

US engagement in the Caucasus: Changing gears

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America's influence in the South Caucasus has gradually but continuously been on the rise since the independence of the South Caucasian states in 1991. While the United States has become an ever more important actor in the politics of the region, American interests in the South Caucasus have remained in a state of flux. Support for the independence of these states and for their democratisation and integration in Euro-Atlantic structures were initially enunciated as principles of US policy, while Washington identified few crucial national security interests in the region. In the mid-1990s, energy politics grew to become the main driving force of US attention to the region. While the strategic importance of the South Caucasus had been noted, strategic issues did not become a major consideration in the formulation of US policy until September 11, 2001, the events of which made the South Caucasus an important building block of the prosecution of the global war on terrorism. The developments in Eastern Europe, the Middle East and Central Asia in the past three years indicate that American interests in the South Caucasus will continue to grow in the foreseeable future. The ensuing increased American presence in the South Caucasus is nevertheless likely to confront substantial challenges.

US Policy in the 1990s: 'Sovereignty, Energy, and Security'

The United States was one of the first states to establish diplomatic relations with the countries of the South Caucasus. As in other parts of the former Soviet Union, the main US policy principle was support for the sovereignty and independence of the newly independent states and for the advancement of liberal democracy and market economies in the post-Soviet space. Yet the armed conflicts that raged in the Caucasus in 1991-94, America's other post-cold war preoccupations (such as the Balkans, Somalia, and in general the building of a new world order), and the perceived absence of important national security interests in the South Caucasus precluded a significant US engagement with the region on a political level. Nevertheless, the Department of Defense had by 1994 singled out the South Caucasus as a strategically important region, not least given its potential to form an area of secular, independent and Western-friendly states between Russia and the Middle East.² At the time, this realisation had nevertheless not reached the political level.

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² Sherwood-Randall, Elizabeth, 'US Policy and the Caucasus', *Contemporary Caucasus Newsletter*, Berkeley Program in Soviet and Post-Soviet Studies, no. 5, Spring 1998, pp. 3-4.

The South Caucasus instead gained increasing awareness in the US in the mid-1990s mainly due to the emerging Caspian oil boom. With the discovery of significant oil reserves and the substantial presence of US oil companies in their exploration, the US came to lend significant support to the development of Caspian energy resources. This interest had three main drivers. The first was the perceived role of energy production in strengthening the sovereignty of the regional states; the second was support for US corporate interests; while the third was the role of Caspian resources as an important source of non-Middle Eastern energy, and therefore in global energy security. These factors explain the persistent and official US support for the concept of Multiple Pipelines, i.e. a policy to deny any one regional power (implicitly Russia) a monopoly of the transportation of Caspian resources to international markets, and thereby to strengthen the independence of the regional states. In this policy, the main element has been the building of a Baku-Tbilisi-Ceyhan pipeline connecting Azerbaijan's Caspian coast to Turkey's Mediterranean coast via Georgia. The eventual building of this much-criticised pipeline, which is estimated to be fully operational by mid-2005, represents a major achievement of American policy in the region.

The unruly character of the region nevertheless posed problems for the United States. First among these was the conflict between Armenia and Azerbaijan over Nagorno-Karabakh. This conflict formed a major impediment to the building of a peaceful and stable Caucasus and to the restoration of normal economic relations in the region. The powerful Armenian lobby in the US Congress had succeeded in imposing language (sponsored by Senator John F. Kerry in the senate) in section 907a of the 1992 Freedom Support Act that prohibited US government-to-government aid to Azerbaijan. This provision, which all US Administrations have opposed but failed to remove, formed a formidable obstacle to US efforts at acting as an honest broker in the conflict.³ Georgia's continued instability and weakness formed another major threat to the stability of the region and to US goals of seeing the South Caucasus develop a transit corridor from the Caspian Sea to Europe. This continued instability in the South Caucasus also thwarted any existing ambition in the Department of Defense to develop closer security links with the region. Azerbaijan and Georgia were both increasingly aligning themselves with US foreign policy and sought integration in Euro-Atlantic structures, while Armenia's deepening ties with Moscow made its foreign policy more cautious. Yet Section 907, which practically prevented the US from security assistance to Azerbaijan, and the chaotic environment in the Georgian state bureaucracy and particularly the mismanaged military, prevented closer security co-operation. In a sense, this indicated the partial success of Russia's apparent policy to ensure a controllable level of instability in the South Caucasus to ensure its primacy in the region.⁴

³ Thomas Goltz, 'Catch-907 in the Caucasus', *The National Interest*, Summer 1997.

⁴ For a more detailed discussion of Russia's policy see Svante E. Cornell, *Small Nations and Great Power: A Study of Ethnopolitical Conflict in the Caucasus*, Richmond: Curzon Press, 2001, pp. 333-365; also Svante Cornell, Roger McDermott, William O'Malley, Vladimir Socor, Frederick Starr, *Regional Security in the South Caucasus: The Role of NATO*,

September 11 and the Primacy of Security

Soon after the smoke cleared over the Pentagon and World Trade Centre, it became clear that the United States would pursue military action in Afghanistan. That action substantially altered the importance in US military planning of the southern regions of the former Soviet Union. The South Caucasus and Central Asia appeared indispensable for the successful prosecution of war in the heart of Asia. The former Central Asian republics, in particular Uzbekistan, became crucial for the basing of troops, for intelligence and for humanitarian co-operation. By early 2002, the US had established two substantial military bases at Khanabad in southern Uzbekistan and at Manas near Kyrgyzstan's capital, Bishkek. The US also initiated a train-and-equip program for the Georgian military, effectively intervening to defuse a growing crisis between Tbilisi and Moscow over the Pankisi Gorge along Georgia's Northern border with Chechnya. All Central Asian states, including neutral Turkmenistan, Kazakhstan, Georgia and Azerbaijan, granted the US landing rights, refueling facilities, or overflight rights.⁵ As Vladimir Socor noted, these measures were an historic breakthrough: one signifying the setting foot of Western forces in the heartland of Asia, formerly the exclusive preserve of land empires.⁶

The South Caucasus states, chiefly Georgia and Azerbaijan, were equally vital for logistical reasons. Transporting troops and heavy materiel from NATO territory or the mainland United States to Central Asia posed additional political challenges. Even after securing basing rights in Uzbekistan and Kyrgyzstan, the US Air Force still faced a virtual 'Caspian bottleneck'. Transiting US military forces over or through Iran was not an option. Russia was more willing to co-operate, opening its airspace for humanitarian and logistical flights, but refusing to grant the use of Russian airspace to US combat aircraft.⁷ This left only the South Caucasian states — most notably Georgia and Azerbaijan — which were among the first in the world to support the US in its Global War on Terrorism.⁸ Their airspace was the only realistic route through which military aircraft could be deployed from NATO territory to Afghanistan.

Operation Iraqi Freedom in spring 2003 further illustrated the importance of US bases in the region bordering the Middle East. The Turkish parliament's decision not to permit US forces to open a second front in northern Iraq was a stark reminder that the United States could not take basing rights in established allies for granted. Some suggested Georgia might serve as a backup to Turkish bases.⁹ Likewise, press

Washington: Central Asia-Caucasus Institute, 2004, pp. 16-33.

⁵ Colin Robinson, 'Worldwide Reorientation of US Military Basing: Part II: Central Asia, Southwest Asia, and the Pacific', Center for Defense Information, Military Reform Project, 7 October 2003. (<http://www.cdi.org/friendlyversion/printversion.cfm?DOCUMENTID=1759>).

⁶ Socor, Vladimir, 'Cheek by Jowl in Kyrgyzstan', *The Wall Street Journal*, 8 August 2003.

⁷ Adam Albion, 'US Men and Materiel Reportedly Land in Uzbekistan', *RFE/RL Central Asia Report*, vol. 1 no. 10, 28 September 2001.

⁸ Kenneth Yalowitz and Svante Cornell, 'The Critical but Perilous Caucasus', *Orbis*, vol. 48 no. 1, 2004.

⁹ Igor Plugatartarev, 'Georgia is Prepared to be a Staging Area for the United States',

reports in both the West, Russia and Iran speculated that Azerbaijan might serve as a staging area for US operations against Iran. In general, the pattern of US global military repositioning indicates that a patchwork of smaller, more rudimentary, and easily upgradable military bases are likely to develop, including in Central Asia and the Caucasus.¹⁰

As far as the South Caucasus is concerned, the United States has by early 2005 not initiated the deployment of a military base in the South Caucasus. The main US initiative in the region has been the Georgia Train-and-Equip Program, deployed in 2002, which was renewed in 2004 in spite of indications to the contrary. There are clear indications of a desire on the part of the US Department of Defense for a military presence in Azerbaijan. Not least, Secretary of Defense Donald Rumsfeld's two visits to the region in a twelve-month period in 2003-2004 is an indication of a growing US interest in the country. During his December 2003 meeting with Azerbaijani President Ilham Aliyev, US Secretary of Defense Donald Rumsfeld expressed an interest in establishing an air base on the Apsheron peninsula outside Baku — an objective long sought by the US Air Force.¹¹ Meanwhile, the Department of Defense has taken a greater interest in the Nagorno-Karabakh conflict and reportedly identified it as an impediment to the advancement of US national security interests in the region.¹²

These steps all indicate an increasing primacy of security issues in US policy towards the South Caucasus. However, this shift in motivations has not reduced but in fact strengthened the other main drivers of US policy. Firstly, support for the independence of the regional states has become increasingly crucial. The experience of September 11 is an important lesson in this regard: the reaction and response of the regional states of Central Asia and the Caucasus to the terrorist acts were directly correlated to their level of independence.

States that had most strongly sought independence from Moscow in the post-Soviet period such as Azerbaijan, Georgia and Uzbekistan were the first to extend wide-ranging offers of assistance and cooperation with the US. On the other hand, those that had remained most closely aligned with Moscow such as Armenia and Tajikistan were much slower to react, unable or unwilling to make decisions

Nezavisimaya Gazeta, 14 February 2003.

¹⁰ David Rennie, 'America's Growing Network of Bases', *The Telegraph*, 9 November 2003; Paul D. Wolfowitz, Statement Before House Armed Forces Committee, US House of Representatives, 18 June 2003.

<http://armedservices.house.gov/openingstatementsandpressreleases/108thcongress/03-0618wolfowitz.html>;

Esther Schrader, 'US to Realign Troops in Asia,' *Los Angeles Times*, 29 May 2003, p. 1; Peter Grier, 'Lighter Footprint, Longer Range', *Air Force Magazine*, October 2003, pp. 48-53.

¹¹ Bradley Graham, 'Rumsfeld Discusses Tighter Military Ties with Azerbaijan', *Washington Post*, 4 December 2003, p. A23.

¹² See S. Frederick Starr, *Resolving Karabakh: Strategic Options for the US Government*, Washington: Central Asia-Caucasus Institute, 2004.

independently, instead awaiting Moscow's reaction. Secondly, the importance of Caspian oil has at least in the short to middle term increased. Soaring oil prices, decreasing stockpiles, the strengthening of hardliner power in Iran, unrest in Iraq and instability in Saudi Arabia and Venezuela have all contributed to making the Caspian region seem increasingly attractive as an oil supplier. Finally, the Rose revolution in Georgia and the significant US role therein it has in a sense disproved the thesis that strategic engagement on the part of the US automatically leads to a larger reliance on authoritarian regimes.¹³ US relations with Azerbaijan are another indication of this, in spite of criticism of US tolerance of the Aliyev regime. In spite of the considerable US interests in the country, Washington has at least diplomatically kept Baku at arm's length since the 2003 elections that brought Ilham Aliyev to power. For example, Aliyev was not invited to Washington during his first 14 months in office, generating considerable dismay in Baku. Finally, the US Congress in July 2004 decertified Uzbekistan on the basis of its failure to improve its Human Rights situation, thereby freezing substantial portions of US aid to the country. As the events in Georgia and Ukraine show, the Bush Administration is pragmatically supportive of democratisation efforts. Where opposition forces have widespread public support and incumbent regimes lack legitimacy, US efforts at promoting a peaceful regime change do take place. But where opposition is weak and divided and incumbent regimes enjoy a modicum of public legitimacy as in Kazakhstan, Azerbaijan and Uzbekistan, pragmatism prevails.

US Strategic Interests

The changing geopolitical climate in the past three years has made the South Caucasus an increasingly important component of US foreign policy. US interests in the region have yet to be formulated and are in any case in a state of constant flux. Nevertheless, a number of main interests can be outlined as follows:

Geopolitical

The geopolitical importance of the South Caucasus is gradually gaining attention in various agencies of the US government. Its proximity to Russia, Iran and the Middle East is the primary facet of this importance. In this unruly area and given increasing suspicion in Russia toward Western and particularly American intentions, the role of the South Caucasus as small, friendly states striving for integration into Euro-Atlantic structures is unique. While the Iraq war may in the short term have diminished the attention span in Washington to the Caucasus and Central Asia, in the longer term the enduring US presence in the Middle East only increases the value of the South Caucasus as a strategic outpost. Meanwhile, already in the short term, the strengthening hardliner power in Iran and the brewing tensions over Iran's nuclear program increase the strategic importance of the Caucasus, and particularly Azerbaijan — vindicating Zbigniew Brzezinski's depiction of the country as a

¹³ See Charles Fairbanks, 'Georgia's Rose Revolution', *Journal of Democracy*, vol. 15 no. 2, April 2004, pp. 110-124.

geopolitical pivot.¹⁴ In a broad sense, America's engagement with counter-terrorism and the promotion of security, stability and liberty in the 'arc of instability' extending from North Africa and the Middle East over Central, South and Southeast Asia is increasing and in all likelihood enduring. Within this larger geo-strategic sphere, the role of the South Caucasus as a strategic crossroads is increasingly obvious.

Central Asia

Concretely, the chief immediate role of the South Caucasus for the United States is as a point of access to Central Asia. America's military presence in Central Asia and its engagement in the building of a stable and democratic Afghanistan would be severely hampered by a loss of rights to transit the South Caucasus. Again, Azerbaijan stands out as the only state bordering both Iran and Russia, and therefore the single state whose co-operation is necessary for the United States in fulfilling its mission in Central Asia and Afghanistan. It could even be argued that lack of access to Azerbaijan would jeopardise America's engagement in Central Asia, reducing the viability of its military presence there. As US presence in Central Asia and Afghanistan is likely to remain in some form in the foreseeable future, this will contribute further to the increasing role of the Caucasus in US national security.¹⁵

Energy

Energy security remains a major facet of US policy in the South Caucasus though partially eclipsed by security interests in the past three years. The coming online of the Baku-Tbilisi-Ceyhan pipeline in mid-2005 will effectively link the Caspian basin and global markets in an East-West direction. This has the potential of developing into a fully-fledged transit corridor between Europe and Central Asia, as originally envisaged by the practically defunct TRACECA (Transport Corridor Europe-Caucasus-Asia) project launched by the European Union in the early 1990s. The building of a parallel gas pipeline linking Baku and Erzurum is likely to be the first step in this direction, with road and rail links to follow to connect the Black and Caspian seas. As far as fossil energy sources are concerned, the trends in the global oil market are also an important factor. Global demand is fueled by growth in Asia, which is a long-term phenomenon; meanwhile, oil companies are forced to invest in smaller, as well as technically and/or politically more complex areas in order to maintain production levels and market shares. This is likely to ensure continued high oil prices, making the relatively expensive Caspian reserves all the more attractive. The relative unrest in the area, moreover, is likely to be an increasingly

¹⁴ Zbigniew Brzezinski, *The Grand Chessboard*, 1997.

¹⁵ For more detailed arguments on the likely longevity of US policy in Central Asia, see Svante Cornell, 'The United States and Central Asia: In the Steppes to Stay?', *Cambridge Review of International Affairs*, vol. 17 no 2, July 2004; Cornell, 'Entrenched in the Steppes: The US Redraws the Map', *Foreign Service Journal*, April 2003; Cornell, 'America in Eurasia: One Year After', *Current History*, October 2002.

minor impediment to the energy industry as comparable or worse levels of instability characterise most important source areas, from Venezuela to the Middle East.

Symbolic

Given the rising levels of anti-Americanism in Eurasia and specifically in the Muslim world, US stakes in Azerbaijan will grow at a commensurate pace. Indeed, Azerbaijan is unique as a moderate, secular, and relatively free Muslim country with a Shi'a majority. Notwithstanding its continued democratic deficit, its relatively liberal political climate and secular state are enhanced by the comparatively strong level of secularisation also in the country's society.

Gradually advancing freedom

The South Caucasus also carries importance as regards the openly stated US policy goal of fostering freedom in the world, enunciated with greater vigour with George W. Bush's second inauguration. Among former Communist transition countries, those located primarily in Central and Eastern Europe have gradually developed toward consolidated democracies. On the other hand, Russia, Belarus and the Central Asian states are tending toward the consolidation of authoritarian rule. By contrast, the states of the South Caucasus are torn between equally strong tendencies toward authoritarianism and democratisation. Georgia's rose revolution is the most clear example of this. Throughout the region, relatively open societies with multi-party systems and somewhat free press co-exist with authoritarian-minded executives, including in the post-revolution Georgia. In this sense, the states of the South Caucasus are countries where a gradual consolidation of democracy can be imagined. While not at the top of the agenda, this factor is likely to be a facet in American interest in the region.

Challenges to American Policies

While America's role in the South Caucasus is set to continue growing, it is nevertheless confronted by several challenges. These include American domestic challenges, challenges in the region itself, and challenges by external powers. In the United States, two main challenges stand out: the attention span of the Administration and the constraints imposed by ethnic lobbies. In the past four years, the Bush Administration's policies toward the region have lacked consistency and coherence. No clearly articulated policy toward the South Caucasus was developed, and as a result policy moved on an ad hoc basis. Meanwhile, while the region's importance is gradually acknowledged, it remains far from the top of America's concerns. The Global War on Terrorism, Iraq, Afghanistan, and bilateral relations with Russia are only some of the issues that are of higher importance than the South Caucasus per se. This implies that US policy toward the South Caucasus remains hostage to developments on other fronts of US policy, and the role of the region in relation to these threats. The extent to which the Administration will be bogged down in other issues will clearly affect its ability to devote time, resources and not

least high-level attention to the South Caucasus. This in turn will affect the viability and the implications of America's role in the region. The irony is that a sustained though not particularly time-consuming attention to the region would likely generate substantial results, while the lack thereof spurs doubts and questions regarding America's commitment to the region. This not only harms American interests in the region, but also has a destabilising effect as it encourages other forces to test America's resolve.

The United States is the main possible 'honest broker' in the conflict between Armenia and Azerbaijan. None of the two distrusts the United States, which can be said for no other power in the region. Meanwhile, the United States has the potential leverage and policy coherence that the European Union lacks. Having a large Armenian community and a significant strategic interest in Azerbaijan, the US is the only power that has an incentive in resolving the conflict irrespective of the form that resolution takes. Yet as long as the US is unable or unwilling to seriously work toward a resolution of the Armenian-Azerbaijani conflict, the strength of the Armenian lobby in Congress will hinder the US from furthering its security interests in the region. For example, the Department of Defense regularly submits requisitions for substantially larger amounts of military aid to Azerbaijan than to Armenia to Congress; while Congress invariably imposes parity in military spending on the two countries. Moreover, President Bush after September 11, 2002, waived Section 907a of the Freedom Support Act, but has not yet managed to have the measure completely removed by Congress. As a result, America's ability to provide assistance to Caspian security, for example, is hampered while a major irritant in US-Azerbaijani relations remains in place. This is in all likelihood a main reason for the Department of Defense's increasing interest in addressing the Armenian-Azerbaijani conflict.

Within the region, the risk of renewed military conflict is a leading challenge to US interests. With three unresolved territorial conflicts, the risk of renewed warfare is increasing by the year. As frustration in Azerbaijan and Georgia over their failure to restore their territorial integrity increases, the temptation to resort to force also grows, as illustrated by the abortive Georgian campaign in South Ossetia in Summer 2004. Renewed armed conflict would destabilise the region and risk the involvement of regional powers including Russia, Turkey and Iran, and would thereby constitute a major threat to long-term US interest in the region. Secondly, the domestic political developments in the countries of the South Caucasus are a challenge in their own right. In particular, further authoritarian tendencies in any of the three countries would put their relations with the US at risk. As illustrated by the withdrawal of aid to Uzbekistan in 2004, the US, and particularly Congress, is ready and willing to sanction countries considered key allies against terrorism over human rights issues. Likewise, Armenia's image in Washington has diminished considerably with the increasing authoritarian tendencies of President Robert Kocharyan, and the State Department's cool attitude toward President Ilham Aliyev are examples of this. Even in the case of Georgia, a tendency toward relapse into authoritarian behavior by President Saakashvili has already been noted by civil

society movements. Should the situation in Georgia deteriorate, American enthusiasm and commitment to Georgia's sovereignty and development would likely be affected.

Finally, the attitude of regional powers consists a formidable challenge to the US in the region. In Moscow, America's role in the region is viewed with great apprehension, especially following the upheavals in Georgia and Ukraine that many Russian analysts consider American-generated. Especially following the strong Western support for the Ukrainian 'orange revolution', Moscow's fear of Western encroachment are heightened. Russia already in January 2005 vetoed the continuation of the OSCE Border monitoring mission on the Ingush, Chechen and Dagestani sections of the Russian-Georgian border, and reiterated allegations of terrorism emanating out of Georgia. These moves indicate a less co-operative Russian stance on the South Caucasus as of early 2005, and potentially increasing reactions to American actions in the region. Most importantly, it indicates that Russian co-operation on a US-led peace initiative in the Armenian-Azerbaijani conflict is likely to be less than forthcoming.

Conclusions

This article has argued that the South Caucasus is increasingly important to US national security interests for a number of reasons, ranging from the global war on terrorism, access to Central Asia, energy security, and the symbolic importance of a Western-friendly region between Russia and the Middle East. In particular, NATO's obligations in Central Asia and Afghanistan and the geopolitics of the Wider Middle East have shifted to such a degree that America's wider interests would be negatively affected to a significant degree by instability and unrest in the South Caucasus. These interests therefore suggest that a larger American role unilaterally and through organisations such as NATO in strengthening the security of the South Caucasus are warranted and likely forthcoming. Among other measures, a US military presence in the South Caucasus seems a likely policy option for the second Bush Administration. Yet it is important for the United States to formulate and clearly present its policy guidelines in the South Caucasus, as the absence of such clear policy principles hampers the stability of the region. Most importantly, the United States is unlikely to realise its goal of a stable, Western-leaning and democratic South Caucasus unless it manages to address the core problem of the region: the conflict between Armenia and Azerbaijan.