The south Caucasus and Central Asia will be of growing geopolitical significance to the West and NATO over the next 10–15 years because of their potential contribution to global energy supplies and energy security and the risk that conflict and instability could spread beyond the region, invite foreign military intervention, provoke a resurgence of Russian neo-imperialism, redefine the territorial status quo, and alter geopolitical relationships among several major powers.

Given these stakes, the West will need to increase and sustain its engagement and fashion a comprehensive long-term strategy aimed at promoting democratic and economic development and helping to alleviate the root causes of conflict and instability. The key political, economic, and diplomatic components of a coherent Western security strategy should include:

1. Periodic high-level statements by Western governments affirming the importance they attach to the development of independent, secure, stable free-market democracies in the Caspian region.

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• Strong U.S. and European support for multiple pipelines for the transit of Caspian oil and gas supplies.

• U.S. encouragement of the EU and international institutions such as the World Bank and the European Bank for Reconstruction and Development (EBRD) to become more actively engaged in developing the region’s oil and gas supplies, especially its infrastructure, legal framework, and technical expertise.

• An expansion of Western support for programs and activities to promote democracy and market reforms; respect for rights of minorities; improved social and economic conditions, market institutions, and the rule of law; and functioning legal systems. Much of this work can be done through nongovernmental organizations.

• Increased Western economic and technical assistance to states in the region to improve their capabilities to cope with transnational challenges, including aid to combat illegal drug trafficking and arms trade, strengthen border and export controls, manage refugee problems, respond to natural disasters, and repair ecological/environmental damage.

• Stronger U.S. and European support for OSCE initiatives to prevent and resolve ethnic and regional conflicts in the south Caucasus and Central Asia.

• Greater Western support for expanding the role of the OSCE and UN in the region, especially in monitoring human rights and the media, assisting in economic legislation, facilitating the return of refugees and the delivery of humanitarian assistance, and assistance with family planning and health care programs.²

• The formation of a “contact group,” perhaps under the OSCE’s umbrella, to begin a dialogue on energy security issues. This group might be made up of those countries with the strongest stake in ensuring access to the region’s energy supplies.³

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Continued Western support for those forces in Russia (e.g., oil and gas companies) that favor cooperation with the West in the development of the region’s energy resources. The most effective means for securing this cooperation is to support Russian participation in Caspian energy development and pipeline construction.4

Greater Western aid and investment in the development of Central Asian regional economic and security structures.

Increased Western support for cooperative arrangements among the country’s extraregional powers (e.g., Iran, Turkey, Pakistan) to promote economic integration.

A viable and sustainable Western security strategy for the region must be based on a sound understanding of the nature of NATO’s security interests both in the region and vis-à-vis Russia, the risk to those interests, and the capabilities NATO can bring to bear to shape a favorable security environment. What role should NATO play in responding to the emerging dangers and opportunities in the Caspian security environment? What are the implications of security trends for NATO’s commitments, force planning, and military requirements and activities? What peacetime activities could NATO undertake to shape an environment that would prevent threats to Western interests from emerging? Is there a role here for NATO in crisis management and peacekeeping? Should NATO consider new security tasks or Article V–type commitments for the region?

In answering these questions and designing an overall strategy, NATO should be guided by several fundamental considerations:

First, over the next decade, Western interests in the Caspian Zone will be best protected by political, economic, and energy measures to promote stability, market economies, and democracy and to reduce the dependence of the Caspian states on Russia.

Second, the greatest threats to the security and stability of the Caspian states are internal. Western policy should, therefore, fo-
cus on resolving the political, economic, and social challenges that could breed internal conflict and instability.

- Third, the United States and other NATO militaries can help the Caspian states to reform and restructure their armed forces, which would in turn help stabilize these countries and consolidate democratic reforms. These goals can be accomplished with training and advisory assistance. Such assistance could be conditioned on progress individual Caspian countries make toward implementing serious democratic and economic reforms. NATO’s combat capabilities, on the other hand, are simply not relevant to the major challenges confronting these countries.

- Fourth, U.S., Western, and NATO resources and leverage are limited. Therefore, Western objectives should be fairly modest to avoid a potentially dangerous gap between capabilities and commitments.

- Fifth, Russia is likely to remain an influential and, in some cases, the predominant power in the region for some time. Thus, its legitimate interest in security and stability along its borders should be accommodated. But Russia should recognize that the establishment of stable, prosperous, and independent states along its periphery is in its interests. Consequently, NATO advice and training to local militaries, if attuned to Russian sensibilities, need not work at cross-purposes with a strategy of engaging Russia on matters of concern to the West.

- Sixth, as Rajan Menon has argued, given America’s existing commitments in other parts of the world and NATO’s other priorities, the Alliance should avoid creating expectations among the Caspian states that NATO’s interests in the region are so important that it will keep them secure from Russia. NATO is not likely to be willing to deliver on any such promise, and “raising such false hopes will not merely breed disillusionment . . . but could be downright destabilizing if it encourages Russia’s neighbors to take steps based on an understanding of American policy that turns out to be incorrect.”

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5Menon (February 1998), p. 36.
PEACETIME MILITARY ACTIVITIES

Many of the Caspian states are interested in developing and expanding military contacts with NATO and in enhancing their participation in the Alliance’s PfP program. Developing closer military relations between NATO and the Caspian states offers several benefits. Enhanced training and military-to-military contacts, for example, demonstrate Western interest, bolster the independence of the Caspian states, and promote regional cooperation. Increasing the frequency and scope of peacekeeping exercises under the PfP program would contribute to these objectives.

At the same time, many European members of NATO are reluctant to deepen their military engagement in the former Soviet Union, as evidenced by their tepid support for CENTRASBAT. The Russians, moreover, are deeply suspicious of these activities, which have prompted growing claims in some quarters that NATO is seeking to establish military control over the region. Further, there is a danger that deepening NATO’s ties with the Caspian states will raise false expectations about the Alliance’s commitment to their security. For all these reasons, therefore, NATO should proceed gradually in expanding military relations with the Caspian states. Should NATO decide to forge ahead with military cooperation with local states, the Alliance should, to the extent feasible, seek to allay Russia’s anxieties by involving the Russians more closely in the planning and implementation of these activities. Additionally, increased U.S./NATO transparency about these programs might lessen the risk of a negative Russian reaction.

While NATO’s role in encouraging peacetime military cooperation with the Caspian states is necessarily limited, the United States faces fewer such obstacles and may have a larger role. In fact, given the very real dangers of instability in a region that may involve U.S. and Western security interests and objectives, the United States Air Force (USAF) may be asked to increase its presence there. The U. S. Department of Defense has already made significant commitments, most recently to both Azerbaijan and Georgia. Secretary Cohen announced in March 1998 that American and Georgian personnel will begin a dialogue on control of movement in Georgian air space.
Implementation of these coordination plans are said to require 23 joint American-Georgian maneuvers. In addition, the European Command (EUCOM) has committed to military assistance programs in Azerbaijan, Georgia, Uzbekistan, and Kyrgyzstan.

Working with local air forces will present a difficult task. In general, these forces are underdeveloped and in poor condition. Kyrgyzstan, Tajikistan, Armenia, and Georgia do not yet have viable independent air forces. Azerbaijan has only a modest and outdated air force. Kazakhstan has a large inventory of modern fighters and bombers as well as Mi-24 Hind attack helicopters, but faces resource shortages that have led to low maintenance, training, and support levels. Uzbekistan has the best maintained and funded air force in the region, with a mix of outmoded MiG-21s and more sophisticated MiG-29 interceptor jets. It also has Su-27s for close air support and a transport inventory of outdated An-2s, An-26s, and Mi-8 helicopters. Flying hours for all these air forces, however, are low or nonexistent, budgets for maintenance and logistical support are low, and airfields are not well kept.

In an environment in which the USAF faces real budget constraints of its own, specific training programs and military-to-military contacts should be selected based upon lessons learned from previous military security assistance programs targeted at the European theater. First

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7 Kyrgyzstan inherited 2400 aircraft and helicopters but has since traded its air fleet to Uzbekistan in a debt swap and has lost aircraft to Russian repatriation. Tajikistan has announced plans to form an air force squadron and to acquire SU-25s from Belarus. Georgia, too, has a small number of SU-25 aircraft and several transport helicopters, and has supplemented these assets with a composite regiment of transport aircraft and helicopters. Armenia has not yet developed an independent air force. It has one attack helicopter squadron and six combat aircraft assigned to the army. Each of these countries also has remnants of the Soviet air defense system in the form of small stocks of SA-2, SA-3, and SA-5 surface-to-air missiles.
8 Kazakhstan, for example, currently has one heavy bomber regiment, one division with three fighter-bomber regiments, and single independent reconnaissance, fighter, and helicopter regiments.
10 The only state to report flying hours was Kazakhstan with 25.
priority should be accorded to the most viable regional military powers: Uzbekistan, Kazakhstan, and Azerbaijan. Secondary priority should be given to those second-tier countries that show improvements in their transitions to Western-style democratic systems and market economies (Georgia and Kyrgyzstan). These programs should not be allowed, however, to slide into security commitments.

For example, a constructive step the USAF can take is to improve training and education systems for officers and technical education programs for military occupational specialists. This goal can be partially attained through EUCOM programs like the George C. Marshall European Center and increased International Military Education and Training (IMET) programs aimed at enhancing professional military competence, expanding the recipients’ knowledge of U.S. military principles, and furnishing the skills essential to stable civil-military relationships in periods of nation-building. However, traditional IMET-funded training in Central Europe has been costly and limited in scope because of reliance on U.S. schooling. Instead, military training assistance teams (MATs) could be sent to these countries. This has proven to be an effective and low-cost approach and has correlated with improved access to foreign military bases, facilities, and air space. The new NATO members, familiar with the challenges of converting Soviet forces to usable national forces and with a good working knowledge of the specific assets, would be valuable additions to such a team. MAT teams could provide guidance in defense planning for these countries. An example of the need for defense planning, if indeed the security challenges are largely internal and regional, might be a shift from fixed-wing aircraft to increased helicopter assets.

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11IMET programs have been available to participating countries of Central Asia and the south Caucasus, but funding has remained nominal and the level of participation small, especially beyond English-language training programs in in-country language labs. See William O’Malley, “Defense Cooperation and Security Assistance: Lessons and Implications,” paper prepared for the RAND Conference on Central Asia and the Caucasus, April 1998.

12Adapted from a recent report by David M. Glantz, Advancing United States and European Security: United States Military Assistance to Poland, the Czech Republic, and Hungary, Office of the Secretary of Defense, February 1998.
CRISIS MANAGEMENT AND PEACEKEEPING

A Caspian region torn by conflict and upheaval would have a profound impact on the Eurasian geopolitical landscape. As Graham Fuller has noted, there are numerous possibilities for violence, conflict, and instability in and around the borders of the region that could threaten the security and stability of the Caspian states, provoke outside military intervention, or spill over to destabilize neighboring countries (see Figure 7). Possibilities for tensions or conflict might involve

- Russia and the republics over ethnic, territorial, or resource questions, especially in Kazakhstan, or Russian attempts to restore order or empire if the region plunges into general chaos;
- China and Kazakhstan, Kyrgyzstan, Tajikistan, or Russia over potential ethnic separatism within the Turkic population in Xinjiang;
- Afghanistan and Tajikistan, Turkmenistan, and Uzbekistan if the breakup of Afghanistan leads to the redrawing of national boundaries between these countries along ethnic lines;
- Iran and Azerbaijan and Turkmenistan over ethnic issues, Iranian meddling in Azeri internal affairs, or an Azeri-supported secessionist movement in Iranian Azerbaijan;
- Turkey and Armenia should the latter gain the upper hand in its conflict with Azerbaijan;
- the Caspian states themselves over borders, resources, and ethno/nationalist differences; and
- internal conflicts arising from separatist movements (e.g., rebellion in Georgia).13

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In addition to these scenarios, conflict among and within the Central Asian states could provoke outside intervention. Among the most likely possibilities are border disputes and ethnic irredentism involving Uzbekistan and all its Central Asian neighbors, a resumption of hostilities between Azerbaijan and Armenia over Nagorno-Karabakh, and the implosion of Tajikistan and possible outside intervention by others (e.g., Iran, Afghanistan).

Because these conflicts would threaten the West’s general interest in stability, or could create humanitarian crises, the United States and many of its allies would feel pressure to help prevent, resolve, or contain these conflicts, although in many situations Western influence would be limited. That said, conflict in Central Asia and the south Caucasus is a necessary but not sufficient condition for the employment of NATO military assets. For these conflicts to be of a sufficient challenge to Western interests to warrant consideration of a military response, several conditions would have to be met. The
conflict would need to (1) threaten the independence and territorial integrity of a state deemed important to NATO’s own security and well-being; (2) raise a serious possibility that the victorious side would be in a position to assert hegemony over all or most of the region and thus gain control over energy resources; (3) jeopardize access not only to the energy resources of the Caspian region but also to the Persian Gulf, since loss of the former without a serious disruption of the latter would probably be manageable through market adjustments; or (4) threaten the security and stability of a NATO member or countries of importance to NATO.

When these criteria are applied, many potential threats and conflicts in the region have little or no military/security implications for NATO, even though they may have unfortunate consequences for the states involved or create large-scale turmoil. Examples might be (1) internal conflicts among clans, tribes, ethnic groups, or regions over control of power, land, water, and energy resources; (2) interstate conflicts arising from ethnic or territorial disputes, such as attempts by the Uzbek to adjust their national borders with Tajikistan or Kyrgyzstan; (3) the spillover of conflict between Tajikistan and Afghanistan; (4) nationalist/religious unrest in China’s XUAR that could prompt Chinese attempts to intervene militarily in Tajikistan or Kyrgyzstan; and (5) civil wars or ethnic conflicts that pose no risk of escalating beyond the borders of the state involved.

At the same time, these criteria for NATO involvement in dealing with regional threats suggest that over the next 10–15 years several possible scenarios for interstate conflict and external intervention could impinge on NATO security interests. In addition to devising political and diplomatic strategies to deal with these challenges, it may also be appropriate for NATO to consider a more active role in conflict prevention and perhaps engage in low-key military planning for crisis management and peacekeeping. An illustrative, but by no means exhaustive, menu of scenarios is sketched out below:

- **South Caucasus.** Unlike Central Asia, the south Caucasus borders NATO territory. Therefore, there is a risk that regional conflict there could spill over into Turkey or precipitate Turkish military involvement. For example, a resumption of full-scale hostilities between Armenia and Azerbaijan, or conflict between Iran and Azerbaijan that threatened Azerbaijan’s territorial
integrity, could invite Turkish intervention. Another scenario
could involve Turkish military assistance to Georgia in the event
that Turkish-Georgian ties and pipelines carrying Caspian oil
across Georgia to Turkish ports on the Mediterranean were being
disrupted by internal conflict in Georgia. A Turkish-Iranian
conflict in the south Caucasus, in particular, could prove to be
highly destabilizing, and the eruption of a messy conflict in a
region bordering NATO could push the United States and its
NATO allies toward some form of military involvement.
Moreover, by 2010–2015 Romania and possibly Bulgaria and
Ukraine may be members of NATO, which would focus Western
interests even more strongly on the south Caucasus, especially if
these countries serve as an access route for Caspian oil. In fact, the
emerging association of Georgia, Ukraine, Uzbekistan, Azerbaijan,
and Moldova is likely to lead to deeper Turkish involvement in
the region and possibly participation in this or some other
regional configuration.

• Russia-Kazakhstan. Because Kazakhstan is one of the largest
energy producers in the region and a bulwark against a revival of
Russian neo-imperialism, its independence and territorial in-
tegrity are important to NATO. The presence of a large and in-
creasingly disenchanted Russian minority in Kazakhstan’s border
areas adjacent to Russia is potentially volatile. President
Nazarbayev has so far managed to keep a lid on extreme manifes-
tations of both Russian and Kazakh nationalism. However, his
eventual disappearance, the absence of a viable succession
mechanism, and the rise of Kazakh nationalism portend a sub-
stantial risk of raised tensions with ethnic Russians, which could
trigger Russian military intervention, the possible secession of
Kazakhstan’s northern provinces, or even Russian occupation of
the country.

• Iranian Expansionism. It is difficult to envision a conflict in the
Caspian region that could spill over to threaten the unimpeded
flow of Persian Gulf oil or the security of a Gulf state that mat-
tered to NATO (e.g., Saudi Arabia or Kuwait). Nonetheless, in the
2010–2015 time frame, the possibility of a militarily strong and
expansionist Iran cannot be ruled out. If this development were to
coincide with simultaneous regime crises in Saudi Arabia and
Azerbaijan, a serious threat to vital Western interests could
emerge. For example, a full-scale civil war in Azerbaijan with one faction supported by Tehran, combined with a prolonged and violent succession crisis in Saudi Arabia marked by large-scale Islamic unrest and plummeting Saudi oil production, could provoke Iranian military intervention in both countries in a bid to achieve Iran’s long-standing goal of regional domination. If Iranian-sponsored regimes seized power in Riyadh and Baku, Iran would be in a position to control a significant portion of the world’s energy resources.

• **Reassertion of Russian Hegemony.** Although it is unlikely that in the near to medium term Russia will regain the capabilities to restore its empire in the region, in the 2010–2015 time frame, it is possible to envision the interaction of two variables that might put extreme pressure on Moscow to use force on a large scale. First, widespread chaos that raised the specter of encircling Russia with hostile regimes, especially in the south Caucasus; and second, a dramatic reversal of Russia’s declining economic and military fortunes. Under these circumstances, there would be a significant risk that a highly nationalistic Russian government with a modernized military would engage in neo-imperialist intervention. While such a scenario appears unlikely, it is not inconceivable if things really go wrong.

In light of the multiple possibilities for messy ethnic and regional conflicts, the international community can probably expect increased pressure for the deployment of peacekeeping forces. Whether NATO has a role to play in these contingencies, either as an independent actor or as part of a broader coalition within the framework of the UN, OSCE, or CIS, raises sensitive issues with Russia and within NATO.

As previously noted, Russia is extremely sensitive to any perceived “meddling” in what Moscow regards as a Russian sphere of influence in the southern CIS tier. Accordingly, any NATO effort to play an independent role in peacekeeping and “security management” is bound to elicit an extremely negative Russian reaction that could halt or reverse the long-term trend of Russian disengagement. Apart from Russian opposition, there would be other constraints on an independent NATO peacekeeping role. First, because many NATO countries regard the south Caucasus and Central Asia as areas of peripheral concern, it would be difficult to gain NATO consensus on a
peacekeeping operation, especially if such an operation carried a substantial risk of high costs and casualties and long duration. Second, for these and related reasons, there would be considerable domestic opposition in the United States and elsewhere to a NATO peacekeeping role in the region.

Even though an independent NATO peacekeeping role in the Caspian region is highly unlikely under current and foreseeable circumstances, the possibility cannot be ruled out that NATO might be called upon to contribute to peacekeeping operations. In this connection, it is important to remember that in 1992 the Alliance offered to support OSCE peacekeeping missions, including making NATO assets available on a case-by-case basis. In the future, therefore, NATO could face OSCE requests to provide military capabilities in support of OSCE peacekeeping. Other illustrative requirements in regional contingencies include airlift operations in support of disaster relief or humanitarian intervention, sanctions enforcement, monitoring of demilitarized zones, military activities along borders, cease-fires, and disarmament agreements, and the deployment of a Macedonia-type peacekeeping force, for example, along the borders between Armenia and Azerbaijan or Azerbaijan and Iran. NATO operations in these scenarios will face formidable challenges, however. For instance, the military stocks and infrastructure of local states are not well suited to peacekeeping missions. Consequently, over the next 10–15 years, there are only fair to poor prospects for successful interoperability with NATO and other Western forces, and limited airstrips that Western air forces might use for peacekeeping operations.

The prospects for NATO participation in an OSCE-led peacekeeping operation in the southern CIS states—or, for that matter, any independent OSCE peacekeeping operation in the region—are dim for the foreseeable future. It is true that Moscow has recently taken a more favorable view toward an OSCE role in mediating some of the region’s more intractable conflicts. There is also evidence that Moscow is growing weary of the financial and manpower costs of CIS peacekeeping operations, particularly in Abkhazia. Nonetheless, the Russians remain leery of any non-Russian peacekeeping operations in the CIS and have yet to agree, for example, on any OSCE supervision
of a peacekeeping operation in the CIS. More important, the risk of NATO involvement in a quagmire is not justified by this region’s marginal importance.

As a matter of both principle and policy, Russia will almost certainly oppose any joint peacekeeping operations with NATO in its “near abroad” for at least the next several years, even if Russia were in command and NATO the junior partner. In the future, if CIS peacekeeping puts more of a strain on Russia, and depending on the overall state of the NATO-Russian relationship, Moscow might explore other arrangements for sharing the responsibilities and burdens of security management, including the possibility of Russian-NATO joint peacekeeping under the umbrella of the UN, OSCE, NATO, or the CIS. Such a fundamental shift in Russian attitudes toward NATO’s military involvement in the region is unlikely to occur, however, for at least the next 5–10 years, if it takes place at all. In the meantime, Russia is likely to view the OSCE as a more preferable alternative to NATO for peacekeeping operations in the CIS. Accordingly, until Russia softens its view toward a NATO role in Central Asian peacekeeping operations, any NATO planning for such efforts should be undertaken only as part of a broader dialogue with Russia and the OSCE on security issues and peacekeeping cooperation in the south Caucasus and Central Asia. Once the damage inflicted by Kosovo on the NATO-Russian relationship is repaired, the NATO-Russian Joint Permanent Council—or perhaps the EAPC—may be a suitable venue for such a dialogue.

In sum, the vast majority of potential intra- and interstate conflicts and instabilities either pose no threat to major Western interests or are not readily amenable to military solutions or Western influence. Nevertheless, a handful of conflicts are imaginable that might merit attention by U.S. and NATO planners, because they could threaten the security and stability of Turkey or the independence of key Caspian states. The possibility of a Turkish-Iranian confrontation in the south Caucasus would pose the most serious dilemma for NATO. On the one hand, Turkey is a member of NATO, and a failure by the Alliance

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14 For a thorough discussion of Russian peacekeeping policy in the CIS that highlights Moscow’s sensitivity to outside involvement, see N. A. Kellett, Russian Peacekeeping Part II: The Strategic Context, Canadian Department of National Defense, Research Note 96/08, Ottawa, Canada, December 1996.
to come to Turkey’s defense in the event it were attacked by Iran could lead to Turkey’s withdrawal from NATO and might damage the cohesion of the Atlantic Alliance. On the other hand, the south Caucasus remains peripheral to the core security interests of most members of the Alliance and there will be a strong impulse to avoid getting dragged into a confrontation with Iran, particularly in light of Iran’s geopolitical importance. Further, the circumstances surrounding a Turkish-Iranian conflict in the south Caucasus are likely to be ambiguous, making it difficult to identify aggressor and victim or the merits of each side’s conflicting claims. Under these circumstances, NATO military support for Turkey should not be taken for granted. It is precisely for this reason that the West and NATO should give priority to resolving the underlying problems that, if left to fester, might cause the Turkish-Iranian competition for influence in the Caucasus to spin out of control.

MAJOR MILITARY OPERATIONS

The possibility that the Caspian states could face external threats to their security or internal destabilization, or that ethnic and regional conflicts could jeopardize access to the region’s energy resources, raises the question of what role, if any, NATO’s force projection capabilities might play in responding to these threats. For a variety of reasons, it is difficult to discern any significant implications of the changing strategic environment in the Caspian region for NATO’s security commitments, military plans, or force posture, at least for the next decade.

• Because the West will not become dependent on Caspian oil for the foreseeable future, a disruption of Caspian oil supplies would not warrant NATO military intervention to restore access.
• The most serious challenges to stability and Western security interests—political, social, economic, ethnic, religious grievances, organized crime, corruption, narcotics, and trafficking—do not lend themselves to the application of NATO’s military force.
• With the important exception of a regional conflict escalating to attacks on Turkish territory, which appears unlikely, most of the region’s conflicts are likely to remain localized, and those with the
potential to spread (e.g., civil war in Tajikistan) would have no great strategic significance for NATO.

- It is extremely unlikely that NATO will extend security guarantees to any of the states in Central Asia or the south Caucasus or offer prospective membership in the Alliance. Although there is general Western support for the independence of these states, it is hard to make the case that the preservation of their independence is critical to Western security. Indeed, it would be exceptionally difficult, perhaps even impossible, to garner a consensus within NATO that the independence of any of these states is a “vital” interest.

- Given the limited nature of Western interests, the fear of antagonizing Russia, the prospects of high costs and casualties, and the escalatory risks of introducing NATO forces, there would be strong opposition within the Alliance to military intervention in the Caspian.

- There is no consensus within NATO on the Alliance’s role in the region, and it is unrealistic to expect NATO to assume major security responsibilities there. For now, as one prominent expert on the region has observed, “NATO is satisfied with providing limited training assistance and symbolic demonstrations of Western capacity.”

In conclusion, the emerging security environment in Central Asia and the south Caucasus has minimal implications for NATO. Notwithstanding much of the hyperbole over the discovery of energy resources in the region and the rivalry for geopolitical influence, NATO and the West do not have vital interests at stake in the Caspian region. Moreover, the growing Western interests in the region—preventing a single power from gaining regional hegemony, preserving access to energy, preventing the spread of WMD and the spillover of conflict to important countries—are not endangered in the current threat environment. Further, these interests are best protected in the long run by a Western strategy that relies primarily on political, economic, and energy measures to eradicate the sources of conflict and

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15Olcott (Summer 1998), p. 111.
instability that could trigger large-scale civil strife, military confrontations, and outside intervention.

Because there is no significant role for NATO to play in responding to the threats and opportunities in the emerging Caspian security environment over the next decade, the Alliance does not need to consider major changes in force planning or force structure in response to developments in the region. Furthermore, NATO faces serious limitations on its ability to project influence and solve the area’s most difficult challenges. The key objectives of Western policy should be to promote democratic reform, market economies, and nation-building. NATO does not command the resources to advance these objectives and thus has little value-added to offer. Other organizations, such as the EU, OSCE, UN, and international financial institutions, as well as bilateral trade, aid, and investment, can make a greater contribution to achieving these objectives. Although modest NATO peacetime military activities are beneficial, they have thus far had only a marginal impact on improving the security and stability of the Central Asian and south Caucasus states, and by no means have a unique role to play in expanding contacts with the West or diversifying the relationships and options of these countries. Moreover, a high NATO profile would spark a hostile Russian reaction that would complicate efforts to forge a constructive partnership with Russia.

Indeed, the West will need to remain sensitive to Russia’s legitimate security interests and NATO’s goal of developing a cooperative partnership with Russia. Managing the Russian dimension of a Caspian security strategy poses a dilemma for NATO: on the one hand, the Alliance has a strong interest in preventing the forced reintegration of the former Soviet south into the CIS and in ensuring that these countries remain open to the outside world; on the other hand, Russia is extremely sensitive to any perceived meddling in what Moscow regards as a Russian sphere of influence, and Russia can still cause problems for many of the states in the region. Russian touchiness over NATO activities in the Caspian has only been inflamed by its perceived humiliation in Kosovo at the hands of NATO.

Consequently, there is great risk that an aggressive NATO effort to expand its engagement—particularly high-profile military activities with Turkey—would be perceived by Moscow as an anti-Russian containment strategy, provoking a backlash that could endanger
Western objectives and halt or reverse the long-term trend of Russian disengagement. The challenge for NATO is to give Russia a growing stake in regional stability and nudge it in the direction of moderation, without appearing threatening and bringing about the very reaction the West is trying to avoid. Ultimately, what the West wants for the region—political stability, economic development, and prosperity—is as much in Russia’s interest as in the West’s.

Most members of the Alliance will be reluctant to take on additional security and military responsibilities in the Caspian Zone or act as a regional policeman. Simply put, NATO’s interests there and the threats to those interests are not commensurate with the Alliance aspiring to play a major security role in the Caspian. Inasmuch as the Alliance lacks the collective interest, will, capabilities, and resources to assume responsibility for Caspian security, a U.S.-led coalition of willing countries rather than NATO should assume primary responsibility for securing Western objectives in the Caspian basin. Given the meager benefits and potentially high costs of extending NATO’s security responsibilities in the region, the Alliance’s more pressing priorities, and finite resources and commitments, deepening NATO’s engagement in the Caspian region should not command a high priority in terms of resources, planning, or attention. Instead, NATO should concentrate on the other tasks and challenges on its security agenda for the 21st century.