The United States and Russia in Central Asia: Uzbekistan, Tajikistan, Afghanistan, Pakistan, and Iran

Fiona Hill, Ph.D.
Fellow, Foreign Policy Studies Program
The Brookings Institution

I. Overview

Before 1991, the states of Central Asia were marginal backwaters, republics of the Soviet Union that played no major role in the Cold War relationship between the USSR and the United States, or in the Soviet Union’s relationship with the principal regional powers of Turkey, Iran, and China. But, in the 1990s, the dissolution of the Soviet Union coincided with the re-discovery of the energy resources of the Caspian Sea, attracting a range of international oil companies including American majors to the region. Eventually, the Caspian Basin became a point of tension in U.S.-Russian relations. In addition, Central Asia emerged as a zone of conflict. Violent clashes erupted between ethnic groups in the region’s Ferghana Valley. Civil war in Tajikistan, in 1992-1997, became entangled with war in Afghanistan. Faltering political and economic reforms, and mounting social problems provided a fertile ground for the germination of radical groups, the infiltration of foreign Islamic networks, and the spawning of militant organizations like the Islamic Movement of Uzbekistan (IMU). The IMU first sought to overthrow the government of President Islam Karimov in Uzbekistan, later espoused greater ambitions for the creation of an Islamic caliphate (state) across Central Asia, and eventually joined forces with the Taliban in Afghanistan. With the events of September 11, 2001 and their roots in the terrorist groups operating in Afghanistan, Central Asia came to the forefront of U.S. attention.

II. Central Asia: Together but Divided

Central Asia now poses a particular set of challenges for American policy, not least because the U.S. had no history of engagement with the region until the 1990s and thus suffers from a serious lack of expertise in government as well as in academia. In addition, although the Central Asian states occupy a single, shared geographic sphere, they cannot now, in fact, be approached as a single entity. Over the last ten years of independence, the political divisions between and among the Central Asian states have hardened. The borders the states inherited from the USSR in 1991 were created on the principle of divide and rule from Moscow. Without Moscow to play the role of arbiter, these borders have become illogical, contested boundaries—fracturing ethnic groups, rupturing trade and communication routes, and breaking economic and political interdependencies. At the same time, the borders have remained porous to illicit trade, including weapons and drugs smuggling from Afghanistan, and the spread of infectious diseases like HIV/AIDS.

Central Asia’s regional context has also become particularly complex since the collapse of the USSR. With the retreat of Russian influence, the states find themselves at the nexus of a number of interlocking regions: Russia and Eurasia, the Middle and Near East, South Asia, and Asia more broadly. Central Asia is simultaneously a buffer zone and a transit area among...
these regions. Ethno-linguistic and religious groups are spread across the regions, with Russia, Iran, China and Afghanistan sharing groups with Central Asian states, and Turkey representing the western extension of one of Central Asia’s broader cultural spheres. Thus, in looking at Central Asia’s external security, economic and political environment, all the neighboring states have to be factored in as an element in the region’s future. In the context of the U.S. war on terrorism, Central Asia’s linkages with Afghanistan, Iran, and Pakistan, as well as Russia, have been dramatically underscored.

Finally, the last ten years have also seen the economic, political and military involvement of new states in Central Asia. Northeast Asian countries—China, Japan, Korea—have now become engaged in the region. China has put a particular priority on relations with Central Asia to foster the development and stabilization of its vast western province, Xinjiang. Beijing also sees the region as a potential market, a source of energy and other natural resources, and as a communications bridge to Iran and the Middle East. Japan has become the largest donor country to Central Asia and, like China, sees the region—if it is stabilized and developed—as a potential market, source of raw materials, and bridge to the Middle East. And Korea has a more intimate relationship thanks to the distinct Korean populations deported there under Stalin, who have now become an influential social, political and economic component in Kazakhstan and Uzbekistan. Although China, Japan, and Korea have only begun to make their presence felt, and their impact on trade and other regional issues has not yet been so substantial, in a sense Central Asia is rapidly becoming the heartland of Asia.

III. What are American Interests in These Countries Since September 11?

In spite of the construction in 2002 of bases in Central Asia to support the military campaign in Afghanistan, the primary U.S. interest in Central Asia is not strategic. Central Asia’s importance to the United States is not as a bulwark against regional powers such as Russia, China, or even Iran. Nor is it to protect American commercial concerns in the exploitation of Caspian energy resources. The primary American interest is in security, in preventing the “Afghanization” of Central Asia and the spawning of more terrorist groups with transnational reach that can threaten the stability of all the interlocking regions and strike the United States.

As a result, in Central Asia, America’s focus is now on creating strong security ties with the states—building on military-military contacts established in the late 1990s—and on securing long-term access agreements to regional bases and military facilities, which can be used to respond to current and future security threats in Afghanistan. However, the primary goal for U.S. policy must also be to enhance Central Asia’s development not just its military role. Like Afghanistan, if they are to transform themselves from potential breeding grounds for transnational terrorists into viable, stable states, the Central Asian countries must liberalize economically and democratize politically.

IV. What are Russian Interests?

Russia’s interests in Central Asia are strikingly similar to those of the United States. Central Asia has lost its former importance to Russia as a military buffer zone—first between the Russian and British Empires, and then between the USSR and U.S. client states in Afghanistan and Pakistan, and between the USSR and China. After the Soviet Union’s collapse, Russian troops were withdrawn from all the Central Asian states apart from Tajikistan and some token forces on the Kazakhstan and Kyrgyzstan borders with China.

Today, Russia’s paramount concern is also one of security. Russia’s own territory has been threatened by the spillover from Afghanistan through Central Asia of Islamic militancy, terrorism, and drug trafficking. Indeed, from the beginning of his presidency in January 2000, Russia’s President, Vladimir Putin, pushed the idea of a concerted campaign against terrorism.
with American as well as European leaders. He was one of the first to raise the alarm about terrorist training camps in Afghanistan, and to warn of linkages between these camps and well-financed terrorist networks operating in Europe and Eurasia. In addition, Russia actively supported the Northern Alliance in its struggle with the Taliban in Afghanistan. In December 2000, Moscow joined Washington in supporting United Nations sanctions against the Taliban, and later appealed for additional sanctions against Pakistan for aiding the Taliban—all a precursor to cooperation with the United States in the war against terrorism after September 11.

Russia’s other major interest in the region is in Central Asian energy development, with a new focus on gas as markets expand in Europe and Asia. Together, Russia, Iran, and the Central Asian states hold more than half of world gas reserves. Gas is not as mobile as oil and is destined for regional rather than world markets. Retaining a major role in Central Asian gas production and export is a key issue for Russia’s energy industry. Energy analysts doubt that Russia can both meet its domestic demand and growing ambitions for gas exports in the coming decades without having access to and influence over the flow of Central Asian gas.

In addition, Moscow seeks the restoration of Soviet-era communications and trade infrastructure between Russia and Central Asia, and some capacity for increasing Russian private sector investment in the region beyond the energy sector. In line with this interest, Russia has initiated a major project to revive and revitalize the former North-South transportation corridor from Russian Baltic ports down the Volga River, across the Caspian to Central Asia and Iran, and from there to Pakistan and India. In the Soviet period, this served as a major freight route and an alternative to the transportation of goods from Europe to Asia through the Mediterranean and Suez Canal.

All of this makes for a primary focus on economic rather than military and strategic issues for Russia in the region and, therefore, an increased interest in Central Asia’s stability and development.

V. What are the Development Challenges in Central Asia?

American and Russian interests in the stability of Central Asia are challenged by the extreme domestic fragility of the states. Independence has not been kind to Central Asia. The transition from the Soviet command economy and authoritarian political system has been much more complex and difficult than anticipated. The Central Asian states were the poorest and least developed in the USSR and had to begin almost from scratch in their development in the 1990s. In losing Moscow as the center of gravity, the states lost crucial subsidies for budgets, enterprises and households, inputs for regional industries, markets for their products, transportation routes, and communications with the outside world—much of which was filtered through the Soviet capital.

The World Bank estimates that as a result of these losses, between 1990-1996, the Central Asian states saw their economies decline by 20-60% of GDP. Thanks to extensive borrowing from international financial institutions, reforms in the 1990s also saddled regional states with high and unsustainable debt burdens. Landlocked, resource-poor Tajikistan and Kyrgyzstan have fared particularly badly. A staggering 70-80% of their populations have now fallen beneath the poverty line, which puts them among the poorest of the developing countries. Soviet-era attainments in health, education, infrastructure, and industrial development have gradually eroded. As a result of this decline and deprivation, there has been a massive exodus of ethnic Russians and highly-skilled members of indigenous ethnic groups from Central Asia.

In addition, in the last decade, the Central Asian states have largely failed to develop effective post-Soviet state institutions. The legitimacy of their governments remains weak and has not been bolstered by democratic elections. As a result, governments have resorted to authoritarian, Soviet-era methods to retain control of the levers of state—stifling opposition, clamping
down on dissent, harshly cracking down on political manifestations of Islam, and frequently violating political freedoms and abusing human rights. In sum, the prospects for long-term economic and social stability in Central Asia are uncertain.

Before the events of September 11, 2001, there was a growing realization that the accumulation of challenges in Central Asia—especially given the escalating crisis in Afghanistan—demanded attention. But despite these concerns and ten years of development, community involvement, and engagement in the region, Central Asia was a low priority for the United States and other governments. Even for Japan, as the leading bilateral donor in Central Asia, its preeminence was largely the result of the disinterest of others rather than a major priority on the part of the government in Tokyo. In the 1990s, there was no real vision for the regions in world capitals, and no sense of their interaction with issues of global consequence. This changed with the terrorist attacks on the United States and the realization that civil war and acute state failure in Afghanistan had facilitated them.

Within the region, the fate of Uzbekistan is of particular concern. Uzbekistan is the most strategically located of the Central Asian states, with the largest population and the most significant military capabilities and resources, but it has also been a source of regional tension and a logjam for regional development. In the 1990s, a clamp-down on Islamic groups in response to acts of terrorism and militant activities led to the closure of mosques, a ban on political opposition movements, and arrests of practicing Muslims. This forced groups underground and increased support for insurgencies and extremists. In addition, Uzbekistan has had water and territorial disputes with all its neighbors and has used energy exports as a lever to pressure Tajikistan and Kyrgyzstan to make concessions. It has begun to mine its borders against militant incursions, furtherrupturing communication routes from Tajikistan and Kyrgyzstan. And, domestic economic crisis has become the status quo. Through a mixture of currency and exchange rate controls, state orders for its two main export commodities, cotton and wheat, and the good fortune of being self-sufficient in energy, Uzbekistan has muddled along for several years. It has stagnated economically and politically, but defied expectations of collapse and refused to open up and deregulate its economy.

With pressure on Tashkent from the U.S. and other international donors in 2002, it seems that Uzbekistan is now contemplating renewed IMF and World Bank programs and a new phase of the macro-economic reforms. Progress in economic reform, an improvement in its economic performance, the removal of currency controls, and increased readiness to deal with regional issues in a cooperative manner would have major benefits for all of Central Asia. However, there is also a serious risk of increased domestic social dislocation, deprivation, and destabilization from new reforms, which could have disastrous implications for Uzbekistan’s neighbors.

VI. What are the Prospects for Cooperation Between the United States and Russia in Central Asia?

The U.S. campaign in Afghanistan, its assault on Taliban forces including the IMU, and its military presence in regional bases, have vastly improved the security situation in Central Asia. President Putin and other Russian leaders, as well as the governments of Central Asia, have welcomed American action in Afghanistan, although some in Russian military circles are anxious about the prospects of long-term U.S. engagement on Russia’s southern borders. The positive trajectory of overall U.S.-Russian relations fixed at the May 2002 summit meeting between Presidents Bush and Putin in Moscow, and consolidated in subsequent meetings and agreements during the May Russian-NATO summit and the G8 summit in June 2002, has increased prospects for cooperation between the United States and Russia on a number of issues, including Central Asia.
Indeed, in spite of the decline of its own military influence in Central Asia, Russia remains indispensable to the region’s future. Central Asian populations are dependent on Russia for temporary and migrant employment, remittances, and energy subsidies, while Russia is still the primary market for Central Asian goods. To tackle the roots of domestic fragility and prevent Central Asia from becoming a terrorist haven like Afghanistan, the United States will have to work with Russia. Although increased U.S. and international attention to Central Asia has brought additional resources for assistance, international aid will still remain limited and insufficient to cover all pressing development needs. Political interventions will be essential and several critical regional issues will require close cooperation between the United States and Russia, including tackling drug trafficking and HIV/AIDS, promoting energy development, and restoring trade and communications routes.

In the 1990s, Central Asia became the primary conduit for heroin trafficking from Afghanistan to Europe. This has now spawned a huge intravenous drug use problem in Russia, Ukraine, and Iran, and seen the rapid increase of HIV infection and AIDS extending back along the drug routes themselves into Central Asia. Efforts by regional governments to tackle the problem were stymied by the continuation of civil war in Afghanistan and direct linkages between militants and the drug trade. Programs to eradicate heroin production and trafficking, as part of long-term reconstruction efforts in Afghanistan, will require the full cooperation of Russia and all the neighboring states affected. For Russia, drug trafficking, drug use and HIV/AIDS have become a particular concern and security threat. A recent World Bank study of HIV, for example, notes that Russia has the fastest growing rate of new infection in the world, and estimates that by 2020, Russia will have more than 5 million people infected and face a 10.5 percent loss in GDP.

Energy development is seen as key to Central Asia’s economic future and Kazakhstan, Turkmenistan, and Uzbekistan all have considerable oil and gas reserves. Gas is of increasing importance, but Central Asian fields are poorly situated for European and Asian markets and a lack of pipeline infrastructure has constrained the states’ efforts to become independent producers and exporters. All existing export pipelines run through Russia, and international energy companies have failed to make the same inroads into regional gas production as they have in Caspian oil. In the 1990s, a series of ambitious international projects to transport Central Asian gas to world markets—from Kazakhstan to China, from Turkmenistan across the Caspian to Azerbaijan and Turkey, and, again, from Turkmenistan across Afghanistan to Pakistan and India—all eventually ran out of steam. In 2002, Russia promoted an Eurasian Gas Alliance to coordinate gas production, guarantee long-term purchases of Central Asian gas for Russia’s domestic market, and continue to feed Central Asian gas through Russian export pipelines. Russia’s energy industry plays the dominant role in Central Asian gas and Russia’s participation is ultimately unavoidable and essential in any projects—U.S. or otherwise—to develop the region’s energy potential.

Likewise, Russia is key to restoring trade and communications, and to transforming Central Asia into a route for licit rather than illicit trade between Europe and Afghanistan and South Asia. Projects for transporting gas from Turkmenistan and the broader Caspian Basin across Afghanistan to South Asia, which were precluded by the instability in Afghanistan, could one day be revived in the context of a broader effort to restore and improve road, rail and other transportation and communication links. The future restoration of Central Asia’s links with India and Pakistan, which were also ruptured through war in Afghanistan opens up the possibility of access to Pakistani and Indian ports as well as markets for Central Asian goods.

Given Moscow’s ongoing interest in reviving the North-South freight transportation corridor, Russia can play a particularly important role in developing infrastructure and bringing the landlocked Central Asian countries into the
global marketplace. Here, the United States could also play a role by encouraging and assisting Russia in the development of this route as a complement to the East-West transportation routes from Central Asia across the Caspian, to the Caucasus and the Black Sea, promoted by the U.S in the 1990s. While the East-West route became a focus of early competition between America and Russia, the development of a North-South route that binds Central Asia to Europe and Asia could just as easily become a vehicle for cooperation.

Without cooperation between the U.S. and Russia, the prospects for stability in Central Asia are fairly slim. A renewal of competition will undermine both countries’ efforts to ensure their security in the region.