with little or no influence from outside or regional powers. This is particularly true of Russia's malign influence and hybrid tactics in the region. Strong and stable governments resilient to outside influence are in America's interest in the region.

Kazakhstan

Kazakhstan, the world's ninth-largest country by land mass, sits right in the heart of Eurasia. It is a major hydrocarbon player and has the potential to help Europe alleviate some of its hydrocarbon dependence on Russia. In addition, major transit routes pass through Kazakhstan along the old Silk Road, connecting East Asia with Western Europe.

Although dominated by Russia for almost 200 years, since regaining its independence in 1991, Kazakhstan has developed its own regional policy that tries to be distinct from Russian policy. As the largest economy in Central Asia, Kazakhstan attracts most of the region's trade and investment. The economies of Kazakhstan and Russia are closely linked, so Western economic sanctions on Russia have had a negative trickle-down effect in Kazakhstan.

Of the five Central Asian countries, Kazakhstan ranks the highest for economic freedom according to the *2019 Index of Economic Freedom*, published by The Heritage Foundation.² Kazakhstan has been an oil producer since 1911 and is the second-largest oil producer in the post-Soviet space, after the Russian Federation. Kazakhstan is also the world's largest producer of uranium.

For the U.S., there are many reasons to maintain good relations with Kazakhstan. For years, Kazakhstan has been a leading voice for the non-proliferation of nuclear weapons, having relinquished hundreds of nuclear weapons it inherited after the collapse of the Soviet Union. Kazakhstan is a Muslim-majority country and is staunchly secular in its politics, maintaining cordial relations with all countries in the Middle East—from Israel to Saudi Arabia to everyone in between.

There are major economic and energy opportunities for the United States in Kazakhstan. American investment in Kazakhstan's energy sphere runs in the tens of billions of dollars, and there is potential for more. Additionally, there are trade and investment opportunities. U.S. trade activity with Kazakhstan totaled more than \$2.1 billion in 2018.³

Kazakhstan's energy production could help offset European dependence on Russia. This, in turn, would have an indirect impact on U.S. security interests in Europe because each barrel of oil and cubic foot of natural gas that Europe gets from Kazakhstan is one fewer that it gets from Russia. Kazakhstan also supplies one-fifth of U.S. civilian uranium for power generation.

Uzbekistan

Uzbekistan has been quietly transitioning from repression to openness. Although the country still has a long way to go, it has begun moving toward a more market-based economy from a state-led economy, propelled by a wide range of reforms. Ongoing development goals include reforming agriculture, finance, and banking, and improving the investment climate by reducing state regulation and assuring property rights.

Indeed, President Shavkat Mirziyoyev and his reform-minded team have been pushing for a far-reaching reform road map to “promote good governance, judicial reform and rule of law, economic liberalization, social development, and an open and constructive foreign policy.”⁴ The Mirziyoyev Administration has also taken practical reform measures to attract greater foreign investment, such as loosening currency controls and transforming the Uzbek *som* into a fully convertible currency.

Early indicators are encouraging. Some forms of private property ownership were made legal for the first time in decades. In 2019, Uzbekistan received its first-ever credit rating by two of the three main credit agencies and succeeded in issuing its first \$1 billion eurobond.

Tashkent's relationship with Washington has entered into "a new era of strategic partnership" as well.⁵ During President Mirziyoyev's historic first visit to the White House in 2018, President Donald Trump pledged U.S. technical assistance to Uzbekistan, as the country has sought admission to the World Trade Organization and undertaken a reform agenda to liberalize its trade regime in line with its World Trade Organization obligations.⁶

Also notable is that the U.S. has removed Uzbekistan from a list of countries with the least religious tolerance. Secretary of State Mike Pompeo recently commented, "In Uzbekistan, much work still remains to be done, but for the first time in 13 years, it is no longer designated as a country of particular concern."⁷

It is still too early to say if these ongoing positive changes will have a lasting impact on Uzbekistan. However, these early indicators are encouraging signs for the future of the country as a potential strategic partner for the U.S.

Recommendations

The Trump Administration's National Security Strategy states that the U.S. will "seek Central Asian states that are resilient against domination by rival powers, are resistant to becoming jihadist safe havens, and prioritize reforms."⁸ The United States needs a Kazakhstan and Uzbekistan that are independent, stable, and show themselves to be regional leaders with economic, security, energy, and governance issues.

To achieve this the U.S. should:

- **Engage more with Kazakhstan and Uzbekistan.** The U.S. needs an anchor of engagement in Central Asia. Kazakhstan and Uzbekistan are the two natural partners for the United States. The U.S. should pursue a pragmatic relationship with these two countries based on strategic and regional mutual interests. There are some legitimate human rights concerns in both places, but in the long run only U.S. engagement—not constant criticism—will improve the situation.
- **Strike a balance between promoting human rights and safeguarding other U.S. strategic interests.** The U.S. should have frank, open, and constructive discussions with its allies in the region when

and where there are human rights issues, with the goal of long-term democratization. However, human rights should be just one part of a multifaceted relationship that considers broader U.S. strategic interests and stability in the region.

- **Encourage greater economic reform to advance economic freedom in the region.** Kazakhstan and Uzbekistan are strategically poised for economic growth because they supply raw materials to European and East Asian markets. Ultimately, the real investments to these two countries and their economic growth will come from the private sector. While Washington continues encouraging them to adopt more free-market policies, U.S. businesses should take advantage of trade and investment opportunities in Central Asia, as China and Russia are already doing.
- **Work closely with the region on shared security concerns.** Kazakhstan has been a global leader on nonproliferation issues. Both Kazakhstan and Uzbekistan have played an important role in Afghanistan. Privately, officials from both countries are concerned by Russia's and China's growing influence and foreign fighters returning from the so-called Islamic State. The U.S. should show a clear commitment to cooperate on shared security concerns.

Conclusion

Central Asia has been, is, and will continue to be an area of geopolitical importance and competition. If the U.S. is to have a grand strategy to deal with a resurgent Russia and an aggressive China and to improve Europe's energy security, policymakers in Washington cannot ignore the region. Secretary Pompeo's visit should be the first of a regular series of senior U.S. visits to the region.

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Endnotes

1. The C5+1 initiative is a U.S.-led effort created by the Obama Administration. The primary goal is to create a multilateral format for the five Central Asian republics and the U.S. to build relations. The C5+1 nations are the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan, and the U.S.
2. Terry Miller, Anthony B. Kim, and James M. Roberts, *2019 Index of Economic Freedom* (Washington, DC: The Heritage Foundation, 2019), <https://www.heritage.org/index/ranking>.
3. Office of the U.S. Trade Representative, "Kazakhstan," March 22, 2019, <https://ustr.gov/countries-regions/south-central-asia/kazakhstan> (accessed January 24, 2020).
4. The White House, "The United States and Uzbekistan: Launching a New Era of Strategic Partnership," May 16, 2018, <https://www.whitehouse.gov/briefings-statements/united-states-uzbekistan-launching-new-era-strategic-partnership/> (accessed January 25, 2020).
5. Ibid.
6. Ibid.
7. Todd Prince, "U.S. Removes Uzbekistan From Nations With Worst Religious Tolerance," Radio Free Europe/ Radio Liberty, June 21, 2019, <https://www.rferl.org/a/us-removes-uzbekistan-nations-worst-religious-tolerance-russia-pakistan-iran/30013281.html> (accessed January 25, 2020).
8. The White House, *National Security Strategy of the United States of America*, December 2017, p. 50, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> (accessed January 25, 2020).