During the Cold War, NATO’s security concerns focused almost exclusively on the central front of Europe. Other areas were considered of minor importance and Soviet Central Asia and the south Caucasus, in particular, were regarded as a “backwater” of the Soviet Union. Even in the immediate aftermath of the Soviet Union’s disintegration in 1991 and the emergence of eight new states in the former Soviet south, Central Asia barely intruded on the geopolitical consciousness of most Western officials. In fact, many in the West were content to give Russia a more or less free hand in dealing with the region and its intractable problems.

Since the mid-1990s, there has been a dramatic change in the Western image of the Caspian Sea Zone and Central Asia. Western interest has grown substantially, spurred largely by the desire to exploit Caspian oil and gas resources, the rapidly expanding presence and financial stake of Western oil companies in the Caspian Basin, and the growing perception that instability and conflict in the south Caucasus and Central Asia could have geopolitical reverberations on a much larger scale. The United States is now a major trade partner of several countries in the region and has played a more active role in trying to mediate ethnic disputes there. NATO has expanded military contacts with several Caspian states through the Partnership for Peace (PfP) program, and is playing a growing role in helping these countries with the reform of their armed forces, including, most recently, in Turkmenistan. The leaders of Caspian states travel regularly to Washington and other Western capitals, where they are given royal treatment, and the leaders of all the countries in the former Soviet south attended NATO’s 50th anniversary Washington Summit in
April. Indeed, the pendulum has swung so far in the opposite direction that some observers now describe the Caspian Basin as an area of “vital” American and Western interest and put its energy potential in the same category as the Persian Gulf’s.

NATO’s shift in emphasis from the Cold War mission of territorial defense to a broader range of threats reflects a growing awareness that conflict and instability on and beyond NATO’s borders represent the most serious challenge to Alliance security interests in the post–Cold War security environment. Indeed, this outward-looking orientation may explain NATO Secretary General Javier Solana’s February 1997 statement that “Europe will not be completely secure if the countries of the Caucasus remain outside European security.” More significantly, the Alliance’s interest in projecting stability around NATO’s periphery is reflected in the Alliance’s new Strategic Concept. This statement of the Alliance’s new roles and missions, which was approved at the April 1999 Washington Summit, defines NATO’s purpose in the post–Cold War era as extending stability and security throughout the Euro-Atlantic region. The Strategic Concept, moreover, acknowledges that achieving this purpose can be adversely affected by developments on the periphery of this region. In explaining the Alliance’s new purpose, NATO officials have stressed that the Euro-Atlantic region encompasses all the members of the Euro-Atlantic Partnership Council (EAPC)—in other words, all the countries in the Caspian region and Central Asia.

The countries of the Caspian region and Central Asia have likewise reached out to NATO to bolster their security and reduce their dependence on Russia. In particular, Azerbaijan and Georgia have launched a major campaign to expand their military and security relationships with the Alliance. Azerbaijan has invited the United States, NATO, or Turkey to establish a military base on Azeri territory and has hinted that Azerbaijan should be considered for NATO membership for its role as a bulwark against Russian expansionism. Baku has also offered to assign a small contingent of forces under Turkish command for NATO peacekeeping forces in Bosnia. Both Azerbaijan and Georgia have expanded military contacts, training, and exercises with Turkey, and have proposed cooperation with NATO in protecting oil pipelines. In fact, Georgia has requested NATO technical assistance in the protection of these pipelines. Finally, the Georgian parliament recently passed two resolutions
endorsing Georgian membership in NATO while at the same time requesting Russia to withdraw its forces from Georgian military bases. Together, these developments have stirred fears in Moscow and elsewhere that NATO seeks to extend its military hegemony over the Caspian and that the Alliance will eventually deploy forces there, given the huge energy resources of the Caspian region and its location in the heart of Eurasia.¹

NATO’s strategic transformation, the changing geopolitical environment in the Caspian Basin, and the desire of countries there to rely on NATO to counterbalance Russia raise the issue of whether Western security interests are of sufficient importance to warrant NATO’s military engagement and what form, if any, this involvement should take. For both geopolitical reasons and energy security, the West has a tangible and growing stake in promoting the security of the Caspian region as well as the stability, sovereignty, and independence of the new states that emerged from the collapse of the Soviet Union earlier in the decade. Because of its location in the heart of Eurasia, conflict and disorder in the south Caucasus and Central Asia could threaten the security and stability of surrounding areas, including NATO member Turkey, and affect the domestic evolution and external geopolitical alignments of such key countries as Russia, China, Turkey, Iran, Pakistan, India, and Afghanistan.

The Caspian Basin, moreover, has the potential to emerge as an alternative source of energy supplies over the coming decades, reducing pressure on Persian Gulf oil to meet the growing global demand for oil and tempering upward pressure on oil prices. At the same time, however, the competition for influence in the region and control over Caspian oil and gas resources and pipeline routes—which many observers have labeled the new “great game”—has the potential to foment instability and conflict.

More important, developments in the Caspian region could affect Russia’s ongoing political and economic transition and its relations with the West. In the past few years, Russian hegemony in the former Soviet south has given way to a more open and fluid multipolar balance of power. How Russia reacts to the continuing erosion of

its exclusive sphere of influence could affect its internal evolution. In particular, the emergence of strong, stable, and independent Western-oriented states along Russia’s southern borders would discourage a revival of Russian neo-imperialism and a commitment of scarce Russian resources to preserving Russia’s position.

Developments in the Caspian Basin are likely to present a severe test for the West’s and NATO’s ability to promote their larger security agenda. The newly independent republics along Russia’s southern border are potentially weak and unstable. Over the next 10–15 years, the Caspian states will face serious internal and intraregional threats to their stability and security. These include regional, tribal, ethnic, and clan disputes; severe poverty and economic hardships; growing disparities in income distribution; immature political institutions, civil societies, and national identities; environmental degradation; political repression; lack of viable succession mechanisms for the orderly transfer of power; rapid population growth; mass urbanization; conflict over land, water, and energy and mineral resources; ethnic separatism; pervasive corruption, crime, and cronyism; and an almost complete breakdown in the delivery of basic social services.

In other words, the Caspian states generally suffer from the usual problems of “weak” or “failed” states. One or more of them could lose the capacity to govern effectively and maintain order. However, while the crises and instabilities resulting from the loss of national authority could threaten Western interests and perhaps engender pressure for NATO involvement in crisis management/peacekeeping, it is far from clear that these interests are “vital” or that the West and NATO would have the will, capabilities, and resources to exert significant influence.

To a degree that is consistent with the modest interests it has in the region, the West can and should increase its engagement there and fashion a comprehensive long-term strategy aimed at promoting democratic and economic development and ameliorating the root causes of conflict and instability. The main elements of such a strategy include

• continued Western political and financial support for construction of multiple pipelines to transport Caspian oil and gas supplies;
• increased assistance to Caspian states to foster democratic and market reforms; respect for minority rights and the rule of law; improved health care, education, and family planning; and enhanced capabilities to combat illicit drug trafficking, control porous borders, manage refugee problems, respond to natural disasters, and repair environmental and ecological damage;

• greater American and European support for Organization for Security and Cooperation in Europe (OSCE) and UN efforts to prevent and resolve ethnic and territorial conflicts in the region; and

• increased emphasis, with respect to both resources and programs, on Uzbekistan, Azerbaijan, and Kazakhstan, the three states with the greatest capability to affect regional dynamics.

Notwithstanding much of the hyperbole that has accompanied the discovery of energy resources and the fascination with the struggle for geopolitical position, the West does not have “vital” interests at stake in the Caspian region. Military instruments are, in general, suited to protecting and advancing only a subset of those interests the Alliance does have.

• First, most of the region’s conflicts are likely to remain localized, and those with the potential to spread (e.g., civil war in Tajikistan) have little strategic import for NATO. For the foreseeable future, it is unlikely that a regional conflict in the volatile south Caucasus would lead to attacks on Turkish territory, although the long-term possibility that ethnic irredentism could spark military conflict between Iran and Azerbaijan bears watching because of its potential to precipitate Turkish military assistance to Azerbaijan.

• Second, although Russia will remain the dominant power in the region for some time, neither it nor any other regional or outside power will have the capability to establish regional hegemony, given the multiplicity of actors on the Caspian scene and their inherent limitations. Consequently, while many of the Caspian states will maintain some degree of dependency on Russia, which will at times constrain their freedom of action, Russia will lack the strength to achieve Commonwealth of Independent States (CIS) reintegration, prevent Western inroads in the region, or assert a diktat over the policies of the Caspian states.
• Third, the Caspian is unlikely to become a major source of oil for at least ten years. Even if the region achieves its maximum potential, which remains uncertain, its contribution to global energy supplies will be modest, given the small size of Caspian reserves compared to the global oil reserve base, the high cost of extraction and production, and trends in the global oil market (e.g., low oil prices) that are likely to further reduce the profitability of Caspian oil development. As a result, the West is unlikely to become “dependent” on Caspian oil and thus a threat to Caspian oil supplies probably would not warrant NATO military intervention to restore access.

• Fourth, although there is general Western support for the independence of states in the region, there is little likelihood of an Alliance consensus that preserving the independence and territorial integrity of the Caspian states is critical to Western security. Most NATO countries continue to regard Central Asia and the south Caucasus as tangential to the Alliance’s core security interests. In light of the deep divisions within NATO over military operations in the Balkans, it is illusory to believe that the Alliance could reach consensus on similar undertakings in the Caspian. Hence, it is extremely unlikely that NATO will extend security guarantees to any of the Caspian states or offer prospective membership in the Alliance, even to countries that might eventually meet NATO’s guidelines for admission.

• Fifth, at least for the next decade, the Caspian states (and substate actors) will generally lack the means and the motivation to acquire weapons of mass destruction (WMD). Moreover, even if states in the region acquired WMD in response to unanticipated security threats, it is unlikely that such weapons would pose a threat to NATO’s security. For these reasons, it is unlikely that NATO would extend its counterproliferation mission to the Caspian region, particularly with respect to developing the operational capabilities to deal with specific threats.

• Sixth, although it is likely that parts of the Caspian region will be afflicted with conflict and disorder, the prospect of an independent NATO peacekeeping or crisis management role is remote for the foreseeable future. Russia is virulently opposed to such a role, especially in light of the intense anti-NATO sentiment sparked by the Alliance’s bombing of Kosovo, and Moscow is in a position to
play the role of spoiler. Indeed, there would be substantial opposition within the Alliance to a NATO peacekeeping operation in the Caspian, even in the unlikely event it enjoyed Russian support, given the limited nature of Western interests in the region, the prospects of disproportionately high costs and casualties in potentially open-ended peacekeeping operations, and the escalatory risks of introducing NATO's forces.

- Finally, while there are plausible circumstances under which a radical, anti-Western brand of Islam could engulf the region, such a prospect remains unlikely. Further, the internal dynamics of Caspian societies, rather than Western actions, will determine the future of militant Islam there. The use of NATO military force would be an inappropriate and ineffective response to combat the spread of radical Islam.

Thus, several key principles emerge as guideposts for developing a road map for NATO in the Caspian region:

- The most serious threats to the security and stability of the Caspian states are internal. Western policy should therefore focus on resolving the political, economic, and social challenges that could breed internal conflict and instability. Western interests in the Caspian region will be best protected by political, economic, and energy security measures to promote democracy and market economies. Success in carrying out this long-term strategy will require patience, resolve, commitment, and resources—there are no quick fixes to the daunting challenges confronting regional governments.

- NATO's most relevant military instruments in the region will be advisory assistance, training, and guidance in helping the military establishments of the Caspian states to restructure along Western lines. The United States and NATO should consider a policy of differentiation in extending such aid: Those countries that demonstrate a real commitment to democratic reform merit greater support. It is difficult to imagine circumstances that would warrant direct military intervention by NATO forces across the full spectrum of potential conflicts.

- U.S., Western, and NATO resources are limited. Western objectives for the region must therefore be fairly modest.
• Although Russia is weak and distrusted throughout most of the region, it nonetheless is likely to remain an influential power and, in some cases, the predominant power in the Caspian for some time. Hence, 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 initiatives in the region, if sensitively implemented, need not work at cross-purposes with a strategy of engaging Russia on matters of concern to the West.

• Given higher priorities and U.S. and allied commitments in other regions of the world, the Alliance should avoid creating expectations among the Caspian states that NATO’s interests are so important that it will extend security guarantees vis-à-vis Russia. NATO is probably not prepared to deliver on such promises.

If these considerations are taken into account, the emerging security environment in Central Asia and the south Caucasus is likely to have minimal implications for NATO’s security commitments or military plans, activities, and force posture. The growing and important 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 security environment.

Because there is no direct role for NATO forces to play in responding to the threats and opportunities in the changing Caspian security environment over the next decade, the Alliance does not need to consider major changes in force planning or force structure resulting from regional developments. To be sure, NATO's peacetime engagement (e.g., training exercises, deployments, military-to-military contacts, etc.) has value in demonstrating Western interest, bolstering the independence of the Caspian states, and promoting regional security cooperation. However, resources are limited and many NATO countries harbor serious reservations about raising the Alliance’s military and political profile in the region. NATO’s peacetime military activities may carry the downside of creating false expectations about the Alliance’s security commitment to the region and inciting a Russian backlash. Accordingly, the United States and NATO should proceed cautiously in expanding military relations with
the Caspian states and involve Russia as much as feasible in the planning and implementation of these activities.

Nonetheless, the possibility cannot be ruled out that Russia could get peacekeeping “fatigue” in the Caspian and turn to other organizations, including the UN, OSCE, and NATO, to shoulder some of this burden. Should this happen, NATO could face requests to provide units or assets for peacekeeping operations. Such operations could 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. In all these contingencies, the United States Air Force is likely to face demands on combat aircraft and other specialized units such as airlift, early warning, and intelligence assets. However, until Russia softens its attitude toward a NATO role in Central Asian peacekeeping operations, any NATO planning for such contingencies should only be undertaken as part of a broader dialogue with Russia and the OSCE.

In sum, NATO faces serious limitations on its ability to project influence in the region and solve the most difficult challenges facing the Caspian states. The key objectives of Western policy should be to promote democratic reform, market economies, and nation-building to help mitigate the root causes of conflict and instability. Simply put, NATO’s interests in the Caspian and the threats to those interests are not commensurate with the Alliance aspiring to play a major security role in the region. 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 there.²

In light of these considerations, as well as the Alliance’s more pressing priorities on its immediate eastern and southern periphery, deepening NATO engagement in the Caspian region should not command a high priority in terms of resources, planning, or forces. In view of the West’s limited interests and leverage in the region and the dangers of

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NATO overextension, the Alliance should focus its military assistance efforts on promoting restructuring and training, while resisting new commitments and security responsibilities in the Caspian region.