SECTION 3

Problems in the South

The Myth of "the Great Game"

Since the emergence of the five Central Asian republics as well as Georgia, Armenia, and Azerbaijan in the south Caucasus, discussions of U.S. policy toward the Caspian region have been colored by the notion of "the new great game" or, more provincially, "the new gold rush." However, these are poor metaphors for understanding a region struggling with profound sociopolitical change, above all the challenge of creating effective states on tremendously weak foundations. They imply two fundamental misconceptions: first, that the United States has huge interests at stake in the Caspian region; and second, that rivalry with Russia is inevitable there.

In fact, the United States has only limited interests in the Caspian region. Oil in the Caspian is important, but proven reserves there are only 2 percent of global reserves, and their development is difficult and likely to be slow. The United States can perhaps be said to have a certain strategic interest in the continued independence and viability of these states in order to ensure peace, but it is not a vital interest and it seems unlikely that the United States would commit major resources to defend any of these states in danger of domination by a powerful neighbor. U.S. policy makers do themselves no favor by exaggerating the importance of the Caspian region. Doing so gives the leaders of these eight states an inflated sense of their own importance, which works against U.S. efforts to pressure them to accept democratic norms and pursue market reforms.

Russia, on the other hand, does view the states of Central Asia and the south Caucasus as strategically vital, because of their shared history with Russia, their geographic proximity, and the presence of a sizeable ethnic Russian minority in many of them. Thus, even as it retrenches globally, Russia remains willing to invest substantial resources to advance its national interests in the Caspian.

The asymmetries in the types and degrees of interests that the United States and Russia have in the Caspian will sometimes create tensions and rivalry between the two countries. Competition is not inevitable on every or even most issues, however, and the new administration has the chance to correct some mistakes in this domain by stressing cooperation rather than competition in U.S.-

Russian relations relating to the Caspian region. In particular, as discussed in this section, we recommend that the new administration:

- Seek new points of cooperation with Russia in Central Asia, particularly on emerging security threats such as drug-trafficking;
- Strongly support economic and political reforms in the three states of the south Caucasus as a means of promoting their long-term independence and viability; and
- Adopt a genuine "multiple pipeline" policy concerning Caspian oil and stop trying to limit Russian participation in its development.

Central Asia. The dominant question for Central Asia in the decade ahead is whether what are still quite economically and politically fragile states can meet the daunting range of challenges they face, from growing Islamist fundamentalist activity to rapidly increasing drug trafficking. The United States and Russia share an interest in helping these states meet these challenges.

Russian policy makers know that Russian security is compromised by the weakness of the Central Asian states. At the same time Russia is eager to engage with these states much more fully than is the United States. With more than 30 million Muslims living in their own country, Russians share the Central Asian leaders' preoccupation with the rise of Islamic radicalism, and see the presence of Islamic terrorist groups in the region as posing a direct threat to their own security as well as that of their neighbors. The Russians want the Central Asian states to be full partners in a Russian-dominated collective security arrangement, and they are willing to offer far more extensive and comprehensive security assistance packages than the United States.

Russia, which is likely to remain a security partner of these states for the foreseeable future, is substituting close cooperative arrangements for the permanent stationing of Russian troops on foreign soil. One challenge for the new U.S. administration is to work with these states to simultaneously develop close ties with NATO. It should continue to encourage the development of U.S. bilateral relationships that address the special needs of the Central Asian states and should use the special talents of NATO members or future members to do so. Since both the Poles and the Czechs have expertise in border defense, for example, U.S. funding could be used to help pay for their training of Central Asian border guards.

Although U.S. policy, like Russian policy, should aim at strengthening the Central Asian states, it should do so with a decisive emphasis on economic reform and democratization. The U.S. government must send a clear message to Central Asia's leaders that their authoritarian habits and economic reform failures are exacerbating the very security threats that plague them. U.S. democracy assistance to Central Asia should increase, especially through support for legal education and human rights groups. The work of these groups helps reduce inter-ethnic tension throughout the region, lessening the security risks that may further undermine these states.

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Central Asia's growing drug problem is an area of possible cooperation with Russia, so Russia should be included in all regional initiatives designed to identify and apprehend those involved with the drug trade. The United States should devote more resources toward drug prevention efforts in Central Asia. It will be impossible to eliminate the drug trade through Central Asia until peace is restored to Afghanistan, but it is important to take steps at least to reduce it. Tajikistan is already becoming a narco-state: money from the drug trade helps fund the state as well as line the pockets of government officials. Left unchecked, the drug trade will overwhelm southern Kyrgyzstan as well. Crop substitution programs still stand a good chance of success in Kyrgyzstan and are worth the investment of U.S. public funds.

The security of Central Asia will continue to be threatened as long as war and disorder prevail in Afghanistan. The United States and Russia should also explore their shared security interests in seeking a resolution to the Afghan conflict. Both states share a sense of the unacceptability of the current situation, as do all of the Central Asian states.

The South Caucasus. Developing a more cooperative relationship with Russia will be more difficult in the south Caucasus than in Central Asia. Unlike in the latter region, Russia fears that if the states of the south Caucasus—Georgia, Azerbaijan, and Armenia—become economically strong and politically consolidated, Russia's own stability might be jeopardized. Russia's concern is that greater independence on the part of the south Caucasus states could promote

secessionist ambitions among the nationalist-minded peoples of the north Caucasus, leading to a loss of Russian control over Dagestan and other parts of southern Russia.

The United States should give priority to the resolution of the international conflicts that are undermining the national integrity of these three states, as these ongoing disputes make Georgia, Armenia, and Azerbaijan vulnerable to pressure from Russia. A cooperative U.S.-Russian relationship in the south Caucasus would make the OSCE more effective in facilitating a settlement of the disputed status of Nagorno-Karabakh and Abkhazia.

The best way for these states to protect themselves over the long term would be to get serious about economic and political reforms and thus escape the trap of stagnant semi-authoritarianism that is threatening all of them. U.S. assistance should be focused on these goals. Assistance to Armenia and Georgia should be increased, with emphasis on market reforms and democratization, and section 907B of the Freedom Support Act should be repealed so that Azerbaijan can become a full recipient of U.S. assistance as well.

The United States should be working with these states to help them meet the necessary conditions for membership in the Council of Europe, as it is important that all three have as full an involvement with European institutions as possible.

At the same time, these states should not entertain unrealistic hopes about eventual NATO membership. Georgia and Azerbaijan should continue to receive military assistance through NATO's Partnership for Peace program, and the United States should continue to pressure Russia to make a full military withdrawal from Georgia, given that this conforms to Georgia's own wishes. At the same time, the United States must recognize that these states are likely to continue to maintain some degree of military cooperation with Russia. Azerbaijan recently joined the joint air-defense system of the Commonwealth of Independent States, and the United States should not be concerned if Georgia voluntarily decides to do so as well.

Revisiting the Oil Rush. The Caspian region matters to the United States because of its oil and gas reserves. Other countries, including Russia, Iran, and Turkey, as well as many of America's European allies, are greatly interested in the development of these reserves. And of course, the nations that possess the vast majority of this oil and gas—Azerbaijan, Kazakhstan, and Turkmenistan—want it developed, as do states that the resources might transit through, such as Georgia and even Armenia and Uzbekistan.

Caspian reserves are estimated at 15–40 billion barrels, or 2 percent of proven global reserves. Unproven deposits may be three times that high-end figure, making the Caspian fields more than twice as large as those of the North Sea. But development of these reserves is likely to be slow, given that the Caspian region is landlocked. In addition, secure routes are necessary to bring the region's oil and gas to market. These will be the first undersea deposits developed at a site without access to an ocean, and offshore platforms have to be erected outside of the area, broken down, shipped in, and rebuilt—a process that takes about two years. All this makes oil companies particularly sensitive to questions about the quality of the oil and the cost of extracting impurities, which are often considerable in Caspian oil.

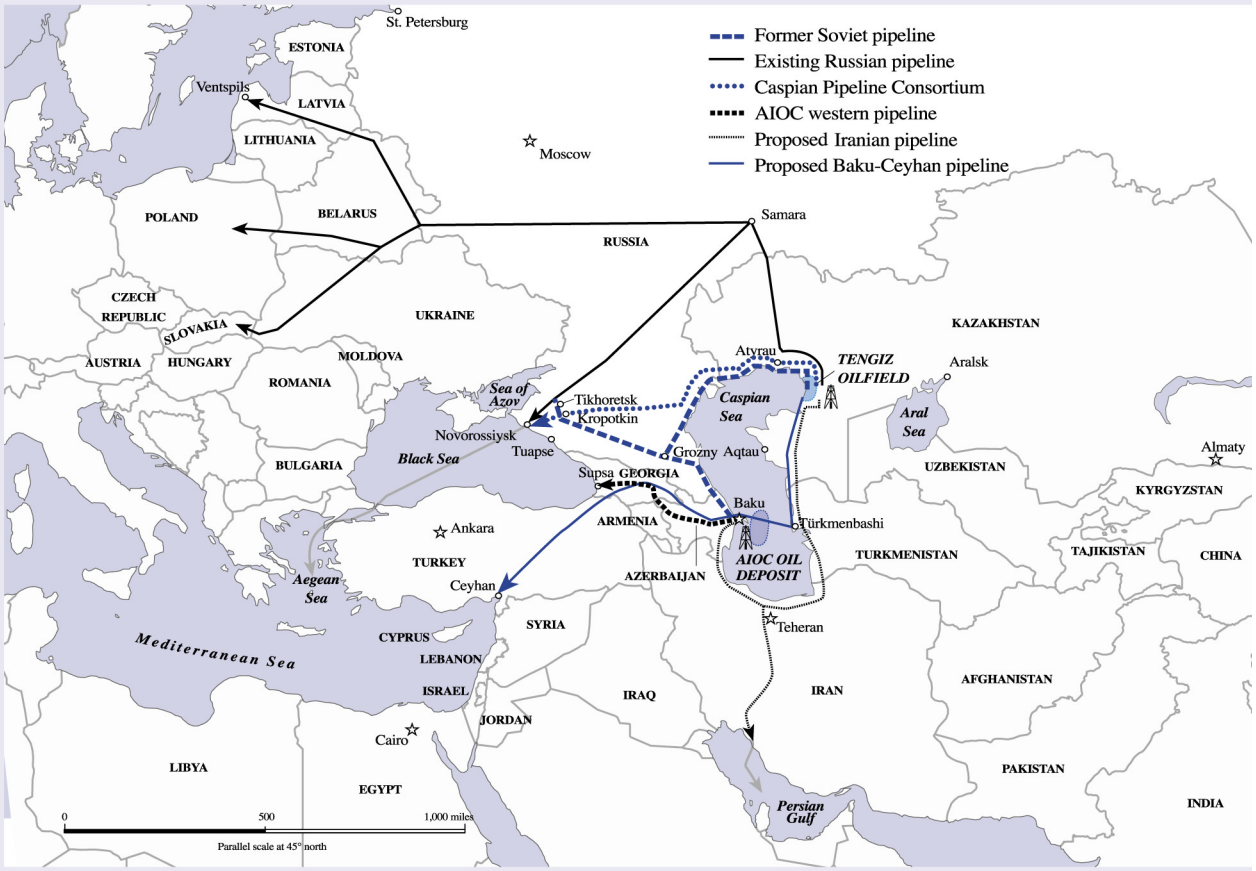
U.S. policy in the 1990s slowed the development of the Caspian reserves. Although nominally pursuing a policy of multiple pipelines, in practice the Clinton administration pursued what was essentially a single pipeline policy, pressing for a pipeline that will run from Baku, Azerbaijan, to Ceyhan, Turkey, as the region's main new export route, and for trans-Caspian oil and gas pipelines of much less importance to move Kazakhstan's offshore oil and Turkmenistan's gas.

This policy aimed to limit Russian involvement and bar Iranian involvement in Caspian oil development. In the end, it exacerbated tensions between the United States and Russia and did little to advance U.S. interests. While designed to enhance the independence of the Caspian states, it only served to weaken them by slowing the development of energy, hampering the economy of poorer states such as Georgia that stand to benefit greatly from the increased transit of oil and gas, and putting the richer states at risk as well. Moreover, U.S. efforts to win over the leaders of the resource-rich states furthered local corruption. Many of the region's leaders set themselves up as presidents for life, and huge signing bonuses never turned up in national treasuries.

The new administration should take a different approach. It should pursue a genuine multiple-pipeline policy, with several main elements. First, the United States should accept that market conditions alone will determine pipeline routes and should send oil companies clear signals that there will be no U.S. government subsidies to construct routes through Turkey or other favored nations. Hopes that the United States would subsidize the Baku-Ceyhan pipeline hindered the development of that route as well as alternate ones.

Second, the United States should try to get oil moving in as many directions as possible out of the Caspian states. The Baku-Ceyhan route should continue to be explored, but as a second-phase project, when off-shore oil from Kazakhstan is

Caspian Oil



being fully exploited. Until then, oil from Azerbaijan's large oil deposits should be shipped through Russia as well as through the existing Azerbaijan Intercontinental Oil Consortium (AIOC) pipeline route from Baku, Azerbaijan, to Supsa, Georgia, and then on to Turkey through the Turkish straits. U.S. loan guarantees should be offered to increase the through-put of the Baku-Supsa pipeline.

Third, the United States should let plans for construction of the trans-Caspian oil and gas pipelines die a natural death, as there is no real support for them from the energy companies or the nations involved. While Russian objec-

tions to both on ecological grounds are rather disingenuous, plans for the development of these pipelines are slowing the resolution of ownership issues surrounding the Caspian Sea itself. The latter must be resolved to ensure speedy and orderly development of the region's resources.

A cardinal feature of the proposed new policy is that the United States should no longer work to block the development of routes that go through Iran or Russia. These routes are the most economically attractive for marketing Caspian reserves. While both countries are competing energy producers, it is highly unlikely that they would be able to coordinate their oil strategies and simultaneously hinder the shipment of Caspian crude. This new policy would implicitly recognize that Russia is a stakeholder in the region, and give Moscow an economic incentive to foster progress on these new routes. Once Western firms are able to obtain financing for oil and gas pipeline routes through Iran, Teheran would become a stakeholder in Caspian development as well. If political liberalization advances in Iran, this could be part of a general normalization of U.S. relations with the country, but regardless, U.S. security concerns regarding Iran should not be used to undermine the goal of helping the states of the south Caspian region secure their economies.

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The United States should make the development of the legal infrastructure necessary to secure Western investment in the Caspian energy sector a real priority. The long-term viability of the Caspian states depends on the success of economic reforms, which are linked to foreign investment. States with strong economies will be less susceptible to Russian bullying, and the United States should work with the eight states of the region to ensure that they are maximizing their economic and political potential.

In short, the proposed new approach to Caspian oil and gas would help spur the economic development of the Caspian states and would do so in a way that leads to a strengthened U.S. presence in the area while enhancing the prospects of cooperation with Russia. No U.S. interest is served by maintaining a competitive relationship with Russia in the Caspian.

Unpleasant Realities in Chechnya

The single most important reason for the Chechen catastrophe of the past decade was the unnecessary and disastrous decision by the Yeltsin regime to invade Chechnya in December 1994, leading to the war of 1994–96 and immense death, destruction, and brutalization there. The second Russian invasion of Chechnya, in October 1999, was a serious mistake, but more understandable. It followed attacks from Chechnya to which any organized state, the United States emphatically included, would have felt compelled to respond by force of arms. The invasion of 1994, by contrast, was wholly unjustified. Yet at the time, so great was the desire of the Clinton administration to support Yeltsin against his domestic opponents that President Clinton and some members of his administration showed considerable sympathy for the invasion. Does that mean that the West has no right to criticize aspects of the present war? No, but Americans and Europeans alike should recognize that the application of morality in Western foreign policy has always been highly flexible, so there is nothing either new or dishonorable about continuing to employ such flexibility.

With this in mind, U.S. policy toward the present war in Chechnya should be built on a sense of ethical responsibility for the possible consequences of policy and an awareness of realities on the ground. It should avoid moralizing rhetoric and focus instead on the following goals:

- Furthering Western interests in the Caucasus region;
- Increasing regional stability;
- Maintaining reasonable working relations with Moscow, for the sake of wider U.S. interests;
- Upholding roughly consistent standards for the treatment of secessionist movements around the world; and
- Limiting specific human rights abuses and reducing civilian suffering.

The first step toward a correct understanding of the first and second goals is recognizing that it is emphatically *not* in the interests of the United States, the West, or the Caucasus that the Russians simply withdraw and Chechnya return to the condition it was in from 1996 to 1999. The banditry that flourished in those years was a threat to the region and to Western visitors to it. The establishment of a new base for international Muslim radicalism (and perhaps terrorism) posed a threat not just to the region, but to Western interests across the world

and to U.S. allies in the Middle East. This point has been fully recognized by the Israeli government but has yet to be fully understood by the U.S. foreign policy elite, to the genuine bewilderment and frustration of Russian officials. Few in the United States have stopped to think what the U.S. reaction would be to the establishment on America's borders of a powerful group of heavily armed Muslim radicals from various foreign countries, yet the answer is not difficult to find.

The second step is an honest recognition that the U.S. administration, and Western governments and commentators in general, while calling for a "peaceful" solution to the Chechen War have no idea what such a solution might be; the key reason is not indifference or lack of thought, but the fact that there *is* no solution to the current predicament. One may have been possible before the latest Russian invasion, but now it is far too late.

Calling for Russian negotiations with Aslan Maskhadov may make legal sense, because he is indeed the legitimately elected president of Chechnya. Unfortunately, however, by the middle of 1999 Maskhadov's authority had collapsed in the face of revolt by the warlords, the Islamists, and powerful members of his own regime. He was wholly unable to stop the invasion of Dagestan in August 1999, and today he controls only a small minority of the Chechen fighters in arms against the Russians. Shamil Basayev and other Chechen fighters have publicly threatened to kill Maskhadov and his family if he makes a deal with Moscow. The propaganda put out by both the Chechen radical nationalists and the international mujahedeen led by Ibn-Ul Khattab (for example, on the Internet at Kavkaz.org and Qoqaz.net) makes absolutely clear both their categorical rejection of any compromise and their commitment to a jihad to drive Russia from the whole north Caucasus.

In present circumstances, therefore, a Russian agreement with Maskhadov will not stop the war. Only a complete Russian withdrawal would do that even temporarily—and a withdrawal would lead not to the establishment of a stable regime but to a return to the conditions of last year. This would almost certainly be followed by Maskhadov's overthrow and a resumption of the campaign of Chechen radicals and international mujahedeen against Russia's presence in the whole north Caucasus. Such a development would be appalling for all the north Caucasian peoples.

This is the key difference between the situation today and that in the autumn of 1996, when the Russians believed that in Maskhadov they had a moderate, pragmatic Chechen nationalist interlocutor who would be able to establish his authority and would also seek a reasonable coexistence with Russia.

Since the return of the pre-invasion situation in Chechnya would be both very bad in itself and very bad for Western interests, it is irresponsible to advocate a "compromise." Such a compromise could in fact only be held in place by very large numbers of well-equipped and determined international peacekeepers. Such a force is exceptionally unlikely to be forthcoming; certainly no Western government would provide them, even if Russia agreed to their presence.

If peace is ever to come to Chechnya, it will be years after the removal of the present generation of leaders in both Chechnya and Russia, the destruction or expulsion of the international mujahedeen, and the growth of an organized mass Chechen nationalist party capable of mobilizing the population and negotiating with Moscow. At that point, it is possible that, as in Northern Ireland, sheer war-weariness will diminish the power of hardliners on both sides and allow a genuine compromise. For a long time to come, however, there will be little that the United States can do to bring this moment closer.

The U.S. administration, while calling for a "peaceful" solution to the Chechen War, has no idea what such a solution might be; the key reason is not indifference or lack of thought, but the fact that there is *no solution to the current predicament.*

Instead, the United States should concentrate on limiting regional dangers stemming from the war. Paradoxical as it may sound, the United States should exploit the opportunities the Chechen War offers to strengthen regional security and the stability and territorial integrity of friendly states in the region. In the key case of Georgia, this is already happening. Motivated above all by a desire to woo the Georgian government and thus help prevent Georgia from becoming a base and supply route for the Chechen fighters, Russia agreed in late 1999 to longstanding Georgian demands for the early withdrawal of two of the four Russian military bases in Georgia, at Gudauta in Abkhazia and Vaziani near Tbilisi.

The Vaziani base in particular has sometimes played a negative role (though its weapons also helped get rid of the unstable former president Zviad Gamsakhurdia in December 1991 and saved the Shevardnadze administration in October 1993). If properly conducted so as not to involve leaving Russian heavy

weapons in the hands of local militias, the withdrawal of Russian troops will strengthen Georgia and reduce illegitimate forms of Russian influence in the south Caucasus. This would also help Western interests in the entire region.

U.S. policy should now be dedicated to ensuring that Russia does indeed withdraw its troops from Georgia, and to deterring Russia from any pursuit of Chechen fighters into Georgia. However, the United States should also help Georgia to secure itself against infiltration by those fighters. Not only would their use of Georgian territory give Russia legitimate grounds to cross the international border in pursuit (as in the case of Turkey in its war with the Kurdistan Workers' Party, the PKK), but a major armed Chechen presence in Georgia would itself be a major threat to Georgian President Eduard Shevardnadze. He and his followers have not forgotten the Chechen role in the Abkhaz War or the close links between Chechen radicals and Georgia's armed Zviadist opposition.

Concerning U.S. protests over Russian human rights abuses, the new administration should essentially follow the existing course. Genuine Russian atrocities should be condemned, but a distance should be kept from the more extreme criticisms of Russia in the Western media. A future administration must not give the impression that it is supporting the Chechen fighters against Russia. Washington so far has been careful to stress its support for Russian territorial integrity and its opposition to terrorism; this should continue. U.S. policy so far has been broadly correct, but it has been formulated in the context of ill-informed and sometimes almost hysterical commentary, which continually risks pushing it off course.

For the Russian state, as for any state, the defense of its territorial integrity is a vital interest. Moreover, the Chechen War is no mere skirmish or "anti-terrorism operation," but a real war over real issues, in which more than 3,000 Russian soldiers have died. If a future U.S. administration wishes for reasonable working relations with Russia, then it must not give the impression of granting de facto moral and political support to the Chechen fighters—any more than it could support the Kashmiri fighters and still hope for good relations with India, or support the PKK and hope for good relations with Turkey. This is especially true given the glaring contrast—utterly infuriating to many Russians—between American media attitudes toward Islamic rebels in Chechnya and similar groups operating on the territory of various U.S. allies, like Turkey and Israel.

It is of course extremely unlikely that any U.S. government would deliberately support the Chechen fighters; but there are circumstances in which it might find itself trapped into such a de facto position. Such a problem would arise if major Chechen groups were to establish bases in Georgia and use them to continue the war, and the United States were to put strong pressure on Russia not to cross the border in pursuit (a situation analogous to the Turkish experience vis-à-vis PKK bases in Iraq or the Israeli experience in South Lebanon). Any deterrence of Russia from taking such action would have to be combined with real action to remove its cause.

Another need, however discomfiting, is for an honest recognition that when it comes to human rights abuses and minority rights, U.S. and European support for Turkey has greatly reduced the West's real moral standing and that of institutions like the Council of Europe. As far as most Russians are concerned, Western moral prestige is in any case virtually zero. Turkey may not have caused as many casualties among the Kurds as the Russians have in Chechnya, but its denial of the Kurds' ethnic, cultural, and linguistic rights has been far greater and more systematic. (Moscow has, after all, always and repeatedly offered successive Chechen leaderships the fullest autonomy—"Tatarstan Plus"—within the Russian Federation.) Turkey's policies have of course been criticized by the United States, but they have drawn no sanctions from either the United States or from NATO, which continues to view Turkey as a highly respected member. U.S. criticism of Russia needs to be shaped with these facts firmly in mind.

The United States also needs to stick to a much more precise, traditional definition of war crimes—to include torture, the execution of prisoners, rape, and the wanton, deliberate killing of civilians by ground troops, all of which have indeed occurred in Chechnya. Unfortunately however, when it comes to the bombardment of urban areas during military operations, several Western states, the United States included, have engaged in it at certain times and may have to again. The widespread media and NGO designation of the bombardment of Grozny as a "war crime" risks rebounding against Western soldiers in future wars. Indeed, fear of malicious or militarily illiterate prosecutions of U.S. servicemen has underlain U.S. opposition to the International Criminal Court.

Criticism of Russia should concentrate on real, universally recognized atrocities, and should be linked to demands that the International Committee of the Red Cross in particular be allowed to play its traditional role in mitigating the horrors of war. This criticism should, however, be sympathetically presented and linked to (entirely true) arguments that such atrocities only hurt Russia's struggle

for hearts and minds in Chechnya. Ideally, it should also be linked to offers of U.S. humanitarian aid to help Chechen refugees and civilians in general. It should be made clear to the Russians that continued mass atrocities will negatively affect attitudes in Congress and U.S. public opinion, and will therefore indirectly harm Russian interests over a range of other issues like further NATO expansion. However, this should be presented as a friendly warning rather than a threat.

This set of recommendations will strike many as bleak and cynical. They are, however, based on a realistic assessment of both U.S. interests and the situation on the ground. This approach is indeed more ethical than empty moralizing to Western domestic audiences, for it is also rooted in a sense of commitment to the well-being of the Caucasus and all its peoples. Wars tend to be stark affairs, with stark choices. In the case of Chechnya, it is not in the interests of the West or the Caucasus that Chechen radicals and international mujahedeen win this war.