Thank you for the opportunity to appear before you today.

Sadly, there are far too many security threats in Russia, Central Asia and the south Caucasus that could pose threat to U.S. security interests to elaborate in a 10 minute presentation. So by definition my overview will be a cursory one, and hopefully I can provide you with more detailed information during the question period.

I propose to divide my testimony into five parts:

Security threats from within Russia;
Security threats within the south Caucasus;
Security threats within Central Asia;
Narcotics-related security threats;
Threats posed by Islamic terrorism.

In taking this brisk tour, I will look at internal capacity to meet this threat, whether outside actors (non-U.S.) are likely to exacerbate them, and what the potential conflict situations could mean for U.S. security interests.

Security threats within Russia

Here I will be very brief, as I am sure that some of my fellow-panel members will also be talking a great deal about this.

The major security challenge Russia faces is tied to the unresolved status of the Chechen republic.

Unfortunately, the Chechen conflict is unlikely to be solved in the period under consideration. Even if a negotiated settlement is reached between the Russian Federation and the majority of Chechen political forces, it is hard for me to believe that the solution
will satisfy all of the Chechen forces, as it is likely to fall short of the independence which they aspire to.

At best, Russian military reform is a long-term process, and larger state budgets, driven by windfall profits in the oil sector, will not create the will and new mentality within the Russian military that is necessary to stimulate reform. This is not just a problem in Chechnya, but in all the frozen conflict and potential conflict zones of the south Caucasus and Central Asia as well. In all these areas, as in the Russian Federation, Russia’s ambitions exceed Russian capacity.

But, whereas Russia may be careful about turning ambition into action beyond its borders, the Kremlin will feel compelled to act within Russia’s borders.

The unresolved nature of the Chechen conflict will continue to fuel acts of terrorism (and I am afraid I can think of no more appropriate word for attacks on civilians, regardless of the moral purity of the fighters) within neighboring republics and regions of Russia, and attacks on targets of opportunity in Russia’s largest city.

If there is no even partial resolution of the Chechen conflict, the pace and scope of these attacks are likely to increase as Russia moves closer to the 2008 presidential elections.

These terrorist acts do not pose a direct threat to the U.S., as they are designed to change Russian public opinion, although of course U.S. citizens present in the region could become inadvertent victims.

More serious, from the point of view of U.S. security is a scenario in which Russian authorities would lose control of the situation—-if sporadic violence in and around Chechnya should become sustained, or if serious secessionist movements were to develop in neighboring regions, recreating some of the conditions that led to the first Chechen war of succession.

If the Russian Federation were to be plunged into civil war or near civil war conditions, there would definitely be a substantial strategic risk for the U.S., for this would create a changed geopolitical environment for all the G-8 and OSCE nations.

But this latter scenario, of serious deterioration of the situation around Chechnya---one in which the military and security forces were unable to maintain the current level of control---is unlikely to occur.

There is another unlikely, but certainly very plausible scenario: that there will be increases in civic disturbance in the run up to or immediate aftermath of the Russian election. The likelihood of this occurring will increase if constitutional changes are introduced to allow Vladimir Putin to run for an additional term. Given the vast size and enormous regional differentiation of Russia, it would be very difficult for mass protests to trigger a successful transfer of power. As a result, Russia’s security forces are likely to be
able to put down election-related disturbances. But such disturbances would lead to a serious deterioration of U.S.-Russian relations, and could change the way in which security risks in neighboring states evolve.

**Security threats within the south Caucasus**

The nature of the security threats in the south Caucasus have not changed appreciably in the last four years, and the region’s frozen conflicts may well remain frozen for the period of this threat evaluation.

**The Karabakh Conflict and Internal Instability**

The status of Karabakh, and the occupied regions of Azerbaijan remain unresolved, with both sides largely willing to continue the negotiations sponsored by the OSCE Minsk group, but neither ready to abandon their claim to Karabakh (Azerbaijan, as part of their territory, Armenia, that the region is sovereign).

The military capacity of Azerbaijan seems to have improved somewhat in recent years, but Armenia has maintained their level of military preparedness. There is always a danger that some future Azerbaijani government will feel competent to take on Armenia militarily to “liberate” their lands, but right now the threat is an abstract one.

Azerbaijan is also at risk of internal conflicts, over the shortfalls in political and economic reform. The country’s “pro-democracy” opposition (and some of these people are as non-democratic in values as the government they seek to oust) is determined to gain a greater political voice. Upcoming parliamentary elections (in October 2005) provide them with an opportunity to do so, and if these elections do not meet international norms, the opposition will try and create large-scale non-violent political protest.

It is likely, but not pre-ordained, that the government of President Ilham Aliyev will be able to successfully defuse the situation, with the threat of force, but with little loss of life. Certainly, Aliyev wants to remain on good terms with his western partners.

The opening of the Baku-Ceyan-Tbilisi oil pipeline, and the projected construction of the Baku-Ceyhan- Erzerum pipeline, give Azerbaijan’s western partners a strong stake in the preservation of stability in this country, as well, of course reasons for continued strong pressure for increased democratization and economic reforms.

In 2004 Armenia was able to defuse domestic political protests about the previous year’s presidential election through the threat and limited use of force. They are likely to be able to continue to do so.

In the upcoming four years Armenia is likely to continue to have Russian bases on its soil.
Georgia and its Autonomous Regions

The frozen conflicts in Georgia (the status of Abkhazia, and South Ossetia) are more likely to cause potential security problems for the U.S. than the conflict over Karabakh.

The status of South Ossetia is the less potentially volatile problem, and the Georgians, Russians and citizens of South Ossetia could work out an agreement, if the will to do so is in place.

The status of Abkhazia will not be easily resolved. Getting back full control of this region remains a Georgian priority, and the loss of this territory seriously cuts into Georgian national identity. The displaced population from Abkhazia remains a vocal political force in Georgia as well. The Abkhaz problem (along with the long-time presence of Russian bases on Georgian territory) has led to periodically seriously strained relations between Tbilisi and Moscow.

These strained relations have made Moscow very suspicious (and critical) of what they see as Georgia’s insufficiently tough stance on Chechnya, and Moscow has breeched Georgia’s territorial sovereignty to “root out” Chechen rebels. Moscow remains suspicious of President Mikhail Shakashvili’s government, and if violence in Chechnya increases, and the Chechens seek safe haven in Georgia, tensions between the two governments will certainly increase.

Georgia is very eager to become a NATO member. If the current government is able to demonstrate long-term sticking power, and continues to make good progress towards democratic development, NATO membership is an eventual possibility. This would obviously create changes in the strategic balance in the region. The timetable for Georgia’s admission to NATO could create possible security problems for the U.S., depending upon how Russia chose to make its displeasure felt.

But Russia’s troop withdrawal is on target to be completed by 2008, and that should lead to a substantially improved security environment within Georgia, improving long-term prospects of NATO membership for that state as well.

Security threats within Central Asia

There is a substantial risk that the security situation in Central Asia will deteriorate over the next few years, should there be a breakdown of civil order in Uzbekistan.

The likelihood of this occurring has substantially increased since the last quadrennial threat assessment. The Uzbek government has made little progress to alleviating the socio-economic distress of large portions of its population, and has failed to open up its political system to allow meaningful political participation by its citizens. There is virtually no prospect of rapid political reform, while there is some chance that the
regime will make sufficient (albeit not deeply rooted) economic reforms by itself given some more time.

Obviously, the population has been traumatized by the use of violence against civilians during the events that occurred in Andijan in May 2005. But this trauma is not likely to be long-lasting as it was after Tienamin Square in China. The distressed portions of the Uzbek population are likely to feel that they have little to lose and almost nothing to gain by continuing to support the current regime. Moreover, in sharp distinction with China, many Uzbeks are beginning to feel that their regime is weak, and the use of force—and the way that it was used—is proof of weakness not strength.

I have substantial doubts in the potential success of an Uzbek force-for-control strategy. I do not think Tashkent has the capacity to successfully put down civil unrest in multiple cities (in distant parts of the country) simultaneously, and that faced with such a scenario the loyalty of the troops would also become a real issue.

This is one reason why I take quite seriously rumors of substantially enhanced military cooperation between Russia and Uzbekistan. But I do not believe that Russia is capable of delivering on promises to help preserve the Karimov regime, and presumably Putin has kept his promises vague enough to keep from having to deliver what he knows he can’t supply (how ever much he might want to have the capacity to supply it).

Russia’s military presence in Uzbekistan is likely to increase (to much larger levels than what it currently is in Tajikistan and Kyrgyzstan, where they already have bases), and Russia’s troops (possibly through the invocation of Shanghai Cooperation Organization provisions for mutual assistance, as well as bilateral accords) could wind up engaged in military actions that increase the stress level in U.S.-Russian relations.

The risk of instability in Uzbekistan is likely to continue to increase as President Islam Karimov approaches the end of his term in 2007, and it is far from clear that he is healthy enough to remain in office beyond that time. He could die, or become physically disabled within his current term, as well.

So overall, there is a very strong chance that U.S. policy-makers will confront a succession crisis in Uzbekistan during the next four years. This is likely to be a time of even greater instability in the country than at the moment, as the new leader is likely to further fragment the divided ruling elite, and will not enjoy the degree of control over competing security forces that the current incumbent enjoys.

Instability in Uzbekistan could compound the political problems of Kyrgyzstan, where the U.S. will have its only military base in the region, and problems of stability in Tajikistan.

The challenge to stability in Kyrgyzstan is more profound, as the government of newly elected president Kurmanbek Bakiyev still confronts the challenge of consolidating
its hold on power in a way that mediates between competing factions within the ruling elite, rather than by alienating large portions of them.

If Bakiev fails to do this it is likely to face frequent (and possibly increasing) manifestations of civil disorder. The Kyrgyz people would not be timid about trying to oust yet another president.

Kazakhstan also faces a challenge to its stability during the upcoming presidential elections, scheduled for December 4. As in Azerbaijan, should these elections meet democratic norms, there is very little likelihood of serious protest or civil disturbance. But, with the examples of Ukraine, Georgia and Kyrgyzstan vivid in their memory (and the Ukrainian case is the one which most influences Kazakh political figures), the country’s increasingly more organized political opposition is likely to take to streets in protest if they believe that their civil and political rights have been violated. It is very probable that the Nazarbayev regime would hold in the face of protest.

If this election follows international norms, Kazakhstan is unlikely to face any serious internal challenges in the next four years. Kazakh-Russian relations are quite amiable (especially given the huge border that they share, and the large and oftentimes disgruntled ethnic Russian population living in Kazakhstan).

The situation in Turkmenistan is very unpredictable. The President has annual or semi-annual political purges, leaving all the political elite frozen in inactivity. But, he still remains vulnerable to attack by those who guard him. He is also in reportedly poor health, and there is certain to be an opaque succession struggle to him. Russia is likely to be a very interested party to it, with enormous strategic interests (gas, especially) in Turkmenistan. It is possible that their role in the struggle will be overt, and not just covert, creating policy, but maybe not security, challenges for the U.S.

Iran would also be a very interested party in such a succession struggle. They are also very interested in Tajikistan (for national reasons) and in Uzbekistan (for geopolitical and economic reasons), and maintain good ties with both Kazakhstan and Kyrgyzstan. But the U.S. is unlikely to face security crises created by any of these Iranian interests.

China is an increasingly more engaged international actor in Central Asia, and over the long-term there may be some clash of interests between Washington and Beijing, however, for the period under review there is little likelihood of China’s growing role creating security risks for the U.S. I think that it is easy to overstate the role that China played in encouraging the Uzbeks to press the U.S. for withdrawal from the Kars-Khanabad base. China, though, clearly does not want the U.S. presence in Central Asia to be an open-ended one. But I do not find the evidence that China sought an immediate U.S. withdrawal to be convincing.
Narcotics related security threats

The increased narco-traffic originating from Afghanistan has created massive inflows of cash into the hands of the narcotics traffickers in Central Asia. Just from increases in opium/heroin alone Central Asia’s narco-barons have increased their assets five---or possibly even ten-fold----over the last few years. “Narco” money is increasingly more visible in Kyrgyzstan and Tajikistan, and you need not look far to find its tracks in the other three countries.

Home to an important U.S. base, the situation in Kyrgyzstan is worth pausing on. One of the as yet unwritten stories associated with the ouster of President Askar Akayev last March was the role drug money played in mobilizing support both for and against the now-deposed president. As with so many interesting stories in Central Asia, what everyone knows and what everyone says are usually two different things.

Popular dissatisfaction with the former Kyrgyz leader ran high, there is no question about that, and the parliamentary election which served as the catalyst for his withdrawal was without question corrupt. But it is important for us to be aware of the dynamics around his removal. Who paid money to get people out on the street? The answer to that question will help tease out a pernicious force in the region, that will only grow in importance. Although U.S. sponsored NGO’s have taken the blame, they certainly did not pay people to go to out on the streets.

The role that drug money plays in making and breaking governments in this region is certain to increase, as long as the drug trade from Afghanistan continues almost uncurbed. And, drug money is already so important for most of the countries of the region, that should narcotics production be sharply curtailed in Afghanistan, it might reappear in Tajikistan, Uzbekistan or Kyrgyzstan, all weak states, with the right climate-soil conditions for cultivation (as do parts of Kazakhstan and Turkmenistan). In fact, Kyrgyzstan produced some of the highest grade opium (grown for medicinal purposes) in the world during the Soviet period.

Kazakhstan is the only one of these five states that is relatively immune to the worst of the evils of the drug trade (like all others it has a growing problem of usage, and HIV/AIDs, plus large criminal gangs that thrive off narcotics and drugs). It is the only state where the size of the legitimate economy dwarfs that of the criminal economy, and where drug money is not a major (albeit not exclusive source) of corruption of government officials.

The further growth of the drug trade through Central Asia will make the prospects of democratic reform of these states much dimmer than they currently are. And should opium cultivation return to Central Asia, then there would be a direct threat to U.S. security, as the region could then easily become a safe-haven for terrorists.
Threats Posed by Islamic Terrorism

I take seriously the idea that Islamic terrorists, both the remnants of the IMU----now reorganized into the al-Qaeda organization that remains in the Afghanistan-Pakistan region----and splinter groups (those with similar agendas, who have had access to former IMU or others with paramilitary training) remain able to prey on the weaker states of Central Asia. For now, their target is Karimov’s regime in Uzbekistan, but they still have a capacity to destabilize the situation in both Kyrgyzstan and Tajikistan. But there is little evidence to suggest that they will have any interest in doing this.

The existence of these terrorist groups does not put the survival of any of the Central Asian states at risk. It is the policies of the various Central Asian states themselves that do that, to dramatically varying degrees. The fragments of terrorist organizations are little more than the match thrown into the barn where the dry hay is stored.

It is important to distinguish terrorist groups from radical groups like Hiz-but Tahrir (HT), or “Islamists” who may seek greater doctrinal purity (as they define it) in how Islam is being practiced.

The question of Hiz-but Tahrir is complex, and largely outside of the scope of this hearing, as I understand its purpose. It may be that individuals from HT have joined violent cells of other groups. That is beyond my competence to render judgment on. But an organization like HT does preach revolutionary change, without the use of arms, and transforming a secular state into a “caliphate” even if done through the will of the majority, is an enormously destabilizing act for any political system to undergo. It also has enormous repercussions for all the neighboring states, should one Central Asian country try to do this.

The victory of HT anywhere in Central Asia would dramatically change the nature of security relations throughout the region. For that reason most states in Central Asia (and both Russia and China) would likely take aggressive steps to prevent it. This in turn could create security risks, and certainly would create security challenges for the U.S.

I do not think that we will face this situation in the next four years.

Over the next four years though, it is not inconceivable that the public role of Islam will increase in some of these countries. For example, appeal to religious elements could be an important tool used by potential successors to Islam Karimov to legitimize their political claims. While this might make some of these countries less secular, it need not make them less amenable to democratic reform. And most importantly, it need not create any security challenge to the U.S.
In Conclusion

In conclusion, I want to thank you for the opportunity to appear before you today. I do think that the U.S. faces potential risks from the prospects of greater destabilization within Russia, from the possible risks of regime collapse in Uzbekistan and Central Asia more generally, and from the chance that the frozen conflicts in the south Caucasus could “thaw.”

But it would be a mistake to over-dramatize the possibilities of any of these things occurring, as sometimes occurs in the press. The one area, though, where I don’t think we have all had a tendency to understate threat, is the dangers associated with the opium-heroin trade from Afghanistan through Eurasia and on to Europe (and beyond). Each day we fail to reverse this situation we create the preconditions that could spawn new outbursts of global terrorism.