

The Southern Caucasus and Central Asia after the Russian-Georgian war – the geopolitical consequences

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The Russian-Georgian war (7–12 August) has triggered a process of rapid and significant changes in the geopolitical balance in the Southern Caucasus and the Caspian region. Russia's ambitions and potential, as revealed during the conflict, have made it the dominant political and security force in the region. At the same time, the position of the West and its credibility as a political counterbalance to Russia have been seriously undermined (this particularly applies to the USA). The new balance of power has triggered intensified activity by the local powers, Iran and especially Turkey, which – without undermining the position of Russia – have been promoting their own political and economic interests. Moreover, China's growing importance is increasingly apparent, especially in Central Asia.

The changes initiated by the war pose a major challenge to the countries of the region, most of which are waiting to see how the situation will develop, while making symbolic gestures to Russia. Azerbaijan is in the most difficult situation, as the changes in the region (Russia's policy and new accents in the policy of Turkey) pose a threat to the main foundations of this country's strategy. At the same time, the chances for progress to resolve the Nagorno-Karabakh conflict have improved significantly, although the outcome may not necessarily be in line with Baku's expectations.

The processes described above are extremely dynamic, and their final outcome is as yet far from clear.

The new geopolitical situation

The region's geopolitical specificity

The geopolitical significance of the Southern Caucasus and the Caspian region rests primarily on its oil and natural gas reserves, the constantly developing infrastructure and the security of its transport routes. At the same time, the region is inherently highly unstable because of the unresolved conflicts in the Southern Caucasus, internal tension within individual states, and tension between states. The disintegration of the USSR triggered a dynamic rivalry among the regional powers, which have been vying for dominance in the process of reconstructing the region and the Soviet-inherited network of economic and political ties, and also concerning the internal transformations in particular states. Since the start of the current decade, Russia's influence has been eroded, political, economic and military rela-

tions have been diversifying, the West has been strengthening its presence, and the countries of the region have been consolidating their own positions.

The Russian-Georgian war of 7–12 August this year has provided Russia with an opportunity to take over the political initiative and change the existing rules of the game: following a period of relative stability in the region, hard security questions have once again become a question of key importance, as they have clearly put Russia in a privileged regional position. This has inevitably strengthened Russia's position towards its rivals (at least temporarily), and has created a breakthrough in the geopolitical rivalry in the Southern Caucasus.

Russia upturns the chessboard

One of Russia's main objectives in connection with the crisis over Georgia, the subsequent war and the process of resolving the conflict, was to underline emphatically that the CIS (especially the Southern Caucasus and the Caspian Region) are a sphere of Russia's exclusive dominance. Russia has proved that it is the only state capable of singlehandedly imposing its political will on others, based on its incontestable monopoly on the use of armed force. Georgia, which had been hostile to Russia, has been crushed in military terms; Moscow has imposed ceasefire conditions convenient for itself on Tbilisi, has openly sought to overthrow the legal Georgian authorities, and still holds instruments which make these threats credible and realistic. By a unilateral decision, Moscow has also confirmed the independence of the separatist regions of Georgia, Abkhazia and South Ossetia. At the same time, Georgia's transit infrastructure has been partly destroyed and blocked, and Russia has explicitly demonstrated its ability to destroy this infrastructure completely. The war in Georgia has revealed the level of ambitions and the potential of Russia's policy in the entire Southern Caucasus and, more generally, in the CIS area, which, according to Moscow, should be taken into account by the countries of the region and others. **By opting for the predominance of the force factor in its policy, Moscow has revisited the models implemented in the region in the early 1990s, namely the practice of inspiring, playing and 'managing' crises as a way of subordinating the region and keeping rivals at bay.** In practice, this means that Moscow is also prepared to take unilateral action, even at the price of political isolation.

The West pushed firmly back on the defensive

Apart from Georgia, Russia's actions have had the severest effects on the West (USA, NATO and the EU) which for years has been promoting itself as the only political, military and economic alternative to Russia in the region. The West's activity took the form of constructing oil and gas transmission routes and increasing its involvement in security issues (by methods such as modernising the Georgian army, offering prospects for NATO membership, becoming politically involved in conflict resolution), among other measures. From Russia's point of view, these measures directly undermined Russia's strongest assets in the region, and were designed to undo Russia's monopoly position in the domains of energy and transport (in which the West has largely succeeded), as well as its national security. Contrary to the calculations of Georgia and some other countries of the region that followed in its footsteps, the West (especially the USA) has proved unable or unwilling to oppose Russia openly through a demonstration of power. Even though at the level of gestures and declarations, the West has upheld its ambitions and remains actively involved

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in regional processes (as an example, the EU has played a role in the development and implementation of the ceasefire, and is preparing an observer mission; NATO is still willing to discuss membership prospects with Georgia and has upgraded co-operation with Georgia to the level of a Georgia-NATO Council; and the West is willing to provide major economic support to Georgia), Western actors have in practice been forced to recognise Russia's military dominance in the region, and act only in areas approved by Russia and within the limits set by Russia (for example, by accepting Russia's conditions for the ceasefire in Georgia). The West has maintained its presence in the Caucasus, although it has lost its credibility as a political counterbalance for Russia (this applies particularly to the USA). **Currently, this relative degradation of the West's position and image in the political and security spheres has overshadowed its achievements, political, economic and military potential, and – it seems – its lasting interests in the region.**

'Third way' powers: Iran, Turkey and China

Changes in Russia's policy and the weakening of the West's position have triggered a major activation of the traditional regional powers, Turkey, Iran and China. Each of them has had its own political and economic interests in the region; each had been working towards the achievement of these interests; each had refrained from openly confronting Russia in political and military terms, and each had been carried its own burden of fears of Russian expansion. These three countries have seen Russia's aggressive and unilateral policy towards Georgia and the threat of destabilisation of the region as a direct threat, a perception which has motivated the leaderships of Turkey, Iran and China to take action. They may benefit from the fact that Russia's policy in geopolitical terms is directed against the West, which leaves more room for manoeuvre to the 'smaller' players. It is notable that delegations from these states have visited Moscow, Tbilisi and Baku in recent weeks (in Turkey's case, these were visits at prime ministerial and presidential levels; the Turkish head of state has also visited Yerevan).

Iran. Even though Russia's imperial ambitions are a major threat for Iran in the longer term, there is no doubt that Tehran has provisionally benefited from the fact that the USA has been pushed out from its northern flank. In addition, the current situation makes Iran slightly more attractive as a transport route for the Caspian energy resources alternative to Georgia (Azerbaijan exploited this possibility in August). It also increases Iran's chances of selling its own gas in the Southern Caucasus, since it is expected that Russia will use energy blackmail against Georgia, which will also affect Armenia (the Iranian foreign minister signalled during his visit to Tbilisi that his country was ready to develop energy co-operation with Georgia).

Turkey. For Turkey, the war in Georgia has proved a much more serious problem. It has directly threatened oil and gas transport routes from Azerbaijan to Turkey, and put Azerbaijan, Turkey's ally, in a difficult situation. Turkey remains a key element in the US plan to undermine Russia's position in the region: the transit routes from the Caspian region which compete with those of Russia run through its territory. Turkey has also made a major contribution to the political emancipation of Azerbaijan. Ankara has therefore opted for a bold 'escape forwards': it has come up with a proposal to create a Platform for Stability and Development in the Caucasus which would include all the region's countries, Turkey and Russia. The project has been promoted with a good deal of success

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in all the capitals concerned. It has also signalled its readiness to rethink its policy towards Armenia (Turkey's president Abdullah Gul has visited Yerevan in a gesture towards the possible restoration of diplomatic relations). Turkish plans consider the prospect of Russia's dominance in the sphere of regional security; Ankara also wishes to abate Azerbaijan's pro-Western aspirations in a manner favourable to Russia, while at the same time radically expanding Ankara's field for manoeuvre in relation to Yerevan, Baku and Tbilisi (albeit at the expense of increasingly difficult relations with Washington). These plans might also create a chance for a breakthrough in the conflict over Nagorno-Karabakh – finding itself in a weakened position, Azerbaijan would have to give up its plans to reclaim the province by force, and would be more willing to reach a compromise, while Russia would get an opportunity to step into the role of the main mediator and arbiter in the conflict. Turkey would thus be able to pursue its policy freely throughout the Southern Caucasus. The talks with the foreign ministers of Armenia and Azerbaijan planned for the end of September confirm Turkey's intention to revive the Nagorno-Karabakh peace process.

China. Given Beijing's global ambitions and specific economic interests in the Caspian region (embodied in the construction of oil and gas pipelines), the threat that Moscow might implement the assumptions it has developed in connection with Georgia throughout Central Asia is unacceptable to China. At the same time, while Beijing's rhetoric remains very moderate, it is already apparent that the countries of the region have certain hopes concerning China. One sign of this was the position on the Georgian conflict adopted by the Shanghai Co-operation Organisation, which comprises Russia, the four Central Asian States and China; the 'ritual' expressions of support for Russia, the dominant member of the SCO, was limited, and the Organisation remained silent on the unilateral recognition of Abkhazia's and South Ossetia's independence, which would not have been possible without China. As another example of China's increasingly important role, representatives of Azerbaijan's state-owned energy concern SOCAR visited the Caucasus, and publicly raised the theoretical possibility of exporting Azeri gas to China. In a rather unspectacular manner, without touching upon the political and military issues which are sensitive for Russia, China is slowly and consistently building its position in Central Asia and the Caspian region as a increasingly important counterbalance to Russia.

The new geopolitical reality – the regional perspective

Russia's objectives (undisputed dominance in the region), and the means it uses (the policy of force demonstrated in the conflict with Georgia) pose a threat to the countries of the Southern Caucasus and the Caspian region, to their ruling elites, and to the political achievements of the last dozen or so years. This threat is even more serious given the fact that the region has many hidden or frozen conflicts, and is under heavy political and social tensions; this gives Russia almost unlimited opportunities to exert pressure along the models tested back in the 1990s, especially since Moscow has no equal rivals in the sphere of security in the region.

Azerbaijan. Leaving aside the extreme case of Georgia, Azerbaijan is the country which found itself in the most difficult situation (even before Russia's aggression against Georgia), because its strategic energy policy (the main pipelines) and the principal assumptions of its security policy (preparations to reclaim Nagorno-Karabakh by force) have been oriented towards the West

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and prejudiced Russia's interests. The weakness of these assumptions was exposed in the course of the last month when 'unknown perpetrators' blew up the Turkish section of the Baku-Tbilisi-Ceyhan oil pipeline, the main route for Azeri oil; in another incident, which occurred in the zone controlled by the Russians, equally unknown perpetrators severed the main railway line from Azerbaijan to the West. Russian forces also seized Azerbaijan's main Black Sea terminal (Kulevi) in the course of the war operations in Georgia. In addition, the Russians have made it clear that no-one in the Caucasus will take armed action against any separatists without their approval, and have started to fuel other separatist movements in Azerbaijan (for example, by issuing Russian passports to the Lezgins). In August, Azerbaijan also witnessed an unexpected rise of the activities of Islamic fundamentalists (terrorist attacks), which in the context of the upcoming presidential election (15 October) has created a substantial potential for internal tension. Another problem comes from the fact that Azerbaijan's alliance with Turkey may break down (until now, Ankara has been exerting effective political and economic pressure on Armenia). Without any reliable allies, Azerbaijan is demonstrating a willingness to make major concessions to Russia: the US vice president Dick Cheney got a rather cold reception in Baku (the outcome of talks was discussed on the phone immediately afterwards between the presidents of Azerbaijan and Russia), while the atmosphere of Azerbaijan's president Aliyev's visit to Moscow has been friendly. In addition, there are clearer prospects for energy co-operation between Russia and Azerbaijan ('emergency' transmission of oil via Novorossiysk, the prospect of stable supplies, talks concerning the sale of large quantities of Azeri gas to Russia). The Nagorno-Karabakh conflict is a separate issue. So far, Azerbaijan has been able to count on either a recovery of the province by force, or on continued pressure by the West on Armenia and its patron Russia. However, in the aftermath of the Georgian war, given the limitations of the West and the possible abatement of the force of Azerbaijan's anti-Armenian alliance with Turkey, these scenarios are no longer realistic.

Armenia. In spite of the current problems (difficulties transiting goods via Georgia during the armed conflict), Armenia is the only country in the region which seems to have benefited from the new situation: the threat of Azerbaijan's attack on Nagorno-Karabakh has been averted and new prospects have emerged for the lifting of the blockade of its border with Turkey. **Since Armenia remains in an alliance with Moscow and has already come to be economically dominated by Russia, it has little to lose in the short term, whereas in the longer run it may gain more room for political manoeuvre.**

Central Asia. The Central Asian countries, especially Kazakhstan, have serious concerns and reservations about the current situation. They, too, are worried about Russia's policy of force, the instability of the Caucasus as a transit route and the West's weakness as a potential market for energy resources alternative to Russia. At the level of political declarations, the region's countries have expressed only limited support for Russia's operation in Georgia (thanks to China's backing, among other factors) and have refrained from recognising the independence of Abkhazia and South Ossetia. Kazakhstan has suspended its planned investments in Georgia's transport and energy infrastructure (at the cereal terminal in Poti and the refinery in Batumi), and has been clearly moderating its rhetoric to avoid irritating Russia. However, unlike Azerbaijan, Kazakhstan has diversified its export routes for energy resources (China) and has taken a relatively strong (although non-confrontational) position towards Russia, as is apparent in the fact that Russia's President Medvedev has visited Kazakhstan three times in recent months.

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The remaining Central Asian states are in a much weaker position in relation to Russia, and are struggling with numerous serious security problems (such as those which have recently surfaced in Turkmenistan; the capital Ashgabat was the scene of fierce fighting with unidentified attackers on 12–13 September); these countries are therefore in a much more difficult situation. This gives Russia an opportunity to become a local arbiter and establish itself in a position of hegemony. However, as the developments of the last decade have clearly demonstrated, it is also true that the local elites are not interested in slipping deeper into a vassal-style dependence on Moscow, are not satisfied with Russia's economic and cultural-political offer, and have proven themselves capable of actively seeking and using support from other players (as regards the latter two issues, Moscow has lost a great deal of ground at different periods to China and the USA).

Conclusions

1. The Russian-Georgian war has been a major shock for the entire southern part of the CIS. It has revealed Russia's decisive political and military dominance, as well as its readiness to exploit security issues in the pursuit of its political and economic objectives. In this field, no other power is in a position to compete with Russia. In this context, the countries that are losing the most are those who have tried to undermine Russia's political and military position in the region – the USA as Russia's geopolitical rival, Georgia and Azerbaijan.
2. The weakness of Russia's cultural-political, political and economic offer for the region, as well as the provisional effectiveness of its use of force as demonstrated in Georgia, create a serious risk that Moscow will provoke other situations of the kind in which it feels most confident. This would mean a return to the methods developed in the 1990s, which involve escalating regional tensions, 'managing' crises and strengthening Russia's presence by means of force. This, in turn, would lead to a serious destabilisation of the region.
3. The process of changes triggered by Russia's war on Georgia is far from complete. Russia is relatively weak in economic terms and lacks allies, yet it does not seem capable of restoring its full dominance in the Southern Caucasus and the Central Asia in the long term. In the medium term, it risks being confronted by its geopolitical rivals, and may face growing resistance from both the ruling elites and the general publics of the region.

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