The story of U.S. policy toward the countries on the Black and Caspian Seas is a brief one. Like other Soviet republics whose independent histories were interrupted by Russian (later Soviet) domination, the countries in the former Soviet south only regained their independence in the 1990s. During the Soviet era, Moscow’s control over its vast, eleven time-zone-sized territory was so complete that Washington’s Soviet policy barely acknowledged the diverse ethnic, cultural, political, and religious traditions of Caucasus and Central Asia, which are vastly different from those of Russia. Nor did the region’s mineral riches garner much U.S. interest, squeezed as they were under the thumb of Russian control, with a hostile Iran and an unstable Afghanistan to the south.

The messy and abrupt collapse of the Soviet Union left behind a number of newly independent states with different political traditions. Some—like Armenia or Georgia—had proud histories dating back to the time of Christ. When they emerged from ruins of the old USSR, they already possessed all the attributes that make a territory a country: a history, folklore, intelligentsia and, in some cases, ready-made governments waiting in exile. Across the Caspian Sea, however, the picture was very different. Kazakhstan, Uzbekistan, or Kyrgyzstan did not exist until being invented by Russian or Soviet planners. Unlike Central Europe or the western reaches of the former Soviet empire, no tradition of independent nation-states, at least along current borders, existed in Central Asia until the Russian arrival. The region’s proud city-states like Bukhara or Samarkand, which were centers of power, culture, and education in pre-Russian times, have been either destroyed or relegated to obscurity. The new borders drawn up by Russia’s imperial bureaucracy and later by Soviet planners were designed to divide more than unite. Entire ethnic groups were resettled or carved apart by borders and new ones were created, all in an attempt to create areas of permanent instability and thus guarantee the need for continued Russian or Soviet military and political presence.

All this made creating a U.S. policy toward the former Soviet south a nightmarish task. Each state or group of states represented a bundle of different problems. The transition to independence was anything but smooth, with civil wars breaking out in Azerbaijan, Georgia, and Tajikistan. The United States not only faced the task of defining a coherent role for itself in the area, it also often struggled to simply keep up with the waves of violence that toppled governments.

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(Georgia and Armenia), tore apart countries (Georgia and Azerbaijan), or savaged the civilian populations (Tajikistan). Not surprisingly, U.S. policy in the region, at least in the early to mid-1990s, focused on simply keeping the countries from falling apart or turning on each other.

At the same time, the countries of the former Soviet south—particularly those in the Caspian Sea basin—came to enjoy something of a boom in foreign policy circles in Washington. This renaissance was fueled by the lure of the region’s oil and the enduring mystique of the “Great Game,” the nineteenth-century race between Russia and Britain for military conquest of Central Asia. The Great Game is little more than a memory now, but the oil and gas in the region are real. To make sure they fall into the right hands, the U.S. State Department even created a special office of Caspian Basin Energy Diplomacy to coordinate U.S. policy toward oil-rich Azerbaijan and Kazakhstan as well as the neighboring (and thus potentially transit) countries. The U.S. interest in Caspian energy resources themselves had all the qualities of an old-fashioned oil boom; after briefly dominating the foreign policy discourse in Washington in the mid-1990s, it was eclipsed by missile defense after the arrival of George W. Bush to the White House and was finally virtually erased from the public discourse (but not the diplomatic one) after the attacks of September 11, 2001.

In the course of the eleven years since the breakup of the Soviet Union, a set of dominant principles guiding U.S. policy toward the former Soviet south has emerged. The list itself remains fluid and—as Sept. 11 showed—prone to radical and sudden changes. But three general goals seem to drive Washington’s policy today: the desire to secure the region’s energy resources, democracy building and conflict resolution, and efforts to keep radical terrorist movements from gaining a foothold in the region, both in the Black and Caspian Sea basins as well as in the larger neighborhood.

**Energy Resources**

Oil is simultaneously the most important factor of U.S. policy and the most misunderstood one. First, let’s dispose of the myths. The Caspian is not the next Middle East, nor will the oil there significantly affect the U.S. supply/demand problem in the long run. (The Caspian Sea gas reserves are much more promising, but the exports will primarily go to Turkey, Western Europe, and possibly to Asia.) The Caspian countries (with the exception of Iran) simply do not have enough oil to seriously add to the world’s reserves in the long term, and their impact on oil prices will also be limited. Their potential contribution to U.S. energy needs is minimal. The United States still produces about half the oil it consumes, and of
the other—imported—half, most comes from sources in America, especially from Venezuela and Canada.\footnote{2 See the web site of the U.S. Energy Information Administration for data on U.S. oil production and consumption, http://www.eia.doe.gov/}

The gap between what the United States produces and what it consumes is expected to grow; oil reserves on U.S. territory are increasingly scarce, while consumption is expected to grow by as much as twenty-five percent over the next twenty years,\footnote{3 International Energy Outlook 2002, Table A4: World Oil Consumption by Region, Reference Case, 1990–2020, U.S. Energy Information Administration. <http://www.eia.doe.gov/>.} necessitating the search for more foreign sources of oil. However, much of the increase in imports will come from the Middle East, which is home to the lion’s share of the world’s proven oil reserves. The Caspian, with oil reserves roughly equivalent to those of the North Sea, is simply not in a position to help make up the expected shortfall in U.S. oil needs.

Nevertheless, it is the policy of the United States to diversify sources of oil, not only for itself but also for other oil importers. The idea is to reduce dependency on any particular region, and to reduce the potential of a political upheaval in one country/region to significantly affect oil supplies and thus to bring about a global economic crisis. The switch to new exporters outside the Organization of Petroleum Exporting Countries (OPEC) also helps keep global oil prices down: “The addition of Caspian oil could weaken the OPEC monopoly, providing greater leverage over the pricing policies of Saudi Arabia and other OPEC countries, ultimately contributing to lower world oil prices,” one American expert told the U.S. House of Representatives.\footnote{4 Brenda Shaffer, “U.S. Policy Toward the Caspian Region: Recommendations for the Bush Administration,” CSP Policy Brief #5, Caspian Studies Program, Cambridge University, July 2001.}

Moreover, American firms are among the world’s largest oil producers, and their interests in developing and exporting Caspian energy resources neatly coincide with U.S. desires to add to the world’s sources of oil.

The task of developing Azeri or Kazakh mineral riches, however, requires a lot more than opening doors for U.S. oil companies to the producer countries. The Caspian is a treacherous territory for doing oil business. Most of its oil deposits are under water, and the actual legal status of the Caspian Sea has yet to be defined eleven years after the collapse of the USSR (the Caspian is considered a sea by some countries and a lake by others). An April 2002 conference of the presidents of the five littoral states, which was meant to divide up the sea’s surface and bed, ended in acrimony. Ownership of a number of oil fields is being disputed—Azerbaijan and Turkmenistan went to court over one such field, and in summer 2001 the Iranian Navy forced a British Petroleum exploration vessel from a disputed area near the Azeri-Iranian border. Producers are understandably shy about investing millions of dollars in wells that could be expropriated or destroyed in an attack.
Exporting the oil is also proving a challenge. The shortest route connecting the Caspian oil to the world’s shipping routes leads across Iran. But the U.S. embargo on trade with and investment in Iran has ruled out this option for the foreseeable future. The straight line west, through Armenia, is also out of the question because of Azerbaijan’s and Turkey’s blockade dating back to the 1994 Nagorno-Karabakh war. A new pipeline is scheduled to connect Azeri (and possibly Kazakh) oil fields to Turkey via Georgia, but the companies have yet to break ground on this expensive and somewhat controversial project. Pipelines across Russia are frowned upon by producer states, but for the time being remain the only alternative, together with a smaller pipeline running through Georgia.

U.S. interest in exploring Caspian oil therefore dictates a multi-faceted approach. Washington will strive to inculcate more political stability in the countries involved (through training local political elites, training and equipping security forces), strengthen their external security (through military presence, joint exercises, training), and to encourage and assist in the settlement of regional conflicts. The actual task of facilitating access for U.S. companies to the Caspian oil contracts has proven the least of the U.S. administration’s worries. The governments in the region tend to view commercial linkages with U.S. companies as a strategic gain, and are generally eager to involve American money and know-how to the maximum extent possible.

But the attraction of Caspian oil to the United States clearly has its limits. Unlike, for example, Saudi Arabia, the former Soviet south doesn’t hold enough mineral reserves to be considered strategic and indispensable to the United States. Other interests argue against too much involvement. Washington has long been reluctant to offer substantive military aid or to deploy troops in Caucasus and Central Asia for fear of alienating Moscow (the terrorist threat, not oil, changed that mindset after September 11). Nor were the countries of the Caspian brought into NATO, despite repeated requests by Georgia and Azerbaijan for inclusion in the alliance. As the influential RAND Corporation concluded (before September 11), “NATO and the West do not have vital interests at stake in the Caspian region… NATO’s engagement in the Caspian should not command a high priority in terms of resources, planning, or attention.”

It would also be wrong to view the limited U.S. involvement in the Caspian basin exclusively through the prism of oil and gas. Military assistance and joint training serve a number of other useful purposes. Prevention of future conflicts in the Caucasus is a goal in its own right, regardless of the region’s mineral reserves. Increasingly, U.S. policy toward the former Soviet south—and U.S. foreign policy in general—is dominated by a single-minded determination to prevent future terrorist attacks against the United States.

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Terrorism

September 11 focused the collective energies of America’s foreign policy and defense establishments on fighting terrorism. U.S. attitudes toward the Caspian and Black Seas were swept up in the same wave of changes, perhaps even more so than in cases of other regions because of the proximity of the Caspian to Afghanistan. The basic outlines of U.S. counterterrorism efforts in the region are well known: U.S. forces have been conducting military operations against the Taliban and Al-Qaeda from newly established military bases in Tajikistan, Uzbekistan, and Kyrgyzstan. It is less well known that U.S. counterterrorism assistance to Central Asia predates September 11 by almost two years. For the past few years, Washington has played a delicate game of aiding Central Asian states in their fight against militant Islamism while trying not to torpedo U.S.-Russian relations, a game that has changed dramatically after the World Trade Center disaster.

Most Central Asian states have been fighting the same Afghanistan-based forces now pursued by the Americans—the Taliban and Al-Qaeda—for years. The radical Islamic Movement of Uzbekistan (IMU) has been a particular worry; based in Afghanistan, the IMU made several forays into Tajikistan, Uzbekistan, and Kyrgyzstan, where it attacked local security forces and kidnapped foreigners for ransom (the IMU leader has reportedly been killed in U.S. bomb strikes last year). Most Central Asian regimes view radical Islam as the single largest threat to their survival, and have launched security operations against the militants and their supporters, arresting thousands of real (and sometimes just imagined) enemies.

But Central Asian countries are generally poor, and the readiness of the militaries they inherited from the Soviet Union ranges from poor to practically nonexistent. The fight against terrorism required that they seek assistance from whatever country could provide the most financial and military support. The answer most often came in the form of assistance from Russia, which also fought some of the same radical Islamic forces in Chechnya. Under the auspices of the Commonwealth of Independent States, the security and economic association of former Soviet republics, Russia and the Central Asian states held numerous counterterrorist exercises. But Russian aid came at a price: Moscow’s weapons and money bought influence, if not outright dominance, in the region and solidified Russia’s control over the Caspian’s mineral resources.

The United States, wary of alienating Moscow but eager to nudge Central Asian states toward full political and economic independence, quietly and cautiously began providing aid of its own in the late 1990s. It helped establish CENTRASBAT, the Central Asian Battalion, with members from Kazakhstan, Kyrgyzstan, and Uzbekistan. Most of Washington’s efforts focused on border control in order to stop the flow of heroin from Afghanistan and to prevent the smuggling of weapons of mass destruction out of the former Soviet Union. Uzbekistan,
Central Asia’s dominant power and the one country most willing to challenge Moscow’s security monopoly in the region, has been singled out by Washington for closest military cooperation. Since 1998, the United States has pursued a close bilateral relationship with the Tashkent government, assisting Uzbekistan in its efforts to build important military infrastructure, like the new Ministry of Defense.6

Since September 11, the United States has been less concerned with Russia’s sensitivities and far more focused on annihilating the Islamic terrorist networks in Central Asia. In only a few months, U.S. forces defeated most Taliban and Al-Qaeda forces and scattered their remaining units over all of Central Asia and the Middle East. In doing so, Washington relied heavily on a network of newly established military bases across the former Soviet republics, whose existence would have been unthinkable in the pre-September 11 days. Russia itself has officially joined the counter-terrorism alliance, although it found the heavy U.S. military presence in Central Asia a bitter pill to swallow.

In the long run, the United States will have to find common ground with Russia if it wants to keep Central Asia stable and relatively terror-free. If U.S. forces are to leave the area (and the Pentagon maintains it has no plans to keep its the bases in Central Asia indefinitely), Russia, as the region’s dominant power, will have to assume more military responsibilities. But this would require changing not only the dynamic of U.S.-Russian relations (a process that is already under way) but also a radical improvement in Russia’s relations with its southern neighbors. Now that the fighting in Afghanistan has died down, the challenge before Washington will be to find ways to strengthen the independence of the Central Asian states while encouraging Russia to play a more constructive role in the region.

Building Democracy, Strengthening Independence

The former Soviet south has been one of the most volatile regions of the world in the past decade. Of the ten countries of the Black and Caspian Sea region, only Ukraine and Turkmenistan have escaped conflict. All others suffered either a civil war, outside attack, or armed terrorist incursions since declaring independence. The strife has ruined the region’s economies and undermined the central governments—the Caspian’s shores are littered with a number of unrecognized, self-declared statelets such as Transdniester, Nagorno-Karabakh, South Ossetia, and Abkhazia. Where the central governments continue to exercise control, it is often minimal (Georgia) or totalitarian in nature (e.g., Turkmenistan).

Not surprisingly, one of the main pillars of U.S. policy in the region consists of strengthening the civil society institutions of the newly independent states and encouraging democracy in the region. By providing financial and technical assistance to the local governments, nongovernmental organizations, and the judicial

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and security systems, the United States hopes to fortify the independence of the states themselves and to prevent future wars. Washington has also been active in helping resolve the various simmering conflicts, particularly in the South Caucasus, and it is one of the co-chairs of the Minsk Group mediating the Nagorno Karabakh conflict.

This U.S. policy is driven by a number of motivations. The most obvious one, often overlooked by observers searching for ulterior motives behind Washington’s actions, is a simple belief that America’s unprecedented political, military, and economic dominance obligates its leaders to use the country’s influence to advance peace and democracy. America’s foreign and defense policies, more so than any other country’s today, are essentially “missionary” in their nature.

But there are other practical considerations at play. One of the primary causes for the rise in international terrorism is the emergence of weak or failed states. In places such as Afghanistan, the absence of central authority has allowed terrorist groups to operate with impunity while dire social and economic conditions produced easy recruits to the terrorist cause. Future collapsed states in the Caspian Sea area could breed terrorism and religious radicalism, which, in turn, could spawn more September 11-style attacks. As one expert told the U.S. House of Representatives, “the Caucasus, particularly the mountain areas that straddle the North and South Caucasus, are a potential Afghanistan, with all its consequences for us. International terrorism directed against the United States has never appeared there, but there are many ruthless and lawless acts against local governments and private citizens that show its potential.”

The same could be said of Central Asia, particularly Tajikistan and, to a lesser extent, Uzbekistan.

U.S. efforts in the democracy-building arena have not been fully consistent and often lose out to other priorities. In order to build security ties to Central Asian states in the wake of September 11, Washington has inadvertently strengthened the very authoritarian regimes in Central Asia whose undemocratic policies it has criticized in the past. In Uzbekistan, for example, President Islam Karimov is using his privileged status in the U.S.-led counter-terrorism coalition to secure a presidential term for the rest of his life. “In three short months [after Sept. 11], President Karimov of Uzbekistan has been elevated from a Central Asian autocrat to a strategic partner of the United States,” one expert wrote. But this does not necessarily make U.S. interest in building democracy in the Caspian any less sanguine; the imperative to defeat the Taliban and Al-Qaeda threats simply dictated a different policy course. The true test of U.S. commitment will come in the long term: will Washington find the will to put pressure on its Central Asian al-

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8 Fiona Hill, Testimony before the Subcommittee on Central Asia and South Caucasus of the Committee on Foreign Relations of the U.S. Senate, December 13, 2001.
lies to democratize? Will it stay engaged in the region if and when the immediate military threat recedes? Only time will tell.