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Regional Security
in the
South Caucasus:
The Role of NATO

Svante E. Cornell
Roger N. McDermott
William O'Malley
Vladimir Socor
S. Frederick Starr

Central Asia-Caucasus Institute
Paul H. Nitze School of Advanced International Studies
The Johns Hopkins University

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© Central Asia-Caucasus Institute
Paul H. Nitze School of Advanced International Studies
The Johns Hopkins University
Tel.: 1 202 663 7723

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E-mail: caci2@jhudig.admin.jhu.edu

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Sweden
Tel. +46-18-471-2217; Fax. +46-18-106397
E-mail: info@silkroadstudies.org

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Executive Summary

Unresolved security issues in the South Caucasus have a direct and negative impact on the security interests of NATO and the U.S. They impede access to Central Asia and Afghanistan, threaten the security of needed energy resources as well as access to friendly allies in the Wider Middle East, and create an environment of instability that Russia can both exploit and perpetuate.

Unresolved security issues there exercise a decisive and adverse effect on democratic reform, market-based development, and overall prosperity across the South Caucasus. Continuing shortfalls in these areas threaten to turn the region into a haven for transnational organized crime and even terrorism.

This paper argues that the national security interests of NATO and its members in the South Caucasus, especially concerning the war on terrorism, NATO's obligations in Central Asia and Afghanistan, and the role of the Alliance in the Wider Middle East, have grown to such a degree that its interests would be significantly affected negatively by instability and unrest in the South Caucasus. The individual and collective interests of NATO members therefore suggest that a larger role of the Alliance in strengthening the security of the South Caucasus is warranted.

This paper does not propose the inclusion of South Caucasus countries as NATO members, which is unlikely under any circumstances for many years. But it nonetheless considers NATO to be the *sine qua non* for security in the South Caucasus. It argues that the most promising, and indeed sole, means of redressing the "security deficit" in the South Caucasus is through the gradual extension of the widest possible range of NATO programs into the area. In short, it shifts the focus from the question of "To Be or Not To Be?" with respect to NATO membership to one of how to select, develop, and compound NATO programs that will, together and increasingly over time, transform the regional security picture overall. By this point the region will also have evolved to a point at, or near, the doorstep of both NATO and the EU.

This paper therefore suggests that NATO, in its June 2004 Istanbul summit, asserts that the security of the countries of the South Caucasus is an integral part of the Euro-Atlantic security architecture. Specific NATO initiatives holding the most promise for enhancing South Caucasus security include the following:

- 1) Exploring the possibility of creating a special format for NATO's dialogue with the three nations of the South Caucasus, on the model of those set up for Ukraine and Russia;
- 2) Exploring the possibility of creating a NATO Defense College in the South Caucasus, similar in concept to that of the Baltic Defense College (BALTDEFCOL) and building on its experience.
- 3) Greatly enhancing the number of regional officers receiving training through PfP in order to foster a cadre of officers benefiting from contact with Western militaries that, in turn, are able to share their knowledge and expertise with colleagues;
- 4) Raising the profile of the region in NATO's own hierarchy by appointing a political/military specialist as an advisor to the Secretary-General on the region; creating a "Security Working Group" under NATO in order to optimize security assistance efforts; and prioritizing the development of expertise amongst NATO's planning staffs on the IPAPs of the regional states.

While this paper proposes an *a la carte* approach to NATO involvement as most promising to the interests of South Caucasus countries, it asserts that such an approach is impossible without a focused and strategic approach to the South Caucasus as a whole on the part of NATO.

Central to such an approach is that the definition of NATO and U.S. interests and goals must be carried out initially without regard for Russian responses. Russia itself is in flux and its policies a half decade hence may differ from those of today, especially as they relate to former Soviet territories. If NATO and the U.S. demonstrate that their policies in the South Caucasus are compatible with Russia's legitimate security concerns (as opposed to political aspirations), and can even be supportive of them, it enhances the possibility that Russians not committed to zero-sum thinking may gain influence in Moscow. Clarity by NATO in defining its own strategy, directness in articulating it, and flexibility in its execution are the hallmarks of any future success.

The point of conjunction between U.S. and Russian long-term interests in the South Caucasus, and also those of Turkey and Iran, is the strengthening of sovereignties there, the progress of reform, and the development of sustainable modern economies that take advantage of regional complementarities.

The policies set forth in this paper advance these objectives by creating a web of relationships and structures that strengthen the essential prerequisite: regional security. As such, they are not directed against anyone.

I. Why Should We be Concerned Over Multilateral Security and the South Caucasus?

Rarely in recent years have so many crucial issues appeared simultaneously on the international community's security agenda. Iraq, Afghanistan, North Korea, Kashmir, Pakistan, and Iran all pose serious challenges that cannot be ignored. Other issues once thought resolved in fact remain open, placing further claims on time and resources. Why, then, should the South Caucasus not only be added to the agenda but accorded increased importance?

The short answer is that issues in the South Caucasus have already been on the agenda for a decade. And rightly so. Here are three new and weak states, each with serious and unresolved territorial problems that have provided excuses for outside interference. All have sought refuge in external security arrangements, Azerbaijan and Georgia with bilateral links to the U.S. and Turkey and increasingly NATO's Partnership for Peace, and Armenia through limited contact with NATO/PfP but an extensive security treaty with Russia. Russia also maintains three bases in Georgia, a large base in Armenia, and has provided Armenia with a billion dollars worth of modern armaments.¹

The war and subsequent reconstruction work in Afghanistan, and the establishment of US bases in Kyrgyzstan and Uzbekistan, underscore the role of the South Caucasus as a transfer point and its overall importance to US and western security strategies.

Multiple resolutions on Mountainous Karabakh by the United Nations Security Council and NATO-Russian and US-Russian understandings and agreements on Georgia have all acknowledged that peace and stability in the Caucasus warrant the international community's most serious attention.

Unfortunately, these and other initiatives have not led to the solution of a single one of the region's security problems. Discussions of Karabakh, Abkhazia, and South Ossetia all remain frozen within the UN, OSCE, and other bodies. For many years Brussels, Moscow, or Washington may have deemed such an outcome acceptable and even desirable. All three had other interests with respect to each other which they

¹ *Washington Times*, 10 April 1997; Richard F. Staar, "Russia's Military: Corruption in the Higher Ranks", *Perspective*, Volume 9, no. 2, November-December 1998.

considered so urgent that they found it convenient to replace solutions in the South Caucasus with processes, even when those process manifestly were leading nowhere.

The fact that so many major bodies have recognized the dangerous potential of unresolved security issues in the region has given rise to understandable expectations of action within Armenia, Azerbaijan, and Georgia. As these expectations give way to frustration, the international community will face the reality that the viability of its tactic of replacing solutions with processes has relied on the disinterest or passivity of countries within the South Caucasus themselves. But everywhere in that region new and younger forces are emerging, and few of these are content with what they consider the fruitless patience of their elders. In short, positions are hardening, with potential fatal effects.

Even if this were not the case, the unresolved security issues in the South Caucasus are taking a heavy toll. From the foundation of the United States in the 1780s to the present, young post-colonial countries have been preoccupied with confirming their sovereignty from external dangers, and especially from those external threats that might manipulate internal conditions within their countries to their disadvantage. In modern times this has caused more than one newly sovereign state to give priority to issues of security, even at the expense of economic and social development.

It is vain for the established and secure states of western Europe and North America to wish that this were otherwise. Like it or not, the road to reform and development runs directly through the issues of sovereignty and security, not around them. The price of the West's closing its eyes to urgent security issues in the South Caucasus is mounting insecurity in the region, which all but guarantees the failure of democratic reform and market-based development there.

These, after all, are small and isolated economies. In the long term they can thrive only by taking advantage of regional complementarities and by opening multi-sided trade with their neighbors and with economies further distant. Among such developments, the ancient role of the Caucasus as a pivot of both East-West and North-South continental trade must be revived if the region is to prosper. This is particularly important with respect to the long-term development and orientation of the five new states of Central Asia. In spite of grandiose plans by the European Union to open a single transportation corridor from Europe to China via the Caucasus and Central Asia, little or nothing has been achieved to date. The reason for this failure, and others is that unresolved security issues block them all. As a consequence, the populations of the south Caucasus and areas even as far afield as Central Asia are condemned to further years of poverty and deepening frustration.

The world is now familiar with the consequences of failed reform in weak states. As was evident in Afghanistan, Somalia, Pakistan, and elsewhere, weak states invite the involvement of international criminal groups and religious extremism. The dire situation in Georgia's Pankisi Gorge during the waning Shevardnadze era removed all doubts that this could also happen in the South Caucasus.

This in turn poses a yet more ominous possibility. The failure of the international community to bolster security in the South Caucasus will in due course pose threats to the security of the region's powerful neighbors, Russia, Turkey, and Iran. Whatever the actual scale of such threats, insecurity in this pivotal region will invite any of the above neighbors, singly or two together, to intervene in the name of protecting their own security. Given that the neighbors in this case include one and possibly two nuclear powers and a member of NATO, this possibility alone should prompt Europe and the United States to action.

This paper explores a number of alternative formuli for enhancing the security of all three states of the South Caucasus, and of the region generally. It considers the actual and potential roles of the Organization for Security and Cooperation in Europe, the United Nations, the Commonwealth of Independent States and the Collective Security Treaty Organization, and of the North Atlantic Treaty Organization. Its authors conclude that of these, only NATO offers the potential to foster and maintain conditions of genuine security throughout the South Caucasus. They then set forth various specific proposals for NATO and the regional countries by which they might achieve this commendable goal, and without undermining the legitimate concerns and sensitivities of the region's chief neighbors, Russia, Turkey, and Iran. Readers may differ in their evaluation of specific proposals and of the larger suggestion that NATO is best positioned to offer practical guarantees of stability in the South Caucasus. However, it is hoped that at the very least they will all concur with the authors that regional security in the South Caucasus is too important to world peace to continue to relegate it to a secondary place on the international agenda.

II. The Security Deficit in the South Caucasus

Since before independence, the South Caucasus region has been plagued by conflict and instability. The ethnopolitical conflicts in the region that raged in the early 1990s led to the death of over 50,000 people, great material destruction, and contributed significantly to the political instability, economic hardships, and the increase in transnational organized crime that has characterized the region in its first decade of independence. The conflicts came on the heels of the weakening and subsequent break-up of the Soviet Union. These conflicts centered on the territorial status of three regions populated by ethnic minorities: the mainly Armenian-populated Mountainous Karabakh Autonomous Province of Azerbaijan; the Autonomous Socialist Soviet Republic of Abkhazia, and the South Ossetian Autonomous Province, both in Georgia. At present, none of the conflicts in the South Caucasus has found a negotiated solution, and the conflicts are “frozen” along unsteady cease-fire lines. A relapse to warfare is a distinct possibility in all three conflict areas, as negotiations have yielded no positive results. Besides these active conflicts, other minority regions in the three states have seen tensions between the central government and representatives of ethnic minority populations, demanding higher levels of autonomy. Areas with conflict potential include, significantly, Georgia’s mainly Armenian-populated Javakheti region. The Spring 2004 standoff between the Georgian Central Government and the leadership of the Ajarian Autonomous Republic was resolved peacefully, nevertheless it illustrates the conflict potential in the region outside the secessionist territories.

In addition to ethnic tensions, which have been the region’s main type of conflict, all three countries have been afflicted by the use of violent means to alter the leadership of the respective states. This has included armed insurgencies that managed to overthrow existing governments in Georgia in 1991, in Azerbaijan in 1993, as well as several unsuccessful attempts made to alter the political environment since then. Assassination attempts have also been made against leaders, including two failed attempts on the life of Georgia’s President and the assassination of Armenia’s Prime Minister and Speaker of Parliament in 1999. In a positive development, Georgia’s regime change in 2003 took place in a peaceful, non-violent manner. To compound this unruly picture, the South Caucasus has in the last few years been increasingly affected by other security threats of a more transnational nature, including organized

crime, specifically trafficking of narcotics, arms and persons, and the rise of Islamic radical movements.²

While these are all internal security threats, the international environment surrounding the region compounds the regional scene. The South Caucasus has gained importance through its strategic location and its energy resources. The region's strategic location between Russia and Iran and connecting Europe to Asia, as well as its oil and gas resources and the region's position as the chief route for the westward export of Caspian energy resources, has gradually led to an increased geopolitical attention to it. Especially after September 11, 2001, the South Caucasus is no longer a backwater of international politics. With U.S. and allied military presence in Central Asia, Afghanistan and the Middle East, the South Caucasus is a crucial area enabling the connection between NATO territory and military operations in Central Asia. Yet, as Alexander Rondeli has pointed out, the important geopolitical location of the South Caucasus has been as much, if not more, of a liability as an asset to the regional states.³ International interest in the region has tended to increase the polarization of regional politics, entrench existing conflicts, and thereby make the region's road to stability more complicated. Having dramatically differing and existential threat perceptions, the three South Caucasian states have developed diverging strategies to ensure their security: Armenia perceiving threats from Turkey and Azerbaijan, has sought security through ties with Russia; Azerbaijan, perceiving threats from Iran, Armenia, and to a decreasing extent from Russia, has sought western and Turkish support; while Georgia, mainly perceiving threats from Russia and internal challenges with links to Russia, seeking mainly American protection. The alignments emerging out of these differing threat perceptions are contradictory and potentially devastating to regional security.

In this sense there is an acute security deficit in the South Caucasus. In spite of the manifold security challenges to the region, there are no functioning security mechanisms or institutions that help build regional stability or meaningful conflict management or resolution. International efforts at conflict resolution, sponsored mainly by the OSCE and the UN, have so far brought little result.⁴ International

² Recent overviews include Svante Cornell et. al., *The South Caucasus: A Regional Overview and Conflict Assessment*, Stockholm: SIDA, 2002; Martina Huber, *State-Building in Georgia-Unfinished and at Risk*, The Hague: Netherlands Institute of International Relations, 2004.

³ Alexander Rondeli, *Foreign Policy of Georgia and Priorities of National Security*, Tbilisi: UNDP Discussion Paper Series, no. 3, 1999.

⁴ Istvan Szönyi, "The False Promise of an Institution: Can Cooperation between OSCE and NATO be a Cure?", *Center for International Security and Arms Control*, January 1997. John J. Maresca, "Resolving the Conflict Over Nagorno-Karabakh: Lost Opportunities for International Conflict Resolution", in *Managing Global Chaos: Sources of and Responses to International Conflict*, eds. Pamela Aall, Chester A. Crocker, and Fen Osler Hampson, Washington DC: United States Institute of Peace Press, 1996; Rexane Dehdashti, *Gewaltminderung und*

security assistance to the regional states have had limited results, while their integration into Euro-Atlantic institutions has progressed slowly. Meanwhile, the increasing strategic value of the region and the actual and potential exacerbation with time of security threats there imply a prohibitive potential cost of inaction on the part of the international community, especially western powers with increasingly vital interests in the stability, openness and development of the region. The security deficit in the South Caucasus consists of four main components: First, the unresolved territorial conflicts, which form the single most dangerous threat to security in the region and whose peril, contrary to conventional wisdom, may be increasing rather than decreasing with time. Secondly, civil and political conflicts, which were up until 2003 believed to pose major threats to the stability primarily of Azerbaijan and Georgia. These countries both managed to conduct orderly if very different successions of power, which has not eliminated the risk of political conflict, but strongly decreased it. Thirdly, the transnational threats posed by terrorism and organized crime are mounting rapidly, virtually unchecked. Finally, the potential of overt or covert external military intervention remains present, though decreasingly likely.

Unresolved Conflicts

Three unresolved conflicts are frozen along cease-fire lines in the South Caucasus: that between Armenia and Azerbaijan over Mountainous Karabakh, and those in Georgia between the central government on the one hand and the secessionist territories of Abkhazia and South Ossetia on the other. Of these, the South Ossetian conflict has seen an improvement at the grassroots level, with open communication occurring across the cease-fire line. Mountainous Karabakh and Abkhazia form considerably more acute security threats, given the larger size, tension, and potential for large-scale violence of these conflicts.

Mountainous Karabakh

Of these, the unresolved conflict between Armenia and Azerbaijan is the largest threat to peace and security in the South Caucasus and perhaps in the wider region. With every year that the deadlocked conflict continues without a solution, the risk of a resumption of hostilities looms larger, with ever larger implications. At present, the current political elites in both Armenia and Azerbaijan seem inclined to find a

Konfliktregelung in ethnosozialen Konflikten. Möglichkeiten und Grenzen internationaler Akteure in der Kaukasusregion, unpublished dissertation, Frankfurt am Main 1997. Rexane Dehdashti, *Internationale Organisationen als Vermittler in Innerstaatlichen Konflikten: Die OSZE und der Berg Karabach-Konflikt*, Frankfurt: Studien der Hessischen Stiftung Friedens und Konfliktforschung, 2000.

solution by peaceful means. While Armenia has suffered considerably in both economic and demographic terms (due to out-migration) as a result of the conflict, its current leadership refuses to compromise on Mountainous Karabakh's independence. This is the case in part due to the dominance of a Karabakh elite in Armenian politics: President Robert Kocharian is the former President of the unrecognized republic, and defense minister Serzh Sarkisian is its former defense minister. This elite seems to give at least equal emphasis to Karabakh's distinct interests compared to those of Armenia proper, unlike former President Ter-Petrosian, who concluded by 1997 that Armenia's interests required a compromise on the status of Karabakh. The Armenian leadership currently controls the territory of Mountainous Karabakh and seven adjacent Azerbaijani regions, and therefore feels less urgency in a solution. Armenia is clearly interested in preserving the military *status quo* until it can get a favorable deal. The Azerbaijani society and leadership, on the other hand, is deeply disturbed by the humiliation of losing almost a fifth of the country's territory, and the massive refugee and IDP population is both an economic drain and a political concern. Both Azerbaijan's Communist regime and the Elçibey government fell in great part due to their failures in the war, and the new President, Ilham Aliyev, is well aware of the centrality of the Karabakh issue in the country's politics. Moreover, popular frustration in the country is on the rise with what is perceived as Armenian intransigence and international disregard to the aggression committed against their country. President Heydar Aliyev's efforts to control the IDP population seems to have been the major reason that spontaneous *revanchist* movements, including paramilitary ones, are not emerging, especially among the refugee population.

The failure of negotiations has worsened matters. When President Ter-Petrosian accepted the 1997 Minsk Group proposal, hundreds of thousands of IDPs rejoiced at the prospect of an imminent return home. In late 1999, an imminent deal was shelved after the October 27 tragedy in the Armenian parliament, while great hopes were again dashed in the Spring of 2001. In August 2002, President Heydar Aliyev offered the restoration of economic relations in return for Armenian withdrawal from the four occupied territories along the Iranian border. President Robert Kocharyan's refusal to discuss this offer led to a widespread sentiment in Azerbaijan that Armenia's leadership was not interested in a negotiated solution, and that as a result a military solution is the only remaining option to restore the country's territorial integrity and enable refugees to return to their homes.⁵ Ilham Aliyev's government, which has always kept the military option as a last resort, is now increasingly stressing that the Azerbaijani army is ready to liberate its territory if negotiations fail.

⁵ Fariz Ismailzade, "Latest Efforts to Solve Nagorno-Karabakh Dispute Fails, Killing Talk of Economic Cooperations", *Central Asia-Caucasus Analyst*, 9 October 2002.

If the present deadlock continues, as seems likely, the public and elite mood in Azerbaijan will continue to gradually tilt towards war. Meanwhile, Azerbaijan is recovering economically, and is beginning to receive substantial oil revenues. It is also building its armed forces with Turkish assistance – and Armenia's population is shrinking. Azerbaijan may hence feel the odds are in its favor.

A new war between Armenia and Azerbaijan, should it take place, is unlikely to remain as limited as the previous one was. In 1992-94, the two states had only rudimentary weaponry, and the military forces involved were far from professional. But in the last eight years, both states have acquired more sophisticated and therefore more deadly arms, meaning that a new war would almost certainly cause much larger human and material destruction. Perhaps even more alarming is the network of alliances that both states have built, with Russia and Turkey respectively. Neither Turkey nor Russia is likely to remain on the sidelines of a new confrontation. Fighting is also likely to take place close to the Iranian border, therefore possibly drawing Iran into the conflict as well. Pakistan has also offered Azerbaijan military assistance, while the United States has crucial interests in the region's stability. Great power involvement may help prevent a new war, but would give it regional implications of a massive scale if it were to occur.

Abkhazia

The conflict in Abkhazia has the same symbolic importance for Georgia as Mountainous Karabakh has for Azerbaijan. Similarities abound, including a humiliating defeat against a numerically much smaller enemy supported by external powers; ethnic cleansing and the creation of a large IDP population; a mutiny during the war that threatened collapse of the state; and protracted negotiations that seem to yield no results. But unlike in Karabakh, unrest has returned to Abkhazia several times since the end of large-scale hostilities. Firstly, Georgian paramilitary forces stemming from the IDP population have been carrying on a low-intensity conflict along the border regions of Abkhazia and Samegrelo for several years. But more importantly, a brief return to warfare occurred in May 1998, which forced ca. 30,000 Georgians that had returned to their homes in Abkhazia's Gali region to flee again.⁶ Then as now, the Abkhazian side relied heavily on Russian peacekeeping troops that have been considerably closer to the Abkhaz *de facto* authorities than to the Georgian side. UNOMIG, which is responsible for monitoring the situation in the region and the demilitarization of the border, has practically no influence over the Russian

⁶ Dodge Billingsley, "The Georgian Security Dilemma and Military Failure in Abkhazia", *The Harriman Review*, Vol. 10 no. 4, 1998.

peacekeepers, who, together with Georgian Paramilitaries and Abkhaz forces, are heavily involved in the smuggling business going through Abkhazia. Participation in the illegal economy extends high into the state hierarchy, knows no ethnic limits, and remains one of the few areas where quick enrichment (and ironically, interethnic cooperation) is possible. Neither side has an economic interest in finding a resolution to the conflict, although neither desires a resumption of hostilities. Recent clashes between peacekeepers and guerrillas in Gali have occurred on economic (redistribution of spheres of influence) rather than political grounds. There are no guarantees for the safety and dignity of the 40,000 IDPs, who returned to the Gali region after hostilities in May 1998. Russian peacekeepers deployed along the Inguri have assisted Abkhaz de facto authorities to build up a state border with Georgia, and to advance towards the Kodori gorge in eastern Abkhazia, which is out of Sukhumi's control and remains a Georgian outpost in Abkhazia. Kodori became a haven for Georgian guerillas and Chechen irregulars, who launched abortive attack against Sukhumi in October 2001.⁷

In the Fall of 2001, unrest returned to Abkhazia, when Georgian paramilitaries supported by Chechen irregulars under field commander Ruslan Gelayev entered Abkhazia from the Kodori gorge, breaking through Abkhaz defenses before Russian air force jets bombed their positions, forcing them to retreat. The Georgian government denied any knowledge of the events, however high echelons of power were undoubtedly informed. The episode spurred debate in Georgia on whether a reconquest of Abkhazia was possible. The Georgian regular army is presently in no condition to stage a military operation in Abkhazia. However, the size differential is so large that even a small but reasonably well-trained and disciplined Georgian force could alter the balance heavily in Georgia's favor. The U.S. Train and Equip program for the Georgian military could create exactly that. Abkhazian concerns center around on the future potential of Georgian troops using their training and newly acquired equipment in renewed attempts to reconquer separatist territories in Abkhazia and South Ossetia.⁸

Political Violence

No change of government in the South Caucasus has taken place in a completely peaceful, constitutional, and orderly manner. President Elchibey came to power in a

⁷ Dodge Billingsley, "Security Deteriorates Along the Abkhazia-Georgia Ceasefire Line", *Jane's Intelligence Review*, 6 September 2001; Alexandr Iskandarian, Alan Parastaev, Gagik Avakian, *Sobytia v Kodorskom Ushelie. Oktiabr' 2001 goda*, Dzaujikau: UNHCR Working Group of the CIS Conference, 2001.

⁸ Raffi Khatchadourian, "Part Four: America Builds an Army for Industry", *The Village Voice*, March 26-April 1, 2003; Zeyno Baran, "Tensions increasing in Abkhazia", CSIS Georgia Update, April 1, 2002.

mainly bloodless revolution in 1992, as did President Saakashvili in Georgia in 2003. Armed Coups unseated Presidents Gamsakhurdia of Georgia in 1991 and Elchibey in 1993, bringing former Communist-era leaders Eduard Shevardnadze and Heydar Aliyev to power. A palace coup removed Armenian President Levon Ter-Petrossian and brought Robert Kocharyan to power, while limited violence surrounded the election of Ilham Aliyev in 2003.

Attempts to murder political leaders have also occurred. The 1994 and 1995 coups against Aliyev clearly intended to eliminate him. In Georgia, two attempts to assassinate President Shevardnadze have narrowly failed, in 1995 and 1998, and several other coup or assassination attempts have been foiled. The most tragic event took place in October 1999 in Armenia, when armed gunmen entered the parliament in full session and succeeded in killing the Prime Minister while addressing a plenary session, as well as the Speaker of Parliament and several cabinet members, plunging Armenia into a political crisis that it has barely managed to recover from. Military insurgencies are another problem that has especially plagued Georgia, whose army is in the worst material condition and suffers from poor discipline. A revolt by a tank battalion in Senaki in western Georgia in 1998 led by colonel Akaki Eliava was put down, while a National Guard insurgency in Mukhrovani 25km East of Tbilisi in May 2001 was silenced, though it seemed to have more to do with the desperate condition of the soldiers than with politics.⁹

That said, warnings of succession crises threatening civil war and state collapse in Azerbaijan and Georgia turned out, with the comfort of hindsight, to have been significantly exaggerated. A planned and relatively orderly succession took place in Azerbaijan, whereas Georgia went through a velvet revolution bringing about an unexpected change of government. In the case of Azerbaijan, opposition protests on Ilham Aliyev's election briefly turned violent, but failed to generate mass support and was rapidly suppressed. In Georgia, the opposition led by Mikheil Saakashvili capitalized on mass support for their protests against President Shevardnadze's electoral fraud and succeeded in bringing about a revolution without bloodshed, very much thanks to U.S. and to some extent Russian efforts at mediating between the two sides. In sum, domestic political threats to security remain present in all three countries, though the potential for unrest should not be exaggerated.

⁹ Mikha Gegeshidze, "The Mukhrovani Insurrection: An Attempted Military Coup Or A Mutiny Reflecting Social Discontent?", *Central Asia-Caucasus Analyst*, 23 May 2001.

Transnational Threats

Transnational threats with both criminal and ideological motivations are present in the South Caucasus today. The trafficking of narcotics, arms and persons in the South Caucasus has gradually increased since the demise of the Soviet Union. While transnational crime does not yet pose a danger of the magnitude that is the case in parts of Central Asia, the location of the South Caucasus on the major trafficking routes from Afghanistan to western Europe imply that growing drug trafficking could become a serious threat to statehood and breed instability, especially as Afghanistan's production of opium in 2004 is reported to be growing significantly over the already high level of 3,600 tons in 2003. The trafficking of WMD materials is a serious issue, particularly in Georgia.¹⁰ Most worryingly, transnational organized crime is rampant in secessionist territories, sustaining the deadlocked conflicts there, while criminal organizations are infiltrating government and bureaucracy at central, provincial and local levels.¹¹

With persistent economic and political instability in the region, combined with the inability of South Caucasian governments to gain control over all their territory, transnational crime seems set to remain a palpable challenge to the region. Criminal networks have successfully infiltrated state institutions, thus impeding the state's efforts to crack down on criminality. Neither of the three states have the capability or political will to control the illicit drugs trade, given the risks of potential reprisals associated with targeting relatively powerful actors. As far as the arms trade is concerned, there will remain great demand for weapons until the secessionist conflicts are resolved and the influence of criminal actors is meaningfully reduced.¹² The threat of transnational crime capturing state organs is evident by Georgia's Pankisi Gorge experience, where reliable indications suggest that transnational criminal groups were practically renting the area from former high officials in exchange for large sums of money.¹³ While the cadre changes in the ministries of interior and state security in 2001, the Pankisi clean-up operation in 2002, and the change of government in 2003 have considerably improved the situation, the implications of state penetration by transnational crime is apparent. International influence may prove capable of preventing this type of collusion in the future. However, during periods of instability,

¹⁰ Douglas Frantz, "Nuclear Booty: More Smugglers Use Asia Route", *The New York Times*, 11 September 2001, p. A1.

¹¹ Svante Cornell, "The Growing Role of Transnational Crime in the South Caucasus", *The South Caucasus: A Challenge for the EU*, ed. Dov Lynch, Paris: EU Institute of Security Studies, Chaillot Papers, 2003; Tamara Makarenko, "Smuggling Operations Degrade Security in the Caucasus", *Jane's Intelligence Review*, November 2003.

¹² Anna Matveeva and Duncan Hiscock, *The Caucasus: Armed and Divided*, London: SaferWorld, April 2003.

¹³ On the Interior Ministry's corruption, see David Darchiashvili, "Georgia: A Hostage to Arms", in Matveeva and Hiscock, *The Caucasus: Armed and Divided*.

for example in the event of a protracted succession struggle or revival of ethnic conflicts, it is conceivable that criminal or terrorist networks in search for a base of operations will seek to find a haven in the South Caucasus – especially given the strategic location of the region.

In the ideological realm, radical Islamic movements are another transnational threat. These groups exist in the South Caucasus though not on a significant scale. However, dire socio-economic conditions and the continued deficit of democratic governance are factors that could spur the rising influence of radical and militant Islamic movements. Being the only overwhelmingly Muslim country in the region, Azerbaijan is more affected by this problem than its neighbors, though Georgia also experienced its fair share of the problem. While the overall risk is low in the region, the proximity of the war in Chechnya and disillusionment with the ideologies of democracy and market economy are risk factors. The second war in Chechnya, raging since 1999, has led to a marked increase of Islamic radicalism not only among the Chechens but among neighboring republics of the North Caucasus, including Dagestan. Arab missionaries preach the *Salafi* version of Islam and are gaining a growing popularity among people whose lives have been ravaged by war and economic despair. By 2000-2001, this process had begun to affect the South Caucasus as well. The Sunni north of Azerbaijan has become an area of *Salafi* influence, whereas both the Pankisi gorge of Georgia and other, not traditionally Muslim parts of mountainous northern Georgia are also affected. The modest but noticeable rise of Islamic radicalism in Azerbaijan developed partly due to the support it has received from Iran, but also because of disappointment among the general public with political, economic, and social conditions. Loss of faith in both communism and market economy increases the appeal of Islam, with its notions of equality, brotherhood and fairness. This could potentially serve as an aggravating factor in the democratic development of the country, while in the short term, the rise of Islamic radicalism is likely to remain manageable.

Geopolitical Competition

The political balance within and between the three Caucasian states and societies is already fragile; however, the weakness of these states has required them to seek foreign patronage and support, while the attractiveness of the region has itself led to a high level of great power interest, as described above. The interests of and relationships with foreign powers therefore typically affect political processes within the three states. Political forces and leaders in the Caucasus remain watchful of their relations with Moscow, Washington or Ankara, in the hope that such relations would give them an advantage in domestic political struggles.

Combined with the changing policies and uncertain commitment to the region on the part of the great powers, this increases the instability and unpredictability of South Caucasian political processes.

An overt external military threat to the regional countries remains a possibility if not likely. Two main scenarios are possible: a Russian military threat to Georgia under the pretext of anti-terrorism, and an Iranian military threat to Azerbaijan, primarily a naval threat in the Caspian Sea. In fact, these scenarios have occurred at a limited scale in recent years. Russia repeatedly accused Georgia of sheltering terrorists, occasionally bombing Georgian territory in the Pankisi and Kodori gorges. Russian media reports in February 2002 that al Qaeda fighters, possibly including Osama bin Laden himself, found refuge in Georgia were stoking pressure for outside military intervention. The Russian Defense Minister declared that Moscow might feel compelled to intervene militarily to contain Islamic radicals in Georgia, and other Russian officials have asserted Russia's "moral right" to launch an antiterrorist operation in Pankisi. A Russian military move was real threat at the time, perhaps forestalled only by the launching of the U.S. Georgia Train-and-Equip Program in early 2002. Yet the continuation of the Chechen conflict indicates a risk that Russia may use the pretext of anti-terrorism to put pressure, including military action, against Georgia. As far as Iran and Azerbaijan is concerned, the dispute over the Caspian Sea legal status reached a climax after significant oil or gas resources were identified in the Sharq/Alov oilfields, lying in an area disputed by Tehran. In July 2001, Iranian warships forcibly evicted a BP-owned exploration vessel operating over the Sharq/Alov field. This was followed by almost two weeks of daily overflights of Azerbaijani waters and land by the Iranian air force, which eventually prompted a Turkish reaction and in its aftermath, increased American military assistance to Azerbaijan, with a focus on naval defense. Tensions have abated somewhat, but the Caspian Sea status is unresolved and future Iranian moves are not to be excluded, especially given the increasingly strong hardliner control over the government.

The Need for Security

This security deficit stemming from the interrelated and unregulated security threats described above have plagued the region for a considerable time. The increasing importance of the South Caucasus in the aftermath of the anti-terrorist operation in Afghanistan and the war in Iraq have now made the security deficit a threat not only to regional security but to that of Euro-Atlantic interests as well. The need for institutionalized security arrangements to manage, reduce and if possible resolve the security threats in the region has become palpable.

The dimensions and multi-faceted character of the Security Deficit described above are such that they impede not only the regional stability of the South Caucasus and the interests of Western powers, but the political, social and economic development of the regional states. In fact, it is increasingly apparent that failure to provide security is impeding the building of viable sovereignty in the region.

The insecurity of the South Caucasus impedes political stability, accountability and democratic development in several ways. Most prominently, insecurity in the early-to-mid 1990s derailed the political liberalization processes ongoing in the region and legitimized the return of authoritarian rule in all three states. The popular urge for order and stability therefore allowed the governing structures to backpedal on institutional reform of both a political and economic nature. Political instability followed as a direct consequence of the conflicts, as government performance led to the rapid loss of popular legitimacy and encouraged armed political contenders to challenge authorities. Moreover, corruption and criminal infiltration of government bodies at a national and regional level was facilitated by the weakening of government that resulted from the conflicts.

In an economic sense, the conflicts and the insecurity they bred severed regional trade linkages. Moreover, fighting brought material destruction, and created an economic burden as well as fall in economic production due to the displacement of hundreds of thousands of people who became refugees in their own countries. The downfall in economic production exacerbated problems with corruption and organized crime, since the collapse of the labor market made corruption and crime not only attractive alternative sources of income, but for some people the only possible source of income. Moreover, the loss of licit trade was replaced by illicit trade, which has been partially concentrated to separatist areas or territories practically outside government control at various times in the last decade, such as Ajaria, Javakheti, and Lezgin-populated areas of Azerbaijan.

On a social level, the refugee populations remain unintegrated into the general population, with specific problems and both material and psychological suffering that impact society as a whole, especially in Azerbaijan and Georgia. In addition, the unresolved conflicts are contributing to fanning the flames of nationalism in the region, thereby impeding the development of civic-based identities and democratic politics more generally.

Western aid to the region and to other conflict-ridden areas have often attempted to go around the hard security issues and approach the multi-faceted problems of the region from the other end, trying to work at a grassroots level with confidence-

building, encouraging economic exchanges, supporting civil society, and hoping that these efforts would help bring about a more positive climate that would in turn lead to improvements in conflict resolution and regional security. The record so far shows the pitfalls of this process. While western assistance has undoubtedly been immensely beneficial to political and economic development in the region, it has failed to generate a positive tendency with relation to the security problems of the region. It is becoming increasingly apparent that insecurity lies at the base of the problems of the South Caucasus, and that only through addressing the security deficit in the region directly will it be possible for the South Caucasus to develop economically and politically into stable and peaceful societies that will be net security providers rather than net security recipients.

III. Geopolitical Interests and Multilateral Security

The South Caucasus forms an arena of two competing integration visions. A nascent vision envisages the region's anchoring and eventual integration into Euro-Atlantic security and economic systems. This would ensure and consolidate the sovereignty and modernization of the region's countries that choose this model. It is closely linked with internal evolution toward better institutional performance, constitutional government and rule of law.

The other model, capitalizing on an early start, is Russia's. It has sought to regain predominance over the South Caucasus through military presence, manipulation of ethnic conflicts, control over energy supplies, takeover of insolvent industries through debt-for-assets swaps, support for Moscow-oriented local political forces, and expansion of government-connected shadow business from Russia interpenetrating with local counterparts. Thriving on the insecurity and weakness of nation-states in the region, this integration model aims to draw them into a Russian-led political, military and economic bloc, in which Moscow would exercise *droits de regard* over these states' policies.

Russian Interests

Since the independence of the South Caucasus, Moscow has reluctantly seen its influence in the region gradually declining, a process that it has sought to block by the use of various diplomatic, economic, and military means. Moscow has tried to keep the South Caucasus within the Russian sphere of influence, and has to that end tried to hinder the local states from pursuing independent foreign policies, and impede the United States and Turkey from increasing their presence and influence in the region. Ties with Iran have also served this purpose. Russian overt policy demanded that all three states acceded to the CIS, accepted Russian border guards on their 'external' border with Iran and Turkey, and allowed Russian military bases on their territory. Moreover, Russia seeks to monopolize the transportation of Caspian energy resources to world markets, and has sheltered coup-makers and secessionist leaders from Azerbaijan and Georgia.

Since President Putin came to power, Russia has adopted a more pragmatic position toward Azerbaijan, leading to an improvement in relations and a more constructive attitude in the Minsk Group negotiations; Russia has also been less vocal toward expanded American and Turkish influence in the region. However, continued strong-arm policies toward Georgia generate doubt as to what Moscow's intentions are. With

respect to the stalemated conflicts of the region, Moscow's policies have given abundant evidence to support that Russia finds the present status quo convenient, and does not desire a resolution to any conflict.

The Russian integration model aims to a situation where the U.S., NATO and EU would be required to deal primarily with Moscow – rather than with the South Caucasus states themselves – on key issues of Caspian energy transit to the West and strategic access to operational theaters in Eurasia. In that case, Moscow would obtain major bargaining cards vis-à-vis Washington and European allies. Leading policy-makers, especially in Moscow's power ministries, have sought to apply a policy paradigm of controlled instability in the South Caucasus through "peacekeeping" and mediation in ethnic conflicts and through military footholds in the region. This policy is based on perpetuating the conflicts within predictable and usable parameters, frustrating their settlement without allowing their escalation. The primary goal is political leverage over Georgia, Azerbaijan and Armenia, through Russian arbitration among the parties to those conflicts and through preservation of local protectorates in areas of Russian troop deployment. This paradigm can be seen not only in Georgia, toward which Moscow long pursued a clearly adversarial policy, but also applies to Russia's ally Armenia in a slightly different form: it ensures that country's dependence on Russia by freezing Armenian territorial gains inside Azerbaijan, while asserting control over Armenian industries as a result of debt-for-equity swaps brought about by Armenia's economic debt to Russia.

President Vladimir Putin has turned Georgia into the primary target of Russian pressure in this region. Whether Georgia's new president, Mikheil Saakashvili, can persuade him to change this policy is too early to tell, while initial signs exist that a rapprochement between Tbilisi and Moscow is in the works as of May 2004. Russia has conferred its citizenship on most Abkhaz and South Ossetian residents, controls the Georgian side of the Georgia-Russia border in these secessionist regions, maintains direct trade relations and transportation links with Abkhazia and South Ossetia without reference to Georgia, and encourages unilateral transfers of Georgian state properties to Russian state and private entities. Moscow has reneged on its 1999 commitments to close three military bases in Georgia; instead, it seeks to keep them for an indefinite period. In many ways, then, Kremlin policy toward Georgia seems no longer restrained by international law.

From a Western perspective, regional stabilization requires settlement of conflicts on terms that would ensure the independence, security and consolidation of states, democratic decentralization, and full opportunities for regional economic development, always with an emphasis on giving Russia a stake in the stability thus

obtained. The dominant power structures in Moscow, however, seem to dismiss the notion that it could itself benefit from stability and Western-promoted development in the South Caucasus. This in turn reflects the traditional assumption that Russia's interests require weak and vulnerable countries, permeable to Russian influence, on its borders.

For these reasons, Euro-Atlantic anchoring of the South Caucasus could entail major elements of competition with Russia, and will require the finessing of the relationship with Moscow while this process develops. While it is a competition that the U.S., NATO, the EU, and Western-oriented political forces in the region have ample means to win, it will be important to continuously leave a window open for Russia's constructive cooperation and display the positive consequences for Russia of the process.

Iranian Interests

The independence of the South Caucasian states took Iran by surprise, especially as the war between Azerbaijan and Armenia revealed deep contradictions in the foreign policy of the Islamic Republic. Disagreements within the ruling circles in Tehran have ensured a certain level of mixed signals, but in spite of these differences, Iranian policy has proven remarkably durable. Three main facets have characterized Iranian policy. Firstly, a concern over the emergence of the independent state of Azerbaijan, leading to a gradual tilt toward Armenia in the Armenian-Azerbaijani conflict. Secondly, a dramatic improvement in relations with Russia that, despite a shaky basis, have developed into a strategic partnership. Thirdly, an increasing desire to influence the development of oil and gas resources in the Caspian sea, seeking to avoid Turkish influence over pipeline routes. Iran's recent belligerence in Caspian naval matters is a rising concern, as Iran in the Summer of 2001 became the first actor to threaten the use of force in the Caspian sea, as viewed above. Concern over the large Azeri minority in Iran has guided Iran's policy toward the Caucasus.¹⁴ Tehran fears increased nationalism and separatism among the over 20 million-strong (over twice the population of the state of Azerbaijan) Azeri minority, which could threaten the integrity of the Iranian state. Aware of its waning legitimacy and popularity, the clerical regime has sought to mitigate the emergence of a strong and wealthy Republic of Azerbaijan that would act as a magnet for Azeris in Iran. Azerbaijani President Elçibey's anti-Iranian attitude worsened relations to the freezing point in 1992, and

¹⁴ Svante E. Cornell, "Iran and the Caspian Region: The Triumph of Pragmatism over Ideology", *Global Dialogue*, vol. 3 no. 2, July 2001; Brenda Shaffer, "The Formation of Azerbaijani Collective Identity in Iran", *Nationalities Papers*, vol 28 no. 3, 2000, pp. 449-478.

speeded up Tehran's tilt toward Armenia in the conflict. Iran has also found common ground with Russia in many issues. Beyond economic benefits, Iran and Russia share an ambition to limit Turkish and American influence in their backyard, and to restrict the westward orientation of the South Caucasian nations.

Turkish Interests

Turkey stands out by being both a regional power in its own right, and simultaneously a key actor in the Euro-Atlantic community, to which it is tied by its NATO membership, its bilateral relationship to the United States, and its bid for EU membership. What will be said below of Euro-Atlantic interests applies to Turkey as well, while its unique relationship to the region is briefly treated here.

After a bout of pan-Turkic euphoria in the early 1990s that frightened Armenia, Iran, Russia, and discomfited Georgia, Ankara has since the late 1990s pursued a pragmatic and stable policy toward the South Caucasus. Turkey gives primacy to relations with Azerbaijan, both because of the close cultural and linguistic affinities between the two states, and because of Azerbaijan's pivotal geopolitical position. The Baku-Tbilisi-Ceyhan oil pipeline, currently under construction, and the planned Baku-Tbilisi-Erzurum gas pipeline have added economic importance to the South Caucasus for Turkey. A logical result of Turkey's ambition to become an energy corridor between the Caspian and Europe has led to increased attention on Georgia, the geographic link between Turkey and Azerbaijan and Central Asia. Turkey has improved its relations with Georgia to the level of strategic partnership. After Iranian military threats toward Azerbaijan in July-August 2001, Turkey strongly signaled that it had taken on a role as guarantor of Azerbaijan's security. Turkey has supervised the building-up of Azerbaijan's military forces, and entertains close military ties not only with Azerbaijan but also with Georgia, in a sense forging a Turkish-Georgian-Azerbaijani military relationship that is in turn linked to the Turkish-Israeli alliance.

Turkey's relations with Armenia are, by contrast, chilled. Armenia sees Turkey as the chief threat to its security, and still suspects Turkey of having genocidal ambitions against Armenia. Turkey, for its part, refuses to recognize the occurrence of a Genocide of Armenians during the First World War and sees the Armenian government's struggle to achieve international recognition of the alleged Genocide as a step toward territorial demands on Turkey – a fear compounded by the Armenian government's reluctance to recognize its border with Turkey. Ankara reacted strongly to Armenia's occupation of Azerbaijani territories in 1992-93, and refuses to open diplomatic relations with Armenia until it withdraws from the occupied territories in Azerbaijan. Significant pressure is being put on Turkey to improve its relationship

with Armenia and open the border between the two countries. Nevertheless, this is unrealistic in the absence of a solution to the Mountainous Karabakh dispute.

Euro-Atlantic Interests

The Western world has long regarded the Black Sea as a boundary separating Europe from Asia, and viewed the South Caucasus – however close geographically – as belonging to a foreign world. Today's strategic imperatives have consigned that perception to history. From a backwater of international politics, the South Caucasus has in recent years surged to the geopolitical center stage as a result of three processes: first, the recession of Russian power after 1990, which gave the region's states a historic chance to pursue a Western orientation; second, the discovery since the mid-1990s of the real potential of Caspian oil and gas, which hold the key to Europe's energy balance in the future; and, third, the operational requirements of anti-terrorism coalitions post-9/11.

The South Caucasus forms the hub of an evolving geostrategic and geo-economic system that stretches from NATO Europe to Central Asia and Afghanistan. It provides unique transit corridors for Caspian energy supplies and Central Asian commodities to the Euro-Atlantic community, as well as direct access for allied forces to bases and operational theaters in the Greater Middle East and Central Asia. Thus the Black Sea and Caspian basins, with the South Caucasus uniting them, comprise a functional aggregate, now linked directly to the enlarged Euro-Atlantic alliance.

Although located on the Euro-Atlantic world's outer edge, this region has already begun functioning as a rear area or staging ground in terms of projecting Western power and values along with security into Central Asia and the Greater Middle East. This function is likely to increase in significance as part of U.S. and NATO strategic initiatives. For all of the above reasons, security threats to South Caucasus countries and the undermining of their sovereignty run counter to major Euro-Atlantic interests.

Azerbaijan and Georgia perform all those key functions in terms of strategic access. Thus, by dint of geography and their political choice, Azerbaijan and Georgia have assumed major Euro-Atlantic responsibilities as members of the anti-terrorist coalition and NATO aspirants. Both countries have thereby accepted serious risks to their security. They can only function as a tandem or not at all: as Euro-Atlantic partners and NATO aspirants, and indeed as viable nation-states Azerbaijan and Georgia stand or fall together.

American policy continues to bear the brunt of overall Western interests in the South Caucasus in terms of security assistance, state-consolidation efforts, and promotion of

energy projects. Although Europe has a more direct stake in this neighboring region's security and energy sector development, European efforts are meager by comparison to those of the U.S. Such disproportion was never justifiable, and must be rectified by European allies through NATO at this time when U.S. resources are overextended globally.

Current U.S. and allied policies in this region focus on the new-type security threats associated with international terrorism, mass-destruction-weapons proliferation, arms and drugs trafficking. Thanks largely to U.S.-led efforts and active cooperation by the region's governments, threats of this type are being dealt with effectively. They are mostly latent or under control, and must be addressed proactively and with fully adequate resources.

That focus, however, does not address the traditional-type threats, including military ones, to countries in the region. These threats are not potential or latent; they are actual, clear and present, and in some cases existential. They stem from unwanted, entrenched foreign troops, seizures of territory, border changes de facto, ethnic cleansing, "peacekeeping" that cements the outcome of military interventions, and creation of proxy statelets with troops that have long since been graduated from guerrilla to conventional troops.

The Alliance should refocus its attention toward those persisting threats of traditional types, and reorder accordingly its security priorities for this vitally important region. Euro-Atlantic strategic interests cannot reliably be sustained – nor can Euro-Atlantic integration be built – on rumps of countries that are open to those threats and pressures. The Alliance needs to initiate genuine peace-support and political settlement of the conflicts, as well as take the lead in urging the withdrawal of unwanted foreign forces; in sum, to uphold international law, which has never really operated in this region since 1991. Allied interests here have risen exponentially since that time, however.

Euro-Atlantic interests in this region require stable, reform-capable states, safe from external military pressures or externally-inspired secessions, secure in their function as energy transit routes, and able at any time to join U.S.-led coalitions-of-the-willing or NATO operations. Those interests can only be sustained if the regional partner-states are free from unwanted foreign troops and bases, in control of their own borders, under protection of international law, and anchored to Euro-Atlantic structures that ensure their freedom to choose and to maintain a Western orientation.

While still years away from qualifying for NATO membership, Azerbaijan and Georgia need effective security arrangements now. Before they can come into NATO, the Alliance must come to Azerbaijan and Georgia with appropriate security

arrangements. Politically, such arrangements can include security assurances similar to those embodied in NATO's Article Four (i.e., short of Article-Five-type security guarantees), and might be included in a summit statement that would be viewed in the region as a "Washington-Treaty-Two." These two countries have already graduated from the situation of pure consumers of security to that of net consumers and incipient providers of security, as active members of the anti-terrorist coalition and irreplaceable geostrategic assets to the Euro-Atlantic community.

Multilateral Security Arrangements: NATO as the Only Feasible Option

The South Caucasus is hence a region with clear and rapidly increasing Euro-Atlantic security interests. Meanwhile, it is a region where these interests intersect with those of Russia and Iran. As far as multilateral security arrangements are concerned, several possible options are feasible, and have been advanced. The OSCE provides a joint western-Russian umbrella; which was advanced after the collapse of the Soviet Union to fulfill such a role. Meanwhile, Russia proposes to organize the security of the region under the auspices of the Collective Security Treaty Organization. As far as western security providers are concerned, two alternatives are feasible: the European Union and NATO. The former has chosen to remain aloof from the region in terms of security, reducing the South Caucasus literally to a footnote in the Wider Europe context, while NATO, through its Partnership for Peace program is actually the only security arrangement to include all three states of the region.

The European Union: Splendid Isolation for How Much Longer?

The European Union is now reconsidering its 2003 decision, which left the South Caucasus countries out of the Wider Europe/New Neighbors initiatives. For now, the EU remains the great absentee from the economic, political and security affairs of this region. The EU's profile in this region has actually decreased continually since the mid-1990s.

A decade ago, the EU launched the great projects, TRACECA (Transport Corridor Europe-Caucasus-Central Asia, a set of programs for overland commodity transport and communications along the historic Silk Road) and INOGATE (International Oil and Gas Transport to Europe). The high hopes that had, in Europe as well as in the South Caucasus, accompanied these projects, have come to naught thus far. Both projects are starved of funds and of political attention in the EU. Their sole institutional expression in the South Caucasus thus far, a TRACECA Secretariat in Baku, is barely alive.

Although the EU is the main prospective consumer of Caspian oil and gas, Brussels has for years seemed content to discuss those issues as part of the EU-Russia energy dialogue. Instead of seeking direct access to Caspian energy, the EU seems comfortable with Russian-mediated access to that energy. European officials tend often to look away from the long-term risks inherent in this approach, although it defeats the EU's own declared goals of energy-supply diversification. While European companies are actively involved in developing Caspian oil and gas deposits, the EU as such is not a factor in promoting Caspian energy development and, above all, pipeline routes to Europe. It is the U.S. who in practice upholds those European interests through its active diplomacy on energy and pipeline issues in the Caspian basin.

The EU appointed for the first time in 2002 a special representative for the South Caucasus. This move could have been a positive signal, though it failed to do so. The appointee is a veteran Finnish diplomat, whose permanent office is not located in the region; not even in Brussels, but in Helsinki, whence he travels periodically to the South Caucasus. His mandate does not cover energy and pipeline issues; and it reduces him to simply looking at regional security issues or frozen conflicts, without authority to take initiatives. Although this envoy's mandate was initially a short-term one, the EU has renewed it, instead of providing for a rewritten mandate that would reflect EU interests.

Its strategic interests in terms of energy and anti-terrorism notwithstanding, the EU is absent also from the regional security picture in the South Caucasus. The Union has no approach to conflict resolution and no initiatives regarding post-conflict reconstruction. The EU's decade-old TACIS (Technical Assistance to CIS countries) program has outlived its usefulness. It must be replaced by programs on a higher quality level that would focus on building institutional capacity and administrative competence in the South Caucasus countries. The EU needs to develop a transit strategy for Caspian energy, particularly targeting the eastern shore, which holds the great bulk of Caspian oil and gas, for transit to Europe via the South Caucasus. If this route is not available to Kazakhstan and Turkmenistan, their soaring exports of oil and gas will only reach Europe via Russia, and this in turn will strengthen Russian energy leverage on the EU. The Union also needs in its own interest to pull its weight regarding peace-consolidation and conflict-settlement. This region's place in the EU's Wider Europe/New Neighbors initiatives, currently being reworked, should adequately reflect the EU's strategic energy and security interests. It is especially important to coordinate EU policies in the South Caucasus (as in the Balkans) with the U.S. and NATO.

The Collective Security Treaty Organization

In contrast to European integration models, the Russian one relies almost entirely on direct bilateral links of a vertical type between Moscow and the individual member countries. Moreover, the most important bilateral links operate outside nominally multilateral frameworks such as CIS. For example, the Collective Security Treaty/Collective Security Organization provides a multilateral-looking, largely symbolic framework, within which Russia develops relations with each member country separately. Armenia is the sole member country of the CSTO in the South Caucasus. At the same time, the Russia-Armenia alliance treaty and other major military programs and activities are bilateral affairs, not governed by the CSTO.

The CSTO provides a multilateral-looking, largely symbolic framework within which Russia develops relations with each member country separately. The CSTO, signed at Moscow's initiative in 1992, was abandoned in 1998 by Azerbaijan, Georgia and Uzbekistan, who did not renew their membership in the Treaty as it came up for renewal. The CSTO, a personal initiative of Russian President Vladimir Putin, originally announced at the 2001 CIS summit in Yerevan, is intended to operationalize the largely declarative Treaty. Yet the CSTO serves primarily the political function of casting Russia as a bloc leader on the international stage.

Armenia is the sole member country of the CSTO in the South Caucasus. At the same time, however, the Russia-Armenia alliance treaty and other major military programs and activities are bilateral matters, not governed by the Collective Security Treaty Organization, and not administered through those collective structures.

In theory, the CSTO includes three "regional groups of forces": the Western group of Russia and Belarus, the South Caucasus group of Russia and Armenia, and the Central Asian group of Russia, Kazakhstan, Kyrgyzstan and Tajikistan. This means that, in case of a general or theater war, Russia would take command of the forces of allied countries in the respective theaters. Member countries including Armenia rarely take part in collective exercises other than air defense. Of the three regional groupings, only that in Central Asia features an element designated as collective rapid-deployment force, configured for anti-terrorism operations. Russia has recently proposed to create this type of units with Belarus and Armenia in each of these theaters as well.

The CIS nominally sponsors the Russian "peacekeeping" operation in Abkhazia. It is the CIS as a political organization of twelve member countries (not the six-country CSTO) that formally takes decisions related to authorizing or terminating this operation and determining its mandate and composition. Moscow insists on

conducting this purely Russian operation under a CIS label, and punctiliously refers to the Russian troops involved in it as “CIS peacekeepers.” Initiated in 1994 following the Russian-led military campaign against Georgia in Abkhazia, this “peacekeeping” operation enables Russia to play arbiter in a conflict that it has itself orchestrated and in which it continues openly to underwrite the Abkhaz side.

Georgia accepted this Russian operation under duress and on the condition that the CIS reexamine it at six-month intervals, its prolongation being subject each time to Georgian consent. In practice, Georgia has had no choice since 1994 but to accept the prolongation every six months, often under protest; and by 2002 it renounced the six-month proviso altogether. Tbilisi’s attempts over the years to internationalize this operation, or at least to revise the Russian operation’s mandate – for example, by authorizing the “peacekeeping” troops to assist in the Georgian refugees’ return to their homes in Abkhazia – came to naught. The CIS as such never took a position on the issues of internationalizing the Russian operation or revising its mandate. It was only Russia who thrashed out those issues directly with Georgia, then secured in the CIS a pro-forma approval to prolong the Russian operation.

The UN over the years acknowledged this “CIS peacekeeping operation” in official UN documents at Russia’s request. The UN Mission in Georgia (UNOMIG) deploys a small number of unarmed observers in Abkhazia (usually 150, in a 1:0 ratio to the Russian troops, and dependent on those troops for safety). On those occasions when Georgia warned that it might not consent to the six-month prolongation of the Russian operation unless it were internationalized, the UN came to Russia’s assistance by threatening to withdraw UNOMIG from Abkhazia (citing the safety issue *inter alia*) if Georgia exercised its right to request the Russian troops to leave. Otherwise, the UN has not satisfied Russia’s claim to a special role as peacekeeper in the CIS, nor mandated the CIS as such to conduct peacekeeping in Georgia or anywhere.

NATO’s Role in the South Caucasus

NATO’s enlargement to the western Black Sea and the planned enlargement of the European Union are turning the South Caucasus into a direct neighbor to the institutionalized West. Concurrently, with U.S.-led anti-terrorism coalitions projecting power into Central Asia, Afghanistan and Iraq, the South Caucasus has *de facto* been drawn into the perimeter of Euro-Atlantic strategic security interests. The EU’s energy security interests should sooner rather than later lead to an active role in this region by the EU as well. Thus, while remaining a permanent neighbor of Russia, the South Caucasus has in effect become a Euro-Atlantic borderland.

This American-spearheaded development is so recent that its full implications have not yet sunk in, particularly in Western Europe. Thus the U.S. continues to bear a disproportionately large share of overall Euro-Atlantic burdens in the South Caucasus. NATO is still groping for a regional strategy, while the EU is only beginning to reconsider its splendid isolation from this region.

In this region, Azerbaijan and Georgia made public already in 2000 their goal of joining NATO, each in its own right. Georgia became officially an aspirant to NATO membership at the Alliance's Prague summit in November 2002; Azerbaijan, in April 2003. Both countries have been working closely with the U.S., Turkey and other allies on the long-haul task of reforming their security sectors. As active members of the anti-terrorist coalition, Azerbaijan and Georgia have provided transit passage and small troop units for NATO- and U.S.-led operations in the Balkans, Afghanistan and Iraq. In those respects, as well as politically and diplomatically, Baku and Tbilisi behave as de facto allies of NATO and the U.S.

Successful completion of their Individual Partnership Action Plans (IPAPs) cycles, leading to Membership Action Plans (MAPs), should in due course bring Azerbaijan and Georgia into NATO as members. Their progress toward that goal would almost certainly provide an attractive example to Armenia.

For its part, NATO should map out a two-stage strategy regarding the South Caucasus: from anchoring to integration. This strategy can capitalize most effectively on the wide overlap in membership between NATO and the EU. The first stage, to be ushered in by the Alliance's 2004 Istanbul summit, must aim for anchoring the region to the Euro-Atlantic system in security terms and economically, and on that basis advance the consolidation of Georgia, Azerbaijan and Armenia as functional nation-states. Successful anchoring can lead to the stage of integration, beginning with that of Azerbaijan and Georgia into NATO, and encouraging Armenia to exercise a Euro-Atlantic option as well.

The South Caucasus in the Anti-Terror Coalition

Anti-terrorism, anti-rogue-state strategies have created a new set of Euro-Atlantic interests in the South Caucasus, gateway to actual and potential hotbeds of crisis in the Greater Middle East. Key to those strategies in all of their phases – from contingency planning to conduct of operations to post-conflict stabilization – is access to the South Caucasus on a permanently assured basis. This requirement in turn necessitates durable coalition building in the region. By the same token it presents the region's countries with a historic opportunity to seek inclusion in the Euro-Atlantic security system.

NATO's November 2002 Prague summit made twin decisions on enlargement to the western Black Sea and on retooling for expeditionary operations farther afield. At present, NATO allies in various combinations operate in Afghanistan, Iraq, and Kyrgyzstan. Meanwhile, the U.S. has begun repositioning some of its own forces from Western Europe toward the southeast, closer to the possible operational theaters. Thus, the South Caucasus has become NATO's direct neighbor as well as connecting link to the Greater Middle East for allied forces.

Azerbaijan and Georgia joined the anti-terrorism coalition instantly on 9/11. They supported the Enduring Freedom operation in Afghanistan and Iraqi Freedom operation by providing air and land passage rights, political backing, and peace-support troops.

Baku and Tbilisi regard their participation in the anti-terrorism coalition as synonymous with their national interests. They had experienced terrorist attacks and threats well before 9/11 (externally inspired coup- and assassination attempts against their presidents, ethnic cleansing operations). For both Azerbaijan and Georgia, participation in the anti-terrorism coalition is also a means to maintain close relations with the U.S., advance the modernization of their security sectors, and earn their credentials as NATO aspirant countries.

Moreover, Azerbaijan and Georgia are on the alert to prevent a spillover of the Russian-Chechen war into their territories and to interdict the passage of foreign gunmen, their suspected accomplices, and radical Islamist missionaries. With U.S. assistance, Georgia cleaned up the Pankisi Valley in 2002-2003 and holds it under control since then. For its part, Azerbaijan gave Iran's mullahs no chance to export their brand of Islam to Azerbaijan's Shia majority. Successful development of Azerbaijan as a Muslim secular state is also a shared interest of the Euro-Atlantic community. This goal stands a good chance of fulfillment in an Azerbaijani society generally characterized by religious tolerance and receptive to Western models.

Armenia, on the other hand, has followed a policy closer to the Russian one, reacting slower to September 11, 2001 than did Azerbaijan or Georgia, and opposing Operation Iraqi Freedom. Its close relations with Russia and Iran constrained Armenia's decisions. For its part, Turkey moved from active participation in Afghanistan to a reluctant and limited cooperation over Iraq. Such experiences underscore the importance of ensuring that Azerbaijan and Georgia remain free at all times to exercise their own option of participating in coalition efforts. Baku and Tbilisi need to feel confident that they can take such decisions without exposing themselves to pressures from Russia or Iran, if these oppose a particular allied operation or campaign. Thus, the Alliance needs to institutionalize security arrangements with

Azerbaijan and Georgia now, as a bridging solution toward their possible membership in the Alliance in the future.

These two countries (along with their Black Sea neighbors Romania, Bulgaria and Ukraine) have provided crucial overflight support and transit passage for U.S.-led, NATO-backed anti-terrorist operations. These contributions responded ad-hoc to specific, largely unanticipated contingencies. The lesson is that the U.S. and NATO must establish a long-term presence in this region, in anticipation of a full range of contingencies. Thus, the transformation goals of the U.S. European Command now require a long-term presence around the Black Sea and in the South Caucasus. The goals include establishing support infrastructures, assisting in the development of allied and friendly forces for self-defense and coalition operations, and securing peacetime and contingency access for U.S. forces throughout this region. For NATO collectively, such a presence would be a natural corollary to the Alliance's recent decisions to prepare for possible operations in the Greater Middle East and beyond. In this respect, South Caucasus countries are indispensable to anti-terrorist coalition building on a long-term basis.

The Challenge of Unresolved Conflicts

The South Caucasus is currently the most conflict-plagued region on any new border of the enlarging West. A coherent Western approach to peace-support and conflict resolution in this region is still lacking, however. Given the region's high strategic value, it is high time to move this issue to the front burner of diplomacy and security policy.

NATO, the U.S. and the European Union can and should initiate a long-overdue transformation of conflict-management in the South Caucasus. The goal must be political solutions that promote the consolidation of the region's states and advance Euro-Atlantic interests in partnership with these states. Peacekeeping operations and conflict-settlement negotiations should be reconfigured and geared to those goals.

Thirteen years after the USSR's dissolution, conflict-management in this strategic region continues to be heavily dominated by Moscow. The latter has a vested interest in keeping the conflicts smoldering, so as to thwart the Western integration of Georgia, Azerbaijan and Armenia. The U.N. and OSCE, left largely to their own devices, have merely conserved these unresolved conflicts. Euro-Atlantic strategic and economic interests, however, necessitate hands-on Western involvement in peace-support operations and conflict-resolution in this region.

Almost two years ago, the U.S. and NATO seemed on the verge such involvement for the first time. The joint communiqués in May 2002 of the U.S.-Russia and

NATO-Russia summits stipulated that “the United States and Russia will advance a peaceful political resolution to the conflicts in Abkhazia and South Ossetia;” and that “the United States and Russia will cooperate to resolve regional conflicts, including...Karabakh and the Transnistria issue.” Furthermore, under the aegis of the newly created NATO-Russia Council (NRC), “NATO and Russia...will promote interoperability between national peacekeeping contingents, and development of a generic concept for joint NATO-Russia peacekeeping operations.” Washington and NATO had evidently initiated and pushed through the innovative language in those documents. Their apparent intentions were soon shelved, however, as misgivings arose over some other aspects of NRC's mandate, the U.S. shifted its focus to Iraq, NATO experienced internal tensions, and the situation in Afghanistan began claiming its share of allied resources, with the Iraq crisis now demanding its share as well.

Although Russia has fallen short of obtaining international recognition of a special role as “peacekeeper” in the “CIS space,” Moscow continues to hold that role *de facto*, along with the dominant position as mediator in conflict-settlement negotiations. The ceasefires in Karabakh, Abkhazia and South Ossetia have held over the years (nearly a decade on average) mainly because the parties themselves know that they would have far more to lose than to gain from any new hostilities. Russia's policy consists of freezing not the conflicts as such, but rather the negotiations toward political settlements.

NATO and the EU may be multiplying their peace-support commitments elsewhere, but seem to stop shy of any such role in formerly Soviet-ruled areas. Russia's privileged role in these areas is a potential ingredient to sphere-of-influence rebuilding; an ingredient that persists by Western default. It is crucial to avoid the perception (let alone the fact) of a Russia-West division of peacekeeping and conflict-management spheres taking hold. This can lead to the slippery slope of a division into political influence spheres, and even to an informal partition of countries' territories.

Some analysts nevertheless suggest that the U.S., NATO and the EU should defer to Moscow on this issue, lest Russia's cooperation in anti-terrorism and anti-WMD-proliferation efforts be jeopardized. This argument seems to underestimate Russia's own declared interest in cooperating with the West in such efforts; to overestimate the practical value of Russia's contributions to those efforts; and to look away from Moscow's outright obstruction of coalition efforts in a number of cases. Moreover, it tends to confirm the Kremlin in its view that strategic partnership with the West should entail acceptance of Russian primacy in the “CIS space.”

Another argument for noninvolvement focuses on overextension of NATO member countries' resources in ongoing peace-support operations, at a time when NATO is facing a shortfall in deployable forces (along with a large surplus of nondeployable European forces, however). NATO's stated priorities currently include Afghanistan at the top, followed by Iraq, then followed by remaining commitments in the Balkans, and hypothetically by operations in the Greater Middle East as the need may arise; not to mention UN Secretary-General Kofi Annan's call for NATO peacekeeping in Africa, which NATO's Secretary-General Jaap de Hoop Scheffer has announced he would seriously consider.

Where this leaves the South Caucasus in terms of conflict-management priorities is far from clear. In any case, NATO-led peace-support and stabilization in this region would entail far lower risks and far smaller resources compared to the risks and the resource commitments in Iraq, Afghanistan, or previously in the Balkans. Moreover, turning the South Caucasus into a NATO priority need not compete with the priorities assigned to Afghanistan, Iraq, or the emergent Greater Middle East initiative. The fact is that a secure and stable South Caucasus, anchored to NATO, is necessary in order to sustain those operations and initiatives. This in turn requires a proactive, coordinated Euro-Atlantic approach to peace-support missions and conflict-resolution in this region.

Russian "peacekeeping" must and can be internationalized with full-fledged Euro-Atlantic participation. Small numbers of lightly armed troops would be adequate for monitoring the ceasefires. The emphasis should shift to civilian components of peacekeeping missions: on the Bosnia and Macedonia models, such missions should include police units and police trainers, internationally appointed judges, administrative-capacity-building personnel, and customs training teams. The introduction of law and order can marginalize the criminalized leaderships of the breakaway areas and create conditions for a democratic opening there, facilitating conflict resolution. Political settlements should be attainable in short order due to U.S. and allied political credibility in the region, and their potential, together with the EU, for post-conflict reconstruction.

Anchoring the South Caucasus to the Euro-Atlantic system through conflict management and post-conflict rehabilitation would result in a strategic payoff of global import. The effort would be well within the present means of the U.S., NATO and the EU, if they work in synergy reflecting their common strategic interests in this region.

The Role of Unwanted Foreign Forces

NATO's June 2004 summit will review compliance with the adapted Treaty on Conventional Forces in Europe (CFE) and Istanbul Commitments regarding the South Caucasus and Moldova. Those twin agreements of 1999 require Russia to: reduce certain categories of heavy weaponry (designated cumulatively as treaty-limited equipment) in this flank region to the levels set in the adapted CFE treaty; close two bases in Georgia by 2001, agree with Georgia on a timeline for closure of the other two bases, and withdraw all Russian forces from Moldova by 2002. The CFE Treaty and the Istanbul Commitments form twin parts of a single package (a linkage that Russia accepted in 1999 and afterward, but no longer does).

NATO has all along taken the position that ratification of the CFE Treaty is contingent on Russian compliance with the treaty's flank-region limits and with the Istanbul Commitments. Furthermore, NATO and the U.S. have assured Russia that the three Baltic states would accede to the CFE Treaty – thus accepting constraints on allied defensive deployments in the Baltics – once the Treaty is ratified, which in turn depends on Russian compliance with the flank limits and the Istanbul Commitments.

This remains NATO's collective position to date; but certain European governments now seem prepared to accept only a partial and unverified Russian compliance with the Istanbul Commitments and the CFE Treaty on the southern flank, at the expense of regional security; and thus to rush the Treaty's ratification, which would then place the Baltic states under its constraints. For its part, Russia wants NATO to call for treaty ratification and inclusion of the Baltics, despite Russian breaches of the Treaty and the Commitments.

As of now, the noncompliance is threefold: Russian heavy weaponry in excess of CFE Treaty limits, stonewalling on verification, and noncompliance with base closure and troop withdrawal obligations.

In breach of its Istanbul Commitments, Russia has held on to three bases in Georgia, avoiding since 2002 any serious negotiations about closure. At present, it seeks a seven-year extension for two of the bases – Batumi and Akhalkalaki – and a bilateral treaty with Georgia that would legalize those bases for the duration. The other base, Gudauta, was due to have been closed in 2001; but Russia retains the base and garrison, has reclassified it as “peacekeeping” and seeks Georgian and international acceptance of such an arrangement. In Moldova, meanwhile, Russia maintains the troops that were required to have withdrawn by 2002; it has transferred part of those troops to Transnistria's army --a Russian force in all but name; and seeks to keep another part of the Russian troops in place indefinitely as “peacekeepers.”

The numerical size of Russian garrisons in Batumi, Akhalkalaki, Gudauta, and Transnistria is unclear and unverified. Russian bases in Georgia, Armenia, and Moldova are not accessible to inspection, even though the CFE Treaty provides for on-site inspection by OSCE teams to count the treaty-limited equipment and verify treaty implementation. Recently, Russia has multiplied the pretexts for prolonging its military presence in these countries: it cites “stability,” jobs for local residents, secessionist authorities’ objections to troop withdrawal, and Russia’s inability to cover the costs of relocating the troops.

In violation of the CFE Treaty, residual amounts of the Russian treaty-limited equipment (TLE) – which should have been destroyed or repatriated to Russia – remain in Transnistria, Abkhazia and South Ossetia at the disposal of the illegal authorities there. That equipment includes tanks, armored vehicles, and artillery systems. Meanwhile, numerous indications suggest that Russian-supplied combat hardware including TLE is massively concentrated with ethnic-Armenian Karabakh forces inside Azerbaijani territory. The precise numbers are unclear because the arsenals in that territory, as well as in Abkhazia, South Ossetia, and in Transnistria, are out of bounds to verification. The OSCE – nominally the CFE Treaty’s sponsoring body – is powerless to correct or even to call the violations. It merely acknowledges the existence of “unaccounted-for TLE holdings.”

Meanwhile, the CFE Treaty’s principle of host-country consent (no country may station its forces on another country’s territory without the latter’s freely-given consent) is being flouted in this region, thus impeding treaty ratification. At the moment, a few West European chancelleries – apparently more anxious to help Russia off that hook than to help rid the countries of those troops – are asking Georgia and Moldova to declare their consent to Russia’s troop presence at Gudauta and in Transnistria as “peacekeepers;” this would enable Russia neatly to circumvent the Istanbul Commitments on troop withdrawal, as well as to cite host-country consent in urging the CFE Treaty’s ratification

If the Treaty’s ratification goes forward under such circumstances and is applied to the Baltic States, NATO would then forfeit its last significant lever for inducing Russia to withdraw the troops from Georgia and Moldova. There is no convincing reason for an allied decision to ratify the CFE Treaty at this time; and every reason to maintain a firm linkage between this issue and the fulfillment of Russia’s Istanbul Commitments. That linkage has recently been subjected to erosion, and needs therefore to be reinforced at NATO’s summit.

The Euro-Atlantic community and of course the countries directly affected should call for the withdrawal of those Russian forces on the basis of international law; raise

the issue in international organizations; place it prominently on the agendas of NATO-Russia, U.S.-Russia, and EU-Russia relations; and not rush the CFE Treaty's ratification before ensuring its observance in the southern flank region, compliance with the Istanbul Commitments on Russian troop withdrawal, reliable verification, and real observance of the principle of host-country free consent.

IV. The Military Situation in the South Caucasus

As the preceding analysis suggests, two of the three states in the South Caucasus have indicated a desire to become members of NATO, sooner rather than later, and the third is looking to expand its relationship with the Alliance as part of its broader Euro-Atlantic initiatives. From a military perspective, the two countries seeking membership are not ready to be contributing Alliance members. What does this mean? To answer the question, we must begin with, at least in general terms, an understanding of the current capabilities, limitations and some of the challenges facing each of these militaries.

As noted earlier, these three states gained their independence in turmoil, as ethnic and regional disputes threatened the state sovereignty of Azerbaijan and Georgia. Moreover, Moscow's role in the region has been questioned by both states and they have or are pushing for the complete withdrawal of Russian troops¹⁵; and Baku and Tbilisi soon after independence began looking to the West for needed military assistance and security guarantees. Armenia, on the other hand, has remained dependent on Russia for its security and welcomes Russia's military presence in the region.

Although the three states of the region differ in many ways, there are a number of similarities in their recent past that have influenced the organization, structure and size of their armed forces and provide a basis for many of the challenges that they have been facing.

- The social and economic instability they confronted;
- Their success in generating economic recovery and then growth;
- The country's evolving security environment and arrangements;
- The size and quality of the Soviet legacy force;
- The experience-level of their respective officer corps;
- The challenges of bringing all military and paramilitary entities under government control;

¹⁵ Azerbaijan did not ratify its membership in the CIS (1992) and demanded the withdrawal of nearly 62,000 troops. This withdrawal was complete in 1993. Although Russia has completed a partial withdrawal from Georgia, Moscow has been dragging its feet to meet Tbilisi's demands for withdrawal, with negotiations still ongoing to establish a final agreement.

- The government's priority for reform and modernization, which is often balanced against concerns over the military's possible powerbroker role;
- The constraints of the Conventional Forces Europe (CFE) Treaty.

These shared characteristics generally reflect the common legacy inherited from the collapse of the USSR. These factors were the natural results of seven decades of Soviet rule, thus the inherent legacy may seem more important than it is in reality. The degrees to which they suffered from these problems, however, have varied. Georgia was plagued by warlordism from the very start of its independence, with factional paramilitary groups and forces sprouting in the security vacuum with mounting divisions on the lines of regional, ethnic and even on individual leaders' personalities. Though Azerbaijan suffered similar problems in 1992-93, the state took control over paramilitary formations quicker than in Georgia as the war with Armenia served to unite a common and unifying structure of its infant military, a trend that did not take place in the Georgian case. Armenia, by contrast, managed to secure state control over paramilitary formations before the Soviet collapse, and quickly built a single chain of command in the military.

Table 1: The Armed Forces of the South Caucasus

Country	Man-power	Battle Tanks	Armored Vehicles	Artillery	Combat Aircraft	Combat Helicopters	Navy
Armenia	44,660	110	140-240	229	8	10	—
Azerbaijan	66,490	220	210	282	47	15	11 Patrol/ Mine Warfare, 4 Amphibious
Georgia	17,500	86	185	110	7	3	11 Patrol/ Coastal Combatants, 4 Amphibious

Source: "The Military Balance, 2003-2004", Oxford, IISS, 2003, pp. 64-5, 73.

The manifold problems faced by these developing militaries in recent years, including conflicts, under-funding of their armed forces and the problems associated with legacy forces, have contributed to the existing military balance (represented above). This balance within the region is made more precarious and complex by the continued presence of elements of the Russian armed forces. The Group of Russian

Forces in Transcaucasus (GRVZ) remains the most combat ready military component in the region. The GRVZ includes eight thousand Russian soldiers, 153 tanks, 241 Armored Infantry Fighting Vehicles (AIFVs) and Armored Personnel Carriers (APCs), and 140 artillery systems and is stationed at the two military bases in Georgia (the 12th in Batumi and the 62nd in Akhalklaki). Two other groups of Russian servicemen, serving as CIS peacekeepers, are located in Abkhazia and South Ossetia. In Gudauta (Abkhazia), a separate peacekeeping-reserve Motor Rifle battalion, and two other battalions operate on the dividing line between the opposing sides along the Inguri River and in the Kodori Gorge. There are an estimated 1,600 Russian servicemen in Abkhazia, plus no less than 100 pieces of military hardware. In South Ossetia, the Russian battalion is tasked with peacekeeping duties in the area around Tskhinvali and along the Georgian military road. This formation includes 600 soldiers, plus approximately 50 pieces of ground combat and aviation hardware.¹⁶

In addition to the officially recognized states in the South Caucasus, the separatist areas of Abkhazia and South Ossetia in Georgia and Mountainous Karabakh in Azerbaijan also have their own armed forces. Abkhazia has between 3,000-5,000 personnel (up to 45,000 on mobilization), 35-50 tanks, 70-86 AIFVs and APCs, 80-100 artillery systems and 6 combat aircraft. South Ossetia maintains approximately 2,000 personnel (planning to expand to 6,000), 5-10 tanks, 30 AIFVs and APCs and 25 artillery systems. Mountainous Karabakh has about 15,000 to 20,000 full-time personnel (increasing up to more than 30,000 on mobilization) 316 tanks, 324 AIFVs and APCs and 322 artillery systems.¹⁷ Most military analysts consider this Army (NK) to be highly competent and combat capable. Russia has been successful in using these separatist republics as a mechanism through which to maintain its influence in the South Caucasus, justifying its military presence and repeatedly warning Tbilisi against military intervention in Abkhazia or South Ossetia, while pursuing its own military campaign in Chechnya.

Armenia

Armenia inherited most of the assets and much of the equipment from the Soviet Seventh Guards All Arms Army of the Transcaucasus Military District, headquartered in Yerevan, as well as elements of an air army, and the 19th Independent Air Defense Army. The ground components were generally lower

¹⁶ "The Military Balance, 2003-2004', IISS: Oxford, 2003, p. 73; *Nezavisimaya Gazeta*, December 8, 2003.

¹⁷ 'The Military Balance, 2003-2004', IISS: Oxford, 2003, pp. 66, 73; *Nezavisimoye Voennoye Obozreniye*, October 19, 2001, p. 2; *Kommersant*, April 16, 2002, p. 11.

readiness units, with older equipment. By late 1994, much of this equipment was deemed no longer serviceable.¹⁸

Armenians frequently pursued a professional military career and there were large numbers of Armenian officers, including senior officers, in key command and staff posts throughout the Soviet force.¹⁹ Consequently, the evolving MoD had little difficulty recruiting competent personnel. Their Soviet military experience was common to all and they took advantage of what they knew, which was how the Soviet Army operated, including its procedures, techniques, tactics and doctrine.

Armenia suffered a significant economic shock with the break-up of the Soviet Union in 1991 and the economy is still trying to recover. The demands of the defense budget, including prosecution of a war, placed a heavy burden on this struggling economy, even though the annual budget seems paltry by Western standards. Although a cease-fire has been in-place for several years, the security of Mountainous Karabakh and the resurgence of hostility remain principal concerns. This conflict served to escalate the country's concerns over broader security issues and remains a focal point for its foreign and security policy. Armenia saw itself increasingly politically and economically isolated, while it was flanked by enemies to its east and west, with Azerbaijan and Turkey imposing trade and economic embargoes, seriously affecting an already stressed economy.

Moscow's support for Yerevan in this conflict helped to further isolate Armenia from its neighbors and solidify Russia's position as the country's main security ally. In 1997, Moscow and Yerevan signed a key "Friendship Treaty," which included a mutual assistance provision - in the event of a military attack on either party. This agreement was strengthened in January 2003 by a new bilateral military-technical agreement.²⁰ Armenia receives, in part, military equipment, spare parts, supplies and

¹⁸ These officer totals include all officers, commissioned, warrant etc. Richard Woff, "The Armed Forces of Armenia," *Jane's Intelligence Review*, September 1994, pp. 387-391.

¹⁹ Only Russians, Ukrainians, and Byelorussians surpassed the number of Armenian officers in Soviet military service. *Ibid.*, pp. 388-389.

²⁰ Tomas Velasek, "Armenia," in Ustina Markus and Daniel N. Nelson, editors, *Eurasian and East European Security Yearbook*, 2000, Washington, D.C.: Brassey's, 2000, pp. 489-490; William D. O'Malley, "Chapter Eight. Central Asia and South Caucasus as an Area of Operations: Challenges and Constraints," in Olga Olikier and Thomas S. Szayna, editors, *Faultlines of Conflict in Central Asia and the South Caucasus: Implications for the U.S. Army*, (Santa Monica: RAND, 2003), pp. 276-277; Igor Torbakov, "Russia Struggles To Counterbalance Rising U.S. Influence In The Caucasus," *Eurasianet Insight*, April 8, 2002, www.eurasianet.org/departments/insight/articles/eav040802.shtml. In November 2003, the two defense ministers conclude a series of agreements calling for the consolidation of the 3,000-man Russian military facilities at Gumri in northern Armenia into one base, in accordance with Russian defense ministry plans. Under the agreements, Armenia promises to provide additional territory for the combined base and agrees to pay for public utilities to the Russian military base (the total annual cost of those services is estimated at some \$1.5 million). The

training from Russia's armed forces. Armenia still views Russia as the strategic guarantor of its position within the region and this is reinforced further by the continued stationing of Russian ground, air and air defense forces on its territory. In 2000, Yerevan signed an agreement allowing Russian troops to stay in Armenia through 2025 and, in March 2001, it signed a protocol that exempted Russia from paying rent for its military facilities in Armenia.²¹ In January 2002, Russia and Armenia agreed to establish a joint "counterterrorism" brigade.²²

Although U.S. military assistance programs prior to 9/11 were modest, Washington has provided nearly \$1.5 billion in economic, humanitarian and technical assistance to Armenia since the enactment of the Freedom Support Act in October 1992.²³ Post 9/11, there has been a significant increase in U.S. security assistance to Armenia, as well as efforts to incorporate Tbilisi into the war on terrorism and expand and deepen its relations with NATO.²⁴ With Congressional enactment of a waiver for Section 907 of the Freedom Support Act, Washington was able to expand its military-to-military relationship with Yerevan (more details later).

Armenia was included in the territory covered by the CFE Treaty that had been negotiated between NATO and the Warsaw Pact Alliances.²⁵ It would appear that

Russian defense minister also announced that Russia will continue to supply Armenia with weaponry and military hardware, but notes that the material will be limited to "a purely defensive nature," Richard Giragosian, "New Agreements on Military Cooperation Signed with Russian Defense Minister," *Transcaucasus: A Chronology*, ANCA, December 2003, Volume XII, Number 12.

²¹ Richard Giragosian, Armenia Update, July 2003, Unpublished.

²² On 28 January 2002, Foreign Minister Vardan Oskanian and Russian Ambassador to Armenia Anatolii Dryukov reportedly reviewed a set of documents empowering the formation of a joint Russian-Armenian combat brigade to be drawn from troops of the Armenian 5th Army Corps and the Russian force deployed at their military base in Armenia. Although the joint force is reportedly to be utilized "to fight terrorism," its precise duties have not been publicly specified. The agreement still faces parliamentary ratification by both countries. RFE/RL Newline, 29 January 2002; and Richard Giragosian, *Transcaucasus: A Chronology*, January 2002, Volume XI, Number 1. In November 2003, Russian Defense Minister Ivanov confirmed that this joint formation was still in the planning stage. RFE/RL Newline, November 25, 2003, <http://www.rferl.org/newsline/2003/11/2-tca/tca-251103.asp>; Sergei Blagov, "Armenia and Russia Reassert Bonds Amid Georgia's Crisis," *Eurasianet Insight*, November 17, 2003, www.eurasianet.org/departments/insight/articles/eav111703.shtml.

²³ U.S. State Department, Bureau of European and Eurasian Affairs, "Fact Sheet: Background Note: Armenia", March 2004.

²⁴ Not long after 9/11, Armenian Defense Minister Serge Sargsyan was visited by Defense Secretary Rumsfeld to discuss Armenia's involvement in the war on terrorism and improved military cooperation between the two countries. "Secretary Rumsfeld Joint Press Conference with Armenian Defense Minister," December 15, 2001, www.defenselink.mil/news/Dec2001/t12172001_t1215ar.m.html.

²⁵ In May 1992, Yerevan signed the Tashkent Agreement that parcelled out Soviet CFE obligations and entitlements to the former Soviet states in the Treaty zone. Armenia's armed forces exceeded the treaty limits only on ACVs from 1993 until 1996, when they finally destroyed or transferred out sufficient equipment to bring them under the ceilings. A combination of security concerns and the cost of destruction slowed the government's willingness to comply with treaty ceilings. The treaty was amended in 1999 to include ceilings on manpower that went into effect in 2001. The treaty was amended in 1999 to include recommended ceilings on manpower that went into effect in 2001. Although they are not binding, manpower the amendment does require similar CFE reporting on manpower. Zdzislaw Lachowski, "Chapter 3. Arms Control in the Caucasus," in Alyson J.K. Bailes, Bjorn

adherence to these ceilings has had only a marginal effect on downsizing of the legacy force, with age, combat losses, transfers of equipment to Mountainous Karabakh and the declining operational status of much of the remaining equipment undoubtedly having a more significant affect on the process. As an effort to balance combat power in the region, the established ceilings on the five basic combat systems restricted by the Treaty is the same for both Armenia and Azerbaijan²⁶, but those assets in Mountainous Karabakh are not currently accounted for under the Treaty.²⁷

Structure

The Armenian armed forces total around 44,600 personnel that support a mixed professional, contract and conscript-based organization, with two arms of service - the ground forces and a joint air and air defense force. Conscripts serve for 24 months; those recruited on a contract basis serve periods of 3 to 15 years.²⁸ There is also a reserve base of approximately 220,000 that have served in the last 15 years.

The Army is the heart of the Armenian armed forces and the largest of its services, with more than 75 per cent of both the active military personnel and equipment. The army's assets are organized under five corps headquarters that are distributed around the country, but heavily leaning toward the country's eastern border with Azerbaijan. Principal combat formations are a mixture of motor rifle brigades and regiments. The restructuring of the army has been ongoing for some time and indications are that the motorized formations will eventually all be reorganized into brigades of three or four combat battalions and a strength ranging between 1,500 to 2,500 troops.²⁹ The Army has the largest concentration of conscript soldiers, but it is also recruiting contract soldiers for the technical services and a small but growing NCO corps.

The joint air/air defense forces are composed of a combination of combat assets that can nominally support both offensive and defensive air operations. The air element has 8 combat aircraft and 13 armed helicopters (8 attack) and is organized into four functional commands: a fighter/ground attack squadron; a transport unit; a composite

Hagelin, Zdzislaw Lachowski, Sam Perlo-Freeman, Petter Stalenheim and Dmitri Trofimov, *Armament and Disarmament in the Caucasus and Central Asia*, Stockholm: SIPRI, July 2003, pp. 32-45.

²⁶ These ceilings include (the numbers in parenthesis are those reported): Tanks 220 (110); ACVs 220 (140); Artillery 285 (229); Combat Aircraft 100 (6); Attack Helicopters 50 (8); and Personnel 60,000 (44,660). Reporting totals are based on Armenia's 2002 CFE Reporting. *Ibid.*, pp. 33-35.

²⁷ *Ibid.*, pp. 35-36.

²⁸ The MoD is seeking to slowly professionalize the force, but the number of contract soldiers remains small and concentrated in the Army's more elite formations. Estimates are that approximately 70 percent of the enlisted troops are still conscript.

²⁹ Force reorganization is still ongoing, with the former Soviet army headquarters and divisions reorganized (the process may not yet be fully complete) into this more manageable-sized combat formation (brigade).

helicopter squadron; and a training center.³⁰ The air defense elements comprise a composite fighter/ground attack unit that incorporates the limited counter-air, offensive air and air defense capabilities, surface-to-air gun/missile units, and air defense surveillance radar units. Initially, much of the equipment, and command and control systems were taken over from the former Soviet 19th Independent Air Defense Army. The capabilities of these surveillance, and command and control systems have been significantly improved over the years by the Russians to enhance the capabilities of the CIS air defense network. The national air defense is significantly enhanced by the Russian-operated joint air defense command center, which is located near Yerevan and linked into Russia's and the broader CIS air defense network; and the one squadron of current generation Russian Air Force fighters, MiG-29 (Fulcrum), and a battalion of Russian ground-based strategic air defense systems, SA-12s, that are stationed in Armenia. Armenian units and personnel routinely train with Russian stationed-forces, which helps significantly with the training burden.

Mountainous Karabakh Forces

In the Armenian-controlled enclave in Azerbaijan, there is also the well-equipped, trained and led Karabakh army that must also be considered. There is a high degree of integration between the Karabakh army and the Armenian armed forces, as it receives direct economic and logistics assistance from Yerevan.³¹ Both conscripts and officers from Armenia routinely serve in Karabakh, while Karabakh soldiers and officers in uniform are a common sight on Yerevan's streets.

The active components of this force are organized into regular military formations and stationed in garrisons around the enclave. The active force is about 20,000 strong, which can expand to approximately 40,000 with mobilization. The Karabakh Defense Force is predominantly a ground force, having only a minor helicopter component. It does have a robust ground-based air defense capability, but any air support provided must come from Armenia. The force operates predominantly along Soviet operational lines, with former Soviet and Russian equipment. The Karabakh military has often

³⁰ The various air force units are built around a mix of aircraft types, including Mi-24 (attack helicopters), Mi-8/17 (support helicopters), Su-25 (close air support), MiG-25 (reconnaissance, fighter and fighter-bomber) and L-29 (armed trainers).

³¹ Although the two forces have separate command structures, Karabakh remains heavily dependent on Armenia for equipment and troops, and all indications suggest that the Armenian Defense Ministry plays a significant role in maintaining the enclave's security.

been regarded as the most professional and capable standing military unit in the region.³²

Assessment

The strength of Armenia's armed forces is in its ground forces, which is in part being reorganized and restructured. A combination of the competing, new mission requirements and the very rugged terrain in much of Armenia has required a reassessment of its force structure and unit mix. Clearly, the army will maintain much of its traditional mechanized formations, but it also is looking to lighten and make more mobile and self-sustainable a small number of other formations to support its international requirements and effectively operate in mountainous and other rugged terrain - but it must do this without affecting the mechanized capability that is needed to confront Azerbaijan's conventional forces. It is anticipated that the light, mobile force component will require some new equipment items to support both its capability requirements, such as transportability, and the need for improved interoperability with Western as well as Russian or Russian-equipped forces. These requirements suggest a need for improvements in compatible tactical communications, mobile logistics kit, transportation helicopters, and access to long-range air transport.

The Armenian military is essentially a single-service force, with only a nominal air component of its own, and little combined arms operational capability. Moreover, there are no indications that this situation will change in the near term. The army continues to compare well with the Azerbaijani army, although the differential between them in equipment, morale and training is continuously shifting.

For the time being, the Armenian military is likely to be able to defend its territory, as well as to halt an Azerbaijani attempt to regain control over Mountainous Karabakh, and arguably also over occupied territories, although the Armenian willingness to take losses to secure the latter areas is more doubtful. The state of the other regional militaries suggests that this assessment will not change soon, but, if the economic trends hold steady in Azerbaijan and the government remains committed to reversing the situation in Mountainous Karabakh, Baku could invest heavily in improving both the capability and readiness of its forces. In this respect, the Armenian army in the field remains vulnerable to modern air operations³³ and the operational readiness rate for the older legacy equipment that populates much of the

³² See eg. Charles Fairbanks et. al., *Strategic Assessment of Central Eurasia*, Washington: CACI, 2001.

³³ They are also potentially vulnerable to long-range ground-based artillery and missile systems that can out-range their own now older generation systems.

force is in decline. Recognizing these trends and concerns, Defense Minister Sarkisian claimed in a November 2002 interview that “despite possessing greater human and financial resources, Azerbaijan will never gain military superiority over Armenia.” Responding to these trends, there has been a steady upward trend in the Armenian state budget for defense: \$88.62 million in 2004, a ten percent increase from the 2003 level of \$80 million, again an increase of 20 percent from the previous year (2002).³⁴

Without its own effective air component, the army has only limited offensive capability against a comparable force with an air component and will be constrained in movement by its ground-based air defense umbrella. This underscores the need for the army to ensure that its ground-based air defense capability stays ahead of emerging air threats. Although most regional military analysts consider this is a very professional and highly rated military, it does not have the battle-space awareness, the extended reach, or the operational flexibility inherent in most modern, combined arms militaries. Since 1999, there has reportedly been a gradual but steady decline in the morale and readiness of the army, strained by a very tight economy and priority requirements elsewhere, as well as a reducing conscript pool. These problems are creating retention problems in the junior and mid-level ranks of the officer corps.³⁵ Moreover, this deterioration of the military is coincidental with the growing level of politicization in the MoD and services.

Time and the evolving security environment appear to demand a renewed program to complete efforts to reform and restructure the military, and to improve the readiness, upgrade the capabilities of selected older systems, and replace other systems. Such a program must be politically supported, well scripted and funded, and will take time. Moreover, the constraints of the economy will restrict the scope and timing of any major equipment modernization efforts or acquisitions. It is likely that the MoD will have no choice but to continue a gradual and piecemeal modernization effort, taking advantage of external military assistance and equipment transfer programs where possible, most likely from Russia.

Azerbaijan

Azerbaijan’s armed forces were built principally from the military assets that were inherited from the Soviet State when it dissolved. As a result of the 1992 Tashkent Agreement, Azerbaijan received most of the assets and much of the equipment from the Transcaucasus Military District’s Fourth Army, including four of its Motor Rifle

³⁴ RFE/RL Newline, November 14, 2002 and Richard Giragosian, “Moreover, the trend was also evident for the draft 2004 state budget,” *Transcaucasus: A Chronology*, ANCA, December 2003, Volume XII, Number 12.

³⁵ See eg. UNDP, *Human Rights and Human Development*, Yerevan: UNDP, 2000, p. 13.

Divisions (MRDs). In 1990, these MRDs were generally lower readiness formations that were poorly manned and had older equipment stocks. Few Azerbaijanis were part of the Soviet professional officer corps, with only an estimated 3,400 in the more than 4-million strong Red Army in 1991, and only a handful of these rose to the grade of Lieutenant Colonel or higher.³⁶ This was a result partly of discrimination against Muslim officers in the Soviet military, especially after the second world war.

Although Azerbaijan was not adequately equipped or prepared for independence, it immediately was forced to create a national military, with the conflict over Mountainous Karabakh providing the main driving force behind almost all early foreign and security policy decisions. As its conflict with Armenia escalated, Azerbaijan initially made advances in mid-1992, as it was advancing into Mountainous Karabakh, briefly taking back control over ca. 40% of its territory. The power transfers in Baku in summer 1992 and summer 1993 affected the country's military structures most negatively. It was the defection of a chief regional commander, Surat Husseinov, from the front that prompted the Armenian conquest of Kelbajar in early 1993, and the subsequent bid for power by Husseinov and ensuing coup in Summer 1993 that led to the collapse of the army morale and chain of command and the loss of the remaining occupied territories to the South and East of Mountainous Karabakh itself. In this context, its security forces could not defend and retain control of a significant part of its territory, with Armenia taking control of over 17 per cent of the country's territory. Although there remains a long-standing truce in the conflict, Azerbaijan remains committed to disarming Mountainous Karabakh and restoring its territorial integrity, and resettling the large refugee population that was displaced from Mountainous Karabakh. The economy declined dramatically with independence and was slow in its recovery through the 1990s, limiting available funding for the armed forces. This has begun to change as of the late 2000s, with increasing monies from foreign direct investment and oil sales entering the state budget and the State Oil Fund.

Restructuring Azerbaijan's Armed Forces

The active armed forces include 66,490 personnel. The forces remain conscript-based and comprise three arms of service: ground forces, joint air force and air defense forces, and navy, as well as a reserve base.

³⁶ In 1991, there were only 3,420 officers and 6,672 NCOs of Azerbaijani origin serving in the Soviet Army, See: Dmitry Trenin and Vadim Makarenko, "What Can the Army Do When There is Fighting All Around?," *New Times*, June 1992, pp. 8-9, as cited in Patrick Gorman, "The Emerging Army in Azerbaijan," *Central Asia Monitor*, No. 1, 1993, available online at Zerbaijan.com.

The Army is the heart of the Azerbaijani Armed Forces and the largest (56,840 personnel) and lead service, with more than 80 per cent of both the active military personnel and equipment. The Army remains heavily mechanized and still has 220 tanks (T-72s and T-55s), 210 AIFVs and APCs, more than 280 pieces of artillery (100mm or larger), and 15 attack helicopters, with the numbers of these particular combat systems heavily influenced by the equipment limits of the CFE Treaty.³⁷ The Army is organized into four Corps Headquarters that are geographically distributed across the country. The principal ground combat formation is now the motor rifle brigade, with the former Soviet army and division structure being reorganized into this smaller and more manageable combat formation - restructuring is a positive move. The Army has a mix of brigades to include 19 motor rifle brigades, an air assault brigade and two mountain infantry regiments, which will likely be restructured into brigades as well. One and possibly two of the motor rifle brigades are responsible for peacekeeping duties and should be trained and outfitted accordingly. The continued threats of renewed conflict over Mountainous Karabakh means that many of the army's combat brigades remain deployed in the zone around the enclave and along the Armenian border. The Army also has the largest concentration of conscript soldiers that serve 18-months on active service, while conscripts with university education serve 12 months.

The joint air/air defense forces are approximately 7,900 strong and include a combination of combat assets to support both offensive and defensive air operations. The air element reports holdings of 47 combat aircraft³⁸ and 15 attack helicopters³⁹, which along with the other non-reportable aircraft are organized into five functional commands: a fighter ground-attack regiment; a fighter squadron; a transport squadron; a training unit; and a composite helicopter regiment. The air defense elements comprise fighter units (in their primary role, these units also are considered part of the offensive air element), surface-to-air gun/missile units, and air defense surveillance radar units. Initially, much of the equipment and command and control systems were taken over from the former 19th Independent Air Defense Army, with only marginal upgrades to the network since independence. The various air units are

³⁷ The CFE Treaty establishes ceilings on the numbers of tanks, armored personnel carriers, artillery pieces and attack helicopters they may maintain. Although the Treaty went into effect in 1992, the Azerbaijani Army did not reduce its equipment holdings to the prescribed limits until 2000. Azerbaijan's national limits are as follows: 220 main battle tanks; 220 ACVs; 285 artillery guns of 100 mm or greater; and 50 attack helicopters (the latter are in the Air Force's inventory but do provide direct support to ground formations).

³⁸ Although IISS reporting indicates only 47 combat aircraft, the country's recent CFE reporting lists 54 combat aircraft.

³⁹ The number of combat aircraft and attack helicopters that the Azerbaijan may have in its active inventory is constrained by the equipment ceilings of the CFE Treaty. Azerbaijan's national limits are 100 combat aircraft and 50 attack helicopters, both limits far exceed current holdings.

built around a mix of aircraft types because several of the legacy units were heavily attrited during the Mountainous Karabakh conflict, which claimed over 50 aircraft, including Mi-24 (Hind-attack helicopters), Mi-8 (support helicopters), Su-25 (Frogfoot-close air support), MiG-25PB (Foxbat- reconnaissance, used as fighter-bombers) and L-29 (Delphin/Maya-armed trainers) aircraft.

The small Azerbaijani Navy's assets and equipment are based on the 25 percent portion of the former Soviet Caspian Flotilla Baku received under the terms of a CIS agreement (March 1992). Turkey and the U.S. have also contributed several newer patrol craft. The Azerbaijani Navy is second in size only to Russia's Caspian Sea Flotilla but far distant in operational capabilities, and is comprised of approximately 20 ships and 1,750 personnel. There is one frigate, but the bulk of the surface combatants are smaller patrol boats that operate effectively in the coastal waters on anti-smuggling, anti-poaching, oil field security and similar types of operations.

Although no formal reserve system has been established, Azerbaijan does have a reserve base of approximately 300,000 personnel that have served in the armed forces in some capacity since 1993. These personnel could conceivably be mobilized in time of war and be used as individual replacements to fill out existing formations or as a base for additional light infantry or support formations.

Assessment

Since the establishment of the armed forces in September 1991, the high command has consistently displayed significant shortcomings in establishing an effective national defense force, despite the nationalization of large quantities of former Soviet military hardware, much of it currently of doubtful operational readiness/capability. The legacy forces that they inherited were structured, equipped and trained to fight the Soviet Union's wars, as were the doctrine and tactics supporting them. Such forces soon proved to be inappropriate for Azerbaijan's actual security needs and reform was needed. Some of the critical initial steps have been taken, but the forces are still tied to equipment sets that are rapidly aging and falling into more critical disrepair. Other factors contributing to the low readiness levels of many formations are:

- Manpower shortages that are affected by low conscription rates, poor living conditions and morale that contribute to high desertions rates and poor quality of service, and shortfalls in the retention of junior officers and NCOs;
- The short-term of service for conscripts, which adds to unit training burdens and to the personnel turbulence at unit level, and restricts the level of technical skill and competence one can expect;

- Poor, unstructured training that focuses at the small unit level, with little opportunity for brigade or combined arms training.

In addition, the leadership's early attempts to play a role in political affairs contributed to the government's reluctance to trust the military and to view it as a possible power base for future opposition. Leadership positions within the force have been politicized, with many of the more qualified leaders and potential innovators falling by the wayside. Effective command and control has been made extremely difficult for several reasons, including internal political feuding; a lack of experienced, dedicated and professional senior officers; and corruption, which remains a serious problem even in the upper echelons of the Defense Ministry – as is the case in the other countries of the region.

Although there are some exceptions, the readiness and combat capability of the Azerbaijani force is generally thought to remain behind that of its principal rival, the Armenian national army and the Armenian forces of Mountainous Karabakh. Azerbaijan has a superior air capability on paper, though its initial use of air superiority in the Karabakh conflict was lost, as foreign pilots were no longer being recruited and paid, and spare parts and even jet fuel came in short supply. That is likely different today, although it is unlikely that Azerbaijan's forces could successfully conduct offensive operations against Armenian forces, partly due to the difficulty of using air force with precision in the mountainous terrain in the region and given the technological level of Azerbaijan's Air Force. Moreover, Armenia's nominal lack of an Air Force may be mitigated by the transfer of MiG-23 and other aircraft from Russian bases in Georgia to Armenia. In general, it is unclear to what extent Armenia has control over the Air assets on its territory, including the advanced MiG-29 Aircraft that are under Russian command in Armenia.

However, long-term economic trends favor Azerbaijan and, with the proper funding and a good reform program, Azerbaijan could be on the way to overcoming many of these problems. Moreover, many of the other security challenges that Azerbaijan faces require only small force commitments and the development of a few elite, higher readiness formations; and this should be the focus of future reform and modernization efforts. In fact, an elite force known as the Nakhchivan battalion has already been created, and is considered to be of high quality.

It should be mentioned that recent signs indicate substantial improvements, at least in selected parts of the armed forces. The United States Department of Defense recently conducted a defense assessment in Azerbaijan, which showed improvements in the performance of the armed forces and came out generally on a more positive tone than

expected. In addition, DoD officials laud the performance of the Azerbaijani peacekeeping troops in Kosovo, Afghanistan and Iraq.

As far as the Army is concerned, much of the ground combat equipment that Azerbaijan inherited from the Soviet Armed Forces in 1991 was dated then and has continued to deteriorate because of poor maintenance and a chronic shortage of spare parts, repair and testing equipment, and qualified mechanics. As a result, the quality and readiness of much of its equipment is a problem, as many systems are non-operational, cannibalized for parts, or operating at less than optimal status. Moreover, if it is to remain operationally effective, much of the older generation equipment is in need of systems upgrades and modernization, e.g. communication packages, fire control and target acquisition systems, and so on. As a result, the readiness levels and operational capabilities vary significantly between units. Put simply, the Azerbaijani Army is in need of a major maintenance transformation and systems modernization even more so than its Armenian adversary. A positive step in this direction could well have been taken with Baku's latest military cooperation agreement with Russia that included the sale of critical spare parts and the provision of technical assistance.⁴⁰

As noted earlier, much of the Army's heavy combat equipment is not appropriate for many of the newer security concerns and mission requirements. Performance in the conflict with Armenian forces highlighted a number of shortcomings. Not only are there requirements for modern munitions and technology but the quality of leadership, training and morale also need to be vastly improved. From a force structure and capabilities perspective, the newer mission requirements demand light, mobile and sustainable formations to confront guerillas, help protect the country's extensive energy sector - such as the production and distribution infrastructure, international deployments in support of peacekeeping or humanitarian operations, and effective operations with multinational forces. The ongoing crisis with Armenia and Karabakh, however, require the retention of a mechanized capability as well.

The state of readiness of most of Azerbaijan's military forces severely limits what the Army can do. Given the terrain along the Armenian and Karabakh borders and Azerbaijan's superiority in numbers, the Army can contain the forces in Karabakh, but they do not currently seem to have the combat power or capability to reclaim the lost territory, whose terrain favors the defending forces. They are, however,

⁴⁰ Following talks in Baku on 27 February 2003, visiting Russian Defense Minister Sergei Ivanov and his Azerbaijani counterpart Colonel General Safar Abiev signed a cooperation agreement for 2003 between their respective ministries, ITAR-TASS and Turan reported. Ivanov said the agreement paves the way for "large-scale cooperation," including contracts to supply weapons and spare parts and to train military personnel. "Azerbaijan, Russia Sign Military-Cooperation Agreement," RFE/RL Newswire, February 28, 2003, www.rferl.org/newswire/2003/02/2-tca/tca-280203.asp.

developing and should be able to maintain several elite formations to support their evolving new missions and international obligations. Toward this end, the U.S. has committed itself to the training of an Azerbaijani Peace Support Operations (PSO) formation. This, of course, is very different capabilities compared to an offensive war in the mountains.

Although the exact operational readiness of the Azerbaijani Air Force is unknown, it is clear that its operational capabilities are limited, as flight time and training is severely restricted by a chronic lack of spare parts and adequate maintenance, and funding constraints. As a result, the majority of the force's fixed- and rotary-wing aircraft are not operational, operating at less than full capability, or in storage. The air force's training and maintenance problems are exacerbated by the number of different types of air-frames in the inventory, many in small numbers, as well as the advanced age of most of these air-frames, which are either close to or past their expected flying life and have not had necessary life extension overhauls and/or system upgrades. The age of most of these aircraft; the outdated avionics, weapons systems, target acquisition and targeting systems; and the limited aircrew training severely limit the roles these aircraft can effectively perform. The fighter squadron cannot effectively prevent incursions by any modern air force, but in their regional environment, they can provide limited air cover for ground or naval operations. Close air support is the air force's principal mission, however, the best mix of aircraft or weapons appears to be absent. Only two of the Su-25 (Frogfoot) close air support aircraft remain operational and available munitions are limited to dumb bombs and guided rockets, not any type of precision-guided munitions. Moreover, these older aircraft are not configured to deliver such weapon systems, as the on-board targeting systems cannot effectively support their delivery, and the pilots are not trained to employ them. The air force has been trying to upgrade its ground attack capability for several years, but funding constraints have so far restricted any modernization.

The backbone of the country's strategic air defense brigade is built upon 20 and 30 year old SAM systems that have only marginal utility against modern air forces, but they do provide a limited defense against possible regional aggression.

Much of Azerbaijan's navy remains crippled by poor maintenance, parts shortages and serviceability, with many of the craft non-operational or not fully operational.⁴¹ Among the navy's biggest challenges are improving the operational capabilities and readiness rates of its craft, and the recruitment, solid training, improved morale and retention of a cadre of young professional officers and development of a viable NCO

⁴¹ Because of the age of much of the fleet, the ships and craft are in need of modernization with communications systems, radars, navigation, targeting and other electronic systems that are closer to the latest generation.

corps. The navy can patrol the country's coastal waters, but it does not have enough operational craft to effectively protect the coast. The navy should be able to respond to small-scale incidents and given time, training, and some modernization, it may be able to support limited sea denial missions.

Azerbaijan needs both a major equipment modernization and a re-equipment program, but this is unlikely to occur while the armed forces continue their costly effort to restructure and reform. The MoD will continue to piecemeal its modernization efforts, taking advantage where possible of military assistance and equipment transfer programs from partners such as Turkey and the U.S. As critical as modernization is needed, it is possibly even more important to force readiness for the military to effectively upgrade the logistics and maintenance programs supporting their existing systems. Financially, MoD hopes that increased production of the country's energy resources will both improve the economy and bring additional assets for military reform.⁴² Despite the 15 percent growth in the MoD budget over the last two years, reporting suggests that there was neither enough funding to pay off the Ministry's significant debt nor was there a significant improvement in the very poor conditions of service prevalent among the services.

The country's military strategy has long been pre-occupied with fighting a defensive campaign against Karabakh Armenian forces, but changes in the country's security environment have highlighted a number of new mission requirements and the need for a broader range of military capabilities for each of the services. To be successful, this modernization effort must be well scripted, funded and will take time. There are no indications that such a plan has been developed.

As mentioned earlier, the problem of poor equipment readiness is compounded by the lack of consistent and regimented training at the individual, small unit, battalion and brigade, and then combined arms levels. Training teams from Turkey are working with the Azerbaijanis to refine their training techniques and procedures, bringing them more in line with NATO standards.

Georgia

The early development of the armed forces in independent Georgia was beset by a number of problems, including: the fact that the government had failed to gain full control of Georgian territory and many independent and quasi-official paramilitary units continued to exist and hold allegiance to regional, rather than the national

⁴² The country's GDP has increased significantly, particularly since 1999, and the projected growth for the short to medium-term remains optimistic. This trend suggests that Azerbaijan should be able to sustain continued growth in its defence budget, which currently stands at approximately 2.6 percent of GDP (2003 numbers).

leadership. During the early-1990s, a young cadre of officers occupied most of the army's senior positions despite their lack of any formal higher military education or experience. The subsequent collapse into civil war, and continued presence of small militias, contributed to the problem of establishing civil-control of the military establishment. The Georgian army acquired its hardware from Soviet units formerly stationed in the Georgian SSR, including; 109 tanks, 164 APCs and some helicopters and fixed wing aircraft.⁴³ In the mid 1990s, Revaz Adamia, former chairman of the parliamentary defense committee, highlighted his concerns about the development of a viable military that addressed Georgia's emerging security challenges, noting, "We are building a typical Soviet army".⁴⁴

Simultaneously, internecine squabbling amongst the various government bodies, lack of political direction for military reform, the deep scars of civil conflict, problems emanating from Soviet legacy forces and inadequate defense budgets combined to cripple attempts to successfully reform the Georgian armed forces. Georgia remained heavily dependent upon Russian weapons and equipment throughout its formative years, and often discovered that Moscow was in no hurry to meet its requirements. Consequently, its armed forces were often left without the spares (parts and supplies) necessary to maintain the equipment's operational readiness or sufficient ammunition even to conduct live-fire military exercises.

The shortage of experienced officers capable of providing essential leadership and direction to the reform process was also an inhibitive factor in the early development of the Georgian armed forces. No Georgian officers had graduated from Soviet military academies since 1985, and many of the middle and lower level officers were removed from the armed forces following the 1994 purges that followed the resignation of General Ghia Qarqarashvili, former Minister of Defense. Consequently, in order to address the lack of sufficient numbers of commanders for platoons, reserve officers were drafted into units and in turn, their lack of appropriate experience often presaged their desertion from the army.⁴⁵ By 1999, desertion had reached staggering proportions, reportedly around 3,000 in that year, attributed to poor living conditions, lack of respect for military superiors and the low reputation of the armed forces within Georgian society.⁴⁶ There seemed little or no guidance on reform from the political leadership, nor from an increasingly corrupt Ministry of Defense.

⁴³ Georgian Military Chronicle, Vol. 1, No. 1, November 1994.

⁴⁴ Developing the National Security Concept for Georgia, CIPDD, Tbilisi, 1996, p. 47.

⁴⁵ Author Interviews with Georgian Military Officers, December 2003.

⁴⁶ RFE/RL, January 28, 2000.

Structure

The active armed forces include 17,500 personnel (including 5,800 centrally controlled staff and 10,400 conscripts). The forces remain conscript-based and comprise three arms of service: ground forces, joint air force and air defense forces, and navy, as well as a reserve base.

The army is the largest service with around 8,620 personnel (including 1,578 National Guard and 5,572 conscripts). Conscript service is compulsory for males aged 18-27, serving for 18 months. The structure of the ground forces has undergone considerable change within its short history, until 2001 the ground forces consisted of two Operational Directions; Western Operational Direction with its HQ in Kutaisi, and Eastern Operational Direction, HQ in Telavi. Numerous units including training centers, communications, engineers and rapid reaction units, support the 11th and 22nd Motor Rifle Brigades. As a result of reforms carried out in 2002, the Operational Directions were eliminated, resulting in the reorganization of the ground forces staff. Therefore, the ground forces now consist of a Land Forces HQ, 2 Motor Rifle Brigades, 1 National Guard Brigade and its training center, 1 Artillery Regiment, 1 Reconnaissance Battalion, 2 Marine Infantry Battalions (1 cadre), 1 Peacekeeping Battalion and 1 Special Forces Battalion.⁴⁷ The Army remains heavily mechanized and still has 86 tanks (T-72s and T-55s), 185 armored combat vehicles, more than 110 pieces of artillery (more than 100mm), and 15 attack helicopters. The key challenge for the army will be managing the transition from Soviet legacy forces towards small, mobile, highly trained and combat-ready formations, with an adequate support structure for the rapid deployment of its elite formations.

The joint air and air defense forces, with principal bases at Kopitnari, Marneuli and Tbilisi [from amongst the 20 formerly functioning airfields], consist of 1,250 personnel (including 490 conscripts). Its fixed wing aircraft include: 7 Su-25 (Frogfoot) and 5 non-operational Su-17 (Fitter). Transport aircraft include: 4 An-2 (Colt), 1 Yak-18T (Max), 2 Yak-40 (Codling) and 1 Tu-134A (Crusty); training aircraft: 4 Yak-52s, 9 L-29 (Delphin/Maya) and 2 Mi-2 helicopters (Hoplite). Its attack helicopters, based at Tbilisi, include: 3 Mi-24 (Hind), 4 Mi-8/17 (Hip), and 8 UH-1H (Huey). Its SAM systems consist of 75 Sa-2/-3/-4/-5/-7.⁴⁸ In 1990, the Georgian based Soviet air force operated around 190 tactical aircraft, 55 interceptors and more than 40 helicopters. All Soviet aviation units were withdrawn by mid 1992, affecting the creation of the Georgian air force. Tbilisi built Su-25s reportedly entered

⁴⁷ "The Military Balance, 2003-2004", IISS: Oxford, 2003, p. 73; White Paper, Ministry of Defense of Georgia, 2002.

⁴⁸ Ibid.

service shortly afterwards. Losses of aircraft during the conflict with rebel forces in Abkhazia set back the air force, which was neglected in the remainder of the 1990s. Problems relating to pay and inadequate living conditions further undermined this arm of service, afflicted by poor standards in training, aircraft maintenance and operational doctrine.

Georgia's Naval forces are modest, totaling 1,830 personnel (including 670 conscripts), with its HQ and its main port on the Black Sea at Poti. It is responsible for the defense of Georgia's territorial waters, coastal strategic facilities and supporting combined and joint maritime operations. Naval assets include 11 patrol and coastal combatants and 4 small amphibious craft. It is currently being assisted in its development through Georgia's close bilateral relationship with Greece.

Assessment

Georgia has made some progress towards successful reform of its armed forces, though the process remains in the early stages and achievements are still modest, in practical terms. Since its inception the force structure has undergone changes and downsizing, witnessed the introduction of NCOs albeit in an embryonic stage, and devised a structure for foreign language training that will require further improvement. Military education is conducted at the Cadet Corps, the Defense Academy and in the NCO Training Center.

Foreign language training has been introduced at the National Defense Academy, offering English, French, German and Turkish courses. A Greek language course is offered at the Poti Naval base, and additional English language courses at the Kodori Training Center. The Georgian MoD also offers further access to language courses, with France, Germany, Greece, Turkey, the UK and the U.S. have supported all these initiatives on a bilateral basis. Key to future success in raising the numbers of officers with adequate foreign language training skills, so vital in attaining interoperability with NATO forces, will depend on deepening and broadening the work of these centers with greater support from NATO and its member states. Equally, all the training aimed at introducing an NCO cadre into the Georgian armed forces will necessitate complimentary social and personnel development programs, providing a full range of support to the NCOs and encouraging the pursuit of a long-term military career.

Georgia is also giving attention to the development and enhancement of its Special Forces. These formations, which are directly subordinate to the MoD, are lightly armed mobile units that are designed for rapid reaction in response to emergencies and critical situations. They are charged with a broad-range of tasks, to include:

special operations, counter-terrorism and 'low-intensity' conflict, humanitarian missions, and search and rescue (SAR) operations. These units are receiving higher priority owing to the presence of militants in the Pankisi gorge and Georgia's determination to demonstrate that it can deal with such internal threats. The peacekeeping battalion is located at Nikozi, Samachablo, with representative offices in nearby Tskhinvali and Zugdidi, Abkhazia.⁴⁹ Peacekeeping deployments at company level can be supported through six monthly rotations from the peacekeeping battalion and from units within the 11th Motor Rifle Brigade. These elite units, though high priority and crucial in emergency situations, cannot be readily deployed abroad without host nation support. Their training facilities also require upgrading to NATO standards in order to ensure greater capacity for joint exercises.⁵⁰

In addition to continued reform of its elite units Georgia also requires enhanced air capabilities, particularly in improving its troop mobility and will therefore need security assistance to meet such needs. Its maritime defense capabilities will also depend upon continued western support, in the areas of training, equipment, operational procedures, generating a cadre of professionally trained officers capable of planning and conducting operations with Georgia's western partners.

Overall standards within the armed forces can only be expected to improve gradually, and will be inhibited by the cost of defense reform as well as the task of upgrading aging Soviet systems and equipment. Georgia's current priorities are foreign language training, military training and education, enhancing its peacekeeping capabilities and interoperability and developing adequate training programs for elite formations and prioritizing its participation in joint military exercises.

Conclusion

As this brief assessment suggests, the militaries of all three states are currently confronting a number of significant problems and challenges as they work to strengthen the foundation of their armed forces and adjust to the rapidly evolving new security environment that they must now manage. Although all three states are involved internationally, the commitments are generally small and supported by assets and personnel from a few elite formations, with most of the force still struggling with readiness issues. All three states are in the midst of reform and restructuring programs that they know must be effectively completed, but they are often challenged to resolve how to proceed. To this end, they are looking outside for necessary guidance and military assistance to support the process of change and the

⁴⁹ White Paper, Ministry of Defense of Georgia, 2002.

⁵⁰ Author Interviews with Georgian Military Officers, March 2004.

development of the skilled, professional personnel to both manage and command the planning elements and combat assets of their future force.

V. Western Security Assistance to the States of the South Caucasus

Over the past decade, the level of western security assistance to the South Caucasus has continuously increased. It has taken the form of multilateral assistance, mainly through PfP, but also significant amounts of bilateral assistance, involving states as varied as the U.S., Turkey, Greece, the United Kingdom, and other European states. Among these, American assistance has been present in all three countries, with an emphasis on Georgia, as Armenia and Azerbaijan were until recently only eligible for limited security assistance. Turkey has been a crucial provider of security assistance to Azerbaijan and Georgia, while Greece has been important in Georgia. This assistance is often complementary to the multilateral assistance provided through NATO, and occasionally coordinated among donors, as has been the case with U.S. and U.K. assistance to Georgia and U.S. and Turkish assistance to Azerbaijan.

Armenia

Although relations with the U.S. have been generally friendly, any military assistance was constrained by Yerevan's near security dependence on Russia and U.S. legislation limiting the types of assistance that could be provided.⁵¹ On March 29, 2002, the U.S. State Department removed Armenia from the list of countries barred from receiving U.S. military and security assistance under the U.S. International Traffic in Arms (ITAR) restrictions.⁵² Armenia's Minister of Defense visited Washington not long after this announcement to discuss future U.S. security assistance. The meetings reportedly included plans for enhanced Armenian participation in PfP, the training of an Armenian peacekeeping unit with Greek assistance,⁵³ and efforts to improve the military's interoperability with NATO.⁵⁴ In October 2003, Armenia announced the deployment of a platoon (30 soldiers) to Kosovo as part of Greece's peacekeeping battalion in the U.S. commanded Multi-National Brigade (East).⁵⁵

⁵¹ Notwithstanding Section 907 of the Freedom Support Act, which prohibited military and security assistance to the government of Azerbaijan, the U.S. policy of evenhandedness with regards the two countries prevented the provision of all but non-proliferation security-related assistance to Armenia.

⁵² The move was taken in response to Armenia's support for the U.S.-sponsored War on Terrorism. Additionally, in support of Operation Enduring Freedom, Armenia granted U.S. and coalition aircraft overflight privileges, as well as refuelling and landing rights.

⁵³ For additional details on the extent of this development see, "Armenian, Greek Army Chief Vow to Boost 'Strategic Partnership'," RFE/RL Caucasus Report, Volume 3, No. 35, August 31, 2000.

⁵⁴ "Armenia takes first steps toward military relations with United States and NATO," Monitor – A Daily Briefing on the Post-Soviet States, Volume VI, Issue 148, July 31, 2000.

⁵⁵ This formation was to deploy to Kosovo in January 2004. Richard Giragosian, "Armenian Peacekeepers to be Deployed in Kosovo," Transcaucasus: A Chronology, ANCA, November 2003, Volume XII, Number 11. The

Before 9/11, Washington's military engagement program with Armenia was limited and the types of activities that they could sponsor constrained by restrictive Congressional legislation.⁵⁶ This post-9/11 U.S. Congressional action, lifting its restrictions on military assistance to Armenia, opened the door for direct military aid and U.S. military assistance programs that have since increased significantly. Annual security-related U.S. assistance almost doubled to \$10 million in 2002, nearly doubled again to more than \$18 million in 2003 and is expected to increase yet again in 2004.⁵⁷ Current U.S. programs are focused on professional military education, establishment of peacekeeping capabilities for the Armenian military, modernization of military communications, and development of prevention capabilities to counter weapons proliferation and other illicit trafficking.⁵⁸ In FY 2002, six personnel were sent to the U.S. for training and DoD-sponsored 100 Armenian military officers and civilian officials for training at the George C. Marshall Center in Garmisch, Germany, with these numbers expected to rise slightly for both 2003 and 2004. These programs look to promote interoperability and regional stability. As one of the first major in-country training activities, Special Operations Forces conducted training on demining in all three countries (2001). This humanitarian effort was intended to help the three states better deal with countless land mines remaining from the Armenia-Azerbaijan and Abkhazia-Georgia conflicts.⁵⁹ Most recently (April 2004), Armenia and the U.S. signed an agreement for the provision of mutual services, which ensures that rear or logistical support is provided to parties (Armenia) when carrying out joint actions or

Armenians are part of Task Force Falcon, which includes 2,750 multinational soldiers, is stationed in the U.S. sector of Kosovo, and is responsible for soldiers from the United States, Poland, Ukraine, Lithuania, Greece, and Armenia. For additional details see www.mnbe.hqusaureur.army.mil/. Its inclusion as part of the Greek battalion was a logical extension of the ongoing peacekeeping training relationship between the two countries (Armenia and Greece).

⁵⁶ In a statement at Chatham House, London, April 16, 2004, Vartan Oskanian, Armenia's Minister of Foreign Affairs portrayed this period as follows: "...America itself was reticent to engage Armenia in military matters, given its desire not to offend or irritate regional proxies, friends or rivals. Today, we have entered into substantive military cooperation with the U.S."

⁵⁷ U.S. State Department, Bureau of European and Eurasian Affairs, "Fact Sheet: U.S. Assistance to Armenia – Fiscal Year 2002", June 6, 2002, www.state.gov/p/eur/rls/fs/11027.htm and "Fact Sheet: U.S. Assistance to Armenia – Fiscal Year 2003", www.state.gov/p/eur/rls/fs/29484.htm. The goals of this assistance are to improve Yerevan's export control and border security systems, promote a professional military, enhance the MoD's command and control capability, improve their peacekeeping and counterterrorism capabilities, and increase their interoperability with the U.S., NATO and other multilateral forces. Also see, Vladimir Socor, "America, Azerbaijan and Armenia," Jamestown Foundation, *The Fortnight in Review*, Volume VIII, Issue 8, April 19, 2002.

⁵⁸ U.S. State Department, Bureau of European and Eurasian Affairs, "Fact Sheet: U.S. Assistance to Armenia – Fiscal Year 2003", www.state.gov/p/eur/rls/fs/29484.htm.

⁵⁹ James DeTemple, "Military Engagement in the South Caucasus," *Joint Forces Quarterly*, Autumn/Winter 2001/02, p. 70.

exercises with U.S. forces.⁶⁰ Armenia is also in negotiation with U.S. European Command for the future deployment of a peacekeeping platoon to Iraq.⁶¹

Despite these inroads by the West, Russia continues to be the leading provider of security assistance. Overtime, Armenia may be able to lessen its reliance on Moscow for security assistance, but because of their continued dependence on Soviet legacy equipment and high levels of direct Russian military assistance, it will remain tied to Russia for certain types of assistance and stocks for the foreseeable future. Moreover, Yerevan has ratified a number of important security treaties with Moscow, to include a mutual assistance treaty and agreements on the long-term stationing of Russian forces in Armenia. Russia remains the principal guarantor of Armenia's security. There are differing opinions about the degree of Armenia's dependence on Russia, with many in the West believing that their margin of maneuver is limited, while the Armenians see that they have much more flexibility in pursuing their own interests;⁶² reality likely lies somewhere in between these two extremes. Armenia describes this approach to foreign and security policy as a policy of "complementarity," through which it seeks to balance its links with both Russia and NATO.

Azerbaijan

Congress restricted direct U.S. military assistance to Azerbaijan in response to Baku's trade and transportation embargo of Armenia during and following the NK conflict. Section 907a of the Freedom Support Act was imposed at the behest of the Armenian lobby in Congress in early 1992. This Act, which was considered contrary to U.S. national interest by each successive President, was waived in October 2001 to reward Azerbaijan's "support for the U.S. campaign against international terrorism".⁶³ This post-9/11 action opened the door for the provision of direct military aid for the first time and U.S. military/security assistance programs have increased significantly since then, with only \$2.3 million in 2001,⁶⁴ \$13.6 million in 2002 and an estimated more

⁶⁰ "Armenia and USA step up military cooperation," *Golos Armenii*, April 27, 2004, Yerevan in Russian, reported by BBC Monitoring International Reports, April 28, 2004.

⁶¹ On April 27, 2004, Deputy Defense Minister Mikael Arutyunyan, stated that "the Defense Ministry of the Republic of Armenia has really adopted a decision to send an Armenian peacekeeping platoon to Iraq, but this decision will not be final without the relevant discussion in Parliament and subsequent ratification by the President." Although a commitment has been made, formal ratification is still necessary before any deployment planning can commence. Ibid.

⁶² Vartan Oskanian, Armenia's Minister of Foreign Affairs statement at Chatham House, London, April 16, 2004.

⁶³ Svante E. Cornell, "Azerbaijan 2002: Between the Storms," *Transitions Online*, Prague, Czech Republic, 2002.

⁶⁴ Office of the Coordinator of U.S. Assistance to Europe and Eurasia, Bureau of European and Eurasian Affairs, U.S. Department of State, *US Government Assistance to and Cooperative Activities with Eurasia*, Washington, DC, March 2002, pp. 27-41.

than \$20 million in 2003.⁶⁵ In July 2002, an Office of Defense Cooperation (ODC) was established at the U.S. Embassy in Baku to manage the anticipated growth in U.S. military assistance activities.⁶⁶ The U.S. signed a major security assistance agreement with Azerbaijan (2002)⁶⁷, which defined the focus of its assistance efforts, to include:

- Upgrading air space control and air traffic safety at civilian and military airports, in accordance with NATO standards;
- Training officers in the U.S.;
- Training an Azerbaijani peacekeeping unit and improving the protection of the country's land borders;
- Enhancing its naval capabilities, so as to secure its maritime borders and protect its economic zone and territorial waters.

There was also a continued emphasis on language training, emergency preparedness training and border control. For FY 2002, the U.S. increased security-related assistance programs to enhance Azerbaijan's export control and border security systems, particularly maritime border security; promote military reform with training at U.S. institutions; and facilitate Azerbaijan's PfP participation.

Security programs include the professional and technical training of Azeri military personnel at U.S. training schools, initially focused on English Language Training (ELT), enhanced airspace management, and enhanced interoperability with the U.S., NATO, and other international organizations. In FY 2002, 56 Azerbaijani military officers and civilian officials attended training provided through the George C. Marshall Center in Garmisch, Germany, with this number expected to rise slightly for both 2003 and 2004.

Turkey has concluded a number of military cooperation agreements with Azerbaijan and its military has been deeply involved in providing a broad range of military assistance. To support their growing number of programs, the Turkish military established a management office in Baku and there is a growing presence of Turkish

⁶⁵ U.S. State Department, Fact Sheet: "U.S. Assistance to Azerbaijan – Fiscal Year 2002", Bureau of European and Eurasian Affairs, June 6, 2002, www.state.gov/p/eur/rls/fs/11028.htm. Although the total for U.S. military/security assistance funds provided to Azerbaijan have not been officially published, the broad estimate provided here represents a best guess based on interviews with personnel both in U.S. Defense and State Departments.

⁶⁶ The ODC has five core functions: coordinating Foreign Military Sales (FMS), International Military Education and Training (IMET), humanitarian assistance, the Joint Contact Team, and the Excess Defense Articles (EDA) Program.

⁶⁷ Vladimir Socor, "American to Provide Security Assistance to Azerbaijan and Armenia," Jamestown Foundation: The Fortnight in Review, Volume VIII, Issue 8, April 19, 2002.

officers, trainers and technicians working across the military, from MoD/Joint Staff Headquarters, to the training centers and down to the tactical level. They are looking to technically enhance capability and interoperability with a number of equipment upgrade projects,⁶⁸ such as fitting of T-72 main battle tanks with Turkish tactical radios. In training, Turkish trainers (individuals and teams) have been working in Azerbaijan training trainers and helping to improve local training facilities and programs, and the training of Azerbaijani officers at Turkish military schools and at the military academy in Ankara.⁶⁹ The country's main military training school is the Military Academy in Baku. Turkish officers have played a key role in reorganizing the Academy and updating its training programs and curriculum. After two-years of effort by dozens of Turkish military personnel working to improve the quality of training in the Academies, especially in the junior officer programs, the Turks declared in early 2002 that the programs and curriculum were up to "NATO standard".⁷⁰ There are a growing number of NATO informed junior officers graduating from these programs, with the bulk of them coming from the J. Naxcivanski Military Academy. Its first graduation class was 600 officers.⁷¹ A small number of cadets and junior commanders study at Turkish military schools and the Military Academy in Ankara, or in one of the other countries supporting their training, such as the U.S. and Pakistan.⁷²

In the end, however, Azerbaijan has found that, because of their continued dependence on the Soviet legacy equipment, they remain tied to Russia for certain types of assistance and stocks. After a number of years of neglect, Moscow renewed efforts to improve its relations with Azerbaijan and they have improved markedly since Putin's visit to Baku in 2000; and, during his visit in February 2003, Russian Defense Minister Sergei Ivanov signed a new military cooperation agreement with Azerbaijan's Defense Minister, Safar Abiyev. This pact establishes a framework for

⁶⁸ In 1999, Turkey provided \$3.5 million in military aid to Baku to support force modernization program and a new agreement expanding this support was signed in 2002. Alyson J. K. Bailes, Bjorn Hagelin, Zdzislaw Lachowski, Sam Perlo-Freeman, Petter Stalenheim and Dmitri Trofimov, *Armament and Disarmament in the Caucasus and Central Asia*, Stockholm: SIPRI, July 2003 and "Turkey to maintain military aid to Azerbaijan," *Turkish Daily News*, September 25, 2002.

⁶⁹ Author interview with Azerbaijani officers and U.S. military planner, March 2004.

⁷⁰ Despite the Turkish proclamations, major problems have surfaced at this academy, to include the desertion of a large number of the students in protest of Academy and MoD policy and conduct. Chloe Arnold, "Azerbaijan: Mass Desertion is Final Humiliation for Failing Military," *RFE/RL*, November 11, 2002.

⁷¹ Author interview with Azerbaijani officers and U.S. military planner, May 2004.

⁷² F. Asim, "Acquisition of U.S. Arms: Interview with Azerbaijan Defense Minister Abiyev," *Zerkalo* (Azerbaijani newspaper), April 30, 2002.

future arms sales, including heavy weapons and spare parts, and the training of military personnel.⁷³

Georgia

In 1998, the International Security Advisors Board (ISAB) produced a set of recommendations to establish a conceptual basis for reforming the security system in Georgia, and outlined necessary steps to achieve institutional changes of the existing system. The initial document covered strategic to operational issues and was followed up by a U.S. European Command (EUCOM) Evaluation Team in 2000, working in-country to complete a "Full Scale Defense Assessment". In 2001, EUCOM issued another assessment document, "Combat Capabilities Final Report on Georgia".⁷⁴ Together these three documents establish the basis for restructuring Georgia's armed forces, as well as the country's broader security system. Nonetheless, many of the recommendations made by EUCOM have not been implemented in Georgia owing to the lack of funding and trained personnel, compounded by the lack of political will under the Shevardnadze regime.

In order to facilitate the various foreign assistance programs, the following international cells are working in close cooperation with the Georgian MoD:

- ISAB (not resident in Georgia)
- U.S. EUCOM Joint Contact Team (former Military Liaison Team)
- Turkish consultants form DAKOK
- Turkish instructors in the Commando Battalion
- Turkish instructors on Marneuli Air Base
- German Advisor on Logistics
- German Advisor on NCO training
- Greek Advisor in the Georgian Navy
- UK Advisor in the Planning Programming and Budgeting (PPB).⁷⁵

Foreign assistance to the Georgian armed forces is currently focused on the following: The 11th Motor Rifle Brigade; Military Education and Training (in Georgia and

⁷³ "Defense Ministers to Sign Cooperation Documents", Azernews, Issue No.8 (294), 2003, http://www.bakupages.com/pubs/azernews/9900_en.php

⁷⁴ Author interviews with the Ministry of Defense, Republic of Georgia, October 2003.

⁷⁵ Author interviews with the Ministry of Defense, Republic of Georgia, October 2003.

abroad); Logistics; Navy; Resources management; Peacekeeping activities; the Planning, Programming and Budgeting (PPB) process; Language Training (English is the priority, as well as French, German, Greek, Italian and Turkish).⁷⁶

The U.S. has been a major provider of direct military assistance to Georgia, with its security assistance in 2001 totaling \$39.6 million⁷⁷, \$31.7 million in 2002 and \$41.4 million in 2003, with the total expected to grow even further in 2004.⁷⁸ These totals are significantly higher (nearly double) than the assistance provided to Azerbaijan during the same period, and include the full range of security assistance programs, including the Georgia Border Security and Law Enforcement (GBSLE) Assistance Program. The GBSLE has been an element of the State Department's Export Control and Related Border Security (EXBS) Program, and remains the largest single U.S. Government-funded assistance program in Georgia. In 2002, for instance, the U.S. provided \$17 million in GBSLE assistance to the Georgian Border Guards (GBG)/Georgian Coast Guard (GCG), Georgian Customs Service (GCS), Ministry of Defense (MoD) and other export and border control and law enforcement agencies, totaling more than \$89 million between 1998-2002. GBSLE assistance has helped Georgia control its borders since the 1998 departure of Russian border guards, though the country's border security remains vulnerable. Continued conflict in Chechnya poses a threat to the sovereignty and territorial integrity of Georgia. In 2003, Georgia became eligible to receive U.S. Excess Defense Articles, which will help to promote further its defense reform.⁷⁹

The development of a small, well-trained, English- or French-speaking cadre is a necessary beginning if the militaries in this region are to support increased interaction

⁷⁶ *Ibid.*

⁷⁷ This dollar value includes large sums for border control (18 million for the border troops) and military relocation assistance (13.2 million), with the actual direct military assistance programs totalling just over \$6 million. Office of the Coordinator of U.S. Assistance to Europe and Eurasia, Bureau of European and Eurasian Affairs, U.S. Department of State, U.S. Government Assistance to and Cooperative Activities with Eurasia, Washington, DC, March 2002, pp. 50-70.

⁷⁸ U.S. State Department, Fact Sheet: "U.S. Assistance to Georgia - Fiscal Year 2002", Bureau of European and Eurasian Affairs, June 6, 2002, www.state.gov/p/eur/rls/fs/11029.htm; and 78 U.S. State Department, Fact Sheet: "U.S. Assistance to Georgia - Fiscal Year 2003", Bureau of European and Eurasian Affairs, www.state.gov/p/eur/rls/fs/29486.htm.

⁷⁹ "In 2002, the GBSLE Program supplied equipment, training and services, communications equipment (radios and base stations to enhance command and control operations), vehicles and helicopters with spare parts for transport and patrol, surveillance and detection equipment, computers for automation of applications, licensing and regulatory systems, forensics laboratory assistance, and a wide array of EXBS and law enforcement training. GBSLE also provided \$250,000 in uniforms, similar amounts in vessel and aircraft maintenance, radar and facilities operation and management, and new tactical utility vehicles, 90 percent of which were given to the GBG land border forces for mountain duty and some to the OSCE border observer mission. The remainder went to the Georgian Coast Guard for crew transport, shift changes, and security", U.S. State Department, Fact Sheet: "U.S. Assistance to Georgia - Fiscal Year 2002", Fact Sheet, Bureau of European and Eurasian Affairs, Washington, DC June 6, 2002.

with NATO and the development of their long-term PSO programs, since these are the recognized operational languages within the Alliance. This cadre must be able to speak and understand the military-technical aspects of English well enough to appreciate the military message implicit in an instruction or order.⁸⁰ These states have taken the first steps toward developing that cadre of linguists by sending a small contingent of officers to the U.S. for ELT. A common operational language is essential in the decision-making chain where tasking is concerned. For PSOs, this will require ELT capabilities down to, at least, company and possibly platoon-level.⁸¹

Georgia Train and Equip Program (GTEP)

In May 2002, the U.S. initiated the Georgia Train and Equip Program (GTEP), costing \$64 million, which is the largest and most significant political and/or military assistance program, to date. The two-year program is aimed at enhancing the counterterrorist capabilities of the Georgian army, and helping to alleviate tension between Georgia and Russia that was caused in part by Tbilisi's apparent inability to deal with the gangs of Chechen and other militants basing themselves in the Pankisi Gorge.⁸² The program itself features a time-phased training program that is conducted in-country in close cooperation with the Georgian MoD, with its key focus on training the Georgian 16th Mountain Battalion, 113th Light Infantry Battalion and 11th Motor Rifle Brigade.⁸³ Its early stages, which were conducted under Special Operations Command Europe (SOCEUR), concentrated on the Georgian MoD and Land Forces Command, and looked to enhance their effectiveness in creating and sustaining standard operating procedures, training plans, and a property accounting system. The curriculum supporting the training program included performance-oriented practical exercises. Tactical training, consisting of approximately 100 days per unit, is designed to instruct the Georgian battalions in light infantry tactics, platoon-level offensive and defensive operations and airmobile tactics.⁸⁴ This curriculum includes basic individual skills; combat lifesaver; radio operator

⁸⁰ Roger H. Palin, *Multinational Military Forces: Problems and Prospects*, The International Institute for Strategic Studies, Adelphi Paper #294, 1995, pp. 41-42.

⁸¹ *Ibid.*

⁸² 'U.S. General Praises Georgian Units Trained Under American Program', Prime-News, News Agency, Tbilisi, BBC Monitoring Service, London, 1130 GMT, November 27, 2002.

⁸³ The program breaks down as follows: phase I: logistics and engineering, Phases IIA and IIB: military joint doctrine, C2, Staff/organisational training for the Georgian MoD and Land forces Command, Phase IIIA: Unit level tactical training of the Georgian Commando Battalion, Phase IIIB: Unit level tactical training and specialised military mountaineering training for the 16th Mountain Battalion, Phase IIIC: training the 560 man 113th Light Infantry Battalion/11th Motor Rifle Brigade to conduct patrol base operations, ambush procedures, urban terrain operations, long-range patrols, platoon level raids, and daylight company-level attacks and night defensive operations.

⁸⁴ 'Georgia Train and Equip Program Begins', United States Department of Defense, April 29, 2002, www.defenselink.mil/news.

procedures; land navigation; human rights education; and combat skills, including rifle marksmanship, movement techniques and squad and platoon tactics.⁸⁵

Those trained and subsequently entering service in one of the target battalions do so on a professional basis, signing contracts on the completion of their training, thus enhancing the readiness and combat capability of the battalions.⁸⁶ Furthermore, the participation of Georgian border troops and two platoons from the Interior Ministry (MVD) ensures greater cooperation and interoperability amongst Georgia's military and security forces.⁸⁷ However, the plague of desertion and low morale among these units, even within the most elite units, has hindered the overall effectiveness of the GTEP.

Georgia also supported the program by its adoption of NATO standards, not only in training but also for the whole army, moving to discard Soviet military tradition within the Georgian armed forces. This action is entirely consistent with the political target of Georgian membership in the Alliance [NATO].⁸⁸ Nevertheless, GTEP has had its critics within Georgia. For example, issues such as frequent requests for more equipment made by the Georgian MoD as GTEP unfolded, together with problems persuading the Georgian MoD to devise a blueprint for future training after the scheduled departure of U.S. military advisors in May 2004. Despite the initial success of GTEP, the program's implementation has revealed the gross ineptitude and lack of forward planning that continues to plague the Georgian MoD.⁸⁹

In addition to GTEP, Turkey is providing training for Georgia's Commando Battalion. Turkey's security assistance to Georgia also includes sponsorship of the reform of the Military Academy along similar lines to the Turkish General Staff Academy, which mirrors their effort in Azerbaijan. Since 1999, it has financed, with the exception of salaries, the participation of the Georgian platoon in Kosovo.⁹⁰ Greece is helping in the reorganization of the Navy. In March 2003, Athens agreed on the transfer of a Fast Patrol Missile Guided Boat (*La Commbattante II*) at a cost of 22 million Euros to help bolster the capabilities of the Georgian Navy. Significantly,

⁸⁵ Ibid.

⁸⁶ These are similar to those taught at the U.S. National Defense University, Joint Forces Command and U.S. Army War College. 'U.S. Marines Continue to Train Georgian Commandos', Kavkasia-Press News Agency, Tbilisi, BBC Monitoring Service, London, 1303 GMT, May 22, 2003.

⁸⁷ 'Fourth Phase of U.S. Sponsored Military Program Starts in Georgia', Rustavi-2 TV, Tbilisi, BBC Monitoring Service, London, 1000 GMT, May 23, 2003.

⁸⁸ 'Georgian Army to Adopt NATO Regulations', Kavkasia-Press News Agency, Tbilisi, BBC Monitoring Service, London, 0740 GMT, November 27, 2002.

⁸⁹ Eric A. Miller, 'Morale of U.S. Trained Troops in Georgia is High, But US Advisors Concerned About Sustainability', Eurasia Insight, Eurasia Net, May 5, 2003. www.eurasianet.org/departments/insight/articles/eav050503_pr.shtml

⁹⁰ Ibid.

rather than merely aiding the Georgian armed forces through the provision of hardware, Greece not only intends to provide the hardware, but also plans to train the required 40 man crew in Greece, which will facilitate the successful introduction of the vessel into service.⁹¹ On a bilateral basis, Georgia sends its cadets, officers and senior staff officers to Estonia (BALTDEFCOL), France, Italy, Germany, Greece, UK, U.S. and Turkey.⁹²

Coordinating Security Assistance

In order to address issues resulting from any duplication or conflict in the various bilateral security assistance programs, Georgia has conducted annual military political staff talks with its partners. The scale of the managerial task involved in properly coordinating international assistance has proven challenging to the MoD and its mechanisms for achieving progress are evolving. Plans are currently being examined in Tbilisi to establish a Joint Security Working Group within the MoD, which will be tasked with defining, planning and evaluating the assistance programs and ensuring minimal overlap and proper coordination in practice.⁹³ The challenge of harmonizing international security assistance to Georgia, which could become a force multiplier, clearly represents an area where NATO planners could offer valuable assistance. The most common solution to such problems lies in establishing a team within the J5 responsible for coordinating all international security assistance activities and managing this area for the MoD. However, its actual success hinges upon the existence of a time-phased program driving military reform, with clear goals and an understanding within the MoD of why and how the reforms are being developed, programmed and implemented, as well as a clear appreciation of when, where and how external military assistance fits into this national reform program. The recent appointment of the new Defense Minister and his stated plans to reform the ministry and “clean house” may be an important indication that the new Georgian government is committed to these goals.

Conclusion

Since independence, the states of the South Caucasus have all looked beyond the region for military assistance. In the beginning, the principal provider was Russia, as it represented the link to the Soviet Army that they all knew and whose equipment and other assets they all inherited. It took time, but a number of Western militaries

⁹¹ “Greece to Transfer Missile Cruiser to Georgia”, Interfax-AVN, Moscow, 0831 GMT, March 3, 2004.

⁹² Ibid; this transfer is scheduled to be completed in late April 2004.

⁹³ Author interviews with Georgian officers, October 2003.

are making inroads into the region and now providing a broad range of military assistance. As noted earlier, the principal mentor for both Azerbaijan and Georgia has been the Turkish military, with the U.S. becoming more directly involved post-9/11. Although Armenia is now receiving nominal military assistance from Western states, it remains heavily tied to Russia for its security assistance. Although the bilateral Western military assistance programs are providing positive inputs, the programs are not as well focused and managed to insure that what is provided fits into an established, time-phased national reform program. The national general/joint staffs generally have not been effective in planning and managing these programs and they are looking outside for direct assistance in better managing them, but more importantly developing the staff officers and procedures necessary to successfully do this on their own. They, especially Azerbaijan and Georgia, have been looking to NATO and its member states for the critical training and guidance needed. However, because of the continued dependence of all three countries on their Soviet legacy equipment stocks, they all remain tied to Russia for certain types of assistance and stocks. The current inability of any of these countries to afford a major equipment modernization program ensures an important role for Russia - for the foreseeable future - in their efforts to improve the readiness and operational capability of their forces.

VI. The Role of Partnership for Peace in the South Caucasus

NATO's presence in the Caucasus is currently most visibly seen in the growing role PFP is playing. During the 1990s, NATO's relationship with the countries in this region, which has been traditionally regarded by Russia as within its sphere of influence, evolved very slowly, as ongoing ethnic conflict and the seemingly intractable issue of Mountainous Karabakh served to temper the Alliance's willingness to quickly get engaged in the region and pursue closer relations. The other fundamental obstacle for NATO involvement in the South Caucasus is trepidation; both justified and exaggerated, by the Armenians and Mountainous Karabakh of any Turkish military role in the region, even if through the NATO alliance. Moreover, the strategic military relationship between Armenia and Greece, although outside the confines of NATO, is also rooted in this apprehension over Turkey's potential security cooperation through NATO. All three countries in the South Caucasus joined NATO's Partnership for Peace⁹⁴ program in April 1994, each sent liaison officers to SHAPE Headquarters in Mons, Belgium and they have all actively participated in PFP-sponsored activities.

NATO's PFP program, launched in 1994, was initially received with mixed success in the South Caucasus. Indeed, the first two years of the initiative witnessed little practical progress in Georgia. This was hampered to a large extent by the continued

⁹⁴ The PFP program focuses on defense cooperation, seeking to transcend mere dialogue and cooperation to forge a real partnership with each partner country and NATO. In accordance with the PFP Framework Document, which was issued by the Heads of State and Government alongside the PFP Invitation Document, NATO undertakes to consult any active partner state if that partner perceives a direct threat to its territorial integrity, political independence, or security. Furthermore, its nature is clearly defined by NATO: "All members of PFP are also members of the Euro-Atlantic Partnership Council (EAPC) which provides the overall framework for cooperation between NATO and its Partner countries. However, the Partnership for Peace retains its own separate identity within the framework provided by the EAPC and maintains its own basic elements and procedures. It is founded on the basis of a bilateral relationship between NATO and each one of the PFP countries", NATO Handbook, <http://www.nato.int/docu/handbook/2001/hb030201.htm>. Its programs relating to education, training, mil-to-mil contact, opening to the militaries of member states, etc., are designed to achieve the following goals: "to facilitate transparency in national defense planning and budgeting processes; to ensure democratic control of defense forces; to maintain the capability and readiness to contribute to operations under the authority of the United Nations and/or the responsibility of the OSCE; to develop cooperative military relations with NATO, for the purpose of joint planning, training and exercises, in order to strengthen the ability of PFP participants to undertake missions in the field of peacekeeping, search and rescue, humanitarian operations, and others as may subsequently be agreed; to develop, over the longer term, forces that are better able to operate with those of the members of the North Atlantic Alliance", NATO Handbook, <http://www.nato.int/docu/handbook/2001/hb030202.htm>.

strength of Russia's influence over Georgia's MoD, which continued until the late 1990's. The initial attempts of the Russian Federation to transform the CIS into a military alliance in order to counter its perceived threat from NATO's expansion finally failed in 1996, with the decisions taken at the OSCE summit in Lisbon in December 1996 that paved the way for the full participation of CIS countries in the process of Euro-Atlantic integration contributing to the failure of Moscow's efforts.

By contrast, PfP became NATO's chief tool for deepening its military cooperation with the states of the South Caucasus, as it proved to be an effective security cooperation tool, not least in allowing weak, inexperienced defense structures to learn from the experience of western militaries, but also in facilitating bilateral relations with NATO member states, such as the Czech Republic, France, Germany, Greece, Italy, the Netherlands, Turkey, the UK, the U.S., as well as Bulgaria, Estonia, Latvia, Lithuania and Romania.⁹⁵ Importantly, many of these states, especially the new NATO accession states, have recently confronted many of the same challenges that the states of the South Caucasus are currently working through.

NATO's objectives for PfP include fostering regional security and stability through peacetime engagement; ensuring access to Caspian Basin energy resources; combating nontraditional threats such as international terrorisms, drug trafficking, and proliferation of weapons of mass destruction; and containing Russian resurgence at the expense of the sovereignty and/or territorial integrity of either Georgia or Azerbaijan.⁹⁶ Lord Robertson, then Secretary General of NATO, highlighted his perception of the growing importance of the region by telling a conference on Regional Cooperation and Partnership with NATO that "the more secure our neighbors are the more secure we are...European security first of all depends on how well are neighbors are protected."⁹⁷

PfP contributed to the education and professionalism of partner states, promoted democratic control over the armed forces and in general terms promoted democratic values. NATO was uniquely qualified to carry out this task, providing a framework for such large-scale efforts. In the South Caucasus this was especially important as PfP helped in the building of security systems as well as structures under rather unfavorable political and economic conditions.

⁹⁵ Author interviews with Georgian officers, October 2003.

⁹⁶ DeTemple, "Military Engagement in the South Caucasus," p. 68.

⁹⁷ Speech by Lord George Robertson, "Caucasus Today: Perspectives of Regional Cooperation and Partnership with NATO," Tbilisi, September 26, 2000, quoted in DeTemple, p. 68.

Armenia

Armenia's membership in the CSTO, its close security relationship with Russia including a Collective Security Treaty and hosting Russian stationed forces, as well as its historical problems with Turkey, have served to reinforce the perception in the West that Armenia has no intention of operating closely with NATO in the foreseeable future. Russia maintains its military presence in Armenia, consisting of 3,500 personnel, through the 102nd Military base in Gyumri, where 74 tanks, 165 Armored Infantry Fighting Vehicles (AIFVs) and Armored Personnel Carriers (APCs), and 84 Artillery systems are located.⁹⁸ Additionally, Moscow provides the air/air defense assets that form the backbone of Armenia's strategic air defense, counter air and possibly offensive air operations. This is important because at least on paper Azerbaijan has a modest air capability and Armenia essentially has none of its own. Collectively with the Armenian Armed Forces, the Russian forces stationed at the 102nd Military Base constitute the Transcaucasian Group of the CSTO. Joint exercises are held frequently. Yerevan provides considerable backup support for the base. Russia also actively participates in a joint border guard group (approximately 3,000), including 10 percent Russian officers, while soldiers and warrant officers are drawn from amongst local Armenians.⁹⁹

Nevertheless, this does not mean that Armenia has poor relations with the Alliance. Indeed its decision to host its first NATO-sponsored military exercise, "Cooperative Best Effort 2003" (June 16-27, 2003), most certainly signaled the potential and desire on the part of Armenia for stronger relations with the Alliance.

"Cooperative Best Effort 2003" featured approximately 400 troops from 19 different NATO and partner countries, including: Armenia, Austria, Bulgaria, Canada, Georgia, Greece, Hungary, Italy, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, the former Yugoslav Republic of Macedonia, Turkey, the United Kingdom, the United States and Uzbekistan. The exercise was in fact also remarkable as it witnessed Turkish troops setting foot in independent Armenia, albeit only three of them. Given that Yerevan and Ankara have no diplomatic ties and their shared border remains closed, this was a significant development and one of the first instances of Turkish troops setting foot in Armenia.¹⁰⁰ Armenian uniformed

⁹⁸ The base is also supported by an air defense squadron with 14 MiG-29s, S-300V air defense systems (with a 100-km strike radius, or 40-km for ballistic missiles), and Obzor-3 and Nebo-SV radio tracking stations (RTSs).

⁹⁹ RFE/RL Newline, November 13, 2002 and Richard Giragosian, *Transcaucasus: A Chronology*, ANCA, Volume XII, Number 12, December 2003.

¹⁰⁰ This 11 day NATO-sponsored exercise conducted in June 2003, with more than 400 soldiers and officers from 19 countries, including forces from Georgia, Greece, Italy, Poland, Russia, Turkey, the United Kingdom and the U.S. The exercise featured the formation of a single multinational battalion that practiced routine peacekeeping drills

personnel, along with their Azerbaijani and Georgian counterparts, also attend NATO courses and seminars on crisis management and peacekeeping in addition to the other exchange activities. Along with peacekeeping, Armenia is also looking to improve its ability to cope with and respond to natural disasters, especially earthquakes; and has been seeking assistance and training to improve its disaster preparedness capabilities.

As mentioned above, Armenia has pursued what it describes as a policy of “complementarity” that seeks to balance its links with both Russia and NATO. Only in this context can it further develop its cooperation with the Alliance. PfP has thus proven to be a useful tool of security cooperation with the West and Armenia is participating in more than thirty PfP activities annually. It wishes to utilize PfP in order to enhance the level of effectiveness amongst its officers and command and planning staff(s). Its involvement in NATO military exercises is expected to continue. Armenia gains politically from its relations with NATO, using the mechanism of its partnership status to build good relations with member states. In 2003, Armenia joined PARP, demonstrating its determination to expand its security ties with NATO, as it seeks Euro-Atlantic integration.¹⁰¹ Yerevan has also developed its own Individual Partnership Action Plan (IPAP)¹⁰² and expects to sign and forward it to NATO later this year (2004).

As noted earlier, Armenia’s participation in NATO’s PfP has exposed a small portion of the army and a much smaller portion of the air force to Western tactics, techniques, procedures and training methods. Despite this improved exposure to the West, Russia remains the principal source of training for Armenia’s trainers and trainees, officers, NCOs and technicians. That said, Armenia in 2004 contributed a platoon of peacekeepers to NATO-led operation in Kosovo, as part of the Greek forces under the U.S.-led multinational Brigade of KFOR. It also decided to participate from Summer 2004 in the peacekeeping and reconstruction in Iraq by providing medical personnel, de-mining troops, and transport trucks.

such as riot control, ambush defense and convoy escort. See: <http://www.nato.int/docu/update/2003/06-june/e0616a.htm>

¹⁰¹ Author interviews with Armenian Government Officials, October 2003.

¹⁰² IPAP or Individual Partnership Action Plan is described as follows by the NATO communiqué. They serve as an additional means for Allies to provide support for and advice to interested partners. The IPAP is initiated by partners and are used to prioritise, harmonise, and organize all aspects of NATO-partner relationships via EAPC and PfP. It is reportedly the partner’s opportunity to address their particular circumstances and interests. The plans are developed on a two-year basis and “NATO will provide its focused, country-specific assistance and advice on reform objectives that interested partners might wish to pursue in consultation with the Alliance.” IPAP is NATO’s effort to respond to growing complaints from the PfP partners that the program was too narrowly focused and rarely addressed key reform concerns of the partner states. The program has just begun and it is too early to tell whether the IPAP program will effectively redress this vocal concern. “Ministerial Meeting of the North Atlantic Council, Held in Madrid on June 3, 2003: Final Communiqué,” NATO Press Release, June 3, 2003.

While Armenia continues to cooperate with NATO, it holds the Alliance at a respectable distance, as it remains heavily reliant on its security relationship with Russia. By contrast, both Azerbaijan and Georgia are very proactive in their push for much stronger ties with the Alliance and its members, offering bases and overflight rights, participating actively in PfP and other Alliance-sponsored activities, and actively vying for Alliance membership. Moreover, Azerbaijan and Georgia have fostered bilateral cooperation in a number of areas, including energy security, most importantly, and the new leaders in both of these countries are looking to extend that cooperation¹⁰³; whereas Armenia's relations with Azerbaijan remains strained due the dispute over Mountainous Karabakh.

In 1999, Azerbaijan and Georgia refused to extend their membership in the 1992 Collective Security Treaty, leaving Armenia as the sole member of this Moscow-sponsored organization in the South Caucasus. In 2003, this organization was expanded into the Collective Security Treaty Organization (CSTO) – in theory constituting a full military alliance.¹⁰⁴ Instead of looking back, Azerbaijan and Georgia deepened their level of participation in PfP and their security cooperation with NATO by joining the Planning and Review Process (PARP) in 1999.

Azerbaijan

Azerbaijan has been an active member of NATO's PfP and has tried to expand its relationship with the Alliance and its member states, as a means to satisfy some of its military assistance needs and counterbalance its perceived threats. Despite monetary and linguistic constraints, Azerbaijan has been a very proactive member of PfP and has participated in a wide-range of Alliance-sponsored activities, has established liaison offices at both NATO and SHAPE Headquarters, and continues to push its efforts to enhance its relationship with the Alliance and individual member states. Turkey has been the country's strongest supporter in the Alliance and a key mentor to its forces.

Azerbaijan clearly previewed its proposed relationship with NATO in a March 2001 meeting with the DCINC, U.S. European Command (USEUCOM), General Carlton Fulford, where Defense Minister Safar Abiyev outlined Baku's position that the establishment of a NATO base in Azerbaijan would serve to “strengthen peace and stability” in the region. The defense minister added that the Russian military presence in Armenia posed a threat to Azerbaijan and contributes to an overall lack of

¹⁰³ “Azerbaijan, Georgia to step up bilateral cooperation,” Interfax, March 9, 2004.

¹⁰⁴ Consisting of Russia, Belarus, Armenia, Kazakhstan, Kyrgyzstan and Tajikistan.

security in the South Caucasus.¹⁰⁵ Foreign Minister Vilayet Guliev affirmed the defense minister's call and stated that Azerbaijan would welcome a NATO base or a Turkish military base to bolster the region's balance of power.¹⁰⁶

At the NATO Summit in Prague (November 21-22, 2002), Azerbaijan and Georgia both officially applied for Alliance membership. In moves to expand Baku's ties to the Alliance and broaden the training focus from PSOs to interoperability and NATO standardization, it has entered the PARP program¹⁰⁷, the Euro-Atlantic Partnership Council (EAPC) and developed its own Individual Partnership Action Plan (IPAP).¹⁰⁸ Azerbaijan accepted 28 Partnership Goals (PGs) for 2004 and is actively seeking to participate in the Membership Action Plan (MAP),¹⁰⁹ Air Situation Data Exchange (ASDE) System, PfP Trust Fund, and is supporting the

¹⁰⁵ "Azerbaijani Ministers Call For Turkish Bases in South Caucasus", Azerbaijan Daily Digest, Eurasianet, March 26, 2001, <http://www.eurasianet.org/resource/azerbaijan/hypermail/200103/0067.html>

¹⁰⁶ Ibid; In September 2003 during a visit to Baku by a delegation from U.S. EUCOM headed by Major-General Edward L. LaFountaine, (Director of Logistics and Security Assistance U.S. EUCOM), Abiyev emphasised the willingness of the Azeri government for the U.S. and NATO to increase its military cooperation with Azerbaijan, "Azeri Defense Chief Urges Closer Ties With USA, NATO", ANS TV, Baku, 1600 GMT, BBC Monitoring Service, September 19, 2003.

¹⁰⁷ The Planning and Review Process is offered to Partners on an optional basis and draws on NATO's extensive experience in defense planning. It is in essence a biennial process involving both bilateral and multilateral elements. For each two-year planning cycle, Partners wishing to participate in the process undertake to provide information on a wide range of subjects including their defense policies, developments with regard to the democratic control of the armed forces, national policy relating to PfP cooperation, and relevant financial and economic plans. On the basis of each Partner's response, a Planning and Review Assessment is developed. A set of Partnership Goals is also prepared, in order to set out the measures each Partner needs to introduce in order to make its armed forces better able to operate in conjunction with the armed forces of Alliance countries. After bilateral and multilateral consultations, the Planning and Review Assessment and the Interoperability Objectives are jointly approved by the Alliance and the Partner country concerned. NATO Handbook, Chapter 3: The Opening Up of the Alliance: Partnership for Peace: The Partnership for Peace Planning and Review Process (PARP), October 8, 2002.

¹⁰⁸ IPAP or Individual Partnership Action Plan is described as follows by the NATO communiqué. They serve as an additional means for Allies to provide support for and advice to interested partners. The IPAP is initiated by partners and are used to prioritise, harmonise, and organize all aspects of NATO-partner relationships via EAPC and PfP. It is reportedly the partner's opportunity to address their particular circumstances and interests. The plans are developed on a two-year basis and "NATO will provide its focused, country-specific assistance and advice on reform objectives that interested partners might wish to pursue in consultation with the Alliance." IPAP is NATO's effort to respond to growing complaints from the PfP partners that the program was too narrowly focused and rarely addressed key reform concerns of the partner states. The program has just begun and it is too early to tell whether the IPAP program will effectively redress this vocal concern. "Ministerial Meeting of the North Atlantic Council, Held in Madrid on June 3, 2003: Final Communiqué," NATO Press Release, June 3, 2003.

¹⁰⁹ The MAP was launched in April 1999 to assist those countries wishing to join the Alliance in their preparations by providing advice, assistance and practical support on all aspects of NATO membership. Its key elements are: "the submission by aspiring members of individual annual national programmes on their preparations for possible future membership, covering political, economic, defence, resource, security and legal aspects; a focused and candid feedback mechanism on aspirant countries' progress on their programmes that includes both political and technical advice, as well as annual 19+1 meetings at Council level to assess progress; a clearing-house to help coordinate assistance by NATO and by member states to aspirant countries in the defence/military field; a defence planning approach for aspirants which includes elaboration and review of agreed planning targets", NATO Handbook, Chapter 3: The Opening Up of the Alliance: The Process of Enlargement: The Membership Action Plan, October 8, 2002.

opening of a PfP cell in Baku. Azerbaijan also contributes financially toward its participation in more than 300 PfP activities annually, whereas other partner states request 100 percent funding from the Alliance, at a cost of \$240,000 in 2002 and \$260,000 in 2003.¹¹⁰ Although still at an early stage, PARP has been instrumental in developing stronger ties with NATO, though its future success will depend upon NATO's continued political willingness to tailor its aims in accordance with the full spectrum of priorities for defense reform in Azerbaijan. Baku has also committed a number of formations and facilities to support PfP activities, see the Table below.

Table 2: Azerbaijan's Contribution to PfP

Quantity	Asset
1	Helicopter Unit (2 Mi-8s)
1	Training Center for Battalion/ Brigade Level for Peacekeeping Exercises
1	Air Traffic Control Services for Overflight Rights Granted to NATO Member States
1	Airport Facilities and Services for NATO Aircraft

Source: Azerbaijan's Individual Partnership Plan, 2000-01,
Part II – Partners Forces & Assets Available

Baku has been expanding the list of forces for contribution to PfP, to include an infantry company for PSO or humanitarian operations, a civil defense unit, and either a medical or logistics team.

Following the government's lead, the Army has become more active internationally through PfP, other international and bilateral agreements, the U.S.-led war on international terrorism and participation in international peacekeeping operations.¹¹¹ Baku has deployed a platoon (32 soldiers, one senior lieutenant, and one warrant officer) to Kosovo as part of the Turkish contingent in the German sector of KFOR. The government is also a member of the Afghanistan peacekeeping coalition and is supporting the NATO-commanded stabilization force (ISAF) in Afghanistan with a small force contingent (23 soldiers).¹¹² In May 2003, the Azerbaijani parliament

¹¹⁰ Author interviews with Azerbaijani Officers, March 2004.

¹¹¹ Indications are that more than 500 NATO-trained or U.S. coalition-trained officers have served in PSO operations, ranging from Kosovo to Afghanistan and Iraq. Author interview with Azerbaijani officers and U.S. military planner, May 2004.

¹¹² ISAF is the NATO commanded International Security Assistance Force that began operations in Afghanistan in August 2003. Diego A. Ruiz Palmer, "The Road to Kabul," *NATO Review*, Summer 2003; "NATO in

approved the deployment of a 150-man peacekeeping force to Iraq, and despite Moscow's exertion of tremendous pressure to prevent this deployment, it finally occurred in early August 2003.¹¹³ The Azerbaijani PSO battalion has in fact benefited mainly from bilateral assistance from Turkey, which has proven much more effective than PfP.¹¹⁴ Reportedly, this is mainly as a result of Turkey's training assistance being more flexible than a programmed, generic activity, allowing them to maximize the benefits by concentrating on Azerbaijan's specific training requirements.

Georgia

Since joining PfP, Georgia has been an active participant in its activities, including joint exercises, short courses for staff officers and planning conferences, etc. The country's political and security elites began to recognize the potential role that NATO could play in enhancing Georgia's fragile security, particularly in the aftermath of the "war scare" that developed with Russia in the summer of 2002, resulting from Moscow's public threat of military intervention in Georgia based on its concerns over the link between radicals in the Pankisi Gorge and those fighting in Chechnya.¹¹⁵ On September 13, 2002, the Georgian Parliament passed a resolution confirming the political aim of eventual NATO membership:

"[T]he Parliament of Georgia confirms that all the major political forces of the Parliament support the full membership of Georgia in NATO and recognizes that this decision is a historic choice of Georgia, justified by the will of the people, and considers that the aforementioned issue will not become the subject of further political debates. The Parliament of Georgia declares that Georgia carries out the process of reforms in the spheres of politics, economics and security, so that the country in the nearest period can satisfy the criteria necessary for NATO membership."¹¹⁶

Afghanistan (ISAF 4)," NATO Issues, Posted March 9, 2004; and "ISAF Personnel by Nation," NATO Update, Posted February 10, 2004.

¹¹³ "The Military Balance, 2002-2003", IISS: Oxford, 2002, pp. 65-66; "The Military Balance, 2003-2004", IISS: Oxford, 2003, pp. 66-68; "Azerbaijan Ready to Send Soldiers to Iraq," Pravda, April 22, 2003; and "Azerbaijan: Staunch Ally and Strong Partner," Azerbaijan Newsletter, released by the Embassy of the Republic of Azerbaijan, Washington DC, March 5, 2004.

¹¹⁴ Author interviews with Azerbaijani Officers, December 2003.

¹¹⁵ P. Polkovnikov, *Nezavisimaya Gazeta*, September 13, 2002, pp. 1, 11; I. Safronov, *Kommersant*, September 16 2002, p. 10; See: Jacob W. Kipp, 'War Scare in the Caucasus: Redefining the Threat and the War on Terrorism', Anne C. Aldis & Roger N. McDermott (Eds), *Russian Military Reform 1992-2002*, Frank Cass: London/ Portland 2003, pp. 234-256.

¹¹⁶ The Parliament decreed the following main points: '1. To give an assignment to the executive power of Georgia, in cooperation of the relevant structures of the Parliament of Georgia, to begin NATO membership process. 2. To give an assignment to the Foreign Affairs Ministry of Georgia, in cooperation with Foreign Affairs Committee of the Parliament of Georgia, to provide for the support on the international arena to the political will of Georgia

Georgia officially applied for joining NATO at the Alliance's Prague Summit in 2002. In both public and private, former President Shevardnadze and other Georgian government officials signaled a renewed sense of urgency in deepening relations with the Alliance; President Saakashvili has underscored this more recently, stating "We closely cooperate with NATO in the framework of the PfP program and do not change our purposes in regard to entering this organization". He further indicated that the criteria necessary for Georgia's further integration into NATO would be agreed upon at the NATO summit in Istanbul in June 2004. "We need stable guarantees of security, and NATO is the only guarantor", Saakashvili said.¹¹⁷

In general terms, this posturing explains the constant reiteration of Tbilisi's goals for military reform, namely the creation of small, mobile, modern forces that are well trained and geared towards NATO interoperability. With these goals in mind, Georgia's PfP participation has expanded and become more active, joining PARP, Euro-Atlantic Partnership Council (EAPC) and Individual Partnership Action Plan (IPAP). Georgia also agreed to 28 PGs for 2004 and is actively seeking to participate in the MAP process, ASDE System, and PfP Trust Fund and is supporting the opening of a PfP cell in Tbilisi.¹¹⁸ On October 1, 2002, a memorandum of understanding on logistic cooperation was signed between Georgia and NATO's Maintenance and Supply Organization (NAMSO), paving the way for the implementation of a PfP Trust Fund Project for the demilitarization and disposal of missile stockpiles and the remediation of Georgian military sites. Georgia also is maximizing its presence at NATO, with a Mission and a military representative at NATO HQ, and a liaison officer in SHAPE. It also has forces deployed in Kosovo as part of NATO's peacekeeping forces. This role in KFOR is seen to demonstrate the country's ability to "effectively and smoothly" operate with allied peacekeeping forces. Georgia has also made available the following assets within PfP:

regarding integration into NATO. 3. To give an assignment to Defense and Security Committee of the Parliament of Georgia, in cooperation with the respective structures of the executive power, within the period of two months to work out and submit to the Parliament specific action plan on the reformation of defense sphere and achievement of military forces compliance with NATO requirements. 4. To give an assignment to the Ministry of Finance of Georgia in cooperation with Financing-Budgeting Committee of Parliament of Georgia, in the process of working out the draft of the annual state budget to set as a special priority the financial provision of the programs related to NATO membership. 5. David Gamkrelidze, the Member of the Parliament of Georgia is assigned as a rapporteur on the implementation of this resolution and he must submit the corresponding information to the Parliament at the spring session of 2003', <http://www.bits.de/frames/databases.htm>

¹¹⁷ 'Georgian President Elect confirms His NATO Ambitions', RIA Novosti, January 25, 2004.

¹¹⁸ Author interviews with Georgian officers, October 2003.

Table 3 Georgia's Contribution to PFP

Quantity	Asset
1	Army Company for Peacekeeping
1	Combat Engineer Platoon
1	Training Area
2	Airfields
1	Military Harbor (Poti)

Source: Georgia's Individual Partnership Plan, 2000-01,
Part II – Partners Forces & Assets Available

Georgia's training facilities at Vaziani, which were renovated in 2003 through U.S. and Turkish bilateral assistance, are considered by NATO to meet Western standards and hosted multinational military exercises in 2002 and 2003. Its Kopitnari and Marneuli airfields, part of its PFP assets available, have witnessed improvements, particularly the Marneuli airfield which has undergone significant modernization (to NATO standards) by Turkey, including a runway repaving and extension and the replacement of the airfield's electrical system. All PFP participation has been geared towards the achievement of Georgia's PGs. One key PG was the creation of a peacekeeping battalion by 2004. Since 1999, Georgia has participated in the KFOR mission in Bosnia with a platoon (43 personnel), placed under the operational control of the Turkish battalion. In that period, almost 200 officers, NCOs and soldiers have gained international peacekeeping experience.¹¹⁹ In June 2003, one Georgian company (140 personnel) was sent to Kosovo as part of the German-Italian Brigade. The Georgian MoD has thus sought to prioritize peacekeeping within its PFP program. Many of Georgia's other PGs witness no progress towards implementation owing to the restrictions of funding placed upon the MoD.

Despite the apparent progress in NATO's relationship with Georgia, privately many Georgian officials have been dissatisfied with PFP. Their critique centers on the nature and breadth of many of the areas covered and goals established by PARP, which they see as overly ambitious and perhaps unrealistic given the current capabilities and weakness of the Georgian armed forces, not to mention funding constraints; they believe that many of the programs have lacked focus and failed to appreciate the needs of the Georgian state that often compete or even conflict with PARP. PARP has proven to be an important tool in encouraging dialogue, but it has

¹¹⁹ Ibid.

not addressed the key and more immediate issues affecting the reform and development of the armed forces.¹²⁰

Georgian officers committed to the country's closer partnership with NATO express concern that meticulously planned PfP programs, which support such bilateral assistance, should complement U.S. International Military Education and Training (IMET) sponsored initiatives. Indeed, the argument continues, NATO's lack of expertise in the region has gone hand in hand with the political stalemate brought about by Russia's continued military presence and a belief that NATO does not wish to seriously assist in building Georgia's security whilst risking its important relations with Moscow.¹²¹ The bottom line is that PfP programs need to be more tailored to Georgia's specific security needs.

Conclusion

As this chapter indicates, PfP has become NATO's principal vehicle for deepening the level of its cooperation and engagement with the states of the region. It has succeeded in this arena and all three states are currently involved with NATO in at least one peacekeeping operation. PfP also has been successful in providing these militaries with a valuable introduction to Western operational procedures, techniques and tactics, and given them broader access to the Alliance community. As the Georgian officer notes above, however, these militaries are beginning to look to the Alliance for assistance that is better directed to their critical military reform and growing security needs. They question whether PfP as it is currently configured and managed can provide this assistance. To meet their evolving needs, it appears that a strategic change is required in the nature of the program or in the relationship of the partner states to the Alliance.

¹²⁰ Author interviews with Georgian officers, December 2003.

¹²¹ *Ibid.*

VII. Recommendations for NATO

The fundamental challenge facing NATO is the issue of whether the Alliance is in political and strategic terms willing to change the nature of its relationship with the South Caucasus. However, two of the key challenges hampering the countries developing closer relations with the Alliance are generally financial and linguistic, though complicated still further by the problems of corruption and their as yet limited exposure to Western militaries. Moreover, the constraints of their rather stubborn reliance on Soviet-era doctrine, a resistance to change, and their differing priorities (such as, to forge a capability to retake and restore territorial integrity by moving against the breakaway regions rather than a true professional national armed forces, and their present and potential ambitions to wield a political role) underscore deep worries over the future course of civil-military relations in the regional states.

The financial constraints placed upon national defense budgets also slows the pace of defense reform and ensures that any efforts to increase the level of participation in NATO programs will be dependent upon either changing political priorities or external financial assistance. Key, therefore, to NATO developing its partnership with the South Caucasus lies in actively seeking sponsorship from member states to fund serious time-phased programs that are designed to enhance the military and security capabilities of the indigenous armed forces and seek to promote regional cooperation and, in turn, stability.

Clearly, such challenges are extreme in a region that has been plagued by internecine political violence and “frozen conflicts”, however, the process, as difficult as it may be, requires every possible encouragement from the international community and NATO can play a unique role in promoting dialogue and stimulating confidence building measures. The roadmap to closer relations between NATO and the region must receive visionary political backing; otherwise all efforts to achieve progress will fail. Equally, given the interdependence between these states and Russia, stability can only be achieved in the context of continued good relations between the Alliance and Russia, whilst seeking to remind Moscow of its 1999 Istanbul commitments to “completely” withdraw its military forces from Georgia. During his visit to NATO Headquarters on April 7, 2004, Saakashvili received support for Georgia’s stance on this issue from Jaap de Hoop Scheffer, NATO Secretary-General, who said that

NATO supports the full implementation of the Istanbul agreement and hoped that negotiations between Georgia and the Russian Federation on the withdrawal would resume as soon as possible.¹²²

From Anchoring to Integration

Both Azerbaijan and Georgia are looking to the NATO Summit in Istanbul this June for a dramatic change in their relationship with the Alliance, pushing for invitations to membership. Is this a realistic goal? Are they ready? Should it be seen as only a win or lose decision? It is our contention that it need not be.

In Azerbaijan and Georgia, allied interests and national expectations and requirements are of a different order than those in Armenia. Azerbaijan and Georgia are active members of the U.S.-led anti-terrorism coalition and aspirants to NATO membership. Armenia is neither as deeply involved in the war on terrorism, nor is it as proactively pursuing a deepening of its relationship with the Alliance; nevertheless, opportunities for Armenia to choose otherwise in the future need to be opened at this time.

As part of a regional security concept, applied on a country-by-country basis, the Alliance can address peace-support and conflict-resolution efforts, traditional and new types of threats to security, and the acceleration and broadening of security sector reforms in the three countries.

For their part, Azerbaijan and Georgia are ripe for a significant acceleration in the development of niche capabilities enabling participation in coalition operations. Certain military units can be earmarked for developing interoperability with NATO forces. U.S.-led train-and-equip programs must continue seamlessly in Georgia and be initiated in Azerbaijan, focusing in both countries not only on the military but also on internal security troops, border troops, and coastal-guard capabilities for better protection of their maritime borders and economic zones in the Black Sea and Caspian Sea, respectively. The two countries must be assisted in their efforts to preserve air sovereignty through establishment of air situation data exchanges with NATO, as well as to accelerate the upgrading of civilian and military airports to NATO-compatible standards. Such goals should find expression in formalized arrangements with Azerbaijan and Georgia, to be announced or at least mandated at the Alliance's summit.

¹²² 'President of Georgia Visits NATO', April 7, 2004, <http://www.nato.int/docu/update/2004/04-april/e0407a.htm>

NATO's summit provides the right forum and timing for allied political recognition of Georgia's and Azerbaijan's aspirations to eventual membership. Such recognition can at this time take the form of offering Azerbaijan and Georgia a clear prospect of membership through Individual Partnership Action Plans (IPAPs) leading to Membership Action Plans (MAPs). With their established benchmarks, standards and timetables for progress, such plans hold built-in incentives to the aspiring countries, as well as amounting to nondeclaratory political recognition by the Alliance of their membership goals.

That goal reflects Georgia's and Azerbaijan's overall Western orientation, resting on a broadly-based political and societal consensus. In both countries, the Euro-Atlantic choice is a national choice. Internal challenges to that orientation stem basically from state weakness and local conflicts. Twin aspects of the Soviet legacy, those challenges can be remedied through security assistance and conflict-settlement under Euro-Atlantic aegis, paving the way for institution-building and closer economic links with Europe. Moreover, as post-communist European experience shows, the prospect of NATO membership is a major stimulus to reforming the state and improving institutional performance.

In sum, anchoring the South Caucasus to the Euro-Atlantic system must begin by projecting security to this region. The costs and the draw on resources would only be a fraction of U.S. and NATO efforts elsewhere; the social and political environment in this region is friendly and receptive; and the strategic payoff to the Alliance would be of historic proportions. Until now, the U.S. has taken the lead in this effort, with only nominal support from other Alliance members. At present, U.S. global overextension means that European allies must increase their contributions to projecting stability and security in the South Caucasus. NATO's new members such as the Baltic States and Romania, familiar with this region and sharing their recent experience as post-Soviet legacy states and NATO aspirants, are enthusiastic about contributing to this effort alongside older allies.

Door Open also to Armenia

This process can gradually be opened to Armenia on similar terms and in similar stages; but should in no way be delayed for Azerbaijan and Georgia if Armenia marks time, or if Russia objects to Armenia's inclusion.

The U.S. and other allies must hold out an attractive security option for Armenia as well. This would require taking the lead in promoting a resolution of the Karabakh conflict on the basis of tradeoffs, e.g. land-for-peace (return of Azeri lands, determination of Upper Karabakh's status, and security guarantees), or land swaps, or

a combination of those two approaches, accompanied by the opening of borders for trade between Armenia, Turkey and Azerbaijan. The effort will be arduous, and even its possible success might not necessarily persuade or enable Armenia to moderate its current ties to Russia in the short term and extend its security relations with NATO and broaden its economic ties with the EU. This, after all, is the policy flexibility that Yerevan has long talked about.¹²³

Thus, progress on NATO-Azerbaijan and U.S.-Azerbaijan security ties should not depend on progress of such ties with Armenia. It should also be borne in mind that the security of Azerbaijan is indivisible from that of Georgia, owing to their common Western orientation, the geography of Caspian energy transit, and that of U.S. and NATO strategic access eastward. Azerbaijan and Georgia form a tandem both functionally and for security purposes. Thus, delaying NATO Action Plans for one or both of them in deference to any third party is not an option. On the contrary, bringing such plans to earliest feasible fruition will provide an attractive example to Armenia, and ultimately increase U.S. and NATO options for addressing the problems of the South Caucasus in a comprehensive regional framework.

For now, however, Armenia relies principally on Russia for security and defense (including preservation of territorial gains in the Karabakh conflict), and has ceded its energy infrastructure and manufacturing industry wholesale to Russia for debt relief. The Armenian government has long neglected to develop deep and long standing relations with NATO or to cooperate effectively with the U.S. in the sphere of security. It was only last year that Armenia began showing a serious interest in NATO's Partnership for Peace program and hosted for the first time a joint exercise (Cooperative Partner-2003).

For their part, the U.S. and EU encourage the opening of trade and travel between Turkey and Armenia. The hope is that such steps can facilitate a political settlement of the Karabakh conflict and help initiate a historic reconciliation of Armenia with Turkey and Azerbaijan.

While highly desirable in themselves, those goals should not be allowed to delay the fulfillment of Azerbaijan's and Georgia's NATO aspirations. Some have counter argued that bringing Azerbaijan and Georgia in while leaving Armenia out would "reinforce the dividing lines" in the South Caucasus, with Western interests on one side and Russian interests on the other side of the divide. It seems, however, more likely that U.S. and/or NATO security arrangements with Azerbaijan and Georgia

¹²³ For an example of this desire for flexibility see Vartan Oskanian, Armenia's Minister of Foreign Affairs statement at Chatham House, London, April 16, 2004.

would help erase or more likely temper, not reinforce, any dividing lines. Such arrangements would in any case focus on external security, infrastructure development, and training for coalition missions, not on local ethnic conflicts (those require political handling). If demonstrably successful with respect to Azerbaijan and Georgia, such security arrangements can appeal to Armenia and induce it to rebalance its policies.

Georgia wisely separates the Abkhazia problem from its NATO aspirations and security cooperation with the U.S. For its part, Azerbaijan must not link its NATO aspirations with the Karabakh conflict's resolution; and might conclude that it is in its own interest to encourage, not discourage, Armenian participation in NATO or U.S.-led joint exercises and trainings for the three countries of the South Caucasus.

In the region, there are also a number of recommendations that seek to help direct the reform efforts in each of these countries, support national military reform programs, and improve the readiness and capabilities of national forces. Why these recommendations? Those presented were chosen because they are affordable and within the capacity of the national forces but avoid a "cookie cutter" approach. They also positively influence military-to-military contact and cooperation, democratization of the militaries and promote the achievement of NATO interoperability. It is imperative that any programs supported avoid negatively influencing the regions' balance of military power and instead work toward fostering regional cooperation and stability. It should be stressed that the proposed deepening of NATO's partnership with the South Caucasus in no sense implies a weakening or undermining of the historic and legitimate security concerns of the Russian Federation within the region. It is the firm conviction of the authors that there is in fact significant confluence of security interests, since both NATO and Russia aim at achieving long term stability in the region. Moreover, Russia is in a unique position to play a very positive role in supporting the reform and force modernization efforts of all of these states, should it choose to do so.

We begin with national actions that focus on reorganizing and reforming the MoD and GS, improving and standardizing operational planning, establishing a multiyear planning, programming and budgeting system, improve civilian control and reduce corruption. The list of activities should be seen as a series of building blocks that can effectively support the national reform program(s) and facilitate greater NATO and partner state assistance.

Concrete Steps

NATO can demonstrate its commitment to security and stability in the region and significantly expand its security relations with the three states, without necessarily making a commitment to future membership for these states, by considering elements of the following:

- Taking the opportunity of the 10th anniversary of PfP to reaffirm the Program's basic principle of supporting the independence, sovereignty, and territorial integrity of the states of the South Caucasus, and to assert that the security of the countries of the region is an integral part of the Euro-Atlantic security architecture;
- Exploring the possibility of creating a special format for NATO's dialogue with the three nations of the South Caucasus, on the model of those set up for Ukraine and Russia;
- Appointing a political/military specialist as an advisor to the Secretary-General on the region and expand its own expertise (e.g., within its planning staffs) on the South Caucasus;
- Explore the possibility of creating a NATO Defense College in the South Caucasus, the rationale of which is explained in detail below;
- Establish PfP cells in each country in the South Caucasus. [Among other duties the cells will be responsible for the onsite management of Alliance programs, serving as a clearing house for NATO-sponsored activities and harmonize assistance provided by member states.];
- Based on interest, appoint one NATO country as lead to help the PfP cell coordinate and manage Alliance efforts in each country;
- Create a "Security Working Group" under NATO in order to optimize security assistance efforts and avoid programs overlapping and unnecessary duplications. On each program (for example: NCO, Navy, Military Education, J-5, personnel training, Public relations and CIMIC; PPB, etc.) a leading nation and participant nations should be defined, and all the findings should be reported to the NATO Secretary General's Advisor (chairperson of the Group);
- NATO should develop "third party funding" programs, according to this program one NATO nation would assist the cooperation of two candidate nations (for example, Georgia + Macedonia + Germany) For the last 4 years Estonia and Georgia developed bilateral cooperation with the help of the UK);

- Assist [Azerbaijan and Georgia's] defense reform through providing working groups of civilian and military experts operating closely with each of the MoDs in order to construct workable plans for restructuring and reforming and establishing standard operating procedures across the Ministry and Joint Staff and then the broader armed forces; this should be based on NATO's operational planning guidance and concepts;
- Support the development of a Combat Support System (CSS) formation, its training and the establishment of operating tactics, techniques and procedures for a deployable CSS unit, which is necessary to support deployable PSO formations. The current national formations are designed to operate from internal logistics facilities and do not have the organic, mobile CSS assets to effectively support formations deployed out of country;
- Prioritize the development of expertise amongst NATO's planning staffs, capable of fully understanding and tracking the evolution of IPAP with Azerbaijan and Georgia, as well as Armenia when it has presented its IPAP;
- Support the ongoing effort to improve the communications network supporting both the tactical formation and operational level, insuring interoperability with NATO systems (focusing on those assets committed to the Alliance and the country's designated PSO formations); and develop procedures and formats that are similarly compatible with NATO;
- NATO should seek to greatly enhance the numbers of regional officers receiving training through PfP in order to foster a cadre of officers benefiting from contact with Western militaries that, in turn, are able to share their knowledge and expertise with colleagues;
- Seek sponsorship from amongst member states in order to place greater numbers of regional officers on education and training courses within western military institutions.
- Support the deployment of Mobile Training Teams to Baku, working in-country to foster the development of indigenous military experts in border security, crisis management and reform of military educational structures;¹²⁴

¹²⁴ NATO has had success doing this in other countries by dividing up the responsibilities among potential mentor states, e.g., Germany works with the air force, Sweden with the PSO training centre, Denmark logistics, and so

- Provide assistance and necessary support to upgrade the National PfP Training Center in Baku to an officially recognized PfP Training Center;
- Azerbaijan and Georgia could potentially benefit from access to NATO's Security Investment Program (NSIP). Though normally restricted to members, this could be offered in the context of creating the interim status of 'Candidate Members'.

NATO cannot directly help any of these countries improve the readiness and the overall combat capability of their formations through the provision of combat equipment or upgrading their existing stocks, as retaining the regions military balance remains an important component of stability. However, what the Alliance can do is help these militaries improve their management, leadership and training skills.

Creating a Regional Defense College for the South Caucasus

NATO should take advantage of Azerbaijani and Georgian efforts to enhance their bilateral cooperation and support the establishment of a regional Defense College, similar in concept to that of the Baltic Defense College (BALTDEFCOL) and building on their experience.¹²⁵ Look toward the possibility of using the establishment of a regional defense college as an incentive for broader regional cooperation and Armenian inclusion.

Not long after independence, the leaders of the Baltic States realized that they did not have the numbers of qualified military officers and civilian personnel necessary to effectively lead and/or manage the development of their defense structures.¹²⁶ But the three states lacked the professional expertise necessary to grow their own. To this end, the announced "purpose of BALTDEFCOL is to educate and further the personal and professional development of the personnel of the Participants (the three Baltic States) as well as participate in the enhancement of academic studies in selected, relevant fields – all in close interplay with the Military (National Defense) Academies of the three states." This is mainly accomplished through the College's core activity, the Joint Command and General Staff Course, which is similar in most

on. This establishes clear areas of responsibility, helps ensure a consistent training/assistance effort, and tends to minimize overlap, inconsistent or conflicting advice, etc.

¹²⁵ The BALTDEFCOL is used to present third and fourth level military education to the officer corps and builds on the junior officer and branch specific training that is a national responsibility.

¹²⁶ Although the Defense Ministers of Estonia, Latvia and Lithuania agreed in principle to the College's establishment as early as 1992, it wasn't until 1997 that final agreement was reached.

aspects to Western one-year Joint Command and General Staff programs. Course work in this program focuses on operations (including tactics, logistics and military technology – ca. 50 percent), as well as strategy and political studies, staff duties, management and administration. Legal aspects of operations, the principles of democratic control and NATO operational planning procedures and techniques are integrated into the program. The College also runs a parallel colonels course for field grade officers and a shorter course for civilians working national security or defense policy issues. For all of these programs, all training is in English and there is an emphasis on the use of NATO formats and operations.¹²⁷

¹²⁷ For further detail on the strengths and merits of BALTDEFCOL see Appendix 1.

VIII. Recommendations for the South Caucasus States

The recommendations to the states of the South Caucasus are partly of a joint nature, and partly specific to the individual states, here focused on Azerbaijan and Georgia due to their stated interest in closer ties and eventual membership in the Alliance. Should Armenia desire a closer relationship with NATO comparable to that toward which Azerbaijan and Georgia have been working, many of these recommendations would apply to Armenia as well. In addition to concrete steps to be taken by the jointly or individually by the regional states, suggestions for developing the niche capabilities of the South Caucasian militaries are included here.

Joint Steps

- Group Candidacy. the history of NATO expansion clearly shows that strength of group candidacy. Whether in the case of the Visegrad countries, the three Baltic states, or the candidacy of Romania and Bulgaria, the decision by the states involved to coalesce and cooperate in joint candidacies led to them joining the alliance much more rapidly than many analysts had predicted. In the case of the South Caucasus, this is likely to be even more pronounced. The relative geographic distance from the core NATO area is one factor; another is that the interests of the Alliance and its members is regional, not focused on one state. As mentioned earlier, the security of Georgia and Azerbaijan cannot be understood separately; they stand or fall together. Especially in view of part of NATO's security interests in the South Caucasus being related to the region's role as a logistical corridor for its operations in Central Asia and Afghanistan, the alliance is unlikely to approach one country without a regional approach that is focused on the strategic value of them jointly and together. Hence Azerbaijan and Georgia, building on their already existing friendly relations and strong security ties, would benefit from approaching their relationship with NATO in tandem rather than separately.
- Azerbaijan and Georgia should request assistance from the Alliance in creating expertise within the J5, MoD relating to IPAP; how it functions, works in practical terms, and have responsibility for monitoring its progress and recommending amendments as necessary (This will also apply to Armenia when they submit their IPAP to NATO);

- Develop a single manager for all future NATO related activities and bilateral security assistance programs within the J-5, to ensure coordination, compatibility and these programs build on one another and are supportive of their planning goals;
- Develop, fund, recruit and train/educate an NCO corps, which will require efforts to change the military culture, establish positions and roles for the NCO across the force, establishing a personnel management and education program, and ensuring that the rules, regulations and government legislation are in-place to support these developments;
- Recommend the development of a regional military academy (similar to BALTDEFCOL) to train mid-level officers and civilians. NATO- and member-state-assistance is needed to support the development of curriculum, the provision of necessary equipment, the assignment of experienced teaching and support cadre to facilitate the creation of the facility and its adherence to NATO teaching standards, and the development of indigenous personnel to assume greater responsibility over time. This academy could reasonably be established in Baku and use the Azerbaijani Military Academy as a base upon which to build the new facility, taking advantage of the considerable Turkish efforts to improve the quality (with a goal of bringing it up to NATO standards) of this national program;
- With NATO and bilateral support, recommend the establishment of a regional disaster preparedness center, with responsibility for the planning for and management of natural disasters, and the training of regional and national experts. The region is prone to earthquakes and floods that tend to be devastating when they occur. This is an area of concern for all three states and one where cooperation with NATO and each other could significantly improve planning and execution. This is an area for possible future cooperation and the training and management responsibilities could most effectively be accomplished jointly.
- Expand the military's language training programs, to include building these language instruction into the curriculum at the military academies and any future NCO training programs;
- Recommend to the U.S. and NATO that they help establish a regional PSO training center, using the GTEP experience as a base, taking advantage of the facilities established and the cadre trained. The countries of the Caucasus are already involved in supporting PSOs and they are looking toward continuing to do so through both NATO and other international organizations. An

effective regional training program that focuses on NATO and UN procedures and standards would ensure proper training for planners and commanders; and significantly enhance their preparedness for such operations and smooth the preparation, deployment, integration into the PSO force and support of deployed troops through the course of their commitment. Once again the recent Baltic experience in this area could be used as a basis. Look toward using experienced third party administrators and trainers to develop the facility, establish the curriculum, and train the PSO personnel and future training center cadre;

- Recommend the development of a regional NCO training program that supports the needed development of a professional NCO corps in these militaries and builds on the basic national NCO training programs. This would be the NCO complement of the regional defense college and similarly would focus on training national personnel in NATO techniques, standards and procedures, as well as providing the language training that is critical for senior NCOs. Consolidation would allow for easier mentor support (providing planners, trainers and equipment) that will be necessary to get such a project off of the ground;
- Support needed efforts to improve the operational capabilities of the navies and maritime border guards of both of these states; and help them clearly define the roles of each service and their inter-relationship, and establish the procedures, techniques and tactics under which they will operate.

It is underlined that whereas these steps apply mainly to Azerbaijan and Georgia given their expressed interest in closer ties to NATO, many of these steps, where applicable, could also apply to Armenia should there be sufficient political support for within Yerevan for the deepening of the Alliance's regional role.

Azerbaijan

After more than a decade of neglect, the Army and the armed forces as a whole face a number of daunting challenges that they must overcome if they are to develop into a competent military force. Changes will not come overnight and they will not come without greater government support, economic and political. Internally, the Defense Ministry continues to grapple with efforts to reform the staff, establish effective and efficient operational planning, programming and budgeting processes, and develop the necessary number of competent military and civilian professionals to successfully man it. The armed forces have long been under-funded and held at arms length by a government that distrusted the potential opposition it presented and preferred to fund

the security services. At existing funding levels, the best they can do is focus their restructuring, refurbishment and modernization efforts on a couple of brigades at a time. They cannot afford to swap out their equipment base, rather they must focus on salvaging as much of this equipment as is needed and upgrade it where possible. In line with Azerbaijan's attempts to present a favorable image to the West, the military is looking towards NATO for its role model. Despite these efforts, they have found it extremely difficult to breakaway from the Soviet model and modified Soviet tactics are still followed. Part of the problem is that the Army and its leaders are not trained to effectively manage the more complex combined arms tactics, nor are the units equipped or prepared to execute these tactics, especially with poorly trained and motivated conscript soldiers and little or no large unit or combined arms training being conducted.

Clearly, the problem of poor equipment readiness is the most visible problem, but it is compounded by the lack of consistent and regimented training at the individual, small unit, battalion and brigade, and then combined arms levels. Training teams from Turkey are working with the Azerbaijanis to refine their training techniques and procedures, bringing them more in line with NATO standards. However, the training challenge for the enlisted soldier is compounded by the many problems noted earlier and by the personnel turbulence created by the short-term of conscript service. Furthermore, the short-term of service makes it extremely difficult, often impossible, and very expensive to train these conscript soldiers in any technical skills and then get any meaningful term of service from them. In turn, this makes it difficult to develop a skilled enlisted corps that can effectively support the Army's extensive technical support requirements, which expands the need for extended service NCOs and contract personnel, or out-sourcing some essential services, such as maintenance, to the civil sector, which is potentially an expensive option.

A small number of cadets and junior commanders study at Turkish military schools and the Military Academy in Ankara, or in one of the other countries supporting their training, that is, the U.S. and Pakistan. Within Azerbaijan, the main military training school is the Military Academy in Baku (the navy has its own Academy in Baku, based on the former Soviet Caspian Naval School). In addition to military training, the Academy offers courses in administration and strategic research. Turkish officers have played a key role in reorganizing the Academy and updating its training programs and curriculum.

After two years of efforts by dozens of Turkish military personnel working to improve the quality of training in the Academies, especially in the junior officer programs, the Turks declared in early 2002 that the programs and curriculum were up

to NATO standard. Just a few months later, in September 2002, more than 2,000 cadets deserted the Azerbaijani Higher Military Academy, protesting poor living conditions and corrupt leadership, claiming that corruption and bribery demands were common place practices. The cadets specifically called into question the Academy's dismissal of the Turkish officers assigned to the faculty. Turkish officers since 1999 had been serving as specialized instructors and were well respected by the cadets because of their professionalism and their reported "open condemnation of corruption within the Azerbaijani officer corps". After more than a month of claims and counterclaims, the administrator was replaced and many of the student leaders were expelled and reassigned within the military. This action was significant because this academy was the model for the Turkish program to modernize the Azerbaijani armed forces and bringing them eventually into conformity with NATO standards. It remains to be seen if the Army and MoD's leadership will take the actions necessary to foster reform, rather than discouraging it. Even if they do, training the junior officers to NATO standard is only the first step toward improving the quality of training at all levels across the force.

If the Azerbaijan government seriously looks to reform, restructure and modernize its armed forces, it must begin with a serious, long-term program for change that has sustained political backing and funding; and it must address the problems of corruption within the MoD and look toward facilitating closer relations with NATO. But given the serious and doubtful question of the necessary political backing, are there ways or measures to encourage the political leadership to engage and accept these needed reforms? Perhaps with a strategic reorientation reflected in foreign aid, aimed at rewarding compliance with these objectives by the political elite? There are numerous ways NATO and its member states can help, but it is imperative that any programs supported avoid negatively influencing the regions' balance of military power and regional stability. Moreover, they should positively influence military-to-military contact and cooperation both within the Alliance and the region, democratization of the militaries and promote the achievement of NATO interoperability.

Some practical first steps to be taken by Azerbaijan include the following:

- Reform of the Azerbaijani MoD and Joint Staffs should be initiated, addressing the problems of corruption and staff procedures;
- Review the country's national guidance documents, including its National Security Strategy (which remains a work in-progress and is currently being reviewed by the Milli Majlis), ensuring that it reflects current security concerns and develops feasible mission requirements for the security forces;

- Develop a military strategy that translates the political guidance in the NSS in mission requirements and tasks for the armed forces and provides order and direction to the defense reform program; Help the MoD develop and Introduce multi-year planning, programming and budgeting system;
- Provide assistance to efforts to clarify and document the responsibilities and functions of MoD and General Staff entities;
- Mid- and long-term planning are a chronic problem and assistance is needed to develop planners and the tools necessary for them to do their job, such as a formal guide for operational planning. Use NATO's Guide for Operational Planning as a base for this development, to ensure standardization and enhance interoperability;
- Develop a transition plan for civilianizing control of the armed forces and the education of a civilian cadre of managers;
- Train civilian defense experts to improve civilian control of military, establishing a base for a security trained civilian bureaucracy;
- Steps should be taken to ensure gradual increase in the defense budget, with the initial focus on developing niche capabilities and investing in training and education;

A force modernization and restructuring program must be developed that is feasible given budget constraints, effectively supports evolving security concerns and mission requirements, enhances interoperability with NATO, and provides a time-phased planning goal.

Georgia

The most significant barriers to successful defense reform in Georgia lies in the limited nature of recent defense budgets, coupled with endemic corruption within the MoD itself. These are further compounded by the slowness of the transition from post-Soviet legacy forces to successfully reformed armed forces capable of NATO inoperability. Of course at the political level, the continued presence of Russian bases on Georgian territory presents an equally formidable obstacle to NATO membership.

Defense budgets in recent years have been consistently below 2 percent of GDP, which has severely restricted the progress of defense reform; already dropping in 1998 to 1.46 percent, falling in 1999 to 0.96 percent, 2000: 0.71 percent and reaching 0.46

percent in 2001.¹²⁸ The Georgian armed forces have, therefore, suffered from chronic under-funding; denoted by allowances unpaid, military pensions often paid several months in arrears, a significant proportion of officers are compelled to take on outside employment in order to subsist.¹²⁹

Consequently, too little money trickles down into the defense budget, often subject to later revisions and failure to pay sums initially promised to the MoD, and what is actually allocated often arrives late from the Ministry of Finance, which in turn has a knock on effect for equipment acquisition, upgrading, maintenance or replacement. Put simply, the funds are often not there for essential tasks, let alone meeting the requirements of defense reform. Maintenance has particularly suffered, as privately Georgian officers and planners confirm that in recent years no Lari has been allocated in the defense budget for these essential tasks. Basic needs are not met, including a lack of uniforms for recruits, and food supplies for the army have been very scarce.¹³⁰ Since President Saakashvili was elected, the aim of increasing the defense budget to 2 percent of GDP by 2008 has been set; Tbilisi will need constant reminding of the importance of adequate defense budgeting to support its defense reform in the critical years ahead.

President Saakashvili's appointment in February 2004 of the country's first civilian Defense Minister, Gela Bezhuashvili, fulfils a key requirement for NATO membership. Indeed it is significant that his predecessor Lieutenant General David Tevzadze was also appointed as Georgia's Ambassador to NATO, signaling the new government's determination to move forward in its relationship with the Alliance. Sharing a legal background in the U.S. with Saakashvili, the new Defense minister is widely regarded as capable of delivering the necessary progress in this area.¹³¹ Tevzadze announced in January 2004, the publication of a draft document on the division of powers between the MoD and General Staff, which had been elaborated by a team of U.S. military experts that began work on the document in August 2003.¹³² Clearly, this is a positive step forward, however, given the constant flow of information in recent years, highlighting the entrenched problems of corruption within the Georgian MoD, the task of conducting successful reform will continue to be difficult and very lengthy.

¹²⁸ White Paper, Ministry of Defense of Georgia, 2002.

¹²⁹ Sam Perlo-Freeman & Peter Stalenheim, 'Military Expenditure in the South Caucasus and Central Asia', in Alyson J.K. Bailes, et. al, *Armament and Disarmament in the Caucasus and Central Asia*, SIPRI, Stockholm, July 2003, pp. 15-20; Chris Hill & Peter Sutcliffe, 'An Economic Analysis of Military Expenditure Levels in Central Asia and Transcaucasus', NATO Colloquium 2001, pp. 271-95, www.nato.int/docu/colloq/2001/colloq01.htm.

¹³⁰ Author interviews with Georgian officers and MoD staff, October-December, 2003.

¹³¹ Bezhaushvili is 37 years old, serving as Georgia's Ambassador to Kazakhstan 1993-96 and head of the Department of International Law, Foreign Ministry 1997-2000. See: RFE/RL Caucasus Report, February 20, 2004.

¹³² Interfax-AVN, January 8, 2004.

Corruption within the Georgian MoD has been an endemic feature of the woeful condition of the state and its inability to address its own security problems. Colonel Nika Djandjgava, former commander of the Land Forces, resigned from his post in July 2002, after leading a protest - joined by around 100 officers - concerning insufficient financing and “incompetent commanders”, in the elite Kodori Battalion.¹³³ More recently, in a scathing attack on the Georgian MoD, Djandjgava alleged that Tevzadze had run the army into the ground and ignored widespread corruption.¹³⁴ Social conditions and under-funding provided the conditions for the revolt of a Georgian National Guard battalion in Mukhrovani in May 2001. The mutiny, led by Colonels Otanadze and Krialashvili seizing an Interior Ministry special troops base in Mukhrovani, approximately 40 kilometers outside Tbilisi, highlighted the severity of the harsh social and economic conditions that had become such a commonplace within the Georgian armed forces. Yet, despite the obvious existence of such deep problems within the military, Tevzadze continued to declare the ideal of achieving a professional army consisting of 70 percent contract soldiers, even though the defense budget could not match those ambitious aspirations, raising questions about the Georgian approach to reform.¹³⁵

Georgia's problems in making real progress towards reforming its armed forces have been compounded by its Post-Soviet legacy forces, and a force structure therefore inconsistent with its current security needs. This supplies the basis for understanding their current dilemma, in-fighting amongst the MoD and General Staff on the priorities of reform and the military culture that pervades the decision making and planning processes. Transforming their Soviet legacy forces into mobile formations increasing their lethality and combat capabilities is central to successful reform, but the mindset and culture of the military has to change in order to foster this approach.

Military reform in the South Caucasus generally and particularly in Georgia is an uphill and truly monumental task. It is made more difficult by the lack of genuine support from potential NATO sponsors that are looking for successful defense reform in the region. The corruption within the MoD, low levels of ELT amongst officers, poor standards in training and education, worsened by chronic under-funding leave the armed forces weak. Successful military reform in Georgia, achieving the requirements of a NATO MAP, would take considerable time without sponsorship and coordinated international assistance geared towards achieving those goals. It is more realistic, meanwhile, for the Alliance to concentrate on supporting the

¹³³ RFE/ RL Caucasus Report, July 26, 2002.

¹³⁴ RFE/RL Caucasus Report, February 20, 2004.

¹³⁵ Mikha Gegeshidze, ‘The Mukhrovani Insurrection: An Attempted Military Coup Or A Mutiny Reflecting Social Discontent?’ Central Asia-Caucasus Analyst, Washington DC, May 23, 2001.

development and reform of key formations and enhancing niche capabilities, such as PSO, Special Forces and Naval (SAR) Operations.

Some practical first steps to be taken by Georgia include the following:

- Reform of the Georgian MoD should be initiated, addressing the problems of corruption;
- Further measures should be implemented within a fixed timeframe towards ensuring Civil-Military control of the armed forces;
- Following the planned ratification of Georgia's first National Security Concept in May 2004 assistance should be given in the formulation of a Military Doctrine, in order to give depth and direction to the path of defense reform;
- Steps should be taken to ensure gradual increase in the defense budget, with the initial focus on developing niche capabilities and investing in training and education;
- Within the Georgian Department of International Cooperation, MoD, a working group should be formed tasked with assisting in properly planning after training follow-up action in cooperation with J-5 planners in order to maximize the benefits of foreign security assistance programs;
- Assistance should be provided in training planning personnel within the Georgian J-5 MoD; Estonia has led the way by offering such assistance on a bilateral basis but more is required in order to support the professional development of this key area of long term strategic planning within the Ministry;
- Encourage the strong bilateral security assistance from Greece to Georgia, by raising its activities to NATO level.

Developing the Niche capabilities of the South Caucasus Militaries

Strengthening future “niche capabilities” options with partner states enables them to make potential military contributions to future NATO operations. Niche capabilities can assist allies and non-allied partners, developing nascent capabilities in areas that supply greater scope and diversity to allied operations. This approach also allows emerging militaries to focus their limited resources on the development of capabilities that they have the capabilities and capacity to successfully accomplish. Moreover, this allows countries to specialize and build a high quality capability in a needed skill area that will enhance their potential contribution to future Alliance missions but not

at an unreasonable resource cost. Niche capabilities look to fill existing gaps or shortfalls in Alliance competences and build on the experience, capability and capacity of these emerging militaries. NATO has had success in developing niche capabilities outside the partnership process with the Accession states (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia). Priority for niche capabilities should also focus on those skills that will have dual-use utility, serving both national needs and meeting Alliance requirements.

Indeed, more recently, the U.S. at a bilateral level facilitated the participation in Iraq of an engineering platoon from Kazakhstan's peacekeeping battalion (KAZBAT); deployed in August 2003 assisting in demining and water purification.¹³⁶ The engineer example is mentioned because this is a capability that is often in short supply on missions and has universal utility on operations ranging from PSO to humanitarian. The priorities for building niche capabilities within the South Caucasus could be: light infantry that are trained and outfitted to support peacekeeping, humanitarian support and military police missions; SAR (for Azerbaijan), getting the Air Force involved in the process; Paramilitary Police forces and border security forces, involving non-military security services; engineers (company or battalion size formation); and demining operations and Explosive Ordnance Disposal (EOD). The first capability mentioned is evidently the key role for which the PSO formations are being developed in Azerbaijan and Georgia. As with many of the recommendations noted above, there are a number of these niche capabilities that can be effectively supplied by all South Caucasus states and these could be serviced by combined formations or assets from two or more regional partners, providing another opportunity to promote regional security cooperation, joint training facilities and enhanced military-to-military contact.

¹³⁶ See: Roger N. McDermott and Colonel Igor Mukhamedov, "Kazakhstan's Peacekeeping Support in Iraq", *Central Asia-Caucasus Analyst*, January 28, 2004.

Appendix: The Baltic Defense College

For the Baltic States, the College proved very beneficial for a number of reasons, to include:

- 1) Fostering the development of a highly professional military academy, with first quality facilities, modern training and educational capabilities, and a curriculum that is Western in focus and NATO standard;
 - a) Means to break the legacy of communist rule and change the leadership culture.
 - b) Introduce Western staff procedures and planning, programming, budgeting and execution techniques and procedures.
 - c) Pooling the resources and needs of the participants, allowed them to save money, build a College that they could not individual afford and get much better training for their personnel.
- 2) Allowing them to train larger numbers of personnel on an annual basis;
 - a) Training trainers for their own military education facilities.
 - b) Establish a cadre of leaders and managers to support necessary development and reform within the Armed Forces.
- 3) Encouraging ELT, as English is the official and working language at BALTDEFCOL.
 - a) For the Caucasus, English is not a prevalent a second language and it would be beneficial to include an English Language faculty to such a program, which is common practice in several other equivalent programs.
- 4) Helping foster broader cooperation and understanding among the Ministries of the participating states;
 - a) Baltic military cooperation projects have played a major role in developing the Estonian, Latvian and Lithuanian defense structures in accordance with the traditions and procedures of Western countries.
 - b) Baltic military cooperation projects have been carefully designed to develop capabilities of the Baltic States' defense forces and to make them interoperable with NATO.

- c) By applying standards equivalent to those used in NATO and the PfP framework, the Baltic States are also creating common standards for use within the Baltic region.
 - d) The role of the projects in the professional development of the defense structures is not limited to the projects themselves. Participant officers are rotated within the national defense forces, thereby spreading the skills and experience gained from the projects to the national structures. This aspect of training applies on all levels involved in project management, implementation and operation. At the same time, the defense ministries gain expertise in international cooperation and, more specifically, on how to run cooperation programs and multilateral projects.
 - e) The three Baltic States share a sense of unity, knowing that together they are stronger and more flexible. “When needed, we give each other a supporting hand. A stronger element of one partner's defense structure also strengthens the other partners. Such assistance and cooperation works toward building up balanced and well-calculated defense capabilities.”
- 5) Providing a vehicle for mentor nations to focus and coordinate their assistance efforts;
 - 6) Means to expand mil-to-mil cooperation and expand, via their outreach programs, contact and cooperation with other militaries;
 - 7) Providing a basis for and understanding of the need to reform the central staffs, personnel management structures, the officer education program, the manning structure and the leadership culture.

BALTDEFCOL has received substantial international support during the first years of its operation to ensure the highest possible quality of education.¹³⁷ The Baltic military projects, including the Defense College, were cultivated by the NATO PfP initiative. PfP also helped foster the broad international support and assistance they received. This support was critical and included: equipment (computers, data basis, simulators, etc.), assistance in curriculum development and teaching support assets,

¹³⁷ The international support is based on the “Memorandum of Understanding concerning cooperation in the establishment, operation, administration and initial funding and secondment of staff to a Baltic Defence College in the Republic of Estonia”, signed in Brussels on June 12, 1998.

recruiting and training a faculty as well as the necessary support staff, This international support was also critical in smoothing over national difference and encouraging the development of a Baltic, vice national approach.

The largest part of that support has come from Denmark, Finland, Norway, Sweden and Switzerland. In addition, other states, (Belgium, France, Germany, Iceland, the Netherlands, Poland, the UK and the USA) have also supported the college. International support to the college ranges from donating equipment and finances to hosting study tours and providing external lecturers.

The key part of the support, however, is the secondment of experts to the college staff. By 2004, 14 states have permanently seconded a total of 25 staff members to the college. This combination of nations that includes NATO member states as well as non-aligned countries with total defense traditions has brought together a unique pool of international experience. The first commandant of the college is a Brigadier General from the Danish Army, which provided an important balancing affect on the College ensuring that the program was NATO-based and Baltic, not national, in focus.

Author Biographies

Svante E. Cornell is Deputy Director of the Central Asia-Caucasus Institute (CACI) and an Assistant Research Professor at the Nitze School of Advanced International Studies, Johns Hopkins University. He is also Research Director of the Silk Road Studies Program (SRSP), Uppsala University, Sweden, and directs the research project on Narcotics and Security in Eurasia conducted jointly by CACI and SRSP. He is Editor of CACI's bi-weekly publication, the *Central Asia-Caucasus Analyst* (<http://www.cacianalyst.org/>.) Cornell also founded Cornell Caspian Consulting, LLC. Previously, he has lectured at the Royal Swedish Military Academy and the served as Course Chair of Caucasus Advanced Area Studies at the Foreign Service Institute, George P. Schultz National Foreign Affairs Training Center, U.S. Department of State. He was educated at the Middle East Technical University, Ankara, and received his Ph.D. from Uppsala University, Sweden. He holds an Honorary Doctorate from the *Behmenyar* institute of Law and Philosophy of the Academy of Sciences of the Republic of Azerbaijan. He is author of *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus*, (2000), and *Autonomy and Conflict: Ethnoterritoriality and Separatism in the South Caucasus* (2002).

Roger N. McDermott is a graduate of the University of Oxford specializing in defense and security issues in the Commonwealth of Independent States (CIS). He is an Honorary Senior Research Fellow, Department of Politics and International Relations, University of Kent at Canterbury (UK) and Senior Associate, Cornell Caspian Consulting (Stockholm & Washington DC). He regularly writes for scholarly journals including the *Journal of Slavic Military Studies* and *Central Asia and the Caucasus*. His analyses of geopolitics and course of military reform in Central Asia have been published in the *Central Asia-Caucasus Institute Analyst*, Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, Washington DC. His papers have also been published by Conflict Studies Research Center, Defense Academy of the United Kingdom (Sandhurst) and Foreign Military Studies Office, Fort Leavenworth (Kansas). He is a member of the International Institute for Strategic Studies (London) and the co-editor of the book: *Russian Military Reform 1992-2002*, Frank Cass: London/Portland, 2003.

William O'Malley is a retired U.S. Army Officer and Foreign Area (FAO) Specialist, Russia and Eurasia; and currently an independent defense consultant working with the US Navy's Center for Civil Military Relations (CCMR) and a RAND Graduate School Fellow. His research covers a wide range of topics: Russia and Central Asia; Central Europe; NATO and NATO expansion; developing national security and

military strategies to conform with the evolving security environment; reorganizing and restructuring militaries to meet changing national security requirements; and peacekeeping. For the last three years, he has worked direct military assistance projects with CCMR in a number of countries, including most recently Estonia, Moldova, Macedonia and Hungary. Recent publications include RAND monographs on airfield deployment options in the Middle East and operational challenges in Central Asia and the South Caucasus and a number of journal articles on security developments in both Central Asia and the Caucasus.

Vladimir Socor is a Senior Fellow of the Washington-based Jamestown Foundation and its Eurasia Daily Monitor. Prior to this he was an analyst of the RFE/RL Research Institute in Munich (1983-1994), Jamestown senior analyst (1995-2002), and senior fellow of the Washington-based Institute for Advanced Strategic & Policy Studies (2002-2004). He writes since 2000 a regular op-ed column in the European edition of the Wall Street Journal.

S. Frederick Starr is Chairman of the Central Asia-Caucasus Institute at Johns Hopkins University's Nitze School of Advanced International Studies in Washington, DC, and a Research Professor at the Johns Hopkins University-SAIS. His research, which has resulted in eighteen books and 180 published articles, focuses on the rise of pluralistic and voluntary elements in modern societies, the interplay between foreign and domestic policy, and the relation of politics and culture. Dr. Starr was educated at Yale; Cambridge University, England; and Princeton University, and was Associate Professor of History at Princeton. Before coming to the Central Asia-Caucasus Institute, he was founding director of the Kennan Institute for Advanced Russian Studies at the Wilson Center in Washington, president for eleven years of Oberlin College, Ohio, and president of the Aspen Institute. He founded the Greater New Orleans Foundation, is a trustee of the Eurasia Foundation, and served for ten years on the board of the Rockefeller Brothers Fund. He is the recipient of four honorary degrees and is a Fellow of the American Academy of Arts and Sciences. Dr. Starr is currently serving as the Rector Pro Tempore of the University of Central Asia, being established with Central Asian governments and with support of the Aga Khan.