

Chapter Four: Embracing New Variables

For both the United States and Kazakhstan, the second decade of the twenty-first century was a time of adjustment. Both countries worked to internalize the meaning of the twin shocks of 2008 – the financial crisis and the war in Georgia – while both needed to react also to the fallout of new unrest in the Middle East and North Africa, and subsequently also in Ukraine. The two sides also faced challenges in their bilateral relations: U.S. retrenchment in the security field forced Kazakhstan to adapt, while the United States was faced with shifting Kazakhstani domestic policies, many of which were a reaction to an increasingly challenging international environment. Throughout this period, the two sides maintained a fruitful dialogue, and their engagement led to the creation of a new mechanism for U.S. engagement with Central Asia as a whole.

Dealing with Regional and Global Unrest

The longer-term impact of the twin crises of 2008 was not immediately obvious. But it soon became clear that the financial crisis affected the United States and Europe more deeply than any other world region, and led the West to turn increasingly inward. This was clear in President Obama’s stated commitment to “nation-building at home,” and coincided with growing fatigue among the American public with foreign military operations such as the ones in Afghanistan and Iraq. For Kazakhstan, the crisis drove home the risks involved with an economy relying too heavily on the export of oil and gas, and triggered the initial stages of a growing elite commitment to reforms, which would fully blossom several years later.

As for the Georgia war, only with time did it become clear that Russia's invasion of a neighboring state would mark the beginning of a new period in Eurasian geopolitics, one in which great powers felt less fettered by international laws and norms, and were increasingly willing to do whatever they thought they could get away with. Kazakhstan grasped this shift more rapidly than did the United States, however. In fact, due in part to Russia's successful manipulation of the information sphere, American elites only understood the shifting nature of the region's geopolitics when Russia's aggressiveness targeted Ukraine six years later. Until then, many Americans tended either to blame the conflict on Georgia's impulsive leader, Mikheil Saakashvili, or wrote it off as an isolated incident. Kazakh leaders, more attuned to developments in Moscow, immediately grasped that something significant had occurred, and that that "something" had significant potential implications for Kazakhstan's sovereignty. As will be seen, this contributed to an urge for greater control over political developments within the country, but also led Kazakhstan to redouble its efforts to raise the country's international profile.

In the years that followed, the implosion of several states in the Middle East and North Africa became a key concern to both the United States and Kazakhstan. The emergence of ISIS in the Levant posed a threat to regional and global security, and became a common concern for the United States and Kazakhstan. It is curious, however, that the rise of violent extremist Islamism did not lead to a growing appreciation in the West for Kazakhstan's model of secular statehood; instead, it led to growing U.S. attention to issues of religious freedom in Kazakhstan. Meanwhile, Washington's cavalier attitude to the downfall of a long-standing partner in Egypt was perceived with alarm in Astana, and redoubled concerns that had arisen during the "color revolutions" over America's penchant for destabilizing regime change.

The emergence of the conflict in Ukraine, by contrast, brought the United States and Kazakhstan closer together. While Kazakhstan took a cautious approach to the conflict, its direct involvement in efforts to de-escalate the conflict made the country, and particularly its President, an important force in international politics. This doubtless influenced Washington's considerations, and, as it did in Brussels, provided fuel to those who argued for a more structured American engagement with Central Asia.

Business and Commercial Ties after the Crisis

Prior to 2008, Kazakhstan's economy had been booming. On the back of high oil prices, the country experienced a real estate boom and a level of bank lending that was, in hindsight, unsustainable. As a result, the 2008 financial crisis hit Kazakhstan very hard. Only Iceland and Belgium had larger bank failures than Kazakhstan in the aftermath of the crisis.³² However, Kazakhstan was also one of the countries that returned most quickly to stability and growth in the aftermath of the crisis. The government launched a large rescue package, estimated at 14 percent of the country's GDP.³³ More important, the government forced private investors to share the pain, including imposing large "haircuts" on investors, sometimes up to 50 percent. In this sense, the Kazakh rescue package was less of a bailout than what many other countries did. Still, Kazakhstan's economy took a hit. Growth fell to 1.2 percent in 2009 but

³² Anthony Glass and Karligash Kenjegalieva, Thomas Weyman-Jones, "Bank performance and the financial crisis: evidence from Kazakhstan," *Applied Financial Economics*, vol. 24 no. 2, 2014.

³³ Murat Karimsakov, "Kazakhstan's Experience after the Global Financial Crisis," High-level Regional Policy Dialogue on "Asia-Pacific economies after the global financial crisis: Lessons learnt, challenges for building resilience, and issues for global reform," Manila, 6-8 September 2011.

https://www.unescap.org/sites/default/files/Country%20Experiences%203_Kazakhstan_Murat%20Karimsakov_Paper.pdf

began rising in the years that followed to mid-single digits before dropping again to roughly one percent following the oil price collapse of 2015.³⁴

The 2008 crisis was important because it caused alarm bells to ring in the centers of Kazakh power. It drove home the point that Kazakhstan could not remain so reliant on incomes from the production of oil, gas, and other primary resources. This demanded that the diversification of the economy become a top priority. This in turn required serious economic reforms that would facilitate business and commerce, both at home and in the region. Over time Kazakhstan's leadership also came to realize that such a program of economic reform would not be possible without political reforms. For the time being, however, the government in 2010 focused on a Strategic Development Plan to diversify economy. This addressed improvements of the business climate, which brought results that became visible almost immediately: between 2011 to 2012, Kazakhstan rose from 58th to 47th place in the World Bank's "Ease of Doing Business index.

As these reforms were proceeding in Astana, the United States cemented its role as a key investor in Kazakhstan's economy. In fact, during the early 2010s, the U.S. was second only to the Netherlands, where many multinational oil companies are registered. U.S. direct investment in Kazakhstan amounted to between ten and fifteen billion dollars per year, ahead of France and China, and more than double the figure for Russia.³⁵

³⁴ Mark Smith, "Kazakhstan in 2012: Moving Beyond the Crisis," *World Finance Review*, March 2021.

https://www2.deloitte.com/content/dam/Deloitte/kz/Documents/media/KZ_Kazakhstan_in_2012_Moving_Beyond_the_Crisis.pdf

³⁵ World Bank, "Kazakhstan Economic Update", no. 2, Fall 2015.

<http://documents1.worldbank.org/curated/en/619601467991052702/pdf/101506-REVISED-NWP-PUBLIC-Box394815B-KAZ-FOR-WEB.pdf>

Still, the lion's part of this new foreign direct investment continued to be focused on the energy sector. In 2015 alone, a consortium led by Chevron announced that it would commit a further \$37 billion to the development of the Tengiz oilfield.³⁶ Investments in the non-oil sector paled by comparison.

Still, the U.S. committed to play an important role in Kazakhstan's efforts to diversify its economy. In 2012, a Kazakhstan-U.S. energy partnership plan to develop cooperation to improve energy efficiency and expand the production of renewable energy. Under this program, the two governments joined to "support joint training and capacity building projects to promote energy management systems, industrial energy audits, as well as the mapping of Kazakhstan's geothermal energy resources."³⁷

As a result, the focus of U.S. economic policy gradually shifted from oil and gas to other sectors. But while the rising level of direct American investment is impressive, the same cannot be said for trade. The European Union, Russia and China account for three quarters of Kazakhstan's foreign trade, but the role of the U.S. is comparatively small, with trade amounting to only \$ 2.4 billion in 2014. Among the various sectors, the role of manufacturing was relatively stable, coming in at between \$1 billion and \$1.5 billion. While starting from very low numbers, the trade in agricultural goods showed strong growth, rising from \$18 million to \$68 million between 2009 and 2014, and to \$116

³⁶ "Chevron-led Consortium to Invest Up to \$37 Billion in Kazakh Oil Field," *Wall Street Journal*, May 25, 2016. (<https://www.wsj.com/articles/kazakh-energy-minister-says-chevron-led-consortium-to-invest-up-to-37-billion-in-oil-field-1464166413>)

³⁷ Richard Weitz, "New Kazakhstan-US Energy Partnership Plan Adopted," *Eurasia Daily Monitor*, November 2, 2012. (<https://jamestown.org/program/new-kazakhstan-us-energy-partnership-plan-adopted/>)

million in 2016. Overall Kazakh exports to the U.S. increased by several orders of magnitude during the same period.³⁸

The government of Kazakhstan continued to lay the ground for improved economic relations. In 2014 it passed a new law aimed at improving the investment climate. Among other steps, it offered preferential treatment for investors in "priority investment projects."³⁹ And by 2015, the efforts of the two governments were crowned by Kazakhstan's official accession to the World Trade Organization, twenty-one years after it initially applied for membership.

These developments were overshadowed by more negative developments during 2014. The collapse of oil prices late in the year and the deterioration of Russia's relations with the West led to Western sanctions on Russia that contributed to a sharp downturn in the Russian economy. This in turn had an indirect but significant impact on Kazakhstan due to the country's close trade ties with its northern neighbor. Kazakhstan's economy contracted in early 2016, to the point that the government was forced to float the value of the Tenge, which led to a deep depreciation against the U.S. dollar. But in 2016 the economy managed to return to low single-digit growth.⁴⁰

Kazakhstan opposed the Western sanctions regime, but this was not allowed to affect the bilateral U.S.-Kazakhstan relationship. Indeed, we will see shortly that U.S.-Kazakhstan relations reached a new high from 2016 onward.

³⁸ Office of the United States Trade Representative, "U.S.-Kazakhstan Trade Facts," October 2, 2020. <https://ustr.gov/countries-regions/south-central-asia/kazakhstan>

³⁹ Vladimir Kononenko and Anthony Mahon, "New Investment Incentives to Become Available in Kazakhstan," Deloitte, September 1, 2014. <https://www.expertguides.com/articles/new-investment-incentives-to-become-available-in-kazakhstan/new0in14>

⁴⁰ World Bank, "Kazakhstan Economic Update," Summer 2016. <https://www.worldbank.org/en/country/kazakhstan/publication/economic-update-summer-2016>

Nuclear Security: A Conversation Starter

In April 2009, the newly elected U.S. President Barack Obama articulated his vision of a world without nuclear weapons. This departed from earlier U.S. policy that had considered nuclear disarmament to be a goal, but did not aim at the total abolition of nuclear weapons. Obama has been criticized for doing very little to implement his vision; critics point out that his predecessor George W. Bush reduced the U.S. nuclear arsenal at a much faster pace than did Obama.⁴¹ Still, President Obama put nuclear disarmament front and center in U.S. foreign policy, and created a new format – the Nuclear Security Summits – to put the issue front and center at meetings of world leaders.

Kazakhstan, as we have frequently noted, had long since made opposition to nuclear arms a central element of its foreign policy. President Obama’s conviction that the notion of achieving security through mutual nuclear deterrence was now obsolete echoed the many statements President Nazarbayev had made over the years.⁴² Two days after Obama’s speech, President Nazarbayev, speaking during a visit of Iran’s President Mahmoud Ahmadinejad, announced Kazakhstan’s interest in hosting an international nuclear fuel bank to hold Low-Enriched Uranium,⁴³ an idea developed by the U.S.-based Nuclear Threat Initiative and supported by the International Atomic Energy Agency. Obama’s policies, and Nazarbayev’s initiatives that kept Kazakhstan in

⁴¹ William J. Broad, “Reduction of Nuclear Arsenal Has Slowed Under Obama, Report Finds,” *New York Times*, May 26, 2016. (<https://www.nytimes.com/2016/05/27/science/nuclear-weapons-obama-united-states.html>)

⁴² Emanuelle Maitre, “Kazakhstan’s Nuclear Policy: An Efficient Niche Diplomacy?” *Fondation pour la Recherche Stratégique*, Note 10, July 2018, p. 6. (<https://www.frstrategie.org/sites/default/files/documents/publications/notes/2018/201810.pdf>)

⁴³ David Dalton, “Kazakhstan Offers To Host International Fuel Bank,” *Nucnet*, April 8, 2009. (<https://www.nucnet.org/news/kazakhstan-offers-to-host-international-fuel-bank>)

the forefront of nuclear politics, ensured that Kazakhstan's long-standing strategy of using nuclear diplomacy to confirm commonalities with U.S. priorities would once again pay off.

The Nuclear Security Summits, held on a bi-annual basis from 2010 onward, provided regular opportunities for Presidents Obama and Nazarbayev to meet bilaterally. At their April 2010 meeting in Washington, the U.S. negotiators agreed to work with Kazakhstan to develop "a substantive agenda for an OSCE Summit," thus bringing the U.S. closer to supporting the convocation of such a summit at the end of the year.⁴⁴ The two also took the opportunity to discuss other matters, including the ongoing conflict in Afghanistan, U.S. use of Kazakh airspace for transit to Afghanistan, and Kazakhstan's domestic reforms.⁴⁵ They met again in Seoul two years later, an occasion at which President Obama went out of his way to acknowledge the example set by Kazakhstan's denuclearization.⁴⁶ Their meeting at the Hague in March 2014 was overshadowed by the Russian annexation of Crimea, which was unfolding at the time of the summit. Given President Nazarbayev's role in seeking to mediate the Ukraine conflict, it is safe to assume that this issue dominated his bilateral meeting with President Obama. Finally, in 2016 the two leaders met again in Washington. This summit also marked a diplomatic achievement for Kazakhstan, as it endorsed the creation of the International Low Enriched Uranium Bank in Kazakhstan, which opened its doors the next year.

⁴⁴ Wolfgang Zellner, "From Corfu to Astana: The Way to the 2010 OSCE Summit," *Security and Human Rights*, vol. 21 no. 3, 2010, p. 236.

⁴⁵ Jim Nichol, "Kazakhstan: Recent Developments and U.S. Interests," CRS Report for Congress, July 22, 2013, p. 21. (<https://apps.dtic.mil/sti/pdfs/ADA589533.pdf>)

⁴⁶ "Remarks by President Obama and President Nursultan Nazarbayev of the Republic of Kazakhstan Before Bilateral Meeting," White House, arch 26, 2012. (<https://obamawhitehouse.archives.gov/the-press-office/2012/03/26/remarks-president-obama-and-president-nursultan-nazarbayev-republic-kaza>)

These developments all underscore the fact that nuclear diplomacy formed a key element in U.S.-Kazakhstan relations during the Obama administration. While the relationship was already strongly established at the bureaucratic and diplomatic level, every presidential transition in the United States leads to shifts in attention and priority in U.S. foreign policy. President Obama's attention to nuclear disarmament aligned perfectly with long-standing Kazakh priorities, and provided a stable ground for the development of a high-level dialogue between the two countries. As will be seen, this commonality of purpose also provided a level of inoculation for Kazakhstan against the growing activism of the critics of Kazakhstan's domestic issues both inside and outside the U.S. government.

Kazakhstan's Global and Regional Role

Kazakhstan's growing role in international affairs drew increased attention from U.S. policy-makers during this period. Kazakh and American leaders did not always agree on every matter, but it became clear to U.S. officials that Kazakhstan was a force to be reckoned with, and one that played a constructive role in the management and resolution of both regional and global problems.

We have seen that Kazakhstan's Presidency of the Organization for Security and Co-Operation in Europe (OSCE) had been controversial in the United States, due to disagreements over the pace of Kazakhstan's domestic reforms. The U.S. government had been skeptical of holding a summit for the OSCE, something that had not occurred since 2000, but eventually came around to support the Astana Summit of December 2010. Kazakhstan's OSCE presidency also demonstrated Kazakhstan's ability to intervene positively in regional disputes.

The April 2010 Nuclear Summit happened to coincide with unrest in Kyrgyzstan that led to the downfall of Kurmanbek Bakiyev's presidency. The ousted President had ensconced himself in his native region in the south of Kyrgyzstan, protected by numerous supporters. Meanwhile, in the north protesters demanded Bakiyev's arrest on account of his order to security forces to fire on protesters in Bishkek, leading to the deaths of some one hundred people. This set the stage for a growing confrontation that threatened to rip Kyrgyzstan apart and to exacerbate regional divisions that had plagued the country since independence.

During the Washington Summit, Nazarbayev conferred with President Obama and Russian President Dmitry Medvedev and obtained their support for Kazakhstan's initiative to airlift Bakiyev out of the country. After a short time in the eastern Kazakhstan city of Taraz, Bakiyev was granted asylum in Belarus. Kazakhstan's timely intervention helped lower tensions in Kyrgyzstan, and indicated its ability to act when needed to maintain regional stability. The coordination with both the U.S. and Russia further strengthened Kazakhstan's role as a go-between that could act with the support of great powers that otherwise were deeply suspicious of each other's intentions.

Building on this experience, Kazakhstan stepped into the Iranian nuclear issue. While the Obama administration had invested considerable capital in its outreach to Tehran and had begun to participate fully in the P5+1 negotiations with Iran, by the summer 2012 these talks had reached an impasse. Kazakhstan then offered to hold further negotiations, which took place in Almaty in February and April 2013. These meetings did not lead to any concrete results, but kept the negotiation process alive until the election of Hassan Rouhani as Iran's president in June. That set the stage for new talks in Geneva later in the year, at which the contours of the Iranian nuclear deal, concluded in June 2015, began to take shape.

Whatever the exact contribution of the Almaty talks, they demonstrated once more Kazakhstan's convening power and that it had earned the trust of major powers, including both the West and Iran.

During the year following Kazakhstan's involvement in the Iranian nuclear negotiations, conflict erupted between Russia and Ukraine. This conflict, and the ensuing standoff between Russia and the West, alarmed Kazakhstan on several levels. Both Russia and Ukraine were important partners to Kazakhstan, and Western sanctions on Russia had had significantly affected Kazakhstan's economy. Kazakhstan was also alarmed by the territorial conflict between the two countries. While Kazakhstan has continuously signaled its support for Ukraine's territorial integrity, it also expressed "understanding" for the Russian position on Crimea.

This position generated controversy in the West, but its background remains poorly understood. The Soviet transfer of Crimea to Ukraine in 1954 was followed by the transfer of large parts of southern and western Kazakhstan to Uzbekistan and Turkmenistan. These transfers, unlike that of Crimea, were subsequently reversed following Leonid Brezhnev's accession in 1964. Because of this history, Kazakhstan was hostile to the Khrushchev-era boundary changes, leading to its "understanding" of Russia's position.

Kazakhstan was still more concerned over the conflict in eastern Ukraine, because of Putin's launch of the concept of "Novorossiya", or "New Russia" raised the obvious question of whether Russian nationalists considered Kazakhstan's northern territories part of this new entity, and what possible implications this would have on Kazakhstan's ethnic Russian population. These considerations forced Astana to walk a tightrope. Its resulting maneuvers included actions that disappointed Ukraine and its Western partners, as well as actions that disappointed

Russia. Thus, Moscow strongly opposed Kazakhstan's early outreach to the post-Maidan Ukrainian government.

Rejecting the role of bystander to these events, President Nazarbayev took an active role in seeking to maintain dialogue both between Russia and Ukraine and between Russia and the West. Because of geographic reasons, Minsk became the most frequent locale for meetings between the protagonists, but Kazakhstan did more than any other country to make these talks happen – most notably an August 2014 summit involving the Eurasian Customs Union, the EU, and Ukraine. Unlike Kazakhstan, Belarus had troubled relations with both Russia and the West, restricting its ability to serve as a go-between. President Nazarbayev, on the contrary, made the most of his extensive relations with world leaders to maintain dialogue among the relevant parties.⁴⁷ Although the U.S. was not a direct party to the resulting negotiations, this conflict in Ukraine was, along with Syria, the top concern of U.S. foreign policy at the time. This engendered frequent consultations with Kazakhstan, including at the presidential level.

Kazakhstan would later be centrally involved in hosting peace talks on Syria as well. But it was already clear to U.S. policy-makers in 2014 that Kazakhstan was an important and independent partner with significant convening power, and that it had served a worthy role in resolving conflicts and crises of importance to U.S. national security.

America's Ambivalence

During the years 2010 to 2015 the ramifications of the 2008 financial crisis for U.S. policy became clear. America sought to reduce its global

⁴⁷ See extensive discussion in Svante E. Cornell and S. Frederick Starr, *Kazakhstan's Role in International Mediation under First President Nursultan Nazarbayev*, Washington & Stockholm: CACI & SRSP Silk Road Paper, 2020. (<http://silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13397>)

footprint, a decision that had profound implications for Kazakhstan. The Obama administration's approach was nevertheless a mixed bag. Astana viewed favorably the Obama administration's outreach to Iran, for it considered a negotiated solution to the Iranian nuclear question as a far superior outcome to a military conflict that would foment regional insecurity and generate renewed friction among the great powers that Kazakhstan relied upon for its own security and economic development. Astana was at best lukewarm to Obama's "Reset" with Russia. While it welcomed an improvement of relations between the two superpowers, it was nevertheless apprehensive of the prospect that the "Reset" would lead to America's disengagement from Central Asia.

That prospect was made worse by the American position on Afghanistan: President Obama's December 2009 declaration that the U.S. would leave Afghanistan by the end of 2011 caught Kazakhstan and its neighbors by surprise – not only because they had not been consulted prior to the decision, but because they questioned the logic of initiating a military "surge" while simultaneously declaring an end date to that operation. Astana feared that the Obama administration was signaling that the U.S. was mainly concerned with an exit strategy, with little forethought concerning the conditions and consequences of doing so. Like it or not, the United States gave Kazakhstan and other Central Asian states ample reason to question whether it would continue to play the role of a balancer to Russian and Chinese domination in the region.

A keystone of Kazakhstan's foreign policy was to minimize friction between its great power neighbors and the West. Kazakh authorities therefore welcomed Obama's intention to seek an improved relationship with Moscow, but they clearly perceived that this "reset," contrary to Washington's protestations, would lead inevitably to a decrease in U.S. engagement with states of Central Asia and the Caucasus, and hence a

softening of U.S. opposition to provocative Russian moves in those regions. They noted, for example, that the Americans did not let Russia's continued aggressive moves against Georgia stand in the way of its own reset diplomacy. Nor, they observed, did the U.S. raise its voice when Moscow bullied Ukraine's new president, Viktor Yanukovich, into significant strategic concessions, including a prolongation and expansion of Moscow's naval base at Sevastopol, as well as Moscow's growing influence over Ukraine's security institutions. Likewise, the Obama administration did not take Moscow to task for compelling the Kyrgyz government to close the U.S. air base at Manas, or for waging an ultimately successful campaign to unseat the Bakiyev regime in Bishkek after it reneged on its promise to Moscow to do so. Indeed, it was Russian energy companies' price hikes, as well as Moscow's state media's orchestrated campaign against Bakiyev, that triggered the 2010 revolution in the first place and the ensuing violence in southern Kyrgyzstan – which had forced Astana to intervene to airlift Bakiyev out of the country. The United States did not even object when Russia proposed a military intervention in Kyrgyzstan that year, leaving it to China and Uzbekistan to lead the opposition to such a move. To Kazakhstan, this signified a reduction of America's strategic commitment to the countries of the region and to its own independence from Moscow, which had been a stated goal of U.S. policy since 1991.

Obama's policy on Afghanistan exacerbated all these concerns. Central Asians had not welcomed the Bush Administration's decision to focus its energies on Iraq instead of Afghanistan. In fact, this shift of U.S. attention away from their neighborhood had been a major issue, as the countries of the region had taken considerable risk in lending support to the U.S. war effort against the Taliban and Al Qaeda. They therefore welcomed Obama's initial distinction between Iraq and Afghanistan, and his defining of Afghanistan as the "good war" in his 2008 electoral campaign.

Indeed, Obama's election platform committed \$1 billion in additional non-military aid to support development in the country.

Once in power however, Obama engaged in a lengthy policy review that perceived a growing conflict between this commitment to Afghanistan and the anti-war faction of the Democratic party, fueled by America's fatigue with foreign wars. In the end, Obama tried to have it both ways: while announcing a "surge" in Afghanistan in December 2009, he committed far fewer additional forces than U.S. commanders on the ground had asked for; at the same time Obama also pledged to withdraw forces by the end of 2012. This policy shook Central Asian leaders, including Kazakhs: they had not been consulted in this decision. Moreover, the announcement of an end date struck them (as it did many Americans) as counter-productive, notifying the Taliban that they need only outlast the Americans in order to prevail.

A further factor complicating relations between Astana and Washington was the U.S. response to the Arab upheavals, which began with the overthrow of the Ben Ali regime in Tunisia and culminated with the removal of Hosni Mubarak in Egypt. This was followed by civil wars in Syria and Libya, where strongmen refused to leave office. As had happened during the "color revolutions" of 2003-05, the United States welcomed these developments as democratic breakthroughs. If anything, the U.S. commentariat was even more enthusiastic, envisaging a bright, democratic future for the Middle East. In fairness, members of the Obama administration were deeply divided on the issue, and were subjected for criticism of not going far enough in support of what was deemed "democratic" change. Responding to such voices, Obama stated in May

2011, that “it will be the policy of the United States to promote reform across the region, and to support transitions to democracy.”⁴⁸

The Kazakh leadership considered these upheavals to be reminiscent of the “color revolution” in neighboring Kyrgyzstan and dangerous harbingers of instability and chaos. Kazakhstan’s leaders viewed their own experience of the 1990s as testimony to the value of gradual and evolutionary change. Their perspective remained marked by the chaos that engulfed Tajikistan and the South Caucasus. In both places they had observed revolutionary changes that had led, in their view, to mayhem and deprivation.

Subsequent events have not proven them wrong. Only two countries, Georgia and Tunisia, have emerged relatively unscathed from their revolutions, while Egypt, Kyrgyzstan, Libya, Syria, Ukraine and Yemen have all succumbed to internal conflicts and instability – and even Georgia and Tunisia look increasingly shaky. Is it any surprise that Kazakhstan’s leaders thought the Obama administration’s approach to the Arab upheavals was dangerously naïve, and reflected poorly on the value of the United States as an ally? America’s apparent support for regime change across the Middle East may thus have strengthened the forces advocating Kazakhstan’s membership in the Eurasian Customs Union and the subsequent Eurasian Economic Union, and led it, at least temporarily, to take a dimmer view of the United States as a partner.

Taken together, these developments led Kazakhstan and its neighbors to question America’s commitment to their region’s security and independence, while also leading them to wonder whether Washington might one day support their own violent overthrow. It indicated the

⁴⁸ White House, “Remarks by the President on the Middle East and North Africa,” May 19, 2011. (<https://obamawhitehouse.archives.gov/the-press-office/2011/05/19/remarks-president-middle-east-and-north-africa>)

gradual weakening of the bipartisan support in the United States for a policy that saw Central Asia as an important world region in its own right, whose independence from Russia was in Washington's interest to maintain. This posed a particular problem for Kazakhstan, because its foreign policy explicitly sought to maintain a multi-vector and balanced relationship with world powers. This policy was feasible only if the different "vectors" in this policy play the role assigned to them, i.e., by balancing each other through their presence in Central Asia. If the United States proves unwilling to play that role it would undermine Kazakhstan's effort to maintain its independence.

The Freedom Agenda and the Human Rights Issue

Parallel with these developments, many Americans concerned with the fate of civil society and human rights in the newly independent states and Kazakhstan in particular intensified their activities during the years 2009-2012. The government's Institute of Peace in Washington, the Carnegie Corporation the Open Society Institutes, Human Rights Watch, and various religious organizations all focused fresh attention on Kazakhstan during the first years of the Obama administration. These groups interacted with state institutions and especially with non-governmental organizations that had sprung up in Kazakhstan itself, often with American or European funding.

Many of these contacts gave rise to dialogues which both sides deemed to be productive. This was particularly true of projects the International Republican Institute and National Democratic Institute mounted with Kazakhstani counterparts. The Kazakh government was well aware that Soviet rule had left a legacy of unresolved issues in the area of human rights, civil society, religious life, and freedom of the press and initially saw these initiatives as positive steps towards their resolution.

At the same time, many of these contacts proved problematic for both sides. Some American champions of civil rights and civil society concluded that Kazakhstani officials were stonewalling or outright opposing their efforts. Within the State Department itself, the Bureau of Democracy, Human Rights, and Labor adopted a staunchly oppositionist stance to what it considered retrograde policies of all the Central Asian governments, including Kazakhstan. Not only did this agency often run roughshod over superior officials at State, but it took its campaigns directly to Kazakhstan itself. Not surprisingly, many senior figures there concluded that some of their official and unofficial American guests were more interested in publicly dressing down their hosts than in finding practical solutions to the problems at hand. And while American advocates of civil society and human rights considered it quite normal to form collaborative relations with citizens and groups in Kazakhstan, their official hosts judged them to be subverting the existing order and moved to close down several of them. These tensions reached a peak during the years 2008- 2012.

Back in Washington, the Department of State was required by law to monitor human rights worldwide and submit regular reports to Congress on its findings. The research team at the Bureau of Democracy, Human Rights and Labor was understaffed and linguistically underqualified for the task at hand. Given this, its officers, like those in the U.S. Commission for International Religious Freedom, chose to rely on reports they had received “over the transom” from organizations and special interests in the human rights field. The Bureau itself had little capacity to verify its own reporting and Congress had failed to demand verifiable evidence for the Bureau’s claims. Nor did Congress ask that reports include practical steps for resolving the various issues that arose. The blend of valid insights and biased reportage contained in the Bureau’s annual reports to Congress became part of the public record and

were often assumed to be authoritative, which was scarcely the case. This process, shaped by bureaucratic requirements and distorted by special interests and untested reporting, did much to exacerbate a tense situation.

A particularly sensitive issue was the question of religious freedom. While living under Communism, Kazakhstanis had long been accustomed to complete state control over religion. After gaining independence, Kazakhstan joined its neighbors in allowing religious life and began the task of dismantling the institutional atheism that had existed under Soviet rule. To this end it adopted a secular form of government broadly akin to what exists in the West. Curiously, this important fact was rarely acknowledged by Western powers; suffice it to say that America's 1992 Freedom Support Act makes no mention of the need to safeguard secular laws, courts and systems of education.

Kazakhstan's population is more secular-oriented than their neighbors in Central Asia and were therefore comfortable in adopting policies that separated religion from the state. They did not seek the complete blending of state and religion common in Muslim societies. But by the 2000s intolerant and extremist forms of Islam were spreading throughout the region. To counter this development, Astana sharpened its regulation of religious activity, for which it was soundly criticized by both governmental and non-governmental organizations in America.

The backdrop to this controversy lay in two peculiar circumstances. First, at independence Central Asian states faced the legacy of seven decades of communism, during which traditional religious institutions had been thoroughly suppressed. This meant that they were at a comparable disadvantage to well-funded and assertive religious forces that began to proselytize in the region. These included radical and even extremist Muslim groups from the Gulf, South Asia and Turkey, as well as some

proselytizers from other faiths. smaller denominations from across the globe. In the growing confrontation between traditional indigenous religious forces and more radical currents from abroad, Central Asian states including Kazakhstan decisively sided with the former. Restrictions that Kazakhstan's government imposed on foreign religious activists were designed, first, to allow traditional religious life to recuperate from Soviet repression and, second, to thwart the spread of radical Islam from the Middle East and South Asia. In so doing, Kazakhstan adopted a conception of secularism reminiscent of France's *laïcité*, which allows a sphere for religious practice but also seeks to maintain society's freedom *from* religion.

This links to the second peculiar circumstance, namely the predominance in America of an approach to secular governance that prioritizes state neutrality towards religion and the absolute primacy of the religious freedom for the individual.

American activists and government officials largely failed to recognize the validity of Kazakhstan's concerns in the religious field, and instead charged that Kazakhstan's restrictive approach was directed against "especially pious" individuals, by which they actually meant extremist missionaries. Some even claimed that Kazakhstan was driving the pious into the arms of extremists. Such claims, while widespread, were never backed up by facts, and have been disproven by the literature on sources of extremism that has mushroomed in the past two decades.⁴⁹

Many Americans understood this, as well as other issues that had arisen between the U.S. and Kazakhstan. Seeking a more balanced approach, members of Congress formed a Kazakhstan Caucus to promote good

⁴⁹ Svante E. Cornell, "Central Asia: Where Did Islamic Radicalization Go?" in *Religion, Conflict and Stability in the former Soviet Union*, eds. Katya Migacheva and Bryan Frederick, Santa Monica: RAND Corporation, 2018.

relations with that country. Rather than advancing specific responses to this and other sources of misunderstanding between the two peoples, the Congressional Caucus, aided by U.S. ambassadors and business leaders, have promoted contacts and exchanges through which each side can gain a better understanding of the other's concerns.

From “New Silk Road” to C5+1

Kazakhstan, like its neighbors throughout Central Asia, suffered greatly from its landlocked status and from the fact that its sole land links with the outer world were through Russia or China. Even though age-old transport links had tied the region with South and Southeast Asia, Soviet rule had closed these off throughout most of the twentieth century.

To rectify this situation the United States' “New Silk Road” initiative was launched in July 2011, in a speech by Secretary of State Hillary Clinton in Chennai, India. The concept, borrowed from analyses carried out largely by those involved with the present study, was simple and powerful: to release the potential of Afghanistan's economy by re-establishing its age-old status as a “roundabout” between routes leading west to the Middle East and Europe, north to Central Asia, and east to the Indus Valley; that is, Pakistan, India, and Bangladesh.⁵⁰

This vision called for both hard and soft infrastructure that did not exist, and at the same time demanded diplomatic efforts to resolve decades-old border tensions that were preventing trade. Neither of these were forthcoming. In spite of the potential of the New Silk Road concept, the office charged with implementing it was never given the budget needed to carry out its mission, let alone to finance key projects.

⁵⁰ S. Frederick Starr, ed., *The New Silk Roads: Transport and Trade in Greater Central Asia*, Washington, D.C.: Central Asia-Caucasus Institute & Silk Road Studies Program, 2007. (<http://silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13125>)

After Secretary Clinton delivered her Chennai speech she never again mentioned the New Silk Road in a public address. More troubling was the fact that neither President Obama nor the National Security Advisor ever mentioned it either, indicating that it did not benefit from high-level political support in Washington. By 2012, Secretary Clinton was out, replaced by John Kerry, who made no indication of taking interest in the project. Critics began to ask whether the “New Silk Road” was not simply the convenient cover for a U.S. departure from Afghanistan.

The New Silk Road’s creation however did draw the attention of both Moscow and Beijing. In Moscow, it accelerated efforts to draw Central Asia into Russian-led institutions, and led Foreign Minister Sergey Lavrov to fume about American designs on “Greater Central Asia.” When it became clear that the U.S. government was not willing to fill the initiative with content, however, Beijing made a decisive move. Speaking in Astana in 2013, President Xi Jinping announced the creation of its own “Silk Road Economic Belt,” a precursor to the Belt and Road Initiative. Brazenly appropriating the name of the U.S. initiative, Xi nevertheless backed it with serious financial resources and high-level political attention. Of course, China’s financing schemes have tended to saddle recipient states with onerous debt, but Beijing’s response to the U.S. initiative clearly showed the weakness of America’s commitment to the region.

The failure of Washington’s New Silk Road initiative did not obviate the need for a format for U.S. regional dialogue with Central Asia. As early as 2004 Japan had launched a dialogue format called “Central Asia plus Japan,” which featured yearly meetings between Japanese and Central Asian foreign ministers or senior officials. Soon after, the European Union launched a similar platform of “EU-Central Asia Ministerial Meetings.” By the early 2010s, the United States was the main major

power to lack a policy instrument for regional dialogue with Central Asia.

Forces both within and outside the U.S. government sought to remedy this lacuna. Such an idea had been advanced already in the mid-2000s by the Government of Uzbekistan. The deterioration of U.S. relations with Tashkent following the events of 2005 nevertheless made such a format impracticable at the time. By 2010, however, the U.S.-Kazakhstan relationship had developed to the extent that the countries launched Annual Bilateral Consultations under Strategic Partnership, a framework that allowed the two governments to consult and cooperate on a variety of matters including their bilateral relations and regional questions. In 2014, a group of American and Kazakh scholars (including both of the present authors) raised the prospect of creating a consultative entity similar to that originally created by Japan. They argued, however, that it should include Afghanistan as well, thus creating a “Central Asia Six Plus One” format with the United States.⁵¹

The idea was well-received in Astana, and the development of the U.S.-Kazakhstan relationship made it possible once again to raise the subject at the highest levels in Washington. Kazakh Foreign Minister Erlan Idrissov made a case for it when visiting Washington and meeting with John Kerry in December 2014. The State Department responded positively, and in September 2015, Secretary Kerry met on the sidelines of the UN General Assembly in New York with the Foreign Ministers of the five Central Asian states. At this meeting, they resolved to institute the new mechanism, which would be known as the C5+1.

⁵¹ S. Frederick Starr, Bulat Sultanov, S. Enders Wimbush, Fatima Kukeyeva, Svante E. Cornell and Askar Nursha, *Looking Forward: Kazakhstan and the United States*, Washington: CACI & SRSP Silk Road Paper, September 2014. (http://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2014_09_SRP_StarrAI_Kazakhstan-US.pdf)

While the format omitted Afghanistan, it finally led to the creation of a mechanism for high-level consultations between the United States and Central Asia. The first C5+1 meeting was held in November 2015 in Samarkand. Under the C5+1, the six countries set up working groups on regional economy and trade, environmental protection and renewable energy, as well as regional security. Based on a \$15 million appropriation from the U.S. Congress, a series of projects have been started under the format, including in the areas of business development, counter-terrorism, and transport corridor development.