

## **Chapter Five: New Focus, New Grounding**

Even though the arch of Kazakhstan-US relations has remained quite stable over three decades, circumstances have demanded important adjustments from time to time. At no point has this been more urgently necessary than in the years 2015-2021. During this most recent phase of the relationships, important geopolitical shifts have occurred globally, affecting the course of both domestic and foreign policy in both Kazakhstan and the United States. In the same period the broader Central Asian region, of which Kazakhstan is a part and in which the U.S. maintains important interests, has also shifted dramatically, with a notable increase in intra-regional cooperation and coordination.

All of these developments have directly impacted the U.S.-Kazakhstan relationship. To their credit, both countries have responded to them with deliberate and productive policies. As a result, patterns that had been set early in the relationship evolved in significant ways, but without changing the basic character of their mutual ties.

### **Global Geopolitical Shifts:**

By the mid-2010s a key geopolitical shift had become apparent. This shift had roots going back to the twin crises of 2008, but did not become obvious until later. The post-cold war era had seen a period of relative harmony in relations among great powers, with a dominance of the United States and Europe as well as the institutions they led and the norms of international politics they defended. From 2001 onward, the issue of terrorism dominated global geopolitics, contributing to considerable cooperation among great powers. But because of the rapid

rise of non-Western powers and the troubles of the U.S. and Europe following the 2008 financial crisis, this gradually gave way to a new period, with more pronounced competition among global and regional great powers, and a visible weakening of the rules-based international order. This shift would become of key importance for U.S.-Kazakh relations, not least because Central Asia would be at the geographic epicenter of this strategic competition.

New policies adopted by both China and Russia helped shape this new environment. In September 2013, Chinese leader Xi Jinping announced his country's Belt and Road Initiative that offered financing for major transport and port developments worldwide. On August 6, 2015, Russia along with Armenia, Belarus, and Kazakhstan, later joined by Kyrgyzstan, officially launched the Eurasian Economic Union. This entity is nominally dedicated to the advancement of economic integration among the member states; but it soon became clear that Moscow's intentions in launching the EEU were as much political as economic.

Meanwhile, an ongoing civil war in Syria by 2015 had drawn the direct engagement of external powers, with Iran and Russia supporting the Assad regime against the Islamic State forces and the United States and Turkey forming a coalition against both the Islamists and the Assad government in Damascus. Further complicating the picture were growing calls in both the United States and some of its allies for the termination of the NATO military mission in Afghanistan.

Together, these changes intensified rivalries among the major powers and forced all affected states, including Kazakhstan, to adjust accordingly.

A further global current affecting both Kazakhstan and the U.S. was the growing concern over climate change. Both American oil companies and

the Kazakh government itself realized that this would eventually spell the end for the country's hydrocarbon-based economy and lead to the need for a new economic strategy.

### **A New Spirit of Cooperation in Central Asia**

Yet another geopolitical factor affecting U.S.-Kazakhstan relations in this period were dramatic changes occurring within Central Asia itself. While Kazakhstan had long argued for greater coordination and cooperation among regional states, efforts in this direction had failed to reach success. In the late 1990s, Kazakhstan, Uzbekistan and Kyrgyzstan spearheaded a "Central Asia Union" that subsequently was rebranded as "Central Asia Cooperation Organization," which Tajikistan also joined. But this initiative was derailed by two chief factors: first, the armed Islamist incursions into the region of 1999-2000 led states to emphasize their sovereignty and security, leading them to emphasize boundaries rather than seek to work across them. Second, Moscow saw Central Asian cooperation as a challenge to its efforts to restore its primacy across the former Soviet Union, and therefore demanded to join the CACO. Having done so, Moscow ensured the merger of CACO with Eurasia-wide cooperative ventures engineered by Moscow.

The far-reaching program of reform instituted by Uzbekistan's new President Shavkat Mirziyoyev from late 2016 onward changed matters. While his domestic reforms would require long and difficult implementation, Mirziyoyev was able to rapidly transform Tashkent's approach to international affairs and in particular its approach to other Central Asian states. Under Mirziyoyev's predecessor, Islam Karimov, Tashkent had frequently taken a cautious and skeptical approach to its neighbors. Mirziyoyev instead launched an opening to its four Central

Asian neighbors, including Kazakhstan, and Afghanistan as well. This led to rapid improvement of relations throughout the region,

President Nazarbayev immediately understood the potential of these changes for Central Asian cooperation, something that would complement the Eurasian cooperative structures Kazakhstan was part of. As a result, when Mirziyoyev suggested to Nazarbayev a meeting of Central Asian leaders, Nazarbayev responded by immediately inviting all Central Asian presidents to meet in the Kazakh capital. This summit, held in March 2018, marked the opening of a new era in intra-regional communication and coordination. In fact, it constituted the first meeting of Central Asian presidents in almost a decade that did not take place in the company of one or another great power.

This growing spirit of cooperation developed against the backdrop of a deteriorating geopolitical situation. Kazakh and Uzbek leaders understood clearly that the two countries had a particular responsibility: if they did not coordinate their actions, great powers could resort to old-fashioned divide and rule policies in Central Asia. By contrast, if Kazakhstan and Uzbekistan developed a joint vision for the region, Central Asian states could avoid this fate and develop the region's security from the inside out. Indeed, at the first summit of Central Asian leaders, President Nazarbayev made it clear that Central Asians were now ready to handle all issues in the region and did not need outside assistance or intervention to do so.

### **Changes in Kazakhstan**

As all these issues intensified, Nursultan Nazarbayev on March 19, 2019, surprised the world by announcing his resignation from the presidency, calling at the same time for "a new generation of leaders." His loyal successor, Kassym-Jomart Tokayev, had pioneered the concept of a

“multi-vectored” foreign policy balancing the country’s positive contacts with Russia, China, and the United States. He had also helped engineer the country’s accession to the World Trade Organization in 2015, had backed the privatization of the national atomic company Kazatomprom, and the creation of the Astana International Trade Center, both in 2018. This center, it should be noted, operates on the basis of English common law, a stunning innovation that is unique to the entirety of central Eurasia. The quadra-lingual Tokayev had also lent his support to a 2018 measure requiring all students in the country to learn English. All these steps arose from the need to diversify the economy, and signaled a new push for market reform and private investment from abroad.

After taking office in 2019, President Tokayev used two State of the Nation addresses to express deep criticism of the state of affairs in various sectors of the state and society, while announce his intention to press for far-reaching reforms. In so doing, Tokayev sought to balance continuity with change – designating three key principles for his reforms, namely continuity, justice, and progress. The continuity principle required that the country stays on the political course set by the country’s First President, and preserves the achievements of the first three decades of independence. The principle of justice required that Kazakhstan roots out corruption and adopts policies affirming the equality of rights for all citizens and the creation of opportunities for all. The principle of progress required changes that will foster renewal “in all spheres of society.”

A central element in this vision is the notion of the “listening state.”<sup>52</sup> This concept stands in contrast to the Soviet legacy, in which the state sought to shield and protect itself from society. Tokayev’s idea is to shift the

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<sup>52</sup> S. Frederick Starr, “First Glimpses of Tokayev’s Kazakhstan: The Listening State?” *Atlantic Council*, September 17, 2019. (<https://www.atlanticcouncil.org/commentary/long-take/first-glimpses-of-tokayevs-kazakhstan/>)

nature of the state in Kazakhstan to one that is attentive to the needs of the population, provides mechanisms for popular feedback, and responds to demands expressed by the people. This should not be mistaken for an intention to liberalize the political system: Tokayev's vision expects the emerging citizen initiatives and groups to be constructive and non-radical, and maintains the state's ability and willingness to crack down if emergent forces depart from this expectation.

President Tokayev, thus, placed his bet on an accelerated but gradual transformation of Kazakhstan. It is widely understood that this transformation, if successful, will lead eventually to the creation of a liberal and more democratic system. Where Tokayev departs from many Western observers and advocates is in seeing the way toward this goal in a gradual rather than immediate process of political change. Many advocates view democracy both as a means and an end: in this view, the way to reach liberal democracy is by liberalizing the political system immediately. President Tokayev, in line with the prevailing view in Kazakhstan's leadership, rejects this view as dangerously naïve, instead maintaining a strong role of the central authorities, who will steer the country in the right direction while gradually making the changes that will eventually lead the country in the direction of a liberal democracy. While this view is controversial, it also has some backing in the international experience, not least in the experience of Asian success stories like Taiwan and South Korea, while avoiding the pitfalls of rapid liberalization processes which, in Russia and Venezuela among other, reverted rapidly to illiberalism and authoritarianism.<sup>53</sup>

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<sup>53</sup> See eg. Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad*, New York: W.W. Norton, 2007.

## **Changes in the United States**

Meanwhile, dramatic changes were also taking place in America. A slow recovery from the 2008 financial crisis widened the rift between the burgeoning internet-based economy and the struggling traditional manufacturers and smaller enterprises. This and other factors gave rise to a major political realignment, with market-based and culturally more traditional parts of the country opposing both the new tech giants, which they saw as monopolists, and declining urban areas, whose leaders demanded large federal subsidies.

These dynamics gave rise to new divisions in both major parties and to the rise of Donald Trump. Criticizing what he considered major concessions to foreign powers without adequate returns, he intensified the campaign against ISIS, withdrew from the nuclear deal with Iran, insisted that Europeans pay their fair share for NATO, proposed to counter China's moves in the South China Sea, opposed Russia's seizure of territory from Ukraine, and proposed a rapid withdrawal from Afghanistan. A series of steps by Russia prompted his administration to impose sanctions on Russia, which inevitably affected other members of the Eurasian Economic Union, including Kazakhstan.

President Trump also took a step back from the multilateralism that earlier administrations had agreed on. He proposed an "America first" foreign policy focused on concrete U.S. interests, and was skeptical to foreign commitments and expenditure to multilateral bodies. But on the flip side, his administration took a much less interventionist approach to other countries' internal affairs, and did not consider that it is America's mission to promote a particular form of government in other countries.

President Trump was certainly a polarizing figure, but it is clear that he was a product rather than a cause of the division and polarization in American society. Indeed, despite having a historic pandemic in his

election year, President Trump very nearly won re-election in 2020. His successor, Joe Biden, is much more a known quantity to foreign leaders including those in Kazakhstan. But to America's friends and foes abroad alike, the deep polarization in American politics and the political dysfunctionality it has helped produce are an important factor with which all must reckon.

All now know that American policies and commitments are good only to the next election, and that America's approach to a given issue can be turned on its head. This is more true for some issues than for other. For example, there appears to be bipartisan consensus that China constitutes a threat to international security and American interests. To a somewhat lower degree, the same is true for Russia. Iran, by contrast, is an issue where little agreement exists: Republicans are united in their understanding of Iran as a threat to international security. Among Democrats, by contrast, there is increasingly a consensus on the benefits of an engagement policy. Indeed, some pundits go so far as to suggest that Democratic leaders envision a future partnership with Iran as the ideal American policy in the Near East.<sup>54</sup>

### **How Kazakhstan's Government Sought to Enhance Kazakhstan-American Ties.**

Amidst this whirlwind of change at both the global and national levels, what adjustments or changes in its policy towards United States did Kazakhstan make?

To its credit, the answer to this fundamental question is "very few." The reason for this is that the government in Nursultan accepted the

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<sup>54</sup> Michael Doran and Tony Badran, "The Realignment," *Tablet*, May 11, 2021. (<https://www.tabletmag.com/sections/israel-middle-east/articles/realignment-iran-biden-obama-michael-doran-tony-badran>)



continuing validity of its strategic goal of balance among its main three partners. On this basis, it could continue as before, making changes only at the tactical level. These tactical shifts, however, have already proven to be very important.

During these years the range and depth of Kazakhstan's dealings with both Russia and China significantly expanded. Trade grew and investments from both of these neighboring powers burgeoned. Kazakhstan's challenge was to update its strategy of balance by deepening its links with the United States. The pattern for this tactical initiative had been set in the course of Kazakhstan's earlier dealings with the European Union. Brussels had moved in advance of America in taking vigorous measures to strengthen its links both with Kazakhstan and with Central Asia as a whole. From 2008 onward, the EU has a continuous dialogue with Central Asian states at the foreign minister level. In 2015, the EU and Kazakhstan had entered into an Enhanced Partnership and Cooperation Agreement that covered areas as diverse as public finance, energy, transport, labor, agriculture, climate, banking, law, and security. In 2019 the EU launched a new strategy for Central Asia, which focused its regional attention on economic modernization and the capacity to deal with internal and external shocks across the region. It also called for joint activity to promote peace in Afghanistan.

To this point the government of the United States had interacted with Kazakhstan on a range of subjects similar to those involving the European Union. But for all the interactions that resulted, the relationship lacked an overall structure. While Washington had worked effectively with this *ad hoc* arrangement, Kazakhstan, with its concern for its strategy of balance in its relations with major powers, wanted more, specifically, a similar region-wide structure of consultation with the United States that existed with the countries of Europe. It was to this end

that Kazakhstan transmitted to the State Department its proposal for the United States to institute regular consultations on a regional basis with all Central Asian states. Through this and other measures Kazakhstan acknowledged the intensified interaction with its big neighbors, Russia and China, by balancing that engagement with a higher level of engagement with the both Europe and the United States.

Because of Kazakhstan's extensive economic links with Russia, the impact of American sanctions on Russian entities and individuals affected that country almost as much as they did Russia itself. Since Washington was not prepared to address directly this "collateral damage," the government of Kazakhstan had to improvise a defensive response. Realizing that complaints would fall on deaf ears, officials in Nursultan resolved to seek more investments from both America and Europe. These would not roll back the impact of Russian sanctions but would nonetheless ameliorate their impact on Kazakhstan's economy. To this end, Kazakhstan's embassy in Washington initiated a more national approach in its effort to attract American investors, and broadened its search far beyond the energy and raw materials firms that had heretofore dominated American investments in Kazakhstan. In addition, Kazakhstan began tentatively to present itself as a base from which both official and commercial American efforts to stabilize Afghanistan could be launched

### **How the American Government Sought to Enhance Kazakhstan-American Ties**

In light of the fact that Washington chose to ignore the impact of its Russian sanctions on Kazakhstan, one might be tempted to assume that Nursultan had somehow slipped from America's sight. But it hadn't. Washington's increased openness to the region has been reflected in

invitations from President Trump for both presidents Nazarbayev and Mirziyoyev to visit Washington. It is to be hoped that President Biden will also issue such invitations. These visits combined with a broader strategic review led by the National Security Council to develop a new U.S. strategy towards Central Asia that was announced in 2020. While there had been attempts at such a strategy under previous presidents, this was the most comprehensive regional strategy that had yet been developed. Three basic principles were affirmed therein: America's commitment to the (a) independence, (b) sovereignty, and (c) territorial integrity of partner states. All of these had formed the basis of U.S. policy since 1992 but the fact that they were emphatically restated in the new strategy was of significance to both Kazakhstan and its regional neighbors. While not implying or signaling heightened tensions with either Russia or China, they nonetheless reaffirmed America's commitment to the new states at a time when that commitment was doubted in some quarters. While it took cognizance of the new regional dynamics, the new policy statement fell short in not including Afghanistan as a regional member. This was partly compensated by emphasizing transport links between the entire region and South Asia, a policy that President Nazarbayev had

proposed during a landmark visit to India in 2009. The new American strategy put Washington solidly behind that initiative.

The new strategy soon resulted in more productive interaction between Kazakhstan and Washington in areas as diverse as security, anti-terrorism, drug control, trade, education, investment, and public health. The fact that both countries maintain well-staffed and effective embassies in the other's capital has greatly facilitated these developments. The result has been a substantial increase in mutual interaction. While no

sitting U.S. president has yet visited the country, Secretary of State John Kerry travelled there in 2015, as did his successor, Mike Pompeo, in 2020.

The new strategy also called for the U.S. to promote rule-of-law reforms across the region and respect for human rights. While laudable in principle, this objective faces subtle complexities when applied to Kazakhstan. Washington was well informed on the various reforms that had begun under President Nazarbayev and which were significantly expanded by President Tokayev.

The U.S. Congress continues to require the State Department to report annually on the status of human rights and democratic reforms worldwide. Besides the problems involved in the preparation of such reports, noted above, one must speak candidly of the manner in which Washington agencies of government act upon them. Bluntly, their tendency has been to “*work on*” Kazakhstan rather than “*work with*” it. As a result, until recently Kazakhstan has had to respond to continued attacks on its record in the area of rights and democracy, with little acknowledgement either of the constraints it faces or of the actual gains it has made. To his credit, Secretary of State Pompeo spoke positively of the “*real reforms*” underway in Nursultan. But real changes will be required at the operational level if the U.S. is to move beyond hectoring in its advocacy of reforms in Kazakhstan. This will not be easy. Beginning around 2018 a new anxiety over Kazakhstan’s handling of dissent and political opposition has been discernible in Washington. Fed by many of the same factors cited earlier, it dwells above all on the government’s handling of demonstrations and the outspoken individuals leading them. These concerns have yet to be fully resolved, but there does appear to be a new awareness in the State Department of the many factors that restrain and retard a more thoroughgoing treatment of such issues in Nursultan.

It may even be possible to shift from working *on* Kazakh partners to working *with* them.

A further plank of America's new strategy was to promote United States investment in, and the economic development of, Central Asia. Although this was a long-established truism, it has special significance for Kazakhstan at a time when it is working assiduously to broaden its economy beyond the hydrocarbon focus that had dominated its development strategy since the signing of the agreement with ExxonMobil back in 1993. This has already resulted in a significant expansion of U.S. investment in the country. More significant is the fact that U.S. investors (and western investors generally) now range far beyond the traditional oil-and-raw-materials sphere. Exemplifying this new trend is the entry of specialized American agricultural firms into the Kazakhstani market. This reflects new thinking in both countries.

On Kazakhstan's side, back in 2014 Kazakhstan's president had presided over an "innovation fair" at Nazarbayev University, at which local specialists competed to present their ideas for new spheres of economic diversification. Since Soviet times agriculture had been considered a realm of peasant activity, quite separate from modern technology. Now this began suddenly to change.

On the American side, the new interest in Kazakhstan's agricultural sector has been fed by the realization that China offers a huge potential market for all forms of Kazakhstan's agricultural produce, especially grain. On this issue the interests of both countries mesh perfectly, with potential benefits to both sides.

Facilitating many of these investments have been the U.S. Department of Commerce and the U.S. Kazakhstan Business Council. The latter, a venerable and well-managed institution, has recently merged into the US. Chamber of Commerce. It is to be hoped that under this new

arrangement the Council will expand its activity and bring new investors in neglected fields to the Kazakhstan market.

The sudden withdrawal of NATO and U.S. forces from Afghanistan in August 2021 poses a significant challenge to all Central Asia and, not least, to Kazakhstan. Will it lead to a renewed tide of religious extremism and terrorism throughout the region? Will it create a power vacuum that would tempt China or Russia to expand their geopolitical influence there? Will America seek new military bases in Central Asia for potential action to the south?

As of this writing, none of these challenging prospects has materialized. Indeed, Washington has already excluded the possibility of opening new bases in the region. However, it is keenly aware of the broader challenges posed by the new Taliban government in Kabul and has indicated its readiness to buffer possible negative impacts on Afghanistan's northern neighbors. While it is too early to evaluate these possible measures, it is clear that Washington is keenly aware of the issue and is prepared to respond to it. Both negative and positive steps are being contemplated. The former will doubtless include enhanced military cooperation through existing agreements and through NATO, and also the provision of relevant technologies. The latter will doubtless involve expanded and more diversified investments and joint projects in areas as diverse as law, energy, health, agriculture, banking, security, and culture.

### **The 2018 Presidential Meeting and Enhanced Strategic Partnership Dialogue**

In January 2018, President Trump hosted President Nazarbayev at the White House, in the first state visit between the two countries since Nazarbayev's visit to Washington in 2006. This included a closed-door

meeting between the two presidents, as well as a working luncheon and an extended meeting including cabinet members from both countries.

At this meeting, the two presidents agreed to create a formal framework for consultations between the two countries in the form of an Enhanced Strategic Partnership Dialogue (ESPD). This agreement stipulated that the dialogue take place within three specific sectors: political and security issues; trade and investment; and people-to-people relations. Concretely, the ESPD would lead to regular high-level meetings between Kazakh and American officials. Such meetings as have been held in the past have typically involved a Deputy Foreign Minister from Kazakhstan and an Assistant Secretary of State from the United States. One hopes that these will now be elevated to ministerial-level sessions.

While the agreement emphasized the bilateral relationship, the two countries made it clear that this new format of interaction would not supersede the regional dialogue between the United States and Central Asian states within the framework of C5+1. In fact, President Nazarbayev stated that he represented not only Kazakhstan but Central Asia, and the two leaders explicitly stated that they would continue to address shared challenges in Central Asia “through regional formats such as the C5+1 dialogue.” Further, they both stated their intention to welcome the participation of Afghanistan in specific projects under the C5+1 framework. Obviously, this possibility is on hold given the Taliban takeover in Kabul.

President Nazarbayev also took part in a roundtable at the U.S. Chamber of Commerce, which provided the opportunity to conclude business contracts worth \$7 billion. The deals covered a wide array of areas ranging from aviation and space technology to agriculture and transport. There was a particular focus on finance, as Nazarbayev sought to promote the Astana International Financial Center. Among other,

Nazarbayev concluded agreements with Nasdaq and Goldman Sachs for the development of the AIFC.

Nazarbayev's visit was followed only several months later by the visit of Uzbek President Shavkat Mirziyoyev to Washington, which was equally successful. During 2018, a greater U.S. focus on Central Asia was clearly visible, as the U.S. Government worked on the development of a new U.S. Strategy for Central Asia. This Strategy was developed through an inter-agency process led by the National Security Council and State Department, in close coordination with USAID and other government agencies. It was ready by the first half of 2019, but because of bureaucratic hurdles, was released publicly only in February 2020. Of course, that was exactly the time that the Covid-19 pandemic hit, moreover at a time when the U.S. was heading into election season. The pandemic, more than anything else, led to a pause in the implementation of the U.S. strategy. The incoming Biden Administration informally pledged continuity on Central Asia policy; the question is to what extent this Administration will have an interest in Central Asian affairs and in what context it will view Central Asia as relevant to its larger priorities.

## **Conclusions**

By the autumn of 2021, Kazakh-American relations were nearing their thirtieth anniversary. In spite of numerous challenges, the two countries had developed a base for sound and smooth relations. While there have been and are disagreements, as exist in any relationship, it is remarkable that Kazakh-American relations have been characterized by stability and cordiality, and that the relationship has seen few, if any, crises. U.S.-Kazakh relations have weathered many a storm, but they have both learned from them and their ties have always grown stronger as a result. In fact, it would be difficult to find any other country – especially at the



heart of Asia – that has managed to conduct so stable and positive a relationship with the United States.

Why is this the case? There are doubtless many reasons. Even before the Soviet collapse both countries have understood each other's importance, and the laudable manner in which both countries handled their first steps with the other during that critical period laid a solid foundation for the relationship that has no parallel in the region. Since then, successive U.S. leaders have continued to see an important value in America's relationship with Kazakhstan. Similarly, Kazakh leaders have deftly and effectively approached each successive U.S. administration, making sure to raise issues in the relationship that mesh with the priorities of each new team in the White House. Both sides (and Kazakhstan in particular) have advanced measures to enhance their bilateral and regional cooperation and create an institutional framework within which to cooperate and resolve disagreements. In fact, nothing has done more than such interactions to generate an appreciation on both sides of the value and importance of their mutual ties.

It must be noted that the bilateral relationship extends far beyond government-to-government links. Business interests were critical to the relationship from day one, and remain so today. But relations on a popular level have grown ever more central, with thousands of Kazakhs educated at American universities, particularly well-represented in Kazakhstan's emerging business and governmental elites. No less important (though beyond the scope of this study) are the Kazakhstan-United States ties in fields as diverse as medical research, ballet, astronomy, music, plant biology, archaeology, film, and theater.

Standing back, one must marvel that a relationship in which the population and wealth of one partner is many times larger than the other, and in which one is a major global power and the other a mid-size

regional power, could be as balanced and harmonious as is in fact the case between Kazakhstan and the United States. While this may not guarantee a smooth and productive future, it most certainly provides solid grounds for optimism.