

POLICY BRIEF

WHAT DOES THE CASPIAN WANT FROM WASHINGTON?

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CPC



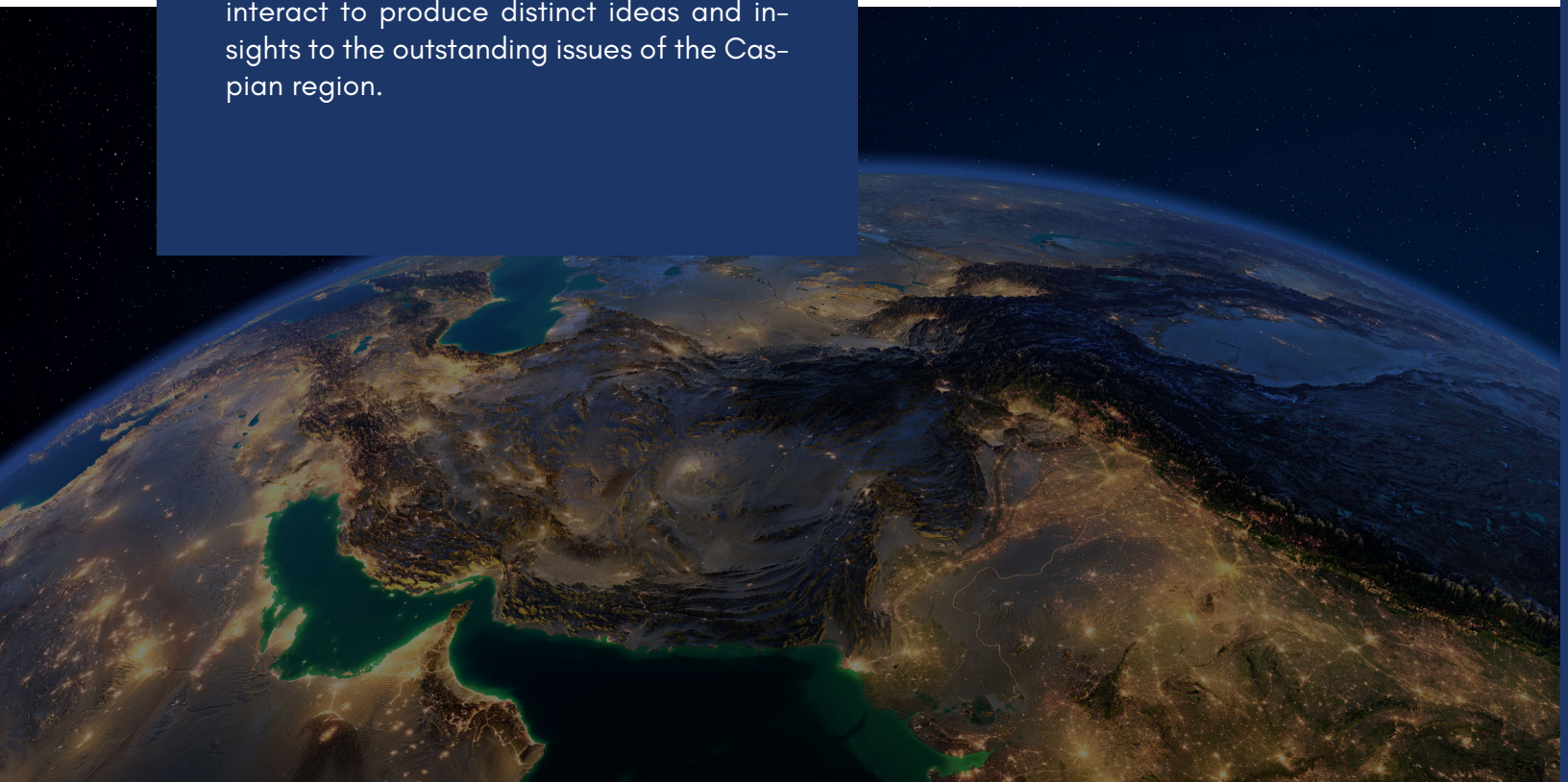
CASPIAN
POLICY
CENTER

ABOUT US

The Caspian Policy Center (CPC) is an independent, nonprofit research think tank based in Washington D.C. Economic, political, energy, and security issues of the Caspian region constitute the central research focus of the Center.

CPC aims at becoming a primary research and debate platform in the Caspian region with relevant publications, events, projects, and media productions to nurture a comprehensive understanding of the intertwined affairs of the Caspian region.

With an inclusive, scholarly, and innovative approach, the Caspian Policy Center presents a platform where diverse voices from academia, business, and policy world from both the region and the nation's capital interact to produce distinct ideas and insights to the outstanding issues of the Caspian region.



ABOUT THE AUTHORS



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Ambassador Richard E. Hoagland was U.S. Principal Deputy Assistant Secretary of State for South and Central Asian Affairs, October 2013–August 2015. Before returning to Washington in September 2013, he spent a decade in South and Central Asia. He was U.S. Deputy Ambassador to Pakistan (2011–2013), U.S. Ambassador to Kazakhstan (2008–2011), and U.S. Ambassador to Tajikistan (2003–2006). He also served as U.S. Charge d'affaires to Turkmenistan (2007–2008). Prior to his diplomatic assignments in Central Asia, Ambassador Hoagland was Director of the Office of Caucasus and Central Asian Affairs in the Bureau of Europe and Eurasian Affairs, Department of State (2001–2003). In that position, he wrote and negotiated four of the key bilateral documents defining the Central Asian states' enhanced relationship with the United States in the aftermath of 9/11. His earlier foreign assignments included Russia where he was Press Spokesman for the U.S. Embassy (1995–1998). During the course of his career, he received multiple Presidential Performance Awards, State Department Meritorious and Superior Honor Awards, as well as the Distinguished Honor Award.



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FOREWORD

Flying the U.S. Flag in the Caspian Region

By Ambassador (ret.) Richard Hoagland

For the past three decades, the U.S. government's focus on the Caspian region has waxed and waned. When the formerly Soviet-dominated Caspian Sea was thrown open to the world for hydrocarbon-deposit development, U.S. companies rushed in and played a major role. And by the end of the 1990s, the U.S. government had played the leading role in encouraging the construction of the Baku-Tbilisi-Ceyhan pipeline that delivered the Caspian region's hydrocarbons directly to Europe, bypassing Russia's existing pipeline structures and, thus, strengthening the sovereignty of the countries in the region.

When the 9/11 terrorists struck the World Trade Center in New York City, once again the United States very much needed the countries of the Caspian region for temporary military facilities in Uzbekistan and Kyrgyzstan and, more broadly, for the Northern Distribution Network to supply U.S. and NATO troops in Afghanistan.

Both of these examples – hydrocarbon development and distribution and the international fight against terrorism – make clear the strategic economic and security significance of the Caspian region. Nevertheless, a faction of Washington's foreign-policy community has long looked down its nose at these countries because of their very real problems with political pluralism, human rights, and corruption. The tension between acceptance and disdain is never far beneath the surface in U.S. foreign policy for the region; internal government factions and external interest groups do not hesitate to lobby for their positions.

Since 2013, the emergence of China's Belt and Road Initiative has made Beijing a major player in the region. At the same time, Russia's President Vladimir Putin has continued to declare the independent countries that were once Soviet Socialist Republics as Russia's "special sphere of influence." To their real credit, all of these countries, to one degree or another, have practiced what Kazakhstan first called "multi-vector foreign policy," meaning that they seek to cultivate and balance the interests of Russia, China, the European Union, and the United States.

During the past four years of our atypical presidential administration, a perception developed in some of the countries and among foreign-policy analysts that Washington's interest in the region had waned. In fact, that isn't really true. We have full-scale embassies in every single country, and – most important – our wide range of programs for bilateral relations has not been reduced significantly. We have continued our diplomatic, military-to-military, economic development, educational exchange, and humanitarian assistance programs as always.

However, during my diplomatic career, I specialized in public diplomacy, and I can assure you that perception is reality. If there's a perception that American interest has waned in this strategic region, the crossroad between Asia and Europe, then we have a clear task before us.

The best way that the Biden Administration and the Blinken State Department can repair the image of the United States in the Caspian region is with regular – not just one-off – high-level visits. I would strongly urge President Biden to visit the region, as well as National Security Adviser Sullivan, Secretary of State Blinken, and other appropriate cabinet secretaries like Commerce

and Energy. More than anything else, it's the headline reports of such visits in the mass media and electronic media that raise the profile of the United States in this highly strategic region. It's not just the countries themselves that pay attention; it's also most definitely Russia and China.

But let's be realistic. Any U.S. presidential administration's foreign policy covers the entire world, and inevitably certain bilateral relations and on-the-ground developments have a way of claiming the lion's share of attention; the Caspian Region is not likely to be at the head of the line. For that reason, I would strongly urge you who are reading this article – the officials in the region, representatives of U.S. companies with major investments in the region, and foreign-policy analysts, both here and abroad – to make a concerted and persistent effort to lobby the Biden administration to make regular, high-profile visits to the strategic Caspian region.

After all, our flag flies highest when all can see it.

INTRODUCTION

In November, we issued a set of recommendations for the Biden Administration's policy towards the Caspian region.¹ As the Biden Administration's new appointees begin to take office and formulate their foreign policy, they will need to consider not only what their goals are and what President Biden was elected to do, but also what the United States' partners around the globe want from it. To determine this, we wanted to hear just what the governments of the region were looking for in their relationship with the new administration. To that end, we at the Caspian Policy Center have posed two questions to the embassies of Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, and Uzbekistan:

1. What are the top priority issues you and your government want the new U.S. administration to focus on in your country?
2. What are the key issues in your country that your government would like Washington to approach differently, and why that would enhance the bilateral relationship between our two countries?

From their responses, we have developed the following recommendations for the Biden Administration as it works to advance U.S. interests in the Caspian region. Some of these represent a break from what we have witnessed in past U.S. administrations, while others are areas of continuity. In either case, it is important that Washington understands what the governments of the region want, just as much as they already recognize what Washington seeks. The bedrock of successful foreign policy is two countries willing to work together towards shared goals; thus, it is vital that U.S. policymakers consider the objectives of the countries with which they work. This is especially true in a region like the Caspian, where the United States is just one among several major competing stakeholders.

While these recommendations are often framed broadly, it is important to note that each country in the region has its own specific interests and aspirations that will form the crux of its relationship with the United States. There are many cases where significant overlap between the national priorities of different countries does exist, yet each ultimately speaks with its own voice.

Recognize the National Interest of Each Country

Since their independence nearly 30 years ago, the countries in the region have increasingly differentiated themselves from each other, despite their overlapping interests and shared histories. When working with any of the countries in the Caspian region, the Biden Administration should remember that each country will, rightly, focus its relationship with the United States on its own national interests. By taking this into account when working with foreign powers, the United States can improve its chances of finding workable solutions that suit all parties. In the Caspian region, this reality often manifests in the way that the countries of Central Asia and the South Caucasus employ multi-vector foreign policies, working to balance the interests of the major powers, specifically, Russia, China, the European Union, and the United States. This is something that the Embassy of the Republic of Kyrgyzstan emphasized in the following statement:

The Kyrgyz Republic in its foreign policy uses the main rule - a unified approach to all countries based on its own national interests. We are interested in strengthening relations with all countries. In developing bilateral cooperation with the United States, Kyrgyzstan

is guided by the need to promote democracy, the rule of law, combating corruption and crime, good governance, promotion and protection of human rights, as this is primarily in the national interest of the Kyrgyz Republic. Therefore, we would like the new Administration to focus on these issues.

In order to achieve diplomatic successes in the Caspian, the United States should acknowledge that the countries of the region will negotiate and do business not only with Washington, but with Beijing, Moscow, and other powers as well. Just as the United States works in its national interest, it must respect the sovereignty of its Eurasian counterparts in their desire to do the same. By recognizing areas where U.S. interests and the interests of the Caspian countries align, the Biden Administration can make better strides in boosting diplomatic, economic, and military cooperation.

Cooperate to Fight Terrorism and Extremism

The Central Asian countries play a critical role in securing the stability of Afghanistan and integrating it into the region. In May 2020, the United States, Uzbekistan, and Afghanistan held a trilateral meeting focused on integration and stabilization. The Uzbek Ambassador to the United States Javlon Vakhobov wrote in a February 2020 Newsweek article that:

Last year, the United States and Uzbekistan expressed their joint commitment to create a durable political settlement in Afghanistan, a crucial partner with a key role in the long-term development and security of Central Asia. Uzbekistan has made consistent efforts to encourage direct political dialogue between the Taliban, the Afghan government, and Afghan civil society. "

Kazakhstan has also continually supported U.S. efforts to promote security through the Afghan peace process, with Kazakhstan allocating \$2 million in economic aid in support of the Afghan National Defense and Security Forces (ANDSF) to the corresponding NATO trust fund in October 2016. Its Embassy's response indicated that Kazakhstan supports the "U.S. stance on regional security in Central Asia and [is] committed to regional and coordinated efforts for further stabilization of the situation in Afghanistan." Tajikistan's President Emomali Rahmon has also voiced support for the Afghan peace process, especially because terrorist threats loom along the 850-mile Tajik-Afghan border.¹¹ The Embassies of the Kyrgyz Republic and Georgia also noted the importance of cooperation in combating terrorism.

Terrorism and extremism remain a top priority in the U.S.-Caspian relationship. In Central Asia, building a stable Afghanistan remains essential to promoting the stability of the greater region against the threat of terror and extremism. The United States continues to provide support to the Afghan government and promote a comprehensive peace process. The Embassy of Afghanistan stated, "There is no better way to protect U.S. and Afghan interests than by continuing to pursue an evolved partnership. Disengagement is what puts our goals in jeopardy." To consolidate progress towards a peaceful conclusion of the Afghan government's war with the Taliban, the United States should commit to a continued partnership despite a planned withdrawal. The Embassy requested "increased clarity in the U.S.-Afghan partnership and conditions-based withdrawal."

A U.S. withdrawal from the country should be condition-based with a clear strategy of continued bilateral relations and security and economic support. Without a conditional withdraw, the Taliban

lacks incentive to comply with a peace process. The Taliban's continued violence and ties to al-Qaeda further emphasize the need for an enduring U.S.-Afghan partnership. Even after peace is achieved, the Afghan Embassy indicated Kabul's hope for a symbiotic relationship outside the security sphere to ensure regional stability and mutually beneficial cooperation.

Deliver Results through Investment and Economic Development

Since the countries of the Caspian region gained their independence from the Soviet Union 30 years ago, investment and economic cooperation have played a major role in the U.S. engagement with the region. With the change in presidential administration in Washington, the Caspian countries are looking for the United States to bolster its commitment to infrastructure and business development in the region. The previous administration made some positive steps in this regard, with the launch of projects like the Blue Dot Network (BDN), a joint infrastructure investment initiative with Japan and Australia, and the Central Asia Investment Partnership.^{IV} Unfortunately, the tangible impact of these projects has largely appeared to be aspirational. The governments of the Caspian region ultimately want to see projects becoming BDN-certified and private capital flowing into projects in the South Caucasus and Central Asia. In his Newsweek article, Ambassador Javlon Vakhobov of Uzbekistan noted the following:

Uzbekistan is working closely with the U.S. to implement infrastructure projects in energy and transportation. Consider the trillions of dollars of American pension and insurance funds looking for long-term returns that this investment can bring.^V

Ambassador Vakhobov is correct in his assessment of the benefit that would come from unlocking the wealth available through American investment funds. Should the Biden administration succeed in delivering concrete results on the aspirational plans of his predecessor, the United States will be able to greatly expand both the scope and impact of its cooperation with the countries in the Caspian region.

The countries of the Caspian region are also looking for economic cooperation beyond big-picture infrastructure and investment plans. The governments of the region have emphasized their desire for robust U.S. engagement to promote women's economic participation and to assist with building human capital in general. Particularly in the wake of the COVID-19 pandemic, the Caspian countries will seek U.S. assistance as they look to get their economies working at full capacity once again.

Support Regional Integration and C5+1

Since 2015, U.S. engagement with Central Asia in the C5+1 format has been an effective means of fostering dialogue with and among the Central Asian states. The countries of Central Asia have resoundingly shown their appreciation for C5+1 and have indicated a desire to increase both the level and frequency of meetings.^{VI} The Kyrgyz Embassy to the United States noted how "in 2020 alone, three ministerial meetings of the C5+1 format were held, and negotiations are underway on the implementation of a regional agreement on trade and investment" and added that they "would like to see this pace maintained and steadily increased." With the Central Asian countries expressing high levels of interest in C5+1, it is imperative that the United States capitalize on this interest and desire.

The Biden Administration should look to do whatever it can to give a platform to its partners in Central Asia, and invigorating the C5+1 model would be an excellent way of doing just that. There are two avenues by which the United States can expand the C5+1 format. Firstly, the United States can increase the frequency and level of engagement that occurs via C5+1. By hosting meetings more regularly and raising the format's profile through presidential-level participation, the United States can meet the level of interest shown by the Central Asian states themselves.

Secondly, the Biden Administration should consider either expanding the geographical scope of C5+1 or establishing new channels that correspond with wider regional dialogue. Azerbaijan has long supported U.S. engagement in Central Asia and is strategically inextricably linked to the region. As illustrated by the January 2021 deal between Azerbaijan and Turkmenistan over long-disputed hydrocarbon deposits in the Caspian Sea, the South Caucasus country plays a key role in Central Asian diplomacy. Similarly, the United States should fully bring Afghanistan into its multilateral conversations with the Central Asian republics. As the United States seeks a responsible way to reduce its security presence in Afghanistan, it will be essential to involve Kabul in conversations about infrastructure development, commercial exchange, and military cooperation with its neighbors to the north.

President Biden and his incoming team at the State Department and other U.S. government agencies should act swiftly to meet Central Asian enthusiasm for working in the C5+1 format. The inception of C5+1 six years ago was one of the major victories of U.S. foreign policy in the Caspian of the last decade. The new administration should ensure it does not squander the opportunity to increase its engagement with Central Asia.

Invest in Strong Bilateral Relations

The United States was quick to recognize the independence of the Caspian countries and establish diplomatic relations after the collapse of the Soviet Union. Since then, the United States has not wavered from its fundamental goal of protecting their independence, sovereignty, and territorial integrity, and it has worked with the countries of the region to forge strong economic, political, and security ties based on common interests and values. The countries of the Caspian region are increasingly politically and economically diverse with varying security concerns, which emphasizes the importance of keeping bilateral relations with each state broad instead of contingent on specific issues.

Although the pursuit of human rights and democratization are foundational elements of U.S. foreign policy, the United States should also always recognize that bilateral relations need to be predicated on multiple factors. The Embassy of the Kyrgyz Republic emphasized this, stating, "we believe it is important to work on all fronts and not get hung up on any particular issue, much less link it to other aspects of cooperation." To that end, the United States should engage with the countries at their current stage of democratization to strengthen strategic partnerships. Applying high levels of pressure where a strong and mutual partnership is lacking is unlikely to yield results and could even backfire.

The Embassy of Afghanistan expressed the importance of enhancing the current bilateral partnership to go beyond the realm of security assistance and financial aid, stating that "our relationship has evolved away from being solely an intervention and increasingly toward a fully-fledged bilateral partnership that focuses on mutually beneficial economic and strategic objectives."

Similarly, the Embassy of Georgia emphasized bilateral relations outside of NATO integration and combating mutual security threats, advocating for the expansion of economic cooperation to enhance job creation and economic growth, market reform and liberalization, and improved market access for goods and services. While the new administration should clarify its long-held policy supporting the territorial integrity of Georgia and continue to support its Euro-Atlantic aspirations, much more is possible.^{VII} The new administration should strengthen U.S.-Georgian relations outside of mutually beneficial security goals.

U.S.-Azerbaijani relations also extend outside the security sphere and Nagorno-Karabakh conflict. While the Biden administration should take a more active role in Organization for Security and Cooperation in Europe (OSCE) Minsk Group Process for Nagorno-Karabakh, it should also engage with Azerbaijan on other shared goals such as environmental protection and renewable energy.

Kazakhstan, Kyrgyzstan, and Uzbekistan voiced their support for pursuing bilateral relations with the United States predicated on many avenues of cooperation in the economic, political, and security spheres. It is clear the countries in the region want a full-fledged and well-rounded relationship with Washington precisely because it's in their own national interests.

In line with this, the Biden Administration should be careful not to let any single issue define the U.S. relationship with any of the governments in the Caspian region. Balance is paramount in establishing and building strong partnerships. For the United States to succeed in strengthening its position in the Caspian, it will need to listen closely to the governments with which it hopes to work and avoid letting its relationships become bogged down on a single issue.

ENDNOTES

- ^I "Six Recommendations for the Biden Administration's Caspian Policy." Caspian Policy Center. November 9, 2020. <https://www.caspianpolicy.org/six-recommendations-for-the-biden-administrations-caspian-policy/> (retrieved March 10, 2021)
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- ^V Vakhobov, "The U.S. Must Remain Engaged with Central Asia." Newsweek.
- ^{VI} Ibid.
- ^{VII} "Georgia-United States Charter on Strategic Partnership." Georgian Embassy to the United States. January 9, 2009. <https://georgiaembassyusa.org/wp-content/uploads/2017/08/STRATEGIC-PARTNERSHIP.pdf> (retrieved March 10, 2021)

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