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GLOBAL SECURITY WATCH
**THE CAUCASUS
STATES**

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 **PRAEGER**

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|---------|-------------------------------------------------------|
| GUAM | Georgia, Ukraine, Azerbaijan, and Moldova |
| GUAM | Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova |
| HHK | Armenian Republican Party |
| HHS | Armenian Pan-National Movement |
| HZK | Armenian People's Party |
| IMF | International Monetary Fund |
| INF | Intermediate-range Nuclear Forces |
| IPAP | Individual Partnership Action Plan |
| IRI | Islamic Republic of Iran |
| JPKF | Joint Peace Keeping Forces |
| KGB | Committee for State Security (Soviet Russia) |
| MAP | Membership Action Plan |
| MGIMO | Moscow State Institute for International Relations |
| NATO | North Atlantic Treaty Organization |
| NGO | Non-Governmental Organization |
| NIS | Newly Independent States |
| NKR | Nagorno-Karabakh Republic |
| OPEC | Organization of Petroleum Exporting Countries |
| OSCE | Organization for Security and Cooperation in Europe |
| PCA | Partnership and Cooperation Agreement |
| PPF | Partnership for Peace |
| SALT 1 | Strategic Arms Limitation Talks 1 |
| SALT 2 | Strategic Arms Limitation Talks 2 |
| SOCAR | State Oil Company of the Republic of Azerbaijan |
| SSR | Soviet Socialist Republic |
| START 1 | Strategic Arms Reduction Treaty 1 |
| START 2 | Strategic Arms Reduction Treaty 2 |
| tb/d | thousand barrels per day (oil) |
| tcf | trillion cubic feet (natural gas) |
| TDFR | Transcaucasian Democratic Federative Republic |
| TNC | Trans-National Corporation |
| TSFSR | Transcaucasian Soviet Federative Socialist Republic |
| UK | United Kingdom |
| UN | United Nations |
| U.S. | United States |
| USA | United States of America |
| USSR | Union of Soviet Socialist Republics |
| WTO | World Trade Organization |
| WWI | World War I |
| WWII | World War II |
| YAP | New Azerbaijan Party |
| YMP | New Equality Party |

CHAPTER 1

Security and the Caucasus States

The South Caucasus region, which is occupied by the Caucasus states of Azerbaijan, Armenia, and Georgia, has historically been central to many significant national, regional, and international security issues, primarily due to its sensitive geopolitical position at the crossroads of regional and global powers. Few other regions in the world straddle as central a geographic position relative to major international security issues. This fact was underscored by the August 2008 war between Russia and Georgia. Georgia is a small Newly Independent State (NIS) that was long under Russian control. Despite Georgia's relative insignificance in size and population, the 2008 war caused great international disturbance.

International attention was focused on the 2008 Olympics when the Georgian military launched a military campaign against the separatist region of South Ossetia. Immediately, Moscow responded to the crisis with overwhelming military force, sending thousands of troops and equipment across the Georgian border, rapidly routing Georgian troops. The weight of the Russian counteroffensive and the duration of the Russian military operations in Georgia caused the West (particularly the United States) to clamor for a halt to the violence. While Washington refrained from direct intervention, it dispatched naval ships to the Black Sea and mobilized humanitarian aid for Georgia.

The crisis produced a chill in American-Russian relations that was, according to some experts, reminiscent of the Cold War era. Since the conclusion of the Cold War, there have been repeated efforts to explain the new balance of global power and the new range of security issues confronting the world. In *The End of History*, Francis Fukuyama's optimistic verdict was that democracy had

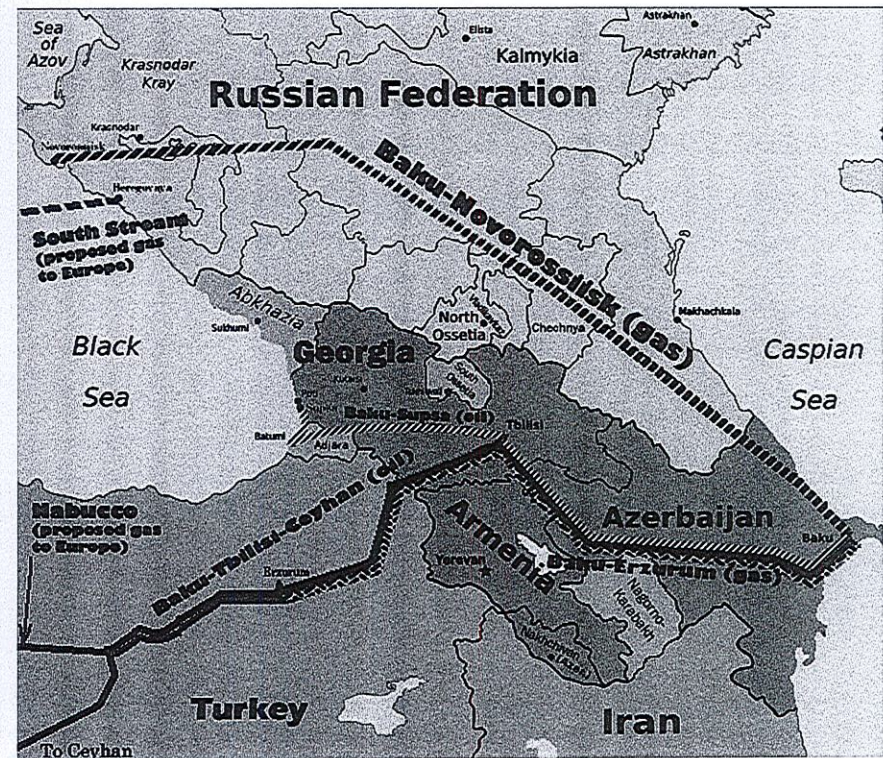
triumphed and would usher an age of peace. That opinion appears to have fallen short of its inspiring view of the future of security issues. On the opposite side of the scale, among scholars with pessimistic visions of the post-Cold War international system, Samuel Huntington is perhaps the most well-known. He still has a significant number of diverse followers in some academic institutes, policy corners, and even among ordinary people who are devoted fans of his book *The Clash of Civilizations*. In this work, Huntington claimed that the world is divided into major civilizations, mainly along religious lines, and argued that differences between these civilizations would be the main driver of insecurity in the post-Cold War world.¹

Beyond shedding light on the recent developments of the Caucasus region, this book will also demonstrate that neither Huntington's thesis nor the vision of an emerging New Cold War in the Caucasus fit with the patterns of insecurity in the region. Current regional security issues are far more complicated, providing the hope that a major conflict between great powers (i.e., the United States and Russia) can be avoided, while revealing the hard realities of deep, intractable differences that separate neighboring states and nations. In the South Caucasus, the most salient of these security concerns are the separatist conflicts in Abkhazia and South Ossetia (in Georgia) and the territorial dispute of the Nagorno-Karabakh (between Armenia and Azerbaijan). In order to establish a foundation for understanding such complex security problems, this chapter presents a general overview of the geographic setting, historical evolution, and international political conditions in which contemporary security issues faced by the states of the Caucasus (or, more accurately, the South Caucasus region) are rooted.

After this foundation is laid, the three states of the South Caucasus will be closely examined in separate chapters. The term, "South Caucasus," is used here to more specifically capture the non-Russian Caucasus region, because all territory north of the Caucasus Mountains remains a part of the Russian Federation. Each chapter will present a case study of state security issues, beginning with Azerbaijan, then moving on to Armenia, and finally ending with Georgia. This order has been selected, not based on any ranking of importance or to play favorites, but rather to allow a natural flow from the discussion of one state's security to that of another. For instance, in the chapter on Azerbaijan, the war between Azerbaijan and Armenia over the Nagorno-Karabakh is addressed. Then, it is natural that the following chapter be devoted to Armenia, since that discussion has already begun. And while Armenia could have been treated first, in keeping with an alphabetical order, treating Armenia in the middle of the book allows this work to draw out important implications of the Armenia-Georgia relationship. Next follows the chapter on Georgian security challenges, which leads to the most recent security shake-up in the region, the 2008 Russian-Georgian War. Finally, this work ends with a concluding chapter that highlights the three significant, common sources of security threat to the Caucasus States and provides a summary statement about patterns of relations in the region.

GEOGRAPHY AND SECURITY IN THE SOUTH CAUCASUS

A predominant factor that influences security considerations in the Caucasus is the geography of the region. Despite the technological advances of the twenty-first century, this book demonstrates that geography still remains vital to security of the Caucasus today. There is no doubt that the technological revolution, particularly in transportation and communications, has reduced the importance of geographic distance. Nevertheless, natural barriers, like mountains, are still challenging the mass movement of people and resources. Moreover, even the idea of an increasingly smaller world has a vital spatial component, which is relevant to the increasing number of people sharing critical natural resources. For instance, different kinds of natural resources have historically been vital to the essential interest of both states and empires.² The uneven geographic distribution of natural resources around the world, then, means that some regions are more valuable or strategic than others (Maps 1.1 and 1.2).

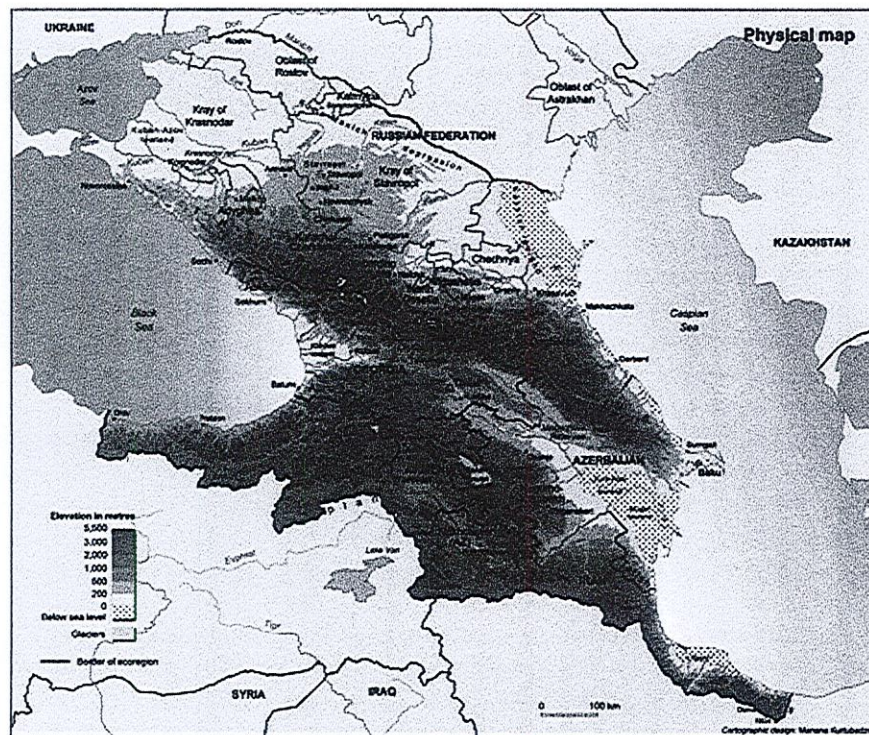


Map 1.1 Political Borders and Energy Pipelines

Note: None of the pipelines illustrated on this map pass through Armenia or the disputed Nagorno-Karabakh region. (Designed by Albert Citron. Used with Permission.)

Today, the means by which states gain access to or control different resources have shifted since the age of imperialism and colonialism. Nowadays, states generally no longer have to conquer territory to gain resources. Instead, they attempt to access resources via the manipulation of political and market forces. In addition, modern states have realized that, in order to derive power from critical resources, it is not necessary to own such resources but only to be able to deny others access to them.³ Small states, like those in the Caucasus, are particularly vulnerable to this sort of manipulation, as their small territories are less likely to provide them with all natural resources necessary to be self-sufficient economically.⁴

Contemporary energy politics clearly demonstrate this point. Oil and natural gas are vital natural resources that are not evenly distributed around the globe. The scarcity of these resources makes them and the states that claim ownership of them strategic international focal points. This is because oil and natural gas



Map 1.2 Physical Features

Modified version of a map designed by Manana Kurtubadze. Used with Permission. (Source: UNEP/GRID-Arendal, The Caucasus ecoregion, topographic map, *UNEP/GRID-Arendal Maps and Graphics Library*, <http://maps.grida.no/go/graphic/the-caucasus-ecoregion-topographic-map>. Accessed August 29, 2009.)

are essential to the current functioning of modern societies and civilizations. A state's ability to provide the means necessary for the functioning of its society is a measure of its independence. When a state must rely on another state for oil imports, this may produce an economic dependency that could inhibit the free exercise of state power.⁵

Another important feature of geography is its relationship to routes of transportation. Highways, airways, and energy pipelines are all vital transportation routes, which facilitate trade, communication, and the deployment of military forces. The size, number, direction, and geographic distribution of such transportation routes are factors closely related to the ability of a state to deny access to strategic areas of the world. For example, focusing on energy resources, Russia's monopolization of gas pipelines to Eastern and Western Europe endowed Moscow with significant political leverage in relationship to many European states, which are often concerned about the repercussion of any move against Russia.⁶ In the Caucasus, Armenia and Georgia are dependent on gas and oil imports. The fact is that there are only a limited number of pipelines and routes on which they can rely. Moreover, there are even fewer neighboring states with such resources that can serve as a reliable trade partner.

Physical Geography in the Caucasus

The central, rugged geography of the Caucasus has had a significant influence on the history of the region. At the crossroads of great empires, the location of the Caucasus between Europe and Asia and near the Middle East along with its mountainous terrain are linked to the "late and weak formation of statehood" and the complex ethnic geography of the region.⁷ The Caucasus is generally divided into two subregions—the North Caucasus and the South Caucasus. The Caucasus Mountains stretch across this region, dividing it into these two segments as they run from the Black Sea to the Caspian Sea. These mountains are an impressive geographic feature and a natural boundary. The Caucasus Mountains are actually two parallel mountain ranges that run 685 miles, about 6–9 miles apart, forming a barrier that is on average about 100 miles across.⁸

Because the North Caucasus is a more rugged territory, it maintained its independence from advancing empires for longer period than did the South. There are only two main roadways that pass through the Caucasus Mountains. One is the Ossetian Military Road, which passes through the Mamison Pass, and the other is the Georgian Military Road, which passes through the Daryal Gorge and the Kestovy Pass. The North Caucasus has three geographic subareas: (1) the western subarea from the Elbrus River to the Black Sea, (2) the eastern subarea from the Terek River to the Caspian Sea, (3) and the central subarea high in the mountains. Each of these regions has its own distinct ethnic groups, as

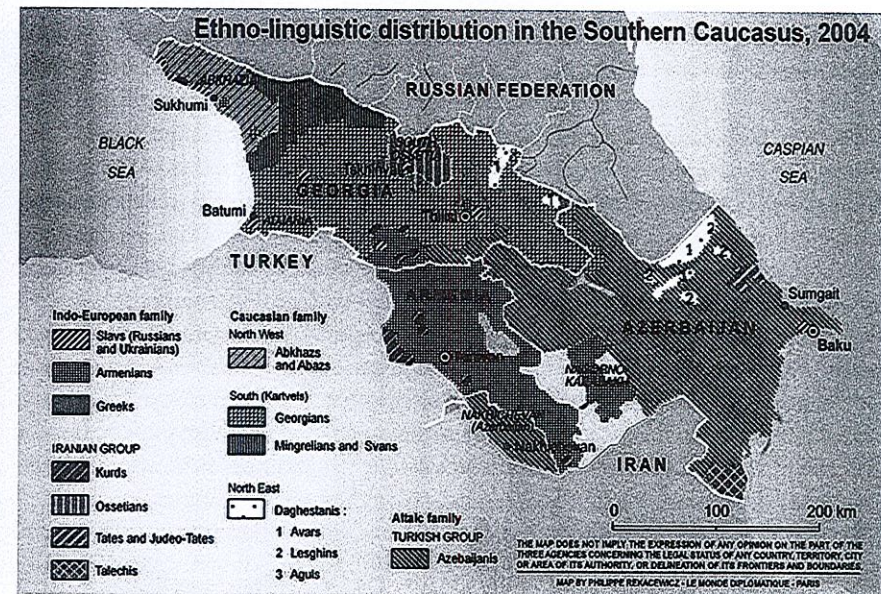
discussed in the following demography section. While the mountains historically protected the diverse local population, they also kept them divided and fragmented—making it difficult to establish political unity and central rule. Eventually, the North Caucasus was conquered by the expansionist Russian Tsars, and it has remained a part of Russia since then. Moscow maintained control of the region despite rebellions, the most recent of which were the bloody Chechen wars for independence.

Since the last Chechen war, Russia has managed to crush hopes of Chechen independence. In the South, the security situation is still in greater flux. Separatist conflicts in the South remain unsolved, and the future of the three states of the South Caucasus is volatile. The states of the South Caucasus are the Republics of Armenia, Azerbaijan, and Georgia. This book focuses on the security of these three former Soviet states. These states lie below the line of the Caucasus Mountains and are geographically more open. In particular, Azerbaijan's territory has large swaths of lowland along the Caspian Sea. Due to their geographic openness, all three states have had various armies and empires sweep across their territory throughout history. Today, the South Caucasus still remains highly influenced by the local and distanced greater powers as well as regional powers, all of which have an interest in the region's energy and other resources.

Regarding regional energy sources, Azerbaijan is the key state, sitting directly on the shore of the Caspian Sea with access to its rich fossil fuels. According to the U.S. Energy Information Administration, the Caspian Sea Region is estimated to hold between 17 and 44 billion barrels (bbl) of oil and 232 trillion cubic feet (TCF) of natural gas. That means it holds oil reserves comparable to Qatar on the low end and the United States on the high end. Its natural gas reserves are close to those of Saudi Arabia. Azerbaijan holds between 7 and 12.5 bbl of these oil reserves and around 30 TCF of the Caspian Sea Region's natural gas.⁹

Demography in the Caucasus

Technological advances have brought the world closer together and promoted globalization, but the reaction to the globalization revolution has produced localization and fragmentation, often along ethnic, cultural, and linguistic lines.¹⁰ Demographic factors have historically played a role in the Caucasus conflicts, and they remain relevant today.¹¹ Indeed, demographic factors like ethnicity have proven central to the separatist movements in the Caucasus. Though the South Caucasus is a relatively small geographic region, it has a startlingly heterogeneous demography. The region is a mix of various ethnic and linguistic groups. Also, there is a split between allegiances to the Muslim and Christian faiths. This diverse mix of local population is the result of the historic collision of various empires and the movement of varied national groups in the area. It is also due to



Map 1.3 Ethno-Linguistic Distributions

Modified version of a map designed by Philippe Rekacewicz, Le Monde Diplomatique. Used with Permission. (Source: UNEP/GRID-Arendal, Ethno-linguistic distribution in the Southern Caucasus, UNEP/GRID-Arendal Maps and Graphics Library, http://maps.grida.no/go/graphic/ethno_linguistic_distribution_in_the_southern_caucasus. Accessed August 29, 2009.)

the rugged and mountainous geographic features that have kept groups of people isolated from one another for long periods of time.

The North Caucasus is a mix of Russians, Dagestanis, Chechens, Ingushians, Ossetians, Kabaradins, and Balkars. The Ethno-Linguistic Distributions Map 1.3 clearly illustrates the demographic distributions among the South Caucasus states. The most ethnically homogenous of these states is Armenia, where Armenians are 97.9 percent of the population. In this republic, the Kurds (1.3%), Russians (0.5%), and others (0.3%) make up the rest of the population.¹² Azerbaijan has slightly more minorities, as Azeris are 90.6 percent of the population, Dagestanis 2.2 percent, Russians 1.8 percent, Armenians 1.5 percent, and others 3.9 percent.¹³ Almost all of the Armenians recorded as living in Azerbaijan, however, reside in Nagorno-Karabakh. Georgia is the most heterogeneous Caucasus state, as Georgians comprise only 83.8 percent of the total population even after the separation of South Ossetia and Abkhazia. The Azeris (6.5%), Armenians (5.7%), Russians (1.5%), and others (2.5%) make up the rest of the population of Georgia.¹⁴

Historically, the populations of Georgia and Armenia have been predominantly Christian, while Azerbaijan has been mainly Muslim, most of whom are

Shia. These religious differences have become intertwined with ethnic differences in the conflicts of the Caucasus. Nevertheless, it should be emphasized that the demographic differences (e.g. ethnicity and religion) are the necessary conditions for the emergence of conflicts, but they alone are not sufficient conditions to provide an explanation for ethnic, nationalist, or religious clashes. Yet, some research indicates that when one ethnic group is close to gaining majority status in a population, there is a correlated increase in the probability of conflict. At the same time, in societies that are either highly homogeneous or highly heterogeneous, ethnic differences are found to be less correlated with violent conflict.¹⁵

Once violence has begun, demographic cleavages have also been demonstrated to influence the pattern of conflicts.¹⁶ The borders of separatist conflicts have been defined by the distributions of ethnic groups.¹⁷ All three South Caucasus states have been involved in separatist conflicts since their independence in the early 1990s. And in each instance, separatist groups were defined based on their ethnicity and/or religion.

HISTORY OF CONFLICT IN THE SOUTH CAUCASUS

As explained in the previous section, the geographic location of the South Caucasus has led the region to serve as the crossroads for advancing armies and empires as well as great and regional powers. A review of the shared history of the region also emphasizes the role that both geography and demography have historically played in regional conflicts. Nevertheless, the geography and demography are not the only factors influencing the nature, frequency, and intensity of conflicts in this region. Therefore, we turn to a discussion of trends in regional tensions that are induced by external powers, empires and states, as they have attempted to exert their own will on the region and carry out their political and/or economic interests.

Pre-Soviet History

The discovery of Achaemenid and Sassanid coins, art crafts, and ruins in the Caucasus are all indications of the cultural, economic, and political interactions of the Caucasus people with the ancient Persian empires before the age of Islam. In the mid-seventh century, the first Arab armies reached the Caucasus but found it impossible to hold onto. The Islamic faith that the Arabs brought, however, eventually took root. The South Caucasus was more readily conquered than the mountainous North, and also more completely embraced Islam. In the thirteenth century, Mongol invasions further spread Islam. By the seventeenth century, the entire Caucasus was at least superficially Islamized.¹⁸

At that time, the primary powers in the region were the Islamic empires of the Turkish Ottomans and Persian Safavids. The Turkic Seljuk Empire had preceded

both of these empires, but Mongol invasions had weakened it.¹⁹ This weakness allowed the Ottoman Turks to establish themselves in the Anatolian peninsula. As Seljuk power waned in comparison to Ottoman might, opportunity also became available for the Safavid Empire to establish itself in Persia. The Safavids too were originally a Turkic dynasty, but after making Persia their home, they adopted Persian culture. The Safavids also distinguished themselves from the Ottoman Turks in their adoption of the Shia sect of Islamic faith. This way, there were two Islamic empires, Shia Safavid and Sunni Ottoman.

In the seventeenth century, however, both the Safavid and Ottoman empires began to weaken internally. The Safavid dynasty fell first, leaving a political vacuum in the South Caucasus, which was ultimately filled by the Tsarist Russian Empire. Russian expansion into the Caucasus had begun in the second half of the sixteenth century, following Tsar Ivan IV's capture of the Khanate of Astrakhan in 1556. Various Russian advances and retreats followed from that date forward, including the Persian Campaign of Peter the Great in 1722–1723. A series of repeated wars between Russia and the Persians and Russia and the Turks followed.

The first two Russo-Turkish Wars (1768–1774 and 1787–1792) established Russia in the North Caucasus, preparing it to further push into the South Caucasus.²⁰ In 1801, Georgia was officially annexed to Russia, and that was followed by annexation of Mingrelia in 1803. This positioned Moscow for the first Russo-Persian War (1804–1813) and the third, overlapping Russo-Persian War (1806–1812). In that time span, Russian Tsars conquered Imeretia and Guria in 1804 and the Khanates of Shirvan, Sheka, Shuragel, and Karabakh in 1805. Then, they captured Ossetia, the Khanates of Kuba, Derbet, and Baku in 1806. Next, Russia controlled Abkhazia in 1810 and the Khanate of Talysh in 1813.

Between wars with the Ottomans and Qajars (of Persia), Moscow consolidated its control of south Dagestan in 1819. When the Second Russo-Persian War took place (1826–1828), it was yet another crippling defeat for the Qajar Dynasty, forcing them to surrender control of eastern Armenia. Under the Treaty of Turkmenchay in 1828, the Qajars also completely surrendered their holdings in the South Caucasus and the Aras River was established as the new border between Russia and Iran. War continued to be the dominant feature of the region through the rest of the nineteenth century. The Fourth Russo-Turkish War (1828–1829) immediately followed the last Russo-Persian war. Then, in 1834, a local hero, Shamil, was made an imam in Dagestan. He led a stubborn indigenous rebellion against Russians until he was finally forced to surrender in 1859. During that time, the Crimean War was also fought (1853–1856), and a Fifth Russo-Turkish War (1877–1878) occurred again before the nineteenth century ended.

Soon, the Caucasus territories that Russia conquered during these campaigns began a process of steady integration into the rest of the Tsarist Russian Empire—a process that included settlement by Russians and the “Christianization” of the region.²¹ Christian Armenians and the Russians established a close relationship in this

time that heightened ethnic and religious tensions. Armenians were settled by the Russians in territory inhabited by Azeri populations, leading to conflicts between Christian Armenians and Muslim Azeri Turks. These tensions laid the foundation for territorial conflict that would simmer until bursting forth in the 1990s when Armenia and Azerbaijan formed their own independent states.²²

Until World War I (WWI), however, Moscow ruled the region with a very heavy hand, preventing ethnic, religious, and territorial disputes from gaining any momentum. When WWI broke out, Russia joined the Allies and prepared for yet another war with the Ottoman Empire, which had allied itself with the Central Powers. During this time, the Armenian people still within the Ottoman Empire suffered ethnic violence for their perception as a potential fifth column for Russia. In 1915, the relocation of Armenians from the borders of the Ottoman Empire resulted in what has been called the Armenian Genocide. In the war, Tsar's forces fared well against the Turks, but internal political turmoil soon began to upset the Russian war effort. In 1917, the Communist Bolshevik Revolution splintered Russia and divided its army, forcing Moscow to officially withdraw from the war in 1918. As the Bolsheviks brought down the Tsar, Russian rule of the Caucasus collapsed. Azerbaijan, Armenia, and Georgia were hastily incorporated into the Transcaucasian Democratic Federative Republic (TDFR), but that institution dissolved in only a matter of months as each nation sought their own independent state.²³

Soviet History

For a time, the future of the Caucasus was in a great state of flux, with each South Caucasus nation fighting the others and Ottoman forces advancing to claim the region for themselves. As soon as the Bolshevik Communists had consolidated their power, however, they quickly turned to restoring Russia's former empire. In 1920, the Russian Red Army recaptured the South Caucasus, and in 1922, Azerbaijan, Armenia, and Georgia were all reintegrated as the Transcaucasian Soviet Federated Socialist Republic (TSFSR).²⁴ Eventually, however, the Caucasus was divided based on nationalities.²⁵ Separate Soviet Republics were created for each of the current South Caucasus states as, like the Tsars, the Soviet Union reengineered borders and demographics in the region. This meant the Azeris, Armenians, and Georgians received some of the political autonomy for which they had longed.

Yet, the Soviets also created a great deal of social turmoil at the same time. After being incorporated into the Soviet Union, Georgia was joined with three different ethno/religious/political entities created by the Soviets: Abkhazia, South Ossetia, and Adjara. Abkhazians are not Georgian by ethnicity and traditionally were Muslims, as Abkhazia had been Ottoman territory that was only captured by Russia in 1864. South of Abkhazia, another Muslim region, Adjara, was also incorporated with Georgia as an autonomous region. Despite their Muslim faith,

Adjarians are actually Georgian by ethnicity. The final region to be granted autonomy within the greater Georgian political entity was South Ossetia. Of Persian descent, the Ossetian people intermarried with Georgians, Chechens, Russians, and Circassians. The Ossetians not only intermarried but also settled on both sides of the Caucasus Mountains. In fact, that is why there is a North Ossetia on the Russian side of the Caucasus Mountains today. Ossetians in Georgia were granted an autonomous district within Georgia, while North Ossetia was made an autonomous republic.²⁶

In Azerbaijan, the large Armenian population in the Nagorno-Karabakh region was not politically integrated with Armenia, but was granted autonomous status within Azerbaijan. This arrangement left both Azeris and Armenians dissatisfied, as the Armenians wished for total unification and the Azeris viewed the land of Nagorno-Karabakh as Azeri territory. Conversely, in Armenia, Azeris were moved from their homes and relocated to Azerbaijan. Christianization was replaced with Russification, causing additional dislocation, as religion was repressed and the inhabitants of the Caucasus were forced to learn Russian.²⁷

When World War II (WWII) erupted in 1939, Turkey stayed out of the war, and did not challenge Russia's grip on the Caucasus. Iran's position during WWII, however, was more complex. Declaring neutrality, Tehran (under the new Pahlavi Dynasty) aimed to work with both Allied and Axis Powers, as Switzerland had done. Some rumors, however, suggested that the new Iranian monarch (i.e., Reza Shah Pahlavi) collaborated with Germany in hopes of regaining power in the Caucasus, just as the Ottoman Empire had allied with Germany against Britain and Russia in WWI. In reality, Reza Shah was an opportunistic leader who hoped to gain from great powers by setting one against another. He had some modernization projects with the Allies, while he had invited German technicians to build the North-South Trans-Iranian Railway. Nevertheless, such political moves in a strategic country were totally unacceptable to the Allies, especially when the German eastern front was coming close to the Caucasus. Thus, the Allies decided to invade neutral Iran, depose Reza Shah, and replace his son (Mohammad Reza Shah). In September 1942, while the British Navy attacked Iran from the South, the Soviet forces advanced into northern Iran, occupying Iranian Azerbaijan and urging Azeris in the area to break away. But the British would not allow Russia to occupy the rest of Iran because of its valuable oil resources, so in 1942, all the Allied Powers (including Russia) agreed to respect Iran's territorial integrity.

After the war, in March of 1946, Soviet troops were supposed to withdraw from Iran. The Soviets, however, attempted to expand their occupation of Iran. The resulting international crisis over the status of Iran, in many ways, was the beginning of the Cold War.²⁸ It was in the midst of this crisis that Churchill proclaimed that an "iron curtain" had fallen across the portions of the globe that had

been occupied by the Soviets. Great Britain and the United States led international opposition to the extended Soviet occupation, utilizing the newly created UN Security Council to eventually convince the Soviets to withdraw in return for assurances that they could maintain a stake in Iranian oil. Following the withdrawal, the Soviet-encouraged uprisings of Azeris in northern Iran were quickly crushed by Iranian troops. The Aras River was reestablished as the border between Iran and Soviet Azerbaijan, perpetuating the continued division of ethnic Azeris from then until today.²⁹

While Azerbaijan hope for national unity was crushed after the Soviet retreat, Armenian national feeling was growing. The desire of Armenians can be understood in light of their sense of territorial loss and mistreatment at the hands of Turks. Some estimate that the territory once occupied by Armenians was once six times larger than the territory of Soviet Armenia, the smallest of all Soviet Republics.³⁰ Though the Soviets granted the large Armenian population in Nagorno-Karabakh an autonomous political entity within Azerbaijan, the desire for unification only continued to gain steam.

Early Independence

When the Soviet Union collapsed in 1991, the nationalist feelings of Georgians, Azeris, and Armenians rose as they moved to establish themselves as independent states. Nevertheless, the manner in which the Soviets pressed different nationalities together, while simultaneously granting them recognition, complicated this move to independence. In short, the Russian general policy can be defined based on the principle of divide-and-conquer, the method their British rivals had successfully used to control their overseas possessions for centuries. Thus, with the demise of the USSR, the violence between Armenians (in Nagorno-Karabakh) and Azeris soon moved into an open war that pitted the new states of Azerbaijan and Armenia against each other until 1994.

In Georgia, the rise of Georgian nationalism alarmed the Ossetians, Abkhazians, and Adjarians, who feared they would completely lose their political autonomy. Between 1991 and 1992, Georgia fought the Ossetians to prevent them from succeeding. In 1992, fighting began between the Georgians and Abkhazians that would last until 1993. These wars produced turmoil in the South Caucasus that compounded the economic and political collapse in the former Soviet Republics. At the same time, the turmoil in the South also spread into the Russian Federation, as the Chechens attempted to gain their own independence in the First Chechen War (1994–1996) in the North Caucasus. That desperate, bloody war gave hope that the peoples of the Caucasus might separate themselves from Moscow once and for all. However, in 1999, the war resumed after Chechen incursions into Dagestan. That began the Second Chechen War, which practically concluded in 2000, although sporadic fighting and terrorism have continued since then.³¹

MODERN CAUCASUS STATES AND INTERNATIONAL AFFAIRS

The collapse of the Soviet economic structure, combined with separatist conflict, created instability and destruction that societies in the Caucasus are still recovering from today. All three Caucasus states have responded to the insecurity of their region by investing in military personnel and armaments. The combined military expenditures of these states has increased “by more than 500 percent in real terms over the 10-year period 1998–2007 and by 285 percent over the five years 2003–2007.” In 2006, all three of these states spent more than the world average (2.5%) of their GDPs on their militaries. These expenditures serve several national goals including: gaining advantage in separatist conflicts, modernizing to meet standards for membership in the North Atlantic Treaty Organization (NATO), defending themselves from each other, deterring the influence of neighboring powers, and protecting their energy resources and transportation routes.³² One major factor influencing all such issues is the role of external powers, to which we turn in the following sections.

Global Powers and Security Organizations

After the collapse of the USSR, the South Caucasus rose from its isolation, allowing Western states to develop political and economic ties in a region that had been almost solely Russian-dominated space since the Tsarist Russian Empire forced Persia to sign the Treaty of Turkmenchay. As the Russian economy imploded in the early 1990s, its influence waned and the influence of the Europeans and Americans grew. Thus, nowadays, a significant factor in the security of the South Caucasus is the new competition evolving between Russia and the West (the European Union and the United States). This recent rivalry owes its very existence to the importance of the region’s oil and natural gas deposits, the energy pipelines in the area, and its newly gained strategic value since the start of the U.S.-led War on Terror.

United States

Energy, security, and democracy briefly constitute the three major American foreign policy priorities in the U.S. relationships with the South Caucasus states. Upon the independence of the three South Caucasus states, Washington officially recognized their sovereignty and included them in the Freedom Support Act of 1992. This bill is designed to support the development of free markets and democratic systems in the NIS. Generally sympathetic to the desires of others to gain independence, the United States also initially took a supportive stance on the Armenian independence movement in Nagorno-Karabakh. Many Armenians immigrated to the United States in the years of Ottoman brutality and after the conclusion of WWI. Today, Armenian-Americans constitute a powerful political lobby. In fact, the strong Armenian lobby in the state of Massachusetts actually

prompted Senator John Kerry to propose the sanctioning of Azerbaijan under Section 907 of the Freedom Support Act, in support of the Armenians fighting for independence in Nagorno-Karabakh.³³ (See text of Section 907 in Appendix G.)

In the mid-1990s, however, American foreign policy began to reflect an interest in the Caucasus' energy resources, in addition to encouraging democracy and general stability. Although the United States does not really have a need for the Azeri oil and gas (mostly located in their Caspian Sea shore), Washington has an interest in preventing Moscow from developing a monopoly on energy resources in the region. Like the Soviet pattern, the new Russia Federation have controlled most of the regional energy resources, and the old Soviet pipeline networks have perpetuated its dominance of the energy market. In addition to facing possible Russian domination of all Caucasus energy resources, the United States has also involved itself to keep the Islamic Republic of Iran from economically benefiting from building an energy export relationship with Azerbaijan.

Both Presidents George H. W. Bush and Bill Clinton realized the negative consequences that Section 907 had for the future of American-Azeri relations, and the complications that such tensions created for the advancement of U.S. interests regarding the region's energy politics. Yet neither president was able to convince the U.S. Congress to repeal that legislation.³⁴ Only after the shocking and tragic events of the September 11 (9/11) terrorist attacks did the U.S. Congress move to waive Section 907 at the request of President George W. Bush. (See text of the Waiver of Section 907 in Appendix G.) Securing over-flight permission from the Caucasus states was essential for the United States and NATO to carry out the invasion of Taliban-controlled Afghanistan as Washington initiated its War on Terror.³⁵

North Atlantic Trade Organization

NATO is a collective security alliance that originated in April of 1949 when 10 Western European states, the United States, and Canada signed the Washington Treaty. The primary purpose of NATO was specified in Article 5 as a collective agreement that an armed attack against one or more of the member states would be considered an attack against all members. The first secretary general of the organization, Lord Ismay, personally described NATO's original mission as having three functions: (1) to keep the Americans in, (2) to keep the Russians out, and (3) to keep the Germans down.³⁶

Today, despite the collapse of the Soviet Union and the integration of unified Germany into NATO, the organization continues to be central to security in the Western Hemisphere. It also continues to be perceived as an anti-Russian organization. NATO's Partnership for Peace (PfP) program is an example of NATO's continued attempts to expand international participation in its security network, and is a mechanism for expansion that Russia clearly distrusts.³⁷

All three South Caucasus states are members of the PfP program, and while this does not make them NATO members, it does further military and political cooperation with the West and the modernization of defensive forces in the region.³⁸ NATO is a significant international security organization (i.e., military pact) with important ties to the Caucasus states, which require attention in any comprehensive analysis of the South Caucasus affairs. In fact, it is due to NATO's role that it is possible to speak of a semi-cohesive Western security orientation that seems anti-Russian in the Caucasus and elsewhere.

European Union

Like the United States, the member states of the European Union (EU) share an interest in Georgia because of energy, security, and democracy. Upon the independence of the three South Caucasus states, European states were quick to officially recognize their sovereignty and supported international efforts to build regional stability and promote democracy. Since the EU structure did not officially exist until 1993, one of the primary mechanisms for initial European involvement in the South Caucasus was the Conference on Security and Cooperation in Europe (CSCE) or what is now known as the Organization for Security and Cooperation in Europe (OSCE). Using the Berlin Mechanism, the OSCE facilitated negotiations in the Nagorno-Karabakh conflict between Armenia and Azerbaijan.³⁹

In the mid-1990s, energy politics in the Caucasus also became an important issue for Europe, since the EU states have long been major energy importers. Before even the end of the Cold War, Russian energy was a large source of European imports, and the EU energy dependency on Russian Federation has only increased since the admission of former Soviet Republics. In 2006, 33 percent of the EU's oil and 40 percent of its gas came from Russia.⁴⁰ Thus, unlike the United States, the EU states have a direct strategic interest in limiting Moscow's ability to monopolize energy originating from the Caspian Sea basin. In 2007, the EU produced 2,394 barrels per day (tb/d) of oil and 18.6 billion cubic feet (BCF) of gas but consumed 14,861 tb/d of oil and 47 BCF of gas.⁴¹ In order to diversify its source of fossil fuel imports, the European Union has encouraged (with U.S. support) the construction of new pipelines in the Caucasus. This precipitated European participation in energy projects such as Azerbaijan's Deal of the Century, the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the Baku-Tbilisi-Erzurum (BTE) gas pipeline, and the Baku-Achalkalaki-Kars (BAK) railway. The BTC provided an opportunity for imports diversification with Azeri oil. There are also plans for the known Nabucco pipeline project, which promises even greater potential. The Nabucco project proposes a gas pipeline along the Caspian seabed from Turkmenistan to Baku that would attach to the BTE pipeline to feed Turkey and Europe.⁴²

In 1999, the EU demonstrated its growing foreign policy role when it implemented Partnership and Cooperation Agreements with all three Caucasus states, inviting them into closer political and economic relationships.⁴³ In 2004, the EU opened the door for further cooperation with the South Caucasus states when it unveiled its European Neighborhood Policy and made it clear that Azerbaijan, Armenia, and Georgia had a place as future members.⁴⁴ This step was indicative of even further unification of the foreign policies of European states through the EU structure, including the development of a comprehensive security policy. One of the primary goals of the EU in this respect is to minimize instability in neighboring states. For instance, “the European Security Strategy, adopted in December 2003, emphasizes the need for the EU to seek to build a belt of well-governed countries on its periphery.”⁴⁵ On the frontier of Europe, the South Caucasus states, geographically located between Europe and the Middle East, appear to be a major part of this periphery.

Organization for Security and Cooperation in Europe

The OSCE is the world’s largest regional security organization, with 56 member states.⁴⁶ Having originated from the CSCE, the OSCE received its name change in 1995. The OSCE plays an important role in the EU’s efforts to create a belt of stable states along its periphery, and its efforts to encourage the settlement of separatist conflicts in the Caucasus may be seen in this light. The OSCE has also been central to European-Georgian relations since Georgian independence. In 1992, the OSCE created a specific Mission to Georgia, which has remained focused on a resolution to the separatist conflicts with Abkhazia and South Ossetia. Since 1993, the OSCE has also had a role in monitoring the Georgia-Abkhaz border through the UN-led peace process. The OSCE Mission to Georgia also monitors Joint Peace Keeping Forces (JPKF) deployed in the Georgian-Ossetian conflict zone.⁴⁷ Moreover, the OSCE was also the primary forum for peace negotiations between Armenia and Azerbaijan during the war for Nagorno-Karabakh.⁴⁸

Yet the OSCE has had little success in resolving all Caucasus conflicts. In fact, this organization has developed a strain in its relationship with Armenia because of its criticism of Nagorno-Karabakh’s calls for international recognition. Furthermore, the OSCE appears to have little influence over Russia, which has been the decisive external factor in all of the conflicts in the greater Caucasus region. One particular political analyst asserted that the OSCE “can either function as a ‘community’ in consensus with Russia and remain irrelevant, or give up on the consensus with Russia and risk ceasing to function at all.”⁴⁹ Thus, one may conclude that the organization has difficult policy choices in this region, considering the local and international conditions.

Russia

Of the three major global political powers influencing the Caucasus, Russia is the closest geographically and has the longest history of involvement with the region. Its interests in the region include security and energy, which simultaneously overlap. Due to its imperial and Soviet-era domination of the region, the Russian Federation remains tied to the politics, security, and economies of the Caucasus states. It controls energy import and export routes, maintains military bases in the region, and mediates territorial disputes. Moreover, significant numbers of Russians still reside in the population of these former Soviet Republics. Throughout history, the very presence of one nation’s members in another nation’s territory has been used as an excuse to justify military and political interventions. Russia has certainly used such opportunities to its own benefit in the Caucasus. Time after time, Moscow has claimed that it was protecting Russian citizens when it countered Georgian troops in South Ossetia during or before the 2008 campaign.⁵⁰ Thus, Moscow is likely to use similar arguments in the future to justify its moves.

The collapse of the Soviet Union left Russia struggling to pull itself back together socially, politically, and economically. Today, as Russia recovers some of its former economic strength, Moscow is once again asserting itself in the Caucasus, simply because it never intended to completely surrender its influence in the region. When the Soviet Union came unglued, Russia created the Commonwealth of Independent States (CIS) to provide an international institution through which it could maintain a special relationship with its former republics, just as the British had done by establishing the British Commonwealth to maintain some form of influence over their former colonies.

Russian leaders, particularly since former President Putin, consider the former Soviet Republics as a natural part of their “sphere of influence.” Thus, they view the expansion of NATO into such republics as a security threat. The Caucasus is considered to be a part of Russia’s Near Abroad, which constitutes a security buffer that is perceived to encompass the first line of Russian security defense.⁵¹ Considering that the Caucasus used to be the front lines in the old Cold War, it is understandable that this region still has much of Russian security infrastructure beyond Russia’s official borders in the post-Soviet era. For example, the Russian Federation has attempted to maintain its old military bases in Armenia and Georgia and continues to operate the Gabala radar station in Azerbaijan.⁵²

In addition to Moscow’s interest in preserving the old security network, the turmoil in the Caucasus region also threatens the integrity of Russian borders, its own internal stability, and Russia’s economic recovery. For instance, the fighting between South Ossetia and Georgia has often threatened to involve the whole Ossetian nation, including even the population of the North Ossetia, inside Russia. The separatist conflicts in both South Ossetia and Abkhazia created a

training ground for foreign fighters, particularly Chechen fighters who would return to Chechnya to wage war against Moscow.⁵³

Energy is another reason for Russia to have a security interest in maintaining the stability of the Caucasus. Russian resurgence on the international stage is rooted in Moscow's domestic politics. The economic recovery that former President Vladimir Putin presided over bolstered his popularity with the Russian people and allowed Russians to focus outward once again. Under Putin, the Russian economy experienced great growth that was largely due to new oil revenues. In 2003, the profits of Lukoil (a major oil exporting firm) rose 38 percent. Within first four months of 2003, the Central Bank's currency level increased 10 percent (\$4.8 billion).⁵⁴ This new economic muscle made Putin's dreams of a New Russia a possibility.

As a major energy producer, Russia does not necessarily need the fossil fuels from the Caspian Sea basin to meet domestic demands. In fact, Russian gas reserves are the largest in the world, and Russia possesses the world's eighth largest oil reserves. Oil production in 2007 was about 9,876 tbl/d while domestic consumption was only 2,858 tbl/d. This allowed the export of 7,018 tbl/d. Russian gas production also allows room for exports, as it consumed only 16,598 bcf of the 23,167 bcf produced in 2006.⁵⁵ Yet, Russia's gas and oil fields are aging and production is gradually slowing. Tapping additional reserves will take both time and money.⁵⁶ If Moscow can dominate the sale of energy from the Caspian Sea basin, it will benefit from transit fees and may maintain its lucrative exports to Europe.⁵⁷ Simultaneously, Russia stands to lose political and economic ground if foreign companies continue to undermine Russia's hold on the energy sector of the Caucasus. In the Caspian Sea basin, Western companies already account for roughly 70 percent of oil production.⁵⁸ Thus, the threat to Russian economic leverage in the region is real.

For the New Russia, energy is a vital security interest, because it is the main component of positioning the country as an Energy Superpower. The current energy sector is critical for the Russian economy, but it is also a potential source of political power. In 2006, Putin ordered a reworking of the old Soviet energy system. At the time, former Soviet Republics were still receiving gas at lower prices than European consumers. For example, Austria was paying around \$221 for roughly every 35,315 cubic feet (cf) of gas per year, Germany \$217, and Turkey \$243. Former Soviet Republics, alternately, were paying in the range of \$50–80 for roughly the same amount. Therefore, when Putin hiked prices to former Republics, it was not necessarily unreasonable or an exercise in heavy-handed politics. However, the timing of Russia's price hikes provides reason to suspect that they were designed as a warning to former Republics about the cost of ignoring Russia. Gazprom announced the new prices just before the onset of the cold Caucasus winter, placing states in a position between budgetary crises or leaving their citizens to freeze.⁵⁹

Now, Azerbaijan, Georgia, and Turkey form an energy corridor for the West, by which Western companies access the Caucasus and break Russian energy dominance in the region. The BTC and BTE pipelines are the most vital lines in this corridor. They may be extended (via Nabucco line) in the future by a trans-Caspian pipeline that could tap the energy resources of the Central Asian side of the Caspian Sea.⁶⁰ In order to secure its interest, Moscow has begun to reassert itself in the Caucasus. In that region, Georgia occupies a critical, strategic location. If Georgia can be persuaded (or forced) into complying with Russian interests, then Moscow could control NATO's air corridor into Central Asia, its efforts in Afghanistan, and the Western energy corridor provided by the BTC and BTE lines. The problem has been that Georgia has consistently challenged Russian interests, particularly since President Mikheil Saakashvili's election in 2003 (see Appendix C for biography). The latest phase of the Georgia-Russia struggle led to the Russia-Georgia War in 2008.

Commonwealth of Independent States

On December 8, 1991, Russia created the Commonwealth of Independent States (CIS) in an attempt to maintain a special relationship with its former Republics. The CIS is a rather loose confederation of Russia and its former Republics that resembles some aspects of the British Commonwealth, which eventually lost its status. Similarly, the future integrative growth of the CIS is also in doubt. Nevertheless, CIS membership is important to Russia because it sees its former Republics as its Near Abroad or a natural "sphere of influence." Cooperation through the CIS was to offer protection of the national sovereignty for all its member states, which are supposedly equal. But there is a clear power distribution asymmetry in this organization, as Russia is the dominant state at the center of the CIS.

Membership in the CIS has been a contentious issue from the beginning. In the early 1990s, Azerbaijan and Georgia, both initially governed by nationalist presidents, did not join the CIS. Soon, their strength was sapped by their losses in respective separatist conflicts, and new presidents with new priorities came to office. In 2006, the continued fractiousness of the CIS was evidenced when plans for a CIS anniversary meeting were canceled by Russia and Kazakhstan. There was speculation that this was the result of the Kremlin's "inability to garner support from other members for a plan to revamp the organization."⁶¹ As Russians' assertiveness in their foreign policy increased under Putin's presidency, some CIS member states expressed the ideas that a "dignified divorce" from the CIS might be necessary in order to maintain their independence.⁶²

Collective Security Treaty Organization

While the CIS incorporates some security mechanisms, it is not the only security organization engineered by Moscow. In 2002, on the heels of the U.S.-led

War on Terror following 9/11, Russia led the way by the establishment of the Collective Security Treaty Organization (CSTO), which originated from the CIS Collective Security Treaty. More than the CIS structure, the CSTO constitutes a real alternative security organization to NATO. Not all CIS member states, however, aimed to join this additional institution and umbrella international security organization. In fact, Georgia and Azerbaijan have both avoided membership so far. On the other hand, Armenia has joined the organization, reflecting its consistent willingness to get in line with Russia.

Thus far, the CSTO has held several military exercises, which have sometimes served as opportunities to foster ties with the Shanghai Cooperation Organization (SCO).⁶³ It also now possesses a small, rapid deployment security force of 4,000 troops. The 2003 Iraq War served as another catalyst to urge Moscow's development of the CSTO as an alternative to NATO, especially since the American-Russian relations were really falling apart at the time.⁶⁴ Now, after the Russia-Georgia War, Russian President Dmitri Medvedev has called for a new, stronger rapid deployment force.⁶⁵ At the Moscow summit of the CSTO members in February 2009, CSTO government delegations agreed to a plan, which called for 16,000 troops, including 8,000 from Russia, 4,000 from Kazakhstan, and the other 4,000 from the other member states.⁶⁶

Regional Powers

As the brief review of the history of conflicts in the South Caucasus revealed, Turkey and Iran are two regional powers that have long played significant roles in the security of the Caucasus. Both states are the remnants of past empires that dominated the region at various times, and they still continue to possess religious and ethnic ties to the Caucasus people, as well as political and security interests. With the end of the Cold War and the relative retreat of Russian influence, the regional rivalry between these two states has returned. Their natural rivalry has contributed to regional tensions that are important to understanding Caucasus states security considerations in the contemporary era.

Turkey

The modern state of Turkey is the inheritor of the Ottoman Empire's legacy in the Caucasus, as the bordering Anatolian peninsula served as the heart of that great power. At its height in the 1500s, the Ottoman Empire stretched from the Balkans to the Caspian Sea, across the Middle East, and over North Africa. The history continues to connect modern Turkey with the Caucasus states, for good and for bad. While shared ethnic ties with Azeris have been a positive development for Ankara in promoting strong ties with Azerbaijan, Turkey's relationship with Armenia is a different story. Ankara-Erevan ties are still influenced by the

memories of violence perpetrated by Ottoman Turks against Armenians during the WWI era: this experience has engrained animosity between these two states.

In the wake of WWI, the Ottoman Empire was dismembered, and the Anatolian Peninsula was occupied by the Allies. At this time, Mustafa Kemal Atatürk emerged as the hero of Turkish nationalism and cemented his legacy as the father of the Turkish state when he successfully expelled the foreign forces and established what is now the secular Republic of Turkey. Under Atatürk leadership, Turkey began pursuing modernization and westernization by secularizing its government. This included dramatic reforms that produced significant social dislocation. The enduring nature of Atatürk's secularization, however, was demonstrated in 1937, when secularism was adopted as a provision in the modern Turkish constitution.⁶⁷

Turkey's commitment to secularism and western-style democracy contrasts with that of its regional rival, Iran, which established a theocratic form of government. Since the Caucasus states' reappearance in the world stage from their forced isolation, Turkey has had a dynamic role to play in the region, as a modern state role model. This has been particularly true for Azerbaijan, which emulates Turkey—with which it has both ethnic and religious affinity. In the Caucasus, Ankara's regime serves as a role model not only for its domestic political features, but also for its mainly accommodating foreign policy posture toward the West. In the eyes of many people in the Caucasus, Turkey has developed economically and politically as a result of its general strategy of working with the West, as opposed to struggling against it. Thus, it is not a coincidence that Turkey is repeatedly referred to as a bridge between the East and the West, between Europe and the Middle East, and between Christianity and Islam.

Iran

Like Turkey, Iran has had a rich culture, glorious history, and impressive civilization. In fact, Iran has experienced its own greatness as an empire (under different names) in the Caucasus from the ancient times to the nineteenth century. The influence of the Shia Safavids (1501–1736) has permanently impacted the religion of Azerbaijan. Moreover, Iranian culture, customs, and language overlap with those of many diverse ethnic groups of both Indo-European (e.g., Ossetians) and Turkic origin (e.g., Azeris). Therefore, Tehran still continues to have political ties to the Caucasus.⁶⁸

In comparison to the Ottoman Empire, the less modernized Persian Empire faded more rapidly in the face of rapid Russian expansion, and it struggled to avoid loss of political sovereignty to Russia.⁶⁹ In 1927, the first monarch of the Pahlavi Dynasty (Reza Shah) began an ambitious modernization process in Iran, hoping to catch up to the strength of European nations. Iranian economic, social, and political reforms were far-reaching and somehow similar in their style and social dislocation impact to those implemented under Atatürk. Contrary to the Turkish experience, however, Reza Shah's reforms were for the most part implemented in a more

dictatorial manner, which provoked popular resentment and opposition.⁷⁰ As explained earlier, there was a major foreign policy difference between Reza Shah and his contemporary Ataturk during WWII. While Turkey declared neutrality and stayed away from the world stage, Iran chose active neutrality aimed at using the international opportunities to secure benefits from the opposing camps. Reza Shah's decision to keep a working relationship with the Axis Powers backfired and led to the occupation of the country by the British and Soviets. Allies eventually called Iran the "bridge of victory," by which they provided Soviets with supplies to slow-down the German advances near Stalingrad.

Under the leadership of Reza Shah's successor, Mohammed Reza Pahlavi, Iran established closer ties to the West and relatively moved to a more open and democratic system.⁷¹ This allowed Iranian nationalists to gain power, and led by Prime Minister Mohammad Mosaddegh, nationalist forces sought the expulsion of Mohammed Reza Shah. The international conditions, however, were not suitable for the moves of Iranian nationalists in a country with a significant strategic value connecting the Persian Gulf to the Caspian Sea Region. The British and the Americans were not willing to allow their close ally, the Shah, to be deposed. The American CIA, in association with British MI6, supported a coup to oust Mosaddegh. The coup permanently marred the perception of the Iranian masses of the United States and set the stage for the Iranian 1979 Revolution, as the Shah forcefully cracked down on all dissents within Iran after his return.

The 1979 Islamic Revolution, led by the Ayatollah Ruhollah Khomeini, removed the Shah and set Iran on its course toward theocracy and autocracy. Since the revolution, Turkey and Iran have provided two contrasting state role models for their Muslim neighbors, including Azerbaijan. The bitterness of U.S.-Iran relations following the Iranian Hostage Crisis (November 1979–January 1981) permanently strained relations between Tehran and Washington, eventually leading Iran to turn to Russia for support. Mainly due to the regional and international conditions that we discussed, Turkey and Iran also provide two contrasting political and security orientations in the Caspian Sea Region: one Westward and the other toward Russia.⁷²

With the preceding discussion of the general political and security environment in the Caucasus region, we are now ready to examine the particular security features, opportunities, and challenges of each South Caucasus state. Our discussion begins with Azerbaijan in the next chapter. In Chapter 3, the Armenian security case study will be fully explained. Next, we investigate the special characteristics of the Georgian security, which has led some to hypothesize that maybe a new Cold War is on its way to the international stage. Finally, we conclude this book with a chapter which summarizes the main findings, identifies special foreign security behavioral patterns, and makes suggestions about the application of a "Clash of Civilizations" perspective in explaining and predicting the Caucasus affairs.

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CHAPTER 5

Summary of Security in the South Caucasus

The preceding chapters illustrated that challenges to the security of the three South Caucasus states are many, but they may be grouped into three main categories of concern: *separatism*, *internal instability*, and *international rivalry*. Separatism continues to be the major security issue perpetuating tensions across the region, but internal instability and international rivalry (or competition) at the global and regional levels are also continuing concerns. The total security picture of each Caucasus state is a result of both particular domestic conditions of the state and the special international security parameters that its leaders face. In terms of domestic conditions, the persistent denial of political rights and civil liberties as well as the continuing economic fragility of these states provides a foundation for domestic dissatisfaction. The territorial division caused by separatism, as well as social divisions due to ethnic, religious, and political factors, make these small states very vulnerable to regional and global powers pursuing their own national interests in the region.

In terms of international security parameters, each state enjoys (or suffers) from a particular *strategic value* from the perspective of both great and regional powers. Moreover, each Caucasus state individually faces opportunities as well as challenges that the international players (both states and organizations) offer (or expect from) it due to its *geopolitical position*. For instance, Georgia and Azerbaijan, which share common borders with Russia, are more concerned about any Russian invasion than Armenia (even if Yerevan was not a strategic ally of Moscow), because Armenia does not have a common border with Russia. The Caucasus states do not possess an equal international setting in such a

crisis situations. For example, Georgia has access to the Black Sea, so it could be supplied by the West (e.g., during the 2008 war) more rapidly than Azerbaijan, which has no such direct access. Finally, it is natural for Georgia and Azerbaijan, in the Russian “sphere of influence,” to seek help from the West (especially the United States) to check or balance the power of Russia in order to enjoy greater independence in their foreign relations.

Now, we turn to a summary of the three main categories of concern regarding the challenges to the security of the South Caucasus states.

SEPARATISM

The greatest security issue that continues to threaten the existence of South Caucasus states is separatism, which continues to perpetuate internal turmoil inside the Caucasus states, conflict between these states, and the power-balancing of international powers. The Nagorno-Karabakh conflict is at the heart of the current alignment of security interests among regional and global powers in the South Caucasus. When the territorial dispute pitted Azerbaijan and Armenia against each other, it also drew in Turkey, Iran, Russia, and (to a limited extent) the United States and the EU. Under the nationalist leadership of President Elchibey, Azerbaijan’s emphasis on ethnic heritage made an alliance with Turkey logical. Armenia’s historical ties to Russia made Moscow a logical ally for Yerevan, at the same time that Azerbaijan’s nationalism was separating that nation from the Russians. The economic isolation imposed by Turkey and Azerbaijan on Armenia made it all the more essential to maintain ties with Russia.

Simultaneously, ethnic distributions in the area made Azeri separatism a potential issue for Iran. However, Tehran managed this problem by making sure that Azerbaijan was simply too involved in its war with Armenia to support any separatist action by Iranian Azeri provinces. Initially, the West, which had closer historical ties with Christian Armenia, took a sympathetic stance toward Yerevan’s cause. As the conflict became increasingly one-sided, however, the United States and the EU pressed for a quick end. This development contributed to the current security alignment of states in the region, whereas Armenia, Iran, and Russia share general security interests rooted in opposition to the expansion of Western security organization (by Russia and Iran), opposition to the Azeri-Turkish alliance (by Armenia and Iran), and opposition to the Western orientation of Turkey and Azerbaijan (by Russia and Iran).

Interestingly enough, although the Georgia-Russia war captured global headlines for days, Tbilisi’s separatist challenges had a different impact. Georgia’s separatist conflicts with Abkhazia and South Ossetia, and the limited dispute with Adjara, did not have as great an impact on the regional security balance, because they did not draw neighboring states into the conflict to the same extent as the Nagorno-Karabakh crisis did. However, Moscow’s involvement in the

Abkhazia and South Ossetia conflicts pitted Moscow and Tbilisi against each other in a cold conflict that became hot in August of 2008. Due to its crucial position between Azerbaijan and Turkey, and Armenia and Russia, Georgia was able to maintain a balanced position vis-à-vis its South Caucasus neighbors. The intimidating geographic proximity of Russia and its continual interference in Georgian internal affairs and sovereignty provided a major incentive for President Saakashvili to seek greater integration into the EU and NATO structure in order to secure his country from Russia.

The separatist conflicts have also had other deep impacts in the South Caucasus. First, they have had crippling economic impacts. The dire economic situations have contributed to internal political instability, though less so in Armenia than in Azerbaijan and Georgia. Separatism has also entrenched ethnic tensions within the region, and the demographic fragmentation of the Caucasus means that this is an encompassing security issue. Yet despite the historical role of ethnicity and religion in the Caucasus conflicts, these factors do not appear to be as great as the concerns over state sovereignty, territorial integrity, and economic interests. For example, Azerbaijan abandoned any claim to Iranian Azeri provinces (that Baku used to call Southern Azerbaijan) in order to reinforce its own rhetoric of territorial integrity, which Baku has used against Erevan, and to materialize oil wealth by settling the conflict. The importance of ethnicity and religion can also shift over time. For instance, Azeris were culturally closer to Iranians, but these days Azerbaijan has built a much closer relationship with Turkey: the two states have supposedly built upon their shared Turkic ethnic heritage. Baku has both economic and security interests in its political orientation. Cementing the Azeri foreign policy orientation is the decision of the Islamic Republic of Iran to collaborate closely with Christian Russia and Armenia in pursuit of its own economic and security interests as opposed to its declared constitutional policy priority of protecting Muslims anywhere.

INTERNAL INSTABILITY

Political and economic instability are other major issues that serve as sources of threat to security in the South Caucasus states. As was noted, separatism certainly played a role in such instability. The Nagorno-Karabakh conflict definitely complicated political struggles in the newly independent Azerbaijan. In Georgia, the dire economic collapse that separatism induced did the same. While Armenia de facto gained territory from the conflict, it still suffered economically. War was certainly a drain on Yerevan, but the economic isolation imposed by Azerbaijan and Turkey crippled Armenia. While all three states have stabilized their economies and experienced varying degrees of recovery, their economies remain sensitive. Political conflicts remain unsolved, threatening to burst forth again, sapping these states of money and men. These conflicts also threaten to draw in external

powers, as happened during the August 2008 war between Russia and Georgia. Even though Azerbaijan's incredible oil-driven economic growth has increased the state's ability to carry out a war, Baku still faces economic instability. This is produced by the uneven distributions of oil wealth, but also by the consequences of basing an economy primarily on oil exportation. Thus, internal political and economic instability are significant factors threatening the security of all three states.

The super-presidential or semi-authoritarian governments that have dominated the South Caucasus states also pose a threat to their own long-term political stability. The rising expectation along with the denial of political rights and civil liberties in these states will perpetuate civil unrest. Of the three South Caucasus states, Armenia has been the most stable one, even though Freedom House has not currently rated Yerevan as stable as Tbilisi. Armenia is the most homogenous of the South Caucasus states, both in terms of ethnicity and religion. The war with Azerbaijan provided Armenia with a unified people, and victory in that war rewarded the economic sacrifices of Armenians. In addition, Armenia has enjoyed significant external aid from Russia, some Western states, and the Armenian diaspora, especially in Iran. Contrary to the Armenian situation, both Georgia and Azerbaijan experienced defeats in their separatist conflicts, compounding the economic and political instability in their own countries. Though the Aliyev family has shown that they can bring economic prosperity to (at least some) Azeris, they still face political illegitimacy questions. In Georgia, President Saakashvili had made many promises and given Georgians hopes in the form of economic revival, political freedom, and an alliance with the West. Today, those hopes have been shattered, and President Saakashvili appears to be holding onto power by a slim margin.

INTERNATIONAL RIVALRY

As stated earlier, internal instability is significant in security calculations, but it is also complicated by regional and global rivalry among external powers in the region. Today, the geographic centrality of the South Caucasus persists, serving as the focal point of overlapping national interests of the neighboring states and global powers. As noted, global energy politics is one of the major reasons that the South Caucasus region is important for great powers (i.e., the United States and Russia) and regional powers (i.e., Iran and Turkey). The varying energy interests have generally reinforced the alignment of powers that were produced by the separatist conflicts after the independence of the Caucasus states. They are the general alignment of Russian, Iranian, and Armenian interests and the alignment of Turkish, Azeri, Georgian, U.S., and EU interests. The alignment of such diverse groups of states and cultures simply does not support the idea of the Clash of Civilizations.¹

Azerbaijan's interest in avoiding domination of its energy distribution networks by Russia reinforces its need for cooperation with Georgia, avoids the geographically shorter pipeline route through Armenia, and cements its economic ties to Turkey as well as the EU. Tbilisi, while refusing to openly choose between Baku and Yerevan, has clearly made a choice toward the West, in a bid to benefit from the revenues it can net from Western flowing pipelines. Armenia needs Georgia in order to maintain access to Russian energy. At the same time, Armenia is seeking to lessen its dependency on that single supply route by pursuing pipelines with Iran.

In addition to energy politics, the rivalry between global security alignments and regional security organizations are shaping the parameters of South Caucasus security. Yerevan continues to have a security interest in maintaining its ties to Moscow and Russian security umbrella organizations. By doing so, it boosts its defensive position versus Baku, which has a much greater military budget. Azerbaijan also seeks the benefits from cooperation with NATO for the modernization of its forces. Baku has also avoided joining Russia's security umbrella in order to avoid increasing Russia's ability to exert leverage over it. Yet, unlike Georgia, Azerbaijan has been slow to push toward full NATO membership. That is an action that would almost surely invite a significant negative response from its Russian neighbor. Georgia has firsthand experience of how severe the Russian reaction can be to Moscow's perceived security threats and economic interests. Specifically in regard to security competition, Georgia most vigorously pursued NATO membership. For Georgia, NATO and security ties to the West were a means to possibly pull away from constant Russian domination. Thus, Georgia becomes the greatest challenge to Russian interests in the Caucasus considering Tbilisi's challenge to Moscow's security and its role in facilitating the East-West pipeline route to the EU states.

There is also political rivalry between the global and regional powers that impacts the security of the South Caucasus. The EU and the United States are supporting the development of democracy in the South Caucasus, and democratic revolutions like the Rose Revolution generally have resulted in the election of pro-Western governments. The EU also offers the South Caucasus states the possibility of political integration. These efforts threaten to undermine Russia's historical grip on the region. The alternative political structure provided by Russia is the CIS, which it has pressured all three of the South Caucasus states to join. The war against Georgia served the additional purpose of making it clear that there are limits to the expansion of Western institutions.

Georgia's "Westward" orientation provides Russia with even more incentive to strengthen its efforts to coerce Tbilisi back into Moscow's "sphere of influence." One may ask: why would Russia care so much about bringing Georgia back into its political orbit? Beyond its symbolic value in deterring other former Soviet Republics to join NATO, the answer lies in Georgia's location in the belly of mother Russia. Georgia is only miles away from the main Russian Black Sea

Naval facilities and Russia's new oil export facilities in the port of Novorossiysk, which is where the new Russian oil pipelines end. Moreover, Georgia would serve as a bridgehead for the West to penetrate deep into Russia's security sphere in its Near Abroad and the vital energy resources in that region. To understand Moscow's sensitivity to America's "too close for comfort" military relationship with Georgia, we should remember the concerns of Washington when Russian nuclear fleet visited Cuba and, more recently, Venezuela.

Since the independence of the South Caucasus republics, the regional rivals (i.e., Turkey and Iran) have resumed their competition for political influence in this geographic area as well. Their efforts overlap the most in Azerbaijan. Turkey has relied on its ethnic and linguistic ties to Azerbaijan as a foundation to pursue their converging interests in opposition to Armenia and for East-West pipeline routes. Iran, on the other hand, has seen the strength of its historical religious ties to Azerbaijan weaken. Yet, the Shia sect continues to be the predominant faith with which Azeris identify. This provides Iran with the potential opportunity to exploit religious loyalty by harnessing Islamic revival. The Iran-Armenia relationship was forged from the necessity of finding a new source of leverage. For Turkey, Georgia was an essential political partner to secure access to its Azeri ally.

This discussion of the rivalry among the great powers seems to indicate that the idea of the Clash of Civilizations may apply to the Washington-Moscow competition in the region.² However, the usefulness of the idea of the Clash soon disappears when we examine the rivalry between majority Muslim states of Iran and Turkey in the Caucasus. The "Clash" argument also does not stand when we consider the diverse groups of states that have established opposing alignments. Now, we turn to a closer analysis of the Caucasus from the perspective of "the Clash of Civilizations."

CLASH OF CIVILIZATION IN THE SOUTH CAUCASUS

Based on our discussion in the previous chapters, we may illustrate the nature of relations between any two pairs of states involved in the politics and security of the Caucasus region in a matrix (see Table 5.1). The analysis of paired ties should more accurately illustrate the value of the "Clash of Civilizations" idea. In the matrix, the major players in regional politics are listed (in the same order) on the first row and column. This allows us to observe different combinations of relationship between any two states in the region. Both the row and column of the table start with the three Caucasus republics, then they list the two main regional players, and finally they mention the two great powers involved in the politics of the region. The table cells that form an axis (showing ones) illustrate the pairing of each state with itself. Obviously, such pairing of states represents a perfect correlation of one. This axis divides the table into two right-angle triangles which duplicate the pairings of the states. This leads us to focus on the nature

Table 5.1 Matrix of Ties Between States

| States | Armenia | Azerbaijan | Georgia | Iran | Turkey | Russia | USA |
|------------|---------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Armenia | 1 | Negative Expected | Neutral Unexpected | Positive Unexpected | Negative Expected | Positive Expected | Neutral Unexpected |
| Azerbaijan | | 1 | Positive Unexpected | Negative Unexpected | Positive Expected | Negative Expected | Positive Unexpected |
| Georgia | | | 1 | Positive Unexpected | Positive Unexpected | Negative Unexpected | Positive Unexpected |
| Iran | | | | 1 | Neutral Unexpected | Positive Unexpected | Negative Expected |
| Turkey | | | | | 1 | Positive Unexpected | Positive Unexpected |
| Russia | | | | | | 1 | Negative Expected |
| USA | | | | | | | 1 |

Note: This matrix was prepared by the author.

of pairing in only one triangle, which shows two pieces of information about each pairing.

On the top of each cell, the nature of the state-to-state relationship of each pair of states is indicated with three general possibilities: positive, neutral, or negative. Based on the Clash of Civilizations idea, the bottom section of the same cells shows the expectation of such a relationship in the form of expected or unexpected. For instance, in the first cell (which represents the pairing of Armenia and Azerbaijan), the nature of the relationship between the two neighboring states has been predominantly negative due to their territorial conflict and war, as explained in previous chapters. However, this result was expected based on the Clash of Civilizations concept, since the two states respectively represent the conflicting cultures of Orthodox Christians and Shia Muslims, according to Huntington's argument. On the contrary, the cell representing the pairing of Armenia and Iran illustrates a very different result. First of all, the nature of this relationship is surprisingly positive, despite the fact that Christian Armenia has annexed territory of a Muslim nation—Azerbaijan. According to its own constitutional provisions, the IRI is expected to assist Muslim states or groups that struggle against tyranny, invasion, and injustice, or for their survival. Secondly, such positive ties between Yerevan and Tehran are simply unexpected based on the "Clash of Civilizations" perspective.

With the explanation of the logic for these sample cells, one should be able to understand the reasoning for the results of the other cells, based on the description in previous chapters. Nevertheless, three table cells require a little more explanation for their results. One is the cell showing the U.S.-Russia relationship, which is represented by negative, because the American and Russian national interests are obviously conflicting in this region. However, such results are not an indicator of an upcoming war between these two great powers. Since the two states are natural rivals, one expects a clashing and negative relationship. However, this does not mean that they would never cooperate. In fact, despite their reservations about each other's policies, the United States and Russia have cooperated throughout their history starting with the sale of Alaska to the United States from Tsarist Russia, moving to cooperation during WWII against common enemies, and the subsequent establishment of solid lines of communication to avoid the next Cuban Missile Crisis. Moreover, Washington-Moscow ties have produced a number of famous international agreements to decrease the level of tension between the two great powers, including SALT 1 and 2, START 1 and 2, and the Intermediate-range Nuclear Forces (or the INF) Treaty, to name a few.

Despite their rocky relations at the end of the Bush Administration, in summer 2009, Presidents Obama and Medvedev signed a new agreement to further decrease the number of nuclear warheads.³ More importantly, Russia provided the United States with the right to fly over Russian territory to supply the war in Afghanistan.⁴ Interestingly enough, this agreement was signed after Washington

had lost its privilege to use an airbase in Kyrgyzstan, which was a move that appeared to be backed by Moscow. Although there is evidence to show cooperation in the American-Russian relationship in general, the Washington-Moscow connection in the Caucasus can only be characterized as natural rivalry. However, this is no indication of an upcoming war between the two great powers. For our analytical purposes, the corresponding cell on U.S.-Russia ties in the matrix shows a generally negative relationship, because of their rivalry in this geographic region. Of course, such negative ties are expected based on Huntington's argument.

Another table cell that needs explanation is the one on Armenia-Georgia ties, which is listed as neutral, simply because Tbilisi has aimed to keep a balance in its relations with both Baku and Yerevan. However, Georgia has had more collaborative efforts with Azerbaijan than with Armenia. This is in part because of the pipelines connection, and also due to the fact that Tbilisi and Baku consider themselves in the Western camp and work together in their projects with the EU, NATO, and the United States. Armenia-Georgia ties have remained cordial, as Tbilisi allows Russian supplies to reach Armenia. Moreover, Tbilisi has provided Yerevan with access to Black Sea ports for trade, but their limited functional cooperation does not match the depth and extent of the ties between Georgia and Azerbaijan. Thus, the matrix cell characterizes Armenia-Georgia ties as neutral at best, and not positive.

It should also be emphasized that Azerbaijan-Iran ties are listed as negative in the matrix, although Iran was a mediator during the initial stages of the Nagorno-Karabakh Crisis. Moreover, many Azeri refugees were forced to move across the Azeri-Iran border, where Tehran provided them with food, temporary shelter, and other services without assistance from the international community.⁵ Beyond such good faith efforts, however, Tehran has been concerned about the motives of Azeri nationalists, who had called for unity with South Azerbaijan (meaning the three Azeri-dominated provinces located on the northwest of Iran). In addition, Tehran has been worried about Baku's "too close for comfort" security ties with the United States and Israel. Furthermore, Azerbaijan and Iran have not resolved their dispute over their oil-rich Caspian Sea territory. This problem even led to a brief military standoff, which raised concerns beyond the borders of the two neighboring states. Thus, on the balance, Tehran-Baku ties are negative when the positive interactions are fully weighed against the negative ones.

Now, the next table (see Table 5.2) briefly summarizes the instrumentality of the Clash of Civilizations idea, since the matrix already identified and characterized all possible paired relationships among states involved in the Caucasus region. The table simply added the number of times that a relationship between a pair of states was considered expected based on the Clash of Civilizations logic, as opposed to unexpected. To have a more accurate picture of the applicability of this idea to describe and explain the paired state-to-state ties, the table clearly divides all relationships into three categories of global, regional, and neighboring

Table 5.2 Clash of Civilizations

| Levels of Relationships | Clash of Civilization Concept | |
|----------------------------------|-------------------------------|------------|
| | Expected | Unexpected |
| Global Level | 4 | 7 |
| Regional Level | 2 | 5 |
| Neighboring State-to-State Level | 1 | 2 |
| Total | 7 | 14 |

states levels based on the role of the major players. The matrix illustrates that the great powers (i.e., the United States and Russia) were involved in 11 pairs of ties, while the regional powers (i.e., Iran and Turkey) were associated with 7 such relationships. Finally, the three neighboring states were obviously engaged in three possible paired connections.

Nevertheless, the most interesting result of this table is that at each level, there are almost twice as many times that the Clash of Civilizations concept did not hold and failed to predict state relationships in the region. This clearly undermines the explanatory power of the Clash of Civilizations theory. Thus, one must look elsewhere for more satisfactory theories or perspectives to explain the security patterns and foreign relations of the Caucasus states. Historically, the concept of the Great Game and the Balance of Powers has been applied to the region. For the meantime, however, the most prudent explanation of the causes or sources of security threat for the Caucasus states must rely on the three common factors that were presented earlier: separatism, internal instability, and international rivalry.

NOTES

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