

A photograph of Joe Biden speaking into a microphone, wearing a blue suit and a striped tie. The image is overlaid with a dark blue semi-transparent rectangle containing white text.

SIX RECOMMENDATIONS FOR THE BIDEN ADMINISTRATION'S CASPIAN POLICY

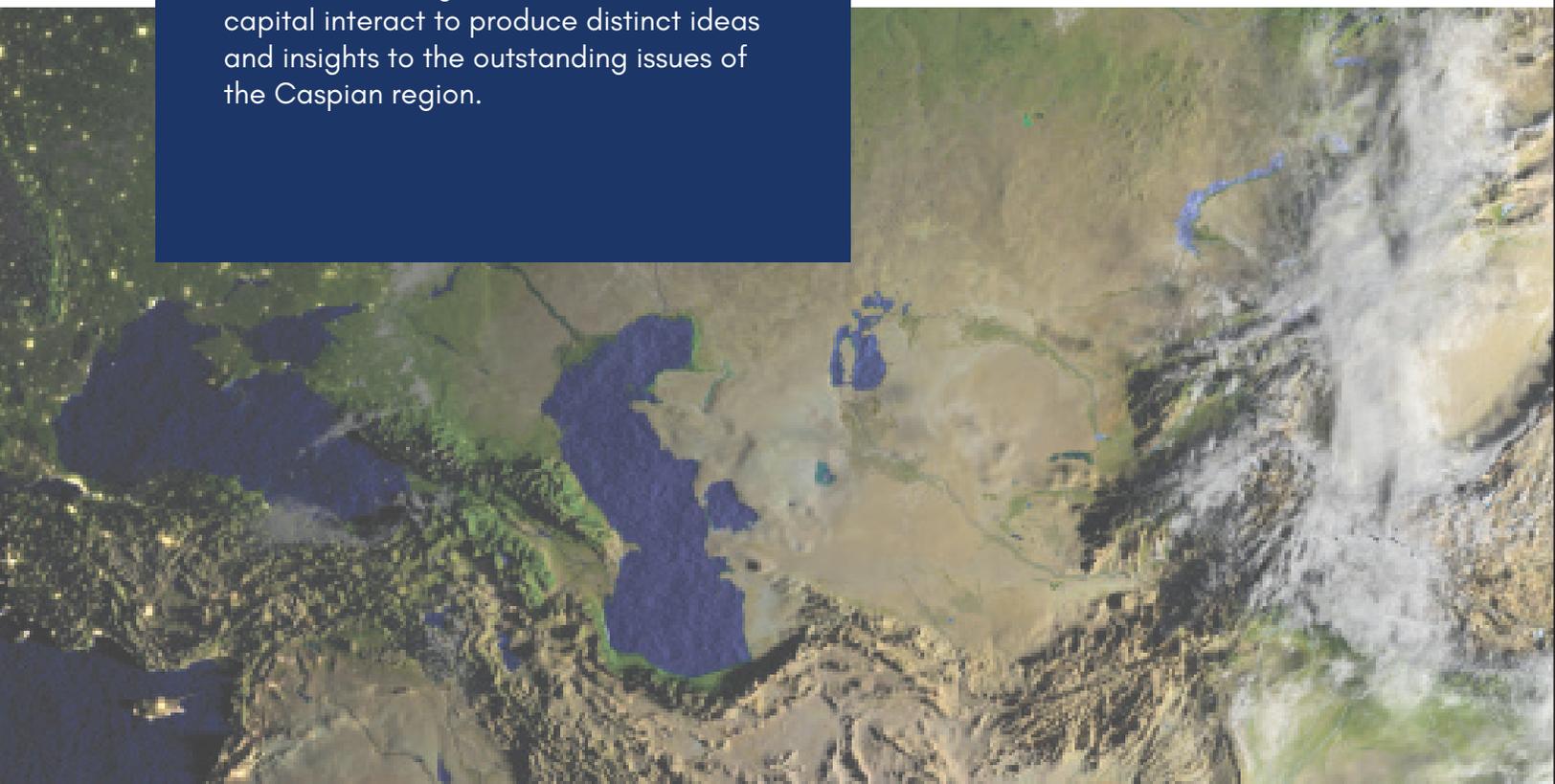
POLICY BRIEF BY THE CASPIAN POLICY CENTER

ABOUT US

The Caspian Policy Center (CPC) is an independent, nonprofit research think tank based in Washington D.C. Economic, political, energy, and security issues of the Caspian region constitute the central research focus of the Center.

CPC aims at becoming a primary research and debate platform in the Caspian region with relevant publications, events, projects, and media productions to nurture a comprehensive understanding of the intertwined affairs of the Caspian region.

With an inclusive, scholarly, and innovative approach, the Caspian Policy Center presents a platform where diverse voices from academia, business, and policy world from both the region and the nation's capital interact to produce distinct ideas and insights to the outstanding issues of the Caspian region.



With President-elect Joe Biden's recent victory in the November 3 election, his transition team has begun to formulate policies and make cabinet decisions. The course that the new administration sets for its approach to the Caspian region will be of great importance to the countries in the region and beyond in the four years to come. Those countries are Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. How Biden's administration handles the U.S. relationships with these countries will have a vital role in its continued economic and political development of the region, as well as how it navigates the increasing competition among great powers, especially Russia and China. To that end, we at the Caspian Policy Center propose six recommendations for the Biden administration's policy towards the Caspian region.

1. Publicly Recognize the U.S. Role in the Region's Multi-Vector Foreign Policy

All eight of the countries in the region practice multi-vector foreign policy to one degree or another. They work to balance their relations among Russia, China, the European Union, and the United States. They don't usually play one off against another; rather, they work to ensure good relations with all four. They do so as a means to protect their sovereignty and independence.

In recent years, analysts and commentators have repeatedly said that the United States is withdrawing from the region, yet that is not true. Washington maintains multi-agency embassies in every country, and the many programs it has deployed over the years remain fully funded. The Biden administration needs to raise the U.S. profile in the region with regular high-level visits and an enhanced public-diplomacy effort, especially in the face of Russia declaring the region its "special sphere of influence," and China deploying its highly publicized Belt and Road Initiative (BRI). A good start would be for President Biden to declare the region as essential for world peace and to summarize what the United States actually does in the region. The individual U.S. embassies should then follow up to publicize, repeatedly, the full breadth of the U.S. presence and programs in the region, not as a challenge to Russia and to China, but as a means of supporting the countries and putting the U.S. presence and priorities on the international map.

2. Work to Balance Great Powers

The Caspian region is geostrategically vital in this new era of great-power competition for two reasons: its vast natural resource wealth and its position astride the crucial arteries of international trade. The United States should prevent any one power from gaining overwhelming influence in the Caspian and control over its natural resources and these trade routes. Russia's and China's pursuit of primacy in the Caspian region is connected to their broader challenge against global U.S. hegemony and the globally beneficial post-WWII framework organized by the United States and the victorious Allies. Recognizing their individual inability to dominate the region, Russia and China have created a general anti-American coalition. Unchallenged, this Sino-Russian collaboration could allow for their combined domination over the vital Caspian region.

To counter the Sino-Russian challenge, the United States should continue supporting the sovereignty and territorial integrity of the Caspian states. To do this, the Biden Administration should continue to engage the Caspian countries in security partnerships and boost U.S. foreign direct investment into the region. Only by taking a more active and visible role as a regional balancer can the United States maintain Caspian independence from Russia and China.

3. Counter Chinese Influence Through Economic Investment

The Biden administration should commit to countering Chinese economic advances in Central Asia and the South Caucasus. Under the aegis of the Belt and Road Initiative (BRI), Chinese infrastructure projects are threatening to ensnare the less-developed countries in the region into debt traps that could erode their ability to exercise independent economic policy. In the case of the Kyrgyz Republic and Tajikistan have external debt equal to 63.3 percent and 44.7 percent of their GDP respectively, with much of their debt owed to China's Export-Import Bank. Further, projects within the BRI often leave local communities behind and fail to meet sustainability standards.

To act against this threat, Biden should move forward with plans for the Blue Dot Network, first announced in 2019 by the United States, Australia, and Japan, to provide transparent alternative investment streams for infrastructure in the Caspian region. Infrastructure investment is a necessity for countries in the Caspian, and shortfalls in investment require that these countries seek funding from where it is available. Increasingly, this has been institutions like the Export-Import Bank of China. Should the United States and its allies mobilize the Blue Dot Network to its full potential, the project could help to diversify the Caspian's infrastructure financing and reduce the countries' reliance on China. In turn, the United States

should work closely with the countries in the region to enhance their own rule of law and transparency so that they can attract new western investment.

The Biden administration can also use the Blue Dot Network to promote socially and environmentally sustainable projects to counter harmful Chinese ones. By supporting the development of renewable energy, the U.S. can position itself as an environmental leader in opposition to China's pollution-heavy development strategy.

At the same time, the Biden administration should encourage economic connectivity between Central Asia and the South Caucasus. Funding and promoting projects that provide energy, telecommunications, and transportation linkages across the Caspian Sea could prove an effective way of limiting the economic sway China and Russia hold in the region.

4. Increase Diplomatic Engagement on All Levels

Under the Biden administration, the United States should increase its diplomatic engagement in the Caspian region both in terms of its commitment to high-level meetings and its dedication of resources. While the existing C5+1 format for Central Asia has been an excellent tool for fostering dialogue at the ministerial level, Biden should move to hold C5+1 summits at the presidential level to demonstrate the U.S. commitment to Central Asia and should certainly include Afghanistan as a full member of this diplomatic structure. Biden's own direct participation would be a strong sign of the importance the region holds for the United States. In addition, the United States should work with willing partners like Azerbaijan and Georgia to better integrate the South Caucasus and Central Asia. While this should not replace the function of the C5+1 format, the inclusion of countries on both sides of the Caspian in U.S.-led initiatives would be a positive development.

At the earliest possible opportunity, the Biden administration should make clear the long-held U.S. policy of supporting and protecting the independence, sovereignty, and territorial integrity of the countries in the region. Specifically, this should focus on the so-called "prolonged conflicts" in the region - Abkhazia and South Ossetia in Georgia and, now especially, the Nagorno-Karabakh conflict between Armenia and Azerbaijan. The United States has long been, along with Russia and France, a Co-Chair in the Organization for Security and Cooperation in Europe (OSCE) Minsk Group Process for Nagorno-Karabakh, but in recent years has kept that conflict on the back burner. Now that war has broken out, the United States should enhance its role in the Minsk Group Process and not just call for a ceasefire in the current war but also work to resolve, once and for all, the fundamental issues in this complex catastrophe.

Still, not all diplomacy must, or should, happen at the highest levels. Biden's

administration should invest heavily in public diplomacy through academic exchange programs like Fulbright and Future Leaders Exchange (FLEX), as well as other existing academic and professional exchange programs. While presidential-level meetings and even the unheralded work of day-to-day diplomacy are important, people-to-people programs yield profound, long-term results by cultivating meaningful relationships and new ways of thinking that endure for decades. Eventually, they can foster the kind of change the United States desires in these post-Soviet countries. Dramatically increasing funding for all U.S. exchange programs should be a cornerstone of Biden's policy in the Caspian region.

5. Stay Alert to Security Threats Emanating from the Region

Terrorism remains a persistent threat to the United States and its interests. It is a particularly pressing issue in Central Asia. While the Taliban remains a major source of extremist instability in Afghanistan and the region, further instability has been introduced through the proclamation by ISIS of the Caliphate of Khorasan in a region that includes parts of Afghanistan, Central Asia, and Iran, and this is attracting new followers from that region. Should negotiations between the Afghan government and the Taliban prove successful, there is no guarantee that the Taliban will adhere to the terms of peace. This creates the potential for Taliban actions to continue to destabilize neighboring countries. As conflicts in Afghanistan and Syria rumble on, the fate of foreign fighters returning to their home countries in the Caspian region will prove a considerable threat. The challenge of reintegrating them into society and combatting the security risks they pose will be considerable.

The situation in Afghanistan and the Caspian countries is, however, complex. To secure Afghanistan and permit an honorable exit for the United States, the security of the Caspian region must also be assured. To do this, a Biden Administration should maintain a responsible military presence in Afghanistan, at a minimum at the Bagram Air Base, if only as a counter to Russian military bases and China's nascent military presence in Central Asia. The United States should increase its existing military-to-military programs in the region and work to increase training and exercises through NATO's Partnership for Peace (PfP).

6. Support Central Asia's Efforts to form an International Bloc

Finally, the Biden administration should strongly and publicly support the incipient effort by the Central Asian states (that should also include Afghanistan) to form their own international bloc, perhaps on the model of the Association of South East Asian Nations or the Nordic Council. In such a bloc, they could speak with one voice to enhance their independence and sovereignty, especially against pressure from China and Russia. Eventually, such a bloc could also include the South Caucasus nations. While each country would maintain its independence, by

speaking as a bloc they would significantly enhance their presence on the world stage.

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