



## Central Asia: Aral Sea Problem

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Following the Soviet Union's collapse, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan entered an international system transformed by globalization and the emergence of a liberalized economic order. The challenge to integrate into this system was tremendous, since the Central Asian states had only reluctantly embraced independence. Finding themselves cut off from their traditional sources of revenue from Moscow, new Central Asian heads of state had to deal with stagnating economies, collapsing social welfare systems, high levels of corruption, disgruntled populations, and severely damaged environments. Despite these daunting problems, the breakup of the Soviet Union brought great hopes that the successor states would embark on a path toward building free market democracies.

To assist the Central Asian states in meeting these formidable challenges, the U.S. government followed a policy of active engagement through economic, political, and environmental assistance programs. In short, U.S. policy in

Central Asia has pursued four objectives: democracy building, free market economies, regional cooperation, and integration into the international system. Motivated by geopolitical concerns, the U.S. has relied upon foreign aid as a means to help the Central Asian states disengage from Russia's sphere of influence while precluding a rapprochement with Iran. Central Asia is considered strategically important, since it borders Russia,

policy has focused its efforts on tangential issues outside the Caspian Basin in order to build trust and confidence among the Central Asian states. Given the broad array of interest in Central Asia due to the above geostrategic concerns, environmental issues presented an obvious opportunity for U.S. international intervention. Indeed, the environment has provided a safe issue-area for intervention, since both U.S. policymakers and the Central Asian leadership recognize the need for help in cleaning up the environmental consequences of seventy years of centralized planning.

Specifically, the U.S. government has directed its activities toward fostering regional cooperation over freshwater resources in the Aral Sea Basin as a means to achieve broader regional stability. Although the desiccation of the Aral Sea was not the worst problem facing the Central Asian states, it had a name that could attract aid. The Aral Sea was once the fourth largest lake in the world, but between 1960 and 1990, the Aral Sea slipped to sixth place. Due to policies that gave preference to irrigation for agriculture, Soviet planners withdrew unprecedented amounts of water from the two main rivers feeding the Aral Sea—the Amu Darya and the Syr Darya—in order to cultivate cotton. As a result of these policies, the Aral Sea shrank to half its original size. With independence, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan needed to cooperate to share these transboundary rivers while mitigating the Aral Sea crisis.

The U.S. government through its Agency for International Development (AID) chose to tackle the Aral Sea problem as the precursor to its energy program in the Caspian Basin. According to the U.S. Department of State, all elements of Washington's Aral Sea strategy were designed to support its main goal of encouraging regional cooperation. Thus, by encouraging regional cooperation regarding an environmental issue, Washington hoped to lay the groundwork for facilitating the creation of a new legal regime to demarcate the Caspian Sea, which would expedite oil and gas exploration offshore.

The U.S. government devised several small-scale but visible projects to improve water quality and public health conditions in the hardest hit regions near the Aral Sea to demonstrate its commitment to peace and stability in Central Asia. It built a reverse osmosis plant in Dashhowuz, Turkmenistan, and constructed chlorination facilities in several cities along the Amu Darya delta. Thus, by focusing on practical, real problems, Washington sought to establish its presence in the region. As part of these efforts, the State Department opened up a regional environmental office in Tashkent, Uzbekistan to coordinate U.S. environmental efforts. These projects aimed at fostering regional cooperation have had mixed results in mitigating the desiccation of the Aral Sea and improving the health and livelihood of the populations in the disaster zone.

### Key Points

- U.S. foreign policy is geared toward oil development in Central Asia.
- The Aral Sea crisis has offered a safe issue-area in which to exert U.S. foreign policy in Central Asia.
- Effectively mitigating the Aral Sea crisis in Central Asia has proven more difficult than originally conceived by U.S. and Central Asian policymakers.

China, Iran, and Afghanistan. Moreover, most of the newly discovered oil and gas reserves in the Caspian Basin are located offshore of Azerbaijan, Kazakhstan, and Turkmenistan.

Washington's underlying goal in Central Asia has been the creation of a stable political and economic climate favorable to American business interests, especially in the energy sector. The U.S. sought to gain access to the newly discovered oil reserves in the Caspian Basin in order to lessen its dependence upon Persian Gulf oil. Due to the substantial amount of oil and gas reserves in the Caspian Basin, Deputy Secretary of State Strobe Talbott stressed conflict-resolution as "Job One" for U.S. foreign policy in the region. The resolution of conflicts within and between the Central Asian states and in the Caucasus is considered essential to attract the much-needed foreign investment to develop and market these oil and gas resources.

To bring about peace and regional stability in Central Asia for the development of these new energy reserves, U.S. foreign

# Problems With Current U.S. Policy

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Even though the U.S. government sought to help mitigate the Aral Sea crisis, its well-intentioned efforts have conflicted with other donors' programs. First, AID did not actively coordinate with other donors, even though its regional cooperation program was established after the others. For example, during the spring of 1993, the World Bank (in conjunction with the UNEP and the UNDP) met with the Central Asians to devise a program framework for the Aral Sea Basin. One of its primary objectives was to strengthen the institutional capacity of the two new interstate organizations for water management constituted by the Central Asian governments in 1993—the International Fund for the Aral Sea (IFAS) and the Interstate Council for Addressing the Aral Sea Crisis (ICAS). In 1997, these groups merged to become IFAS. But AID, unlike the World Bank, has concentrated its efforts outside this framework.

Second, rather than collaborating with the World Bank, the UNDP, or the European Union, AID pursued its own set of negotiations with the Central Asian states to foster regional cooperation. For example, AID offered its assistance in late summer 1996 to the Interstate Council for Kazakhstan, Kyrgyzstan, and Uzbekistan (ICKKU)—an organization that was created in 1993 to foster economic cooperation among the three Syr Darya states. Instead of approaching the Aral Sea Basin as an integrated water system, it sought to deal with the Syr Darya River Basin and the Amu Darya River Basin separately in hopes of breaking the impasse between the Syr Darya states, who each year were having to renegotiate barter exchanges between water and energy resources.

Due to competing aid programs, the Central Asians found themselves having to balance different sets of negotiations that often were dealing with similar issues but were conducted in isolation from one another. Over time, it became unclear which interstate organization was responsible for water allocation decisions and which was supposed to develop programs to mitigate the overall Aral Sea crisis.

Third, AID's decision to work outside the other donor initiatives caused much confusion, redundancy, and overlap among the donor programs. AID argued that the World Bank's program only propped up the former water *nomenklatura* (state bureaucracy) instead of undertaking real reform. However, it was necessary to work with the former water *nomenklatura* right after independence, since the scientists and bureaucrats comprising ICAS/IFAS and other affiliated organizations could have subverted donor attempts at reforming the water sector by refusing to cooperate with other initiatives. AID's decision to support ICKKU rather than IFAS, in short, helped bolster yet another organization claiming authority for water management and competing for donor assistance.

Multiple donor programs have also led to the development of multiple interstate and draft agreements that are decoupled from each other. For example AID has helped produce a limited water sharing agreement over

the Syr Darya, while the European Union's project has produced three draft agreements dealing with institutional structure, water use under present conditions, and joint planning.

Fourth, since AID's goals are broader than just environmental protection, several of its other aid programs have also conflicted with its water and environment programs. On the one hand, AID is concerned about interstate water cooperation, but on the other, it wants to see the Central Asian states undertake market reforms. As a result, it has encouraged privatization projects in Kyrgyzstan's and Kazakhstan's energy sectors. However, when Kazakhstan sold off its state-owned coal reserves in Karaganda, the new buyer refused to honor a barter agreement between Kazakhstan and Kyrgyzstan in which Kyrgyzstan received coal in exchange for allowing water to flow downstream during the summer. Similarly, privatization programs in Kyrgyzstan have inspired its policymakers to ask Uzbekistan and Kazakhstan to pay for the water it receives from Kyrgyzstan, which has made coordination much more difficult among the Syr Darya states. Since the downstream states are largely unwilling to pay directly for water, AID has had to develop alternative solutions in which the downstream and upstream states might exchange energy and water resources. These have included compensation arrangements for the wintertime water storage and summer releases from the main reservoir in Kyrgyzstan.

Finally, market reforms have taken precedence over democracy building efforts. Whereas in many parts of the world, nongovernmental organizations (NGOs) have been leading the fight to develop programs for ameliorating environmental degradation, NGO activity in Central Asia has decreased since independence. NGOs such as Union for Defense of the Aral Sea and Amu Darya are struggling to raise donor awareness for local initiatives to resolve the Aral Sea crisis. Although AID has funded Western NGOs such as ISAR (Initiative for Social Action and Renewal in Eurasia) to support the development of environmental NGOs in Central Asia, the Central Asian governments have over time become less receptive to international democracy building efforts. The most glaring example is Kazakhstan's Civil Code limiting NGO participation in political activity. In tandem with the Central Asian leaders' crackdown on the press and political parties and movements, U.S. foreign policy has shifted its emphasis away from civil society enhancement to the promotion of economic reform. As a result, Central Asian NGOs rarely focus on political activity and policy reform but rather on education, health, and awareness building.

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## Key Problems

- U.S. efforts at regional cooperation in the Aral Sea Basin have conflicted with other donor programs.
  - Since U.S. foreign policy has a broad agenda in Central Asia, one set of programs may have unintended consequences for other programs.
  - With time, U.S. foreign policy has shifted away from democracy building efforts toward economic issues.
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# Toward a New Foreign Policy

First, U.S. foreign policy in the environmental sector in Central Asia would be better served by deepening coordination with other donors. This has been especially difficult, since each donor organization contracts out its individual projects. As a result, the contractors are more concerned about demonstrating their own success—to ensure future funding—than about seeking a cooperative solution that might improve the overall

efficacy of their efforts. Besides working more closely with the other donors, AID needs to improve coordination among its own subcontractors. Although all the respective contractors meet on a regular basis in Almaty, Kazakhstan, to report on the status of their projects, there is a greater need to look at how the different programs interact with each other.

Second, U.S. foreign policy in the Aral Sea Basin has largely concentrated its efforts on water and energy sectors as

part of its broader Central Asia agenda to foster regional cooperation and stability. Specifically, AID has encouraged the Syr Darya states to develop new interstate agreements in which they will exchange water for energy resources. Yet, few of the donor efforts have aimed their programs at the main cause of the desiccation of the Aral Sea—namely, cotton monoculture. Due to the difficulty in breaking down entrenched interests in the cotton sector, U.S. foreign policy has shied away from including agricultural reform in its suggestions for solving the Aral Sea problem.

Yet, to even begin to effectively mitigate the Aral Sea crisis, the Central Asian states need to replace cotton with less-water-intensive crops. U.S. foreign policy should aim to help them do so by providing assistance to farms where the soil can no longer support cotton cultivation. In the long term, this would be the most efficient strategy to rectify seventy years of disregard for the environment. However, in the short term, this solution might be politically costly, since Turkmenistan and Uzbekistan both rely upon the sale of cotton for foreign revenue. Since the Central Asian states will need to develop other sources of export revenue, U.S. foreign policy should be prepared to work with Central Asian policymakers over an extended period. One immediate option would be to switch to alternative crops in areas where cotton growing is least efficient.

Third, U.S. foreign policy should redirect its efforts toward strengthening civil society by funding local NGOs to continue their work on water and environmental issues. Any reform in the water or agricultural sectors will be dependent upon local actors complying with decisions from the national level. Since the state farms and local NGOs are often left out of the decisionmaking process at the national and interstate levels, efforts should be made to give them a broader role in reforming patterns of water use. One way to do this is to provide additional funding to help local NGOs to forge links with their government and local communities. U.S. foreign policy efforts should also encourage local NGOs to devise programs in which local actors can begin to play a direct role in developing concrete solutions to immediate problems in the disaster zone. AID has tried to support farmers at the local level by creating water user associations in Uzbekistan. The overall success of this, however, has been limited due to resistance at the national level. Although the local farmers may be more receptive to water reform, the challenge remains for U.S. foreign policy to create bridges between water institutions at the local, national, and interstate levels.

U.S. foreign policy should not give preference to regional stability or economic reform over civil society and democracy building efforts. Both the long-term economic stability of the region and effective energy development depend upon a civil society that views itself as citizens rather than as subjects when interacting with government. The development of sustainable economies, moreover, demands an active role for NGOs and local communities. Lending support to NGOs and grassroots movements is necessary to counter top-down solutions that have characterized the Soviet system of centralized economic decisionmaking. An empowered civil society can ensure that economic solutions, especially regarding energy development, are tailored to meet local needs and protect the environment from unregulated energy exploration. Yet, civil society cannot be built overnight, and thus Washington should continue to pay attention to the critical connection between political and economic reform. In sum, U.S. foreign policy needs to be committed for the long term and must extend its current support to NGO efforts in order to strengthen civil society and protect the environment in Central Asia.

*Erika Weinthal is an assistant professor at Tel Aviv University.*

## Key Recommendations

- U.S. foreign policy needs to deepen coordination both with other donor organizations and among its own contractors in Central Asia.
- U.S. foreign policy needs to direct its efforts toward the agricultural sector in order to improve the environmental situation in the Aral Sea Basin.
- Enhancing civil society will greatly help to mitigate the Aral Sea crisis.

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# Sources for More Information

## Organizations

### Aral Sea International Committee

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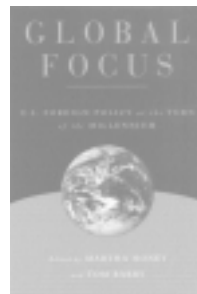
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<http://www.eni-environment.net/>

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