

~~SECRET~~

~~SECRET~~

20588

THE WHITE HOUSE

WASHINGTON

August 21, 1993

PRESIDENTIAL REVIEW DIRECTIVE/NSC-38

DECLASSIFIED

PER E.O. 13526

2010-1227-11(2.27)

9125119 K0E

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF COMMERCE
THE SECRETARY OF ENERGY
DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
UNITED STATES TRADE REPRESENTATIVE
DIRECTOR OF CENTRAL INTELLIGENCE
CHAIR OF THE COUNCIL OF ECONOMIC ADVISORS
ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL
DEVELOPMENT
DIRECTOR OF THE ARMS CONTROL AND DISARMAMENT
AGENCY
DIRECTOR OF THE UNITED STATES INFORMATION AGENCY
PRESIDENT AND CHAIRMAN OF THE UNITED STATES
EXPORT-IMPORT BANK

SUBJECT: U.S. Policy Toward Central Asia (U)

The President believes it is a high priority for the U.S. to devote energy, resources and creativity to assist in the promotion of democracy and market economic reforms in the former Soviet Union. The President has also highlighted the importance of denuclearization and non-proliferation. (U)

The objective of this policy review is to define a strategy that will best contribute to the achievement of those fundamental goals in Central Asia. This review should provide a framework for a comprehensive and coherent policy toward Central Asia as a region and toward its individual members: Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan. The review should take into account both bilateral and multilateral efforts in promoting U.S. interests. (C)

Major U.S. goals in the area include the promotion of arms control, democracy, market reform, conflict resolution, regional security and narcotics control. These goals further U.S. interests by promoting stability, supporting American business, promoting trade, discouraging terrorism, increasing social tolerance and bolstering human rights. Our greatest immediate policy interest in the region is the denuclearization of Kazakhstan. While PRD-4 and PDD-3 address the broader issue of

~~SECRET~~

Declassify on: OADR

~~SECRET~~

~~SECRET~~

2

~~SECRET~~

denuclearization, particularly in Russia and Ukraine, this PRD will address specifically denuclearization in Kazakhstan. The long-term goal is to encourage stable regimes which respect human rights and develop market economies. (S)

BACKGROUND

Central Asia encompasses five countries with an area nearly as large as Western Europe and a population of more than 50 million. There are minority populations, including over nine million Russians, in the region. The area is rich in resources such as oil, gas and gold, but these resources are unevenly distributed. (U)

Fresh from long decades of Communist rule, these countries are still in the process of forging new relationships, not only among themselves, but also outside the former Soviet Union. Old ties that bind them to Russia limit their room for economic maneuver and prevent them from forging new economic relationships. The lack of civil societies inhibits normal political life, creation of political parties and informal structures necessary for political development. (S)

Central Asian countries have been struggling to adjust to the post-Soviet era. This adjustment has taken very different forms in Central Asia. Kyrgyzstan, for example, has moved ahead with political and economic reform, counting on economic progress to maintain social cohesion. Turkmenistan, on the other hand, has consolidated its authoritarian regime, insisting that strict control is necessary to maintain stability. Practice has shown that old Soviet habits are hard to break. Most Central Asian countries have not implemented much political and economic reform. None of these countries has a democratic tradition or history from which to draw in its reform effort, and this is reflected in the tendency of some to revert to authoritarianism. Kyrgyzstan is the only country which is attempting to follow a true democratic and reformist path. (S)

Another aspect of the disintegration of the USSR is the renewed role that long-suppressed social phenomena such as religion and tribalism now play in politics. This has created the basis for conflict in all republics and is at the root of the one "hot" war in the region -- the conflict in Tajikistan. (S)

PART I: ASSESSMENT OF THE SITUATION

REGIONAL ISSUES

What are the regional political and economic dynamics in Central Asia? (CIA) (S)

What is the political, economic, and military role of Russia, Turkey, Iran, Germany, Iraq, Pakistan, Afghanistan, Mongolia and China in Central Asia? What is the role of other powers such as Saudi Arabia, Israel and India? (State and CIA) (S)

~~SECRET~~

~~SECRET~~

~~SECRET~~

3

~~SECRET~~

What is the political, economic, and military role of the Commonwealth of Independent States (CIS) in the region? (CIA)

(S)

What is the potential for intraregional conflict? What are potential ethnic/religious hotspots in the region? (CIA and State) (S)

SECURITY ISSUES

How does each country define its security interests? What is the role of the Russian Army in the region and in each country? How has each country reacted to the presence of the Russian Army? What steps has each country taken to build its own military? (CIA, State and OSD) (S)

What is the prognosis for Kazakhstan's timely accession to the Non-Proliferation Treaty as a non-nuclear weapon state? (CIA) (S)

Where are nuclear weapons-related facilities or nuclear materials, equipment and human resources located in Central Asia? What controls do Central Asian countries have on the export of nuclear materials, equipment and related technologies? (CIA) (S)

What is the situation with non-nuclear weapons of mass destruction, missiles, advanced conventional weapons, chemical, biological and "traditional" (tanks, airplanes, etc.) conventional weapons in each country? Do stockpiles of these weapons exist in Central Asian countries? What production facilities and human resources exist for the development of these weapons in these countries? Are these weapons stockpiles owned or controlled by the host country, or does Russia exercise actual ownership or control? Are any Central Asian countries contributing to the proliferation of these commodities? Describe patterns of sales/transfers of these items in the region. (CIA and ACDA) (S)

What is the situation with regard to the sale and/or transfer of sensitive strategic minerals such as beryllium and uranium to proscribed countries such as Iran? (CIA) (S)

What is the impact of Central Asian countries' participation in multilateral arms control fora such as CSCE, the UN First Committee on Disarmament and the Conference on Disarmament? (ACDA and CIA) (S)

POLITICAL ISSUES

What are the status and viability of the current governments and their hold on power? Which are the most stable and why? What is the status of the opposition in each country? How do the various political factions in each country, particularly the oppositions, view the U.S.? How is the process of statebuilding proceeding in each country? (State and CIA) (S)

~~SECRET~~

~~SECRET~~

~~SECRET~~

~~SECRET~~

4

What are the prospects for democratic regimes developing and surviving in Central Asia? (See definition of democracy at Tab A.) What have the U.S. and others done thus far to promote democracy, and how effective have these efforts been? (State, AID and USIA) (S)

What are the prospects for resolving the internal political dispute in Tajikistan? To what extent are outside powers becoming involved? (CIA and State) (S)

ECONOMIC ISSUES

What are the economic conditions, prospects and trends for the region and for each country? What is the current condition of each state's infrastructure, including transportation networks (both internal and external) and energy systems? (CIA and AID) (S)

Where do the Central Asian countries stand on economic reform, including the development of a market-oriented legal framework, progress on privatization and price liberalization, creation of a modern banking sector and tax reform? What obstacles do these countries face in reforming their economies? (CIA, State, Commerce, and AID) (S)

What are the key barriers to trade and investment in each country? What are the prospects for foreign and domestic investment regionally and by country? (Commerce, USTR and AID) (C)

What are Central Asia's most valuable natural resources? To what extent have they been exploited? What is the economic potential of these resources? What prohibitions or controls has each government placed on exploitation of these resources? (CIA) (S)

What is the role of the international financial institutions (World Bank, IMF, EBRD) in economic development in the region and in each country? How effectively have these institutions promoted economic reform, structural adjustment, human resource development and poverty alleviation in the region and in each country? (Treasury and AID) (C)

What role has the U.S. Export-Import Bank played in economic development in the region and in each country? (Export-Import Bank) (U)

How much economic and technical assistance have we offered and given the region and each country? How effectively has U.S. assistance promoted economic reform, structural adjustment, human resource development and poverty alleviation in the region and in each country? (State and AID) (S)

To what extent has corruption pervaded the control of economic resources, particularly natural resource exploitation? What are the economic and social effects of this problem? (CIA) (S)

~~SECRET~~

~~SECRET~~

~~SECRET~~

5

~~SECRET~~

Identify nuclear power plant facilities in Central Asia. What are the potential problems with these facilities? What has been done to safeguard these facilities? (DOE and State) ~~(S)~~

SOCIAL ISSUES

How much humanitarian aid have we given each country? Has the aid reached its target and had the desired effect? (State and AID) ~~(C)~~

What is the role of Islam in the region? Where are different kinds of Islamic activists, including fundamentalists, most active? How effective are they? What are the possible effects of this activism on regional stability? How are they supported from beyond the region? What role have regional powers such as Iran played in promoting various types of Islamic belief and activism? How likely are these states to remain secular? (CIA and State) ~~(S)~~

What role has international terrorism played in Central Asia? Which countries have been involved in international terrorism? Describe the extent of each country's involvement. (State) ~~(S)~~

What is the situation with refugees from Tajikistan? How many are there, and how have they affected regional and local politics? (State and CIA) ~~(S)~~

What is the present status of the Aral Sea and other precious water resources? What are the possible implications of further Aral Sea losses and water problems for the future health and economic well-being of the region? (CIA) ~~(S)~~

Describe production in Central Asia and narcotics trafficking patterns involving Central Asia. What is the status of narcotics control in the region and in each country? Describe cooperative (bilateral/multilateral) efforts to curb production/sales. (CIA and State) ~~(S)~~

What role does tribalism play (i.e., within the same ethnic group) in each country's politics? Has the role of tribalism increased in the wake of the USSR's dissolution? (CIA) ~~(S)~~

Looking at Kazakhstan, what can we learn about the effects of nuclear testing on humans? What are Kazakhstan's needs with regard to the victims of that testing? (DOE and State) ~~(C)~~

In addressing these issues, we should point out any gaps in our intelligence on a given topic. ~~(S)~~

PART II: POLICY PROPOSALS

Each policy proposal should identify the sources and degree of influence the U.S. has on each issue and the range of bilateral and multilateral tools the U.S. can use to further its policy. (U)

~~SECRET~~

~~SECRET~~

~~SECRET~~

6

~~SECRET~~

Policy proposals should specify a preferred course of action, other options, policy instruments and indicate resource requirements and their implications, if any, for the budget and for legislation. In addition, a detailed list of recommendations for speeches, meetings and trips for government officials should be outlined. (U)

GENERAL

What are U.S. interests in the region as a whole and in each country? We should differentiate among countries based on geostrategic importance, economic potential and reform efforts. (State) (U)

What tradeoffs are involved in our policy toward the region? For example, will promoting democracy tend to destabilize the region? Will the presence of U.S. businesses promote democracy and economic reform, or will they be more interested in maintaining Soviet-style autocratic rulers? (State) (~~S~~)

Should we directly engage Turkey, Israel or other countries as actors on behalf of United States interests? What is the U.S. attitude towards continuation of a dominant Russian role in the region? (State) (~~S~~)

POLITICAL INTERESTS

What policies should the U.S. pursue, bilaterally and multilaterally, to strengthen democratic institutions and processes and protection of human rights throughout the region? If democratic reform is slow in coming or non-existent, should we push it? Should we differentiate among these countries according to their democratization efforts? Given the particular structure of interests in each country, what is likely to be the best strategy in terms of presenting the benefits of democratic reform? (State and AID) (~~S~~)

How can public diplomacy, including educational and cultural exchanges, be employed to promote U.S. policy goals? How effective are Voice of America and Radio Liberty broadcasts to the region? (USIA and AID) (~~S~~)

What role should the U.S. play in the Tajikistan civil war, which is rapidly becoming a wider conflict involving regional powers? How actively involved should the U.S. be in seeking a resolution of the conflict? How should our role relate to the regional countries, regional organizations, the CSCE and the UN? How should we react to the Russian role in the conflict? The options should include consideration of both regional and UN peacekeeping operations, humanitarian relief, CSCE operations and post-conflict recovery and rehabilitation. (State) (~~S~~)

~~SECRET~~

~~SECRET~~

~~SECRET~~

7

~~SECRET~~

SECURITY INTERESTS

How best can the U.S. encourage Kazakhstan to vote to accede to the Non-Proliferation Treaty in a timely manner? (ACDA and STATE) (S)

What can the U.S. do to help Kazakhstan reach agreement with Russia on the return of non-deployed SS-18s to Russia for destruction under START II provisions? (ACDA) (S)

What approach should the U.S. take towards the future of the space-launch facility at Baykonur and towards Kazakhstan, Russia and other users of that facility, in light of U.S. START and missile non-proliferation obligations? (ACDA) (S)

What can the U.S. do to help Kazakhstan prepare for implementation of the START Treaty? (ACDA) (S)

What role can other types of arms control (e.g., CSBMs) play in contributing to the stability of the region? (ACDA) (S)

What measures can the U.S. take to help stop the export or retransfer of sensitive nuclear commodities from these countries to countries of proliferation concern? How can the U.S. assist these countries, particularly Kazakhstan, with nuclear material accounting and control and the physical protection of nuclear facilities? (ACDA) (S)

What approach should the U.S. take toward military and security ties to the region? Should the U.S. encourage military-to-military contacts as a way of encouraging the development of a professional army which would not intervene in politics? What kind of military-to-military contacts would be most appropriate? What are other factors which would outweigh these kinds of contacts? (OSD) (S)

What steps should the U.S. take to discourage proliferation of non-nuclear weapons from these countries? (ACDA) (S)

SOCIAL POLICY INTERESTS

How should the U.S. react to Islam's role in Central Asia? What is the best way to address possible problems which may arise, particularly in Tajikistan? (State) (S)

What can the U.S. do to address the problems of the Aral Sea? (State and AID) (U)

What should the U.S. do to achieve its goals on narcotics control? (State) (C)

What should the U.S. do to achieve its goals on anti-terrorism? (State) (C)

~~SECRET~~

~~SECRET~~

~~SECRET~~

8

~~SECRET~~

What role should the U.S. play in dealing with the refugee problem arising out of the Tajikistan conflict? (State and AID) (C)

What role can the U.S. play in helping Kazakhstan deal with the social/psychological/physical effects of nuclear weapons testing in and around Semipalatinsk? (State) (C)

ECONOMIC INTERESTS

Given the particular structure of economic interests in each country, what are the best ways to pitch market economic reform effectively? (State) (C)

What can the U.S. do multilaterally to promote market economic reform (e.g., international financial institutions, World Bank consultative groups and the G-7)? (Treasury) (U)

Should we encourage market-oriented Asian nations or friendly Arabic countries to engage more in the economic reform process in Central Asia? (State and AID) (C)

How can the U.S. support U.S. business interests in each country? (Commerce and AID) (U)

How can U.S. business assist and participate in the development of natural resources in the region? (Commerce) (U)

What should U.S. trade policy be toward each country? (USTR) (U)

What can the U.S. do bilaterally and multilaterally to help Central Asia safeguard its nuclear power plants? (DOE and State) (C)

PART III: TASKING

The NSC will convene an Interagency Working Group, task specific drafting responsibilities and set deadlines for drafts. Differences of opinions should be clearly stated rather than compromised for the sake of an agreed product. (C)

Responses are due to the NSC two weeks from the date of issue. (C)

Buty Cane

Attachment
Tab A Annex

~~SECRET~~

~~SECRET~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ANNEX: KEY ELEMENTS OF A WORKING DEMOCRACY

The key elements of a working democracy are:

- conducive conditions for the protection and promotion of human rights and fundamental freedoms (freedoms of expression and right to communication; peaceful assembly and demonstration; association; thought, conscience and religion; movement; also right to enjoy property alone or in common); also the human rights and fundamental freedoms of persons belonging to minorities;
- rule of law (based on acceptance of value of the human personality and guaranteed by institutions providing a framework for its fullest expression): equality before the law and equal protection, effective means of redress; independent judiciary, provisions for due process;
- political pluralism, free and fair political processes and elections;
- representative government, an executive accountable to the elected legislature or to the electorate;
- duty of government and public authorities to comply with the constitution and to act consistent with the law;
- clear separation between the State and political parties;
- government, administration, and judiciary exercised in accordance with the system established by law;
- military forces and police under the control of, and accountable to, the civil authorities;
- open legislative process;
- tolerant, civil society with independent institutions and voluntary groups;
- independent media;
- conformity with international law obligations;
- all of the above reinforced by a secure environment (peaceful relations with neighbors and the solving of internal problems via peaceful democratic means) and a market economy. (U)

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~