

**RUSSIA, THE UNITED STATES,  
AND THE CAUCASUS**

**R. Craig Nation**

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## FOREWORD

In the post-Soviet period, the Caucasus region has been a source of chronic instability and conflict: Unresolved “frozen conflicts” in Abkhazia, Southern Ossetia, and Nagorno Karabakh; continuing armed resistance in secessionist Chechnya and associated Islamic radicalism; the “Rose Revolution” in Georgia and Tbilisi’s subsequent efforts to realign with the West; competition for access to the oil and natural gas reserves of the Caspian basin—these kinds of factors and more have ensured that the region would become and remain a source of significant international engagement and concern. Professor R. Craig Nation’s monograph highlights the kind of conflicting interests that have made Russian-American relations in the region highly competitive. But he also addresses areas of shared priorities and mutual advantage that provide a potential foundation for more benign engagement that can work to contain conflict and head off further regional disintegration. However they are resolved, regional issues emerging from the Caucasus will have a significant impact upon the larger climate of U.S.-Russian relations in the years to come.

Professor Nation’s monograph was presented at a conference in Washington, DC, held on April 24-26, 2006, jointly sponsored by the Strategic Studies Institute (SSI); the Ellison Center for Russian, East European, and Central Asian Studies at the Jackson School of International Studies at the University of Washington; the Pacific Northwest Center for Global Security; and the Institute for Global and Regional Security Studies. It is the latest in a series of papers prepared from this conference published by SSI. We are pleased to present

it as a significant addition to the series, and a timely contribution to the broad reconsideration of the factors defining the U.S.-Russian relationship that is currently underway.

  
DOUGLAS C. LOVELACE, JR.  
Director  
Strategic Studies Institute

## **BIOGRAPHICAL SKETCH OF THE AUTHOR**

R. CRAIG NATION has been Professor of Strategy and Director of Russian and Eurasian Studies at the U.S. Army War College since 1996. He specializes in security affairs with a special emphasis on the European and Eurasian areas. He has taught History and International Relations at Duke University, the University of Southern California, Cornell University, and The Johns Hopkins University School of Advanced International Studies. Professor Nation earned his Ph.D. in Contemporary History from Duke University.



## SUMMARY

The Caucasus region consists of the new independent states of the *Southern Caucasus* (Armenia, Azerbaijan, Georgia) and the Russian federal region of the *Northern Caucasus*, including war-torn Chechnya. In the post-Soviet period, it has become one of the most volatile and potentially unstable regions in world politics. Fragile state structures, a series of unresolved or “frozen” secessionist conflicts, and widespread poverty generate popular dissatisfaction and political instability. The region covers a major “fault line” between Christian and Islamic civilizations, and confessional rivalry, together with the rise of Islamic radicalism, have become sources of friction. Despite these inherent challenges, the hydrocarbon reserves of the Caspian basin also have attracted significant great power competitive engagement.

The United States and the Russian Federation pursue assertive regional policies in the Caucasus. At present, both Washington and Moscow tend to define their interests in such a way as to ensure that their relationship in the region will be contentious. The questions of access to the oil and natural gas reserves of the Caspian, Russia’s role in the geopolitical space of the former Soviet Union, the Western military role in the unstable regions along the Russian Federation’s southern flank, and strategies for pursuing a war on terrorism in Inner Asia all have the potential to become serious apples of discord.

A zero-sum “Great Game” for leverage in so fragile an area, however, is not in the best interests of either major external actors or the region’s peoples. Nor does it accurately reflect the dynamics that could be working



to redefine the U.S.-Russian relationship beyond the Cold War. Washington and Moscow should seek to find a *modus vivendi* that will recast their regional roles within a broader framework that allows for mutually beneficial cooperation in areas of joint interest as well as healthy competition.

# RUSSIA, THE UNITED STATES, AND THE CAUCASUS

## THE CAUCASUS REGION IN WORLD POLITICS

The Caucasus is geographically bounded by Russia's Krasnodar and Stavropol districts in the north, the Araxes River and Iranian and Turkish boundaries in the south, and the Black and Caspian Seas. It is conventionally divided into two parts separated by the Caucasus mountain chain. The *Northern Caucasus* subregion is one of the seven large Russian federal regions crafted by Vladimir Putin, and includes the seven federal entities of Dagestan, Chechnya, Ingushetia, Northern Ossetia, Kabardino-Balkaria, Karachai-Cherkessia, and Adygea. The *Southern Caucasus* includes the new independent states of Armenia, Georgia, and Azerbaijan. These two subregions are distinct but also linked by historical experience, ethnic commonality, cultural and linguistic traits, and strategic dynamics. The Caucasus meets Buzan's criteria for designation as a security complex, and thinking of the region in those terms can help us to understand the particular security challenges that it presents.<sup>1</sup>

The Caucasus region is characterized by ethnic, linguistic, and cultural diversity. The Northern Caucasus is one of the most ethnically complex regions in the world. Dagestan, with a population of about 2 million, contains more than 30 distinct ethno-linguistic groups.<sup>2</sup> Ethnic complexity is less pronounced in the Southern Caucasus, but not less real. Georgia's population is approximately 65 percent Georgian, but the Georgians have important local affiliations

(Kartvelians, Mingrelians, Svans, Ajars), and there are Armenian, Azeri, Osset, Greek, and Abkhaz minorities. Azerbaijan is 90 percent Azeri, but contains a significant Armenian minority in the Javakh district. The Azeris are a multistate nation, and perhaps as many as 20 million Azeris reside in neighboring Iran. Armenia is 95 percent Armenian, but its population also has local identities. The large Armenian Diaspora is a significant and sometimes divisive domestic political factor. The region is also a point of intersection between confessional communities. About 80 percent of Azeris affiliate with Shia Islam, and there are other Shia communities, including the Talysh of Azerbaijan and some Dagestanis. Most Dagestanis associate with Sunni Islam, as do the Chechen and Ingush, the Circassian peoples (the Adyge, Cherkess, and Kabardins), about 20 percent of the Osset population, and 35 percent of Abkhaz. The Georgian Orthodox and Armenian Monophysite churches are among the world's oldest organized Christian communities, and the majority of Ossets are Orthodox Christians as is the region's Slavic population. There also are small Jewish communities including the Tats (Mountain Jews) of Azerbaijan, and in Dagestan. Historically, the region has been fragmented politically and dominated by adjacent power centers (the Persian, Ottoman, and Russian empires). The Caucasus never has developed functional regional institutions or a shared political identity. In the post-Cold War era, the Caucasus has remained underdeveloped institutionally and relatively impoverished. The region as a whole is plagued by many of the typical dilemmas of post-Sovietism, including incomplete nation-building, cultural disorientation, deeply rooted corruption, socio-economic and environmental disintegration, regional

conflict and separatism, fragile democratization, and flourishing criminal networks. Despite these problems, however, the region's strategic significance in many ways has become more pronounced.

The strategic weight accorded to the Caucasus rests on several factors: (a) *Regional Instability*—the region has been plagued by armed conflict and instability with the potential to escalate and expand; (b) *Islamic Radicalism*—the Caucasus covers an important “fault line” between Christian and Islamic civilization, has been plagued by local conflict with a religious dimension and risks becoming a potential zone of engagement for Islamist extremism; (c) *Embedded Criminality*—poverty and the weakness of the Soviet successor states have allowed the region to be transformed into a transit corridor for various kinds of criminal trafficking; and (d) *Strategic Resources*—the oil and natural gas resources of the Caspian basin have become a much sought after prize, and the Caucasus represents a logical corridor of access for transporting these resources into world markets. These factors have made the Caspian an apple of discord between great powers, notably the Russian Federation and the United States, which have crafted assertive regional policies on the basis of conflicting definitions of interests. The resultant competition is sometimes referred to as a part of the “new great game” for geopolitical leverage in the “arc of crisis” along Russia's southern flank.<sup>3</sup>

Similar to the modern Balkans, the Caucasus is an area where the dilemmas of post-communism, regional order, and geostrategic orientation are sharp and unresolved. It is attached to the greater Middle East geographically and by the Islamic factor; to Europe by institutions (the Organization for Security and Cooperation in Europe [OSCE], the Council of Europe,

the European Union [EU], the North Atlantic Treaty Organization [NATO] and the Partnership for Peace [PfP]) and the aspirations of elites; and to the Russian north by economic dependencies and complex cultural and demographic affiliations. It is, like the modern Middle East, a region with important oil and natural gas holdings, but with traditions of authoritarian governance, the profound dilemma of frustrated modernization, and a large number of unresolved local disputes.

## SECURITY CHALLENGES

The most important object of discord undoubtedly has been the hydrocarbon reserves of the Caspian basin. Azerbaijan is a major oil producer, and the Caucasus as a whole represents an important potential transit corridor for bringing Caspian oil and natural gas into regional and global markets. The region serves as a point of transit in a larger sense as well, as part of an emerging transportation artery defined by the EU's Transport Corridor Europe Caucasus Asia (TRACECA) project. Launched by the EU in 1993, TRACECA includes a series of infrastructure initiatives including the construction of highways, railroads, fiber optic cables, and oil and gas pipelines, as well as a targeted expansion of exports, intended to recreate the Silk Road of the medieval centuries binding Europe to Asia. The Caucasus also has become a route for the east-west drug trade and other kinds of criminal trafficking.<sup>4</sup> In the post-Soviet period, it has been highly unstable, with four unresolved armed conflicts in place, all related to the attempt by small, ethnically defined enclaves to assert independence from larger metropolitan states (the cases of Chechnya, Abkhazia, Southern Ossetia, and Nagorno-Karabakh).

The states of the Southern Caucasus are weak and actively have courted the support of great power sponsors—the competitive engagement of external powers is a significant part of the region’s security profile. Russia has an obvious motivation to restore order on its national territory in Chechnya, and to promote a positive regional balance supporting its national purpose to the south. The Chechnya conflict, in particular, has raised the specter of Islamist terrorism, and threatened repeatedly to spill over beyond the boundaries of Chechnya itself. But the weakened Russian Federation of the post-Soviet era has not been strong enough to sustain the region as a closed preserve as it has done in the past. The “power vacuum created by the Soviet collapse provided an inviting milieu for the West’s political and economic intrusion into an uncharted territory.”<sup>5</sup> The United States has been drawn to the window of opportunity to forward a policy of reducing Russian influence and promoting the sovereignty of the new independent states and “geopolitical pluralism” within the post-Soviet space; assuring access to the resources of the Caspian; and securing regional allies and potential military access (over-flight and potential basing), extending its strategic reach into Inner Asia. The EU has become attracted by the transit of energy resources and concerned by the challenges of trafficking and criminality that regional instability aggravates. In July 2003 the European Council appointed Finnish diplomat Heiki Talvitie as EU Special Representative to the region. In 2004 the states of the Southern Caucasus were made subjects of the European Neighbourhood Policy (ENP), allowing the negotiation of bilateral “Action Plans” to permit states without immediate prospects for accession to take advantage of more limited forms of association.

Iran and Turkey also have sought to sponsor local clients in search of strategic leverage. The Caucasus indeed has become part of a new great game, or “tournament of shadows” in Russian parlance, played for high geopolitical stakes, that is alive and well in the Caspian, Black Sea, and Inner Asian arenas. It has taken on a strategic weight that is incommensurate with its inherent fragility, and potentially dangerous in its consequences.

### **The War in Chechnya.**

The massacre of innocents in Beslan in September 2004 seemed to expose the futility of Russia’s pursuit of a military victory in the embattled Northern Caucasus. Beslan was the latest of at least a dozen major terrorist incidents in Russia since 1995, the fifth hostage-taking event in that period, and the worst hostage-seizure in history in terms of its consequences.<sup>6</sup> Russia’s strategy for reasserting control in Chechnya through “Chechenization,” combining a harsh anti-insurgency campaign with the effort to impose a Russia-true Chechen leadership, seemed consigned to futility. The result of years of counterinsurgency campaigning, it appeared, was only more ferocious resistance. That the attack was staged out of Ingushetia against a city in Northern Ossetia seemed to be a blatant attempt to expand the Chechen conflict throughout the Northern Caucasus.<sup>7</sup> In the wake of the incident, Chechen guerrilla leader Shamil Basaev threatened new rounds of terror attacks, including the use of chemical, biological, and “nuclear weapons of various sizes.”<sup>8</sup> Western observers highlighted “the extreme gravity of a situation that risks spilling over into the entire northern Caucasus . . . unresolved from a military point of view and a failure from a political one.”<sup>9</sup>

For many observers, the horrific nature of the violence reflected as badly on the callousness or ineptness of the Russian authorities as it did on the perpetrators. Representatives of the Chechen independence movement abroad were quick to condemn the atrocity, but also to assert that the real responsibility lay with Russia and the long campaign of terrorist repression directed against a legitimate national liberation struggle.<sup>10</sup> A good deal of international commentary, as well as Russian critiques reflecting the perspective of the political opposition to Putin, echoed that judgment.<sup>11</sup> The death of elected Chechen president Aslan Maskhadov as the result of a raid by Russian Special Forces on March 8, 2005, seemed to drive the dynamic of conflict even further into a dead end.<sup>12</sup> Maskhadov was viewed widely as a legitimate leader and the only available interlocutor capable of working toward a negotiated solution.<sup>13</sup> Following his death, the terrorist Basaev assumed sole leadership of the Chechen independence movement – a man with whom negotiation was impossible.<sup>14</sup>

The appearance of stall was misleading to some extent. In retrospect, the Beslan assault appears more like an act of desperation by a flagging movement at the end of its tether than the beginning of a new and robust wave of terror. Russia's counterinsurgency campaign in Chechnya has been brutal and protracted, but not entirely unsuccessful. The ability of the Chechen resistance to mobilize the population and stage large-scale military reprisals has been shattered. Russia pays a price in blood and treasure for its occupation, but it has not been forced to abandon it, or to turn away from the policy of Chechenization that guides it. Moscow remains concerned about the possible demonstration effect of a successful declaration of independence



by one of the Russian federal entities. The example of Chechen independence in the period 1994-96, marked by appalling lawlessness and collapsing living standards, was extremely negative.<sup>15</sup> Russia has no interest in once again toying with a scenario where, in the words of Putin, “a power vacuum was created that fundamentalists filled in the worst possible manner.”<sup>16</sup> It also is worth keeping in mind that the second Chechen War, launched by Putin on his road to the presidency at the end of 1999, has been linked inextricably to his person and legacy ever since. For Putin the statesman, nothing short of victory will do. Basaev’s Islamist orientation and resort to catastrophic terrorism as weapon of choice left him isolated and discredited. They also have, to some extent at least, encouraged strategic alignment between the United States and Russia in the name of the global war against terrorism.<sup>17</sup>

The Chechen conflict is not “frozen” in the sense that the term sometimes is used with regard to the latent conflicts in Abkhazia, Southern Ossetia, Nagorno-Karabakh, and Transnistria. There is nothing resembling a ceasefire and low intensity violence is chronic. On May 16 and 17, 2006, a shoot-out between authorities and a small group of insurgents in the city of Kizil-Yurt, Dagestan, left three dead; insurgents ambushed a Russian Army convoy in the village of Nikikhiti, Chechnya, killing five; and a car bomb attack attributed to the Chechen resistance in Nazran, Ingushetia, killed Deputy Interior Minister of Ingushetia Dzhabraïl Kostoev and seven others.<sup>18</sup> The Narzan attack was described by a headline in *Izvestiia* as the possible beginning of “a new season of terrorism” – certainly a possibility given the region’s volatility.<sup>19</sup> But it remains the case that the Chechen

authorities have not succeeded in controlling territory and creating a convincing alternative political regime. The assassination of Chechen president Akhmad Kadyrov (elected under Russian auspices in May and October 2003) at the hands of the Chechen resistance in May 2004 was a blow to the policy of Chechenization, but his son Ramzan Kadyrov has stepped into the gap, the extent of violent resistance inside Chechnya has been drastically reduced, and the policy is alive. Escalation of the conflict into the volatile Northern Caucasus remains possible, not least because the region contains numerous flash points that provide dry tinder for provocation, but diligent governance and oversight can head off such worst-case scenarios.<sup>20</sup> Is the relative stabilization in progress inside Chechnya a “façade,” a Potemkin village whose artificiality eventually will be exposed?<sup>21</sup> It perhaps is not yet possible to answer the question with certainty. The Chechen conflict remains dangerous, not least as a possible source for future acts of catastrophic terrorism. In strategic terms, however, for the time being at least, it might be described as more of a nuisance than a source of dire preoccupation.

### **The Caspian Knot.**

The saga of Caspian hydrocarbon reserves, already long, risks becoming endless. Over the past decade, assessments of the basin’s potential have ranged widely, from predictions of vast reserves destined to make the Caspian a new El Dorado, to pessimistic reassessments arguing that production levels will likely be low and the impact on world energy markets marginal at best. In 1997 the United States was estimating proven reserves of 16 billion barrels of oil, and possible reserves of up to 200 billion barrels.<sup>22</sup> Such capacity would make

the Caspian basin the third largest source of oil and natural gas reserves in the world, after Saudi Arabia and Russian Siberia, and a potential “third hub” for global demand well into the future.<sup>23</sup> The figures were compelling, and in a seminal public address on July 21, 1997, Strobe Talbott described the Caspian area, and entire southern flank of the Russian Federation, as a “strategically vital region” destined to become part of the Euro-Atlantic Community, which the United States could “not afford” to neglect.<sup>24</sup> Military analysts identified access to the Caspian as “a vital American interest” worth pursuing, if need be, with armed force.<sup>25</sup> The 1999 Silk Road Strategy Act defined the Caucasus as an “important geopolitical isthmus” in conjunction with its energy potential, and supported the effort to reconstruct a Europe-Asia transport corridor that would bypass Russia to the south.<sup>26</sup>

The estimates upon which such projects were constructed were criticized from the first, but with little effect.<sup>27</sup> More recent estimates (also disputed) have shifted direction dramatically. The region is now being described by some as a “strategically negligible” area whose long-term potential has been “deliberately exaggerated” by “a spectacular bluff,” with reliable reserves limited to 18-31 billion barrels.<sup>28</sup> No matter – the Caspian region has been elevated to the status of geopolitical prize, and it is a status that it will most likely retain.

Is it possible to come to some kind of reasonable, consensual estimate of the Caspian’s real potential as an energy hub? Several points of orientation can be mentioned. First of all, the sea has not been explored fully. The gap between proven reserves (modest) and full potential (potentially significant) cannot yet be fixed accurately. It, however, is clear that although

the Caspian may represent a meaningful source of energy supply, its potential does not approach that of the Russian Federation or Saudi Arabia and the Gulf. Nonetheless, the basin contains strategically significant resources that can usefully supplement global supply in ever-tighter energy markets, are especially coveted as a potential reserve by a rapidly developing China, and are of special importance to regional states with limited economic prospects.<sup>29</sup> Access to the energy resources of the Caspian basin historically has been monopolized by the Russian Federation. Efforts to create a wider framework for access and distribution therefore make good strategic sense.

The construction of the Baku-Tbilisi-Ceyhan (BTC) main export pipeline (initiated on September 1, 2002, and opened in the summer of 2006), and a Baku-Tbilisi-Erzurum natural gas pipeline (bypassing Russian and Iran) directed at the Turkish market, represent U.S.-led challenges to what was once Russia's nearly total control of access to Caspian resources.<sup>30</sup> More recently Washington has expressed interest in sponsoring a Turkmenistan-Afghanistan-Pakistan (TAP) natural gas pipeline, with Indian participation, to draw natural gas resources onto world markets without reliance on Russia. These are competitive initiatives, but their impact has been diluted to some extent by the way in which regional energy markets have evolved. Russia retains considerable leverage and sufficient pipeline capacity to sustain export potential. The Tengiz-Novorossiisk pipeline, for example, is adequate to transport the significant oil reserves of Kazakhstan's Kashagan fields, and Russia's Blue Stream natural gas link to Turkey is likely to supply a dominant part of the Turkish market. Moreover, energy politics in the Russian Federation goes well beyond the politics

of the Caspian. Russian production has increased considerably in recent years, energy revenues have become the essential motor of Russian economic revival, and Moscow uses its resource potential purposefully in pursuit of national interests.<sup>31</sup> In the larger picture of Russian energy policy, the Caspian "great game" is more like a sideshow. Secondly, declining estimates of potential have taken some of the urgency out of competitive angling for leverage and influence: "the Caspian basin does not constitute by itself an area of vital strategic interest for the West."<sup>32</sup> Nor are Western interests significantly threatened. Russian elites realize that the new Russia is not in a position to dictate policy in the Caspian area, and that excessive pressure upon the region's new independent states is only likely to encourage defiance.<sup>33</sup>

Russia and the United States could choose to move toward a *modus operandi* that would allow both to address their most important interests in a nonconflicting manner, at least insofar as the logic of economic advantage is made the decisive measure. Unfortunately, this is not the case at present. Russian sources assert that the flag follows commerce, and that U.S. policy in the post-Soviet space "will not be limited to uniting the region with the Western economic system, but will also include political and military cooperation and a high degree of readiness to strengthen and defend its position with the most resolute measures."<sup>34</sup> U.S. policy indeed has focused on reducing the Russian and Iranian footprint in the region. The decision to build the BTC, in defiance of the best council of representatives of the oil and gas industry and in spite of the fact that an Iranian route would be economically the most efficient choice, has been described as a triumph of geopolitics with an essentially strategic rationale, and in that sense

“a prominent success” for the U.S. policy of “creating an east-west transit corridor” intended to bind the Caspian region to the West.<sup>35</sup> As concerns the Caspian energy hub, the United States and Russia remain rivals for access and influence.

The absence of collaboration in the energy sector affects the larger U.S.-Russian strategic relationship throughout the Caucasus and Inner Asia. U.S.-Russian collaboration in the war on terrorism, originally focused on the elimination of the Taliban regime in Afghanistan, has faded gradually as Moscow has reevaluated what the relationship stands to bring it. The closure of the U.S. military facility in Uzbekistan, and pressure to impose timelines for a U.S. withdrawal from Tajikistan, symbolize a turning of the tide. Both Washington and Moscow now are seeking to cultivate competing regional associations as sources of support. For years the United States has encouraged the development of the so-called GUUAM (Georgia-Ukraine-Uzbekistan-Azerbaijan-Moldova) organization as a counter to Russian domination of the Commonwealth of Independent States (CIS). More recently, Moscow has attempted to reinforce the Collective Security Treaty Organization (CSTO—Russia, Belarus, Armenia, Kazakhstan, and Tajikistan) as a collective security forum, and is considering the possibility of expanding the Shanghai Cooperation Organization (Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan) toward South Asia, possibly to include Iran, Pakistan, and even India. The recent decisions by Uzbekistan to pull out of the GUUAM (now reduced to the acronym GUAM), the refusal of Kazakhstan to turn away from its privileged relations with Russia despite U.S. pressure, Russian refusal to cooperate with the diplomatic isolation of Iran in the context of the dispute over its

nuclear programs, and generally improved Russia-China relations have all made clear that, in the greater Caspian area, Moscow still has significant policy levers at its disposal. These setbacks for the U.S. agenda, combined with continuing instability in Afghanistan, have encouraged a sharpening of American regional policy. In Lithuania and the Kazakh capital of Astana during May 2006, U.S. Vice-President Richard Cheney pointedly chastised Moscow for its purported attempt to use oil and natural gas as “tools of intimidation and blackmail” and urged the Central Asians to opt for pipelines to the West bypassing Russia.<sup>36</sup> Washington also has floated a “Greater Central Asia” initiative intended to bind post-Soviet Central Asia more closely to a South Asian region where the United States has greater leverage.<sup>37</sup> All of these moves and counter moves reveal the essentially competitive character of the U.S.-Russian relationship in the greater Caspian region. Business interests as defined by private enterprise rather than national strategic goals provide a promising foundation for cooperative and mutually beneficial development. But whether the market will be allowed to lead the way in the current competitive geopolitical environment is an open question.

### **The Southern Caucasus and its “Frozen Conflicts.”**

The three new independent states of the Southern Caucasus rank among the most troubled and instable to emerge from the Soviet break down.

*Azerbaijan.* Azerbaijan began its independent national existence in the throes of a war with neighboring Armenia. The outcome was the loss of control over the Nagorno-Karabakh enclave and a substantial part of Azeri territory (perhaps as much

as 16 percent) providing a corridor of access between Armenia proper and Stepanakert. After some initial political instability, including a brief period of pro-Turkish government under Abulfəz Elçibey, in 1993 power was assumed by Gaidar Aliev, a strange political hybrid who was a former member of the communist-era Brezhnev Politburo, a regional power broker with personal authority rooted in the clan structure of his native Nakhichevan, and ambitious oriental satrap, all rolled into one. Significantly tainted elections conducted in October 2003, followed by a wave of protests that were suppressed brutally, transferred the presidency to Gaidar's son, İlham Aliev.<sup>38</sup> Parliamentary elections in November 2005, equally tainted, brought pro-government parties a large majority.<sup>39</sup> Politically, Azerbaijan is a prime example of a post-Soviet autocracy where a democratic façade only partially disguises the abusive control of a narrow ruling clique, in this case representing a familial clan with succession determined on the basis of primogeniture.

Geopolitically, Azerbaijan gradually has moved away from the Russian orbit toward closer relations with the West. Its oil and natural gas holdings, and prospects for substantial economic growth, make it an attractive partner, and the United States has pursued closer ties aggressively. Other regional powers with an eye upon Azeri energy holdings, including Turkey and Pakistan, also have been active courting favor. Turkey has sustained a special relationship with Azerbaijan since independence, grounded in linguistic and cultural affinity, as well as shared interests. The BTC, which binds Azerbaijan to Turkey via Georgia, was designed specifically to advantage Azerbaijan and exploit its energy riches. After taking office in 2001, President George W. Bush moved quickly to



use executive prerogative to repeal Section 907 of the U.S. Freedom Support Act, which banned economic relations with Azerbaijan as a consequence of its policies toward Armenia. On the eve of the 2005 parliamentary elections, Bush spoke publicly of the possibility to “elevate our countries’ relations to a new strategic level.”<sup>40</sup> Already in 1999, Azeri Foreign Minister Vafa Guluzade had called for the United States and Turkey to take the initiative to create a NATO-run military base on Azerbaijan’s territory, and in 2002 Azerbaijan formally announced its candidacy to join the Alliance.<sup>41</sup> The United States enjoys over-flight privileges in the entire Southern Caucasus, and might be attracted by the possibility of basing facilities in Azerbaijan that would facilitate broader strategic access. Despite its autocratic political regime and well-documented human rights abuses, Azerbaijan steadily has drawn closer to the Euro-Atlantic community.

There are significant problems with these kinds of scenarios for expanded integration. Azerbaijan is a corrupt and dictatorial polity. Windfall oil wealth by and large is being used to reinforce the status of a deeply entrenched and venal post-communist elite closely linked to the Aliev dynasty. Azeri oil production is expected to peak by 2010, and it is not clear that oil and natural gas revenues will be used with foresight to prepare the way for more balanced long-term national development. Azerbaijan usually is described as a moderate Islamic regime, but moderation is achieved at the price of severe repression of political Islam, as well as other oppositional tendencies. Moreover, true to the calculating and cautious policy crafted by Gaidar Aliev, Baku has sought to maintain some balance in relations between East and West. Moscow continues to operate a military station for radio monitoring and

early warning in Gabala on Azeri territory. Azerbaijan has been a cooperative partner in the Russian campaign against Chechen terrorism. Its relations with the EU occasionally have been troubled by European criticism of violation of democratic norms and human rights standards, although Baku has welcomed the opportunities presented by the ENP. Baku's position inside the reduced GUAM organization cannot be taken for granted, given the more pronounced pro-Western orientation of its Georgian, Ukrainian, and Moldovan partners.<sup>42</sup> Azeri Defense Minister Safar Abiev has responded positively to a suggestion by his Russian counterpart, Sergei Ivanov, that Russia, Kazakhstan, Turkmenistan, Azerbaijan, and Iran pool their resources to create a multinational force to patrol the Caspian basin.<sup>43</sup> Azerbaijan is aware that the United States can be a fickle partner, and has sought to position itself accordingly. Ilham Aliiev's state visit to Washington in April 2006 highlighted strategic cooperation, but the Azeri leader was careful to specify that Azerbaijan would not cooperate with any hostile actions toward its neighbor Iran.<sup>44</sup>

The most significant unresolved issue hanging over Azerbaijan's future is the status of the Nagorno-Karabakh enclave.<sup>45</sup> The Supreme Soviet of the Nagorno-Karabakh Autonomous Region declared its intent to unite with Armenia in February 1988, and Armenia-Azeri friction subsequently became a significant source of tension, paving the way toward the Soviet collapse. On September 2, 1991, Nagorno-Karabakh declared independence, and between 1991 and 1994, with strong Armenian support, it prevailed in a bloody war that may have taken as many as 20,000 lives and produced more than one million internally displaced persons (IDPs).<sup>46</sup> A ceasefire has been in

effect since May 1994, but, despite many attempts at mediation, the situation on the ground remains locked in place.<sup>47</sup> The reality is that for all intents and purposes, Nagorno-Karabakh and adjacent territories have been integrated thoroughly into the Armenian Republic. Material circumstances inside the embattled enclave are difficult, and there has been a significant population exodus, but commitment to sustain independence appears to be undaunted. Azeri and Armenian soldiers in close proximity man the ceasefire line. There are regular firefights and the constant danger of a local incident sparking wider violence. Azerbaijan refuses to compromise on the question of sovereignty or to rule out the option of retaking the enclave by force. Under the Alievs, it has sought to maintain its legal claims to the territory, defined as an integral part of the Azeri nation; sustain an intimidating military presence surrounding the enclave; and wait patiently while the influx of oil revenues make it stronger. With Western support, Azerbaijan currently is engaged in a significant force modernization program.

The balance of forces in the region gradually may be shifting to Azerbaijan's advantage, but there are good reasons why a renewal of military operations would not be in Baku's best interests. A flare-up of violence in the area could strike a serious blow at Azeri intentions to leverage its energy resources on world markets. The BTC pipeline runs close to the enclave and could be endangered by sabotage. Nagorno-Karabakh is supported financially by the large and prosperous Armenian Diaspora and thoroughly integrated with Armenia proper in economic terms. It is basically self-sufficient, thanks to the largesse of its metropolitan sponsor. Conquering and assimilating the territory would represent a major challenge, and could involve

the Azeris in human rights abuses that would damage their international standing. The Armenian armed forces are powerful and probably still at least a match for their Azeri counterparts. Not least, Armenia's strategic alliance with the Russian Federation, and association with a more dynamic CSTO, offers a deterrent shield. Nagorno-Karabakh provides an excellent example of the way that Russia has been able to make use of separatist conflicts in the Caucasus region to further its own interests. U.S. sponsorship for Baku has made the relevance of strategic alignment with Armenia all the greater, and the key to that alignment for the present is the frozen conflict over Nagorno-Karabakh.

*Armenia.* A massive earthquake struck Soviet Armenia in 1988, claiming over 25,000 victims, directly affecting more than a third of the population, and leaving ruin in its wake. Armenia successfully established independence in 1991 and won its war with Azerbaijan over Nagorno-Karabakh in 1992-94, but at a high cost. The shocks of natural disaster and regional war, the rigid blockade imposed by neighboring Azerbaijan and Turkey, and the disappearance of the traditional commercial framework once provided by the Union of Soviet Socialist Republics (USSR) administered body blows to the Armenian economy from which it has yet to recover.

Today Armenia is in the midst of an impressive economic revival, with annual growth rates of over 10 percent led by new sectors in construction, diamond processing, and tourism. It has a long way to go. Its population, greatly reduced by migration and demographically aging, remains massively impoverished. Armenia is landlocked between Azerbaijan and Turkey, and has access to world markets only through Georgia and Iran. Poor relations with

its immediate neighbors leave it isolated in the region and excluded from all major regional development and pipeline projects. Popular dissatisfaction is high, and Armenia has struggled with a turbulent domestic political environment. The first president of independent Armenia, Levon Ter-Petrossian, was forced to resign in 1998 after releasing an open letter urging concessions toward Azerbaijan in search of a negotiated settlement in Nagorno-Karabakh. His successor, Robert Kocharian, a hero of the war with Azerbaijan and subsequently president of Nagorno-Karabakh and Prime Minister of Armenia, came to office with the reputation of an uncompromising hawk. Kocharian was elected in 1998 and reelected in 2003. Both elections were seriously marred by vote fraud and condemned as such by OSCE monitors.<sup>48</sup> Independent Armenia has established a destructive tradition of political violence, including a string of unsolved assassinations. In 1999 an armed raid upon the Armenian parliament, with obscure motives that have never been satisfactorily clarified, resulted in the shooting death of eight people, including Prime Minister Vazgen Sarkisian and Speaker of the Parliament Karen Demirchian. Kocharian has not hesitated to use force to repress dissent. The Armenian Diaspora (particularly devoted to the cause of Nagorno-Karabakh), the armed forces (well-equipped, highly professional, and 60,000 strong), and the Karabakh clan from which Kocharian derives are the essential pillars of his government. It is no secret that the open-ended Karabakh dispute, and the isolation to which Armenia has been consigned as a result, are important barriers to prospects for balanced development. But the Kocharian government is neither inclined nor well-positioned to offer concessions. Defense Minister Serzh Sarkisian repeatedly has

asserted: “the Armenian army serves as a guarantor of Nagorno-Karabakh security.”<sup>49</sup>

The ultimate guarantor of Armenian security, in view of its inherent fragility and substantial isolation, is strategic alliance with the Russian Federation. The Russian-Armenian relationship rests upon a long tradition of association between Christian civilizations confronting occasionally hostile Islamic neighbors. It was reinforced by the perceived role of Russia as protector of the Armenians following the genocide of 1915.<sup>50</sup> Since May 1992 Armenia has been associated with the CIS Agreement on Collective Security, it is a member of the CSTO, and is linked to Moscow by a bilateral Mutual Assistance Treaty. Russia maintains military forces at two sites within Armenia, and its forces engage in military exercises with their Armenian counterparts on a regular basis. The presence of Russian forces on Armenian soil has a powerful deterrent effect—for all intents and purposes any attack on Armenia would become an attack on Russia as well. So long as Azerbaijan holds out the possibility of a resort to force to recoup Nagorno-Karabakh, this kind of deterrent function will be relevant strategically. Russia is also in the process of establishing a more robust economic presence. Trade has increased exponentially, economic remittances sent home by Armenians working in Russia have become economically critical, and debt-for-equity swaps have made Russia an ever more important player on the Armenian domestic stage. Some see the trend as consistent with Anatoli Chubais’ theory of “liberal empire,” according to which economic presence is the real key to expanding political influence.<sup>51</sup>

Armenia has sought to balance the powerful Russian presence by developing ties with other partners,

with limited success. The EU has become more active in Armenia since the signing of a Partnership and Cooperation Agreement in 1999, and in 2004 all of the states of the Southern Caucasus became subjects of the ENP.<sup>52</sup> Recent polls have indicated some public support for a stronger European orientation, and inclusion within the ENP has encouraged improved relations with Brussels.<sup>53</sup> Yerevan has established a high level commission to explore avenues for cooperation, but there are strict limits, defined above all by strategic dependency on Russia, to how far rapprochement is likely to proceed.<sup>54</sup> Motivated in part by a powerful domestic Armenian lobby, the United States provides meaningful financial assistance, and in July 2004 the U.S. Congress approved a parity policy allowing \$5 million in military assistance annually to both Azerbaijan and Armenia. Armenia has reciprocated by sending a small contingent of doctors, truck drivers, and demining specialists to nearby Iraq. Yerevan cautiously has probed opportunities for improved relations with Turkey, without significant results. Iran, however, is emerging as a promising regional partner. For Teheran, also subject to regional isolation, Armenia offers a useful corridor of access to the Black Sea area and Europe.

These would-be partners see small and impoverished Armenia as the means to a variety of national ends. Washington is interested in enhanced stability along the BTC route, including, if possible, some kind of resolution of the Nagorno-Karabakh dispute and a rapprochement between Armenia and Turkey (the BTC route passes directly through the predominantly Armenian Javakh area inside Azerbaijan); an expanded NATO role in the Southern Caucasus (Armenia has been associated with the Partnership for Peace

initiative since 1995); and cooperative efforts to contain the expansion of Iranian influence. The EU shares these goals. Ankara also should share them to some extent – the blockade of Armenia is one of many initiatives that will have to be put to rest if Ankara’s timetable for EU accession is to make progress. Iran is constructing a gas pipeline to supply the Armenian market, and its border with Armenia is a vital opening to the West. Good relations with Yerevan are useful to these ends. In no case, however, do the benefits that accrue to Armenia from relations with the United States or its regional neighbors, come close to matching the strong cultural affinity and strategic dependency that links it to the Russian north.

*Georgia.* Georgia has been the most contested state of the post-Soviet Southern Caucasus.<sup>55</sup> The brief tenure of the ultra-nationalist Zviad Gamsakhurdia as President at the end of the Soviet period provoked a series of secessionist movements that resulted in declarations of independence followed by military defiance of the Georgian metropolitan state in Southern Ossetia and Abkhazia. The Ajara district in the southwest also moved to proclaim a kind of de facto sovereignty. Ceasefires in 1994 brought the fighting to an end without achieving any resolution of underlying differences. In both Abkhazia and Southern Ossetia Russian peacekeepers continue to monitor disputed borders. Georgia insists on the premise of sovereignty, but is too weak to act decisively to reassert control. During the 1990s, the government of Edvard Shevardnadze was forced to tolerate the existence of the de facto states on Georgian territory against a background of precipitous national decline. Vote fraud in the election of 2005 led to the ouster of Shevardnadze as a result of pressure from the street in the much-touted “Rose



Revolution."<sup>56</sup> Subsequently, the new government of Mikheil Saakashvili has struggled, with mixed success, to navigate Georgia's floundering ship of state, described by Dov Lynch as "a bankrupt, enfeebled, and deeply corrupt state, with no control over large parts of its territory and declining international support" for whom prospects "were bleak."<sup>57</sup>

Saakashvili proclaimed the Georgian revolution to be the prototype for a "third wave of liberation" following in the wake of the collapse of European Fascism after World War II and the "Velvet Revolutions" that brought down European Communism from 1989 onward.<sup>58</sup> The ouster of Ukrainian President Leonid Kuchma as a result of popular protests with strong international support in the "Orange Revolution" of November-December 2004 seemed to lend the assertion some credence. Russia saw the events quite differently, as an overt use of American soft power to exploit dissatisfaction and impose pro-Western and anti-Russian regimes in areas where it had vital interest at stake. Foreign Minister Igor Ivanov condemned the event dismissively (and not altogether inaccurately) as "the forced ouster of the current lawful president from office."<sup>59</sup> In the wake of the Orange Revolution in Ukraine, a serious blow to Russia's interests, Putin advisor Sergei Yastrzhembskii put forward a conspiracy theory that interpreted the larger phenomenon of "Colored Revolutions" as a manifestation of American grand strategy devoted to keeping Russia down: "There was Belgrade, there was Tbilisi; we can see the same hand, probably the same resources, the same puppet masters."<sup>60</sup> Apart from any other effects, Georgia's Rose Revolution opened a significant new front in the struggle for influence between the United States and Russia in the Caucasus.

Georgia always has been skeptical toward the CIS, wary of Russian intentions, and attracted to strategic partnership with Washington. Early in his tenure in office, Saakashvili went out of his way to articulate, in both Moscow and Washington, that a democratic Georgia would not become “a battlefield between Russia and the United States.”<sup>61</sup> But his actions have in some ways belied his words. The government born of the Rose Revolution clearly has established the strategic objective of reinforcing a special relationship with the United States and expanding cooperation with NATO.<sup>62</sup> Its orientation toward the EU is much less strong. Tbilisi has accepted the status of subject of the ENP without caveat and not forwarded the goal of eventual accession to the EU as forcefully as have, for example, the Central European states of Moldova and Ukraine. Its French-born Foreign Minister, Salome Zourabishvili, described Georgia as a European country “by default.”<sup>63</sup> Georgia presently is engaged in far reaching military-to-military cooperation with the United States, high points of which include the Georgia Train and Equip Program launched in 2002, and the Sustainment and Stability Operations Program, underway since 2005. It is reforming and bolstering its armed forces under U.S. guidance.<sup>64</sup> Tbilisi concluded an Individual Partnership Action Plan to define guidelines toward eventual accession to NATO in October 2004, and seeks to move forward to a Membership Action Plan with the possibility for accession as soon as 2008-09. Since March 2005, NATO has been granted the right of transit for military forces across Georgian land and air space. In 2005 a new National Military Strategy and the draft of a National Security Strategy were released that unambiguously assert Georgia’s Euro-Atlantic vocation and cite Russian policies

as a primary threat to Georgian security.<sup>65</sup> Military cooperation with Turkey also has expanded, fueled by a shared interest in the security of the BTC and Baku-Tbilisi-Erzurum natural gas pipeline.<sup>66</sup>

The course of the Colored Revolutions in both Georgia and Ukraine has not run smooth. In 2004-05 the EU deployed its first-ever civilian Rule of Law mission under the aegis of the European Security and Defence Policy in Georgia, dubbed *EUJUST Themis*. The results may be described as modest. Georgia remains a deeply troubled polity struggling with entrenched corruption and systematic abuses of authority. The Saakashvili government has been criticized widely for authoritarian proclivities.<sup>67</sup> Its constitutional reforms have enhanced presidential prerogative, and earned round condemnation from the Council of Europe.<sup>68</sup> The economic situation remains dire, and the potential for social and political unrest high. Disintegrating relations with the Russian Federation, including punitive measures imposed by Moscow designed to up the ante for defiance (Russia has recently called for an increase in energy transfer prices, and imposed an embargo on the importation of Georgian wine, for example) do not bode well for Georgia's long-term stability.

Saakashvili has achieved some notable accomplishments. There is no doubt that Georgia's international stature has improved under his direction, and prospects for democratic development have improved. An accord of May 2005 committed Russia to withdraw its remaining two military bases from Georgian territory by December 31, 2007, a long-standing goal of Georgian diplomacy.<sup>69</sup> In May 2004, as a result of Georgian pressing, the defiant Ajaran regional leader Aslan Abashidze was forced to flee the country, and, in July 2004, Ajara was peacefully reincorporated into the Georgian body politic.<sup>70</sup>

Georgia has made no comparable progress in coming to terms with the separatist states of Abkhazia and Southern Ossetia. The resumption of armed conflict in Southern Ossetia in August 2004, including harsh but ineffective Georgian military provocations, if anything, has made the situation worse. Under pressure as a result of U.S. inroads, the Russian Federation has become more committed to support for the status quo.<sup>71</sup> The separatist states are fragile, impoverished, and criminalized, but they have been in existence for more than a decade and are not likely to fold their tents any time soon. Georgia refuses to rule out the “Operation Storm” option of retaking its secessionist provinces by force, but it is not strong enough to contemplate such action. The United States has sought to discourage a resort to force, fearing the possible effects upon regional security and the integrity of the BTC.

Russia’s role in these secessionist conflicts perhaps sometimes is exaggerated. Moscow did not create the tensions that led to declarations of independence—the conflicts are essentially about local issues—and it is not in a position to resolve them unilaterally. Tbilisi, as has been the case with Baku in regard to the Nagorno-Karabakh conflict and Chişinau with regard to Transnistria, has been reticent to address the legitimate grievances and sensitivities of the peoples in question. The Chechen question makes Russia loath to unambiguously support secessionist provinces. But mainstream evaluations note the weakness of the Azeri and Georgian states as significant barriers to reintegration, and describe Abkhazia and South Ossetia, no doubt realistically, as “de facto subjects of international relations.”<sup>72</sup> The ability to serve as external sponsor for the separatist states gives Moscow real leverage in the region. So long as the contest for

Georgia is defined on both sides as a zero-sum struggle for influence, Russia's motives, and policy priorities, are not likely to change.

### **The Great Game in the Caucasus.**

The post-Soviet Caucasus has not succeeded in creating a functional regional security framework. Dov Lynch speaks, no doubt optimistically, of "a regional security system in formation."<sup>73</sup> But there is little evidence of any kind of effective security interaction relevant to the needs of the region as a whole. Polarization along a fault line defined by great power priorities not related intrinsically to the interests of the Caucasus itself defines patterns of association in the security realm. The resultant polarization contributes to a perpetuation of division and conflict in an impoverished and unstable region that can ill afford the luxury.

Russia is engaged in a protracted counterinsurgency campaign in Chechnya that repeatedly has threatened to spill over into the larger Northern Caucasus region and into Georgia to the south. It sustains a military alliance with Armenia, keeps forces deployed in Georgia as well as the separatist states of Abkhazia and Southern Ossetia, and cultivates positive relations with neighboring Iran. Since the Rose Revolution in Georgia, Moscow's presence in Abkhazia and Southern Ossetia has expanded, and the dependence of the separatist entities upon Russian sponsorship has grown stronger. Azerbaijan and Georgia have cultivated the geopolitical sponsorship of the United States, and are linked militarily to the United States, Turkey, and key European powers, including Germany and the United Kingdom. Azerbaijan sustains a close

relationship with neighboring Turkey, which joins it in imposing a costly boycott on Armenia. Georgia is pushing an agenda for NATO accession, with U.S. support. The pipeline politics of the Caspian basin remains a source of discord, with the United States and Russia sponsoring competing frameworks for access and market development. The EU increasingly has become engaged in the Caucasus region, but it has not established itself as an independent strategic partner.<sup>74</sup> The European agenda in the region remains broadly consonant with that of the U.S.-led western security community.

U.S. regional goals seem to be to contain Russia; isolate Iran; ensure some degree of control over the hydrocarbon reserves of the Caspian and develop alternative pipeline access routes; reward and sustain the allegiance of regional allies including Turkey, Georgia, and Azerbaijan; open up the possibility of greater military access including possible basing rights; and reinforce regional stability and resolve the issues of Abkhazia, Southern Ossetia, and Nagorno-Karabakh by encouraging their reintegration into the metropolitan states with some kind of guaranteed autonomy. More generally the United States seeks to project influence into a regional power vacuum with the larger goals of checking Russian reassertion, preempting an expansion of Iranian and Chinese influence, and reducing Islamist penetration. These are ambitious goals that will be difficult to achieve.

The Chechen insurgency threatens the territorial integrity of the Russian Federation, and its containment has become tied up inextricably with the political persona of Vladimir Putin. The issue has major implications for Russian policy in the Caucasus—since October 2003 Moscow has claimed the right to

launch preemptive military strikes against terrorist organizations operating outside its territory.<sup>75</sup> The Islamic factor in the entire “arc of crisis” along the Russian Federation’s southern flank has serious security implications.<sup>76</sup> Russia has important investments and economic interests at stake in the region. Its commitment to the exploitation of Caspian basin oil and natural gas potential is considerable. The perception of U.S. and EU encroachment designed to detach the region from Russia and attach it to a putative Euro-Atlantic community is viewed as an assault on vital national interests. Russia consistently has defined the cultivation of a sphere of influence (in classic geopolitical terms) in the “Near Abroad” within the boundaries of the former Soviet Union as a national priority. The policies of Washington and Brussels have challenged that priority. The ENP speaks of a “shared neighborhood” (a phrase that Moscow rejects) on the EU and Russian periphery, and in effect seeks to cultivate the new independent states of Central Europe and the Southern Caucasus as the Near Abroad of the EU. The possible inclusion of Ukraine, in particular, in the NATO Alliance has the potential to significantly disturb the larger pattern of U.S.-Russian relations.<sup>77</sup> TRACECA has been described as an initiative whose goal is “the integral inclusion of the Southern Caucasus in the American sphere of control.”<sup>78</sup> American policy in the Caucasus is perceived as revisionist, actively seeking to change the geostrategic balance to Russia’s disadvantage.<sup>79</sup>

The Russian policy response seems to be to use its own instruments of soft power to reinforce dependency (the “liberal empire”); to leverage support for separatist entities in Georgia and Azerbaijan; to cultivate relations with regional allies including Armenia and Iran; to

stay the course in Chechnya in search of a medium-term solution based upon the Chechenization scenario; and to thwart Western designs where possible through a combination of incentives, punitive measures, and leveraging of local influence. More generally, Moscow seeks to frustrate U.S. and EU encroachment, to sustain its position as the *Ordnungsmacht* in a volatile neighboring region, to pursue its economic interests, to sustain the geopolitical status quo, and to contain and if possible defeat embedded terrorism.

The way in which the United States and Russia are defining their interests in the Caucasus region is a recipe for protracted conflict.<sup>80</sup> It is curiously at odds with the larger framework of interests that could be defining U.S.-Russian relations in the 21st century. Indeed, U.S. and Russian interests on a global scale can be interpreted as largely coincidental. Both states identify Islamist extremism and catastrophic terrorism as primary security threats. Russia is now a fully converted market economy sustaining high growth rates with a strong vested interest in sound and stable global markets. As the world's largest (or second largest) oil producer and oil consumer respectively, Russia and America have a shared interest in regulating world energy markets to their mutual advantage. As the world's ranking nuclear powers, and the only countries in the world capable of attacking one another and wreaking major damage, they have an mutual interest in promoting nonproliferation and cultivating strategic stability. Both countries confront the dilemma of power transition, and the inexorable rise of a potential Chinese superpower, as a prime concern in the century to come.

The United States has no vital interests at stake on the Russian periphery, and U.S. engagement does



not place Russian interests at risk. The enlargement of Western institutions such as the EU and NATO need not threaten Russia, toward whom they manifest no hostile intent. Enlargement, in fact, can be perceived as a beneficial contribution to regional stability so long (and this is a meaningful condition) as Russia itself is engaged positively. The NATO-Russia Council and EU-Russia Strategic Partnership represent steps toward positive engagement, albeit, for the time being, inadequate ones. Russia is not a predator bent upon subjugating its neighbors.<sup>81</sup> Its motives in the Caucasus region are oriented strongly toward warding off further decline and securing economic interests – the motives of “a status quo power that is no longer able to prevent or resist the rise of change.”<sup>82</sup> The ogre of Russian authoritarianism has been much discussed of late, but Putin’s agenda for authoritarian modernization, linked as it is to the effort to recreate a strong and purposeful Russian state, need not be perceived as threatening or destabilizing. The widespread presumption that Putin’s authoritarianism is tied to “the concomitant rise of an increasingly assertive, neo-imperial foreign policy” is just that, a presumption that may and should be challenged.<sup>83</sup> Russia’s attempt to defend its leverage in strategically sensitive areas adjacent to its borders is in some ways no more than prudent. For the United States, whose regional presence is built upon the weak shoulders of political regimes in Azerbaijan and Georgia that are plagued by corruption, social unrest, and abuse of authority, the attempt to achieve more robust cooperation with a Russian regional partner in areas where interests overlap might be an option worth considering. Current trends are not positive, but they also are not irreversible.

The “great game” in the Caucasus is harmful to the interests of the region’s peoples who, more than a

decade after the Velvet Revolutions that swept away the communist past, remain trapped in a malaise of economic decline, quasi-authoritarian governance, widespread corruption, social demoralization, “frozen” local conflicts, and great power intrusion. Intelligent policy needs to think beyond the assertive, zero-sum framework that currently structures competition for regional influence, focused on the cultivation of local allies placed at odds with their regional neighbors, toward a mutual security model more appropriate to the real nature of the Russian-American relationship, more focused on the larger Caucasus regional security complex, and better adapted to addressing the real, human security imperatives that continue to make the Caucasus one of the more volatile and contested regions in world politics.

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