

Strong and Unique: The U.S.-Kazakhstan Partnership Over Three Decades

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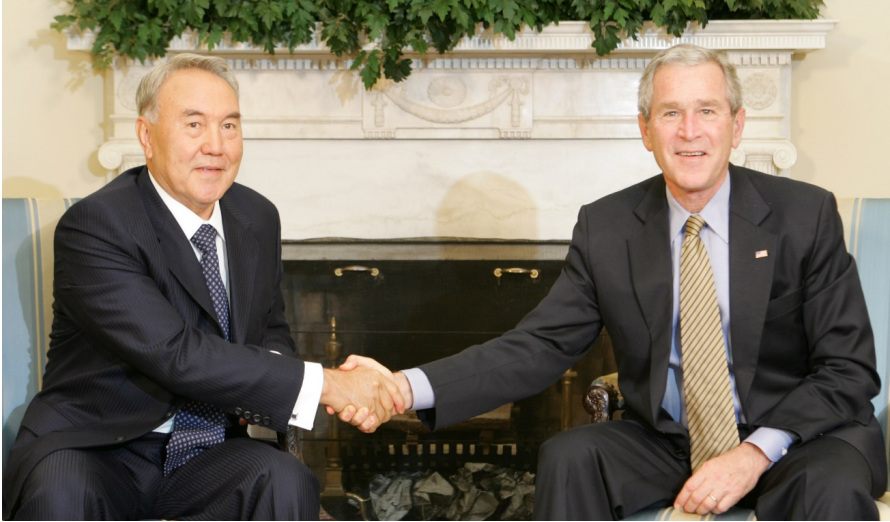
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Preface by Ambassador Erzhan Kazykhan

Kazakhstan and the United States have much in common, but one of the main connecting threads is the desire of our peoples to be free.

From time immemorial, the Great Steppe was famous for the craving of its inhabitants to be independent and open to the outside world. The centuries-old history of the statehood of the Kazakhs is permeated with bright pages of peaceful creative activity, the firm upholding of their national interests and territory.

At the end of the 18th century, the United States was able to unite the brave American Colonists, whose desire for independence and forward-looking government policies became a solid foundation for the development of their country as a leading world power.

The materials that form the basis of this book originate from the time of Kazakhstan's independence, and describe the events of our recent history. The book contains information on the development and formation of bilateral relations between Kazakhstan and the United States.

The team of authors made great efforts to reflect the results of our joint achievements, difficult negotiations and the often imperceptible routine work of statesmen and public figures of the two countries, as well as representatives of public diplomacy.

One of the important goals of this work is to preserve and pass on the accumulated experience of cooperation and partnership to future generations of Kazakhstanis and Americans. For my part, I would like to draw the readers' attention to several important stages in the development of relations between Kazakhstan and the United States.

Firstly, thanks to American travelers and diplomats, we are aware of ties between our peoples long before the official establishment of diplomatic relations.

Among the famous American researchers who visited the Kazakh land in the nineteenth and twentieth centuries one can note the famous scholar, writer and diplomat, author of the two-volume work "Turkestan," Eugene Schuyler (1840-1890).

Eugene Schuyler is remembered as the first American diplomat to visit Central Asia. In 1867 he was appointed U.S. Consul in Moscow, where he actively combined diplomatic duties with research and travel.

In March 1873 Schuyler left Petersburg for Central Asia accompanied by the eldest son of the last khan of the Bukeev Horde, Chingiz, whom he later described as a "cultured gentleman who deeply knew French literature." During his eight-month stay in Central Asia, Schuyler described a wide range of problems related to the history and ethnography of the peoples of the region, the colonial policy of tsarism in the Kazakh steppe, its economy and overall nature.

In 1876, commenting on the situation in Kazakhstan at that time, Schuyler noted that: "These people stood up for their clans, or families, defending the honor and safety of their members. Honoring at the same time courage, raids, and loving their independence, the Kazakhs were always ready to follow the banner of any *batyr* or hero, be it Sarym, Arungazi or Kenesary."

The American diplomat and scholar also left notes about the architectural monuments of the Kazakh steppe. While in Kazakhstan, Schuyler noted with admiration the architectural features of the mausoleums of Haji Ahmad Yasawi in Turkestan, Karakhan and Aisha-Bibi in Taraz, described the ruins of the ancient city of Tiime-Kent in Moyinkum, and studied local legends, including the unfinished construction Tash-Kurgan.

Despite the brevity of Schuyler's trip to Kazakhstan and Central Asia, his observations were highly appreciated in the United States. As noted by the American historian Frank Siscoe, "Eugene Schuyler was one of the most capable

American diplomats of that period, whose diplomatic and literary careers were distinguished by perceptive and candid reporting.”¹

Another American explorer and expert on Central Asia, **Januarius MacGahan**, (1844-1878) traveled to Central Asia in 1873, and was one of the first Western travelers to describe the endless expanses of the Kazakh land.

The travel notes of the American journalist also testify to the great interest in the life of Kazakh villages and nomadic culture. In particular, MacGahan spoke very warmly about the hospitality of the Kazakh people:

I cannot but notice here that all the time of my stay with the Kazakhs left the most pleasant memory. All of them, without exception, were kind to me, hospitable and honest. I spent a whole month among them, traveling with them, eating with them, and sleeping in their wagons; all this time I had money, a horse, weapons and things that could seduce them like rich prey. And meanwhile, I saw nothing but good from them, not only did not have the slightest trifle disappear from me all the time, but more than once it happened that a Kazakh galloped after me five or six miles in pursuit to return something I had forgotten. Why all these rumors about the need to civilize such a people? Where does all of Vambéry's speculations about the comparative advantages of English and Russian civilization lead to them? Kazakhs are remarkably honest, virtuous and hospitable – qualities that are immediately smoothed out by civilization in all primordial peoples. In my opinion, it is even a pity to instill in such a happy people our civilization with all the accompanying vices.

In the twentieth century, interesting studies about Kazakhstan in the United States are associated with the name of Martha Brill Olcott (b. 1949). In the course of preparing her main work – the monograph *The Kazakhs* (1987) Olcott repeatedly visited Kazakhstan from 1975 onward. Since the beginning of the

¹ Frank G. Siscoe, “Eugene Schuyler, General Kaufman, and Central Asia,” *Slavic Review*, vol. 27 no. 1, 1968, 119-24.

1980s, she regularly published research on the history of Kazakhstan during the Soviet period.

Starting the story from the time of the formation of the Kazakh Khanate, Olcott wrote: "of all the Soviet peoples, the Kazakhs are the ones of whom most westerners think they have heard." In the preface to the second edition, the author noted the following, not without surprise: "When the first edition of this book was published, it was unthinkable that in less than five years Kazakhstan would be a member of the United Nations or that the USSR would have dissolved, making way for fifteen successor states... a complete reworking of the history of the Kazakhs may well be the job of the next generation of scholars."²

The history of modern Kazakh-American relations is permeated with truly significant milestones.

The recognition of Kazakhstan's independence by the United States on December 25, 1991, made it possible to lay a solid foundation for bilateral relations for many years to come.

Relations between states are sometimes similar to relations between people. In both cases the first direct contacts as well as the first decisions, meetings and negotiations can be of exceptional importance. Thus, in his letter to President Nazarbayev of Kazakhstan, President George H. W. Bush, seeking to promote joint work on peace and security, invited the leader of our country to make his first official visit to Washington.

I consider it particularly notable that the very positive American attitude towards the First President of the Republic of Kazakhstan was solidly in place even before the official letter recognizing our Independence was sent.

On December 17, 1991, on his way to the Middle East, U.S. Secretary of State James Baker visited Kazakhstan for the first time since the "August putsch" in Moscow, stopping in Alma-Ata. It was not long after this that Washington observers noted Nazarbayev's key role in the formation of a new economic association in the former USSR. As far away as Salt Lake City the *Deseret News*

² Martha Brill Olcott, *The Kazakhs*, Second Edition, Stanford: Hoover Institution Press, 1995, pp. i-xviii.

quoted a senior American official who concluded that Nazarbayev had emerged as a “very important” figure on the international scene.

Following the first visit of Kazakhstan’s President to the United States, Embassies were opened in both countries. The U.S. diplomatic mission in Alma-Ata officially opened on February 3, 1992, with William Courtney serving briefly in the role of Chargé d’Affaires and then, from September 15, as U.S. Ambassador. Meanwhile, in Washington the stately former home of the American vice-president James S. Sherman (1909-1912) on 16th Street was transformed into Kazakhstan’s embassy. It immediately became a gathering place for American friends of Kazakhstan and Kazakhstani visitors from diverse fields.

A unique challenge that faced Kazakhstan, but not the United States, is that at the dawn of its independence it was necessary for Kazakhstan’s new leaders to create virtually from scratch whole new official agencies for fields as diverse as security, customs, and the representation of Kazakhstan abroad.

Close cooperation between Kazakhstan and the United States began to develop almost from the first days of independence. This extended to founding a market economy, the development of energy resources, and regional security. Constant interaction also took place in the development of democracy, rule of law and civil society, as well as the implementation of projects in such fields as health care, education, and so forth.

The first American investments were also very important for the economy of Kazakhstan. It is popular today to take note of the fact that deposits of practically every mineral listed in the periodic table of elements can be found in Kazakhstan. However, many people forget that natural resources must not only be extracted, but also stored, processed, and transported to international markets – all the while observing international agreements and standards affecting issues as diverse as working conditions and wages.

Kazakhstan had to address all these tasks for the first time. We stepped out of socialism directly into the wondrous capitalist world. Kazakhstan and America scored some notable successes together but also made our share of mistakes. The

good news is that each side began to learn from its experiences and to incorporate those understandings into their future interactions with the other.

I believe that the main task for the next generations of diplomats of our two countries is not only to maintain the current high level of cooperation, but also to open new chapters of Kazakh-American relations, building on the rich experience of the past.

Kazakhstan today is rightfully considered the leader of the global anti-nuclear movement. This status has been entrenched in our country thanks to the landmark initiatives of Kazakhstan's first Nursultan Nazarbayev. All of these have aimed at preventing the proliferation of weapons of mass destruction and promoting their eventual elimination.

At the collapse of the Soviet Union, Kazakhstan inherited the world's fourth largest nuclear arsenal as well as one of the world's largest test sites and infrastructures for the production of the main components of an atomic bomb. Several crucial steps now took Kazakhstan in a radically different direction. Thus, when Kazakhstan decided to close the Semipalatinsk test site it sent an important signal to the entire international community. Kazakhs value the symbolism that August 29, the day the Semipalatinsk test site was closed, was designated by the United Nations as the International Day against Nuclear Tests. This initiative led to the dismantling of several other such test sites around the world. Then, in 1994, President Nazarbayev presented to President Clinton documents ratifying the Treaty on the Non-Proliferation of nuclear weapons (NPT). With this action Kazakhstan officially joined the NPT as a non-nuclear-weapon state.

A further important stage was the cooperation between Kazakhstan and the United States under the framework of the Cooperative Nuclear Threat Reduction program initiated by Senators Richard Lugar and Sam Nunn. Thanks to this program, by 1995 not a single nuclear warhead remained in Kazakhstan. Such measures as these firmly secured Kazakhstan's global leadership in the field of nuclear non-proliferation and disarmament.

Not resting its laurels, Kazakhstan continued to push forward with its efforts on behalf of nuclear disarmament. Thus, working with the United States, it undertook Operation Sapphire, as a result of which 600 kg of plutonium were safely removed from the territory of Kazakhstan and transferred to the United States. This operation required high levels of both competence and trust on both sides, then in 1996 Kazakhstan joined the Comprehensive Nuclear Test Ban Treaty, a further step towards achieving a world free of nuclear weapons.

During the period of its membership on the UN Security Council (2017-2018), strengthening the global nonproliferation became one of Kazakhstan's main priorities. Finally, Kazakhstan strongly supported the Treaty on the Prohibition of Nuclear Weapons, which it joined in 2018.

A particularly significant step towards a nuclear weapons-free world was the establishment of a nuclear weapons-free zone covering all of Central Asia. The nuclear-free zone agreed upon by the five new states of Central Asia was conceived at Semipalatinsk in Kazakhstan, and is the world's newest nuclear weapon-free zone and the first in the Northern Hemisphere. It is worth noting in this context that Kazakhstan itself shares two of the world's longest borders with major nuclear powers.

A further focus of Kazakhstan's efforts to curtail nuclear weapons is preventing the spread of enrichment technologies that could be used to create nuclear weapons. To address this challenge, Kazakhstan is working closely with the international community to develop internationally safeguarded supplies of low enriched uranium, thereby creating an alternative option for countries that decide not to develop their own capabilities for enriching uranium. To this end, Kazakhstan created on its territory the International Low-Enriched Uranium Bank. This successful project was launched under the auspices of the International Atomic Energy Agency and with support from the United States, European Union, Kuwait, the United Arab Emirates, Norway and the Nuclear Threat Reduction Initiative NGO.

All these tireless efforts to ensure peace and security in the region have also contributed to Kazakhstan's economic viability and growth. By directly addressing the many challenges it faced Kazakhstan has become a leading

economy in Central Asia, attracting more than \$350 billion in foreign direct investment since independence.

Over the past three decades Kazakhstan and the United States have gone through many trials together. After each such crisis, our peoples each time emerged stronger than ever. This leads me very confident that nothing can break the ties that now link us.

It is important to note that our two countries have always come to each other's aid when needed. So it was on September 11, 2001, when the United States endured one of the worst acts of barbarism in the modern era. When Washington declared a global war on terrorism Kazakhstan did not stand aside. As a member of the international coalition against terrorism, Kazakhstan helped to ensure the passage of American non-lethal cargo to Afghanistan. In the same spirit, Kazakhstan undertook peacekeeping efforts in Iraq that consisted of demining and patrolling operations. From 2003 to 2008, Kazakhstani peacekeepers destroyed more than four million explosives and provided medical assistance to 2,500 civilians and military personnel of the international coalition brought together by the United States. And throughout America's presence in Afghanistan Kazakhstan worked on countering drug trafficking, increasing the role of Afghan women, and educating young Afghan citizens who dream of peaceful life in their country.

Symbolizing Kazakhstan-American cooperation in the security sphere has been the Steppe Eagle exercises with the U.S. Armed Forces that have been carried out within the framework of the NATO Partnership for Peace program. The most recent Steppe Eagle exercise in Kazakhstan was held in June 2019, and included participation by military personnel from Great Britain, India, Kyrgyzstan, Tajikistan and Turkey, in addition to those from the Republic of Kazakhstan and the United States.

At important moments Kazakhstan has collaborated with the United States when other countries have hesitated to do so. Such was the case with the U.S. call for countries to accept back, rehabilitate, and reintegrate those of their citizens who had been involved with armed conflict in Syria. Kazakhstan was one of the first and among the few states globally to respond to this request.

Its resulting Operation Zhusan thus represents a new stage of joint Kazakhstan-American cooperation for the purpose of strengthening international and regional security. Now, as both countries deal with the spread of the coronavirus, we have good reason to take pride in our ties and to appreciate how dear our relations have become.

On the eve of the 25th anniversary of bilateral relations, former U.S. Ambassador to Kazakhstan George Krol noted that during his stay in our country, he was “impressed by the dynamics of our strategic partnership and the friendly relations that have existed between our peoples throughout the entire period.” The new U.S. Ambassador, William H. Moser, and the Kazakh embassy in Washington worked together with our respective governments to reach an agreement on enhanced strategic partnership between Kazakhstan and the United States. This step, taken in January 2018, brought our relationship to a qualitatively new level.

In conclusion, I would like to assure the readers that broad interaction with the United States remains one of the most important priorities of the Republic of Kazakhstan. This is underscored by my country’s official Foreign Policy Concept for 2020-2030. In the post-pandemic era, we will continue to strengthen our already extensive ties with the United States, ties that enable us to address together issues as diverse as politics, economics, security, trade, energy, education, health, culture and much more.

Preface by Ambassador (Ret.) Richard Hoagland

I first became acquainted with Central Asia when the State Department sent me in 1993 as a junior diplomat to our new embassy in Tashkent, Uzbekistan, to be the Public Affairs Officer. The new government in Tashkent had designated the former Communist Party Young Pioneers Headquarters building to be our embassy. When I arrived, our diplomatic mission was still so new that we didn't yet have adequate housing for the U.S. diplomats assigned to work there. And so, for the first six months I lived in a rustic cottage on the former KGB compound that the new government in Tashkent had offered to the U.S. embassy for temporary diplomatic housing.

I loved my job as the U.S. embassy's Public Affairs Officer in Tashkent because it required me to meet a good number of Uzbekistani citizens. There was only one hitch: the government of Uzbekistan *required* that we make such appointments through the Foreign Ministry, and they would then assign a "minder" (most certainly an intelligence officer) to be present at every meeting. We were constantly surveilled in other ways, too. I remember that at one banquet I attended, something fell from under the table where I was seated. I leaned down and picked up what I recognized as a listening device. I was so surprised that when a waiter who had seen what had happened came running up to snatch it away, I let him take it.

I continued my career with assignments, both in Washington and abroad, that focused mainly on the former Soviet Union. Twenty years after arriving in Tashkent, I arrived in Dushanbe, Tajikistan, as U.S. ambassador. Following that, I spent one year in Ashgabat, Turkmenistan, as *Charge d'affaires*, or acting ambassador. And then in 2008, I arrived in Astana, Kazakhstan, as U.S. ambassador. Over the years, I had learned to see with my own eyes, but inevitably I still carried the baggage of U.S. policy with me.

Looking back, it seems to me that the relations between the now-independent nations of the former Soviet Union and the United States for the past 30 years have been fraught or, more bluntly, might be described as a sometimes nearly love-hate relationship. The one fundamental point that the United States, and the West in general, does not fully take into account is that the intellectual heritage of the former Soviet states is *not* the Western heritage that developed over centuries from the Renaissance, the Reformation, and the Enlightenment – the three great intellectual transformations that created the institutions, cultural values, political structures, and world view of the modern West.

Rather, I came to realize that the former Soviet states were the inheritors of the values of the Soviet and the earlier Russian Tsarist empires, with an unbroken line directly back to the Byzantine Empire. All of this overlays their own histories as Asian khanates and nomadic peoples. This “Byzantine-Soviet” worldview, especially, and its system of governance de-emphasized the importance of the individual and glorified the power of the state headed by an autocratic leader. During the Soviet period, this non-Western system established an unholy alliance of political leadership in the hands of the privileged few, a tolerance for and even a degree of acceptance of organized crime as an element of power, and powerful intelligence agencies to knit it all together. This system benefitted only a privileged few without the existence of any long-established institutions to challenge that power. To put it succinctly, this heritage, which continued to endure even after the collapse of the USSR, is radically different from the heritage of the West.

U.S. policy immediately after the fall of the Soviet Union and the emergence of sixteen new independent states was colored by an irrational exuberance that assumed, through Washington’s rose-colored glasses, *of course* the peoples of the former Soviet Union were naturally yearning to breathe free and, with the appropriate assistance, would quickly become free-market democracies. Using the authorities of the 1992 Freedom Support Act – in which FREEDOM is one of those quirky Congressional acronyms that stands for “Freedom for Russia and Emerging Eurasian Democracies and Open Markets” – Washington dedicated hundreds of millions of dollars to support the former Soviet states as they

transitioned, over a relatively short time – or so assumed the Washington ideologues – from communism and central planning toward Western-type democracies and free markets. As we now know, it did not turn out to be as simple as transitioning from one ideology to another.

From the beginning, U.S. policy for the independent nations of the former Soviet Union has been remarkably consistent. Fundamentally – and this has never changed in thirty years – it has been to preserve and protect the independence, sovereignty, and territorial integrity of each state in the region. From the beginning, this has included to support independent, sovereign states that uphold regional security, increase their economic integration with regional and global markets, and demonstrate respect for human rights and democratic governance, while not becoming sources of transnational threats to the United States or to any other nation.

Where we have too often gotten tangled up is in this part of the policy: “...demonstrate respect for human rights and democratic governance.” This was especially true during the presidential administrations of both George W. Bush and Barack Obama, with first Secretary of State Condoleezza Rice and then Secretary Hillary Rodham Clinton. In the daily “sausage making” of foreign policy in the State Department, a geographic bureau usually has the initial responsibility to bring pen to paper. In the case of Kazakhstan, it is the Bureau of South and Central Asian Affairs, known simply as SCA. However, other functional bureaus have the right to weigh in during the clearance process, as do other cabinet departments if they have interests in the key issue of policy being refined. After this rather complex clearance process, a policy memo goes to the regional bureau’s Assistant Secretary of State who then passes it “up the chain” to the Under Secretary of State for Political Affairs or to the Secretary of State him – or herself. One of these functional bureaus – the Bureau of Democracy, Human Rights, and Labor, known as DRL – gained near veto power during that period.

A good number of the employees in DRL whom I encountered were civil servants who had never served as diplomats abroad and who had actually been hired directly from human-rights non-governmental organizations. I clearly

remember one who told me, “I’m so glad to have this job! Now I can impose *our* views on foreign policy,” meaning the views of the human-rights organization from which she had come. Several of the DRL employees who had near veto power over our regular policy memos were especially irked by what they called Kazakhstan President Nazarbayev’s “cult of personality.” “Look what he’s done now,” they would say. “He’s named a university after himself!” When I would point out that the capital of the United States is named after *our* first president and that nearly every city in the United States has a street named after George Washington, they’d rejoin haughtily, “But that wasn’t until after he was *dead!*”

What, then, sets Kazakhstan apart from its neighbors? Wearing their ideological blinders, these kinds of people could not – or would not – focus on the larger picture, and this was certainly true of Kazakhstan. Soon after its independence, Kazakhstan emerged as the key country of Central Asia. Apart from the fact that a northwestern bit of Kazakhstan, across the Ural River, is technically on the European land mass, Kazakhstan, as it frequently insists, is indeed different from the other four, not because of its truly Eurasian geography but primarily because of decisions that President Nursultan Nazarbayev and his government made in the immediate months after independence. At least three are especially important.

First, Kazakhstan committed almost from the beginning to macro-economic reform away from the Soviet command-economy model, so that today its banking and other financial systems are on a par with Central Europe’s. This means that Kazakhstan is much more deeply embedded in the global economy than the other four that still limp along with the tattered remnants of an outmoded command economy.

Second – and this is probably even more important – President Nazarbayev decided that if Kazakhstan were to be an independent country that emerges onto the world stage, it would need a new generation of leaders who think differently. And so he created the Bolashak Program (*bolashak* means *future* in Kazakh) that sent young Kazakhstani citizens abroad for full university educations and, for some, even graduate degrees. He established this far-sighted policy in the earliest days of independence even before Kazakhstan began to rake in the

wealth from its Caspian oil deposits. The result is that Kazakhstan now has a cohort of well over 10,000 alumni of the Bolashak Program, globalized young people rising in both the public and private sectors, who often speak English and other world languages. Today, when you go into any government office, university, think tank, or private business, inevitably you'll meet Kazakhstani men and women who say proudly that they are Bolashak Program alumni.

Third, and of special importance, Kazakhstan is an exemplary nuclear non-proliferation partner of the United States. At its independence, Kazakhstan found itself with the fourth-largest nuclear arsenal in the world, but President Nazarbayev committed the country to total denuclearization, in part because of the devastation that Soviet nuclear testing had inflicted on the land and population around Semipalatinsk in northeastern Kazakhstan. The decade-long U.S.-Kazakhstan effort to clean up the BN-350 nuclear fast-breeder reactor site at Aktau on the shore of the Caspian Sea reached a significant milestone in November 2010, when Kazakhstan finished securing and locking down under International Atomic Energy Agency safeguards at Baikal-1, near Semipalatinsk, 3,000 kg of weapon-grade plutonium and 10,000 kg of highly enriched uranium – enough to have made about 750 nuclear weapons. The year of the 10th anniversary of Kazakhstan's independence, 2001, coincided with the al-Qaeda attacks on the United States known simply as 9/11. All at once, America needed Kazakhstan in a way that it had not over the first 10 years of their interaction. Most important, we needed Kazakhstan to agree to what became termed the Northern Distribution Network, or simply NDN. This was the route from Europe through Russia and south into Afghanistan that would be used to supply U.S. and NATO troops in Afghanistan, *without charging transit fees*. Kazakhstan was not opposed to the NDN, but it wanted, quite naturally, to profit from it. Specifically, since there would be no transit fees, it wanted the United States to buy some of the supplies from its local Kazakhstani vendors, a not unreasonable request that, in fact, would have saved money in the long run. The Pentagon in Washington D.C. was the procurement agency for the supplies that would flow along the NDN. And there was the rub. Over many long years, the Pentagon had established densely bureaucratic and detailed requirements for the origin and quality of every single object it would procure and ship to the troops.

The job I had in the State Department at that time, Office Director for the countries of the South Caucasus and Central Asia, put me and my team in charge of negotiating the NDN in Central Asia, specifically in Kazakhstan. When I first received this assignment, I thought it would be a no-brainer, because, of course, the good countries of Central Asia would want to help America uproot the terrorists in Afghanistan just to the south of them.

At the beginning, I'd thought that the NDN agreement with Kazakhstan would be a slam-dunk, and that I could then move on to negotiating the similar agreements we needed with other countries in Central Asia to support what became known as Operation Enduring Freedom in Afghanistan. But it didn't turn out to be as easy as I had first assumed. As I've already noted, Kazakhstan wanted the United States to procure *in Kazakhstan* some of what it needed. That's when I learned about the burdensome bureaucracy of my own government. For every single object we considered for procurement in Kazakhstan, not one quite met every single bureaucratic requirement. And the requirements for every single object often flowed densely in bureaucratic-speak over several pages. My colleagues in the Pentagon were sympathetic but said their hands were tied. And so after weeks of negotiation, we were deadlocked.

Exasperated, I told my senior colleagues at the State Department, the Department of Defense, and the National Security Council that the United States *had* to acquire something in Kazakhstan or else the NDN *would not happen*. And so the powers that be at that time relented and decreed that the United States would buy plywood from Kazakhstan. And indeed, that was enough to break the logjam. Kazakhstan had stood its ground but, in the end, accepted a symbolic gesture. And I never once subsequently heard any complaints from the U.S. military in Afghanistan that the Kazakhstani plywood was substandard. The NDN served as a crucial supply line until eventually Russia hardened its views about the ongoing presence of the United States and NATO in Afghanistan and closed down its portion of the NDN, essentially killing it.

Six years after this negotiation for the NDN, I was sworn in as U.S. Ambassador to Kazakhstan. One thing I had learned along the way is that people too often have an exalted view of the title, "ambassador." In fact, an ambassador is a go-

between, working hard behind the scenes to find the compromises that keep *both* sides reasonably satisfied.

At the independence of the former Soviet Socialist Republics as a result of the fall of the Soviet Union in December 1991, most observers expected that Uzbekistan would emerge as the leading country in Central Asia because of its large population and relatively high level of industrial development. But that did not happen because Uzbekistan's first leader, President Islam Karimov, kept Uzbekistan relatively isolated from its neighbors and mired in its Soviet past. Kazakhstan's President Nursultan Nazarbayev, however, undertook fundamental changes from the beginning of his tenure that internationalized his nation. Nearly 20 years later, he was eager to showcase that nation and its real achievements to the world. And when Kazakhstan gained the annually rotating OSCE Chairmanship in 2010, he insisted on hosting in his new capital, Astana, a relatively rare OSCE summit. Such events are a common part of international diplomacy, but this one, inevitably, became controversial in Washington.

The State Department's DRL bureau was not overly pleased with Kazakhstan because it had not quickly become a full-fledged free-market democracy after independence. Political opposition parties, when they were allowed to exist, were tightly controlled, and civil-society non-governmental organizations (NGOs) that the United States and the European Union supported were matched by government-created and, some said, subservient, NGOs, sometimes derided by DRL with the ironic acronym, GONGOs — government-organized non-government organizations.

To make matters yet more complicated, any high-level OSCE meeting, whether an exalted summit or "just" a ministerial, includes official side meetings by the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) for the host-country's NGOs and their international supporters. But President Nazarbayev decided that such meetings would not be part of his summit — only his GONGOs would be allowed to participate. After much contentious behind-the-scenes and often late-night multi-national negotiation, the compromise was finally reached that ODIHR could indeed have its traditional NGO meetings but *not* at the official summit site in Astana's New City. Instead, they would take

place several miles away at a university in the Old City. No one was really pleased, but the day was saved with compromise on *both* sides.

In the run-up to the summit, my job was to keep the Kazakh Foreign Minister up to date on the level of the U.S. participation in “Nazarbayev’s Summit,” as it was being called behind the scenes in Washington. I knew beyond any doubt that President Obama would not be travelling to Astana. But as for the name of the real senior U.S. government representative, I had to continue using the standard phrase, “It’s still under discussion.”

The Kazakhs were not at all pleased. As the date of the summit approached, they became increasingly exercised. With my fingers crossed behind my back, I continually responded, “It’s still under discussion because of complicated schedules, but I assure you we will have very high-level representation.” That polite diplomatic phrase usually elicited a scowl of exasperation.

In the end, DRL lost its hard-fought battle to get the U.S. government to boycott the OSCE summit in Astana. But it wasn’t until her plane was actually in the air that I was finally informed in a middle-of-the-night phone call from Washington that Secretary of State Hillary Clinton would indeed represent the United States and was actually already on her way. President Nazarbayev was satisfied. And all went well. In fact, Secretary Clinton worked like a trooper late into the night holding what seemed to be an endless series of bilateral meetings with those representing their countries at the OSCE Summit. As often happens in the world of diplomacy, what you see in public is the ready-for-the-camera final result that hides the hair-pulling and sleepless nights of high drama behind the scenes.

After thirty years of independence, Kazakhstan is a responsible player on the world stage. It has stayed true to President Nazarbayev’s original intention: friendly to all, beholden to none. But as many like to say, it is located in a tough neighborhood and has to juggle the interests of its immediate neighbors, Russia and China, as well as those of the United States and the European Union and other lesser but important regional powers like Iran and Turkey. And Kazakhstan does so in a masterful fashion, employing what it calls a “multi-vector foreign policy.” In this context, let us take a brief look at Kazakhstan’s relations with Russia, China, and Turkey.

Russia has long declared its former republics to be its *special sphere of influence*, sometimes substituting “privileged” for “special.” Because of history, economic ties, a colonial *lingua franca*, the Russified culture of the older elites, and because of a *tsunami* of propaganda on the Russian broadcast media that blanket the region, Moscow’s near-absolute dominance there should be a foregone conclusion. But it’s not.

Further, Russia regularly whispered into the ears of neighboring leaders a greatly exaggerated threat of the Islamic State and the Taliban. While the threat does indeed exist because of the ISIS declaration of a sub-caliphate of Khorasan in Afghanistan and its neighboring regions, including the southwest corner of Kazakhstan, the dire Russian admonitions purposely exaggerate the threat in order to impel the Central Asia states to turn more fully to Moscow for their security. This is ever more true with the military withdrawal of U.S. and NATO troops from Afghanistan.

Russia has created two multilateral structures for regional integration, and Kazakhstan is a member of both. The first is the Collective Security Treaty Organization (CSTO) in which the members pledge to support and defend each other’s mutual security. “Permanently neutral” Turkmenistan maintains only observer status. Despite annual summits and regular military exercises, the CSTO is still not seen as an especially effective organization, either by its members or more broadly in the greater Eurasian region. And whether it would respond in an emergency situation, is open to question. It is useful to note that during Kyrgyzstan’s ethnic turmoil in Osh that began in June 2010, Bishkek asked for security assistance from the CSTO, but Moscow did not agree, noting that the CSTO exists to defend member states against *outside* aggressors.

The other, and more recent, Russia-dominated multilateral organization in the region is the Eurasian Economic Union (EEU), comprising initially Russia, Kazakhstan, and Belarus, and now including Kyrgyzstan and Armenia. Kazakhstan’s President Nazarbayev first proposed the EEU in the 1990s, but Moscow tended to pooh-pooh it until Putin’s third presidential term, when he apparently came to see it as potentially an effective tool of *putinism*, which some go so far as to dub *neo-sovietism*. Some suspect that Moscow sees the EEU as a

bloc structure – led by Moscow – that will inevitably take on a political dimension. So far, however, Kazakhstan has politely said *nyet* to any kind of political dimension – or, to go even further, a common currency – for the EEU.

Why does Kazakhstan take this stance? Principally, it's because its population, unlike the populations of the four other Central Asia states, is still just under twenty-five percent Slavic, concentrated largely in the northern part of the country bordering Russia and around the former capital, Almaty. It is especially the north that concerns Kazakhstan and why late in the 1990s Nazarbayev moved the capital of his country from Almaty to Brezhnev's "Virgin Lands" city of Tselinograd on the southern Siberian steppe, essentially in the middle of nowhere. He did so because, from the 1990s to this very day, influential voices in Russia (and not just the clownish Vladimir Zhirinovskiy, himself born in Almaty) continue to call for the annexation of the northern third of Kazakhstan that some insist was always historically a part of Russia.

China is increasingly the looming elephant in Central Asia and deserves close observation. Its presence in the region has generally been politically benign as it has sought to gain access to the hydrocarbon and mineral wealth there to fuel its own economic growth. Even as China increasingly bought into the oil sector of Kazakhstan and the natural-gas sector in Turkmenistan (where it is the only foreign nation allowed to operate its gas wells and pipelines directly on Turkmenistan's sovereign soil), the West, including the United States, saw no problem, because there was no perceived political threat.

However, the West perked up its ears when China's President Xi Jinping announced at Nazarbayev University in Astana (now Nur-Sultan) in September 2013 its New Silk Road Economic Belt running from east to west across Central Asia, through the South Caucasus, and on to northern Europe. Initially, the United States, with its own New Silk Road Initiative of the early Obama administration (that, in reality, existed only on paper), paid little attention because the U.S. version of the New Silk Road focused on forging north-south links from Russia's southern border into India, whereas China's stated goal was to facilitate transport of its industrial production, especially from Western China, overland to Europe.

The Chinese plan is an essential part of Beijing's emergence on the world stage as a global player and goes far beyond Central Asia to include elements in Pakistan now known as the China-Pakistan Economic Corridor (from the Karakorum Mountains to the warm-water port of Gwadar), Southeast Asia, and maritime lanes through the South China Sea and the Indian Ocean to all the littoral ports, including those of East Africa. By March 2015, China had released a comprehensive action plan for what it had by then come to call the Belt and Road Initiative (BRI), emphasizing that it "is in line with the purposes and principles of the UN Charter. It upholds the Five Principles of Peaceful Coexistence: mutual respect for each other's sovereignty and territorial integrity, mutual nonaggression, mutual noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence."

The initial U.S. view of China's New Silk Road Economic Belt was a rather simplistic shrug: "They do hardware; we do software," meaning that Beijing would probably focus on upgrading the east-west highways and rail lines along the southern rim of the former Soviet Union, while Washington focused on technical capacity-building for things such as customs modernization and border security. As China's BRI policy emerged, and as it began to buy up industries, initially in Kazakhstan, all the way from Xinjiang to the Black Sea, it became apparent that China was actually creating more of an industrial investment scheme, in part to stimulate economic growth among its western neighbors. Kazakhstan has willingly participated in China's BRI *when it is in Kazakhstan's interest to do so*. Because of its hydrocarbon wealth, it has not fallen into China's debt trap that some call "predatory lending." And Kazakhstan's close relationship with China has not been an issue in the U.S.-Kazakhstan relationship.

Separately from BRI, Kazakhstan is a member of the China-dominated Shanghai Cooperation Organization (SCO) that plays a certain role in Central Asia, certainly more so than the Russia-dominated CSTO. For many years, the SCO was seen by outsiders (and even by some participants) as just one more international "talk shop." Over the years, however, the SCO has matured into a normal regional organization, and Washington has no problem with

Kazakhstan's membership in it. Interestingly, soon after the SCO was founded, member-state Uzbekistan recommended that the United States be granted observer status. Before the SCO could decide on this recommendation, however, Washington rejected the offer, ideologically unwilling to be associated, even as an observer, with an organization comprised of Russia, China, and "un-reformed" former Soviet states. This rejection was perhaps understandable but was short-sighted and typical of the sometimes rigidly ideological decision-making in Washington.

Turkey should have become a major player in Central Asia since four of the five nations there have a Turkic heritage – Tajikistan is the exception with its Persian heritage. Immediately after the fall of the Soviet Union, Turkey made a strong effort to become a major player in Central Asia. However, it overplayed its hand and was perceived as a state seeking domination, rather than offering to be a helpful partner. More recently, Turkey's President Recep Tayyip Erdogan has caused concern throughout the region with his occasional musings about the re-establishment of the Ottoman Empire. Kazakhstan, however, has found a way to pay symbolic tribute to Turkey and to Turkic culture by designating its Silk Road city of Turkistan as the current Spiritual Capital of the Turkic World (an honor that will rotate to other cities in other countries) and reorganizing its regional state university there as Khodja Ahmad Yasawi International Kazakh-Turkish University. As nearly always, Kazakhstan plays its cards to its own advantage.

Like all nations, Kazakhstan has important and mutually beneficial relations with multiple powers. And now, with the historic – and troubling – developments in Afghanistan, the United States is once again quietly increasing its interest in the region and looking to Kazakhstan to be ready to help, if help is needed. Washington seeks to be reassured that Nur-Sultan will help to manage, at least initially, flows of refugees from Afghanistan and, more broadly, prevent homegrown Islamic militant groups, especially in the Central Asian countries, from forging quiet links with the ideologically committed Taliban that would endanger the entire region.

The United States should rest assured that it has a steady partner in Kazakhstan. Personally, I am grateful that I had the opportunity to play a small role in helping to cement this important regional relationship. And I am certain that, despite Washington's internal ideological battles, it will continue to recognize Kazakhstan as a steady and reliable partner in a challenging global neighborhood.

Chapter One: Dramatic Beginnings

Ties between Kazakhstan and the United States are strong but certainly not ancient. True, there were a number of Americans, notably diplomat Eugene Schuyler, who travelled there in the nineteenth century and wrote about it. But these were rare exceptions. It is therefore not surprising that the links that arose during the years immediately preceding and following the collapse of the USSR in 1991 still define many aspects of US-Kazakhstan relations today. For this reason they warrant our attention today, not as curiosities of the past but as the genesis of an important and durable relationship.

The blunt reality is that as recently as the 1980s Americans and Kazakhs scarcely knew of each other. Yet within a very few years beginning around 1980 each “discovered” the other, and came to perceive their mutual interests with a high degree of sophistication and practicality. The causes of this strange situation trace to the very peculiar circumstances prevailing in both countries prior to their mutual discovery.

That Kazakhs knew little of the United States is by no means surprising. As part of the USSR, the Kazakh Soviet Socialist Republic was a constituent element of the Soviet Union beginning in 1936. As such, it maintained its own Ministry of Foreign Affairs, but this body was fully subordinate to directives from Moscow. Its scant dealings with the outer world were fully shaped by the Kremlin. The few Kazakhs who developed expertise in international affairs did so thanks to training at Moscow institutions and honed their skills while serving as

representatives of the USSR, not of Kazakhstan. Yet this background was nonetheless important, as it gave rise to knowledge and expertise that was to prove invaluable as Kazakhstan began moving out from under its northern shadow. A similar evolution, all but invisible but nonetheless real, occurred in the economic sphere, as Kazakhs who managed Soviet firms on their territory began reaching out to the larger world.

In the broader society of Kazakhstan, all information on America was filtered through the lens of Soviet education, books, and newspapers. This included a few engaging works like Ilf and Petrov's droll but dated *One Story America* (1935), but far more of the available sources presented the United States as the aggressive but declining headquarters of world capitalism. Kazakhs who were fortunate to gain access to elite educational institutions in Moscow, and to a lesser extent, in Kazakhstan itself, gained a fuller picture of the USSR's great enemy, but they were few in number.

Compounding this situation was the fact that few Kazakhs were allowed to participate in educational and scientific exchanges with the United States. Beginning in 1968, America's public-private International Research and Exchanges Board (IREX) brought Soviet students and scholars to conduct research at American institutions but the Soviet side of these exchanges was dominated by ethnic Russians. However, when Kazakhs were included it invariably bore long-term fruit.

This process of exclusion extended even to the cultural sphere. Thus, the selection of Soviet participants in the American-Soviet Youth Orchestra, founded in 1987, was fully controlled by the Moscow Conservatory, with no input from the Kazakh capital of Almaty. In spite of this highly controlled environment, beginning in the 1970s many young Kazakhs gained a keen interest in American popular culture, in many fields, including jazz, dress, and life style.

America's ignorance of Kazakhs and Kazakhstan mirrored this situation, but for a very different set of causes. At an official level, the focus was squarely on the United States' Cold War rival, the USSR, and hence on its capital, Moscow. Only a couple of American graduate students were allowed to study in Central Asia and their research topics, like those of all American scholars on IREX, were censored by the Soviet side to exclude most current issues. Washington mounted great effort to advance the study of Russian, but ignored other languages of the USSR, including Kazakh. And even if Americans had wanted to acquaint themselves with the peoples of Central Asia, there were few, if any, ethnic Kazakh or Uzbek emigres they could have called on to teach. A far more favorable situation existed for Ukrainian and the Baltic languages.

During the late Soviet period the Library of Congress endeavored to import as many Soviet publications as possible. But the Soviet Academy of Sciences sent only publications by its Moscow institutions, excluding the other fourteen republics of the USSR. The Library of Congress responded by appointing two staff members to travel regularly to all non-Russian republics, including Kazakhstan, to purchase books from local publishers directly. This absurd arrangement persisted for years, accounting for the few books from Kazakhstan that reached America.

In other respects, the U.S. government's narrow focus on Kremlin politics kept Kazakhstan and the other fourteen non-Russian republics in the shadows. The Foreign Broadcast Information Service (FBIS) translated news only from Russia and Russian sources, and had neither the interest nor the capacity to draw on other languages, including Kazakh. When it finally ventured to garner news from Kazakhstan it drew from local Russian language outlets of the main Moscow papers, rather than from Kazakh language sources.

During the 1980s this situation began to change for the better. A handful of linguistic scholars had long since been engaged in the study of historical texts from Central Asia, but now they were joined by social scientists whose interest was in the region's more recent past. A number of academic centers, notably the University of Chicago, Ohio State University, Indiana and Columbia, began turning out researchers whose interest was in writing on Central Asia and the Caucasus. Thus, for example, University of Chicago-trained historian Martha Olcott's *The Kazakhs* (1986) used Russian and English sources to trace the Kazakh people through the centuries to the present.

In spite of these initiatives, throughout the 1970s the main focus in American studies of the USSR was Russia itself. The person who did more than anyone to transform this situation was Murray Feshbach, a highly specialized scholar in the field of demography and a research professor at Georgetown University. During the 1970s he issued a series of studies on the birthrates and movements of diverse ethnic groups in the USSR. These revealed two astonishing facts: first, that beginning as early as the 1960s the birthrate of ethnic Kazakhs had begun to rise very rapidly; and second, that the flood of Slavic immigrants to Kazakhstan that had been unleashed by Khrushchev's Virgin Lands project in 1954 had subsided and that a massive reverse migration of Slavs back to Russia and the Ukraine was well underway. Whereas Russians and Ukrainians had constituted fully 67% of Kazakhstan's population in 1959, by 1979 it had shrunk to 54%. Thus, Feshbach pointed out to his readers that Kazakhstan was rapidly becoming once again Kazakh.

As the world slowly grasped this fact, interest in the so-called "ethnic problem" in the USSR soared. American analysts suddenly perceived that the demographic shift in Kazakhstan had made that republic the possible bellwether of future change in the USSR as a whole.

Many Kazakhs thinkers were well aware of this transformation. This realization opened up before them two quite contradictory possibilities for the future. On the one hand, it fostered a new interest in their own linguistic and cultural heritage. A few even dreamed of reclaiming a preeminent role in their own homeland, which had by then been thoroughly Russified. Thanks to Soviet programs to expand education country-wide, the numbers of Kazakhs who gained access to such thinking increased steadily. On the other hand, it gave rise to fears that the Soviet rulers in Moscow would resist the resulting national movement by tightening their control throughout the republic. As it turned out, both of these possibilities unfolded simultaneously.

At precisely the same time these prospects were unfolding, long-ignored Kazakhstan came increasingly to the world's attention. Back in 1955 the Soviet government had set up a test center for its international ballistic missiles at Baikonur, on the Syr Darya river in central Kazakhstan. As the space age developed, it became the launching site for many historic flights, including Sputnik I in 1957, Luna I in 1959, Yuri Gagarin in 1961, and then joint flights with Czechoslovakia, East Germany, France, and India.

Concurrent with this, Kazakhstan became the USSR's leading center for the production, and storage of uranium, the key ingredient of atomic weapons. The fact that the Soviet Union's richest deposits of uranium ore were on Kazakh territory made this development both convenient and inevitable. In a profound irony of history, Kazakhstan's geopolitical importance soared at the very time when Kazakhstan's demographic transformation was becoming known to Moscow and the world.

As this occurred, the U.S.-Soviet arms race continued apace. Both sides rushed new missiles into production and armed them with ever more potent weapons. Thoughtful people throughout the world viewed this

with alarm. Rather than standing by as passive observers, a few thinkers in the West resolved to do something about it, by forming unofficial bodies for joint consultations between the USSR and the United States.

The first such effort arose in 1957 when philosopher Bertrand Russell and physicist Joseph Rotblat founded a Conference on Science and World Affairs. Funded by Cleveland industrialist Cyrus Eaton and held at his home town of Pugwash, Nova Scotia, the Pugwash Conference brought together high-level scientists and leaders to advance the cause of nuclear disarmament. Even though some Soviet participants used the conferences to advance narrow nationalist interests, the Pugwash group earned a Nobel Peace Prize and became a model for so-called "Track Two Diplomacy." Even though Kazakhs were not included among the participants, these discussions greatly enhanced the appreciation of Kazakhstan's central role in world tensions and, it was hoped, world peace.

The next major Track II initiative affecting Kazakhstan was the establishment of the Dartmouth Conferences in 1961 by Norma Cousins, editor of the American publication, *The Saturday Review*. Held annually down to 1990, the Dartmouth Conferences engaged the Soviet Peace Committee and senior such senior Soviet officials as Evgenii Primakov and Georgi Arbatov, as well as leading American members of Congress. Because Kazakhstan was the only place with both rich sources of uranium, nuclear processing facilities, nuclear arms, and launching facilities, it inevitably advanced further towards the center world stage.

Such gatherings fostered a climate receptive to the convening, in 1969, of negotiations in Helsinki, Finland, that led to an Anti-Ballistic Missile Treaty, an interim agreement between the U.S. and the USSR. A first Strategic Arms Limitation Treaty (SALT) was not reached until 1979 but the United States refrained from signing it following the Soviet invasion

of Afghanistan and the discovery that Moscow had stationed a combat brigade in Cuba. Further negotiations followed, however, and after the collapse of the USSR continued with Russia.

The significance of the SALT talks to U.S.-Kazakhstan relations is that for the first time Kazakhs themselves participated. Besides opening contacts on a critical international issue, the SALT negotiations enabled many of Kazakhstan's future leaders and senior American officials to get to know one another and to interact directly. Indeed, the negotiating teams briefly included future ambassadors from each country to the other: on the Kazakh side, Bolat Nurgaliev and on the American side, William Courtney, Washington's first ambassador to independent Kazakhstan. As the USSR began to collapse, both sides grasped the need to talk directly with each other and not through intermediaries from Moscow.

At the same time Kazakhs and Americans began interacting in the sphere of nuclear arms, they found themselves involved in a critically important project in the economic sphere, namely, the development and export of Kazakhstan's vast oil deposits. This vast enterprise developed slowly over several decades, and in the face of daunting resistance from Moscow.

Energy Diplomacy

The first serious contact between the U.S. and the USSR in the energy sphere occurred in 1979, when the Kennan Institute for Advanced Russian Studies invited the Soviet officials to report on their country's energy reserves. The organizer of the conference, one of the co-authors

of this volume, was astonished when Moscow sent a large delegation of blunt-speaking experts. Their message: that the oil reserves of Azerbaijan were washed up, those of Turkmenistan were already being developed by Moscow, and those of Kazakhstan contained so much sulfur as to render them commercially unusable. They backed up this latter claim with reports that their experts had tested six wells and found them all unsuitable for development.

Instead, the Soviet *neftianiki* or oilmen promoted large new oil deposits they had recently discovered in western Siberia. Besides their sheer scale, the Russian experts recommended these oilfields because they could be developed by hard-working Russian workers rather than by “lazy and corrupt” Azeris or Kazakhs. The fact that no pipeline connected western Siberia to the West seemed not to concern them. However, this was the common impediment to all three of these potential developments, and a formidable one. Without pipelines to carry the oil to consumers in the West, all three projects would be stillborn.

In spite of this cold shower, British Petroleum began negotiations to work in Azerbaijan and Unocal of El Segundo, California, launched its own effort in Turkmenistan. This left open the question of the vast but problematic Tengiz field in western Kazakhstan. It was at this point that the world’s fifth largest oil company, Chevron, entered the picture. It placed its hopes in a very, very long shot: the Tengiz field, with its heavy, inaccessible, and sulfur-laden oil and total absence of any means of transporting it to western markets. Worse yet, the Tengiz deposits were in remote and arid western Kazakhstan, and were exceptionally deep, as much as three miles beneath the surface and beneath a thick salt dome.

Soviet engineers had spent hundreds of millions of dollars exploring Tengiz and concluded that it was not worth pursuing further. Along the way they had released vast clouds of hydrogen sulfide, killing hundreds

of local residents. However, on the basis of extensive discussions with his own technologists, Richard H. Matzke of Chevron concluded otherwise. As vice-president of Chevron and president of its international division, Chevron Overseas Petroleum, Inc., Matzke was a veteran of high-risk ventures in Angola and Sudan. He wasted no time in approaching Soviet officials for a crack at the Tengiz prize.

Seeing Matzke's enthusiasm for the project, the authorities in Moscow balked. They were glad to give him a crack at any other oil field in Russia but treated his proposal for Tengiz with skepticism and suspicion. They were not alone. Dwayne Andreas, the respected president of Archer Daniels Midland, America's largest grain processor, was also developing projects in the USSR, and strongly advised Matzke to drop his Tengiz dreams.

Rather than accept defeat, Matzke launched a far-reaching campaign to prove, first, that Chevron could indeed develop Tengiz and, second, that to do so it would employ technologies that were far beyond anything available to his Soviet interlocutors. The first step in his campaign was to bring a group of Soviet petroleum engineers to Canada, where he showed them Chevron's technology at work on remote and deep oil field. They were duly impressed, but in the end failed to advance Matzke's proposal in Moscow. A very different approach was called for.

The Nuclear Issue and the Road to Independence

By this point the Soviet Union had entered what proved to be its terminal crisis. Two General Secretaries of the Communist Party in succession had died, and Mikhail Gorbachev had been elevated to that post. He immediately launched a dramatic program of reform in a last-ditch effort to reverse Soviet decline and save the Communist regime.

Gorbachev's rise and his openness to change, albeit within strict limits, profoundly affected both of the two main issues that were to put Kazakhstan on the world map and undergird its eventual independence six years later. Perceiving the desperate situation his predecessors had left him, Gorbachev demonstrated a readiness to reconsider the entire range of nuclear issues that had been on the table for a generation, and also the possible benefits of greatly expanding western investments in the USSR. This sea-change in Moscow not only transformed the tone and substance of Soviet relations with the United States but set the stage for the rise of Kazakhstan as a sovereign and independent state. Quite inadvertently, all this occurred in a manner that assured that the future Republic of Kazakhstan would build a solid and enduring relationship with America, a relationship to which both sides would be deeply committed, and from which both would richly benefit thereafter.

This fortunate outcome was by no means inevitable, given what was still very limited contact between Kazakhstans and Americans and their limited knowledge of each other. However, in both of the two main spheres that were to drive the relationship – nuclear security and hydrocarbons – small groups of bright and well-informed experts had emerged in both countries. The rising centrality of nuclear matters on the global agenda generated expertise in both the U.S. and USSR, while Kazakhstan's central role in the Soviet nuclear program gave the issue special urgency among a small but important group of Kazakh policymakers. Similarly, the American interest in Tengiz oil caused both Americans and Kazakhs to think seriously about the other side's interests and capacities.

Expertise alone would not have borne fruit in either area had there not been some force guiding and coordinating the overall effort. On the Kazakh side that role was filled by Nursultan Nazarbayev, a

metallurgical engineer and Communist Party official from Karaganda, who was named Kazakhstan's Prime Minister in 1984. Though only forty-four at the time, Nazarbayev brought to that office a solid understanding of the links between technology and policy that was to prove essential to the successful resolution of both the nuclear and Tengiz issues.

For the time being, though Nazarbayev was only second in command in Almaty, as he served under a fellow Kazakh, Dinmukhamed Kunaev, First Secretary of the Communist Party of Kazakhstan. Kunaev was much loved in many quarters of Kazakh society on account of his many public works (including splendid all-year baths and swimming pools) and, above all, because he was himself a Kazakh. When Gorbachev sacked him in December 1986, thousands of Kazakhs in Almaty and other cities mounted a national protest (*Jeltoqsan*, or "December"), the first of many nationalist demonstrations in the USSR during the Gorbachev era. Kunaev's ethnic Russian replacement proved ineffectual and Nazarbayev became the *de facto* national leader until he was named First Secretary of the Communist Party in June 1989, when his role became official.

Meanwhile, the tremors of dissent in Almaty were followed by large-scale demonstrations in the Baltic republics and demands for independence and sovereignty. As protests mounted in Lithuania and Estonia, observers worldwide began questioning whether the Soviet Union itself could survive. Most western experts on the USSR considered the breakup of the USSR highly unlikely, a remote possibility at best. Nonetheless, such speculations struck alarm among the international community and especially among those who had long been committed to the goal of nuclear disarmament.

Nazarbayev, who keenly understood the high degree of integration between industries in Kazakhstan and the rest of the USSR, proceeded cautiously in the face of growing efforts to break up the Soviet Union. His professional and political experience convinced him that a chaotic Soviet breakup would put at risk the entire Soviet nuclear arsenal, and especially the major nuclear facilities in Kazakhstan. For several years he therefore focused his attention on securing and protecting the arsenal on Kazakhstan's territory, and resisted all talk of dismantling it. As the issue of nuclear disarmament intensified, he for some time resisted efforts to coerce Kazakhstan to unconditionally abandon its nuclear facilities, as he understood the potential of extracting maximum benefits for the emerging nation from its possession of these devices.

Meanwhile, in Washington, President George H. W. Bush, elected in 1988, was faced with the same question. As early as 1985 President Ronald Reagan and Mikhail Gorbachev had discussed the possibility of eliminating nuclear missiles from Europe. The following year Gorbachev surprised the world by announcing that the USSR would support a treaty implementing such a plan, and in 1987 an Intermediate Range Nuclear Forces Treaty (INF) was signed and ratified by both parliaments. Beyond the fact that it ameliorated East-West relations in Europe, INF opened the door to further talk on nuclear disarmament as such. In so doing, it also brought the fate of Kazakhstan's nuclear facilities to the center state of world attention and especially to policy makers and politicians in Washington.

Discussion of a possible second and far more extensive Soviet-American treaty shifted the focus from nuclear arms in Europe to the possible *reduction* of the nuclear arsenals of both the U.S. and the USSR. Back in 1982 President Reagan had called for Washington and Moscow to cut back their nuclear arsenals. Gorbachev had now embraced the idea, at

least in principle. Once both sides decided to move forward, they launched what was arguably the most extensive and complex negotiations on nuclear arms ever conducted. The resulting Strategic Arms Reduction Treaty, or START, barred both powers from deploying more than 6,000 nuclear weapons and limited each side to 1,600 intercontinental ballistic missiles. While START was not signed until 1991, it was clear to all that the entire massive nuclear arms industry in both the USSR and U.S. had reached an impasse and that their future scale and even existence were for the first time in question. Because Kazakhstan was a main rear repository both of nuclear arms, allied industries, and fissionable material, the Soviet-American dialogue inevitably came to focus on Kazakhstan as a principal player in the drama.

President Bush and his Secretary of State, James Baker, were well-informed on these developments and acutely aware of the potential risks of both action and inaction. They therefore proceeded with great caution. Indeed, some American disarmament experts and political pundits accused Bush of dragging his feet. But Bush was quick to realize that the mounting turmoil in the USSR posed a great danger to the security of nuclear facilities across the vast Soviet territory. He had been thoroughly briefed on the important nuclear facilities at Semipalatinsk and elsewhere in Kazakhstan and viewed their fate with special concern. He had good reason to do so, for the CIA had reported to him that on the territory of Kazakhstan were 104 SS-18 Intercontinental Ballistic Missiles, 40 TU-95 "Bear" bombers, 360 air-launched missiles, and 25 kilograms of highly enriched weapon grade uranium. Baker shared this concern and immediately opened a dialogue on the subject with Gorbachev.

By 1990 tensions within the non-Russian republics of the USSR had intensified to the point that the Supreme Soviet of the Estonian Soviet

Republic adopted a resolution declaring that Stalin's 1940 occupation of Estonia had been illegal and that the Soviet Republic of Estonia that came in its wake was therefore illegitimate. The resolution was a blunt declaration of independence. It called for the liquidation of the Estonian Soviet Socialist Republic and the restoration of the constitutional order that had existed prior to the Soviet takeover. On March 3, 1991, a national referendum on independence was approved by 78 percent of Estonian voters.

Estonia's 1990 resolution and subsequent actions in Lithuania brought Moscow, Washington, and Almaty face to face with the reality of a Soviet breakup. Leaders in all three capitals knew full well that such an action would lead to the dissolution of the nuclear security understandings and structures that had prevailed in the USSR since the start of the atomic age.

The intricate negotiations to which this concern gave rise have been the subject of many detailed studies. Since both Belarus and Ukraine had nuclear arms and important related facilities on their territories, they, too, became parties to the discussions. But it was Kazakhstan, among all the non-Russian republics of the USSR, that had most at stake. Nursultan Nazarbayev was well aware of all the negotiations between Washington and Moscow on nuclear arms and followed them with concern. On the one hand, he recognized the economic and political importance and value of the nuclear facilities on Kazakhstan's territory. On the other hand, he could plainly see that the future of the entire enterprise was now in question. A waiting game was no longer possible.

As to the diplomatic debate, Nazarbayev and his colleagues faced epochal questions on the future of Kazakhstan. In addressing them they did not have a completely free hand, for when the future of Kazakhstan was put to a referendum, the citizenry of Kazakhstan voted

overwhelmingly to preserve the union with Russia. At the same time, the Kazakh leadership by now could see clearly that the forces of history were driving their homeland towards independence.

This in turned raised the nuclear question to the highest state of urgency. Should Kazakhstan find itself separated from the territorial state to which it had belonged for a century, what would be the fate of its nuclear arsenal and facilities? Two very different avenues were at least theoretically possible. Thus, the Kazakh leadership could continue to defer to Moscow and allow Kremlin leaders to negotiate over their heads on the future of Soviet nuclear assets in their republic. Alternatively, they could declare them to be the property of Kazakhstan and negotiate on joining the START treaty as a nuclear power. A third possibility – thoroughgoing denuclearization – was deemed for the time being to be a remote and problematic prospect. Both the second and third of these possible strategies posed the question of what Kazakhstan would actually do with its nuclear weapons and facilities. They could not look to history for guidance, for no country had ever found itself in this position. William Potter, an American analyst who studied this issue closely, affirms that down to 1991 none of the three relevant parties had addressed the question of what to do with the weapons and fissionable material themselves.³

Such vexing concerns, as well as Nazarbayev's appreciation of Kazakhstan's dependence on the Russian economy, led him to continue to exercise caution as the Soviet Union broke apart. When on December 16, 1991, Kazakhstan finally declared its independence it was the last of the fifteen Soviet republics to do so. Only days later, on Dec 21, 1991, and with Nazarbayev playing the principal role, representatives of the former

³ William C. Potter, *The Politics of Nuclear Renunciation: The Cases of Belarus, Kazakhstan and Ukraine*, Washington DC: Stimson Center, 1995, p. 25.

Soviet republics with nuclear arms or facilities on their territory met in Almaty and approved the Almaty Declaration, which called for the preservation of the existing unified control over all nuclear weapons. This was the first official act that addressed this critical issue directly.

President Bush and Secretary of State Baker followed these developments closely and pressed for more attention to be directed to the fate of nuclear assets. They knew that Nazarbayev had viewed the Non-Proliferation Treaty (NPT) with skepticism and they resolved to do what they could to enable him to accept it. Secretary of State Baker flew to Almaty twice in the autumn of 1991. Nazarbayev explained to him that Kazakhstan was surrounded by major powers that were not eager to accept Kazakhstan's sovereignty. Baker, in his later memoirs, recalled that Nazarbayev told him that "if the international community recognizes and accepts Kazakhstan, we will declare ourselves a non-nuclear state." He also told Baker that Kazakhstan would welcome American expertise as they worked to transform their economy.⁴

Bush and Baker also respected Nazarbayev's insistence that Kazakhstan be included as an equal partner in any future discussions of NPT. For this to happen, the U.S. would have to acknowledge Kazakhstan as a nuclear power. But this was not what diplomats call Nazarbayev's "final position." As 1992 dawned and the breakup of the USSR became a fact, Nazarbayev let it be known that "Kazakhstan may change its stance on nuclear weapons if it would receive adequate security guarantees from its nuclear neighbors and from the United States."⁵ Stripped of diplomatic niceties, he was challenging Washington to offer a menu of security guarantees and both technical and financial assistance that would enable Kazakhstan to renounce nuclear weapons as such.

⁴ James A. Baker III, *The Politics of Diplomacy*, New York: Putnam, 1995, p. 581.

⁵ *Ibid.*, p 17.

President Bush and his Secretary of State welcomed this demarche but had reason for concern. Kazakhstan, after all, was a new state whose past history of statehood was poorly understood in the West. Could this enormous but underpopulated land actually become a modern state capable of addressing the fate of the most terrifying weapons the world had ever known?

Having reached an accord with the other former Soviet republics that possessed nuclear arms and facilities, Nazarbayev accepted a U.S. invitation to visit Washington, which he did in May 1992. Bush and Baker gave the Kazakh delegation a cordial welcome and saluted their progress to date. In the course of their discussions, they learned that Nazarbayev was on the verge of issuing what he described as a "Strategy for the Formation and Development of Kazakhstan as a Sovereign State." Clearly, they concluded, Kazakhstan's leaders fully grasped the urgency of building viable institutions of state, institutions capable of managing even the most complex geopolitical, technical, and security problems. On this basis the United States recognized Kazakhstan was entitled to join the Non-Proliferation Treaty as an independent state and that it should become a full and equal participant in the START I talks.

However, neither action took place immediately, for both issues required further groundwork both in Almaty and Washington. Meanwhile, at the end of 1992 Bill Clinton was elected America's forty-third president, bringing a new team to Washington. Nazarbayev assured Warren Christopher, the new Secretary of State, that Kazakhstan would very soon ratify the Non-Proliferation Treaty. On December 13, 1993, during a follow-up visit to Almaty by the new Vice-President, Al Gore, Kazakhstan's new parliament voted 238 to 1 to join the Non-Proliferation Treaty.

By now the government of Kazakhstan was firmly committed not just to the NPT but to full-blown denuclearization as well. Responding to Nazarbayev's bold stance on denuclearization and to several related issues, the United States promised eighty-five million dollars in support of Kazakhstan's process of denuclearization and further assistance for to the formation of Kazakhstan's statehood.

Viewing the process as a whole, it is clear that the diplomatic dialogue between Kazakhstan and the United States played a significant role in the reappraisal by Kazakhstan's senior officials of the costs of nuclear arms and potential benefits of their abolition. Aside from this facilitating role, America provided expertise and what amounted to an insurance policy for Kazakhstan's bold first venture as a fledgling state.

In acknowledging this, it must also be recognized that other major powers played important roles in these dramatic events. China, for example, by declaring that it harbored no claims to Kazakhstan's territory, provided an essential assurance. Yet it was above all the partnership between Washington and Almaty that assured the positive outcome, which benefited not only the two partners but the entire world. This outcome was far from inevitable, for in both countries there were thoughtful people who harbored objections to denuclearization and to the process by which it was proposed to achieve it.⁶ Yet the combination of leadership and a spirit of partnership between Kazakhstan and the United States prevailed.

The Tengiz Saga

While all this was going on, Chevron's Tengiz dreams seemed to be fading. Washington's attention was focused on the intensifying nuclear

⁶ Potter points out that the Kazakhstani skeptics were mainly outside the government, and notes the presence of similar skeptics in the U.S. Pentagon. Potter, p. 41.

issues, not on investment and trade. It was a very different concern that finally brought oil and Kazakhstan to the fore. As a good will gesture, America had been sending to the USSR large quantities of surplus goods. Moscow was able to pay for barely 40% of the bill. The Bush administration therefore set up a consortium of five major corporations to promote investment in Russia but Chevron initially was not included. Only when it was realized that oil was the only product that Russia could sell abroad in a quantity that might meet its debt was Chevron invited to join. Though this brought the Tengiz project to the attention of the U.S. government, it remained decidedly a secondary concern.

Things were no better in Moscow. Lev Churilov, the energy minister, remained convinced that Soviet engineers could somehow extract the deep oil at Tengiz and purify it to the point that it would be marketable. He therefore opposed Chevron's proposal. Egor Gaidar, the acting prime minister, also opposed the deal, but on very different grounds, namely that Russia and only Russia should develop the Tengiz oilfield. There was no dissuading Gaidar but in an effort to convince Churilov, Matzke brought him and several colleagues to inspect Chevron's deep wells in Alberta, Canada, and the equipment for removing hydrogen sulfide. In a vain effort to entertain the delegation Chevron took them to Las Vegas, which Churilov decried as "for idiots only," but a hastily prepared visit to Hoover Dam proved a success and broke the ice. Churilov and Matzke established cordial relations but Churilov remained steadfastly against an American role in Tengiz. Gorbachev responded to this opposition by sacking Churilov.

Having struck out in Moscow, Matzke turned his attention to Almaty and to Nursultan Nazarbayev and his emerging leadership team. This shift of focus was quite natural, but it marked an epochal change and the opening of Kazakhstan-United States economic interaction. As 1990 drew

to a close Chevron invited Nazarbayev and a small delegation to come to its California headquarters to resolve all outstanding issues. Nazarbayev visited California, and the two sides came to an understanding on their respective goals and on the intricate maneuvers needed to achieve them. Building on this relationship, in the autumn of 1991 Matzke made two further trips to Almaty.

The result was an agreement that gave Chevron a 50% interest in the Tengiz oilfield. The original agreement was signed by presidents Bush and Gorbachev on December 13, 1991, only twelve days before the hammer and sickle flag was lowered at the Kremlin. It is reported that even on the night before the ceremony, Matzke and a senior officer from the Soviet side were still arguing fiercely over clauses in the contract. In reality, both sides knew this was a hollow charade, because on August 31, 1991, Kazakhstan had already laid claim to the oil reserves on its territory. As a result, the U.S.-Soviet deal had now to be translated into terms acceptable to Kazakhstan's new government.

Like their Russian predecessors, the new Kazakh leaders were well aware that a blowout of a Soviet well in Tengiz had released clouds of hydrogen sulfide gas that killed scores of people. So in 1992 they, too, travelled to Alberta to see how Chevron handled such problems and to convince themselves that any new American wells at Tengiz would be secure and safe.

The final contract between the Republic of Kazakhstan and Chevron was not signed until April 1993. By then Americans had elected a new administration. Whereas George H.W. Bush had steadily supported the Tengiz project, the Clinton administration, pulled in many directions at once, blew hot and cold on it. This meant that a private corporation took the lead on a project that would deeply affect official bilateral relations

for decades to come. Chevron engaged several prominent western experts to work out a deal acceptable to Almaty.

A Solid Foundation

The division of profits from Tengiz oil was only the first step to the realization of the project. None of the former Soviet pipelines in the old Soviet grid could deliver Tengiz oil to western markets. Until such a pipeline was built, the entire megaproject remained in limbo. Three possibilities existed for the route of a new pipeline from Tengiz to a port that could reach the West: via Iran, via China, or via Russia itself. Only the third was feasible and even this was a stretch for the pipeline would have to traverse a large swath of southern Russia to reach the port of Novorossiysk on the Black Sea. The question was who would pay for it.

Both Russia and Kazakhstan insisted that Chevron should bear the entire cost, which was unacceptable to Chevron. Americans with decades of experience making deals in Moscow and new Kazakh negotiators contributed to generating a successful outcome.

If the U.S. government stood aloof from the negotiations over the Tengiz contract, it had no choice but to engage closely in the pipeline negotiations, for that project directly impacted America's relations with the new Russian Federation and its president, Boris Yeltsin. As work on Kazakhstan's accession to the INF treaty advanced, in February 1994 Nazarbayev came once more to Washington and, in a busy round of meetings, met the new president, Bill Clinton, signed the INF treaty on behalf of Kazakhstan, and reviewed the status of the pipeline project. The final contract for this vast undertaking was signed by the governments of Russia and Kazakhstan and the participating companies led by Chevron on May 16, 1997.

These actions crystalized the cordial relationship between Kazakhstan and the United States that had begun tentatively while Kazakhstan was still under Soviet rule and ripened steadily thereafter, with mounting speed and intensity. America played an important facilitating role in Kazakhstan's independence while Kazakhstan, more than any other of the fourteen new post-Soviet states, introduced the U.S. government to the possibilities of active and mutually beneficial relations with the new sovereign states. As a result of their intense interactions in several spheres over half a decade, scores of officials and business leaders in both countries came to know each other and learn the arts of collaboration. Thanks to this, by the time Kazakhstan appeared on the world map as a sovereign and independent state, Kazakhs and American were not strangers to each other.

Chapter Two: Accelerating Engagement

In the mid-1990s, the United States and Kazakhstan had both overcome the initial shock of the collapse of the Soviet Union and found agreement on the most acute matter in their relationship, the nuclear weapons on Kazakhstan's soil. They could now move toward developing their bilateral relationship. This took place against the backdrop of several important developments. First, the United States struggled with defining exactly what its policy toward Central Asia would be, and how it would relate to its relations with Russia.

Kazakhstan, for its part, dealt with the more formidable challenge of building its foreign policy institutions and setting the priorities of the new state's relationship with the world. During the course of the 1990s, several priorities were at the focus of U.S.-Kazakhstan relations. One was the continued intensification of the Caspian oil and gas industry; another was the growth of ties in the security sphere; and a third was the dialogue over Kazakhstan's domestic reform agenda. From the fall of 2001, however, the question of Afghanistan dominated the agenda of bilateral relations, generating for a time a closer dialogue than ever before. Yet within a few years, the era of accelerating engagement gave way to a temporary lull overshadowed by the Iraq War and popular upheavals in regional states.

Central Asia and Kazakhstan in U.S. Policy

As the previous chapter suggests, there was little preparation in the U.S. government when the USSR collapsed for developing a policy toward

Central Asia. In fact, it took some time for U.S. policy-makers to realize the need for one. During the early 1990s, a Russia-first atmosphere prevailed in Washington, but gradually gave way to a greater appreciation for the need for relations with the non-Russian republics of the former USSR. Because it was able to command attention during both of these phases, Kazakhstan stands out in the regional context.

It will be recalled that President George H.W. Bush was decidedly skeptical to the prospect of the Soviet Union's dissolution. Fearing an uncontrolled collapse leading to mayhem across Eurasia, Bush took the opportunity of a speech to the Ukrainian parliament in August, 1991, to pour cold water on the movement for independence from the USSR. But few foresaw the August 1991 hardliner coup, or the subsequent decision by the Presidents of Russia, Ukraine and Belarus in December 1991 to effectively dismantle the Soviet Union. President Bush's Administration had focused its energies on its relationship with Gorbachev, and appeared relatively cool toward Russian leader Boris Yeltsin, whom it viewed as a populist firebrand. The issue found its way into the U.S. Presidential election campaign of 1992, with Democratic candidate Bill Clinton criticizing Bush for failing to side with the advocates of freedom in the USSR, and focusing on "stability" at the expense of democratic change.⁷

Clinton won the 1992 election, and by all accounts focused substantial energy on U.S. policy toward the former Soviet Union. Much like its predecessor, the Clinton administration made the security of the Soviet Union's nuclear weapons a key priority. Aside from that, he invested considerable U.S. prestige in supporting the reform agenda in Russia and more specifically in his personal relationship with President Boris

⁷ Michael Cox, "The Necessary Partnership: The Clinton Presidency and Post-Soviet Russia," *International Affairs*, vol. 70 no. 4, 1994, pp. 635-658.

Yeltsin. The logic behind this policy was simple: there was a historic opportunity to turn Russia into a liberal democracy, and if this succeeded, Russia would become a key partner for the United States while fundamentally shifting the nature of global politics for the better.

Initially, there seemed to be no contradiction between a partnership with Russia and attention to the non-Russian successor states, known in Washington at the time as the “Newly Independent States” or NIS for short. In the immediate period following the USSR’s collapse, Russia’s foreign policy took on a pro-Western orientation, and sought to jettison what the new Russian foreign policy leadership viewed as liabilities in the former Soviet Union. In this view, personified by Foreign Minister Andrey Kozyrev, Russia would focus on rebuilding its own economy and society, and thus become a natural point of attraction for the countries of the former Soviet Union.⁸ But already by 1993, Clinton’s first year in office, the situation became much murkier. Reform processes in Russia appeared to grind to a halt, and Yeltsin’s domestic power was challenged by conservative forces – many with a background in the Soviet power structures, who had decidedly different ideas about Russian foreign policy.

Over time, Yeltsin himself came to embrace a foreign policy that focused on continued Russia’s predominant influence over what Russians now called the “Near Abroad.” The term itself suggested that many in Moscow had yet to fully accept the reality that the constituent republics of the USSR were now fully independent states. Russian policy, primarily in the South Caucasus and Ukraine, indicated that the neo-imperialist tendencies had come to wield considerable influence over the Russian government. This presented a dilemma for the Clinton administration.

⁸ Mohiaddin Mesbahi, “Russian Foreign Policy and Security in Central Asia and the Caucasus,” *Central Asian Survey*, vol. 12 no. 2, 1993, pp. 181-215.

Its policy came to be viewed as a “Russia-first” approach that neglected the non-Russian republics. It appeared to appease Russia in spite of its growing interventions in the affairs of neighboring states, with a view to supporting Yeltsin’s government and its purported reformism. But as one scholar put it at the time, to non-Russian republics, Clinton’s approach looked eerily similar to that of the Bush Administration which he had so recently criticized. Clinton now appeared to favor “some partial reconstruction of the Union from which they had so recently escaped, or was prepared to turn a blind eye to Russian activities in the so-called ‘near abroad’.”⁹

This was visible primarily in Washington’s ambivalence on the issue of NATO enlargement. Yeltsin overtly opposed such a move, and leaders in Warsaw and Prague were particularly disappointed by the creation of NATO’s Partnership for Peace (PFP), conceived as a compromise intended to bring eastern Europeans closer to NATO without offering them membership. While the compromise neither convinced Russia of America’s friendly intentions nor satisfied the eastern Europeans, PFP would become a valuable instrument for cooperation in security matters between the U.S. and Central Asian states, particularly Kazakhstan.

In Washington, criticism of Clinton’s policy mounted. Republican opposition zeroed in on Clinton’s record, and Republican Senators like Bob Dole, Mitch McConnell and Richard Lugar all castigated Clinton for excessive optimism regarding the overlap of Russian and American interests. But criticism was not just partisan: President Carter’s National Security Advisor Zbigniew Brzezinski emerged as one of the leading critics of Clinton’s policy, and focused in particular on his neglect of the non-Russian republics. Brzezinski urged the United States to be crystal clear about its defense for the sovereignty and territorial integrity of all

⁹ Cox, p. 648.

post-Soviet states. While much of the criticism of Clinton focused on Eastern Europe and Ukraine, the analytic community also began to pay increasing attention to the South Caucasus and Central Asia. Symptomatic of this shift was the creation in 1996 in Washington of the Central Asia-Caucasus Institute, the first institution to view the region as the focus of its energies rather than as a peripheral concern.

By the beginning of Clinton's second term, the U.S. rapidly intensified its engagement with the Caucasus and Central Asia. In March 1997, newly appointed National Security Advisor Sandy Berger singled out Central Asia and the Caucasus in speech on foreign policy priorities for the second term.¹⁰ And in July, speaking at the Central Asia-Caucasus Institute, Deputy Secretary of State Strobe Talbott presented the first statement on U.S. policy toward this region, in which he termed Central Asia and the Caucasus a "strategically vital region."¹¹

American engagement was a result of several factors. One was a growing disillusionment with Russia, particularly following the onset of the war in Chechnya, and a newfound resolve not to allow Moscow a veto over U.S. relations with post-Soviet states. A second was the growing American interest in Caspian oil – not just Chevron's involvement in Kazakhstan, as several U.S. companies took a keen interest in Azerbaijan as well. A third, deeper factor was the strategic interest of the U.S. Defense Department in building relations with these newly independent states encircled by Eurasia's largest powers.

¹⁰ Samuel R. Berger, "A Foreign Policy Agenda for the Second Term," Center for Strategic and International Studies, Washington, D.C., March 27, 1997. (<https://sites.temple.edu/immerman/samuel-r-berger-a-foreign-policy-agenda-for-the-second-term/>)

¹¹ Strobe Talbott, "A Farewell to Flashman: American Policy in the Caucasus and Central Asia," Address at the Central Asia-Caucasus Institute, July 21, 1997. (<https://1997-2001.state.gov/regions/nis/970721talbott.html>)

A key element in the new U.S. approach was its understanding of the strategic connection between Central Asia and the Caucasus. Given geographic realities, U.S. policy emphasized the role of the South Caucasus as the gateway to Central Asia, without which there would be no connection between the region towards the West. It also emphasized the role of Turkey as a U.S. partner in assisting regional states in their outreach to the West. As will be seen, the U.S. took an active role in supporting the development of pipelines to export Caspian oil and gas in a western direction, while intensifying security cooperation with Central Asian militaries. A stumbling block in U.S. engagement remained the issue of democratic development, because it soon became clear that Central Asian states were not building democratic institutions at the same speed as Central European states. There was at the time limited understanding for the deep structural impediments to democracy-building in the region, and as a result a vocal group of critics emerged particularly in American civil society to urge for greater pressure on regional states to democratize.

The election of George W. Bush in November 2000 signaled continuity rather than change in U.S. policy. In fact, there was considerable bipartisanship in Washington concerning policy toward Central Asia and the Caucasus. Events, however, would lead to dramatic shifts in the years to come. The first of these was the September 11, 2001, terrorist attacks on the United States, which momentarily led to an intensification of U.S. attention to the region given its role as a transit area for U.S. operations in Afghanistan. As viewed below, however, this would be short-lived, not least because the U.S. invasion of Iraq and the subsequent troubles in that country began to divert U.S. attention from Central Asia and the Caucasus. The second shift resulted from the upheavals in Georgia, Ukraine and Kyrgyzstan between 2003 and 2005. Americans interpreted these upheavals, motivated largely by popular frustration with weak and

corrupt governments, as long-awaited transitions to democracy. American advocacy for “regime change,” whether explicit or implicit, would lead to a growing rift between Washington and key countries in the region, where leaders came to question American intentions.

Throughout this period, countries in Central Asia and the Caucasus competed for the attention of U.S. officials. Kazakhstan, because of its involvement in nuclear talks, was by far the country with the most elaborate network among American officials. Still, other regional states increasingly built a case for the U.S. to focus greater energies on them. Azerbaijan used the American interest in the energy sector to its advantage and drew the attention of an impressive range of senior American officials to its strategic importance. Kyrgyzstan, for its part, capitalized on its relatively more open political system to market itself as the “island of democracy” in Central Asia. Still, its small size and meager resources meant that only few American officials for a short time seriously considered making Kyrgyzstan the centerpiece of U.S. engagement with the region.

Uzbekistan, by contrast, made a strong case for itself by adopting a strong pro-American stance on most international issues, and showcasing its large population, relative independence from Russia, and strategic location bordering every Central Asian country including Afghanistan. But Uzbekistan’s increasingly restrictive domestic practices made it the main target of Western democracy advocates, curtailing a deeper relationship with the United States. Kazakhstan, by contrast, methodically continued to build its relationship with the United States. When President Nazarbayev visited the White House in November 1997, his parting words to President Clinton were telling: “Mr. Talbott and I

talked about how your policy now is not only focused on Russia but also on our part of the world. We are happy with this development.”¹²

The Rise of Kazakhstan’s International Profile

While the United States had the luxury of deciding how much attention to pay to Central Asia, Kazakhstan was in a more delicate position. In the early 1990s, the future of Central Asia was by no means assured. No state had ever existed with either the name or approximate boundaries of the five states that became independent in 1991. The Kazakh khanate was the historical state that most closely approximated modern-day boundaries but, as a tribal confederation, it had mostly symbolic value to modern-day Kazakhstan. The new state faced significant challenges, ranging from its economic integration with Russia, the weak demographic position of Kazakhs in the country, and the Islamic radicalism stirring to its south, to name only a few.

An existential concern for Kazakhstan was to maintain positive relations with Russia while simultaneously building Kazakhstan’s independence. This concern, which remains central to Kazakhstani decision-makers today, from the outset inspired a certain level of caution in Kazakhstani foreign policy as well as in the management of domestic affairs. These are by necessity interlinked: the significant ethnic Russian population of Kazakhstan is a matter of both domestic and foreign policy, given Moscow’s direct interest in the fate of Russians abroad. The backlash against Yeltsin’s reformism, including the rise of the “red-brown” forces in Russia in the early 1990s, may have been merely a disappointment to President Clinton. But it was met with considerable alarm in Kazakhstan. Even before the Soviet breakup, leading Soviet dissident Alexander

¹² White House, “Meeting with Kazakhstani President Nazarbayev : Bilateral Relations, Caspian Energy, Iran,” Declassified per E.O. 13526, Clinton Presidential Library.

Solzhenitsyn had called into question the sovereignty of Kazakhstan, claiming much of Kazakhstan among territories he claimed had been “ceded” to neighboring republics and should be returned to Russia. Similar claims were made by nationalist firebrands like Eduard Limonov and Vladimir Zhirinovskiy. The latter, leader of Russia’s far right and misnamed Liberal Democratic party, was himself a native of Almaty, whose childhood appears to have sown great animosity toward Turkic peoples in general and Kazakhs in particular.¹³ The bottom line is that Russian nationalists since the early 1990s continuously voiced irredentist claims on Kazakhstan’s territory, presenting Kazakhstan’s leaders with a quandary: they had to find ways to suppress the popularity of such opinions among Kazakhstan’s large Russian population, without attracting the ire of Russian leaders. As will be seen below, this required an astute balancing act in domestic affairs.

Meanwhile, Kazakh leaders had to contend with the instability to the south of Central Asia. They were fortunate not to share a direct border with Afghanistan – or with Tajikistan, a republic that descended into civil war in 1992. But southern Kazakhstan is less than 150 miles from Uzbekistan’s Ferghana Valley, which was rocked by a burst of Islamic radicalism in the late Soviet period. Kazakh leaders could scarcely afford to ignore the danger of extremism to its south. Simultaneously, like the rest of Central Asia, Kazakhstani society harbored a considerable fear – boosted in part by Soviet propaganda – of Chinese expansion toward the west.

These concerns informed Kazakhstan’s approach to regional affairs. President Nazarbayev took the lead in working tirelessly to slow the

¹³ Wendy Sloane, “Making of a Russian Nationalist: In interviews and an autobiography, Vladimir Zhirinovskiy portrays himself as a victim of continuous ethnic injustices,” *Christian Science Monitor*, December 24, 1993.

breakup of the Soviet Union and maintain collaborative institutions both on the level of all former Soviet republics as well as among Central Asian states. Nazarbayev enthusiastically supported the creation of the Commonwealth of Independent States to replace the Soviet Union, and Kazakhstan was among the six republics to sign a treaty in Tashkent in May 1992 to establish a Collective Security Treaty, which would eventually grow into a full security organization in 2002. Similarly, Kazakhstan took an active role in the Shanghai Five format, originally created to delimit and demilitarize the former Soviet republics' borders with China, and later turning into the Shanghai Cooperation Organization in 2001. In both structures, Kazakhstan has played an important role in countering efforts to take these organizations into a full-fledged anti-Western direction.

Most important, however, was President Nazarbayev's initiative, presented at a speech in Moscow in May 1994, to create a Eurasian Economic Union. While this idea was largely ignored in Russia at the time, Vladimir Putin would pick it up a decade later. As will be seen in a subsequent chapter, Mr. Putin's understanding of the union had a much more political nature than that envisaged by President Nazarbayev – whose plan safeguarded the political independence of all member states while joining in a common currency and common economic and trade policies.¹⁴ The initiative reflects Kazakhstan's longstanding effort, which has remained unchanged, to maintain both its political sovereignty and economic integration among former Soviet states.

In parallel, however, Nazarbayev worked to develop cooperation at the Central Asian regional level. In 1994, Kazakhstan and Uzbekistan agreed to create a single economic space, which Kyrgyzstan immediately asked

¹⁴ Anders Åslund, Martha Olcott, and Sherman Garnett, *Getting it Wrong: Regional Cooperation and the Commonwealth of Independent States*, Washington: Carnegie Endowment for International Peace, 2000, p. 24.

to join. President Nazarbayev touted the creation of this Central Asian Union in his meeting with President Clinton in 1997, indicating the importance Kazakhstan attached to it. In subsequent years, however, security troubles in southern Central Asia led to roadblocks in the development of Central Asian cooperation. Moreover, Russian efforts to promote pan-Eurasian cooperation instead of Central Asian cooperation would further complicate matters following Vladimir Putin's arrival to power in 1999.¹⁵

Kazakhstan very early also made it clear that it would not contain its foreign policy efforts to the post-Soviet region. In fact, President Nazarbayev made a bold proposal already at his first appearance at the UN General Assembly in 1992, proposing the creation of a Conference on Interaction and Confidence-building in Asia, an analogous institution to Europe's OSCE. This initiative may have come as a surprise to many Asian states that knew little of Kazakhstan. But through continued dedication to the idea, Kazakhstan would succeed in making CICA a reality some years later, and a first summit would be held in 2002. This early initiative was significant, as it provided an early indication of Kazakhstan's ambition to establish itself on the international scene as a proactive force and a contributor to international peace and security. In the 2000s, Kazakhstan would build on this by mounting a successful bid to chair the OSCE, gain a seat in the UN Security Council, and take a role as a mediator in a series of important international disputes and conflicts. In the 1990s, however, Kazakhstan focused on building and implementing a conceptual basis for its long-term foreign policy. This concept was developed by President Nazarbayev in tandem with his then-Foreign Minister, current President of Kazakhstan Kassym-Jomart

¹⁵ See extensive discussion in Svante E. Cornell and S. Frederick Starr, *Modernization and Regional Cooperation in Central Asia*, Washington & Stockholm: Silk Road Paper, 2018.

Tokayev. From outside, Central Asian geopolitics have been viewed largely as a “New Great Game” in which the main actors were not Central Asian states but the surrounding powers. Initially, the new regional states were being told they were the object of a zero-sum game where they could win only by casting their lot irrevocably with one party or another.¹⁶ Thus, for example, Tajikistan initially relied on Russia for its security; Uzbekistan did the opposite, seeking to oppose Russia’s regional dominance and instead sought a relationship with the United States. But it soon became clear that this did not serve the interest of regional states. Turkmenistan realized this, and adopted a policy of “permanent neutrality” that essentially rejected involvement in any geopolitics whatsoever. But this meant formulating foreign policy in an essentially negative way, emphasizing what the country would not do rather than what it would do, and led to a certain isolation from the region as a whole.

Kazakhstan, however, under the leadership of President Nazarbayev and then-Foreign Minister Kassym-Jomart Tokayev, developed a new strategy for dealing with this complex reality, one that would eventually be adopted to some extent by all regional states. Its goal was to balance Russian dominance in order to safeguard and consolidate independence. But it did so not on an ad hoc basis, but through a comprehensive approach based on the concept of *positive* balance, i.e., by balancing close relations with Russia by building close relations with China, as well as the United States and Europe. This thesis was laid out in a 1997 book by

¹⁶ S. Frederick Starr, “In Defense of Greater Central Asia”, Policy Paper, *Central Asia-Caucasus Institute & Silk Road Studies Program*, September 2008, p. 15.

https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2008_09_PP_Starr_Greater-Central-Asia.pdf

then-Foreign Minister Tokayev.¹⁷ It was also enunciated in Nazarbayev's text "*Kazakhstan 2030*," adopted in 1997:

To ensure our independence and territorial integrity, we must be a strong state and maintain friendly relations with our neighbours, which is why we shall develop and consolidate relations of confidence and equality with our closest and historically equal neighbour—Russia. Likewise we shall develop just as confident and good-neighbourly relations with the PRC [People's Republic of China] on a mutually advantageous basis. Kazakhstan welcomes the policy pursued by China for it is aimed against hegemonism and favours friendship with neighbouring countries.¹⁸

This description of China as a non-hegemonic power clearly reflects the balancing act that underlay Kazakhstan's new strategy. In the Central Asian context, "hegemony" could only be understood as referring to Russian domination. Kazakhstan continuously developed its relationship with its great eastern neighbor, despite concerns of future Chinese economic domination of the region.

At the same time, it worked to maintain cordial relations with Russia. In 1997, Tokayev explicitly used the term "balance" in describing Kazakhstan's foreign relations, noting the strategic relationships with both Russia and China. Following this, Kazakhstan sought to broaden its energy security by agreeing to and eventually building (against Moscow's wishes) an oil pipeline to China, completed in 2005. Gradually, and without the use of harsh rhetoric, Kazakhstan asserted its sovereignty and independence. The challenge for Kazakhstan was to

¹⁷ Tokayev, "*Pod Styagom Nezavisimosti*". Also S. Frederick Starr, "Kazakhstan's Security Strategy: A Model for Central Asia?" *Central Asia Affairs*, no. 3, January 2007, p. 4.

¹⁸ See "*Kazakhstan 2030*," *Embassy of Kazakhstan to the United States and Canada website*, <http://kazakhembus.com/Kazakhstan2030.html>; emphasis added

balance positive relations with the multiple strategic partnerships in ways that would be mutually beneficial, that minimized or curtailed the worst tendencies of each partner, and that in the end strengthened the sovereignty and independence of Kazakhstan itself. Because the strategy viewed each strategic partner as complementary to the other, both relationships, and the relation between them, had to be based on trust. All this required delicacy and finesse on Kazakhstan's part.¹⁹

A further step in the building of Kazakhstan's place in the world was the country's active engagement with multilateral institutions – something that could be termed an additional “vector” in Kazakhstan's multi-vector foreign policy. Kazakhstan's nuclear diplomacy placed it well to pursue closer cooperation within the framework of United Nations organizations. Furthermore, Kazakhstan took on an active role within the OSCE and, as will be seen in the next chapter, made a successful bid to chair this organization. Similarly, as discussed below, Kazakhstan approached cooperation with NATO more systematically than any of its neighbors. The purpose of this multilateral diplomacy was the same as with Kazakhstan's outreach to the world's major powers: build a web of relations that would give a maximum number of influential actors on the international scene a stake in Kazakhstan sovereignty and success.

Oil and Gas Diplomacy: Kazakhstan and the East-West Corridor

A key area in U.S.-Kazakhstan relations during the period was the development of the country's oil and gas reserves. For Kazakhstan, these were the country's most valuable marketable commodities, which could help kick-start the country's development. For the United States, oil and gas were key assets that could build the independence of the region's states, while also contributing to international and particularly European

¹⁹ Starr, “Kazakhstan's Security Strategy: A Model for Central Asia?” p.8.

energy security. The fact that large U.S. corporations took leading roles in Caspian energy development obviously played an important role as well.

While much of the interest of energy multinationals centered on Azerbaijan, Kazakhstan has considerably larger reserves of oil and gas than its Western neighbor across the Caspian. But the energy development of Azerbaijan and Kazakhstan has always been linked: for Kazakhstan, Azerbaijan is a major transit route for its oil exports. For Azerbaijan, Kazakh oil was an important factor in making its own pipeline infrastructure to carry oil to Western markets economically feasible. And for the United States, the link across the Caspian was the backbone of the East-West corridor U.S. policy-makers envisaged connecting Central Asia with Turkey and Europe.

Oil is not an ordinary commodity, and Kazakh leaders knew well the risks involved with an economy dependent on natural resources. In 1997, in an address to the nation, President Nazarbayev made this clear:

World experience shows that many countries with natural resources were not able to dispose of them properly and never came out of poverty. The East Asian countries, poor in natural resources, have demonstrated the most dynamic development.²⁰

As will be seen, Kazakhstan sought to avoid the proverbial “resource curse” by establishing a sovereign wealth fund to manage hydrocarbon incomes, while investing windfall revenues into long-term development goals including large-scale education projects.

The 1990s were a busy period that culminated in the conclusion of a number of energy projects in Kazakhstan. Kazakhstan’s energy reserves

²⁰ Quoted in Ariel Cohen, *Kazakhstan: The Road to Independence*, Washington: Central Asia-Caucasus Institute, 2009, p. 117.

are significant, but pale in comparison to those of the Persian Gulf or, say, Venezuela. But they still attracted intense attention of multinational corporations. The reason was simple: the overwhelming majority of world oil at the time was owned and operated by governments, mostly through state-owned oil companies. Middle Eastern states had moved toward the nationalization of oil in the 1970s, as did Venezuela.

For oil companies seeking to grow, or just to replace depleting assets, the options were precious few. Kazakhstan, alongside Azerbaijan, was among the very few countries where oil majors were able to conclude production sharing agreements whereby they came to control part of the reserves, rather than functioning only in a capacity of subcontracting to government-owned corporations. While Kazakhstan welcomed foreign investors in the oil and gas sector, it also ensured it remained a stakeholder in large energy projects through the state-owned Kazmunaygas corporation. Even in the former Soviet context, however, the Caspian states have stood out compared to Russia. Following the rise to power of Vladimir Putin, Russia moved toward the nationalization of energy projects, through the takeover of the assets of Yukos and (in part) of Royal Dutch Shell in the mid-2000s. As will be seen, Kazakhstan sought to renegotiate terms of the troubled Kashagan project in the late 2000s, but like Azerbaijan, it has largely respected the sanctity of contracts and thus remained an appealing destination for foreign direct investment.

In April 1993, the Kazakhstani government and Chevron finalized their agreement on the development of the Tengiz field, with recoverable reserves estimated at 6-9 billion barrels. This was a major deal, which also involved ExxonMobil in a more limited capacity, implying that with the exception of a small Russian stake in the project, Tengiz was a keystone Kazakh-American cooperative project. This was followed by the

agreement to develop the Karachaganak field in 1997. In contrast to Tengiz, Karachaganak was largely a Kazakh-European affair. While Chevron has an 18 percent stake in the project, it is led by Italy's ENI and British Gas (later acquired by Royal Dutch Shell) as operators. Karachaganak's Phase II began producing oil in 2004. Last but not least among Kazakhstan's oil projects is Kashagan which, unlike Tengiz and Karachaganak, is offshore and a new discovery rather than a revamped Soviet-era field. When discovered in 2000, Kashagan was the largest discovery in the world for nearly three decades, with recoverable reserves estimated at 13 billion barrels. While exploration began in 1993, the project has been marred by significant delays and controversy, leading to a restructuring of the consortium in 2007, and the delay of production until 2016. Mobil (now ExxonMobil) is the sole American company involved in Kashagan, which is operated by ENI.

Kazakhstan's problem was in bringing its oil resources to market. At independence, its only pipelines led north to Russia. Both the Kazakh government and the United States sought to diversify Kazakhstan's energy export options, in order to reduce the country's dependence on a single country for the export of its most valuable commodity. But while Kazakh and American perspectives overlapped, they were not identical. Kazakhstan was open to a number of directions for the diversification of energy exports, including China and Iran alongside westward transit across the Caspian Sea and Azerbaijan. The United States, by contrast, strongly opposed the Iranian option, was lukewarm to indifferent regarding China, while ardently promoting the export option across the Caspian and the South Caucasus.

It is important to note that the United States did not oppose Kazakh oil exports through Russia. Quite to the contrary, the U.S. government supported the construction of a pipeline linking northwestern

Kazakhstan to the Russian Black Sea port of Novorossiysk. This project, whose stakeholders included the Russian and Kazakh governments, as well as shareholders in the Tengiz field, had been promoted by Chevron's Richard Matzke. It resulted in a pipeline that was operational by 2001. Since then, the Caspian Pipeline Consortium (CPC) Pipeline has been an important element in Kazakhstan's oil export infrastructure, carrying oil not only from the Tengiz field but from Karachaganak and Kashagan as well.

The United States' support for the CPC Pipeline project indicates that while American policy was not anti-Russian, it was decidedly anti-monopolistic. CPC was one of three key infrastructure projects promoted by the U.S. Government; the other two were the Baku-Tbilisi-Ceyhan (BTC) pipeline and the Trans-Caspian pipeline project. The latter, which was planned as a gas pipeline connecting Turkmenistan to Azerbaijan, has yet to come to fruition. The BTC pipeline, by contrast, was among the most visible successes of U.S. policy in the region.²¹ From the U.S. point of view the BTC pipeline served the purpose of bringing Caspian oil to markets while eschewing dependence on either Russia or Iran. It would connect the western shores of the Caspian through Georgia to the Turkish Mediterranean coast; and by doing so, would provide strong incentives for east Caspian producers, chiefly Kazakhstan, to use the pipeline for additional oil exports.

This matter was a delicate one for Kazakhstan, because the Russian government saw the BTC pipeline as a political project designed to reduce Russia's influence over Central Asia and the Caucasus. In spite of this opposition, President Nazarbayev viewed the project as being

²¹ See S. Frederick Starr and Svante E. Cornell, eds., *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, Washington: Central Asia-Caucasus Institute, 2005.
(https://www.silkroadstudies.org/resources/pdf/Monographs/2005_01_MONO_Starr-Cornell_BTC-Pipeline.pdf)

aligned with Kazakhstan's national interest. As a result, he lent his government's support to the initiative. In 1998 President Nazarbayev, along with his Turkish, Azerbaijani, Georgian and Uzbek counterparts, signed the Ankara declaration supporting the pipeline. In 1999 he was a signatory to the Istanbul Declaration, signed on the sidelines of that year's OSCE summit in Istanbul, with U.S. President Bill Clinton in attendance. Kazakhstan's steadfast support for the project culminated in President Nazarbayev's presence at the pipeline's opening in Baku in May 2005. This enabled producers to ship Kazakhstani oil to Western markets by barge connecting to the BTC pipeline at Baku. This proved a more economic solution than the previous practice, whereby Kazakhstan would ship oil to Baku for transport by railroad to the Georgian port city of Batumi.

Kazakhstan did not look only westward, however. While U.S. pressure led Kazakhstan to abandon the idea of significant oil exports toward Iran, Kazakh leaders saw great potential in their large, energy-hungry eastern neighbor. In 1997, Kazakhstan and China agreed to build a pipeline linking Western Kazakhstan to China's Xinjiang province. The Atasu-Alashankou pipeline was completed in 2005, marking the creation of the first direct pipeline bringing oil into China. This would be followed in 2009 by the Central Asia-China gas pipeline, linking Turkmenistan's gas fields to China via Kazakhstan and Uzbekistan. For Kazakhstan, the balancing of westward energy exports with exports to China provided a key step towards the country's overall independence, while also building strategic ties with China.

From an American perspective, China's growing role in Central Asian energy had advantages as well as drawbacks. While Chinese imports made the construction of Trans-Caspian pipeline less appealing, it paralleled America's own role in supporting the diversification of energy

export routes from Central Asia, thereby contributing to the development of a more independent region. In this sense, American and Chinese interests in the region were aligned.

Domestic Reforms and the Coordination of U.S. policy

U.S. policy toward the former Soviet Union stands out in comparison to its posture in other world areas. As enshrined in the Freedom Support Act of 1992, support for democratic forms of government was from the outset a guiding principle for U.S. policy toward, and assistance to, post-Soviet countries. This reflected a peculiar western conviction of the era, which scholars have termed the “transition paradigm.” As Thomas Carothers explains, its core assumption was that “any country moving *away* from dictatorial rule can be considered a country in transition *toward* democracy.”²² It assumed that underlying conditions – whether economic, political, or institutional – “will not be major factors in ... the transition process.”

This thinking derived from the experience of democratic transitions in southern Europe and Latin America, which were built on coherent and functioning states. Yet, as Carothers puts it, this line of thinking “did not give significant attention to the challenge of a society trying to democratize while it is grappling with the reality of building a state from scratch or coping with an existent but largely nonfunctional state.”²³ The latter conditions, of course, were precisely the ones that prevailed during the formation of such newly independent states as Kazakhstan. However, the Freedom Support Act did not treat “democratization” as something embedded in a series of social, economic, institutional and political conditions, each of which had to advance before democracy

²² Thomas Carothers, “The End of the Transition Paradigm,” *Journal of Democracy*, vol. 13 no. 1, 2002, pp. 5-21.

²³ Carothers, p. 8.

could flower. Instead, it appeared to view it as a close relative of the “human rights” that U.S. leaders assumed would flower naturally once the Soviet system was dismantled.

It is now clear that this assumption was erroneous. Democratic transitions have only proved sustainable in countries that had had a previous existence as independent states, where indigenous democratic traditions existed, and where massive Western support was present, as well as the prospect of membership in the EU and NATO. Even then, the recent controversies over backlashes against the new institutions in Central Europe show the inherent difficulties in building and consolidating democratic government.

In the 1990s and early 2000s, however, the prevailing U.S. expectation was for Kazakhstan, and all Central Asian states, to evolve in a manner similar to, say, Estonia, although possibly at a slower pace. Across Central Asia, however, the analyses made by leaders were quite different. It was not lost on regional observers that the four states of Central Asia and the South Caucasus that had engaged in liberalization processes during the transition to independence (Armenia, Azerbaijan, Georgia and Tajikistan) all ended up experiencing armed conflict. In Russia, too, the democratic transition soon turned sour as President Yeltsin used military force to subdue a recalcitrant parliament in 1993. Everywhere, the transition from communism to a market economy was accompanied by substantial dislocations and dramatic reductions of GDP that spurred popular resentment and unrest.

In Kazakhstan itself, the Constitution passed by the Supreme Soviet in 1993, provided for a relatively powerful role for parliament compared to the presidency. Meanwhile, the country saw the rise of ethnic nationalist movements among both Kazakhs and Slavs – with growing controversies over both the past and present. This forced the government to walk the

fine line between maintaining inter-ethnic harmony while making enough concessions to the Russian minority to strengthen the attachment of its members to the new state of Kazakhstan. This became particularly acute following the strong showing of nationalist firebrand Zhirinovskiy in the Russian elections of December 1993, which not only gave him a platform to demand the annexation of parts of Kazakhstan, but also pushed the Russian government to adopt increasingly nationalist positions, for example, the provision of dual citizenship to ethnic Russians in Central Asia.

At the same time, the government needed to respond also to the pent-up demands of Kazakhs to be in control of their homeland. As Nazarbayev remarked when passing a language law that made Kazakh the national language, Kazakhs had been 90 percent of the population in the early twentieth century, but were only 30 percent in by the 1950s as a result of the mass starvation and forced collectivization in the early 1930s and the mass in-migration of Slavs during the 1960s. Elsewhere in the Soviet Union far less traumatic grievances than these had led to ethnopolitical violence. This meant that Kazakhstan's leaders faced the delicate challenge of simultaneously managing the rise of Kazakh nationalism and accommodating the frustrations of local Slavs.

As a result, the leadership of Kazakhstan adopted a model of political and economic development of its own that differed from the one envisaged by the United States. While performing as a leading economic liberalizer, Kazakhstan adopted a top-down approach to state-building and an evolutionary approach that put economic reform before political reform. This model emphasizes evolutionary progress, organic development through a political process based on national consensus, rather than an immediate transition to European-style democracy with

pluralistic and ideologically competitive political processes where reforms emerge out of ideological and group competition.

As will be seen in a subsequent chapter, Kazakhstan has more recently come to feel secure enough to embark on political reform as well. In the 1990s, however, the question of political reform was an important element of the U.S.-Kazakhstan dialogue, culminating with the adoption of the Freedom Agenda in the early 2000s. Before the divergence of U.S. and Kazakh perspectives on these issues, their relationship advanced relatively well. Kazakhstan was among four post-Soviet states with which the U.S. created a binational commission to further the bilateral relationship. This commission, termed the “Gore-Nazarbayev Commission”, was chaired by President Nazarbayev and Vice President Gore, and covered a number of areas, including the development of democracy in Kazakhstan. During President Nazarbayev’s second visit to Washington in early 1994, he and President Clinton signed a “Charter on Democratic Partnership.” This Charter was envisaged as the long-term basis for the U.S.-Kazakh relationship.

While its title reflected a focus on democratic governance, the implementation of the Charter focused largely on cooperation in science and defense, business development, and environmental issues. As a result, an ambiguity was present from the start: the U.S. viewed its cooperation with Kazakhstan within the framework of a cooperation among existing or aspiring democracies, while Kazakhstan stressed cooperation in a range of areas, other than the development of participatory institutions.

A first disagreement took place in 1995. When Kazakhstan’s Constitutional Court dissolved parliament, a new constitution entered into force that reflected the leadership’s emphasis on a strong executive capable of implementing far-reaching economic reform and maintaining

social stability. Moreover, the Assembly of Peoples of Kazakhstan announced a referendum the same year to extend President Nazarbayev's authority until 2000, thus doing away with the presidential elections scheduled for 1996. While the referendum was approved by over 90 percent of voters, the U.S. considered the move to be step back from the process of democratization. This led to what one observer termed a "cooling period" in the relationship between the two capitols.²⁴ But in 1997, following the Clinton Administration's renewed strategic focus on the region, the relationship once again flowered. First Lady Hillary Clinton traveled to Kazakhstan that fall, followed a week later by another official visit by President Nazarbayev to Washington. By this time, the focus of the relationship had moved from democracy to economic, energy and security issues.

The period 1995-97 was illustrative for a pattern in U.S. relations with Kazakhstan and the region more broadly: the U.S. never succeeded in correlating the promotion of democracy with its other interests in the partnership – be they in the field of nuclear weapons, trade promotion, energy security, defense, or security. When the U.S. prioritized other areas in the relationship, its criticism over issues of democracy and human rights would subside. This pattern would be repeated during the Bush administration. Following 9/11, U.S. policy squarely emphasized security and counter-terrorism. Once the Taliban had been defeated, however, it gradually shifted, culminating in the Freedom Agenda in 2004. While these shifts of emphasis may not have been clear to the Americans, they undermined the credibility of U.S. demands for democratic development in the eyes of Central Asians. Though they adapted as necessary to America's changing moods, Kazakhstan and its

²⁴ Murat Laumulin, "Kazakhstan and the West: Relations During the 1990s in Retrospect," *Central Asia & Caucasus*, no. 2, 2000. https://www.cac.org/online/2000/journal_eng/eng02_2000/05.laum.shtml

neighbors largely stuck to the model of development they deemed appropriate at the time.

The Development of Strategic Partnership

The development of bilateral security cooperation with the newly independent states was not an immediate U.S. priority. Only during the second half of the 1990s would it become a key area of the relationship. On this issue Kazakhstan was unique because in one sense its security relationship with the United States predated the Soviet breakup. America's concern to secure Kazakhstan's nuclear arsenal (along with those of Belarus and Ukraine) caused it to enter into early discussion with Kazakhstan's leaders over the possible renunciation of the nuclear weapons on their territory. As noted in the previous chapter, this issue led to direct contacts in the autumn of 1991 that became the foundation for U.S.-Kazakhstan relations, and led also to Washington's recognition of President Nazarbayev as an international statesman.

From the outset, President Nazarbayev sought to maximize Kazakhstan's interests. We have seen how he successfully argued for transforming the Strategic Arms Reduction Treaty (START) from a bilateral to a multilateral format. Whereas both Moscow and Washington initially preferred to keep bilateral, it became instead an agreement that gave equal status to Kazakhstan, Belarus and Ukraine.²⁵ In order to commit to full nuclear disarmament, Kazakhstan extracted important security assurances from both Washington and Moscow.

Security cooperation advanced in 1993 when President Nazarbayev and Vice President Gore signed an agreement to dismantle the SS-18 missiles and their silos on Kazakhstan's territory. By 1994 Kazakhstan concluded

²⁵ Joseph Fitchett, "Ex-Republics as START Signatories: Move Over, Superpowers," *International Herald Tribune*, May 20, 1992,

it had achieved as much as was feasible in terms of security assurances, and committed to join the Non-Proliferation Treaty as a nuclear power. This followed a period of negotiations, during which Kazakhstan made the point that it was a *de facto* nuclear state that sought to transition toward a status of a non-nuclear one.

The assurances received came in the form of the Budapest memorandums, through which three nuclear powers – Russia, the United Kingdom and United States – reaffirmed their commitment to Kazakhstan’s independence, sovereignty, and territorial integrity. France and China issued separate, more vaguely worded statements. Recent violations of Ukraine’s territorial integrity have called into question the value of such assurances, given that Ukraine received the same assurances as Kazakhstan. Still, at the time, they constituted a multilateral format in which both Russia and the United States formally recognized Kazakhstan’s sovereignty and territorial integrity. Given the domestic debates in Russia regarding the so-called “near abroad” at the time, this was no small achievement for Kazakhstan.

By 1995, nuclear warheads were removed from Kazakhstan to Russia, while the United States, in a secretive operation termed project Sapphire, removed over 1,300 pounds of highly enriched uranium from Kazakhstan. By 2000, Kazakhstan had secured the nuclear test site at Semipalatinsk as well. A key instrument for U.S. policy in this regard was the Nunn-Lugar Act, also known as the Cooperative Threat Reduction Program. Nunn-Lugar proved particularly important for Kazakhstan because, unlike Belarus and Ukraine, Kazakhstan had been a nuclear testing site and therefore had on its territory not only warheads that could be easily transported but also large amounts of unused nuclear weapons material. It took Kazakh, American and Russian scientists

seventeen years to entomb a “plutonium mountain” at the Semipalatinsk test site and make its nuclear material inaccessible to scavengers.²⁶

Through a number of initiatives, including mediation efforts in the Iranian nuclear issue, Kazakhstan has continued to pay close attention to nuclear issues. Still, after the mid-1990s, the bilateral security relationship turned to other issues, not least because of the success of cooperation in the nuclear field. That said, Kazakhstan and President Nazarbayev continued to benefit from the good will generated during earlier phase, as senior U.S. officials became aware of Kazakhstan’s contribution to international security.

The next phase of the security relationship consisted of the development of military-to-military relations, which included bilateral ties as well as Kazakhstan’s participation in NATO’s Partnership for Peace. Following the Soviet collapse, strategic planners at the U.S. Department of Defense took note of the opportunities that emerged from the creation of independent states in the Eurasian heartland, where the U.S. had previously been unable to establish a presence. It seemed natural for the Department to establish fruitful relations with the new Central Asian states, and to seek a role in building their military forces. NATO’s Partnership for Peace (PFP) played a critical though often underestimated role. East European states derided PFP as a bad substitute for full NATO membership, while Russia dismissed it as a symbolic move devoid of content. But to Central Asian states, it built closer cooperation with Western militaries, and has played an important role in the training and education of countless regional officers, as well as providing a platform

²⁶ David Frum, “The Bombs that Never Went Off,” *The Atlantic*, March 27, 2021. (<https://www.theatlantic.com/ideas/archive/2021/03/the-quiet-end-of-kazakhstans-denuclearization-program/618424/>)

for exercises that have forged bonds between western and regional militaries.

Kazakhstan joined PFP on its creation in 1994. That same year, the U.S. and Kazakhstan signed a bilateral Defense Cooperation Agreement, which was expanded the following year to encompass cooperation in nuclear security and defense conversion.²⁷

The U.S. and NATO also strongly promoted military cooperation among the Central Asian states. This fully aligned with the priorities at a time when Kazakhstan, Uzbekistan and Kyrgyzstan were creating a Central Asian Union. Within this framework, they created a joint peacekeeping unit in 1995 that received enthusiastic support from the U.S. Central Command. This initiative also formed the cornerstone for the Central Asia Battalion's CENTRASBAT exercises, held from 1997 onward. That year, U.S. and Central Asian forces completed the longest airborne operation in history, starting from a Louisiana air base and deploying 7,700 miles away in Central Asia. Similar exercises would be held on a yearly basis, always inviting representatives from Turkey, Russia, and South Caucasus countries. These exercises became a symbolic representation of U.S. security interest in Central Asia, and the region's positive role in PFP.

Incursion into the Ferghana Valley by terrorists from the Islamic Movement of Uzbekistan in 1999 and 2000s raised concerns over the domestic politics of the entire region. Certain academics and NGO representatives in Washington blamed religious radicalism on the weakness of democratic institutions in the region. Little evidence was advanced to support this claim, and subsequent research on the causes

²⁷ Richard Giragosian and Roger McDermott, "U.S. Military Engagement in Central Asia: 'Great Game' or 'Great Gain'?", *Central Asia and Caucasus*, no. 7, 2004. (https://www.cac.org/journal/2004/journal_eng/cac-01/07.gireng.shtml)

of extremism have failed to substantiate such arguments.²⁸ Still, the belief in a causal link between “repression” and “radicalization” would find its way into U.S. foreign policy.

Following the 9/11 terror attacks, NATO further intensified its engagement with Central Asia. At the 2004 NATO summit in Istanbul, relations with Central Asia and the South Caucasus were embraced as a priority of the alliance. Kazakhstan became the first Central Asian state to take advantage of NATO’s Individual Partnership Action Plan (IPAP) program. This agreement, concluded in 2006, provided for intensified NATO assistance in security sector reform and improved interoperability of armed forces.²⁹

From 9/11 to the Freedom Agenda: The End of an Era

The initial U.S. response to the 9/11 attacks intensified America’s already growing attention to Central Asia. Kazakhstan was an important element in the NATO war effort because it offered land and air routes to and from Afghanistan. However the U.S. did not require military bases in Kazakhstan, nor did Astana volunteer any. As will be seen in the next chapter, this would later prove beneficial as U.S. bases in Kyrgyzstan and Uzbekistan became contentious issues in both countries.

In the long run, two factors led to a temporary pause in the otherwise intensified relationship between the U.S. and Central Asia: the Iraq War and America’s “Freedom Agenda.”

²⁸ “Central Asia: Where Did Islamic Radicalization Go?” in *Religion, Conflict and Stability in the former Soviet Union*, eds. Katya Migacheva and Bryan Frederick, RAND Corporation, 2018.

²⁹ Asiya Kuzembayeva, “NATO-Kazakhstan Cooperation within the Partnership for Peace Programme: Lessons and Perspectives of Further Development”, *ҚазҰУ хабаршысы. Халықаралық қатынастар және халықаралық құқық сериясы*. No. 4, 2014. (<https://bulletin-ir-law.kaznu.kz/index.php/1-mo/article/download/602/597>)

In 2003 the U.S. invaded Iraq and rapidly deposed long-time American foe Saddam Hussein. Kazakhstani troops were deployed in Iraq following that invasion. But as the Iraq situation deteriorated subsequently, both America's attention and resources shifted from Central Asia and Afghanistan to the Middle East. As U.S. policy-makers became preoccupied with salvaging the situation in Iraq, their focus on both Central Asia and Afghanistan weakened. U.S. aid budgets for Central Asian states were slashed as assistance was redirected toward Iraq. Subsequent confusion over the extent of the U.S.'s commitment to Afghanistan would create further tensions between the U.S. and Central Asian leaders.

Meanwhile, the theory of a causal link between repression and radicalization gained wide acceptance in U.S. political circles following 9/11. While Vice President Dick Cheney and Secretary of Defense Rumsfeld seemed skeptical to this theory, it found a strong supporter in Condoleezza Rice, who served first as National Security Advisor and later as Secretary of State to President George W. Bush. Most importantly, it appears that President Bush himself adopted this line of thinking, particularly toward the end of his first term in office.

The beginning of Bush's second term coincided with the so-called "color revolutions" that swept several post-Soviet states from 2003 to 2005. These upheavals were largely the result of popular dissatisfaction with weak and corrupt governments in Georgia, Ukraine and Kyrgyzstan. But leading American officials and experts embraced these upheavals, portraying them as long-awaited democratic revolts against long-serving but repressive leaders. Matters were made worse when Michael Stone, head of the U.S.-supported NGO Freedom House in Bishkek, announced

“mission accomplished” when President Askar Akayev was overthrown.³⁰

Officials across the region feared that the U.S. was systematically working to stir up popular revolts against national leaders. Such fears were actively fanned by conspiracy theories spread by U.S. adversaries, and the U.S. government did little to counter their spread or to reassure regional leaders. Indeed, the Bush Administration openly embraced the building of democracy in its new “Freedom Agenda.” While mainly focused on the Middle East, it pertained to Central Asia as well. This initiative held that stability and the eradication of terrorism required a rapid transition to democracy. The invasion of Iraq was defined as the starting point of this broader agenda, and that the creation of a democratic island in the Middle East would contribute to democratic transformation to other countries there. Similarly, it was believed that democratic upheavals in Georgia, Ukraine and Kyrgyzstan would also have ripple effects and lead to democratic transitions in neighboring countries.

This line of thinking, so much at odds with long-standing U.S. policy, turned out to be built on faulty assumptions. Iraq did not develop into a democracy but into chaos, and Georgia, Ukraine and Kyrgyzstan all experienced anti-democratic backlashes. Within Kazakhstan, the Freedom Agenda fundamentally contradicted the strongly held belief of the country’s elite: that the best and most successful path forward would be through gradual and evolutionary reform, and that revolutionary change would bring only instability and retrogression.

The Freedom Agenda negatively impacted America’s relations with other regional states, notably Uzbekistan and Azerbaijan, where both

³⁰ Gerald Sussman, *Branding Democracy: U.S. Regime Change in Post-Soviet Eastern Europe*, New York: Peter Lang, 2010, p. 172.

presidents Islam Karimov and Ilham Aliyev suspected the United States sought to overthrow their governments. Kazakhstan's reaction to the Freedom Agenda was more measured, and did not result in a deterioration of relations. Still, it led Kazakhstan to reassess its relationship with the United States and to assume a more cautious posture with respect to Washington.

Chapter Three: Changing Priorities

The next phase of relations between Kazakhstan and the United States, extending roughly from 2003 to 2012, was initially defined by dramatic events on the international stage to which both governments responded with decisive actions, which in turn affected their relations with each other. Serving effectively as intermediaries in both directions were their capable ambassadors, who included, in Kazakhstan's embassy in Washington, Kanat Saudabayev (2001-2007) and Erlan Idrissov (2007-2013), and in the United States' embassy in Astana (now Nursultan), John M. Ordway (2004-2008) and Richard Hoagland (2008-2011). During this period, both countries embarked on new courses in their domestic affairs, which in turn affected their relations with each other.

The first upheaval that reshaped U.S.-Kazakhstan relations, as noted in the previous chapter, was the attack on the World Trade Center in New York and the subsequent American invasion of Afghanistan. This redefined Washington's relations with all Central Asia in instrumental terms, e.g., how could each country advance the U.S. military campaign against the Taliban and al Qaida? Kazakhstan had maintained active links with NATO as a participant in its Partnership for Peace Program but was bound by no mutual defense treaty with the United States. Faced with pressure from its northern and eastern neighbors, the Kazakh government had no interest in opening its territory to a U.S. or NATO staging base.

Paradoxically, in the longer term this proved beneficial to relations between Astana and Washington. NATO's Afghanistan mission opened

forward bases in both Uzbekistan (at Karshi/Khanabad) and Kyrgyzstan (at Manas). Within a few years, however, both host governments demanded that the bases be closed, which took place in a spirit of mutual rancor of which Kazakhstan-U.S. relations were entirely free.

Two further issues involved the common interests of Kazakhstan and the United States and drew them closer to each other: first, the fear of a spillover of Islamic extremism from Afghanistan to Kazakhstan and, second, the burgeoning drug trade, which at the time relied heavily on routes through Central Asia and Kazakhstan.

Islam in Kazakhstan had always had a moderate character, but extremist and radical doctrines spread rapidly after independence when missionaries from the Gulf states began appearing in the country. Also, back in 1999 heavily armed Islamist fighters based in Afghanistan had crossed into Kyrgyzstan's Batken province; hoping to reach the Uzbek capital of Tashkent via a route through the hills of eastern Kazakhstan. Kazakh security forces captured them, but the fact that they had penetrated Kazakhstan rang alarm bells in both Washington and Astana and evoked coordinated actions from both capitols. Parallel with this, Kazakhstan's vast territory and relatively more open regime made the country an attractive transport route for drugs from Afghanistan. Again, Almaty and Washington responded with joint projects for interdicting this trade.

The Emerging Security Architecture and Afghanistan

While Astana's relations with Washington remained cordial, they were increasingly colored by Astana's expanding relations with its large neighbors, Russia and China. In May 2002, Russia had formalized a mutual security pact with five former republics of the USSR, including Kazakhstan. The key element of this Collective Security Treaty

Organization was that its members agreed that aggression against any one signatory would be considered aggression against all. The very next month, China officially launched its Shanghai Cooperation Organization, which formalized consultations between China, Russia, and four Central Asian states, including Kazakhstan, while requiring those states to ban all activities on their territory relating to China's Turkic province of Xinjiang.

While the Kazakhs deemed these steps to be both prudent and inevitable, they gave rise to a renewed interest in strengthening ties with America and Europe in order to maintain a balance between external powers. By the new century, as we have seen, President Nazarbayev had officially adopted the doctrine of a "multi-vectored" or balanced foreign policy. This strategy called for balanced positive relations with all three of the major powers, with each balancing the other. In keeping with this notion, the expansion of Kazakhstan's security relations with both Russia and China demanded a like expansion of links with the West.

A meeting of the Shanghai Cooperation Organization soon provided an opening for Kazakhstan to act on this principle. When the assembled leaders were on the verge of passing a resolution demanding an American withdrawal from Afghanistan, President Nazarbayev objected and the resolution died.

Kazakhstan and the United States soon found ways to expand their collaboration further. One step in support of the American effort in Afghanistan was for Kazakhstan to open in Kabul an office to promote trade and investment in territories now freed of Taliban rule. Though this initiative bore little fruit, Kazakhstan was the only country in the region to base a new Afghanistan policy on building that country's economy.

Kazakhstan also offered certain provisions needed by the NATO forces in Afghanistan. More important, its territory was part of a new supply

route for essential materiel and provisions needed by the Coalition forces in Afghanistan. Indeed, Kazakhstan played an active role in setting up this “Northern Distribution Network” (NDN). It rested on two supply lines: the primary one ran from the port of Riga, Latvia, through Russia, Kazakhstan, and Uzbekistan to the Afghan border. The second ran from the Georgian Black Sea coast across Azerbaijan and the Caspian Sea into Kazakhstan, joining the main line originating in Riga. Because the main supply route through Karachi in Pakistan was increasingly hampered by corruption, the NDN became an essential channel for getting equipment and supplies to the Afghan front.

The fall of the Taliban government in Kabul opened the prospect of a dramatically new transportation order in Central Asia, under which the former Soviet republics might for the first time in modern times gain a window to the South, to India, and to Southeast Asia. In 2006 the Central Asia-Caucasus Institute held a first conference on this concept in Kabul. While leading foreign affairs experts from many countries attended, the most senior official to endorse the concept was Kazakhstan’s Foreign Minister Tokayev. Not only was he the first senior official from any Central Asian country to visit Kabul after the Taliban’s fall but he was the first to endorse publicly the concept of a new transportation order built around an Afghan window to the sea. Long before U.S. Secretary of State Hillary Clinton launched her own New Silk Road project, which proved stillborn, and before China launched its Belt and Road Initiative, a senior Kazakhstani official and American experts had broached the concept of a New Silk Road and new transportation order at the heart of Asia.

Kazakhstan’s deep engagement with the emerging new transportation order in Central Asia inspired a major American firm, General Electric (GE), to plunge into the Kazakhstani market. GE had collaborated with

Kazakhstan for a decade, but in 2006 it greatly expanded its presence there by announcing the construction of a factory to produce up to 150 of its advanced “New Evolution” series locomotives. Kazakhstan’s national railway network Temir Zholy (“Iron Road”) partnered with GE on this project in hopes of pulling more freight with fewer trains requiring less maintenance and less fuel. Temir Zholy promptly increased its order to 310 locomotives.

Tokayev’s trip to Kabul and Kazakhstan’s contract with GE meshed nicely with Tokayev’s concept of balance. Back at the turn of the century Moscow and Beijing had butted heads over the course of a main east-west transport route from China’s Pacific coast to Europe, with China strongly favoring a route through Kazakhstan while Russia favored the exclusive use of its Trans-Siberian Railroad. Both China and Kazakhstan had invested heavily in new roads and railroads traversing Kazakhstan. To maintain a balance between China’s investments in their country and the various Chinese and Russian initiatives enumerated above, it was important for Astana to broaden its ties with the West and specifically with the U.S.

Readers will recall how these positive prospects were dampened by Washington’s decision to bring down the criminal regime of Saddam Hussein by invading Iraq in March 2003. This diverted attention away from Afghanistan and from the economic and transport projects that had brought Kazakhstan and the United States together there. Further, the post-Soviet space entered an era of upheaval as Georgia saw a popular uprising overthrow the government of Eduard Shevardnadze in November 2003. The next year, a similar upheaval led to a change of government in Ukraine. The unrest reached Central Asia the next year. In March 2005, the so-called Tulip Revolution took place in neighboring Kyrgyzstan, bringing an end to the presidency of Askar Akaev; and in

May an armed uprising erupted in the city of Andijan in Uzbekistan. The effect of these two very different events linked Kazakhstan and the United States more closely than ever before.

Practically from the moment of independence, President Akaev had proclaimed that Kyrgyzstan would become what he called “The Switzerland of Central Asia.” This prospect so entranced the American Vice President Al Gore that he briefly persuaded President Clinton to build his Central Asian strategy around Kyrgyzstan. Akaev’s growing authoritarianism led to a popular revolt in 2005 and his flight to Kazakhstan and then to Russia. That its leaders called for a “Tulip Revolution” in imitation of Georgia’s “Rose Revolution” of 2003 and Ukraine’s Orange Revolution of 2004, understandably alarmed Astana, which feared that unrest could spread to its own territory. Washington quickly perceived that the new Kyrgyz leader, Kurmanbek Bakiev, was no improvement on Akaev and praised the relative stability prevailing in Kazakhstan.

A second external development that had the paradoxical effect of deepening relations between Washington and Astana was the uprising in Uzbekistan’s eastern city of Andijan on May 13-14, 2005. This tragic event led to the deaths of some 180 people, among them over one hundred demonstrators and several dozen Uzbek security forces. On the basis of slipshod evidence, western media and prominent non-governmental organizations in America reported this as a peaceful demonstration of “especially pious Muslims” against the government of Islam Karimov. The U.S. State Department embraced this interpretation and promptly severed most of its ties with the Government of Uzbekistan. However, ample evidence disproved this view of the affair. Meticulous later studies established that the revolt was in fact the work

of heavily armed Islamists bent on fomenting an Islamic uprising in Uzbekistan and across Central Asia. But the damage was done.³¹

With its relations with both Kyrgyzstan and Uzbekistan now in shambles, Washington found new reasons to deepen its links with Astana. This would have happened anyway, since expanding contacts in many areas were bringing the two countries closer to each other. As both of their respective embassies increased their staffs and broadened their activities, diverse programs – both public and private – caused the numbers of Americans and Kazakhstani with first-hand knowledge of the other country to soar.

On the side of Kazakhstan, credit for this must go first of all to the government's Bolashak ("The Future") program, which sent thousands of the most promising young Kazakhstani men and women abroad to study. While they went to universities in many countries, far the largest number came to the United States. The number of applicants for these prized scholarships regularly exceeded the total number of students entering Kazakhstan's universities. The third of Bolashak alumni who took civil service jobs enabled the two governments to interact more effectively than ever before, while the remaining two thirds did the same in the private sector.

On the American side, a welter of governmental and privately sponsored programs fostered interaction at the school and professional levels. The State Department's Bureau of Educational and Cultural Affairs sponsored large number of high school-aged students college students in

³¹ Shirin Akiner, *Violence in Andijan, 13 May 2005: An Independent Assessment*, Washington: Central Asia-Caucasus Institute & Silk Road Studies Program, Silk Road Paper, July 2005 (<http://silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13112>); Jeffrey W. Hartman, *The May 2005 Andijan Uprising: What We Know*, Washington & Stockholm: Central Asia-Caucasus Institute & Silk Road Studies Program, Silk Road Paper, May 2016. (<http://silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13204>)

both directions, some of them managed by the independent American Councils for International Education. While the number of highly specialized Fulbright Scholars was modest, their research was consequential. Also fostering advanced skills in many spheres was the Muskie Program, which exchanged young professionals at the most critical moments of their careers. The Peace Corps, which was eventually phased out, also enabled young Americans to carry out productive collaborative projects in remote parts of Kazakhstan. Notable also was the work of the American Center for Disease Control (CDC) to update public health in Kazakhstan and link Kazakhstani public health professionals with their American counterparts.

Sensitive and potentially divisive issues were also openly addressed by the two sides. The Kazakhs were wrestling with the problem of reforming Soviet methods for addressing the practice of religion. The State Department, Commission for International Religious Freedom, Agency for International Development, and numerous private American groups engaged in this complex discussion. All found the Kazakhs to be sincere in their search for answers that would be consonant with a more open society, while the Kazakhs gained expertise in handling issues that challenge religious believers and policy makers alike in all countries today.

These shared concerns led inevitably to consideration of the highly charged question of human rights, the role of proselytizing, and the registration and function of religious and human rights organizations. The multi-sided dialogue that ensued sensitized Americans to the onerous legacy of deeply rooted Soviet policies in these areas, and informed their Kazakhstani counterparts of practices that they could usefully adopt or, in most cases, adapt to Kazakhstan's reality. In this case the process itself was often the product. Participants from both sides

report that their dialogue was invariably conducted in a cordial and civilized manner.

Meanwhile, business contacts increased apace. The number of corporate members of the US-Kazakhstan Business Association grew steadily over time. A separate American Chamber of Commerce was formed in Almaty to foster ties among American business people in Kazakhstan and between them and their Kazakhstani counterparts, as well as to iron out whatever problems with the host country might arise. In 2020 the United States Chamber of Commerce took over the activities of the Business Association and renamed it the U.S.-Kazakhstan Business Council.

Far less well-known but very beneficial to both countries were contacts in the military and security era, which burgeoned during these years. The two countries worked together to establish KAZBAT, a Kazakhstani peacekeeping battalion that was to see service in Iraq and elsewhere, while Kazakhstani and American troops continued to work side by side in the joint Steppe Eagle exercises. Many officers from Kazakhstan also studied at American service schools, where they worked with American counterparts to master modern organizational and technical aspects of the military. Finally, the two countries collaborated on law enforcement academies at the regional level in Kazakhstan. These entities did much to dismantle primitive Soviet methods of neighborhood policing and replace them with methods more compatible with an open and free society.

While all these innovative projects were being developed, the two core areas that had led to the opening of Kazakhstan-American ties a decade earlier continued apace. Hundreds of American petroleum engineers and experts in many fields participated in the development of the Tengiz project and brought back home to Texas and Louisiana a deep respect and affection for Kazakhstan. To be sure, there were sharp disagreements

over pricing and costs, and both sides always bargained hard. But they did so in a mutually respectful fashion that led to conclusions that both sides could live with.

Trade and Finance

Two particularly important issues that entered the Kazakhstan-U.S. dialogue in these years were trade and finance. For years the United States had developed Trade and Investment Framework Agreements (TIFAs) with countries worldwide. Differing widely on specifics, TIFAs provide strategic frameworks and principles for productive dialogue on trade and investment issues between the United States and its partners. As a new state, Kazakhstan wanted to participate in such arrangements, and particularly those affecting such important issues as labor and environmental protection. The American side focused particularly on intellectual property rights and environmental protection.

Kazakhstan, along with Uzbekistan, supported the innovative notion of a TIFA for all the Central Asian countries together. These negotiations, which extended over several years, resulted in America's first *regional* TIFA, which laid the groundwork for all subsequent discussion among Central Asians of regional collaboration and regional coordinating mechanisms. The Washington embassies of both Kazakhstan and Uzbekistan played a critical role in promoting this concept.

Related to TIFA's and Kazakhstan's future economic and commercial relations with the United States was the question of Kazakhstan's possible future membership in the World Trade Organization (WTO). One of the few world organizations that is younger than the Republic of Kazakhstan, the WTO, founded in 1995, was designed to facilitate the resolution of international issues involving trade in goods and services and also intellectual property. Kazakhstan, eager to flesh out and make

concrete its newly won sovereignty in as many areas as possible, was burning to pursue WTO accession. The process of negotiation extended over many years and nearly collapsed when President Nazarbayev unexpectedly committed Kazakhstan to joining the Eurasian Economic Union. This required that half of the WTO document be renegotiated. Throughout this process the United States proved a steady if demanding partner to Kazakhstan.

Curiously, an issue on which the United States and Kazakhstan did not see eye to eye was the denuclearization of Central Asia. This possibility had arisen back in 1992 when Mongolia declared itself a nuclear weapon free zone. Uzbekistan's President Islam Karimov presented a similar proposal to the United Nations in 1993, and in 1994-1996 Kazakhstan and Uzbekistan promoted the idea together. A decisive step forward occurred in 1997, when Kazakhstan convened in Almaty a meeting of the presidents of all five of the new states of Central Asia. The treaty they drafted was revised and discussed down to 2006, when the countries adopted the final draft. The Central Asia Nuclear Weapon Free Zone pact – known as the Semipalatinsk Treaty – went into effect in 2009.

The United States, France, and the United Kingdom strongly supported the principle of denuclearization but found what they considered a serious flaw in the draft treaty. They noted that Article 12 states that the treaty “does not affect the rights and obligations of the Parties under other international treaties.” They noted that among those “other” agreements was the Collective Security Treaty (CST) that Kazakhstan and its regional neighbors had signed with Russia. Since this potentially allowed Russia to deploy nuclear weapons in Central Asia, the three western states argued that the CST treaty could override the denuclearization pact. American opposition, then, was not to the

principle of denuclearization, which it supported, but to what it considered a flaw in the agreement.

There are grounds for viewing the years 2003-2008 as an era of retrenchment in the relations between Kazakhstan and the United States. The State Department had always viewed all Central Asian states, including Kazakhstan, as second tier countries whose interests were subordinate to those of Russia, China and India. Beyond this, one might argue, as was suggested above that the launching of the war in Iraq in 2003 further diverted Washington's attention not only from Afghanistan but from all its Central Asian neighbors as well, including Kazakhstan. Such a line of thought would reduce American concern for Kazakhstan in these years to its role as a transit country along the route from the Baltic to Afghanistan.

The grounds for so gloomy a perspective all but vanish when one considers the situation in the context of the dynamics of institutional life in the vast bureaucracy that is Washington today. For even if America's Afghan strategy reduced Kazakhstan's role temporarily to the status of an independent variable, it did not reduce the welter of bilateral programs that had been set up earlier. Not only did they all continue, but their number and scale actually increased during the years down to 2008. If one were to chart the scale of American-Kazakh interaction in such diverse areas as air travel back and forth, telephone calls, mail and emails, capital flows, the number and dollar value of joint business ventures, the number of participants in student exchanges, and cultural interactions in everything from ballet to jazz and hip-hop, the results in every case would be a steadily rising curve.

Notwithstanding the White House's refocus on Iraq, many well-funded agencies of the U.S. government continued to devote serious attention to their programs in and with Kazakhstan, and in some cases expanding

them. Countless staffers who were indifferent to the arcana of geopolitics, whether they were on the government's payroll or working in private agencies as contractors, took pride in their work with partners in Kazakhstan and in the personal bonds that arose from them.

This is how Kazakhstan-American relations stood down to 2007-2008. Thanks to the diversification and expansion of ties that had taken place, it would have been easy to assume that the trajectory would continue indefinitely. However, beginning in July 2007, a financial crisis born in the United States burgeoned and spread worldwide. The federal government in Washington had funded and promoted risky lending by American banks in hopes of expanding the ranks of home owners among the poor. This led to a housing bubble and economic depression. As will be seen in the next chapter, the crisis hit Kazakhstan's banks by 2008, sending the economy into a downward spiral. Worse, the world price for oil plummeted, sharply reducing Kazakhstan's single largest source of income.

The depth of the crisis in Kazakhstan immediately gave rise to fundamental questions about the country's future economic strategy. A range of options were considered. On one extreme, Kazakhs noticed that neighboring Uzbekistan survived the panic with its economy quite intact. But they also perceived that this had been due to the fact that the government in Tashkent had taken out few loans and had in fact isolated itself from the international financial system. While this may have sheltered Uzbekistan from the immediate crisis, it also severely limited the country's prospects for future expansion.

Far the most attractive alternative was to move forthwith to undertake fundamental free-market reforms that would integrate Kazakhstan ever more deeply with the most advanced and reliable elements of the world economy. To some extent President Nazarbayev had already entered

upon this path of development. Years of working with Chevron, General Electric, and other western firms, both American and European, had shown Kazakhs the benefits that closer integration with world market systems offered. The decision to launch reforms needed to join the World Trade Organization reflected this new orientation.

In spite of many significant measures taken before 2008, much remained to be done. In particular, Kazakhstan's financial system was deeply flawed and prone to oligarchic concentration and corruption. The few Kazakhs who fully understood the intricacies of modern banking were all young, recent graduates of American, European, and Asian business schools. New laws were needed. Regulatory bodies had to be set up and allowed to function without interference from special interests. And the country lacked institutions for the adjudication of trade disputes that American and other international investors and business leaders would consider dispassionate and just. Institutional solutions to these and other questions had to be found and successfully implemented.

The demands of this strategy of development were extremely daunting and would require years, if not decades, to address. Yet this is precisely the course that President Nazarbayev and his top advisors chose. Notwithstanding all the steps along this line that Astana had already taken, up to this point one might still reasonably argue that a reversal of direction was still possible. However, by the end of the world financial crisis of 2007-2008, the new strategy had become irreversible. And Kazakhstan's new course opened important new vistas for collaboration between Kazakhstan and the United States.

The one thing that could derail the process of reform was the possibility of adverse developments in Kazakhstan's immediate neighborhood. Russia, too, had been hit by double-digit inflation, robbing its stock market of 70% of its value and driving down the value of the ruble by

14%. But Russia had prudently put aside large financial reserves and Moscow devoted fully a quarter of them to a huge bail-out. In spite of the bailout, the Russian economy remained shaky. It was no time for Putin's Russia to engage either positively or negatively in Kazakhstan's planned reforms.

A second and more important reason that Russia for the time being stood aloof from Kazakhstan's new course is that it was deeply engaged in a crisis of its own making when its armed forces invaded Georgia. The origins of this ill-advised action date back to 2004, when controversy over presidential elections in Ukraine had brought thousands of Ukrainians onto the streets in what came to be known as the Orange Revolution. Large public demonstrations and a recount brought to power Victor Yushchenko, who eked out a victory over Moscow's preferred candidate, Victor Yanukovich.

Having endured this setback on the banks of the Dniepr, Vladimir Putin was waiting for an opportunity to reaffirm Moscow's influence over the newly independent states. He found that opportunity in Georgia. On the pretext of defending separatists in two of Georgia's provinces, he launched a carefully planned war against Georgia in August 2008, advancing close to the capital, Tbilisi, occupying the town of Poti, and blockading the coast. Putin put the two Georgian provinces under Russian control. Both the United States and European Union immediately condemned the invasion but neither took decisive action.

While diverting international attention from Astana's reformist moves, these various developments posed a quandary for Kazakhstan. The government in Astana could neither condemn nor welcome them, and indeed refrained from doing either. What was clear is that Ukraine's revolution demonstrated the possibility of public resistance if reforms were thwarted, while the war in Georgia proved that Russia was

prepared to punish neighbors who pursue western-style reforms too vigorously by peeling off from them ethnically diverse provinces. President Nazarbayev therefore chose a middle path. He steadfastly promoted reform of the economy while proceeding very cautiously with regard to political reforms.

Both Kazakhs and Americans decided the Georgian war lay outside their mutual concerns. However, some Americans were critical of Nazarbayev's domestic policy, on the grounds that it left intact the exceptional powers of the presidency in Kazakhstan. This is true, but should be seen in the context of the reform project as a whole. Kazakhstan's diplomats were quick to point out to foreign critics that President Nazarbayev had sketched out a long-term process of political reform that would follow on the heels of economic reform. But, they argued, any attempt to reverse the phasing of these two projects would lead to the failure of both.

In order to dramatize his decisive turn towards the market and the reforms necessary to achieve it, President Nazarbayev called on citizens to make their country one of the world's thirty most developed countries. In the same spirit, Kazakhs worked to enter the ranks of the World Economic Forum's listing of fifty countries most receptive to international business and investment. In yet another aspirational move, Kazakhstan announced its intention to raise its standing on the World Bank's "Doing Business" ranking and other indexes. This would be no simple matter, for it demanded urgent action on a range of topics, including judicial reform, the reform of taxation, banking, and even accounting practices. In these and other areas Kazakhstan found an eager partner in the United States, and also the European Union.

Thanks to these initiatives, the years between the global economic crisis and 2012 were especially busy times in the U.S.-Kazakhstan relationship.

However, they were also busy years with respect to Kazakhstan's relations with the European Union, Russia, and China. The intensification of these links reduced somewhat the relative weight of Kazakhstan's partnership with the United States.

After a period of passivity, the European Union now intensified its relations with Central Asia generally and with Kazakhstan in particular. The EU was already Kazakhstan's largest foreign investor and was absorbing 40% of Kazakhstan's exports, mainly in oil. Further, EU countries were convenient suppliers to Kazakhstan of quality equipment in many fields. Beginning in 2012 the two sides therefore began negotiating what became in 2015 an Enhanced Partnership and Cooperation Agreement.

The Birth of the Eurasian Union

Meanwhile, as early as 1994 President Nazarbayev had proposed a "Eurasian Union" as a trading bloc of former Soviet republics positioned between the EU and China. This led in 2000 to the formation of a Eurasian Economic Community and then to a treaty forming a common economic space between Kazakhstan, Russia, and Belarus, and a Customs Union of the same states in 2010. The following year President Putin endorsed President Nazarbayev's proposal to transform the customs union into a Eurasian Economic Union, to be inaugurated as soon as possible.

China meanwhile had long contemplated some kind of transport-based economic network that would encompass China, Russia, all Central Asia, and many other regions of the world. Its original name for the project – The Silk Road Economic Belt – was drawn from the title of the book that resulted from the American-sponsored 2006 Kabul conference on Eurasian transport, at which Kazakhstan's then-Foreign Minister Tokayev had delivered the keynote address. Even though planning for

the project was far from complete, China's President Xi Jinping announced his Silk Road Economic Belt in a speech delivered at the newly founded Nazarbayev University in Astana in 2013.

Thus, the years immediately following the 2008-2009 financial crisis were a period in which the emerging networks of continental trade were under intensive development by the European Union, Russia, and China. Kazakhstan figured centrally in the plans of all three major powers and was perceived by all as an equal partner and even initiator.

How did the United States figure in these arrangements? Barack Obama was inaugurated America's new president in 2009. He had already made clear that Afghanistan was not among his primary foreign policy interests. Since Washington had grown accustomed to viewing Central Asia under the rubric of the campaign against the Taliban and al Qaida, this implied also that Central Asia and Kazakhstan would not be among his priorities. Nor were they.

To be sure, President Obama made a brief visit to Kabul in 2010, but this was the closest he ever got to Kazakhstan. In November of the same year his Secretary of State, Hillary Clinton, was sent at the last minute to Astana to represent the U.S. at the summit of the Organization for Security and Cooperation in Europe. That she came at all was not announced until her plane was in the air. The reason for the State Department's reticence was that outspoken bureaucrats in its Bureau of Democracy, Human Rights and Labor (DRL) were dismayed over the fact that Kazakhstan had not set up the usual sideline meeting with non-government organizations. A compromise was reached, however, and her brief visit took place as planned.

Shortly thereafter, when Clinton travelled to India in 2011 she made a speech calling for a "New Silk Road" connecting India and Central Asia. Unfortunately, there was no serious follow-up on this promising

proposal, either by the State Department or the White House. The Obama administration had chosen simply to ignore the project and move on to what it considered more pressing matters.

Offsetting the White House's neglect were the continued development of Kazakhstan-American cooperation in the oil industry and the expansion of American private investments in many other fields. Complementing these were bilateral projects under the U.S. Agency for International Development, and bilateral reform projects mounted by the departments of Commerce and Justice with their Kazakhstani counterpart.

A ten year-long US-Kazakhstan collaboration that bore fruit in these years was the dismantling of the immense BN-350 atomic breeder reactor near the western town of Aktau. To accomplish this the partners had to construct a special railroad to carry the disassembled parts and to build special railroad cars to convey the "hot" remains. In the same spirit, military-to-military cooperation also continued apace, with numerous officers from Kazakhstan's army participating in seminars and dialogues at the U.S. Army's George C. Marshall Center at Garmisch-Partenkirchen in Germany. Many of these sessions focused on the Caucasus and Central Asia, notably Kazakhstan.

In a very different sphere, the Washington-based International Tax and Investment Center worked closely with the government of Kazakhstan to reform its tax code and accounting system. The old Soviet era tax code failed to provide a steady income stream to the Government of Kazakhstan and led even to the interruption of heating and electricity in the capitol city. The new tax code that resulted from this joint effort replaced fifty-six Soviet era tax laws with a single simple text, greatly simplifying the process of reporting and auditing. Led by the former U.S. Treasury official Charles McClure, the team's new law had the beneficial effect of reducing taxes while assuring the government an increased and

steady flow of revenue. President Nazarbayev welcomed this new code but prudently made sure that Kazakhstan's Congress of Entrepreneurs supported it before giving it his final approval in 2005. While challenges remained, particularly for individual taxpayers and non-residents, the overall effect was to greatly enhance Kazakhstan's attractiveness to foreign investors. No wonder that many others of the newly independent states adopted similar tax code.

In the same spirit of reform, several American universities figured centrally in planning the new national research-based university which President Nazarbayev had conceived for the capital at Astana. After inspecting institutions worldwide, leaders of the new Kazakh institution chose as its international partners five American universities – Duke, the University of Pennsylvania, Pittsburgh, Carnegie-Mellon, and Wisconsin – as well as two British and one Singaporean institution.

Meanwhile, the numbers of students, educators, and technical experts travelling in both directions under both governmental and private funding continued to increase apace. Such exchanges were further stimulated by Kazakhstan's new language policy, which named English as the official international language and required it to be taught at all schools in the country. By contrast, while the numbers of Americans studying Kazakh increased, their numbers remained low, and Americans continued to depend on English-speaking Kazakhstani citizens for their interactions.

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.

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.”⁵² 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

⁵² 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.⁵³

⁵³ 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.⁵⁴

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

⁵⁴ 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.

Chapter Six: Kazakhstan and the United States – Achievements and Challenges

Having presented this overview of the dramatic story of Kazakhstan-U.S. relations over the past three decades, one immediately asks what conclusions, if any, are warranted, and how these might affect future relations between these two countries.

Any sober reading of the past prompts one to acknowledge the great differences between them. Looming over all the rest is the stark fact that one country has a population of 18.5 million and the other 328 million. Even though Kazakhstan's territory is a third that of the United States, the differential in population is staggering. Added to this is the fact that the Republic of Kazakhstan is three decades old and the U.S. was founded thirty-five decades ago. Finally, there is the brute fact that while one country – America – is protected by two oceans, the other – Kazakhstan – has the longest border in the world with the Russian Republic and shares a border with the People's Republic of China that exceeds a thousand miles.

Such asymmetries are bound to affect relations between any two states presenting such contrasts. One obvious consequence of these differences is the difficulty which each state faces when seeking to understand the constraints facing the other. It is all too easy for Americans to underestimate the challenges that arise from Kazakhstan's long borders with major superpowers, just as it is not easy for Kazakhstanis to appreciate the extent to which America's complex federal and representative system presents challenges for decision-makers in

Washington, or the variety of factors that account for the interest of American politicians and citizens in matters relating to Kazakhstan's domestic governance. At various moments over the past decades these differing perceptions have led to misunderstandings in a variety of areas.

While this study enumerates the existence of contacts between Americans and Kazakhs dating back to the nineteenth century, historical factors in both countries meant that these earlier ties, such as they were, were known mainly to historians in both countries and not to their educated publics. Added to this is the fact that few Kazakhs had emigrated to the United States until very recent times, thus denying to both countries a link that might have fostered mutual understanding.

Against this background, the development of cordial and productive relations between the newly founded Republic of Kazakhstan and the United States is all the more remarkable. Not only did these links arise quickly after Kazakhstan's emergence as a sovereign state, but they have been successfully nurtured and expanded over the following thirty years. Simply to enumerate some of the main elements of this interaction is to appreciate the achievement on both sides of the relationship.

Thus, it is important to note that the Kazakhstani-American relationship was born not in the contentious world of geopolitics but in the very practical spheres of energy and nuclear arms. Even before the collapse of the U.S.S.R. Kazakhstan's leader and First President, Nursultan Nazarbayev, was in direct contact with Chevron's Richard Matzke, which led in 1993 to the signing by Ken Derr, CEO of Chevron, and President Nazarbayev of a contract for Chevron to develop Kazakhstan's vast Tengiz oil field. Meanwhile, the U.S. Secretary of State James Baker III had been in contact with President Nazarbayev over the fate of Kazakhstan's major uranium holdings and of the nuclear arms and related facilities on its territory.

Negotiations on both issues were complex and sustained, but in both cases the parties achieved understandings that benefited both countries and, significantly, the world at large. It is particularly notable that the Tengiz agreement included the development of a pipeline across southern Russia to export Kazakh oil to the Black Sea, and that the agreements that led to the nuclear disarmament of Kazakhstan also found favor in Moscow. On both issues the Kazakh and American negotiators showed themselves to be skilled and effective.

Equally notable is the manner in which Kazakhs and Americans have worked together to transform the basis of their relationship from nuclear and hydrocarbon issues to a diversified mix of modern developmental projects, the most recent of which is the joint development of Kazakhstani agriculture. This many-sided transformation, which is still ongoing, has brought both countries together in the development of new technologies in many fields, and in the training of Kazakhstan's young men and women in fields that scarcely existed a generation ago. Suffice it to say that just one Kazakhstan institution, the ten-year old Nazarbayev University, collaborates with a half dozen universities in the United States to develop new skills in many technical fields, including medicine.

Collaborations in the area of investments and business have challenged both countries to bring Kazakhstan's new legal institutions into line with generally accepted world standards. Progress at times has been slow, but the general direction is positive. Close collaboration between the two governments also facilitated Kazakhstan's entry into the World Trade Organization.

More complex for Washington has been such issues as the rights and duties of non-governmental organizations and issues concerning freedom of assembly in Kazakhstan. Even as differences remain, the level of mutual understanding has risen sharply, with an admonishing style

from Washington gradually giving way to more constructive interactions, and with Kazakhstan's officials ready to sit down with American counterparts to hammer out solutions.

If at times U.S. policies have influenced developments in Kazakhstan, so have Kazakhstani initiatives helped shape U.S. policies. A striking example of this the acceptance by the U.S. Department of State of Kazakhstan's proposal for the U.S. to establish a "C5+1" structure ("Central Asia Plus the United States") for regularized consultation on a regional basis. This breakthrough initiative would never have happened had a high level of trust not existed between Washington and Nursultan. Overall, this spirit of collaboration has generated a climate in which close interactions have arisen in areas far removed from politics and diplomacy, including music, art, dance, and film.

Nor have the two countries ignored their mutual security. Indeed, security cooperation is a key element in the Strategic Partnership between the countries, and has been so since the mid-1990s, when the first military exercises involving U.S. forces were held in Kazakhstan. Since then, the U.S. and NATO have assisted Kazakhstan in developing Kazbat, an elite airborne peacekeeping mission that, among other, saw service in Iraq from 2003 to 2008. The Stepp Eagle multinational exercises under NATO command take place yearly, and the two countries have also established cooperation on intelligence sharing as well as countering organized crime. Kazakhstan's security cooperation with the U.S. is a delicate matter given the country's membership in the Russian-led Collective Security Treaty Organization. But all the same, Kazakhstan has showed that these close ties with Russia, as well as China, are not an impediment to cooperation with the United States even in the most sensitive areas like military cooperation.

The extent and depth of interaction between Kazakhstan and the United States is built on the solid and very practical basis of their each recognizing the interests that link them. However, it would have never developed to the extent it has were it not for a number of more general factors. Indeed it is these, as much as the calculations of *Realpolitik*, that link them today.

First among these is leadership in both countries, and the climate of constructive engagement these have created and nurtured. President Nursultan Nazarbayev deserves great credit for this, as do his early American interlocutors, James Baker as well as Richard Matzke and Ken Durr of Chevron. Together they established at the outset of the two countries' interaction a cordial and productive climate.

When Kazakhstan's current president, Kassym-Jomart Tokayev, served as Foreign Minister he proposed for his country to maintain a "multi-vectored" or "balanced" foreign policy based on cordial relations with China, Russia, and the United States. In order to create this balance, Kazakhstan had to broaden and deepen its relationship not only with the United States but with the West generally. Washington acknowledged that this strategy was not only legitimate but essential if Kazakhstan was to maintain its sovereignty and independence. A series of dedicated ambassadors in both countries worked within this framework to expand productive interactions in spheres as diverse as business, law, finance, education, and research. These in turn greatly expanded the human links between the two countries.

Greatly facilitating this process was Kazakhstan's Bolashak program, which sent thousands of young Kazakh men and women to study in America, and the Kazakh decision to establish English-language training in all the country's schools. With the deepening of mutual understanding came the realization by Washington that Kazakhstan's emerging elite

truly shared the goal of an open and participatory system, but that constraints arising from Kazakhstan's geopolitical location mean that further progress, if it is to occur, must be gradual and without a blaze of publicity.

In this and other respects, one can conclude that the success of U.S.-Kazakhstan relations has been above all a process of mutual education. Yes, there have been many interstate agreements and, yes, there have been beneficial relations in business, education, and culture. But in the end, none of these can be considered ends in themselves, but rather separate elements in the process of building mutual knowledge and understanding that arises from life-based education. All of these have fostered what is surely the most important basis for mutual understanding. Thanks to able and steady leadership on both sides, this process has proceeded steady over three decades and is likely to continue apace in the coming years.

However, this is not to say that there does not remain much to be done. Today, Kazakhs are wondering about the extent and depth of America's commitment to the region of Central Asia as a whole following its departure from Afghanistan. Will Washington implement its positive strategy for the region as a whole, including Afghanistan, or will it seek to "pivot" elsewhere, pushing Kazakhstan and its neighbors onto the back burner?

Americans, meanwhile, worry that relentless actions by Kazakhstan's big-power neighbors may succeed in wearing down Kazakhstan's resolve, with the result that it is ever more deeply involved with their geopolitical projects, with the erosion of the country's cherished principle of balance.

They also depend on the two countries continuing to play a role coherent with the strategic approach of the other. Kazakhstan, thus, must continue

to strengthen its independence and serve as a constructive role on regional affairs, while also gradually reforming its political system to allow for greater participation and protection of civil rights. Similarly, the U.S. must continue to play the role assigned or it in Kazakhstan's multi-vector foreign policy, which requires a certain level of American attention to and presence in the region – something that was challenged by the U.S. decision to withdraw from Afghanistan.

Neither of these issues will be resolved quickly or easily. This makes it all the more important that the process of mutual education continue apace in both countries.

Over the first three decades it is understandable that the leaders of both countries would have played the main role in this important process. But now Kazakhstan-U.S. relations depend ever more greatly on the sharing of information, mutual knowledge, and understanding.

To now, the media of both countries have scarcely been up to the task. Too few Americans have explained their thinking to audiences in Kazakhstan, while few, if any, respected but non-official writers and thinkers of Kazakhstan have addressed themselves to American audiences. If this were to change, the process of mutual education and mutual understanding would advance by leaps and bounds. Differences would be understood and respected, and solution more likely to arise on both sides. The development of mutual knowledge is thus the great challenge for the coming years, and the key to the next phase of what has been, over three decades, a positive and remarkable relationship.

Authors and Contributors

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Svante E. Cornell, Ph.D., is Director of the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center, co-founder of the Institute for Security and Development Policy, as well as Senior Fellow at the American Foreign Policy Council. He is a Policy Advisor to JINSA's Gemunder Center for Strategy. He holds a Ph.D. degree in peace and conflict studies from Uppsala University, where he was formerly Associate Professor of Government. His most recent book, with S. Frederick Starr, is *Long Game on the Silk Road: US and EU Strategy for Central Asia and the Caucasus*, published by Rowman & Littlefield in 2018.

H.E. Dr. **Erzhan Kazykhan** is a career diplomat who serves as Special Envoy of the President of Kazakhstan for International Cooperation. Prior to this appointment, Dr. Kazykhan has served as Kazakhstan's Ambassador to the United States of America (2017-2021) and the United Kingdom of Great Britain and Northern Ireland (2014-2017). Before his assignments to Washington D.C. and London he held the positions of

Assistant to the President (2008, 2012-2014), Minister of Foreign Affairs (2011-2012), Deputy Minister of Foreign Affairs (2007-2008 and 2011), Ambassador of Kazakhstan to Austria, Permanent Representative of Kazakhstan to the International Organizations in Vienna (2009-2011), Permanent Representative of Kazakhstan to the United Nations (2003-2007). He previously served in a number of other senior posts at the Ministry of Foreign Affairs of Kazakhstan. Ambassador Kazykhan earned his bachelor's degree in Oriental studies from St. Petersburg State University in 1987 and holds a Ph.D. in History from Al-Farabi Kazakh National University.

Ambassador **Richard E. Hoagland** was U.S. Principal Deputy Assistant Secretary of State for South and Central Asian Affairs from October 2013 to 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 State Department's Office of Caucasus and Central Asian Affairs. 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.

Appendices

Appendix 1: Memorandum of Conversation, Bush-Gorbachev-Nazarbayev Lunch, July 30, 1991. (4)

Appendix 2: Brent Scowcroft Memorandum to President George H.W. Bush for meeting with President Nazarbayev, May 19, 1992. (10)

Appendix 3: Minutes of Codel Nunn-Lugar Meeting with President Nazarbayev, November 21, 1992. (6)

Appendix 4: Warren Christopher Memorandum to President Bill Clinton for Meeting with President Nazarbayev, February 10, 1994. (2)

Appendix 5: Anthony Lake Memorandum to President Bill Clinton for Meeting with President Nazarbayev, February 12, 1994. (5)

Appendix 6: Charter on Democratic Partnership Between the United States of America and the Republic of Kazakhstan, February, 1994. (7)

Appendix 7: Nursultan Nazarbayev Letter to President Bill Clinton, September 18, 1997. (3)

Appendix 8: Strobe Talbott Memorandum to President Bill Clinton for Meeting with President Nazarbayev, November 14, 1997. (2)

Appendix 9: Samuel Berger Memorandum to President Bill Clinton for Meeting with President Nazarbayev, November 17, 1997. (4)

Appendix 10: Memorandum of Conversation between Presidents Bill Clinton and Nursultan Nazarbayev, December 1, 1997 (10)

Appendix 11: United States and Kazakhstan: An Enhanced Strategic Partnership for the 21st Century, January 16, 2018. (3)

Appendix 1: Memorandum of Conversation, Bush-Gorbachev-Nazarbayev Lunch, July 30, 1991. (4)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon with President Mikhail Gorbachev of the USSR (U)

PARTICIPANTS: The President
 James A. Baker, III, Secretary of State
 John H. Sununu, Chief of Staff
 Brent Scowcroft, Assistant to the President
 for National Security Affairs
 Jack F. Matlock, U.S. Ambassador to USSR
 Marlin Fitzwater, Assistant to the President and
 Press Secretary
 Reginald Bartholomew, Under Secretary of State for
 Security Assistance
 Robert Zoellick, Under Secretary of State for
 Economic Affairs and Counselor
 Dennis Ross, Director, Policy Planning Staff,
 Department of State
 Ed A. Hewett, Senior Director for Soviet Affairs,
 NSC Staff (Notetaker)
 Interpreter

DECLASSIFIED
 PER E.O. 13526
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Mikhail Gorbachev, President
 Nursultan Nazarbayev, President of Kazakh SSR
 Valentin Pavlov, Prime Minister of USSR
 Aleksandr Bessmertnykh, Foreign Minister
 Mikhail Moiseyev, Chief of General Staff of Armed
 Forces
 Valeriy Boldin, Chief of Staff
 Anatoliy Chernyayev, Advisor to the President
 Aleksey Obukhov, Deputy Foreign Minister
 Viktor Komplektov, USSR Ambassador to the US
 Interpreter

DATE, TIME July 30, 1991, 1:28 - 2:07pm
 AND PLACE: Official Residence Dining Hall, Kremlin

Secretary Baker: President Nazarbayev, what are the four outstanding issues in the Chevron deal? (S)

President Nazarbayev: The fifteen areas were reduced to four by negotiation. Now there is criticism of this deal because it is supposedly contrary to the interests of the Soviet Union, mainly because profits are too high. (S)

First, the rate of return is 27.9 percent, while Chevron gets 22 percent world-wide. (S)

Second, there is the issue of royalties. President Bush and Secretary Baker know the oil industry - 7.5 percent royalties are too low. (S)

Third, the Soviet Union has spent \$850 million developing the Tengize oil field. The U.S. side owes us 50 percent of that sum. Chevron has agreed to that. (S)

Fourth, this is a rich, complex oil field. In addition to oil, there are by products, for example, one million tons of sulphur, as well as polyethylene. We want Chevron to help us attract other companies to develop those products, since Chevron is clearly reluctant to develop them. (S)

This is a huge deal: twenty-five years, renewable up to forty. Over the first forty years the total revenues will be \$169 billion, from an investment of \$86 billion, with a new profit of \$65 billion. (S)

President Gorbachev: In general, the negotiations are going "normally." There is nothing insurmountable. (S)

The President: This is very helpful, very interesting. It is difficult to pin profits down to dollars and cents. To a degree, a deal is a deal, and the contract should go forward. Holding to that principle will attract business. They feel that they had a deal, then a committee was formed. I am glad to hear it is on the way to being resolved. (S)

How do we attract capital? When we say there is a deal, then there is a deal. (S)

We're not lecturing. I don't have all the answers. Even in our country, businesses have problems with bureaucracy. (S)

President Gorbachev: As the Secretary of State will appreciate: no matter what, we will reach an agreement with the Japanese. (S)

The President: Let me tell you a personal story from thirty years ago. I was the president of a small offshore drilling company. We pioneered the use of three-legged mobile drilling platforms. We worked out a deal with the Japanese. The Japanese wanted to work out a consulting contract. We'd build the rig, called the "White Dragon." We would show them how to put it together. They held out the hope of further business. We were the first to drill offshore in the Sea of Japan. The Japanese followed us around and took notes. They were very thorough. We completed the first rig. They then said "Sayonara." No more business. But they did fulfill the contract. (S)

President Nazarbayev: When I met Secretary Baker on March 16, we had no problems with Chevron. Probably by the time we meet again there will be no problems with Chevron. (S)

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President Gorbachev: Right. By next meeting, probably there will be no problems. (S)

President Nazarbayev: I put the deal back on the table after people were afraid it would collapse. The deal is in the national interest. But there was lots of press about it. I decided we needed 40-60 days to finish it up. We called on the services of our experts to make sure all concerns are cleared up. (S)

The President: It is very important to get it down. I am not carrying water for Chevron. But this is a wonderful example of partnership. It would stimulate other deals. (S)

President Nazarbayev: Sure, I know. I met with Johnson and Johnson. (S)

President Gorbachev: Now, back to the Japanese, if I may. When we met with Kaifu we spent 1-1/2 hours in the hall debating one word in the final communique. (S)

President Nazarbayev: One word with Yeltsin took three hours. "Federal tax." Finally Yeltsin agreed. (S)

The President: Let's get rid of communiqués. I'm talking about the G-7 communiqués. This is my proposal for better relations - ban communiqués. (S)

President Gorbachev: We've lost communiqués, which has improved the dialogue. But the foreign ministers love communiqués. (S)

Secretary Baker: No, the foreign ministries love communiqués. (S)

The President: I hope you feel as good as we do about work on the [START] treaty. (S)

President Gorbachev: It took ten years. Such work! I knew we had it done when neither our scientists or experts understood the remaining details. So I said, "...put them aside and sign it." (S)

The President: I told the experts: "I'll impose my view on shroud, telemetry, etc." I looked around and I knew more than they did. (S)

President Gorbachev: Exactly! I'm sure we'll all benefit from the treaty. Imagine the amount of beer our negotiators consumed. (S)

General Moiseyev: I should have bet Bartholomew during the last meeting. I asked him, "...will there be a summit or not? He had his doubts." (S)

Under Secretary Bartholomew: I said there would be no summit unless you went farther in your position. (S)

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President Gorbachev: I offer a toast to our negotiations. (U)

President Nazarbayev: Why not come by Alma-Ata? See Baikonor. (U)

The President: There just isn't time. (U)

President Gorbachev: You have a choice of where to go. (U)

The President: We are very free. The problem is time. (U)

President Nazarbayev: I'm sure we'll see you. I hope we'll see Secretary Baker. I'm good friends with Matlock. Matlock promised to hunt. (U)

President Gorbachev: Can Scowcroft hunt with a rifle, or just missiles? (U)

President Nazarbayev: We have all types of climatic zones in Kazakhstan: deserts, mountains, steppe, arid areas. We grow grain. (U)

President Gorbachev: It is a very tough climate. There are nice areas. (U)

President Nazarbayev: We ship ten million tons of grain to other republics. We produce 60-90 percent of non-ferrous metals in the Soviet Union - 140 million tons of coal and 26 million tons of oil. We could increase oil output to 100-150 million tons a year, while our needs are only 12 million tons a year. (Ø)

President Gorbachev: Of course, preservation of the environment should be discussed. There has been lots of mismanagement in agriculture for decades. We are at the very beginning [in addressing environmental issues]. (Ø)

President Nazarbayev: We had considerable oil reserves around the Caspian Sea. We're not poor. U.S. business will find proper conditions. (Ø)

The President: What are you doing with the sulphur? (Ø)

President Gorbachev: We buy it. We're importing sulphur now. (Ø)

Ambassador Komplektov: It belongs to the joint venture. We will collect no taxes for the first five years, then 50 percent of the normal tax for the next five years. (Ø)

-- End of Conversation --

Appendix 2: Brent Scowcroft Memorandum to President
George H.W. Bush for meeting with President
Nazarbayev, May 19, 1992. (10)

THE PRESIDENT HAS SEEN
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THE WHITE HOUSE
WASHINGTON

May 18, 1992

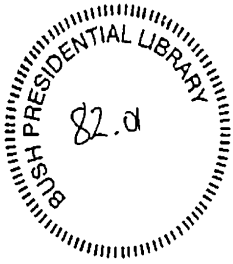
MEETING WITH
PRESIDENT NURSULTAN NAZARBAYEV OF KAZAKHSTAN

DATE: May 19, 1992

LOCATION: Oval Office, Cabinet Room and
Old Family Dining Room

TIME: 11:00am - 1:30pm

FROM: BRENT SCOWCROFT, [initials]



I. PURPOSE

To establish a closer relationship with the leadership of Kazakhstan, one of the most important of the new states in Central Asia, and reach a final understanding over its policy on nuclear weapons.

II. BACKGROUND

- *****
- Nazarbayev has now agreed to sign the NPT as a non-nuclear weapons state, and to sign the START Protocol. There are still some potentially major ambiguities to be resolved.
 - You may wish to use the **Oval Office meeting** to address these issues and to address Nazarbayev's concerns for Kazakh security.
 - If we can resolve these issues, then you could devote the **expanded meeting** primarily to bilateral economic issues, emphasizing our willingness to help Kazakhstan reform and attract foreign investment.
 - At the end of the meeting you and the President will move to either the Rose Garden or the Roosevelt Room (depending on the weather) for a brief **ceremony to sign the Trade, BIT and OPIC Agreements.**
 - In the **luncheon**, you could seek Nazarbayev's views on Russia, the Central Asian States in general, fundamentalism, and in particular, Kazakhstan and the turmoil in Tadjikistan.
- *****

You met Nursultan Nazarbayev in Moscow last July in a lunch hosted by Mikhail Gorbachev and at Spaso House in a dinner you hosted. He leads a nation four times the size of Texas with roughly the same population (16.5 million people), of which two fifths are Kazakhs and another two fifths are Russians. It is a state rich in natural resources, particularly coal, ferrous and non-ferrous metals, and oil.

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Nazarbayev is hoping to use a relationship with the U.S. to develop Kazakhstan's economic potential. He places great stock in the economic agreements you are scheduled to sign during this meeting (Trade, OPIC and Bilateral Investment treaties), and much of his time outside of official meetings will be spent wooing prospective investors. The fact that he will be signing an agreement with Chevron his first night here will considerably improve his chances of receiving a sympathetic hearing from American business.

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After you discuss [redacted] you could focus the expanded meeting primarily on economic issues. Kazakhstan will soon be a member of the IMF, and is already talking to them, but still has a ways to go before they can put together a program worth supporting. You should emphasize the importance of working with the IMF. You can also discuss ways in which we will provide technical assistance now to support democratic and market reforms in Kazakhstan.

You may wish to use the lunch for a more general discussion of the situation in Central Asia. It would be interesting to hear Nazarbayev's views [redacted]

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We need to convince Nazarbayev that the U.S. shares his goal of a secure and prosperous Kazakhstan. You should make the point that his goal will ultimately best be served by rapid integration into the global system as a non-nuclear power and an open, reforming economy. If we can convince him of that, then we can set our minds on how to build a close relationship with an important Central Asian state pursuing a moderate, secular path of political and economic development.

III. PARTICIPANTS

The list of participants is at Tab C.

IV. PRESS PLAN

Open photo, writing pool

V. SEQUENCE

Photo opportunity followed by meeting, lunch and departure statements

Attachments

- Tab A Points to be Made for Three-on-Three Meeting
- Tab B Points to be Made for Extended Meeting
- Tab C List of Participants
- Tab D Biographies
- Tab E Memorandum from Secretary Baker

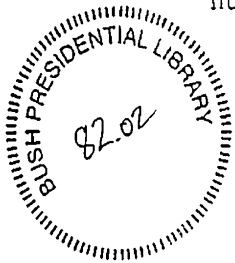
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POINTS TO BE MADE IN INITIAL THREE-ON-THREE
MEETING WITH KAZAKH PRESIDENT NURSULTAN NAZARBAYEV

- Welcome. I am delighted you are here at the White House.
- We will have a chance in the expanded meeting to discuss our bilateral relationship and economic issues.
- I wanted to use this opportunity to bring in Jim Baker and Brent Scowcroft to briefly discuss nuclear issues. As you know, these are vitally important for us.
- I was glad to hear that you will sign the NPT as a non-nuclear weapons state, and sign the START Protocol.

Jim, are there any outstanding issues left to discuss in this one?



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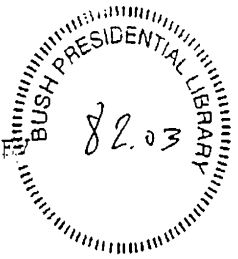
61

- The best way to provide for your future security is to build a web of close and friendly relations with Russia, with European countries and the U.S., to work closely within NATO and CSCE, and to continue to pursue reform.)

SECRET
Declassify on: OADR

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DECLASSIFIED IN PART
PER E.O. 12958, AS AMENDED
04-0824-F
22 Feb 05 MW



POINTS TO BE MADE IN EXPANDED MEETING WITH KAZAKH PRESIDENT NURSULTAN NAZARBAYEV

INTRODUCTORY

- This is a historic visit -- the first of a President from an independent Kazakhstan, and the first Central Asian Head of State to visit Washington since independence.
- We support Kazakhstan's independence and we want to build a close and supportive relationship.
- We hope this visit will signal to your public, and your neighbors, the importance we attach to a peaceful and democratic transition in Central Asia.
- We have negotiated a good joint statement that expresses our hope for close cooperation.
- For our part, let me review briefly the security and economic support we are prepared to extend.

SECURITY

- Kazakhstan's security is important to the U.S. and for stability in Eurasia.

b1

- Could you tell us about the defense pact you agreed to with Russia and four other CIS states last week in Tashkent?
- I would like to offer a regular dialogue between our governments on security and political issues.

- We should have senior-level civilian and military officials meet soon to begin this dialogue.
- The group could address security issues of interest to either side and consider how we can cooperate to alleviate our mutual security concerns.
- We plan to assign a Defense Attache to our embassy in Alma Ata at the earliest possible time.
- And, in the future, we will establish a U.S. military and educational training program (IMET) for Kazakhstan.
- With your commitment to non-nuclear status, and a commitment to remove all strategic delivery systems from Kazakhstan we consider committing a portion of the Nunn-Lugar money to Kazakhstan: you could join in the international science and technology center and we could also help you to establish a reliable system of accounting and physical control for nuclear reactor materials.
- We also want to help integrate you fully into the NACC, CSCE, and develop close relations with our western allies.

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ECONOMIC COOPERATION

- We want to do everything possible to expand trade and investment between our countries.

SECRET

- The Trade, OPIC and Bilateral Investment treaties you and I will sign today will create a good foundation.
- We should attempt to conclude a Tax treaty as soon as possible.
- Your agreement with Chevron is a big step forward. It will be a very good sign to American businesses and we are very pleased.
- I urge you to continue to remove obstacles to trade and investment in Kazakhstan, particularly in the oil and gas sector.
- I understand you will be meeting tonight with Jack Murphy, Dwayne Andreas and other senior business leaders -- I am sure they will have specific suggestions to make.
- We want to make these exchanges a regular part of our relationship. I have thus asked our Secretary of Commerce, Barbara Franklin, to create with you a Joint Business Development Committee so that we can work together to reduce barriers to trade.
- At a minimum, new legislation to create the framework of a market economy is especially important -- banking, privatization, property and contract rights. All are vital to promote trade and investment.
- We also want to help you attract G-7 and IMF support for your reforms.
- We urge you to complete IMF and World Bank membership requirements as soon as possible.

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SECRET

~~SECRET~~

- You should then work closely with them to develop an economic reform plan.
- Your successful negotiation of such a program would unlock substantial IMF and World Bank financial assistance.
- Finally, we will continue to provide humanitarian and technical assistance.
 - We will provide specific support in defense conversion, democratization and food distribution.
 - We will also want to discuss our possible provision of food credit guarantees for your purchase of American grains.

b1

- As for the Commonwealth, you played a leading role at last week's Tashkent summit.
 - Do you believe the Commonwealth will hold together? In particular, with the creation of individual armies in Russia, Ukraine and Kazakhstan, what will become of the Commonwealth forces?

SECRET

SECRET

SECRET

Future of Central Asia

- I hope your visit will signal U.S. interest in developments in Central Asia.
- We want to be helpful in assuring a peaceful and stable transition to a new era.
- We are encouraged by the reform movements in your country and in Kyrgyzstan.
- How do you see the near future in economic and political terms?
- What will be the influence of conservative Islamic forces in the Central Asian countries?

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SECRET

SECRET

PARTICIPANTS

U.S.

The President

James A. Baker III, Secretary of State

Nicholas F. Brady, Secretary of the Treasury

Richard B. Cheney, Secretary of Defense

Brent Scowcroft, Assistant to the President for National Security Affairs

Jonathan T. Howe, Deputy Assistant to the President for National Security Affairs

Dennis Ross, Director, Policy Planning Staff, Department of State

Thomas M. Niles, Assistant Secretary of State for European and Canadian Affairs

Ed A. Hewett, Senior Director for Russian and Eurasian Affairs, NSC Staff

William Courtney, U.S. Charge to Kazakhstan

Peter Afanasenko, Interpreter

KAZAKHSTAN

Nursultan Nazarbaev, President

Serikbolsyn Abdildin, Chairman of the Supreme Soviet

Oleg Soskovets, First Deputy Prime Minister

Kalyk Abdullayev, Deputy Prime Minister

Syzdyk Abishev, Minister of Foreign Economic Relations

Nurtai Abykayev, Chief of Staff

Tuleutai Suleimenov, Minister for Foreign Relations

Admaral Arystanbekova, Permanent Representative to the United Nations

Bakhit Jolamanov, Interpreter

Appendix 3: Minutes of Codel Nunn-Lugar Meeting
with President Nazarbayev, November 21, 1992. (6)

<DIST>SIT: BURNS LAMPLEY POTTS VAX

Nov 1992 *Meeting with N42*

<PREC>IMMEDIATE<CLAS>CONFIDENTIAL<OSRI>RUEHTA<DTG>230408Z NOV 92
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RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 0961
RUFHNA/USMISSION USNATO 0189
RUEHGV/USMISSION GENEVA 0151
RUEHSK/AMEMBASSY MINSK 0143



<SUBJ> CODEL NUNN/LUGAR MEETING WITH KAZAKHSTAN
PRESIDENT NAZARBAYEV, NOVEMBER 21, 1992

<TEXT>
CONFIDENTIAL SECTION 01 OF 04 ALMA ATA 002185
EXDIS
H PASS TO SENATOR NUNN AND SENATOR LUGAR
GENEVA FOR ARMS CONTROL DELEGATIONS
E.O. 12356: DECL: OADR
TAGS: PGOV, PARM, PGOV, ECON, KZ
SUBJECT: CODEL NUNN/LUGAR MEETING WITH KAZAKHSTAN
PRESIDENT NAZARBAYEV, NOVEMBER 21, 1992
REF: ALMA ATA 2168

KAZAKHSTAN

1. ~~CONFIDENTIAL~~ -- ENTIRE TEXT.

SUMMARY

2. KAZAKHSTAN PRESIDENT NAZARBAYEV OPENED THE MEETING WITH CODEL NUNN/LUGAR BY SAYING THAT KAZAKHSTAN HAD ENJOYED VERY GOOD RELATIONS WITH THE BUSH ADMINISTRATION. IT HOPED THAT A SPIRIT OF GOODWILL WOULD BE PRESERVED IN THE CLINTON ADMINISTRATION. ADDRESSING START AND NUNN/LUGAR SSD FUNDING, NAZARBAYEV SAID KAZAKHSTAN "WOULD LIKE TO DISCUSS ONE PACKAGE -- PROGRAMS FOR DISMANTLEMENT AND COOPERATION." HE ALSO ASKED WHAT WAS KAZAKHSTAN'S SHARE OF THE FUNDING.
3. SENATOR NUNN SAID THAT KAZAKHSTAN HAD LED THE WAY ON START RATIFICATION, AND "WE HOPE YOU WILL DO THE SAME" FOR THE NUCLEAR NON-PROLIFERATION TREATY (NPT). NAZARBAYEV SAID HE WOULD SIGN THE NPT AND HE "HOPED" THE SUPREME SOVIET WOULD RATIFY IT. SENATOR NUNN SAID THAT NUNN/LUGAR FUNDING WOULD BE PRIORITIZED IN FAVOR OF THOSE COUNTRIES WHICH LED IN THE ELIMINATION OF NUCLEAR WEAPONS. SENATOR LUGAR SAID THAT USD 100-200 MILLION MIGHT BE AVAILABLE FOR DESTRUCTION OF SILOS AND MISSILES

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4. SENATOR NUNN SAID THERE WOULD BE CONTINUITY IN RELATIONS BETWEEN KAZAKHSTAN AND THE UNITED STATES. THE NEW ADMINISTRATION WOULD BUILD ON THE RELATIONS WHICH EXISTED. IT WOULD GIVE STRONG EMPHASIS TO HUMAN RIGHTS, DEMOCRATIC DEVELOPMENT, AND MARKET ECONOMICS. SENATOR NUNN ALSO RAISED THE AMERICA HOUSE PROBLEM (REF).

GOODWILL WITH THE NEW ADMINISTRATION

5. AFTER WELCOMING THE SENATORS, NAZARBAYEV SAID HE WOULD LIKE TO LEARN HOW THE NEW TEAM IN WASHINGTON WAS BEING FORMED. "WE HAVE HAD VERY GOOD RELATIONS WITH THE BUSH ADMINISTRATION. I USED TO SPEAK WITH SECRETARY BAKER IN A SPIRIT OF MUTUAL TRUST." IT WAS IMPORTANT THAT GOODWILL BE PRESERVED WITH THE NEW ADMINISTRATION. "I SIGNED IMPORTANT AGREEMENTS WITH PRESIDENT BUSH, AND WOULD LIKE TO KNOW WHAT WILL BE THEIR FATE."

DECLASSIFIED IN PART PER E.O. 12958, AS AMENDED

*04-0824-F
NW
10-2-92*

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CASE DEAL

"REGARDING A KEY ISSUE FOR YOU," NAZARBAYEV SAID, "IT WILL BE IMPORTANT FOR US TO INFORM OUR PEOPLE ABOUT THE PACE, COST, AND PROBLEMS OF START IMPLEMENTATION. WE WILL BE READY TO DISCUSS THESE ISSUES AT THE END OF JANUARY." THEY SHOULD BE ADDRESSED AT A HIGH LEVEL. "WE WOULD LIKE TO DISCUSS ONE PACKAGE, PROGRAMS FOR DISMANTLEMENT AND COOPERATION. WE ARE AWARE OF YOUR INITIATIVE -- THE USD 800 MILLION. WHAT SHARE OF IT IS FOR KAZAKHSTAN?"

A SMOOTH TRANSITION

7. SENATOR NUNN SAID THE U.S. VALUED ITS RELATIONS WITH KAZAKHSTAN. "YOUR COUNTRY WILL BE ONE OF THE MOST IMPORTANT IN THE WORLD REGARDING DENUCLEARIZATION. YOU HAVE LED THE WAY ON START RATIFICATION, AND WE HOPE YOU WILL DO THE SAME WITH REGARD TO THE NPT." LIKEWISE, THE U.S. HOPED KAZAKHSTAN WOULD LEAD THE WAY ON HUMAN RIGHTS AND MINORITY RIGHTS. THE SENATOR THEN RECALLED THAT HE HAD ATTENDED A SUPREME SOVIET SESSION IN MOSCOW ONE WEEK AFTER THE COUP ATTEMPT IN MOSCOW, AND HAD SEEN GORBACHEV AND NAZARBAYEV JOINTLY PRESIDE.

8. SENATOR NUNN SAID THE PRESIDENT-ELECT HAD MET WITH PRESIDENT BUSH THIS WEEK. DESPITE THE CONTENTIOUS POLITICAL CAMPAIGN, A SMOOTH TRANSITION WAS EXPECTED. THE SENATOR SAID HE DID NOT PRETEND TO SPEAK FOR THE
C O N F I D E N T I A L SECTION 02 OF 04 ALMA ATA 002185
EXDIS

9. PASS TO SENATOR NUNN AND SENATOR LUGAR
GENEVA FOR ARMS CONTROL DELEGATIONS

E.O. 12356: DECL: OADR

TAGS: PGOV, PARM, PGOV, ECON, KZ

SUBJECT: CODEL NUNN/LUGAR MEETING WITH KAZAKHSTAN
PRESIDENT NAZARBAYEV, NOVEMBER 21, 1992

PRESIDENT-ELECT, BUT "WE WILL TALK WITH BOTH OF THEM AFTER WE RETURN." HE HAD ALREADY TALKED WITH THE PRESIDENT-ELECT AND KNEW THAT HE PLACED A HIGH VALUE ON RELATIONS WITH KAZAKHSTAN AND THE OTHER STATES OF THE FORMER SOVIET UNION. THERE WOULD BE CONTINUITY IN RELATIONS. THE NEW ADMINISTRATION WOULD BUILD ON EXISTING RELATIONS. IT WOULD GIVE STRONG EMPHASIS TO HUMAN RIGHTS, DEMOCRATIC DEVELOPMENT, AND MARKET ECONOMICS DEVELOPMENT.

NUCLEAR

10. SENATOR NUNN SAID THE CLINTON ADMINISTRATION WOULD PLACE A HIGH PRIORITY, AS THE BUSH ADMINISTRATION HAD, ON ADHERENCE TO AND COMPLIANCE WITH THE NPT, CULMINATION OF START I, AND MAKING PROGRESS ON START II. "YOU HAVE LED THE WAY ON START, AND WE HOPE THAT UKRAINE AND OTHERS FOLLOW YOUR LEAD."

11. SENATOR NUNN NOTED THAT NAZARBAYEV WAS RIGHT -- USD 800 MILLION OF NUNN-LUGAR FUNDS HAD BEEN APPROPRIATED. THE PURPOSE WAS TO HELP REPUBLICS MOVE FORWARD VIGOROUSLY IN DENUCLEARIZATION. FUNDING WOULD BE PRIORITIZED FOR THOSE COUNTRIES WHICH TOOK THE LEAD IN ELIMINATION OF NUCLEAR WEAPONS AND SAFE DISPOSAL OF NUCLEAR MATERIALS. WE HOPE THAT, WORKING TOGETHER, NEW AND ECOLOGICALLY SAFE WAYS COULD BE FOUND. ELIMINATIONS WERE TO OCCUR OVER A SEVEN-YEAR PERIOD, BUT NOTHING PRECLUDED MUCH MORE RAPID DISMANTLEMENT AND DESTRUCTION. "WE SHOULD GIVE

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Nunn-Lugar

SENATOR SAID HE WOULD APPRECIATE HEARING
EV'S VIEWS ON POLITICAL AND ECONOMIC REFORM,
ZATION, AND EVENTS IN RUSSIA, INCLUDING WHETHER
SURES MIGHT FORCE RUSSIA TO BREAK APART.

SILO AND MISSILE DISMANTLEMENT, AND HEU SALES

12. NOTING THAT HE AND NAZARBAYEV HAD MET IN WASHINGTON
LAST MAY, SENATOR LUGAR SAID THAT, OF THE USD 800
MILLION, PERHAPS USD 100-200 MILLION MIGHT BE AVAILABLE
FOR DESTRUCTION OF SILOS AND MISSILES. NUNN-LUGAR FUNDS
ALSO PROVIDED FOR WARHEAD REMOVAL AND INTERIM STORAGE.
KAZAKHSTANI EXPERTS MIGHT WISH TO EXPLORE THESE
OPPORTUNITIES. THERE WOULD BE PROFIT SHARING FROM THE
SALE TO THE U.S. OF HIGHLY ENRICHED URANIUM (HEU). AN
AGREEMENT WAS IN PROCESS FOR THE U.S. TO BUY, OVER A 20-
YEAR PERIOD, ALL OF THE HEU FROM FORMER SOVIET TACTICAL
AND STRATEGIC WARHEADS WHICH WERE BEING DESTROYED.
NEGOTIATIONS AMONG RUSSIA, KAZAKHSTAN, UKRAINE, AND
BELARUS WOULD DETERMINE THE SHARES OF REVENUE TO GO TO
EACH STATE.

14. SENATOR LUGAR RESPONDED THAT THESE WERE INTERESTING
POINTS. "WE WILL CONVEY THEM TO THE PRESIDENT AND TO THE
PRESIDENT-ELECT."

ECONOMICS

15. CONSTRUCTING A MARKET ECONOMY, NAZARBAYEV SAID, WAS
"A MATTER OF PRINCIPLE FOR US. WE ARE NOT FULLY
SATISFIED WITH THE PACE AND COURSE OF PRIVATIZATION." A
STABLE PROCESS WAS NECESSARY. AS OF LAST YEAR,
C O N F I D E N T I A L SECTION 03 OF 04 ALMA ATA 002185
EXDIS

H PASS TO SENATOR NUNN AND SENATOR LUGAR

GENEVA FOR ARMS CONTROL DELEGATIONS

E.O. 12356: DECL: OADR

TAGS: PGOV, PARM, PGOV, ECON, KZ

SUBJECT: CODEL NUNN/LUGAR MEETING WITH KAZAKHSTAN

---PRESIDENT NAZARBAYEV, NOVEMBER 21, 1992

KAZAKHSTAN WAS AHEAD OF THE OTHER FORMER SOVIET REPUBLICS
IN THE PERCENTAGE OF PRIVATIZED HOUSING, SHOPS, AND
SERVICES. IN THE SECOND HALF OF THIS YEAR, STRESS HAD
BEEN PUT ON INDUSTRIAL PRIVATIZATION; 6,500 ENTERPRISES
WOULD BE PRIVATIZED. KAZAKHSTAN WAS ON THE POINT OF
COMPLETING AN IMF AGREEMENT, AND THIS WOULD BE FINISHED.

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NAZARBAYEV SAID, "WE ARE DETERMINED TO BUILD DEMOCRACY, BUT THIS IS NOT EASY." CITIZENS HAD BEEN GIVEN "ALL RIGHTS," WHICH WOULD BE GUARANTEED BY THE CONSTITUTION. THE MOST DIFFICULT THING WAS TO TEACH PEOPLE HOW TO USE THOSE RIGHTS. NOTING THAT THE SENATORS HAD EARLIER MET WITH "OTHER REPRESENTATIVES" IN KAZAKHSTAN, NAZARBAYEV SAID THE MAIN TASK WAS TO FORM A "NORMAL OPPOSITION."

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18. TURNING TO ARMS CONTROL, NAZARBAYEV SAID, "WE WILL SUPPORT THE AGREEMENTS WHICH WE HAVE SIGNED. "WE WILL SIGN THE NPT AND WE HOPE THAT THE SUPREME SOVIET WILL RATIFY IT." SHORTENING THE SEVEN-YEAR ELIMINATION PERIOD. HOWEVER, SHOULD BE SUBJECT TO NEGOTIATION. "WE ARE NOT READY TO DISCUSS THIS TODAY. WE WILL BE READY TO BEGIN NEGOTIATIONS AND TALK WITH THE NEW ADMINISTRATION ON THE FULL COMPLEX OF QUESTIONS. THERE SHOULD BE SYMMETRY IN ACTIONS BY ALL PARTIES."

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TRAINING IN THE U.S.

20. IN CONCLUSION, NAZARBAYEV SAID IT WAS POLITICALLY IMPORTANT THAT KAZAKHSTANI EXPERTS UNDERGO TRAINING IN THE U.S. FOR NUCLEAR DISMANTLEMENT. NOT JUST RUSSIAN SPECIALISTS SHOULD GET THIS TRAINING. OUR REQUEST COMES FROM A SOVEREIGN COUNTRY."

21. NAZARBAYEV EXPRESSED DEEP GRATITUDE FOR THE SENATORS' VISIT. HE ASKED THAT GREETINGS BE CONVEYED TO THE PRESIDENT-ELECT, AND EXPRESSED A WISH THAT THERE BE IMMEDIATE CONTACTS WITH THE NEW ADMINISTRATION. HE ALSO EXPRESSED THE HOPE THAT THE SENATORS KNEW OF THE INITIATIVES IN HIS UNGA SPEECH ON SLACKENING GLOBAL TENSIONS AND DEVELOPING CONFIDENCE-BUILDING MEASURES IN ASIA.

PARTICIPANTS

22. OTHER KAZAKHSTANI PARTICIPANTS IN THE MEETING INCLUDED STATE COUNSELORS ZHUKEYEV AND SULEYMOV, FOREIGN MINISTER SULEYMOV, DEFENSE MINISTER NURMACHALLOV, AND DEPUTY PRIME MINISTER BABAKHANOV (WHO HANDLED MILITARY INDUSTRIAL QUESTIONS). THE SENATORS WERE ACCOMPANIED BY PROFESSIONAL STAFF MEMBERS ROBERT

C O N F I D E N T I A L SECTION 04 OF 04 ALMA ATA 002185

EXDIS

5 PASS TO SENATOR NUNN AND SENATOR LUGAR

GENEVA FOR ARMS CONTROL DELEGATIONS

E.O. 12356: DECL: OADR

GOV, PARM, PGOV, ECON, KZ

CODEL NUNN/LUGAR MEETING WITH KAZAKHSTAN

PRESIDENT NAZARBAYEV, NOVEMBER 21, 1992

OL, RICHARD COMBS, AND KEN MYERS. AMBASSADOR COURTNEY
AND DPO MCDONALD ALSO PARTICIPATED.

23. THE CODEL DID NOT HAVE AN OPPORTUNITY TO CLEAR THIS
TELEGRAM. COURTNEY

NNNN

<SECT>SECTION: 01 OF 04<SSN>2185<STOR>921123035210 M0075066

<SECT>SECTION: 02 OF 04<SSN>2185<STOR>921123035311 M0075067

<SECT>SECTION: 03 OF 04<SSN>2185<STOR>921123035313 M0075068

<SECT>SECTION: 04 OF 04<SSN>2185<STOR>921123035314 M0075069

<TOR>921123035650

Appendix 4: Warren Christopher Memorandum to
President Bill Clinton for Meeting with President
Nazarbayev, February 10, 1994. (2)

THE SECRETARY OF STATE
WASHINGTON

February 10, 1994

*Return 8/2/95 to Secretariat
Close out*

~~CONFIDENTIAL~~
DECL:OADR

MEMORANDUM FOR: THE PRESIDENT
FROM: Warren Christopher *WC*
SUBJECT: Meeting with Kazakhstani President Nursultan Nazarbayev

I. SETTING

This is Kazakhstani President Nazarbayev's moment. When he arrives in Washington on his first official visit here since May 1992, he will be completing a two-year political journey. During this time, he led his country through independence, maintained basic domestic stability, attracted substantial foreign investment, adopted a new constitution, and fulfilled Kazakhstan's arms control obligations under the Lisbon Protocol. He also decided to make a clear tilt toward the United States in Kazakhstan's foreign relations. Nazarbayev will now look to us to show -- both personally and officially -- that we appreciate his statesmanship, and are ready and willing to forge a partnership with Kazakhstan.

We have a very full agenda of agreements to sign and issues to discuss -- a reflection of the increasingly close, broad ties that are developing between our two countries. The most historic event of this visit will be Nazarbayev's promised presentation to you of his government's instrument of accession to the Nuclear Non-Proliferation Treaty. With that act, Kazakhstan will have met its Lisbon Protocol commitments, since it ratified the START Treaty without conditions in July 1992.

In addition, you will sign with Nazarbayev a Charter on Democratic Partnership, a non-binding political statement of principles and goals in developing our bilateral ties. Nazarbayev, in agreeing to give up his country's nuclear weapons, explicitly counts on partnership with the United States to help Kazakhstan meet the many challenges ahead. This is a good deal for us. Due to its enormous economic potential, strategic location and demonstrated pragmatism, Kazakhstan will be a valuable partner for the long term, even after denuclearization. In recognition of Kazakhstan's importance and current progress, we will increase significantly our assistance program in fiscal year 1994 to approximately \$225 million.

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

2016-0124-R1 (1.09)
KBM 9/9/2019

Nazarbayev's most pressing domestic political issue is also his most serious foreign policy issue -- Russia. Ethnic Russians make up two-fifths of the Kazakhstani population. Russia's recent elections and statements by Foreign Minister Kozyrev about the treatment of ethnic Russians abroad have unsettled Kazakhstan's leaders. Kazakhstan and Russia also disagree on such difficult problems as the transit of Kazakhstani/American oil across Russian territory, and the disposition of Soviet strategic assets on Kazakhstani soil, including compensation for the uranium extracted from nuclear warheads transferred to Russia for dismantling. The important U.S. interests at stake in Kazakhstan justify an increasing American role in helping our partners in Moscow and Almaty to resolve these problems amicably. Moreover, selective U.S. diplomatic engagement in supporting mutually satisfactory resolution of such problems promotes regional stability. Nazarbayev strongly favors American involvement.

Because Nazarbayev places such stock in good relations with the United States, we have had significant leverage in pressing Kazakhstan to remain on the path of political and economic reform. Nazarbayev has allowed significant personal freedoms to develop, but he could do still more to move toward representative government. Kazakhstan will hold its first parliamentary elections since independence on March 7. You should use your meetings to emphasize that successful reform is the best guarantee of stability and economic prosperity. You should highlight USG interest in ensuring that the parliamentary elections are conducted in a free and fair manner.

American and other foreign firms are seeking out commercial opportunities in Kazakhstan. Chevron, Mobil, Philip Morris, Dresser and others are making substantial investments there, and sixty American companies have opened offices in Almaty. Kazakhstan has perhaps the most welcoming business climate among the New Independent States, and will likely attract even more investment as it launches a major privatization effort. Kazakhstan has enormous potential, and we are doing our part to assist American business by fostering a sound legal, political and commercial environment there.

II. TOPICS

- o Express appreciation for Kazakhstan's NPT accession.
- o Underscore U.S. interest in Kazakhstan's security.
 - Raise Kazakhstani-Russian relations, noting our desire for early agreement on issues of direct interest to us.
- o Encourage continued political and economic reform, and emphasize role of U.S. assistance.
- o Note broadening bilateral relationship, especially in economic/commercial field.

Appendix 5: Anthony Lake Memorandum to President
Bill Clinton for Meeting with President Nazarbayev,
February 12, 1994. (5)

THE WHITE HOUSE

WASHINGTON

February 12, 1994

DECLASSIFIED
PER E.O. 13526

2016-0124-M (1.01)
KBH 9/9/2019

MEETING WITH

KAZAKHSTAN PRESIDENT NURSULTAN NAZARBAYEV

DATE: February 14, 1994

LOCATION: Oval Office,
Old Family Dining Room
and East Room

TIME: 11:25 a.m. - 2:00 p.m.

FROM: ANTHONY LAKE 

I. PURPOSE

To develop in your first meeting with Nazarbayev, a long-term basis for cooperation with Kazakhstan.

KEY POINTS

- Recognize Nazarbayev's role as an important regional leader and assure him of our intention to engage in a full partnership with Kazakhstan.
- Express appreciation for Nazarbayev's leadership in achieving Kazakhstan's accession to the Non-Proliferation Treaty (NPT) and solicit his help in bringing the Strategic Arms Reduction Treaty (START I) into force.
- Highlight the substantial increase in U.S. support -- from \$91.5 million in FY93 to over \$311 million in FY94 -- for Kazakhstan's economic and political reform programs and for U.S.-Kazakhstan commercial ties.
- Listen to Nazarbayev's concerns about Russian pressure on Kazakhstan and emphasize our willingness to facilitate the resolution of Kazakhstan-Russian problems involving our interests.

II. BACKGROUND

Kazakhstan is one of the wealthiest and most influential countries of the former Soviet Union. Under the leadership of its astute President, Nursultan Nazarbayev, Kazakhstan has made significant progress on political and economic reform, done more than any other country in the region to welcome U.S. business, ratified the START treaty and acceded to the Non-Proliferation Treaty. If Kazakhstan continues to reform, it could become one of the great success stories of the NIS, and Nazarbayev could be an effective ally in promoting our goals in the region.

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~~SECRET~~

You will have three main aims in your first meeting with Nazarbayev: first, gain his trust and develop a close relationship with him; second, emphasize our wish for a full partnership with Kazakhstan including closer defense, economic, commercial and political ties and; third, discuss Nazarbayev's concerns about Russia and the rest of the region.

Nazarbayev has three major concerns he will raise with you: first, he will describe his view of Russia's regional role and solicit your help to resolve problems in the Russian-Kazakhstan relationship; second, he will push for greater U.S. support for Kazakhstan's economic reforms; and third, he will request your support for his initiative for an Asian Conference on Security and Cooperation.

Nazarbayev is one of the region's most capable leaders. He has proven himself a savvy political player who has been able to implement both political and economic reform more effectively than either Yeltsin or Kravchuk. Nazarbayev is also an influential regional leader worth cultivating as an important ally. Establishing close, personal relations is important to Nazarbayev, who greatly values his contacts with world leaders. He tried hard to achieve this with the Vice President in December and comes to Washington with the same goal for his relationship with you.

You will be signing a Charter on Bilateral Relations (Tab E) which outlines the nature and goals of our emerging partnership. You will be able to demonstrate our promise for a full partnership by announcing that U.S. assistance designed to further political, economic, and security relations with Kazakhstan will more than triple this year to a total of over \$311 million.

You can point to four main areas to build the partnership: defense cooperation, economic assistance, commercial ties and support for political reform.

First, on security cooperation, you will want to thank Nazarbayev for Kazakhstan's accession to NPT, engage him on bringing START into force and encourage him to take the next step in the process of joining the Partnership for Peace. You also will want to announce that we have designated \$85 million in FY 94 and FY 95 for the safe and secure dismantlement of silos for strategic nuclear weapons, defense conversion, and non-proliferation support. During your signing ceremony and press conference, Nazarbayev's presentation to you of Kazakhstan's instruments of accession to the NPT will mark a major success in your denuclearization policy.

We will also sign during the visit agreements to advance defense cooperation and defense conversion. In addition, we have been working with the Kazakhstanis to help them cope

~~SECRET~~

~~SECRET~~

with the effects of nuclear testing in Semipalatinsk and will continue to do so.

Second, on economic reform, you should stress that we are committed to helping Kazakhstan maintain its momentum toward a market economy through both our bilateral assistance program and through our leadership in the international financial institutions. Nazarbayev has done everything right economically, and we want to reward Kazakhstan.

Kazakhstan has shown a genuine willingness to implement market reforms and encourage direct foreign investment through introduction of a national currency, adoption of the necessary measures to receive a standby agreement from the International Monetary Fund and a recent bold privatization program for 38 of Kazakhstan's largest and most valuable enterprises.

You can tell Nazarbayev that we are **substantially increasing our bilateral assistance for economic reform and development.** You can add that we are prepared to designate Kazakhstan as a **Generalized System of Preferences Beneficiary.** With our leadership, the international financial institutions could provide **up to \$ 2 billion** in balance of payments support if Kazakhstan continues to reform.

Third, on commercial ties, you will want to stress our support for burgeoning U.S.-Kazakhstan commercial relations and encourage Nazarbayev to continue improving the investment climate. Kazakhstan has had more success in attracting and maintaining foreign investment than any other country in the former Soviet Union. **The multi-billion dollar U.S. commercial interest in Kazakhstan is concentrated mainly in oil and gas production and equipment, mining, agribusiness, medical equipment and pharmaceuticals, banking, telecommunications and transportation.** Chevron's \$20 billion oil deal in Kazakhstan, for example, is the largest joint venture in the former Soviet Union. The morning before your meeting, OPIC will be hosting a business roundtable to encourage U.S. investment in Kazakhstan.

U.S. commercial interest in Kazakhstan increased significantly as a result of **major oil and gas agreements with U.S. companies and the conclusion and entry into force of the Trade Agreement, Bilateral Investment Treaty and Overseas Private Investment Corporation Agreement.** Nazarbayev's ability to stabilize the political, economic and ethnic situation in Kazakhstan has also played a major role in greater U.S. commercial activity in the country. Some problems such as limited financing and an embryonic legal structure still exist, and the Kazakhstanis are trying to address them.

Fourth, on support for political reform, you should emphasize the importance of further democratization and

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truly democratic parliamentary elections in March. Kazakhstan has made considerable progress on political reform, but Nazarbayev has not been as supportive of true democracy to the same degree as Yeltsin or Kyrgyzstan President Akayev. In January 1993, the Kazakhstan Supreme Soviet adopted a progressive constitution that offers a real possibility for creating a civil society. Kazakhstan has also maintained a generally good record on human rights and adherence to CSCE commitments.

The biggest test of political reform will be the **March 7 parliamentary elections**. The elections will not be completely democratic, however, because Nazarbayev will be able to determine the slate for the election of 42 of the 177 deputies. Candidate registration irregularities have occurred in certain districts run by notoriously corrupt politicians. Also, printing presses, which are controlled by the government, have broken mysteriously when opposition newspapers are to be published.

Nazarbayev will want to use part of the meeting to discuss Russia and the rest of the region. Nazarbayev's main political challenge is managing Russian-Kazakh relations both within Kazakhstan and with Russia. He is determined to maintain friendly relations with Russia, which is both a powerful neighbor and patron to the ethnic Russians who comprise 40 percent of Kazakhstan's population and live mainly in the industrialized and agriculturally rich north.

Nazarbayev has begun to feel intense pressure from Russia as he tries to establish Kazakhstan's sovereignty and integrate his country more closely with the West. Because Nazarbayev fears Russian hardliners' aggressive tactics and Russia's efforts to maintain strong influence along its periphery, he may ask you to support his effort to get Russia to sign a non-aggression pact with Kazakhstan. He might also ask you to negotiate a trilateral deal like the one you signed with Kravchuk and Yeltsin.

You should point out that with the completion of its Lisbon Protocol commitments, Kazakhstan can achieve its goals through security assurances from the United States, Russia and the United Kingdom. Identical to those we are extending to Belarus and Ukraine, these assurances commit each capital to support Kazakhstan's territorial integrity and sovereignty within its present borders.

You should offer to facilitate resolution of Kazakhstan-Russian issues when they affect our vested interests. These issues include the equitable sharing of proceeds from the sale of highly enriched uranium (HEU) in dismantled nuclear weapons, the return of SS-18 ICBMs for destruction in Russia and a major new oil pipeline to Western markets.

Nazarbayev is also likely to raise the Baykonur Cosmodrome with you. Baykonur, on Kazakhstan's central steppe, is the

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main site for Russian space launches. It has figured importantly in our planning for Russian partnership in the international Space Station. Russia and Kazakhstan have been negotiating over a use agreement. However, Nazarbayev is frustrated with the Russians and would like to involve the United States directly in the negotiations. **You should urge Nazarbayev to come to closure with the Russians but indicate that we are actively interested in the outcome and look forward to working with Kazakhstan and Russia at Baykonur.**

Nazarbayev prides himself on his regional leadership and sees himself as a world-class political figure. One of Nazarbayev's main initiatives as a regional leader is a proposal for **an Asian Council on Security and Cooperation similar to the CSCE**. Despite repeated requests to learn more about the nature and goals of the new organization, the Kazakhstan government has not given us enough details to respond. **You should say that we would like to have more details about the proposal before we could make a decision on whether to support it.**

Other Areas of Cooperation

Nazarbayev will meet the Vice President to discuss U.S.-Kazakhstan cooperation in other areas including **science and technology, environment, space, global communications, and nuclear safety**. The Vice President became well-acquainted with Nazarbayev during his December trip to Almaty when they discussed many of these issues in detail. The Vice President will sign the U.S.-Kazakhstan Science and Technology framework agreement and witness the signing of the U.S.-Kazakhstan Nuclear Safety Agreement and the INMARSAT Safeguards Agreement concluded with the U.S., Kazakhstan and Russia. The INMARSAT Agreement marks important progress in Russia's willingness to cooperate with Kazakhstan on use of the former Soviet Baykonur Cosmodrome, which is located in Kazakhstan.

III. PARTICIPANTS

See list at Tab B.

IV. PRESS PLAN

Open photo and writing pool in Oval Office and East Room.

V. SEQUENCE

See scenario at Tab C.

Appendix 6: Charter on Democratic Partnership
Between the United States of America and the Republic
of Kazakhstan, February, 1994. (7)

A CHARTER
ON DEMOCRATIC PARTNERSHIP BETWEEN
THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF KAZAKHSTAN

The United States of America and the Republic of Kazakhstan,

Working together to develop the provisions of the Declaration on Relations Between the United States of America and the Republic of Kazakhstan signed May 19, 1992, by the President of the United States of America and the President of the Republic of Kazakhstan;

Recognizing the historic opportunity presented by the end of the Cold War, the emergence of the Republic of Kazakhstan as a sovereign and independent country and the possibilities for building wholly new and productive relations between their two countries;

Desiring to create a solid foundation upon which to build a strong and lasting relationship of friendship, mutual trust and respect;

Proceeding from the commitment of the United States of America and the Republic of Kazakhstan to the principles of democracy, private property, free markets, the rule of law and respect for human rights and fundamental freedoms;

Drawing strength from the pragmatic character of their multiethnic societies;

Seeking the fullest use of the potential of both countries for the development of dynamic and mutually beneficial economic relations;

Taking advantage of both countries' special strengths in energy, minerals, agriculture and technology and the rapid growth of economic ties in these fields;

Recognizing the importance of broad-based, friendly bilateral relations as a basis for enhanced regional and international security;

Acknowledging that the historic steps that the Republic of Kazakhstan has taken in being the first state to ratify the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms (START Treaty), as a successor state of the former Union of Soviet Socialist Republics, and in acceding to the Treaty on the Nonproliferation of Nuclear Weapons (NPT) as a non-nuclear weapon state, have made a vital contribution to international security and arms control;

Cooperating to further the Republic of Kazakhstan's harmonious integration into the community of democratic states, regional and international security structures and the world economy;

Recognizing their responsibility to protect the environment;

Reaffirming their commitment to the purposes and principles of the United Nations Charter, the Helsinki Final Act and subsequent documents of the Conference on Security and Cooperation in Europe (CSCE);

Striving for a just and peaceful world;

Have declared their intention to build their relationship on the principles of a dynamic, equal and democratic partnership:

Article I

The United States of America and the Republic of Kazakhstan welcome the opportunity afforded by the emergence of sovereign, independent Kazakhstan to forge long-lasting and mutually beneficial bonds. The United States of America warmly supports the efforts of the Republic of Kazakhstan to create a society based on democracy, the rule of law, and respect for the human rights and fundamental freedoms of all people.

Article II

The United States of America and the Republic of Kazakhstan seek to develop closer bilateral relations across a broad spectrum. To this end, the two countries are accelerating contacts in the political, economic, cultural, educational, environmental, scientific and technological, health, and other fields. They will encourage and facilitate direct contacts between citizens and private organizations, based on the conviction that a true partnership depends on many shared purposes that extend beyond governmental cooperation.

Article III

The United States of America recognizes the security, independence, sovereignty, territorial integrity and democratic development of the Republic of Kazakhstan as matters of the highest importance.

Article IV

The United States of America and the Republic of Kazakhstan understand that the Republic of Kazakhstan's strategic location at the crossroads of Asia and Europe enables it to make a valuable contribution to the peace and security of the region.

The United States of America respects the independence, sovereignty and existing borders of the Republic of Kazakhstan. The United States of America and the Republic of Kazakhstan reaffirm their commitment to the principle that changes of borders between CSCE participating states can be made only by peaceful and consensual means in accordance with international law and the principles of the CSCE.

The United States of America and the Republic of Kazakhstan also reaffirm their interest in promoting security and cooperation with all states in accordance with the principles of the United Nations and the CSCE. In particular, they recognize that security is indivisible and that the security of every CSCE participating state is inseparably linked to that of all the others.

Article V

Taking into account their shared interests, the United States of America supports the Republic of Kazakhstan's efforts to provide for its legitimate defense needs. Recognizing that the armed forces of a democratic country should be well-trained, under accountable civilian control, and dedicated to democratic principles and the rule of law, the two countries intend to develop mutually beneficial defense cooperation and to hold regular security consultations.

The United States of America and the Republic of Kazakhstan intend to focus their defense partnership on such areas as training, military-to-military exchanges, senior military consultations and the full range of defense and military contacts. If, in the future, an external threat to the territorial integrity, political independence or security of the Republic of Kazakhstan should arise, the United States of America and the Republic of Kazakhstan intend to consult and to undertake steps as appropriate to achieve a peaceful resolution consistent with international law and the principles of the CSCE, as well as with the principles of the Partnership for Peace of the North Atlantic Treaty Organization (NATO).

The United States of America and the Republic of Kazakhstan attach great importance to the CSCE and the North Atlantic Cooperation Council (NACC) and will encourage engagement by CSCE in promoting democracy and security in the region, and closer ties between the Republic of Kazakhstan and NATO through NACC.

The United States expresses its support for participation by the Republic of Kazakhstan in the Partnership for Peace with NATO and looks forward to practical cooperation between the American and Kazakhstani military and defense establishments in that context. Within the framework of the Partnership for Peace program, the United States of America intends to work with the Republic of Kazakhstan to develop cooperative Kazakhstani military relations with the forces of NATO for the purpose of joint planning, training and exercises, and readiness to undertake appropriate missions.

Article VI

The United States of America and the Republic of Kazakhstan recognize that the spread of weapons of mass destruction and the means of delivering them represents a threat to humanity and that all governments must work urgently to prevent the further spread of such weapons and associated technologies, including where appropriate through becoming states-parties or participants in relevant arms control treaties or regimes. The United States of America welcomes the Republic of Kazakhstan's ratification of the START Treaty and accession to the NPT as a non-nuclear weapon state-party. The United States of America also welcomes the Republic of Kazakhstan's ratification of the Treaty on Conventional Armed Forces in Europe, a cornerstone of European security.

The United States of America reaffirms its commitment to seek immediate United Nations Security Council action to provide assistance to the Republic of Kazakhstan, as a non-nuclear weapon state party to the NPT, if the Republic of Kazakhstan should become a victim of an act of aggression or an object of a threat of aggression with nuclear weapons.

The United States of America reaffirms, in the case of the Republic of Kazakhstan, its commitment not to use nuclear weapons against any non-nuclear weapon state party to the NPT, except in the case of an attack on itself, its territories or armed forces, or its allies, by such a state allied to a nuclear weapon state, or associated with a nuclear weapon state in carrying out or sustaining the attack.

Article VII

The United States of America reaffirms its determination to assist the Republic of Kazakhstan in the implementation of the START Treaty and the NPT and in the institution of full-scope International Atomic Energy Agency safeguards for the nuclear facilities and materials in Kazakhstan. The United States of America and the Republic of Kazakhstan will also cooperate with other parties to facilitate implementation of all relevant treaty obligations.

Article VIII

The United States of America and the Republic of Kazakhstan attach great importance to the agreement concerning the destruction of silo launchers of intercontinental ballistic missiles, emergency response, and the prevention of proliferation of nuclear weapons. The United States of America reaffirms its intention to provide financial and technical assistance to the Republic of Kazakhstan in its denuclearization activities. The United States of America and the Republic of Kazakhstan affirm their intention to continue joint cooperation in the areas of environmentally safe and secure dismantlement of nuclear weapons located on the territory of the Republic of Kazakhstan, control over the export of sensitive technologies and materials, defense conversion, and other mutually agreed areas.

Article IX

The United States of America and the Republic of Kazakhstan confirm that Kazakhstan is entitled to fair compensation for the value of highly enriched uranium in nuclear warheads located on its territory, and that they should cooperate together and with other concerned parties to reach this goal.

Article X

The United States of America and the Republic of Kazakhstan intend to strengthen cooperation between their scientific and technological communities. Cooperation will be based on shared responsibilities and equitable contributions and benefits, commensurate with their respective scientific and technological resources.

Article XI

The United States of America and the Republic of Kazakhstan intend to continue cooperation in the amelioration of the acute health and environmental problems of Kazakhstan, particularly in the Aral Sea region, and in the fostering of regional efforts on water management.

The United States of America and the Republic of Kazakhstan are cooperating in a survey of the scope of damage caused by the Soviet nuclear testing program at the former Semipalatinsk nuclear test site.

Article XII

The United States of America and the Republic of Kazakhstan recognize that market forces provide the best means of enabling a country to achieve widespread prosperity. The United States of America recognizes the significant progress made by the Republic of Kazakhstan in its transition to a market economy. The Republic of Kazakhstan commits itself to implementing thorough privatization, market reforms and macroeconomic stabilization. The United States of America affirms its intention to provide financial and other support, both bilaterally and multilaterally, for steps taken by the Republic of Kazakhstan in this direction. The United States of America and the Republic of Kazakhstan note the substantial progress already made on these issues, including conclusion of the Trade Agreement and the Bilateral Investment Treaty, and the Republic of Kazakhstan's participation, with American support, in the Systemic Transformation Facility of the International Monetary Fund.

Article XIII

The Republic of Kazakhstan sets as one of its highest priorities the development of a legal, regulatory and financial climate attractive to private domestic and foreign investment and conducive to open trade relations. The United States of America is prepared to work together with the Republic of Kazakhstan to develop a program of further technical assistance to advance reform. The success of this economic transition requires private-sector investment in the Kazakhstani economy.

The United States of America and the Republic of Kazakhstan believe that American business interest in the Republic of Kazakhstan will substantially grow as economic reforms expand. They intend to encourage economic cooperation and the expansion of commercial contacts with a view to increasing trade and investment. The United States of America and the Republic of Kazakhstan are working together to secure favorable conditions for the long-term development of trade and investment relations between citizens and companies of both countries, taking into account such issues as protection of investments, new technologies, and intellectual property rights.

Article XIV

The United States of America and the Republic of Kazakhstan affirm their intention to cooperate closely to combat international criminal actions, particularly narcotics trafficking, terrorism and acts directed against the safety of civil aviation.

Article XV

The United States of America and the Republic of Kazakhstan intend to encourage the mutual dissemination of information in the spheres of culture, science and education; promote new achievements in these areas; foster cooperation and contacts among cultural institutions, organizations and individuals; and support the further development of friendly relations between the youth of their two countries.

Article XVI

The United States of America and the Republic of Kazakhstan intend to encourage parliamentary visits and promote a broad-based dialogue on the legislative process in a democracy.

Article XVII

The United States of America and the Republic of Kazakhstan will strive to encourage cooperation among the regions, districts, and cities of the Republic of Kazakhstan and the states, counties, and cities of the United States of America.

Done at Washington, D.C., in duplicate, this 14th day of February, 1994, in the English and Kazakh languages, each text being equally authentic. The Republic of Kazakhstan will prepare a text in the Russian language, which will also be considered as having equal authenticity after an exchange of diplomatic notes confirming its conformity with the English-language text.

FOR THE UNITED STATES
OF AMERICA:

FOR THE REPUBLIC
OF KAZAKHSTAN:

Appendix 7: Nursultan Nazarbayev Letter to President
Bill Clinton, September 18, 1997. (3)

Almaty
September 18, 1997

Dear Mr. Clinton,

I have accepted with satisfaction the assurances by Vice President Albert Gore in New York three months ago of intention of the United States Government to attach important significance to my upcoming visit to Washington, DC, on November.

It appears that the necessity of a serious and detailed discussion on the perspectives of the relations between Kazakhstan and the United States have become acute. On the one hand, we can state major progress in implementation of the agreements we have reached during our meeting in Washington, DC, in February 1994. On the other hand, I am concerned that the potential for the mutually beneficial economic, political and defense cooperation is not being utilized to that extent which is dictated by the national interests of our two countries.

- At the present time, we are developing a concept of strategic prospective development of the Republic until the year 2030. The key element of this concept is determining the foreign policy landmarks which, in turn, will be based primarily on the factor of economic integration with different foreign partners of Kazakhstan.

- The level of economic cooperation with the United States achieved so far is impressive: about 45 per cent of the foreign direct investments to Kazakhstan are of the U.S. business; there are more than 180 U.S. companies doing business in our country; implementation of the major oil projects with Chevron, Mobil, Amoco, Texaco, Oryx and other major companies as participants is marked by dynamism.

His Excellency
William Jefferson Clinton
President of the United States of America
Washington, DC

• With the increase of oil production, the Kazakhstani sector of the Caspian from the beginning of the next century will be a serious and long term alternative to the Middle Eastern oil sources. Recently, exploration of the Kazakhstani sector of the Caspian sea shelf, where 80 new major structures were discovered, have been completed. According to the assessments of international experts, perspective deposits of oil in this zone are about 73 billion barrels that is much more than the combined oil reserves of all the other Caspian states.

• However, Kazakhstani soil is not limited to oil and gas. We have world class deposits of almost all kinds of non-ferrous, ferrous and precious metals. On this base, Kazakhstan and the United States could work together for our mutual benefit in this colossal and yet untapped market in our part of the world.

Our joint program of economic and investment partnership is, as we propose, to be stated in the Basic document, the essence of which is to send a signal at the level of the Governments of Kazakhstan and the United States to the American business and Western business as a whole about the enormous perspectives of large-scale and highly viable capital investments in development of the unique natural resources and industrial infrastructure of our country with short recoupment periods.

The series of Agreements and Protocols on cooperation in the fields of atomic energy, space exploration, strategic materials trade and other important fields, which are in the process of preparation for signing, may supplement the Basic document.

You are well aware of the peculiar nature of the geopolitical environment of Kazakhstan: the country that has a long common border with Russia to the north, China to the east and neighbors Iran through the Caspian sea will always be an important factor in the foreign policy calculations of the United States. As I repeatedly emphasized in my talks with You and the Vice President, we are ready to interact with the United States in all that undoubtedly belongs to our supreme national interests, specifically, exercise of containment influence over attempts of regional hegemony and positive impact on internal processes in the abovementioned countries. During our talks in Washington, I would like to

discuss in detail ways of deepening the relations of confidence on this matter.

Our aides are working together to prepare the November visit. It is desirable that the appropriate officials will get Your instruction on the political symbolism of the upcoming meeting which, I am convinced, will record our mutual readiness to "special partnership" not only in principle definitions of the Charter on Democratic Partnership we have signed, but proceeding from the essence of new realities that are forming in Eurasia on the eve of the XXI century.

Sara and I are looking forward to the visit of Mrs. Hillary Clinton to Almaty and we hope she will enjoy our hospitality.

See You soon on the American soil.

Sincerely,

/signed/

Nursultan Nazarbayev

Appendix 8: Strobe Talbott Memorandum to President
Bill Clinton for Meeting with President Nazarbayev,
November 14, 1997. (2)

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DEPARTMENT OF STATE
WASHINGTON

November 14, 1997

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DECL: 11/11/07

MEMORANDUM FOR: THE PRESIDENT

FROM: Strobe Talbott, Acting (ST)

SUBJECT: Meeting with President Nursultan Nazarbayev
of Kazakhstan

President Nazarbayev wants the United States to be Kazakhstan's chief "geostrategic" partner into the next century. We want Kazakhstan, with its sea of oil, to be securely fixed in international economic, political and security structures. Nazarbayev believes that his relationship with you illustrates Kazakhstan's integration into the international system, and his own status as a regional strategic leader, and this provides leverage to keep Kazakhstan moving in the right direction. The meeting of the U.S.-Kazakhstan Joint Commission (JC), that Nazarbayev will chair with Vice President Gore, provides the structure to move forward with Kazakhstan, including pushing Nazarbayev to speed Caspian Basin development and foreclosing trans-Iranian pipeline options.

We have significant influence with Nazarbayev. He views Kazakhstan's relationship with the U.S., especially the increased presence of U.S. business, as a "guarantor" of Kazakhstani security. (Eighty-five U.S. companies currently operate in Kazakhstan.) Nazarbayev lobbied hard in the run-up to his visit for a document that would formalize the U.S.-Kazakhstani economic relationship. The "Action Program for Economic Partnership" Nazarbayev will sign with Vice President Gore, at the conclusion of the JC, is a serious document and he is pleased with it. You can tell Nazarbayev that we welcome his openness to increased U.S. investment, including in the development of the critical energy sector. To attract foreign investment he must continue economic reform and ensure transparency in business deals. You can also note our strong support for Kazakhstan's early entry into the WTO on commercial terms generally available to acceding members.

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Nazarbayev is pleased with our expanding defense cooperation. September's CENTRASBAT exercise in Kazakhstan and Uzbekistan, with the participation of U.S. paratroopers, highlighted the security aspects of our relationship. Such cooperation falls short of the bilateral U.S. "security guarantees" that Nazarbayev seeks, but does further strong U.S. interest in regional stability and cooperation.

Nazarbayev views the early flow of Kazakhstani oil as a matter of critical national interest. He has been frustrated with the dearth of readily available export options and Kazakhstan has spoken openly of transporting oil through Iran. Kazakhstan has used oil swaps with Iran to export small volumes of oil but they have been halted, probably temporarily. Nazarbayev believes U.S. policy toward Iran is ambiguous. You should state clearly that for us Iran remains the single biggest threat to all the states of the region and that the U.S. is opposed to pipelines across Iran. We have not approved a pipeline across Iran to take Turkmeni gas to Turkey. U.S.-Kazakhstani relations would suffer badly were Kazakhstan to go forward with plans for trans-Iranian pipelines, including with China's assistance. Your warnings can be coupled with emphasis on an East-West corridor and strong encouragement that Nazarbayev back Western export options. You can also express support for Kazakhstan's position in favor of national-sector Caspian Sea demarcation.

Kazakhstan's record on non-proliferation has been quite good, especially in regards to weapons of mass destruction and export control. But there remains concern over past and potential transfer of arms to state sponsors of terrorism. Nazarbayev has given us both written and verbal assurances, most recently to Vice President Gore in New York this past June, that Kazakhstan will not allow any such transfers. You can remind him of his pledge, while reiterating our interest in entering into a comprehensive dialogue on non-proliferation.

Nazarbayev considers himself a statesman and guiding light on matters of regional import. He will probably want to discuss the Jiang Zemin visit with you as Kazakhstan seeks balance in its relations with both Beijing and Moscow. Nazarbayev will also want to review with you the role of the Commonwealth of Independent States (CIS), which he sees as an economic zone; he believes that the recent Chisinau summit gave him a leading role in rejuvenating the organization. Nazarbayev considers Yeltsin responsible for the current malaise within the CIS and wants to ensure that no country (read Russia) dominates the region.

Appendix 9: Samuel Berger Memorandum to President
Bill Clinton for Meeting with President Nazarbayev,
November 17, 1997. (4)

THE WHITE HOUSE
WASHINGTON

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November 17, 1997

MEETING WITH
KAZAKHSTANI PRESIDENT NURSULTAN NAZARBAYEV

DATE: November 18, 1997

LOCATION: Oval Office

TIME: 5:15-5:45 p.m.

FROM: SAMUEL BERGER *EB*

I. PURPOSE

You have four goals for your discussion with Nazarbayev: (1) underline U.S. commitment to a strong bilateral relationship; (2) urge close cooperation on energy development while denying benefits (such as pipelines) to Iran; (3) encourage continued cooperation on defense and non-proliferation issues; (4) urge further progress on economic and political reform.

II. BACKGROUND

Setting. Over the past year, we have significantly expanded our engagement with the Caucasus and Central Asian states through instruments such as the U.S.-Kazakhstan Joint Commission, which the Vice President and Nazarbayev will chair on November 17-18. Kazakhstan, given its size and energy resources, is key to the success of our strategy of promoting stable and independent states in the region and of ensuring Caspian energy development that excludes Iran.

Nazarbayev sees his close ties to the United States as a critical counterbalance to his relations with Russia. He places great significance in his meeting with you (his first since 1994). However, Nazarbayev remains nervous that the world takes Kazakhstan less seriously, and that the United States may take his country for granted, now that it has given up its nuclear weapons.

Bilateral Relationship. The bilateral relationship is very healthy, with extensive cooperation in the defense, economic and political fields. Nazarbayev has stressed

that Kazakhstan lives in a "tough neighborhood" and wants to see the United States as its strategic partner as it moves into the next century. He sees increased U.S. investment as a "guarantee" of U.S. commitment. His eagerness gives us leverage in pushing him to maintain a clean record on non-proliferation, stay on course on domestic reform and avoid energy cooperation with Iran.

Caspian Energy and Iran. Kazakhstan boasts world-class energy resources, though not the second largest oil reserves after Saudi Arabia that Nazarbayev claims. (Most of its "reserves" are still potential and unproven.) Almost half of foreign investment in Kazakhstan is American, and new oil contracts with Mobil and Texaco, to be signed during Nazarbayev's visit (in the presence of the Vice President), reflect growing U.S. commitment. However, export options for these resources are limited and have constrained the country's economic development.

This past summer, Nazarbayev signed two large energy deals with China based in part on vague Chinese commitments to build pipelines east to China and south to Iran. We support the route to China. However, you should make clear our strong opposition to any deals with Iran and the deleterious effects of any such move on the bilateral relationship. You should stress our readiness to work jointly on alternatives, including trans-Caspian lines connecting to a proposed line from Baku to Ceyhan, Turkey.

Nazarbayev says he is willing to participate in an east-west transport corridor, including a trans-Caspian pipeline, but argues that the United States must do more to make such a route politically and financially feasible. Equally, he has indicated that he sees energy cooperation with Iran as inevitable and in his country's interest. According to recent intelligence reports, Nazarbayev will meet with the Turkmenistani and Iranian Presidents in Tehran in early December to discuss a possible pipeline from Central Asia through Iran.

If we are to maintain an east-west axis for Caspian energy transport, Nazarbayev must be brought fully on board our policy that Iran should not be an integral part of Caspian development before it renounces its support for terrorism and WMD. The decision by Total, Gazprom and Malaysia's Petronas to invest in Iran's South Pars project only underlines the need for enlisting Nazarbayev's support.

We face a choice of imposing sanctions against friends and allies under the Iran/Libya Sanctions Act (ILSA) or waiving sanctions and sending a green light to all oil companies (other than U.S.) that triggers an avalanche of oil investment in Iran. A trans-Caucases pipeline, with Nazarbayev's support, offers a long-term economic alternative to Iran for Caspian oil.

Defense. Defense cooperation is already extensive and growing. The September NATO peacekeeping exercise CENTRASBAT-97 in Kazakhstan, with the participation of Uzbekistan and Kyrgyzstan, was a great success and included Russian, Turkish and other NIS troops. Kazakhstan is also actively engaged in NATO's PFP and the Euro-Atlantic Partnership Council.

Non-proliferation. Non-proliferation cooperation has been excellent, with almost \$200 million committed since 1992 for U.S. assistance to Kazakhstan in dismantling nuclear weapons and in enhancing non-proliferation capabilities. We remain concerned over possible arms transfers to rogue states. The prospect of hefty personal profits tempted some senior Kazakhstani officials to try to arrange arms deals earlier this year. Timely intercession, including by the Vice President, elicited strong assurances by Nazarbayev that no such transfers would take place.

You should underline the importance of maintaining a perfectly clean record. While Kazakhstan has a huge cache of Soviet-era weapons it would like to sell, it must recognize that, in aspiring to be a regional leader on non-proliferation, it must make the hard choices consistent with leadership. We have just begun a regular experts' dialogue to ensure continued cooperation.

Reform. Nazarbayev's earlier commitments to genuine political reform have weakened as he has consolidated power in his own hands in recent years. Parliament remains weak and ineffectual. The judiciary is corrupt and beholden to Nazarbayev. What little opposition that exists is divided and harassed by the government. While Nazarbayev has pursued economic reform more deliberately, his replacement last month of his pro-reform prime minister with a loyalist of questionable credentials has undermined Western confidence in continued reform. You should press him for renewed public commitment to reform, including assurances

of free and fair parliamentary elections in 1999 and presidential elections in 2000.

Regional Issues. At the October 23 CIS summit, Nazarbayev was given a leading role in redefining the direction of the CIS. His vision is of a CIS-wide free trade zone which he has committed to define further before the next CIS summit on January 23. You should draw him out on prospects for the CIS.

Visit Highlights. Nazarbayev is in Washington to participate in the fourth annual meetings of the U.S.-Kazakhstan Joint Commission. He will already have held bilateral discussions with the Vice President, Secretary Cohen, Secretary Pena, DCI Tenet, Acting Secretary Talbott and USTR Barshefsky.

Nazarbayev will sign with the Vice President an "Action Program for Economic Partnership", in addition to a Final Report of the Joint Commission. A Presidential Joint Statement on the bilateral relationship is being issued following your meeting (See Tab F). A number of other agreements, related to defense cooperation and non-proliferation are also being signed during the visit, including agreements on Peaceful Uses of Nuclear Energy and one that provides for packaging, stabilizing and moving 300 tons of nuclear spent fuel from the Aktau reactor to a secure IAEA-supervised location.

III. PARTICIPANTS

The President	President Nazarbayev
The Vice President	Foreign Minister Tokayev
Acting Secretary Talbott	Ambassador Nurgaliyev
Erskine Bowles	Defense Minister Altynbayev
Samuel Berger	Presidential Chief of Staff
Ambassador Jones	Abykayev
Leon Fuerth	(interpreter)
Stephen Sestanovich	
Jim Steinberg	
Michael Matera	
Peter Afanasenko (interpreter)	

IV. PRESS PLAN

Stills and official photos at the beginning of meeting.

Appendix 10: Memorandum of Conversation between
Presidents Bill Clinton and Nursultan Nazarbayev,
December 1, 1997 (10)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

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December 1, 1997

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White House Guidelines, September 11, 2006
By ~~KRM~~ NARA, Date 9/7/2019
2016-0124-17

MEMORANDUM FOR

MR. WILLIAM J. BURNS
Executive Secretary
Department of State

MR. JAMES N. SOLIT
Director, Executive
Secretariat
Department of Energy

COL. JAMES N. MATTIS
Executive Secretary
Department of Defense

SUBJECT: Memorandum of Conversation with President
Nazarbayev of Kazakhstan on November 18, 1997
(S)

The attached Memorandum of Conversation between the President and President Nazarbayev are provided for the information of the Secretary of State, the Deputy Secretary of State, Secretary of Defense and the Secretary of Energy. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our Embassy in Almaty for Ambassador Jones only.



Glyn T. Davies
Executive Secretary

Attachment
Tab A

Memorandum of Conversation

~~SECRET~~

Classified by: Glyn T. Davies
Reason: 1.5 (b), (d)
Declassify on: 11/25/07

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2016-0124-M (1-38)
KSH 9/9/2019

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Kazakhstani President
Nazarbayev: Bilateral Relations, Caspian
Energy, Iran (S)

PARTICIPANTS: U.S.

The President
The Vice President
Federico Pena, Secretary of Energy
Strobe Talbott, Acting Secretary of State
Samuel Berger, Assistant to the President
for National Security Affairs
Ambassador A. Elizabeth Jones
James Steinberg, Deputy Assistant to the
President for National Security Affairs
Leon Fuerth, Assistant to the Vice President
for National Security Affairs
Michael Matera, NSC staff (notetaker)
Dimitri Zarechnak (interpreter)

Kazakhstan

President Nazarbayev
Akhmetzhan Yesimov, Deputy Prime Minister
Kasymzhomart Tokayev, Foreign Minister
Bolat Nugaliyev, Ambassador
Nurtay Abykayev, Presidential Chief of Staff

DATE, TIME November 18, 1997, 5:20-6:05 p.m.
AND PLACE: The Oval Office

(Following still photos)

THE PRESIDENT: Welcome. Very nice to see you again. Hillary told me that she had a wonderful visit with you in Almaty, although her visit was shorter than she planned. She will be home in a couple of hours. (U)

PRESIDENT NAZARBAYEV: Yes, but she still was able to carry out almost her entire planned schedule. I was only sorry that I was not able to welcome her to our home. (U)

THE PRESIDENT: She was very disappointed that her trip was shortened. (U)

PRESIDENT NAZARBAYEV: Thank you very much for the invitation to meet with you here in Washington. I have worked very intensively with the Vice President over the past two days. We have fulfilled our program. I am very grateful to the Vice President. We were able to exchange opinions on many issues. You probably know that we signed all the documents that we had planned to sign. Three years have passed since you and I signed the Charter on Democratic Partnership. The realities of life have now pushed us to sign the Action Program on Economic Partnership. (U)

Over the past three years, Kazakhstan has traveled a long and historic path. We have laid the basis for a market economy. From last year, our economy has begun to grow, with the help of international organizations and of countries, especially the United States. We have worked together to destroy our nuclear missiles. We strongly support nonproliferation and now have the status of a nonnuclear state. The relationship began this way, and now we have built a partnership. We have low inflation, our currency is stable, 70% of property has been privatized thus allowing us to develop our economy. (U)

Kazakhstan is a stable nation despite its multinational nature. We support stability through good relations with Russia. We have reached agreement with China on our borders. We have created the Central Asian Union. All of this is in support of peace and stability, both internally and externally. Stability is important in order to attract foreign companies. Now we have more than 180 American companies active in Kazakhstan. Over \$7 billion has been invested over the past three and a half years - more per capita than any other country in Central Europe or the NIS. Forty percent is U.S. investment. Two large energy contracts were signed today raising our commercial relations to a new level. (U)

U.S. companies have completed a study of Kazakhstan's energy resources. This study indicates that Kazakhstan has the second largest oil reserves in the world after Saudi Arabia. This is the main issue that I would like to discuss with you -- how to transport our oil to world markets. I will now speak only of

U.S. interests, not those of Kazakhstan. (Pointing to a map of the region.) This is the Tenghiz field where Chevron is currently producing oil. All of this area is still open and has reserves of 200 billion barrels of oil. This puts us in second place for oil reserves after Saudi Arabia. We are in fifth place on gas reserves. We have much more oil than Azerbaijan. If Kazakhstan were to ship all its oil to the United States, we would be able to satisfy less than half of your domestic demand. (S)

THE PRESIDENT: That sounds very good. (Laughter) (S)

PRESIDENT NAZARBAYEV: I told you that I would talk of U.S. interests. I want to invite you again to visit Kazakhstan. (Again pointing to the map) This is the pipeline we are building to Russia. The pipeline to China will be completed in 1999. But we need more pipelines. The closest and cheapest one would be through Iran. (S)

VICE PRESIDENT GORE: You said that you would not go in that direction. (S)

THE PRESIDENT: The best route is across the Caspian. (S)

PRESIDENT NAZARBAYEV: I know that. China is ready to finance the pipeline to China. Iran is ready to finance the pipeline through Iran. We could build a pipeline through Afghanistan to Pakistan, but the civil war in Afghanistan prevents this. There is a new proposal for a pipeline across the Caucasus. We are already shipping some oil by tanker across the Caspian and then across the Caucasus to Turkey, Ukraine and the Balkans. Turkmenistan invites us every day to send our gas through a pipeline that would transit Turkmenistan and Iran. But because we are partners with the United States, we want to do everything that you want. We are cutting off all contacts with Iran. But the United States needs to help Turkey to finance the pipeline from Baku to Ceyhan. There has been a lot of talk about this project for two years but so far no results. Secretary Pena told me that a consortium might start working on this project by October 1998. No one will agree to build this pipeline unless Kazakhstan agrees to provide its oil. The center of interest is in Kazakhstan. (S)

I was very grateful to the Vice President who called our relationship a strategic partnership and who considers it important to support our independence and sovereignty. (S)

The President of Turkmenistan is actively working with Iran on gas projects. He is saying that the U.S. President has no objections to a pipeline crossing Iran. (S)

SECRETARY TALBOTT: That is absolutely not the case. (S)

VICE PRESIDENT GORE: We will tell him.

THE PRESIDENT: We have a plan for financing of the trans-Caspian pipeline, don't we? (S)

SECRETARY PENA: Five countries are forming working groups with the goal of by October 1998, working with private companies, to make this project financially possible. (S)

THE PRESIDENT: We will be remiss if we don't find the way to do this. I will take a personal interest in this and make sure that we do our part. The agreements you signed during your visit put our relations on a much better footing. We must build the strategic partnership you talked about. Kazakhstan is critically important to this region and world energy resources. We need this kind of strategic partnership. We want to be good and equal partners in this effort. (S)

PRESIDENT NAZARBAYEV: Thank you, Mr. President. What you have said is fully enough for me to support this project. Secretary Pena will make an announcement of this tomorrow. The main issue is to help Turkey with the financing. (S)

The next issue is one only you can resolve -- that is determining the status of the Caspian. Long ago the Caspian was divided into sectors. Azerbaijan has already de facto begun to take out oil from its sector. This is an international body of water and should be divided on the bottom. Chernomyrdin accepts that we should never be in conflict with Russia, but the question is who is in charge in Russia. (S)

VICE PRESIDENT: There's no question about who is in charge in Kazakhstan, which brings up the question of democratization. (S)

THE PRESIDENT: Sometimes I think that we have too much democracy here. (S)

PRESIDENT NAZARBAYEV: The Vice President and I have already discussed this issue. (S)

THE PRESIDENT: I understand that you gave him a good history lesson. (Laughter) (S)

PRESIDENT NAZARBAYEV: Yes. I quoted the Vice President from your wife's book "It Takes a Village" which says that today's older generation remembers well the time when black Americans weren't permitted to vote, to stay in certain hotels or to dine in certain restaurants. Asian-Americans could not complain about their bosses. Women couldn't work in certain professions or vote. (S)

THE PRESIDENT: You should learn from our mistakes and make more rapid progress. (S)

PRESIDENT NAZARBAYEV: We will have democratic elections for Parliament in 1999. Our next Presidential elections will be completely free, with every citizen being eligible to run. Perhaps I have already have worked for too long? (S)

VICE PRESIDENT GORE: I am afraid that with all this oil you may begin to build palaces like the king in Saudi Arabia. (Laughter) (U)

PRESIDENT NAZARBAYEV: I told the Vice President to be very frank with me as to whether or not he wanted another partner instead of me to work with in Kazakhstan. (S)

THE PRESIDENT: Be careful. If you build all these palaces he will want to be your partner. (Laughter) (S)

PRESIDENT NAZARBAYEV: I am not a monarch. I will not build any palaces. (U)

THE PRESIDENT: The Saudis have built palaces in all parts of the country. Some of them are occupied only two days each year. (U)

PRESIDENT NAZARBAYEV: I was in Oman with its golden palaces that are totally empty. (S)

Getting back to Russia and Iran. They have pursued their own interests on the demarcation issue. No one objects to their companies participating in open tenders as other companies do. But they want to participate without paying in anything to the consortia. We will not allow this. We need your support on our position on Caspian seabed division. (S)

THE PRESIDENT: This is our position. (S)

PRESIDENT NAZARBAYEV: This is the international position according to all international treaties. I also talked to Secretary Pena about an international conference on the Caspian region initiated by the United States so as not to have a scenario of conflict but one of peaceful development. (S)

VICE PRESIDENT GORE: The key dispute is that between Azerbaijan and Turkmenistan. The President saw President Aliyev in August and will see President Niyazov next month. Once this dispute is resolved, the overall issue of demarcation will be resolved. (S)

PRESIDENT NAZARBAYEV: I will also do my part with Presidents Aliyev and Niyazov. (S)

VICE PRESIDENT GORE: Niyazov is not coming next month. He comes next year. (S)

PRESIDENT NAZARBAYEV: Russia made the Azerbaijanis and Turkmenistanis go at each other. First they gave Aliyev a contract and then they took it back. I have talked to both presidents. The current situation is not good for one or the other of them. (S)

THE PRESIDENT: Azerbaijan needs to solve its problems. They will have plenty of money with their oil. They need to resolve their problems with Turkmenistan and Armenia so that they can use their wealth for the benefit of their people. (S)

PRESIDENT NAZARBAYEV: To help resolve their dispute, I recommended to Aliyev that he put up a statue of Niyazov in Azerbaijan. (Laughter) (S)

VICE PRESIDENT GORE: Have you thought of putting up statues of yourself? (S)

PRESIDENT NAZARBAYEV: If I resolve all of my country's problems, I will put up such a statue. Mr. President, I want to sincerely thank you. This has been a very memorable visit for me. We signed excellent documents and agreements: We had open and frank talks. Thank you for your support and your invitation. We also have learned that our issue with Jackson-Vanik will be taken care of. (S)

THE PRESIDENT: This issue will be resolved very soon. (S)

PRESIDENT NAZARBAYEV: One last issue which I wanted to raise is that of uranium. Kazakhstan is a big producer of uranium. We agreed with the Vice President to look at concluding an agreement on uranium. (S)

THE VICE PRESIDENT: We will need to discuss whether or not this is possible and we will communicate with you later on this issue. (S)

PRESIDENT NAZARBAYEV: We would like an agreement for a joint enterprise to extract, develop and market uranium. We are also asking the United States to open its market for our uranium. (S)

I have one last issue. You know that Kazakhstan is bounded by China, Russia and the Islamic world. This reminds me of something Israeli Prime Minister Peres told me once when he was in Almaty. He said that he felt very sorry for me since I open my left eye and see Russia and I open my right eye and see China. I told him that his situation was even worse with Arabs completely surrounding him. (Laughter) (S)

When I talk about strategic partnership with the United States, I mean it seriously. I know that everyone talks about this same thing - Russia and Ukraine. Our desire is based on the multi-billion dollar contracts that we signed today. When I speak of strategic partnership, I mean it. Ours is a most important region that will give the world enormous resources. (S)

THE PRESIDENT: You have it all figured out. (S)

PRESIDENT NAZARBAYEV: I spoke with the Vice President about deciding on our relationship with NATO. He agreed to think about it. (S)

VICE PRESIDENT GORE: We had a very good exercise with Kazakhstan - the CENTRAZBAT peacekeeping exercise. I will ask the advice of this group and will work up some recommendations on this as to whether it makes sense to have a more formal relationship with NATO. I will communicate with you when we have had more time to analyze this question. (S)

THE PRESIDENT: Our security relationship is quite important to us. You are a bulwark against imperialism and radical fundamentalism. You could become one of the two or three largest suppliers of oil. If the pipelines are done properly, with the Caspian being divided clearly -- and we agree on what is a reasonable resolution on this issue -- then you could see

more rapid growth leading to economic prosperity. Your nation and the other nations of Central Asia, with democracy broadly supported, with rising prosperity and with resources that others want to buy, will have close ties to the United States because we have no territorial aspirations in your region. You will have the strategic partnership you desire. Last night I got back late from a trip and was very preoccupied with the Iraqi problem. I knew that you were coming today. I looked at the globe on which I have been following the trip of my wife. I looked at Kazakhstan on the globe and can see what it could be 20, 30, 40 years from now if we do this right. (S)

PRESIDENT NAZARBAYEV: Thank you very much. I know that you are very busy. You have given me much time. I invite you again to come to visit Kazakhstan, perhaps on your way to Asia. You could stop even for a few hours. (S)

VICE PRESIDENT GORE: Americans think that you are the model leader for Kazakhstan, not the president who was featured in the film Air Force One. (Laughter) (S)

THE PRESIDENT: No, he would have won. (Laughter) (S)

PRESIDENT NAZARBAYEV: When they overthrew that dictator, I was the democrat who took over. Would the United States have let me into the country if I had been that dictator? (Laughter) (S)

THE PRESIDENT: By the way, thank you very much for the ceremonial weapons you brought for me. (U)

PRESIDENT NAZARBAYEV: I like hunting very much. (U)

THE PRESIDENT: Next year, we have elections. They will come in very handy. (Laughter) (S)

PRESIDENT NAZARBAYEV: Thank you very much for the book on golf and the golf balls that your wife presented to me from you. (U)

PRESIDENT NAZARBAYEV: I would also like to give you these cufflinks. Our symbol is now the snow leopard. (U)

THE PRESIDENT: You gave me cufflinks last time you were here. I have used them a lot. (U)

PRESIDENT NAZARBAYEV: They are made of Kazakhstani gold. (U)

SECRETARY TALBOTT: That is better than uranium. (U)

PRESIDENT NAZARBAYEV: Mr. Talbott and I talked about how your policy now is not only focused on Russia but also on our part of the world. We are happy with this development. Thank you very much and good-bye. (C)

THE PRESIDENT: Good-bye. (U)

-- End of Conversation --

Appendix 11: United States and Kazakhstan: An
Enhanced Strategic Partnership for the 21st Century,
January 16, 2018. (3)

United States and Kazakhstan: An Enhanced Strategic Partnership for the 21st Century

Washington, D.C.
January 16, 2018

President Donald J. Trump hosted President Nursultan Nazarbayev of Kazakhstan today at the White House to discuss enhanced strategic partnership between the United States and Kazakhstan. President Nazarbayev thanked President Trump for his hospitality and offered an invitation for President Trump to visit Kazakhstan in the future. The two leaders reaffirmed the independence, territorial integrity, and sovereignty of Kazakhstan, as well as its role in advancing global peace and prosperity.

In recognizing the growth of the relationship between the United States and Kazakhstan since its independence in 1991, the leaders resolved to strengthen cooperation on political and security issues, trade and investment, and people-to-people relationships through regular high-level meetings within the framework of an Enhanced Strategic Partnership Dialogue. The two leaders committed to address shared challenges in Central Asia through regional formats, such as the C5+1 dialogue (Kazakhstan, Turkmenistan, Tajikistan, Uzbekistan, and Kyrgyzstan + the United States), and welcomed future Afghan participation in C5+1 projects. They resolved to seek a peaceful resolution of the conflict in Afghanistan, and to pursue initiatives fostering greater political and economic cooperation in the region. The two leaders pledged to deepen their cooperation against violent extremism and international terrorism, while respecting the rule of law and human rights.

Legacy of International Leadership

President Trump noted Kazakhstan's global leadership as an elected member of the United Nations Security Council in 2017-2018. He praised Kazakhstan's legacy as a leader in international non-proliferation efforts, beginning with the voluntary renunciation of its nuclear arsenal in 1992, and reinforced by ongoing commitments to nuclear security and recent support for preventing the spread and use of chemical weapons. Both leaders condemned the proliferation of weapons of mass destruction, including North Korea's unlawful nuclear and missile programs. The leaders welcomed the recent opening of the International Atomic Energy Agency Low Enriched Uranium Bank in Kazakhstan, which seeks to decrease the risk of nuclear enrichment technology proliferation.

Regional Security

President Trump thanked President Nazarbayev for Kazakhstan's steadfast

commitment to support the United States' South Asia strategy by guaranteeing continuous logistical support and access to Afghanistan, and Kazakhstan's contributions to humanitarian efforts. The two leaders recognized that only an Afghan-led and Afghan-owned peace process will bring stability and security to Afghanistan. President Trump highlighted Kazakhstan's past financial contributions to the Afghan security forces. Expressing support for fair burden sharing, President Nazarbayev reaffirmed Kazakhstan's commitment of additional support to address security challenges in Afghanistan. He also offered to extend a program to train Afghan civilian and security personnel in Kazakhstan, with an emphasis on empowering Afghan women. Both leaders welcomed Kazakhstan's participation in Afghan transportation infrastructure development projects. Regarding Syria, the two sides welcomed diplomatic initiatives that achieve genuine de-escalation of violence and strengthens the basis for a political settlement of the conflict through the United Nation-led Geneva peace process.

Defense and Security Cooperation

The two leaders pledged to deepen bilateral defense and security relationships, noting their intent to conclude several agreements that enhance cooperation, interoperability, access, and logistical routes in support of regional security. Both leaders noted the signing of the fourth Five Year Plan for Military Cooperation between the Ministry of Defense of the Republic of Kazakhstan and the United States Department of Defense. The presidents committed to explore Kazakhstan's interest in joining the Cybercrime Convention, which would provide a framework for global cooperation against threats to e-commerce and crimes committed over the internet. Participation in these kinds of multilateral agreements further strengthens law enforcement cooperation and information sharing to combat international terrorism and violent extremism.

Strengthening Economic Cooperation

President Trump and President Nazarbayev pledged to promote a fair and reciprocal economic partnership that increases bilateral trade and investment, and creates jobs and opportunities in both countries. President Nazarbayev welcomed the United States as a leading investor in Kazakhstan. President Trump encouraged Kazakhstan to implement its World Trade Organization obligations, uphold fair labor practices, enforce the sanctity of contracts, and protect intellectual property rights, as a foundation for future participation in international economic organizations. President Trump applauded Kazakhstan's ambitious plans to develop a diverse and innovative economy, noting that United States development finance institutions seek to support investments in Kazakhstan. Both leaders expressed their support for legislation to provide Kazakhstan with permanent normal trade relations and noted that this status will further strengthen the bilateral trade relationship. They recognized the recent elevation of the Strategic Energy Dialogue, which outlines bilateral energy cooperation, including oil and gas, nuclear non-proliferation, and civilian nuclear development. The leaders pledged to explore bilateral cooperation in the digital

economy, healthcare, infrastructure, commercial aviation, finance and banking, agriculture, and space exploration sectors. They also reinforced their commitment to the Central Asia Trade and Investment Framework Agreement (TIFA) and welcomed Afghan participation in future TIFA Council meetings. Kazakhstan and the United States plan to strengthen cooperation in the use of space technologies to assess environmental hazards and mitigate the threat of natural disasters in Kazakhstan. The leaders intend to consult on sanctions issues to avoid any unintended consequences for Kazakhstan's economy. Finally, President Trump congratulated President Nazarbayev on the success of Astana EXPO 2017, which showcased Kazakhstan's economic potential, and will become the future home of the Astana International Finance Center.

The Human Dimension

The presidents acknowledged that efforts to develop human capital are an investment in the future, which will sustain the global competitiveness of both countries. Both leaders welcomed the reciprocal expansion of diplomatic and consular presence in both countries. President Trump encouraged Kazakhstan's goal to increase English language proficiency, and pledged to offer assistance to improve English education programs in Kazakhstani schools.

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