

Testimony of Deputy Assistant Secretary Daniel Rosenblum
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“Reviewing the Administration’s FY 2016 Budget Request for Europe and Eurasia”
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Introduction

Chairman Rohrabacher, Ranking Member Meeks, members of the subcommittee: thank you for the opportunity to testify on how the President’s FY 2016 budget request supports U.S. interests in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

Since the fall of the Soviet Union nearly 25 years ago, the United States has supported the sovereignty, territorial integrity, and independence of the states of Central Asia, while also promoting the political and economic reforms that can ensure their long-term stability and prosperity. U.S. security is directly tied to a stable Central Asia. Central Asia’s energy resources and transport corridors can help drive regional and global economic growth in the decades to come. And some of Central Asia’s most serious challenges – such as transnational crime, terrorism, violent extremism, and climate change – affect our national interests as well, and require us to work closely together with them.

The FY 2016 request of \$155.7 million in foreign assistance for Central Asia, is \$6.3 million higher than 2014 and reflects the United States’ role in supporting sovereignty, security, good governance, human rights, and economic development in all five countries, as well as the potential of improved regional economic connectivity. This support should help these countries reduce their dependence on Russia, while at the same time countering false narratives propagated by Russian media about U.S. interests and intentions in Central Asia.

We recognize that the Central Asian governments’ human rights records remain flawed, and that the pace of improvement is often slow and inconsistent. We continue to urge these states at the highest levels to address violations of their international human rights obligations. These are not always easy conversations, but we know that our relationships will not reach their full potential without respect for human rights and fundamental freedoms among our partners. And, from our own experience, we know that long-term stability and national strength is best achieved by allowing the free and peaceful expression of political and religious views.

Regional Strategy

Our regional approach is focused on maintaining a secure and stable Central Asia and supporting the independence and territorial integrity of each of the five countries of Central Asia. We continue to work to create open and secure borders and improving economic linkages among Central Asia and its neighbors to the west, south, and east. Our connectivity efforts are organized under our New Silk Road initiative and focus on creating an energy market, improving

trade and transport infrastructure, streamlining customs and borders procedures, and enhancing business networks and people-to-people ties.

We have seen significant progress on the \$1.2 billion CASA-1000 electricity grid, which aims to bring surplus summer hydropower from the Kyrgyz Republic and Tajikistan to energy-hungry Afghanistan and Pakistan. While we brought some financial resources to this project – about \$15 million – we also made sustained diplomatic efforts to bring together a group of countries that had never worked together on a development project before. International financial institutions and donors have recently announced pledges that virtually erase the remaining financing gap, removing one of the last major obstacles for the project.

We are also working to improve north-south trade and transport infrastructure through Central Asia so that its states can benefit from the burgeoning markets of South Asia, a region of over 1.7 billion consumers with a rapidly growing middle class. These efforts entail more than just new roads and rails – equally important is getting the right regulatory policies in place so that trade is fair, efficient, and fast.

That’s why we’ve also supported World Trade Organization membership for the states of Central Asia, which provides them a global trade platform with a transparent and enforceable rules-based system. We’re now working with Kazakhstan and Afghanistan to help them join Tajikistan and the Kyrgyz Republic as WTO members. The WTO announced just last week that Kazakhstan had finalized negotiations on its membership terms with WTO members.

On that note, I should also mention the Eurasian Economic Union (EAEU), which Kazakhstan has already joined and the Kyrgyz Republic will soon join. While the EAEU can bring down border-crossing times between its members, its expansion should not raise the barriers to trade nor impair the ability of its members to fulfill their other trade commitments, especially those to the WTO, or enter into other trade relationships.

Recent years have actually seen China overtake Russia as the largest trading partner with the Central Asian region. China has also announced its “One Belt, One Road” initiative, which is reported to involve tens of billions of dollars in infrastructure investment, aiming to increase Chinese imports of natural resources and provide its exports with better access to the markets of Central Asia, South Asia, and Europe. Some of China’s efforts to improve economic connectivity in Central Asia can be complementary with our own, and we are in consultations with them on the topic.

Before I dive into country specifics, I’d like to briefly address the topic of foreign fighters from Central Asia in the conflicts in Syria and Iraq. We are working closely with our partners in the region on information sharing and border security, legal reform and criminal justice responses, and countering violent extremism to prevent recruitment and radicalization to violence.

Research suggests that the vast majority of Central Asian fighters in Syria and Iraq are recruited while outside their own countries, mostly while in Russia, where millions of them live as migrant workers. So, in addition to the above, a key element in tackling foreign fighter recruitment is our efforts to improve the prospects for Central Asians to find employment and build skills at home,

where radicalization to violence is less likely to take place, and to improve labor rights and working conditions in destination countries for migrant workers. Regionally, we are supporting a Countering Violent Extremism Summit that the Government of Kazakhstan is scheduled to host in Astana later this month, and which plans to focus on eight priority areas, from assessing the drivers and threats of violent extremism to counter-messaging to government-community collaboration.

Kazakhstan

Kazakhstan is a leading partner in countering violent extremism and shares U.S. priorities in regional security, nonproliferation, counterterrorism, counter-narcotics, energy security, and climate change. Kazakhstan's likely accession to the World Trade Organization in the near future and its rapidly growing middle class offer many new opportunities for U.S. businesses to augment the billions of dollars they have already invested in Kazakhstan. Kazakhstan is also a key partner in promoting stability in Afghanistan looks to support development projects there through its KazAID agency.

On the security side, we plan to continue to work with Kazakhstan to enhance the capacity and professionalism of its military and enable it to contribute to U.N. peacekeeping missions.

Our assistance programs in Kazakhstan are helping to build democratic institutions by supporting civil society, increasing access to information, strengthening citizen initiative groups, promoting an independent judiciary, and encouraging the protection of human rights.

Unfortunately, Kazakhstan's efforts to reduce the threat of terrorism and violent extremism have also been expressed in the form of legislative changes that narrowed religious freedom, in addition to a revised Criminal Code that may increase pressure on civil society and peaceful political activity. Ultimately, Kazakhstan's lasting stability and economic success will require progress in developing the rule of law, good governance, and democratic institutions.

Kyrgyz Republic

Democracy's roots are growing gradually in the Kyrgyz Republic, which is the only parliamentary democracy in the region, and where we continue to support nascent government institutions, building capacity for government oversight, leadership and management, and legislative drafting. Our assistance and our exchange programs also emphasize rule-of-law reforms, support a more open civil society, and create new educational opportunities. The Kyrgyz Republic also has one of the most liberalized foreign investment regimes in Central Asia.

But the durability of these economic and democratic reforms is not guaranteed and we remain watchful as draft legislation threatens to narrow space for civil society and the protection of human rights. If the right investments are made in improving governance – increasing accountability and improving service delivery – then we can strengthen the resilience of the Kyrgyz Republic's tremendous progress and unlock future growth and prosperity, helping this young democracy to flourish.

Tajikistan

On the security side, we are working to enhance the capacity and professionalism of Tajikistan's military, border security, law enforcement, judicial institutions, and broader security apparatus. These efforts should help Tajikistan contribute to regional security and stability, especially in light of its lengthy and mountainous border with Afghanistan. Tajikistan needs our continued assistance to help secure its borders from terrorists and transnational criminals involved in the trafficking of weapons, narcotics, and persons.

The president's request for FY 2016 also provides resources to help Tajik institutions address challenges, including economic stress and social tension, resulting from the decline of remittances from Tajik labor migrants in Russia. These remittances sustain the Tajik economy, but have reportedly already seen a 20% reduction this year. We have also received reports of tens of thousands of migrant workers returning from Russia to Tajikistan, where employment prospects are uncertain at best.

Our efforts will focus on enhancing employment prospects in Tajikistan through expanding markets and encouraging skills development. We are also encouraging the government of Tajikistan to bring its business and labor regulations into conformity with internationally recognized standards. As I said earlier a key element in tackling foreign fighter recruitment is our efforts to improve the prospects for Central Asians to find employment and build skills at home, where radicalization to violence is less likely to take place, and to improve labor rights and working conditions in destination countries for migrant workers.

In all of our efforts, we work to improve the government of Tajikistan's respect for human rights. We are focused on showing Tajikistan the benefits of open and transparent government and security institutions that protect the legal rights of its citizens. Unfortunately, the government of Tajikistan has unduly restricted the space for opposition voices, independent media, and religious freedom, which is both shortsighted and counterproductive. We continue to work with the government to reverse this trend, and the assistance in our FY2016 budget request will help achieve this goal.

Turkmenistan

Turkmenistan also shares a long border with Afghanistan and faces significant challenges securing its borders against criminal and terrorist activities. At the same time, Turkmenistan has assisted Afghanistan with discounted electricity, humanitarian aid, and infrastructure development. Our efforts with Turkmenistan are therefore focused on enhancing Turkmenistan's ability to maintain safe and secure borders.

Turkmenistan has restricted fundamental freedoms and hindered the development of a meaningful civil society, effective educational institutions, and diverse or inclusive economic growth. These factors limit the potential of our own programs to have an impact. But we continue to explore opportunities to facilitate positive development, such as helping the government to improve its educational system. Turkmenistan supports expanded regional energy

trade and more effective coordination on cross-border water issues, efforts we reinforce through our assistance programs.

Uzbekistan

Uzbekistan's geographical position in Central Asia makes it strategically important for regional security and, potentially, for greater economic connectivity. Uzbekistan also shares a border with Afghanistan and is the most populous country in Central Asia. Our priorities are to help Uzbekistan to maintain safe and secure borders, develop more responsive, resilient and open political, economic, and social institutions that can meet the aspirations of its growing and relatively young population.

We continue to engage the government on prison conditions, the plight of higher-profile prisoners of concern, religious freedom, and freedom of expression. For several years, we have also been working with Uzbekistan to improve labor rights and eliminate the dependence on forced labor, especially in the cotton sector. While much remains to be done, we have seen some progress, including Uzbekistan's decision to sign a Decent Work Country Program agreement with the International Labor Organization and to issue a nationwide prohibition on the participation of children in the cotton harvest. We will continue to work with Uzbekistan to advance progress on labor rights.

While the diplomatic environment remains challenging, and Uzbekistan's record on human rights still leaves a lot to be desired, we continue to address human rights concerns at the highest levels, and repeatedly stress that long-term stability and security cannot be achieved without respecting human rights and fundamental freedoms.

Conclusion

Mr. Chairman, as you can see, the United States has important and abiding interests in the security, stability, and economic growth of Central Asia, a region that borders Afghanistan, Russia, China, and Iran, and faces significant challenges with regards to terrorism, transnational crime, and climate change. Despite these challenges, Central Asia has tremendous potential to become a major nexus for global trade and energy flows, driving economic growth in the region and beyond. U.S. resources can help achieve this vision, while also improving the conditions for good governance, civil society, inclusive economic growth, and the political and religious freedom that can bring about lasting peace and stability.

Thank you and I look forward to your questions.