

Caucasus International

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The Caucasus in the International Arena:
Regional & Global Perspectives

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The Caucasus in the International Arena: Regional & Global Perspectives

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Caucasus International is a Baku & Ankara-based academic journal that discusses policymaking in and on the Caucasus as well as the region's role in the global context. Each issue of the journal will focus on a global or regional theme and includes perspectives from authors from different countries and backgrounds. The journal focuses largely on the Caucasus neighborhood, but does so with a global outlook.

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Editor's Note

**“This is the Caucasus”:
*The Strategic Position of the
Caucasus in the International Arena***

The area between the Black Sea and the Caspian is beautiful, fertile, and mountainous—a place one often hears about in international news, but knows so very little of: the Caucasus. Geographically, and more recently politically, the Caucasus is divided into the South or Trans-Caucasus (Georgia, Armenia, and Azerbaijan) and the North-Caucasus which is part of the Russian Federation. The Caucasus' contemporary context is difficult to understand and even more vexing to engage with. For those used to simple geographic and cultural classifications, this may come as a disappointment. It's not easy to define a place where diverging powers and cultures meet and have influenced each other for centuries. The position of the Caucasus has long been a source of disagreement among statesmen: does the region belong to Europe or to Asia? Too often, this uncertainty camouflages the important and perhaps far more consequential dilemmas within the region. Terms such as "Europe," "Asia," "the West" and "the Middle East" conjure notions of a clash of civilizations, as opposed to the historical coexistence that has characterized the Caucasus. The region's unique character as a crossroads between East and West is encapsulated in an Azerbaijani saying: "Bura Qafqazdır," meaning "This is the Caucasus." However, this say-

ing does not entirely explain why history seems to repeat itself so vividly in this part of the world. While the Caucasus is a capricious region across which a number of players clash, these actors often seem not to have changed in the course of a century – or more. The Caucasus is a "region in between," one which both reflects and affects the political, economic and cultural currents in the areas which surround it. What happens in the Caucasus has considerable effect on the policies and politics of Russia, Turkey, Iran and Europe, as well as other neighbouring states.

The Caucasus returned to the *international arena* in the early 1990s following the fall of the Soviet Union. Since that time, the current and increasing interest of local, regional and global actors in the area has been related, in particular, to the possible reserves of oil and natural gas in the Caucasus-Central Asia region. However, the Caucasus region has been subject to various territorial disputes since the collapse of the Soviet Union, and both Azerbaijan and Georgia have not yet restored their territorial integrity, as their land is currently under occupation. The August 2008 war between Russia and Georgia in the Caucasus revealed the region's fundamental strategic reality: that unresolved conflicts can easily, and in a flash, re-

vert to all-out war. Therefore, “the Caucasus” is sometimes used as a synonym for continuing conflict in the international arena: “This is the Caucasus – there is eternal war”. Today, however there is a new vision of this region very different from the one filled with violence, volatility and unpredictable threats. The region’s strategic and economic gains as well as its increasing importance in world politics are the essence of the “New Caucasus” vision of Azerbaijan.

Twenty years after independence, the Caucasus is again center-stage. The restive North Caucasus republics in the Russian Federation pepper the news cycle with gruesome tales. In the South Caucasus, the status quo over the Armenian-Azerbaijani Nagorno-Karabakh conflict and the South Ossetian and Abkhazian conflicts in Georgia works against peace in the region, encouraging the intractable nature of the conflicts and increasing the chances of full-blown war. So what does the future hold for the Caucasus, one might ask? Although the Caucasus’ trajectory remains to be seen, one thing is clear: for all of the changes that have transpired over the past 20 years, the Caucasus will be a much more dynamic and strategic region in the next decade.

That is why Caucasus International (CI), published on a quarterly basis, was established by the Baku-based Center for Strategic Studies and the Ankara-based Eurasian Association of Scientists. The journal’s mission is to add academic value to the discussion in the international arena, from the perspectives of regional and international scholars, to explore the term: This is the Caucasus. In addition to the traditional “Caucasus” vision, we aim to consider the region in its broader sphere, in discussions with scholars and politicians, sharing new, genuinely intellectual conceptions.

Our main goal is to foster an intellectual forum for contemplative dialogue and meaningful involvement in as broad a community as possible. Each issue will focus on a global or regional theme and will include perspectives from authors of different countries and backgrounds. The journal will focus largely on the Caucasus neighbourhood, but will do so within a global context. The journal welcomes lucid, well documented papers on other countries and regions including especially Turkey, Iran, Central Asia, Russia, Europe, and the United States, as well as on all aspects of international affairs, from all political viewpoints. CI’s key goal is

to foster stimulating dialogue and exchange of ideas on the Caucasus and beyond among practitioners, researchers and theorists from the region itself and abroad.

At the moment, the agenda of the international community is focused on Middle Eastern issues: the “Arab Spring” is high on the priority list. In the Caucasus, local analysts worry about renewed large-scale conflict. There is a pervasive perception that the region has entered a sort of “Caucasus Winter,” as relations have cooled among key players. Mindful that the unexpected is always lurking in this part of the world, the contributors to this first issue of CI address a broad range of challenges that are likely to arise in the coming months and years.

In an exclusive interview, Dr. George Friedman, Chief Executive Officer and founder of STRATFOR, underlines that unrest in the Middle East and North Africa (MENA) must be understood in two contexts: the withdrawal of the United States from Iraq and the emergence of Iran as a major regional challenger to Saudi Arabia. Dr. Friedman believes that the first leaves a power vacuum and the second raises the possibility of the reordering of the balance of power in the region.

Dr. Ramiz Mehdiyev, Head of the Administration of the President of the Republic of Azerbaijan and an Academician of the National Academy of Sciences, examines the Caucasus’ role after the dissolution of the Soviet Union focusing in particular on Azerbaijan’s position, and how the existing geopolitical environment, as well as strategy and objectives of the states complicate the cooperation of divergent interests. The author particularly examines the Armenian-Azerbaijan Nagorno-Karabakh conflict, arguing that in its policies Armenia opted out of regional projects and is among the poorest countries of the region. The author furthermore suggests that the Armenian administration should understand that an achievement of peace ensures, first of all, their own interests and opens new economic prospects for them.

Concerning the role of Russia in global politics there is an interview of Fyodor Lukyanov, Editor-in-Chief of “Russia in Global Politics” magazine. From his point of view, for the last 10-12 years Russia has strengthened its international position and now must be reckoned with more than before. But there are also limits to its influence. Before the economic crisis and after the military success in the Caucasus, Russia had reached the pinnacle of its contemporary international power.

Dr. Brenda Shaffer, faculty member at the School of Political Sciences at the University of Haifa, analyzes the developments of the “Arab Spring” and their implications for the establishment of democratic governments in the Middle East. Her view on the future direction of MENA unrest is thought provoking as she points out that “it is not clear in what direction the regimes will develop in the Middle East and there is no direct trajectory that the demise of an autocratic regime is followed by the establishment of democratic government.” In addition, Dr. Shaffer argues the events may bring a general weakening of state structures, which may not help to deal with the major social and economic problems that plague the region.

Fariz Ismailzade, Executive Dean at the Azerbaijan Diplomatic Academy, analyzes challenges to stability in Azerbaijan. In his article, he brilliantly examines persistent fears about Azerbaijan’s independence and argues that twenty years later, Azerbaijan is a country transformed. He emphasizes the main contemporary features, such as its booming economy, macroeconomic stability, balanced foreign policy, with successful nation and state building processes. He argues that the Azerbaijani state is unlikely to collapse or turn into a failed state and to the contrary, it will con-

tinue to strengthen and develop its internal capacity in the near future.

Dr. Anar Valiyev, Associate Dean of Academic Affairs at the Azerbaijan Diplomatic Academy and Khayala Mustafayeva, Research Associate at the Caucasus Research Resource Center (CRRC), examine the level of trust afforded to political institutions in Azerbaijan, Georgia and Armenia. The authors outline that the level of trust in the executive branch and specifically to the president is the highest in Azerbaijan, followed by Georgia and Armenia. Furthermore, the data shows that the legislative and judicial branches are also highly trusted in Azerbaijan, although not to the same extent as the executive.

Regarding the role of Armenia in the South Caucasus and beyond, Dr. Stepan Grigoryan, Chairman of the Board of the Analytical Centre on Globalization and Regional Cooperation in Armenia, analyzes challenges to the country’s security. He suggests that Armenia should make the following steps in the near future: declare its readiness to negotiate with Azerbaijan and Georgia about a future joint security system for the South Caucasus; and abandon its policy of full affiliation with the Collective Security Treaty Organization (CSTO), which creates dividing lines in the region and imposes a long term

Russian base in Armenia without rent or compensation for expenses.

Another important theme for the Caucasus examined in this issue of CI concerns energy security, the Caspian Basin's energy routes, as well as Azerbaijan's role in enhancing European Union energy security. Kevin Rosner, Senior Fellow at the Institute for the Analysis of Global Security outlines a number of gas transit diversification projects that if realized, would change the fundamentals of diversification if European gas consumption maintains or more importantly increases dependence on an already dominant supplier. Güner Özkan, Adviser on the Caucasus Region at the Ankara-based International Strategic Research Organisation (ISRO/USAK) discusses the Nabucco project's political and geopolitical value with respect to the Nagorno-Karabakh conflict with Armenia. Özkan concludes that the Nagorno-Karabakh issue is the most important security problem for Azerbaijan, as it remains the primary risk to the physical security and socio-political stability of the country. Dr. Vladimer Papava, Senior Fellow at the Georgian Foundation for Strategic and International Studies, analyzes energy cooperation opportunities in the Caucasus, based on the paradigm of "pipeline harmonization," surmising that Azer-

baijan has a clear comparative advantage.

This issue deeply probes the complexity of conflict resolution in the Caucasus. Alexander Jackson, analyzes the next steps in the resolution of the Armenia-Azerbaijan conflict over Nagorno-Karabakh. The author draws a future-oriented vision for Armenian foreign policy, pointing out that if the Armenian government can overcome domestic obstacles, the Madrid Principles provide a clear blueprint for peace. Examining conflict case studies can provide insight and new perspectives on understanding not only the causes but also strategies for solving conflicts. While the troubles of Northern Ireland were different in scale and intensity from those in the Caucasus, Seán Farren, a member of the Social Democratic and Labour Party of Northern Ireland, shows that lessons may still be drawn from the manner in which negotiations were approached in one of Western Europe's most intractable conflicts.

The European Union's crucial role in the region is also discussed in this issue. Evgeni Kirilov, MEP and Rapporteur of the European Parliament, examines EU's policy on the South Caucasus. He stresses that after the Russia-Georgia conflict in 2008, it became clear that sooner or later the

EU will have to play an active role with regards to the unresolved conflicts in the region. In this sense it is very important for the EU to step up its efforts to achieve peaceful resolution of the conflicts in the South Caucasus, including in Nagorno-Karabakh, in order to guarantee the sustainable peace and stability at its Eastern border as well as to successfully develop forward policies there.

Reshad Karimov, a noted military expert, contributes an insightful article on female suicide bombers, focusing on bomber characteristics and motivation, analyzing recent attacks, and predicting trends for the future of suicide bombing. He points out that in the long run, because of the nature of terrorism, military actions alone are not likely to be enough to win a war against terrorism itself – a war, that can and will last as long as the terrorists don't run out of potential bombers and new tactics, and above everything else, the motivation to fight for their cause.

Finally, we want to thank the Caucasus International team, our Board of Advisors, that has kindly accepted our requests to be part of this intellectual discussion, the Centre for Strategic Studies (CSS) for providing a positive work environment for the

CI team and Eurasian Association of Scientists, who was instrumental in publishing this journal. Special thanks goes to Dr. Elnur Aslanov, who shared his time, expertise, and assistance generously in every challenge we faced. Also, Ural Akuzum, CI's counsel in Istanbul, Ufuk Ergün, CI's designer in Ankara, Nicholas Enz, proofreader in Baku, all of whom made great efforts to try to lift this publication beyond the impenetrable. Outside the CSS family, special thanks to Nigar Göksel who gave us indispensable advice on establishing contacts, inspiring us to have a global vision for the publication.

We hope that this journal with its contributions from a wide range of academic and foreign policy experts will be a stimulating source of knowledge and intellectual exchange. It is important to note that this CI had many parents, but we are responsible for all its defects. We fully accept the responsibility for giving different authors a chance to appear and interact in intellectual debate and look forward to your suggestions and constructive criticism.

Zaur Shiriyev,
Executive Editor

Colloquy

George
Friedman

* *Dr. Friedman is the Chief Executive Officer and founder of STRATFOR*

The short-term risks of energy Security in the Age of Middle Eastern Revolutions include the physical security of wells, facilities and pipelines; the evacuation of foreign operators from dangerous areas; and strikes and embargoes. What are the long-term risks?

The Middle Eastern unrest must be divided into two regions, North African and the Arabian Peninsula. In North Africa, energy is only effected by the unrest in Libya, where the amount of oil involved doesn't pose a global threat. It is the Arabian Peninsula where the unrest is significant as the region is a major producer and exporter of oil. Here the unrest must be understood in two contexts, the withdrawal of the United States from Iraq and the emergence of Iran as a major regional challenger to Saudi Arabia. The first leaves a power vacuum, and the second the possibility of the reordering of the power balance in the region. Iran is interested in restructuring oil revenue in the region, not in stopping the flow of oil. Similarly the Saudis have no interest in interrupting oil flow. The danger is that in the competition between Saudi Arabia and Iran, and the possible reengagement of the United States in the competition, there might be miscalculations that lead to conflict and that might significantly disrupt the

flow of oil in the world. In the long run this is the greatest risk to energy security.

Do you think the United States' reaction and policy towards the changes in the Middle East is adequate for the protection of U.S. national interests in the region?

The United States' position in the region is currently in flux. It is ending the war in Iraq and seeking the means for ending the war in Afghanistan. This both absorbs U.S. attention and reduces resources for other activities. This has created a window of oppor-

“However, the United States is enormously powerful and it is not a question of generating power, but of deploying it more efficiently against emerging threats.”

tunity for other nations, particularly Iran, to attempt to create new realities. With the withdrawal from Iraq almost completed, Iran has the opportunity to redefine the politics not only of Iraq but also of the Arabian Peninsula. We have seen part of this emerging struggle in Bahrain. In the short run, the United States is not well positioned to deal with Iran. However, the United States is enor-

mously powerful and it is not a question of generating power, but of deploying it more efficiently against emerging threats. Therefore I would answer that the United States is currently poorly positioned to deal with threats in the region, but that this is a temporary situation that will cause great distress in the region, but not pose an unmanageable problem for the United States.

Following the next Turkish election, will there be enough political capital in Ankara to push for a positive solution of Nagorno-Karabakh conflict? Could any warming in the dynamics between Turkey and Armenia help bring a real discussion of conflict resolution to the negotiating table?

The question of Nagorno-Karabakh rests less with Turkey than with Turkish-Russian relations. Armenia is a client state of Russia and the Russians use Armenia to pursue their interests in the Caucasus as well as with Turkey. Turkey has a dependence on Russian energy that limits Turkey's ability to challenge Russia and is in the process of redefining its foreign strategy in general. Therefore, I find it difficult to envision engaging in aggressive moves toward Armenia on this question. The fact is that Russia has more levers to use against

Turkey than the other way around. The key to Nagorno-Karabakh is in a split between Russia and Armenia, which I do not see as likely.

In recent years, the pragmatic foreign policy of Turkey affords grounds to ascribe it as a rising power in the Middle East region. Why do you think Ankara's official policy is accepted as a "role model" to regional states? Foremost, do you think that there are discrepancies between the Islamic radical movement's rise in the region and the generally accepted Turkey model?

In my view there has been some confusion on Turkey's status. It is indeed a rising power, but that does not mean it has already risen. It is in transition from a secondary power to a significant one but this transition will not be executed in under a decade. Therefore, it is as important to understand the limits of Turkish power as the power it will one day have. In this context, Turkey is not so much defining its relationship to the Islamic world, as trying to find its balance in that world. There is always a tension between the Turkish view of the world, the Arab view and the Persian view, both religiously and politically. But at the moment, Turkey has little appetite for assertiveness in the region and the Turkish model of Islam

is a work in progress as is Turkish foreign policy.

Turkish-Iranian relations are sometimes characterized as an apparent friendship, but concealed rivalry. Which steps by the U.S. and the West will maintain open competitiveness of the official policies of Tehran and Ankara?

The competitiveness between Turkey and Iran predates the United States and even the British. It is inherent in

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their geopolitics. In the current situation, we are looking toward a period in which Iranian influence spreads into Iraq. This means that Turkey’s southern frontier will face an old power with increased power. Turkey will not be comfortable with this regardless of the rhetoric, and will seek to limit the Iranians. Therefore, there

is a natural balance of power in the region that will emerge and assert itself. Given the current configuration of relationships in the region, it follows that Turkey will either accept the Iranian presences and its potential threat, or draw closer to the United States. I think it will be the latter because it is the less risky course for Turkey. But before this happens we will have to see the evolution of Iraq.

Given Turkey is increasingly diverging from the Transatlantic bloc in its endeavors in its neighborhood, do you think that there might arise an effort in the West to contain Turkey? Do you predict the rise of a Turkish regional powerhouse?

There is unease in the West about Turkey but this is not turning into any attempt at containment. For one thing there is little to contain. At this point, whatever ideological shifts have taken place, there has been little substantial change in Turkey’s behavior. It talks to Iran and Syria, but this is far from action. The actions of Turkey, beyond public image, have been cautious. What is most interesting about Turkey is what it has refused to do, not what it has done. And in that sense its actions have been irritating to the West, but not threatening.

In the recent years, there is a feeling that the U.S. has withdrawn its interests from the Caucasus, not engaging on the field, not even interested in energy security any more, but caring for the Caucasus just because of the Azerbaijani airspace and refueling infrastructure for the troops to Afghanistan. Active engagement of Russian President in Nagorno-Karabakh negotiations and of the EU in Georgia conflicts is an example. What shall be done to bring the Caucasus back on the US agenda?

As I have said, the United States is currently pre-occupied elsewhere. Every nation has its priorities and this region is not the American prior-

“What is most interesting about Turkey is what it has refused to do, not what it has done. And in that sense its actions have been irritating to the West, but not threatening.”

ity for the moment. The United States views the Caucasus through the prism of the great regional powers—Russia, Turkey and Iran. It will act there to the extent it must deal with these countries. The United States has hostile relations with Iran, uneasy relations with Russia and strained but

still solid relations with Turkey. Being preoccupied elsewhere, the U.S. has chosen to reduce tensions with Iran and Russia for the moment. But in the long run, U.S. interests run counter to both of these countries. As the U.S. settles its wars and reengages Russia and Iran, its interest in the Caucasus will return.

It is clear that the orbit of Armenian policy in the Caucasus region is forming under the direction of Russian foreign politics. According to Western analysts, after the collapse of the Soviet Union, Armenian attempts of integrating with the West through Turkey were unsuccessful because of objective reasons. Do you think that the settlement of the Armenia - Azerbaijan conflict over Nagorno-Karabakh could become a prerequisite for Yerevan to integrate to the West?

I agree with the premise of your question, which is that Armenia is in the orbit of Russia. Therefore it is not clear to me that Yerevan has the freedom of action to shift its policies. Integration with the West has become less meaningful. The EU is deeply divided and its future is uncertain. Germany in particular has no desire to challenge Russia. NATO is similarly divided as we see in Libya. Therefore, I don't see the “pull” from

the west, or the release of the Russian grip that is not quite firm. Russia gains nothing by letting Armenia go its own way, and the Western alliance, aside from the individual states is not clearly drawing anyone toward it.

What comprises the United States' best options to counterbalance Russia's sustained influence of power in Armenia, (if not most of Eurasia as well)? In light of this, why is a renewed entente between Russia and Germany a threat [if] the EU would balance out such relations? Wouldn't an alliance between Iran and Russia be much more of a likely threat?

The foundation of a U.S. containment of Russia depends on freeing American forces from battling Islamic extremism. So long as that is the primary focus of American foreign policy, counter-balancing is difficult, which the Russians are aware of. This means that the Russians need to act decisively and quickly to create a reality in the former Soviet Union, as they are doing. The single most important thing the United States must do throughout the region is to reduce the dependence on Russian energy supplies by creating alternatives. This will be the first step the U.S. will need to take.

As you know, it is almost three years since NATO member states in Bucharest declared that Georgia become a NATO member one day. How do you see this process today? How close is Georgia to the NATO membership?

I see all Euro-American structures in disarray, along with European structures. I also see NATO as a military alliance that must be measured in military terms. Given the political disarray and the military weakness of

“We live in a very different world since 2008 and the Russian invasion of Georgia and the global financial crisis. This is the post-post Cold War world and many of the assumptions the older world rested on, like NATO's power, are no longer meaningful.”

many NATO countries, I neither see Georgian membership as likely nor do I see it as meaningful. The Russians are aware of the political divisions in NATO as well as its military capabilities. I doubt that membership will be granted and if it is granted, I doubt that it will change strategic realities. In fact, it might trigger Russian action in order to demonstrate this point. We live in a very different

world since 2008 and the Russian invasion of Georgia and the global financial crisis. This is the post-post-Cold War world and many of the assumptions the older world rested on, like NATO's power, are no longer meaningful.

As the spread of uprisings across the Middle East produces the rise of a “new Arab world order,” whose hands benefit more: Iran or the United States?

I do not see a massive democratic movement in the Arab world. We see in North Africa how little things have changed and when they have changed, how the situation has deteriorated. Clearly we see powerful cross currents in the Arabian Peninsula that clearly threaten American interests and potentially benefit Iranian. But the situation is complex and while Iran seems to have the advantage, this is a long and complex situation we are facing.

A recent deal was brokered by Iranian, Turkish, Azerbaijani foreign ministers in April 2011. A new border crossing opened, which is projected to increase trade between Iran and Turkey from \$10 billion to \$30 billion. How should the U.S. react to Ankara without jeopardizing its amicable relations? If such

actions continue, the efficacy of UN sanctions will be further damaged.

It does not appear to me—not having been at the meetings of course—that the sorts of agreements that have been reached are strategically significant. The decision to increase trade needs to be implemented and that is not going to be easy. But more important, it does not create new and unprecedented realities. I see these as relatively minor agreements that do not shift the reality of the region. The UN sanctions are obviously not effective in changing Iran's foreign policy and I doubt that the United States really expected them to make much difference. Therefore Turkey's action is of marginal importance to the United States and I doubt the United States will make it a major issue, beyond some diplomatic gestures perhaps.

*Conducted by Gunel Ismayilzade,
Editor at large of CI, 04 June 2011*

Revolts in the Middle East

Brenda
Shaffer

Abstract

This article examines the 2011 popular revolts that took place in a number of Middle East countries. It analyzes the developments and their implications for the establishment of democratic government in the Middle East.

This article makes six major points: One, while the revolts have succeeded to bring down a number of the regimes in the region and weaken others, they may not have similar success in building democratic government. Two, while internet social networks played an important role in mobilizing demonstrators these frameworks do not tend to build committed political movements and this will affect the prospects of these movements to sustain political activity. Three, external intervention and influence from outside the region did not have a significant role in the revolts. At the same time, intra-Arab activity, such as that of the Al-Jazeera television station played a role in developments. Four, while new regimes and ruling parties that may be elected following the revolts will possess greater public legitimacy than the previous ruling regimes, these new forces will confront the same economic problems as their predecessors and this will complicate the prospects of transitioning to democracy. Five, the revolts represent a weakening not only of the ruling regimes, but of many of the traditional opposition forces in the Middle East states as well. Sixth, as of May 2011, with the exception of Libya and Bahrain, the revolts spared the major oil and gas exporters of the region.

** Dr. Brenda Shaffer is a faculty member in the School of Political Sciences at the University of Haifa*

The first half of 2011 witnessed a number of populist revolts in Middle East countries that will have profound meaning for the political, social and economic developments in the region. This article will examine the developments and the implications for the establishment of democratic government in the Middle East. This article makes six major points: One, while the revolts have succeeded to bring down a number of the regimes in the region and weaken others, they may not have similar success in building democratic government. At this stage, it seems that the populist forces that brought down the ruling regime have little institutional capacity or share common visions beyond opposition to the ruling regimes. Two, while internet social networks played an important role in mobilizing demonstrators these frameworks do not tend to build committed political movements and this will affect the prospects of these movements to sustain political activity. Three, external intervention and influence from outside the region did not have a significant role in the revolts. At the same time, intra-Arab activity, such as that of the Al-Jazeera television station played a role in developments. Four, while new regimes and ruling parties that may be elected following the revolts will possess greater public legitimacy than the

previous ruling regimes, these new forces will confront the same economic problems as their predecessors and this will complicate the prospects of transitioning to democracy. Five, the revolts represent a weakening not only of the ruling regimes, but of many of the traditional opposition forces in the Middle East states as well. Sixth, as of May 2011, with the exception of Libya and Bahrain, the revolts spared the major oil and gas exporters of the region.

2011 Middle East developments

Beginning in December 2010 and continuing throughout the first half of 2011 populist revolts took place in a number of states in the Middle East: Egypt, Tunis, Libya, Yemen, Bahrain, and Syria. Mass protests have taken place also in Jordan and violent attacks in Morocco. As of May 2011, the protests have led to the following results: the resignation of Egyptian President Hosni Mubarak and his replacement by the Egyptian military which has committed to hold elections in fall 2011; the resignation of Tunis president Zine al-Abidine Ben Ali, and his replacement by a caretaker government until elections take place; and the agreement in principle of Yemen President Ali Abdullah Saleh to resign from power. In parallel, a civil war has emerged in Libya,

and NATO forces have intervened militarily on behalf of anti-Qaddafi forces. In addition, Saudi Arabian forces have taken control of Bahrain at the invitation of the ruling monarchy there in order to prevent its overthrow. Violent protests are continuing in Syria and threaten to bring down the Assad regime, which has already killed hundreds of protestors in attempts to put down the rebellion.

“In fact, President Obama seemed quite caught off guard in his response to the revolt against U.S. ally Hosni Mubarak and vacillated in his responses to the events. Europe, with the exception of the NATO intervention in Libya, has also been quite muted in its response to the events.”

These revolts and mass protests have displayed a number of features. One, internet based social networking tools Facebook and Twitter have played a major role in mobilization of participants and getting them to the streets. Second, the revolts have been state based and directed against respective governments of the demonstrators. Thus, while they have taken place in a variety of locations in the Middle East in parallel, the demands in each location are local

based and there does not seem to be any coordination or trans-state ideology that is uniting the various movements. Thus, despite shared religion, culture and language, national identities and politics are more prominent in these political developments than the trans-state movements in the Middle East. Third, outside support and intervention seem to play almost no role in the emergence of the revolts. In fact, President Obama seemed quite caught off guard in his response to the revolt against U.S. ally Hosni Mubarak and vacillated in his responses to the events. Europe, with the exception of the NATO intervention in Libya, has also been quite muted in its response to the events. However, intra-Arab activity had a profound impact on the developments, especially the reports of Al-Jazeera on the events. Fourth, a distinguishing feature of the events is that as of May 2011, they have afflicted mostly countries where large segments of the population are poor and have bypassed the richest states that are major oil and natural gas exporters. A rise in food and fuel prices seems to be an impetus for the timing of the revolts. Most of the major oil and gas exporters in the region have been able to for the most part shield their populations through subsidies from the effects of the recent price rises. Next, the new political activity

challenged the ruling regimes, but also the traditional opposition forces in many of these states, which did not play a leadership role in most of the events. Last, while it appears that through modern technology the public has more access to information, during these revolts almost all received information was biased and tainted: government and opposition. Regular media outlets, such as CNN, broadcast raw materials given to them by activists and the participants themselves in the demonstrations and conducted little independent analysis and collection of information. The chief media outlet covering the events, Al-Jazeera, for instance, was quite selective in how it covered the events, depending on which side it supported. Al-Jazeera (and most Western media outlets) hardly covered the Saudi takeover of Bahrain, something in which both the United States and the ruling monarchies in the Gulf are united in their support.

Implications for democracy in the Middle East: Is this the Arab spring?

The appearance of mass protests throughout the Middle East and their success in a number of locations to bring about the resignation of heads of state that have ruled for a number of decades is indeed a dramatic de-

velopment in this region. While waves of transition to democracy have affected regimes all over the globe in the second half of the twentieth century, the Middle East remained unaffected. To date, only two democracies function in the Middle East: Israel and Turkey, the rest of the ruling regimes in the region composed of monarchies, military regimes, single party regimes or hybrids of these forms. The only Arab states with broad, regular political participation are Lebanon and the Palestinian Authority, and in both violent activity and intervention often determine the political outcomes.

The revolts have been successful in bringing down a number of ruling regimes in the Middle East and most likely will continue and spread and afflict additional regimes. At the same time, it is in no way clear that the demise of a number of the regimes in the region will necessarily bring a transition to democracy. An autocratic regime can be replaced by a variety of regime types: a different autocratic regime, theoretic, democratic, etc. The demise of the autocratic regime can also lead to a breakdown of ruling institutions and lead to a failed state. The skills and resources necessary to bring down a regime are not the same as those necessary to build a democratic government.

Thus, analysis as to whether these revolts signify the beginning of mass democratic transition in the Middle East should be tempered with a number of points. First, most of the societies in the Middle East have not undergone modernization (merit based work force that crosses various sectors of the society, social mobility, integration of women and minorities in the economy and political life, well-functioning and relatively free communication and information in-

“While Arab societies employ modern technology (cell phones, internet, etc.) this should not be confused with modernization. In addition, the majority of the states of the Middle East possess quite low levels of human development, despite the immense oil wealth in the region.”

frastructure). Modernization is an important condition for successful democratic transition. While Arab societies employ modern technology (cell phones, internet, etc.) this should not be confused with modernization. In addition, the majority of the states of the Middle East possess quite low levels of human development, despite the immense oil wealth in the

region.¹ Next, the transition of power will not change the economic conditions that served as an impetus to the revolts. The new governments will have to deal with the same economic and social conditions that prevailed under their predecessors and contributed to public outrage against their governments. In order to improve the situation, the new regimes will have to undertake painful economic reforms, which in the short run will create public animosity against the new governments and thus opposition to the transition. Third, the level of political commitment created by Twitter and Facebook based movements is quite low and does not represent strong, established, deep-rooted movements. The political activity united by internet social networks contrasts sharply with the well-organized movements that functioned in Eastern Europe and in parts of the Soviet Union in the mid and late 1980s, which contributed to the demise of the communist regimes. These new movements in the Middle East do not seem to have well established institutions, financial bases, or united vision. In the post-revolt period and in elections, it is not clear how active or influential these new forces will be and other opposition forces, such as religious movements, may reap the benefits of the revolts.

¹ <http://www.arab-hdr.org/contents/index.aspx?rid=5>

Thus, it is not clear in what direction the regimes will develop in the Middle East and there is no direct trajectory that the demise of an autocratic regime is followed by the establishment of democratic government. In addition, the events may bring a general weakening of the state in the region, and this may not help to deal with the major social and economic problems that plague the region. At the same time, unquestionably these revolts represent a significant change for the Middle East. Arab rulers can no longer count on complicity and cooption of their subjects, many who long to be citizens.

Challenges to the New World Order

Ramiz
Mehdiyev

Abstract

This article examines the South Caucasus region after the collapse of the Soviet Union, with new formed cooperative strategies, developed international law frameworks, and legal principles and norms imprinted in international conventions. In this regard, author examines Organization for Security and Cooperation in Europe's (OSCE) peace mission in Armenia-Azerbaijan Nagorno-Karabakh conflict. At the same time, author argues that Armenia opted out of regional projects and is among the poorest countries in the region. The country faces a demographic problem; people immigrate to foreign countries in hopes of finding jobs and better life. Finally, author shows how Azerbaijan economic growth has stimulated the development of the national economy based on strong grounds – purchasing power of the population has increased, unemployment has decreased, the social protection system got revised, rule of law has built a trust strong enough to lead to increased domestic and foreign investments.

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The collapse of the Soviet Union was a precondition to the start of a new era in world history and a transition to a new system. It is well known from history that such major events resulting in the change of the current system lead to the reconfiguration of the international system and the emergence of new states. This is observed along with a change in the dangers and risks and an emergence of new challenges. Of course, two polar world systems with their numerous parameters have moved towards a realistic trend in international relations led by pragmatic theorists and put forth as an option to ensure international peace and security. The balance of power, in view of the possibility of nuclear mutual self destruction, became the main concern in maintaining stability in the international system. At the same time, notwithstanding the ideological differences, new cooperative strategies were formed, international law frameworks were developed, and legal principles and norms were imprinted in international conventions. International relations and their regulatory mechanisms are always evolving. The new world order being formulated is multi-polar and multilateral. This gives not only multiple means to each state to ensure security, but also to discuss their concerns in international venues. Contemporary

international mechanisms seek to put forward cooperative strategies, focus on national security and merge common efforts into a single framework to eliminate transnational dangers and risks based on mutual interests.

We should not forget Friedrich Nietzsche's characterization that "State is the Name of the Coldest of All Cold Monsters".¹ States protect national interests. However, the contemporary international framework includes the idea of "liability" and demands that heads of state make decisions based on wider considerations.

At the same time, truly global concerns affect every person on earth and raise a large number of questions about the future of humanity. Global warming and frequent natural disasters are related to human activity, and its rampant exploitation of nature. Increased responsibility in economic relations and a review of existing economic mechanisms is a necessity after the global financial crisis.

While it is impossible to achieve solid outcomes in a short time, understanding the effects of existing problems, and their dangers for future generations, increasing individual responsibility of people's attitudes

¹ Friedrich Nietzsche, *Ainsi parlait Zarathoustra*, Paris, Gallimard, 1971.

and taking adequate measures to address problems are the first duties of any state and its citizens. We are not wrong to state that time is the best judge, since the solution of a number of issues and the formation of international institutions requires time. Today our burden is to ensure adequate functioning of those mechanisms.

This necessitates the evaluation of national interests in a new context, adapting state policy to modern reality and taking into account moral factors. Our objective is not to deny the features of realism theory and achievement in the development of a new moral paradigm in international relations, but to draw attention to the benefit of a different perspective toward humanity.

Moral factors do not comprise the foundation of diplomacy, but objectives fixed by the national moral environment, cooperation mechanisms that strengthen mutual trust and confidence, and working together to reach common objectives are products of wiser, more rational thinking.

Experience proves that thoughts once considered idealistic or utopian can become relevant in different historical contexts. Notwithstanding that human beings are naturally violent,

as Machiavelli believes, the transmission of democracy into a universal political doctrine is the new form of Immanuel Kant's call for perpetual peace in Europe. The development of democratic institutions helps in solving interstate conflicts with mutual compromise and differentiates national interests from special interests, and allows for their adaptation to societal demands, especially legal principles and norms. However, we should not forget that society is divided into various groups and the objectives of these groups contradict each other. If this is reflected in different programs in the background of a fight among political powers divided into various ideological trends in internal policy, it results in armed conflicts which complicate their foreign policy solutions. There are cases when national interests of a state demand the achievement of peace, while the ruling party prefers to keep a conflicting situation in order to remove existing difficulties in domestic policy. Let's look at the following indisputable fact: Armenia's position in the Armenian-Azerbaijani Nagorno-Karabakh conflict exemplifies the contradiction between the interest of the ruling party and the national interest.

The adequate response of the UN Security Council to the capture of Ku-

wait by Iraq in August 1990 made it possible to review the international law called the “political law among nations” by Montesquieu² as the main element of a new world order. However, the development of subsequent events, in particular, the continuation of regional conflicts for an extended period of time, demands the reexamination of these views. It should be noted that the existence of unsolved conflicts in the South Caucasus, giving the region’s immense geopolitical importance, is the source of a major threat to regional peace and security.

“Despite the Minsk Group’s broad objectives, from the date of its establishment a short-term solution to the conflict has not been possible because of the weakness of the OSCE.”

The South Ossetia conflict demonstrated that these are not frozen conflicts: they can flare up again. The sensitivity of the existing geopolitical environment, strategy and objectives of states complicate the cooperation of divergent interests. Azerbaijan follows good neighborly policies with its adjacent countries and tries to develop cooperation for the common good. Nevertheless, it does not allow any other state to interfere in its do-

mestic affairs. Azerbaijan is a civil state, and religious is part of private life.

The “interstate” characteristic of the Armenian-Azerbaijani Nagorno-Karabakh conflict complicates its solution; meanwhile, specific questions arise in the legal-political realm. If war is annulled as a possible means of national policy, and the Charter of the United Nations eliminates all forms of use of illegal force, then how can Armenian troops occupy 20% of the territory of Azerbaijan? Of course, this demands wide analysis and it is a subject for a separate article. However, it should be noted that political will in the interpretation of legal principles and the application of existing mechanisms impedes enforcement of clear legal decisions. This delays an adequate evaluation of the Nagorno-Karabakh conflict and the assessment of Armenia as the “aggressor” party within the UN Security Council. Such a step would help Armenia to demonstrate a constructive position in the peace negotiations, recognize the territorial integrity of Azerbaijan, construct normal regional relations and benefit from development processes in the region.

In addition, the Organization for Security and Cooperation in Europe (OSCE) peace mission became the

² Montesquieu, De l’Esprit des lois, Paris, Gallimard, Col. « Folio Essais », tome I, 2007, p. 299.

hostage of divergent interests of member countries. Notwithstanding having real opportunities, the pan-European organization neither gave a political evaluation, nor adequate reaction to aggression within Europe. Despite the Minsk Group's broad objectives, from the date of its establishment a short-term solution to the conflict has not been possible because of the weakness of the OSCE. The Minsk Group does not have any means of influence to fulfill its mission. Today the Minsk Group fulfils the mission of an ordinary negotiation mediator. The question arises: why was it necessary to set up the notion of aggression after discussions on the conflict had been held for almost two decades?

Today Armenia's leadership, represented by the "Karabakh clan" originally from Nagorno-Karabakh, does not want to withdraw from the original objectives fixed at the start of this undeclared war. It does not agree to compromise for the sake of staying in power, i.e. to the peace option agreed by both parties based on mutual concessions. Thomas Schelling notes the necessity of finding a common denominator and the last concession.³ This concession or goodwill aim is Armenia's return to a good neighbor policy and recognition of the territo-

³ Thomas C. Schelling, *The strategy of conflict*, Cambridge, Harvard University press, 1960.

rial integrity of Azerbaijan. Azerbaijanis and Armenians have been living in the same space and must live there today as well.

From this point of view, peace is the only status ensuring joint existence of both sides. Armenia opted out of regional projects and is among the poorest countries of the region. The country faces a demographic problem; people are emigrating to foreign countries hoping for work and a better life. The Armenian administration should understand that achievement of peace serves, first of all, their own interests and opens new economic prospects for them.

“Azerbaijanis and Armenians have been living in the same space and must live there today as well. From this point of view, peace is the only status ensuring joint existence of both sides.”

Azerbaijan, having benefited from its economic and geostrategic capacity has become the leader of the region. Internal stability, the exploitation of energy resources and the implementation of reforms contribute to economic diversity. In recent years, economic growth has stimulated the development of the national economy

on strong grounds - the purchasing power of the population has increased, unemployment has decreased, the social protection system was revised, rule of law was strengthened and trust in it increased domestic and foreign investments. Azerbaijan became a reliable target for foreign direct investment.

The economic policies of the state protected Azerbaijan from the negative effects of the global financial crisis. Gross domestic product increased by 9.3% in 2009, and rapid growth continued in 2010. This is, of course, very good performance during a crisis. It should be noted that during the same period there has been rapid growth in the non-oil sector. The currency reserves of the country in the first quarter of 2011 are more than USD 35 billion.⁴

Furthermore, the geographical position of Azerbaijan allows it to fulfill its historical mission between the East and the West and restore the world-famous Silk Road. The Baku-Tbilisi-Kars railway financed by the Azerbaijani Government develops the transport capacity of the region, helps it to become a new transport corridor for direct transportation between Asia and Europe at a profitable price.

Meanwhile, Azerbaijan is an unavoidable energy corridor.

It should be taken into account that the Southern Corridor supported by the European Union for transportation of the energy resources of Central Asian countries is being realized with the support of Azerbaijan. As a strategic partner to Europe, Azerbaijan expects European countries to play an “active and responsible” role in the solution of the Nagorno-Karabakh conflict. Such an effort would help to overcome the challenges of a globalizing modern world and ensure peace and security for all of humanity.

⁴ <http://www.president.az>

Colloquy

Fyodor
Lukyanov

** Fyodor Lukyanov is Editor-in-Chief of the journal "Russia in Global Affairs", which is published in Russian and English with the participation of US magazine "Foreign Affairs"*

Fyodor Lukyanov, let's begin with the name of your magazine – “Russia in Global Affairs” How active is Russia in global affairs today?

It is difficult to measure the degree of activity, as there's no scale; it is easier to define a scale of weight, importance. Russia for objective reasons is now included in the top five countries which largely affect international processes. It is there together with the U.S., China, to some extent Europe (though Europe acts as a single organism in the economy, and as separate countries in politics). It is also possible to include in the top five one of the Asian giants, maybe India, although it has more of an influence through its presence than its activity. To some extent it is possible to think of including Turkey in the top five, because Turkish politics obviously go beyond the ordinary framework.

Russia is one of the influential leaders partly because of its presence too, because even if Russia does nothing, its location from almost the Atlantic to the Pacific Ocean transforms it into a major player. For the last 10 to 12 years Russia has strengthened its international position, and Moscow is now taken into consideration more than before. However, there are also limits to influence. Russia's influence culminated after the military success in the Caucasus but before the eco-

“For the last 10 to 12 years Russia has strengthened its international position, and Moscow is now taken into consideration more than before. However, there are also limits to influence. Russia's influence.”

conomic crisis. Then came comprehension that it would most likely be impossible to achieve more in the way of rehabilitation after the disintegration of the Soviet Union. There is a need for a new strategy, the next phase of Russian policy. It is impossible to keep looking back at the events of 20 years ago and try to prove both to oneself and to the surrounding countries that the disintegration of the Soviet Union, which in Russia is still perceived by many as a national disaster, happened by chance. Now a new purpose and new reference point are necessary.

Beginning an article or scientific work with the words “after the collapse of the Soviet Union” has been discouraged in Western academic circles in recent years, since the periodization of modern history is being reconsidered. The Soviet Union was one of the parties in the bipolar world. However, “post-Soviet territory” as terminology loses its meaning, because the states formed

after the collapse of the Soviet Union have selected their own ways and developed according to their own scenarios, which they chose and formed themselves. What about Russia? Does the concept “post-Soviet territory” still remain for Russia or is it already a qualitatively new space? Are there new priorities?

As for discouraging the use of the expression “after the collapse of the Soviet Union”, this is partly because no analysis should be carried out proceeding from just one reference point. On the other hand, it is premature because another world order has not appeared. The former world order, based on two super powers, disappeared and nothing has come in its place. Notions about America having won the cold war, becoming the lawful and natural leader, began to fade from the beginning of the new century. The leader is not managing; even such a huge powerful country as the U.S. is not capable of bearing responsibility for the whole world.

Now we are in an extremely dangerous, chaotic phase when the last remains of the previous institutional design are being scattered. The international organizations have remained the same, but their work is deteriorating. Unfortunately, there can be no talk of any order until a new international system, based on clear princi-

ples with a clear balance, has been generated.

To return to the question about how Russia sees the post-Soviet territory, there is now an understanding at a psychological level that the disintegration is irreversible. But that configuration is not necessarily conclusive, because history shows that borders are not established once and for all. Therefore, the concrete outlines of the countries of the post-Soviet territory can change; actually, the war of 2008 showed how this could happen.

Russia itself is undergoing a tough mental transformation, the essence of which is as follows: Is Russia in its present borders the fully fledged sufficient state that was formed in 1991 and should develop further, or is it a splinter of the “real” country that we have lost? While the latter sentiments predominate, they will influence relations with neighbors, and to a greater degree will influence our own self-awareness because the constant reiteration of depression is not beneficial.

Here the experience of China is very important. The country developed practically in isolation. It had economic relations, but hardly developed the army and so on; over a very long period of time it practically had no serious ambitions, but

after achieving a certain economic level, it was ready to enter a full and competent struggle for world supremacy and entered an active phase in its political activity. Could Russia follow an isolationist policy – look inwards, carry out reforms and then start to think of restoring its geopolitical status to the level of the Soviet Union?

No. Certainly, Russia is absolutely another type of state, not even state, but political mentality. Well, first, in China everything is not very clear yet because the basic discourse under way there now is about whether they have reached a level at which it is possible to go out and declare any interests, or not.

“Be that as it may, China has now left the phase when it could “pretend to be wearing rags”, as the Russian saying goes.”

At least they have started to build aircraft carriers ...

Yes, they have started to build aircraft carriers, but at the same time, both on high, and at expert levels, it is said constantly that they began to show themselves as a new force very early. In China they perfectly understand that the more declarative you are, the more resistance you get from

different directions. On the other hand, the feeling of power, which certainly amplified after the world economic crisis, is growing, because China came through it with the fewest losses and recovered the most quickly. And the attitudes of its neighbors are different now. For example, in south-east Asia the question is openly put, whether to remain in the sphere of political influence of the U.S. or whether it is time to think about replacing the patron. Be that as it may, China has now left the phase when it could “pretend to be wearing rags”, as the Russian saying goes. Whatever China does, the U.S. will perceive it as a potential rival who could challenge them, and this will logically lead to attempts at restraint and so on.

As for Russia, certainly our mentality is different. While China consciously belittles its own potential, Russia does the contrary. Russia felt so badly about the loss of its status that it tried on every occasion, no matter if it had the material capacity or not, to think of itself as an important player.

Now a new situation has emerged. Never in contemporary history has the main challenge for Russia – political, economic and security – come from Asia. Europe was always the geopolitical arena. But now Europe, the Euro-Atlantic zone, is becoming the periphery, and the Pacific region

the centre. To stretch a point on relations between the Pacific region and the main players, consider the way relations between the major European powers developed at the beginning of the 20th century: rivalry, envy and historical claims. It is well known what finally happened to Europe in the 20th century. The main challenge for Moscow is how to position itself in Asia, considering that two-thirds of Russian territory is situated there. How in this context will relations be constructed with the U.S.? In Europe the U.S. is unambiguously perceived as a competitor, a rival; in Asia the situation is different, because when it comes to balancing the influence of China, America is the only option. Therefore I do not rule out the possibility that if Russian-American relations in the coming 10-15 years change qualitatively, this will have happened because the political focus has moved to Asia.

As far as the post-Soviet area is concerned, two to three years ago it seemed that this was the place where super-power interests collided: here Bush and Putin, the Europeans with their “Eastern Partnership,” China all locked horns... This heating up of competition partly led to the war in the Caucasus. And now, everybody is dealing with their own big problems; nobody cares about the former USSR. America is mired in wars in the Middle East and battles with the budget

deficit. Europe as a political player has all but disappeared. Russia began to behave more calmly after it proved to everybody its superiority in this region, impulses from the outside ceased, and the question of NATO expansion was de facto removed. Certainly, it is all the same “sphere of privileged interests”, but if nobody openly encroaches on them, Moscow is not hurrying to realize its interests.

Russia needs a new strategy, given that not so much the big but the middle states have started to play key roles in the post-Soviet space. Turkish relations are more important for Russia going forward, as well as relations with Iran. China is gradually extending economic influence over Central Asia. Russia is in a transitional stage from imperial ambitions and instincts to something different.

Russia, as you have noted, is one of five powers that influence global processes today. However it is impossible to be a global player in all regions and to operate alone; that is, there should be partners, and these partnerships are formed through military-political blocs, economic cooperation and political and historical closeness. Today there are traditional and effective international organizations in the world. Traditional, certainly, is the United Nations, which nobody wants to renounce. Economic inte-

gration organizations such as the EU and military-political organizations such as NATO are most effective today from the point of view of integration and joint coordinated actions. In response to this, Russia actively takes part exclusively in the United Nations. It tries to introduce discussions in this organization, as it is a permanent member of the Security Council. There are also organizations, which have not exactly been created by Russia, but have its participation, such as the SCO, BRICS, and the CSTO. In your opinion, how effective are these organizations? Were they created in response to something or are they initiations of viable projects?

The picture you have described, the traditional and effective organizations, in my opinion, reflects the situation five years ago. Now the situation is changing very quickly. You say that the United Nations has lost the urgency – yes, and no. Certainly, the United Nations does not reflect the current reality of the 21st century. But why do all the discussions about expansion of the United Nations Security Council fail? Because expansion has to be based on criteria. The criteria used now have become outdated, but they remain absolutely unassailable. The winners in a war would take the prize and this is how it always was historically. The world

order was always formed after big shocks. The winning powers formed administrative institutions in the way they considered would best serve them. Then there would be a new war. And the cold war was unique; it did not transform into a hot one. But a new world order has not taken shape after the cold war. It is possible to debate forever why Brazil can join the Security Council and Argentina cannot. Why South Africa should represent Africa, instead of Egypt or Nigeria. And so on.

And in regard to effective institutions, I would think twice about ranking NATO as an effective institution. NATO degraded, actually, after the end of the cold war because NATO had become meaningless. While the Soviet Union existed, everything was clear. When it disappeared, there was a need for new enemies to be found.

International terrorism?

What are “international terrorists”? It is clear now that it is an internal problem, not a single global network. And when it is mentioned that potentially the U.S. needs NATO to solve problems not in the Euro-Atlantic area, but in East Asia, in the Middle East then, actually, the allies say, “Excuse us, but why should we care?” In Germany, asked what the Bundeswehr actually does in Afghanistan, the government cannot answer convinc-

ingly. Libya may turn out to be the last nail...

Former U.S. Defense Secretary Donald Rumsfeld said that “mission defines coalition” – the coalition depends on mission. So we have a mission, we collect a group; there will be another mission, we collect another group. Everybody condemned him, claiming that he undermined relations with traditional allies. But in essence he was right; in the 21st century apparently, groupings will be established on an ad hoc basis to address concrete problems. And if it is necessary for the U.S., speaking hypothetically, to solve a problem in the Taiwan Strait, it is not the case that they will rely on the European allies who, first, do not have the desire and, second, do not have the capability to fight there. The U.S. shall have to search for an ally who is more useful right there. This raises the role of Russia because the fewer dogmas inherited from the cold war there are, the more understanding there is of Russia being still one of the capable countries in the world, in terms of military power, despite all its huge problems, including in the field of defense.

In regard to the organizations that were initiated by Russia, or in which Russia participates, of course, initially many of them were constructed in an attempt at imitation or counterbal-

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ance. The CSTO was an attempt to show that we still play the leading role here; we have our own NATO. Now the situation is changing because the CSTO is finding a clear objective – to ensure the security of Central Asia after NATO and the U.S. leave Afghanistan. Even if America in any form still remains there, it will need a partner. The CSTO, first of all, is necessary for the member-countries, and now it is necessary to fill the organization with real, meaningful content. Of course, another question arises here. The problem is why are two countries outside Central Asia – Armenia and Belarus – in the CSTO? Earlier, when the CSTO was a “club of friends of Russia” it aspired to collect as many participants as possible. Now it needs to be made a capable alliance. Two countries have their own agenda, while the other countries have a common one, but are implementing it differently.

The SCO (Shanghai Cooperation Organization) was created as a way to remind the U.S. that it is a visitor in Eurasia, which is hosted by China and Russia. It was created to serve the interests of China and Russia. Then the SCO began gradually to turn into an influential organization, though in Moscow and Beijing it is interpreted differently.

“Earlier, when the CSTO was a “club of friends of Russia” it aspired to collect as many participants as possible. Now it needs to be made a capable alliance. ”

For Moscow it is, first of all, a matter of security and attempts to involve China in problem-solving in Central Asia. For China, it is a matter of the economy: China wants to use the SCO to fill Central Asian markets with Chinese goods. There is no complete coincidence of interests here, and since the attention of the world to Central Asia is increasing, I think that the SCO will grow as an important unit. Understanding is growing that total instability in this region presents threats to everybody. But if it becomes apparent that the U.S. intends to remain in the north of Afghanistan for a long time, to keep a military presence in Central Asia, and in general proceed from its own interests, not necessarily from the interests of

the development of Afghanistan, then all the former fears, foremost of China, will revive.

What is your view of BRICS, or as Dmitriy Medvedev named it once “BRYUKI” (“pants” in Russian) and the states that are increasing their economic growth rates?

Well, BRICS is in general a symbol, rather than a reality, but an impressive symbol. Here again BRICS arose as the “states” which receive increasing attention because of their economies. It was introduced by Goldman Sachs for advertising purposes to attract clients to “emerging markets,” and suddenly, unexpectedly, everybody liked it, and began to use it...

And again is it used as a challenge or alternative to the U.S?

Challenge and alternatives are different things. First, for Russia BRICS is not about the economy. It is about the much talked-about multi-polar world, i.e. a reminder that the Western world does not possess a monopoly on global influence any more. There are important countries of the world that don't challenge the U.S; nobody, even Russia today, is going to challenge them. But it is possible to bypass the U.S. We are not against America, we simply want to diversify, put our eggs in different baskets. Mubarak had all of them in one basket. Well, where is Mubarak now?

And now we will place ours in many baskets and will be more stable. Naturally, the U.S. perceives it clearly as a threat and challenge.

Let's go down from the global to regional level. The last question is about the South Caucasus. Three states of the South Caucasus show three scenarios of behavior. Two countries look for patronage among the major powers – Georgia and Armenia. The result is obvious: Georgia loses regions and Armenia is in an economic blockade. On the other hand, Azerbaijan carries out an independent policy in accordance with its own interests. With whom is it more convenient for Russia to cooperate? With the state that can make concessions on sovereignty or with the state that has independent interests, economic interests and resources?

The South Caucasus countries indeed reveal different scenarios, but, for fairness' sake, note that they have very different starting possibilities. What Azerbaijan can afford, Armenia and Georgia cannot afford. If you ask the question, with which is it more convenient for Russia to cooperate, it is clear that it is more convenient for Russia to cooperate with the country that is ready to make big concessions, up to restrictions of sovereignty. This is an ideal case, but such cases practically do not happen. Armenia very

much depends on Russia, because of its objective position, but even there nobody is ready to throw away everything and find themselves exclusively under the influence of Russia. The modern world is a dangerous place for the medium and small countries. While during the cold war, any country made a geopolitical choice in favour of one of the superpowers, it received a certain set of guarantees. Now nothing is guaranteed; the patron can turn away at the first change of circumstances, as the Middle East has recently shown.

Countries that are guided by their own interests and form their own agendas, even if this agenda does not coincide, or completely coincide, with Russia's, receive more respect than a country that, from the point of view of Moscow, follows someone else. The worst option is if the country is perceived as a conductor of the interests of others. This is the case with Russia's perception of Georgia. Georgia is perceived not as an independent country, but as a tool of American policy; that's what they think in Moscow, anyway. And, certainly, out of these two options, the one of independence is more attractive.

Conducted by Farhad Mammadov

The South Caucasus: *Challenges, threats and changes*

Stepan
Grigoryan

Abstract

Article is analyze Russian, EU, U.S. and NATO's role which they believe have the right to cooperate actively with the South Caucasian states on all issues, including military cooperation and regional security. Moreover, the author examines this development on the focusing, the joint declaration signed in May 2002 by presidents George W. Bush and Vladimir Putin, the parties agreed they had common interests in maintaining stability, sovereignty and territorial integrity of all Central Asian and South Caucasian states. They would cooperate towards the solution of regional conflicts, particularly in Abkhazia and Nagorno-Karabakh, as well as the Transnistrian conflict in Moldova. Author agreed that yet, Russia is very biased against the individual attempts of the Ukraine, Georgia, Moldova and even Belarus to find more reliable partners in the political, economic and military spheres.

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Russia nowadays is trying to find its place in a changed world. On the one hand, the Russian leadership declares its commitment to democratic values and market economy. On the other hand, political freedom is restricted, all nation-wide TV channels are under total government control and recently amended law about non-governmental organizations sets strict limitations on their activities. The elections of governors of federal units have been abandoned, propaganda aimed against representatives of national minorities is widespread, and the violence and murder of journalists and human rights activists have become commonplace. Finally, the recent elections of the State Duma and Moscow Duma make it obvious that Russia is rapidly returning to a single-party system.

Such a problematic situation in internal policy directly influences Russian foreign policy. Russia admits that the EU, U.S. and NATO have the right to cooperate actively with the South Caucasian states on all issues, including military cooperation and regional security. Moreover, in the joint declaration signed in May 2002 by presidents George W. Bush and Vladimir Putin, the parties agreed they had common interests in maintaining stability, sovereignty and territorial integrity of all Central Asian and South Caucasian states. They would cooperate towards the solution of regional

conflicts, particularly in Abkhazia and Nagorno-Karabakh, as well as the Transnistrian conflict in Moldova. Yet, Russia is very biased against the individual attempts of the Ukraine, Georgia, Moldova and even Belarus to find more reliable partners in the political, economic and military spheres.

The ‘Reset’ of U.S.-Russian Relations

It is hard to predict how the ‘reset’ of U.S.-Russia relations will play out, as Russia’s policy remains inflexible and unpredictable. In November 2009, Russia adopted a new law, permitting the Russian president, with endorsement of the Federal Council, to send troops abroad for military operations, as well as for the protection of Russian citizens. It may also secure maritime routes while engaging in the struggle against piracy. Naturally Russia’s neighbors are worried. We cannot rule out the possibility of new military conflicts in the post-Soviet area that would raise tensions in Russia’s relations with the West. Russia’s cooperation with the West is still ongoing to some extent, however. One of the results of the July 2007 meeting of the American and Russian presidents was the adoption of joint actions in the sphere of nuclear energy and non-proliferation, as well as anti-terrorism.

The Russo-Georgian war in August 2008

In all likelihood, the South Caucasus was the most problematic region for Russia, in the post-Soviet area, and that led to the wide-scale military operation against Georgia in 2008. Three levels of conflict should be specified: Georgia's conflict with Koikoity's puppet regime in South Ossetia; the conflict between Russia and Georgia, resulting in active combat outside South Ossetia from the 8th of August on; and the West's (U.S.' and NATO's) global confrontation with Russia.

What were Russia's main goals in that war? First, the attempt was made to create a mini-USSR by means of a merger with Belarus, Abkhazia, South Ossetia and Transdnistria. That was the rationale for Russia's recognition of the independence of Abkhazia and South Ossetia and her attempt to persuade other countries to do likewise. Nauru's example is significant in this respect: Nauru recognized Abkhazia on 15 December 2009, in exchange for a \$50 million credit provided by Russia. Russia has since established military bases in Abkhazia and South Ossetia as well as building administrative border infrastructure.

A second goal was to suspend communication programs in the East-

West direction. That was the reason for the bombing of the sea port in Poti. An attempt was also made to remove Mikhail Saakashvili from his post in order to demonstrate to the world who really decides about the sharing of power in the South Caucasus. The disruption of operations in various pipelines - the Baku-Tbilisi-Ezrurum, the Baku-Tbilisi-Ceyhan

“Even a short-term occupation of Poti endangered all economic and energy projects with American and European involvement. That also made questionable existing and planned projects for the transportation of oil and gas from the Caspian Sea to Europe by circumventing Russia.”

and Baku-Tbilisi-Supsa - during the combat and for a rather long time afterwards, was also to show that Georgia was not a reliable transit country. Even a short-term occupation of Poti endangered all economic and energy projects with American and European involvement. That also made questionable existing and planned projects for the transportation of oil and gas from the Caspian Sea to Europe by circumventing Russia.

Probably, that was the time when the U.S. and EU began looking for alter-

native transportation routes. The absence of an alternative to Georgian communications, as well as attempts to promote European integration of the South Caucasus only by working with Georgia, made that country a target for the adversaries of democratization and European integration of the Caucasus. The Russo-Georgian war consequently demonstrated that the region needed an alternative, and such a situation provided more serious arguments in favor of normalizing Armenian-Turkish relations. Opening the border between Armenia and Turkey could provide such an alternative.

Turkey's New Foreign Policy

Parallel to the processes mentioned, Turkey's foreign policy has been significantly changing since its Islamic party, Justice and Development, came to power in 2002. In 2003, the Turkish parliament denied the U.S. the possibility of a military operation against Saddam Hussein's regime from Turkish territory. In fact, the formula, 'what's good for the U.S. in the Middle East, South Caucasus and Central Asia, is good for Turkey as well,' became obsolete.

Acknowledging Russia's and Iran's interests in the South Caucasus, Turkey subsequently agreed with Russia to build the South Stream gas pipeline from Russia to Italy, which pro-

vides energy security to the EU by lessening its reliance on Russia. Turkey also launched a dialogue with Syria, concluded agreements on gas supply with Iran and recognized the independence of Kosovo. In autumn 2009, the Deputy to the Minister of Foreign Affairs of Turkey visited Abkhazia.

“The Russo-Georgian war broke many economic ties in the South Caucasus. In particular, the Armenian economy suffered greatly, owing to its dependency on Georgia as a transit country for trade with Russia and European countries.”

On August 12, 2008, during the Russo-Georgian War, Turkish Prime Minister Recep Tayyip Erdogan visited Moscow and proposed the initiative for a Caucasus Platform of Stability and Cooperation that might be joined by Armenia, Azerbaijan and Georgia. The idea was met positively in Russia. Azerbaijan's President, Ilham Aliyev, also supported it in principle. Armenian President Serzh Sargsyan too, appreciated the Turkish initiative as a step towards creating a positive atmosphere in the region.

Hopefully, there also was and is an understanding, particularly in Ankara, than any initiative aimed at the stabilization and development of cooperation in the South Caucasus may not be realistic without the participation of the U.S., EU and NATO. In recent years, all three have realized a number of projects with the Caucasian countries in military, technical, transport, communications, and energy spheres. So, it will be problematic in the South Caucasus for influence to be shared only between Russia and Turkey. In Georgia especially, the authorities and political elite connect their country's future only with the West, and there are no significant political forces oriented to other values and security systems.

From the point of view of normalizing Armenian-Turkish relations, Turkey's new foreign policy approach has serious potential. Her attempts to play a more important role in the region are not compatible with keeping the border with Armenia closed. That explains why when Serzh Sargsyan became President of Armenia in February 2008, his Turkish counterpart was one of the first to congratulate him. Sargsyan responded by inviting Turkey's President Abdullah Gul to the Armenia-Turkey football game held on September 6, 2008.

The Armenian-Turkish Dialogue and its Consequences for the South Caucasus

Clearly, one of the results of the August 2008 Russo-Georgian crisis, was that it showed how vulnerable countries of the region were to outside challenges and threats. The Russo-Georgian war broke many economic ties in the South Caucasus. In particular, the Armenian economy suffered greatly, owing to its dependency on Georgia as a transit country for trade with Russia and European countries. According to the data published by the Armenian government, during the five days of fighting the amount of trade was eight times smaller than usual.

Turkey and Azerbaijan also faced some troubles, as the Baku-Tbilisi-Supsa and Baku-Tbilisi-Ceyhan oil pipelines, and Baku-Tbilisi-Erzurum gas pipeline, became temporarily inactive. Moreover, almost all economic and transportation projects connecting Azerbaijan, Georgia, and Turkey were temporarily suspended. It became clear that Armenia could be useful in that situation if it was not isolated from the pipelines. The non-functioning of the Georgian railway might also be partly compensated by the existing railway between Kars in Turkey and Gyumri in Armenia, which has been out of operation since 1993. Thus, the numerous problems

that existed between Armenia and Turkey came to be considered less important by the national elites and societies of two countries than their cooperation.

The initiatives that followed, such as partial abandonment of the preconditions for normalization of relations with Armenia, were very logical. In addition, Turkey attempted to play a more active role in the Nagorno-Karabakh conflict resolution process, because Russia's recognition of the independence of Abkhazia and South Ossetia naturally disturbed Turkish leaders. So, during a press conference in Brussels on 16 September 2008, Turkey's Minister of Foreign Affairs stated that a trilateral format with participation by Armenia, Azerbaijan and Turkey might facilitate solution of the conflict.

All these initiatives resulted in the signing of the Armenian-Turkish protocols on 10 October 2009 – the latter establishing diplomatic relations and cooperative development. The protocols have been submitted to the parliaments of the two countries for ratification. Both sides are now waiting for each other to make the first move.

There is also a significant risk, however, that ratification of the protocols may be postponed by the Turkish parliament because of lack of progress in the negotiations on the Nago-

rno-Karabakh issue. While Ankara hopes to stimulate the Nagorno-Karabakh conflict-resolution process, ratification and rapprochement are objective processes and will succeed only as the protocols match the interests of both Armenia and Turkey.

Turkey understands the need to reach stable peace and cooperation in the South Caucasus, especially facing the challenges and threats that emerged after the Russo-Georgian war. That is why she recognizes the need to take into account Russia's interests and accepted Moscow's offer to participate in the South Stream project. During the trilateral meeting of Putin, Erdogan and Berlusconi in October 2009, Ankara agreed to let Russia build the South Stream project, which is a rival for Nabucco, a proposed pipeline to carry gas across Europe to Austria.

In Ankara, there is also an understanding that not only the U.S. and EU are interested in opening of the border with Armenia. So, Turkey's support of Azerbaijan on the Nagorno-Karabakh issue will not ultimately hinder protocol ratification. It may be supposed that all mentioned factors will eventually result in ratification of the protocols by the Turkish parliament. There is no doubt that Armenian parliament will ratify the protocols.

Of course, keeping in mind Azerbaijan's pressure on Turkey and the level of independence of the Turkish parliament, Prime Minister Erdogan met with President Obama in 2009 and stated that Ankara would normalize relations with Armenia only after substantial progress in the Nagorno-Karabakh resolution process. Turkey's attitude here has been known for a long time, but in the last two years it has changed quite significantly. Not so long ago, Turkey demanded the withdrawal of Armenian armed units from five regions bordering Nagorno-Karabakh. Now there is just a demand for progress in the negotiations within the framework of OSCE Minsk Group. The shift in Turkey's approach is seemingly stipulated by the logic of the Armenian-Turkish dialogue and the need to establish relations without preconditions, as well as by the new situation in the South Caucasus after the Russo-Georgian war.

Opening of the border and normalization of relations may soon result in Armenia's re-orientation towards the West and favorable conditions for trilateral regional cooperation in the South Caucasus. Solution of the regional conflicts may be viewed in the context of simultaneous European and Euro-Atlantic integration of Armenia, Azerbaijan and Georgia, as the role of state borders may diminish and it may be easier to compro-

mise. That is why Georgia and Azerbaijan should also be interested in Armenian-Turkish rapprochement. The opinion of the EU Special Representative for the South Caucasus, Peter Semneby, is significant. In November 2009, Mr. Semneby praised the progress in Armenian-Turkish negotiations, stating that opening of the border would be the first step towards solution of the present abnormal situation in which the three longest borders in the South Caucasus are closed – borders between Armenia and Turkey, Armenia and Azerbaijan and Russia and Georgia. Moreover, this situation is the principal obstacle for regional development. Then, Semneby referred to the protocol ratification process, stating that in his opinion, it would suit Azerbaijan's interests as well, because Azerbaijan should be interested in the opening of the borders, since the Russo-Georgian war underlined how vulnerable are South Caucasian states.

The main regional actors – the U.S., EU and Russia – have reached a consensus about Armenian-Turkish rapprochement. For the U.S. and EU, Armenian-Turkish reconciliation is a crucial task that may secure the functioning of all regional transport and communication projects. For the U.S. it is also important to let Armenia choose more freely between the West and Russia. Russia also has considered Armenian-Turkish rapproche-

ment positively. Russia too is surely interested in opening of the border, since it would lessen Armenia's dependence on Georgia. Besides, Russian planes have been flying to Yerevan via Turkish air corridors for a rather long time.

Russian Minister of Foreign Affairs Sergei Lavrov stated particularly, that Russia would be ready to support the process by implementing projects in cooperation with Armenia and Turkey, primarily in such spheres as production of electricity, transport and communication. He further noted that Russia's Inter RAO EES company has been exporting electricity from Armenia to Turkey and that the Russian Railway company might resume regular communication between Armenia and Turkey via the Dogukapi-Akhuryan border checkpoint. Progress in Armenian-Turkish relations will likely lead to a new reality in the South Caucasus. Thus, it is crucially important for Armenian-Turkish authorities to demonstrate the political will for successful conclusion of the process, including ratification of the protocols.

Possible unfavorable developments in Armenian-Turkish relations

The process of Armenian-Turkish relations normalization may face difficulties because the two peoples have a troubled history and have been iso-

lated from each other for 90 years. They cannot reach full mutual understanding and reconciliation easily. Thus, it is important to separate normalization of relations between two states, which must be based on a pragmatic approach, from reconciliation that may take some decades.

There is some hope in Ankara that progress in the Nagorno-Karabakh conflict resolution process may be reached soon, as ratification of the protocols now depends on that. However, as both parties have been postponing ratification, they should consider several arguments. First, losing time may give Armenian, Turkish and foreign political forces opposed to the protocols and to the normalization of Armenian-Turkish relations more time and additional chances to reach their goals. Indeed, when the Constitutional Court of Armenia ruled on 12 January 2010 that the protocols were in accordance with its Constitution, it also noted that the protocols might not be explained or applied in such ways that the tenets of the Constitution or Article 11 of the Declaration of Independence could be violated. The latter asserts that, "the Republic of Armenia supports the process of international recognition of the Armenian genocide committed in the Ottoman Empire and Western Armenia in 1915."

Obviously, the Court made such res-

ervations under the influence of political forces opposing normalization of Armenian-Turkish relations. Then those reservations provoked criticism of the Ministry of Foreign Affairs of Turkey, which interpreted the reservations as preconditions and declared on 19 January that the decision “makes the need to discuss the protocols questionable and impedes reaching of the main goal of the protocols.” Armenia’s Minister of Foreign Affairs replied that he hoped Turkey was not concealing an attempt to set preconditions and to postpone ratification of the protocols. Such mutual dissatisfaction certainly does not contribute to ratification of the protocols and the normalization process.

Second, Turkey should take into consideration the new reality in the South Caucasus. Shifts in her foreign policy have already resulted in changes of attitudes in Turkey’s traditional partners. For instance, Turkey’s rapprochement with Iran and Syria disappoints Israel and the U.S., so recognition of the 1915 genocide may become possible. During the official visit of Prime Minister Erdogan to the U.S. in November 2009, he was told that if the Armenian-Turkish protocols might not be ratified before April 2010, the U.S. administration would be unable to prevent recognition of the genocide by the U.S. Congress.

Turkey should also pay attention to Vladimir Putin’s statement made in January 2010, about the need to separate the Armenian-Turkish relations normalization process from the Nagorno-Karabakh issue. If the normalization process is suspended, that will contradict the interests of both Armenian and Turkish people. It would be better if Armenia and Turkey ratified the protocols without preconditions and continued to solve the issues of mutual interest bilaterally, without third countries acting as mediators.

Nagorno-Karabakh, the OSCE Minsk Group

The OSCE Minsk Group was formed in 1992, with a mission to negotiate a solution of the Nagorno-Karabakh issue. The importance of that framework for problem resolution may hardly be overestimated. The Minsk

“Russia and the U.S. appear to have reached a certain consensus on the issue: both do not consider fast resolution of the Nagorno-Karabakh conflict possible.”

Group brought together all attempts towards solution of the conflict made by the international community and proposed several options for conflict resolution. The principles made public by the Minsk Group co-chairs on

22 June 2006, concerning the options for conflict resolution, marked a new stage of the negotiation process, since they provided for a referendum in Nagorno-Karabakh. In fact, the new proposals took into account nations' right for self-determination. Later, these principles were amended and in November 2007 were labeled the 'Madrid principles.'

“Since the Russo-Georgian war of 2008, Russia has been trying to play a more active role in the Nagorno-Karabakh conflict resolution process. ”

The presidents of Armenia and Azerbaijan agreed to continue the negotiations based on the Madrid principles. Its main tenet is that conflict settlement should be based on the principles of territorial integrity, a nation's right for self-determination and solution of the conflict without use of force. In order to implement the principles, it was proposed to mix 'step-by-step' and 'package' approaches to conflict resolution. It is supposed that Armenian armed forces will be withdrawn from five regions bordering Nagorno-Karabakh, while special conditions will be established for the Kelbajar and Lachin regions. Security guarantees will be provided and international peacekeeping forces will be deployed. Refugees and internally displaced persons will return and all transport and communication routes will be made operational. Provisional

status and, at a later stage, the permanent status of Nagorno-Karabakh, will be determined by a plebiscite.

Russia and the U.S. appear to have reached a certain consensus on the issue: both do not consider fast resolution of the Nagorno-Karabakh conflict possible. The differences in motivation are crucial here. Russia does not want to solve the issue quickly because it may lose its last leverage for influencing Azerbaijan. The U.S., in turn, does not see objective reasons for solving the conflict in a short-term perspective, particularly because Armenia and Azerbaijan have totally opposite approaches to two principal issues: withdrawal of troops from regions bordering Nagorno-Karabakh and the time needed for organizing a plebiscite in Nagorno-Karabakh. However, despite serious disagreement between the Armenian and Azerbaijani sides, the possibility of concluding an agreement on general principles of resolution in the next few months should not be excluded based on the Madrid principles. If an agreement is achieved, it will be viewed as progress and that may be enough to reach ratification of the protocols in Turkey. Since the Russo-Georgian war of 2008, Russia has been trying to play a more active role in the Nagorno-Karabakh conflict resolution process. To reconfirm its influence on the developments in the South Caucasus and to show to the international community its ability to solve con-

flicts without use of force, Russia initiated a meeting near Moscow between the President Dmitri Medvedev and the presidents of Armenia and Azerbaijan. Russia's initiative was substantial, and during the meeting on November 2, 2008, the three presidents signed the so-called Maindorf Declaration.

The Minsk Group was mentioned several times in the Maindorf Declaration as the main framework for conflict resolution, and in Article 5 of the declaration it was stated that the parties give importance to confidence-building measures. It demonstrates that the parties understand the need to prepare two societies for a compromise. Remarkably, that was the first document signed by presidents of Armenia and Azerbaijan since the 1994 cease-fire agreement (Bishkek Protocol).

Here some points about an issue influencing the conflict resolution process in the post-Soviet area – the Kosovo precedent – may be made. Apparently, after recognition of Kosovo's independence and subsequent recognitions of the independence of Abkhazia and South Ossetia by Russia, the demands of the people of Karabakh have been supplemented by examples from contemporary international practice.

In recent years several new states have emerged, for instance, Montenegro in 2006. But the Montenegrin

case does not suit Nagorno-Karabakh, Abkhazia, South Ossetia and Transdnistria, because Montenegro had been a full member of the federation, equal to Serbia. It is also very important that Serbia recognized the Montenegrin referendum as legitimate and recognized Montenegro's independence. The Kosovo issue is different. Before the conflict, Kosovo had been just an autonomous republic within Serbia (like Nagorno-Karabakh, Abkhazia and South Ossetia within Azerbaijan and Georgia), and Serbian authorities had not recognized the referendum results. Nonetheless, the international community, particularly Western states, recognized the independence of Kosovo. Therefore, Kosovo's independence, gained by means of a referendum on its territory and recognized by the international community, set a serious precedent for Nagorno-Karabakh, Abkhazia, South Ossetia and Transdnistria.

Armenia's Dependence in the Energy Sphere

Russia owns almost 80% of Armenian capacities for electricity production. The Sevan-Hrazdan bloc of hydroelectric power plants was transferred to Russia as part of repayment of the state debt. The Hrazdan thermal power plant (the largest in the South Caucasus, with capacity of 1100 MW) was sold to Russian RAO EES. In April 2006, the Armenian government also sold to Russian gas monopoly Gazprom the fifth, unfin-

ished unit of the Hrazdan thermal power plant (with capacity of 300 MW).

Armenian authorities have taken some steps in search of alternative sources of energy and transit opportunities. In March 2007, construction of 115 kilometer, Iran-Armenia gas pipeline, with a diameter of 700 millimeters was launched during a dual country ceremony. Money provided by a loan from Japan was used for construction of a new unit of Yerevan thermal power plant. The Meghri hydroelectric plant construction was also launched on the River Arax in cooperation with Iran; it is planned to build one plant in Armenia and another in Iran, with capacity of 140 MW each. A program of small hydroelectric plants is being actively developed.

It should be noted that according to the contract, Armenia should pay for gas received from Iran by supplying electricity to Iran. For that purpose, the third, high-voltage electricity-transferring communication line is being constructed, with a projected capacity of 400 MW. The new line will provide an opportunity to supply electricity to or from Iran from the CIS states via Armenia.

The 'gas for electricity' program may be launched soon, when the fifth unit of Hrazdan power plant is launched. Presently, Chinese specialists construct that unit by a contract with the

ArmRusgazprom company, a Gazprom subsidiary. If relations with Turkey are normalized, there will be an opportunity to access the electricity markets of Turkey and the Nakhichevan autonomous republic, which also suits Azerbaijan's interests. Potentially, electricity produced in Armenia may be sold to Georgia, Iran, Russia and Turkey.

Presently, Russia is the main supplier of fuel to Armenia, supplying natural gas and nuclear fuel for the Armenian Nuclear Power Plant (ANPP). Oil products are imported to Armenia from Russia, Iran, Bulgaria, Romania, as well as from Middle Eastern countries.

Nuclear energy is the backbone of Armenian electricity production. The first unit of the ANPP was launched in 1976, and the second – in 1980. In April 1989, following the devastating earthquake of December 1988, the plant was shut down over security concerns. The second unit with a VVER-440 reactor with capacity of 400 MW, was re-launched in November 1995 and has been producing about 30-40% of electricity generated in Armenia; the first unit remains under conservation. By estimates of international experts, the ANPP may function securely until 2016, when it will exhaust its technical resources. ANPP was transferred to financial management of RAO EES in September 2003.

It is clear that Armenia needs to build another nuclear power plant, because alternative means of electricity production may not compensate for the amount of electricity produced by the ANPP and provide energy security for Armenia. Recently, Armenian authorities declared their intention to launch construction of the third unit of ANPP. In October 2009 a joint Armenian-Russian company was established for this purpose. The third nuclear unit is a business project, and several international companies are interested in investment possibilities. An open joint-stock company will be established, with 20% of shares belonging to the state, and 80% sold to private investors. The construction may cost between 4 or 5 billion dollars. Since the countries neighboring Armenia face shortages of electricity, it is important that Armenia is the only country in the region that may not just cover its own need in electricity but produce it for export as well.

As we can see, Armenia has been attempting to modernize its electricity production capacities and to find alternative sources of energy supply. However, if we take into account that Russian companies own the Sevan-Hrazdan bloc of hydroelectric power plants and the Hrazdan thermal power plant and controls the ANPP, it is clear that Armenia's electricity production capacities are extremely dependent on one foreign state, whose actions are not always transparent.

Alternative Sources of Energy and Transit Routes from the East to the West

Plans for construction of other pipelines also exist. The Nabucco project may transport gas from Azerbaijan, Kazakhstan, Turkmenistan and possibly from Iran. Nabucco should be constructed in Azerbaijan, Georgia and Turkey and then reach Europe, up to Austria. If Nabucco passes via Bulgaria and Romania, it will also be capable of supplying gas to Moldova and the Ukraine. Nabucco's importance will be even larger if a trans-Caspian pipeline from Turkmenistan to Azerbaijan is constructed. If Iran agrees to export gas to Europe, Armenia may also get some perspective for inclusion in energy projects as a transit country.

The U.S. and the EU have been actively lobbying in favor of Nabucco in order to weaken Gazprom's monopoly and diversify gas supplies for Europe. That project has a hopeful outlook because Turkmenistan, having the fifth largest reserve of gas in the world, will not be satisfied with a Russian transit route only. The absence of alternatives caused serious financial losses in 2009, when Russia stopped buying gas from Turkmenistan using the global economic crisis as a pretext.

The Russo-Georgian war in August 2008, and Russian pipeline projects such as South Stream, resulted in

changes in American and European energy policies, particularly because the feasibility of construction of a trans-Caspian pipeline could be questioned. So, actors interested in the Nabucco project started considering possibilities to include Iran (i.e. to transfer gas from Turkmenistan to the South Caucasus by circumventing the Caspian Sea from the South) and/or Armenia (either by constructing a pipeline between Armenia and Turkey or by connecting the Iran-Armenia pipeline with Baku-Tbilisi-Erzurum).

The U.S. and EU, having contributed greatly to normalization of Armenian-Turkish relations, want to make Armenia a transit country by including it in Nabucco. So, the Baku-Tbilisi-Erzurum pipeline may not be fully loaded only with gas produced in Azerbaijan; gas produced in the Central Asia may be delivered via Armenia and Iran.

Realization of Nabucco with Armenia's participation may result in a European-Russian energy consensus. This suggestion is supplemented by Turkey's agreement to let the South Stream, Nabucco competitor, pass via its waters. Probably, if it is decided not to build a pipeline crossing the Black Sea, the most critical political dispute between the interested parties may be reduced.

The EU and Russia have serious disagreements on the Energy Charter

Treaty and the project to modernize the Ukrainian gas transit network. There are other problems as well, so the energy sphere remains the most politicized in EU-Russia relations. Normalization of Armenian-Turkish relations, and including Armenia in energy transport projects, may contribute to greater cooperation between EU and Russia. All the above-mentioned factors demonstrate the dynamics of developments in the South Caucasus, and how the interests of large states and influential international organizations interact. For a rather long time, the South Caucasus has been becoming increasingly more important in international affairs because of the actions of Azerbaijan and Georgia. However, the process of Armenian-Turkish reconciliation included Armenia in the regional processes as well.

Armenia's Main Priorities in Foreign Policy

Is Armenia ready to face new challenges and threats now? What priorities should Armenia adopt to make regional cooperation in the South Caucasus possible? Some of the most critical issues require well-calculated, sometimes non-standard actions. It may be suggested that Armenia should take the following steps in the near future: Declare its readiness to negotiate with Azerbaijan and Georgia about a future joint security system for the South Caucasus and abandon its policy of full affiliation with

the Collective Security Treaty Organization (CSTO) only, which creates dividing lines in the region and imposes a long term Russian base in Armenia without rent or compensation for expenses.

Armenia should also continue steps towards integration with European and Euro-Atlantic structures and fulfill all obligations taken under the NATO IPAP, ENP Action Plan and the EU Eastern Partnership. It should cooperate with the Council of Europe and OSCE to implement reforms. It should also extend bilateral military cooperation with the U.S. and prevent militarization of the region through international mechanisms such as the Treaty on Conventional Armed Forces in Europe, and negotiations with Azerbaijan and Georgia. It should demonstrate a readiness to organize an international tender for construction of the third unit of the Armenian Nuclear Power Plant (ANPP), and promote possible joint realization of that project with Georgia.

We can also work towards making the Iran-Armenia pipeline capable for transit purposes by connecting it to Georgia and Turkey, and declare Armenia's interest in participation in the Nabucco project so that the pipeline might pass via Armenia. We can abandon the practice of transferring the largest energy capacities to one state. We can support Turkey's accession to the EU and we can con-

tinue development of bilateral contacts between representatives of Armenian and Turkish civic activists, academics and youth to develop mutual trust.

Armenia should also declare its readiness to sign a general agreement with Azerbaijan that may be based on the Madrid principles. As mentioned earlier, a discussion can also be initiated of the Ahtisaari Plan provided for Kosovo, some elements of which may help resolve the Nagorno-Karabakh conflict.

These are some of the steps that Armenia should make in the immediate future. Certainly, such initiatives will require reciprocal actions of the neighboring states. Meanwhile, Armenia, based on a number of factors including relations with the West and neighboring states, will be faced with choosing a set of values and of political and economic measures that influence state policy in the best interests of Armenia and the Caucasus region.




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Deepening and Expanding *the European-Caspian Gas Link*

Kevin
Rosner

Abstract

This article outlines tangible steps both energy consuming and producing nations need to take to develop in tandem the trade in oil and gas between Caucasus and downstream European states. It suggests that downstream states take into account the fully burdened cost/value of gas, as an example, in examining the net added value of uninterrupted supply of gas to European economies as a public good. It insists that states have a unique role to play in this equation. States have an enlightened self-interest in maintaining economic continuity and performance, in protecting their citizens through the provision of essential goods and services which in the industrialized world include heat and light, and in providing for national security. If states can be encouraged to diversify their energy resources, over short-term obstacles such as monopoly competitor pricing, then competition can begin to be introduced in captive markets.

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The present state of European energy security or more appropriately the continent's litany of energy insecurities is not a cost-free proposition. Lack of investment now, for example, to protect critical infrastructure, to ensure the resiliency and integrity of energy networks that deliver power and fuels or to invest in due diligence research that ascertains the cascading economic effects of future denial of benefit from energy flow in net present value terms has a real cost in compounded terms when an energy event occurs. Those who advocate deepening and expanding the European-Caspian energy gas link should think about this argument and use it to their advantage.

There are of course many externalities that challenge developing the European-Caspian energy link. These externalities on the one hand can strain already tenuous connections between many of the smaller, landlocked Central and Eastern European states and end up driving prices higher for end-users. On the other hand, Caspian gas producers want to commit to over-supplying markets with the potential knock-on effect of driving gas prices lower to their detriment. They are also unwilling to commit gas volumes to fictive pipelines if these pipelines do not have adequate gas volumes to meet their design capacity. In this case, those

who commit product to an under-utilized pipeline may see their delivered price of gas go higher and their net-back revenue smaller had they committed the same volume of gas to another transit pipeline with a higher utilization rate and therefore a more equally shared economic burden among the many producers using this pipe to bring their product to market.

However, there is a middle ground to be sought that at once calculates the cost-benefit of enhancing European energy security and at the same time puts forward a rational argument for increasing European market access to Caspian gas producers

Externalities in European gas

The explosion of unconventional gas development in the US is diverting LNG deliveries destined for the US market to Europe. This makes LNG shipments from Qatar, for example, attractive on European gas spot-markets, puts downward pressure on delivered piped gas prices to European consumers and has even fueled talk of shale gas development in Europe. The further development of the Arab gas pipeline is another project of interest potentially tying Egyptian gas deliveries through Turkey to the lingering Nabucco pipeline. The European Union's demand management objective of a 20% reduction in en-

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ergy demand through the introduction of energy efficiency measures, particularly in the building sector, should help moderate a steep rebound growth trajectory for gas prices in a post-recessionary period. And finally changes, alterations, and advancements in technology could even spur future demand for gas liquids or stimulate future demand for gas-fired electricity with the large-scale deployment of electric or gas fired vehicles. These are only some of the trends that both gas producers and consumers will contend with over the coming decade as domestic European gas reserves continue to decline while gas remains the fuel of choice for European power and industrial production.

The European-Caspian link today has an even more immediate set of challenges to overcome. Looming large among these is Russian dominance over the European gas market and significant gas import dependence by

many of the post-2004 EU Member States. For years, the EU has regularly dealt with Russian gas as though it was a supply inevitability while since 2006 the gas issue has been as overtly political as much as it has been commercial. This has given rise across Europe to intensified discussion about energy security and increased scrutiny within energy ministries and in the defense and intelligence communities on the role that energy plays within a national or regional European security framework. It is on the energy security issue that Caspian gas producers have a comparative advantage over their Russian counterparts and this is an advantage that should be exploited.

Comprehensive energy security at the national, regional or even global level is different than simple supply security which can be defined as sufficient supply to meet anticipated demand. Energy security rests on three pillars: diversification in power generating capacity (fuel-mix), diversification in the transit infrastructure which carries commodities which are ultimately combusted for power or transportation purposes, and diversification in the country-of-origin of given supply. Those along the entire energy supply chain from producer to consumer have their own, and often competing, definitions of their own energy security. Producers want ac-

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cessible markets that can meet their price expectations and end-users require available supply at what they consider reasonable prices. When a nation fails to meet its own national energy security objectives by failing to address the diversification issue, markets become susceptible to behavior that is manipulative in nature.

To use an analogy from the oil market to illustrate the point regarding nuanced differences between energy and supply security, when OPEC makes oil available to global markets this provides a thin buoyancy to oil supply in what is typically a tight market. This does not address the security vulnerabilities associated with oil dependency particularly in the transportation sector. Neither does it address growing global dependency of supply on a handful of OPEC producers that manipulate output and by association price for this monopoly commodity. In fact, whatever supply

stability that exists in oil markets today is attributable more to a decline in economic activity and therefore reduced demand than it is due to the efforts of cartel producers to maintain sufficient oil supplies at reasonable prices. For the past two decades increased demand for oil has been largely met by non-OPEC oil producers. OPEC today is not producing a single more drop of oil than it did in 1973.

The same can be said for the European gas market. Increasing gas supply availability to downstream European countries is a good thing. But if steps are not taken to diversify the country-of-origin of delivered gas then security vulnerabilities stemming from dependency on a predominant supplier, in this case the Russian Federation, remain unmet. No numbers of gas transit diversification projects change the fundamentals of this reality if delivered gas maintains or more importantly increases dependency on an already dominant supplier. This observation may appear evident but in practice real progress towards natural gas country-of-supply diversification has been poorly addressed by the gas-dependent collective of the EU.

For Caspian states seeking to functionally and reliably compete in and diversify the European gas market,

the message should be that Caspian gas provides a national security premium to European consumers. Caspian gas meets the objective of a diversification in source of supply (country of origin) for import dependent European states.

Deepening the link through calculating costs

The status quo of European energy security or more appropriately the continent's litany of energy insecurities is not cost-free. European energy insecurities have associated costs that should be elaborated upon by advocates for deepening and expanding the European-Caspian energy gas link.

When triggered by an energy event, people and countries know immediately that their energy security is vulnerable. The cost of gas supply disruptions, price shocks, power blackouts and shortages are all calculable. Unfortunately these costs are frequently calculated in a post-event environment as the opportunity cost of not having done something to prevent or to have taken sufficient pre-event steps for preparing for an energy emergency that can either degrade or destroy the ability to ensure the congruity of energy flow. There is an argument however that follows the logic of calculating the cost of energy

insecurity in a pre-event environment in order to catalyze energy policy making capacity building directed at creating resiliency in an energy system that can withstand the disruptive impacts of a negative energy-event.

One example that might add weight to adding to Europe's built environment for gas delivery or in diversifying its gas by country of origin is taken from the U.S. experience from the Katrina disaster. U.S. analysts, in the post-Katrina period, estimated that the clean-up costs for that natural disaster were 15 times greater than if more robust preventative actions had been taken in the first place. Whether the Katrina ratio for determining the costs of disaster relief versus disaster prevention holds true for the costs of bolstering energy security for European nations is unknown. What is possible though is to exercise due diligence though an economic analysis of what the most cost-effective steps would be towards energy security enhancement. At a minimum the successful execution of such an exercise would provide benefit to both Caspian producers (as grist for negotiations) and to European energy consumers in estimating the net economic value of energy security and/or the net opportunity cost of doing nothing at the extremes.

Second step

Calculating the cost of enhancing a nation's energy security is not an intuitive exercise. One illustration that bears this out, is comparing the pathways that the Slovak Republic and the Czech Republic followed in the period since their mutual independence in the 1990s. Analysts Andrej Nosko and Petr Lang have pointed out that the Czech Republic has taken several decisive steps to correct their asymmetric dependency on primary energy resources in the form of Russian gas whereby the Slovak Republic has been slower to act in this regard. They write, "That particular country [Czech Republic] was equally dependent [as other Central and Eastern European countries in the post-Soviet period] on a single source for energy imports for all of its imported uranium, oil and gas ... yet has since managed to successfully diversify its energy imports. This prodigal country, the Czech Republic, has been the only landlocked country of Central and Eastern Europe to establish an effectively functioning energy market. The choices made in the early transition period by the Czech government have provided the country with higher energy security, which in return has enabled the government to exercise greater political and economic liberty in its policies as compared to some of its neighbors."

It is only through comparison, in this case with the Slovak Republic, that the magnitude of importance of the steps the Czech Republic has taken can be fully appreciated and then measured in economic terms. Nosko and Lang write with respect to the current energy-security history of Slovakia that, "After failing to secure its own energy supply (and especially natural gas) for years, Slovakia was one of the worst hit countries in Europe during the 2009 Russia-Ukraine gas crisis. According to some sources, Slovakia lost 100 million Euros a day, or 1 billion Euros over the duration of the entire crisis, and the gas-cut related recession led to a 1-1.5 percent decrease in GDP."

National tax revenues in January 2009 dropped by 40 percent (due to both the gas crisis and the recession). Some Slovak companies, as part of their own contingency plans, which were to be invoked in the event of an energy crisis, even began to prepare to relocate parts of their production elsewhere. Some companies chose not to disclose an exact quantification of their losses (not even to the Ministry of Economy), so the real extent of the impact remains unknown. This is a real wake-up call of what happens when energy security is taken for granted."

Interestingly Slovakia at least in part

based its national energy security strategy on the crucial role that it plays in transiting Russian gas to other EU Member States. Obviously successive Slovak administrations thought its key role in transiting Russian gas provided a level of domestic security which did not play out during the 2009 Russian-Ukraine gas crisis. The measurable fall-out was that on top of lost tax revenue, a loss of economic activity at 100 million Euros a day and a precipitous fall in GDP, Slovak consumers ended up paying higher prices for this gas than neighboring states. This either discounts the benefit of Slovakia's key role in transiting Russian gas or accentuates the importance in this country's failure to diversify its gas country-of-origin or fuel-mix and lack of interconnections with neighboring states or both. Future gas transit states, postulated to take part in new Russian gas transit infrastructure, might want to consider the implications of the Slovak-case.

Lessons learned

First, getting a handle on fuel diversification, by country of origin, is important for both gas importing states and Caspian producers seeking direct access to downstream European markets. This need not be a 'what-if' exercise involving future scenario planning but in looking at 'what-might-

have-been' in Slovakia's case had they strictly adhered to a diversification strategy in all three domains. Second, if both gas importers and Caspian producers work together on determining the economic fallout of the gas crisis (with Slovakia as but one of many potential case-book examples) then the future value of diversification strategies can be cost-compared. In this case, Slovakia is a small country and one can well imagine that had even one interconnector been built for supply diversification then the economic benefit of this diversification strategy would have rendered real monetary value to the Slovak economy by having mitigated the estimated lost \$1 billion in economic activity over the duration of the Russian-Ukraine crisis. This doesn't even begin to scratch the surface of the other intangible benefits of energy security which allows for enhanced national sovereignty, clear lines of decision making in the national interest, and in a more secure and sustainable future for citizens.

Getting with the program

Setting aside a discussion of the issue of subsidiarity ensconced in Article 5 of the Treaty establishing the European Community, the European Union now appears ready to act on the behalf of its Member States to take more seriously the issue of communi-

ty-wide energy security. In its Communication of November 2010, “Energy 2020 - A strategy for competitive, sustainable and secure energy,” it announced a call for investment of approximately 1 trillion Euros in new investment to complete the internal energy market, advance EU climate change objectives and in doing so to bolster European energy security. It has stated that no EU Member State (in all directions) should be isolated (as some presently are) from a stable cross-border flow of electricity and gas after 2015. Again it is vastly important to remember however that no

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number of gas transit diversification projects or plans changes the fundamentals of enhancing diversification if delivered gas maintains or more importantly increases dependency on

an already dominant supplier. And again this is the unique comparative advantage that Caspian gas producers have over their Russian gas counterparts and should be reiterated by Caspian producers at every opportunity.

Energy security is complex because it is not a strictly mechanistic exercise. Rigor can, and admittedly should, be brought to bear on determining the economic value of prevent decisions (contributing to a new built environment for energy transit as an example) versus the fall-out cost in hesitating in proceeding with fuel-mix alternatives or in adding robustness in power generating capacities. These considerations leverage the added value of alternative European gas supplies in achieving the end-game of gas diversification measured by diversification in the country-of-origin for these supplies. These considerations involve the role and responsibility of the state as they should.

Role of the State

Enhancing energy security is not strictly a business-to-business proposition. States have a unique role to play in this equation. States have an enlightened self-interest in maintaining economic continuity and performance, in protecting their citizens through the provision of essential

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goods and services which in the industrialized world include heat and light, and in providing for national security. If states can be encouraged to diversify their energy resources, over short-term obstacles such as monopoly competitor pricing, then competition can begin to be introduced in captive markets. In doing so it will open up Europe to Caspian gas, enhance overall EU energy security, lessen the Russian Federation’s ability to leverage its energy power over non-energy decision making in energy dependent downstream states, and in doing so provide sustainable energy security and a more robust national security profile for those who participate in this diversification exercise.

But this will not happen by itself. Numbers need to be crunched and strategies pursued that champion the net added value of Caspian gas to European energy consumers and their security. It might end up that if allowed direct European market access, Caspian producers could even

offer their gas at a marginal cost premium to competitor monopoly pricing provided that the upside of such a premium be demonstrated in economically rational terms. This places the onus of responsibility on the producer for pursuing this task but concurrently holds out the possibility of substantial reward to those who do.

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Trust and Mistrust in the Caucasus

Anar Valiyev
& Khayala
Mustafayeva

Abstract

This article examines the trust level in Azerbaijan, Georgia and Armenia to various political institutions. Annual nationwide survey data results from the Caucasus Barometer (CB) in 2010 show that trust level to the main branches of power significantly varies across all three countries. Trust level to executive branch of power and specifically to president is the highest in Azerbaijan, followed by Georgia and Armenia. Furthermore, the data shows that legislative and judicial branches of power are also highly trusted in Azerbaijan, although not at the same extent as executive. In Georgia and Armenia the trust level for two other branches of power is comparatively moderate. In contrast, the trust level to local governments, ombudsman office or banks is lower than in Georgia and Armenia. Trust level to various institutions highly correlates with the voter's turnout in Azerbaijan. The highest voter's turnout is observed with presidential, followed by parliament elections. The lowest turnout and trust level is associated with local governments. Thus, some political institutions in Azerbaijan are weak and vulnerable and a lot of trust-building measures have to be implemented in order to change the situation. Author suggests some measures for increasing the level of trust of those institutions. Higher trust level to those institutions is crucial for stability and sustainability of the political system of Azerbaijan.

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There is a general understanding that trust in a political system is an important element for democratic reforms and development. Trust contributes to economic development and market economy, social integration, political reforms, democratic stability and even to good health and longevity¹. Political and social scientists usually distinguish two types of trust - political and social. While social trust covers the attitudes of people to each other as well as participation in civil and voluntary organizations, political trust measures the attitudes of the public to political institutions. For the last decade the connection between trust, social capital and democracy has occupied a significant place in the work of political scientists. The disintegration of the Soviet Union and emergence of new transitional states gave birth to and popularized theories of trust. Political scientists began to see the absence of trust as the main element of weakness in the political system. The weakness of political society and low levels of citizens' involvement in politics in former Communist societies usually connected to low levels of social capital (weak civil society and low levels of interpersonal trust) and the legacy of cooperation with Communism². In fact, several researchers

found that mistrust of political institutions comes from the disappointment from cooperation with Communist regimes and disbelief in a new democratic government³. Countries of the South Caucasus are not an exception to the rule. All three countries became independent at the same time and experienced more or less similar historical processes. While, Georgia and Azerbaijan were plagued by separatism and aggression, Armenia was left in isolationism and lacking economic development. But the presence of conflicts in all three societies contributed a great deal to the formation of trust in various institutions.

The following article examines the level of political trust among populations in Armenia, Azerbaijan and Georgia. It also provides an explanation for understanding the high or low level of trust. This article primarily employs data from the 2010 Caucasus Barometer (CB)—a nationwide survey that is annually conducted in Armenia, Azerbaijan and Georgia by the Caucasus Research Resource Centers (CRRC). The CB uses multi-stage cluster sampling with preliminary stratification on nine geographically defined units in each country:

Trust, Membership, and Democratization in East-Central Europe. *Political Research Quarterly*, December 2004 vol. 57 no. 4 665-679

³ Howard, Marc (2003). *The Weakness of Civil Society in Post-Communist Europe*. Cambridge University Press, Cambridge, UK.

¹ Newton, Kenneth (2001). Trust, Social Capital, Civil Society, and Democracy, *International Political Science Review*, Vol. 22, No. 2 (Apr., 2001), pp. 201-214

² Letki, Nathalie (2004). *Socialization for Participation?*

capital, urban-Northeast, urban-Northwest, urban-Southeast, urban-Southwest, rural-Northeast, rural-Northwest, rural-Southeast and rural-Southwest. The sampling frame in 2010 was the census in Azerbaijan and Georgia and electricity records in Armenia. The number of primary sampling units (PSUs) in each stratum was proportional to the population of each stratum. Fifty households on average were randomly selected in each PSU for an interview. The rough number of individual interviews per country was 2,001 in Azerbaijan, 2,089 in Georgia and 1,922 in Armenia. The average expected margin of error varies between settlement types [capital, urban non-capital, and rural], but none are greater than 5%.⁴

The article is divided into several sections. First, we will examine the trust level of populations to the three branches of power – executive, legislative and judicial. Second, the article will analyze the trust level of populations to some institutions such as ombudsman, army, banks, health care system and local governments. In conclusion, the article will focus on areas that governments should concentrate on in order to strengthen the process of democratic transformation.

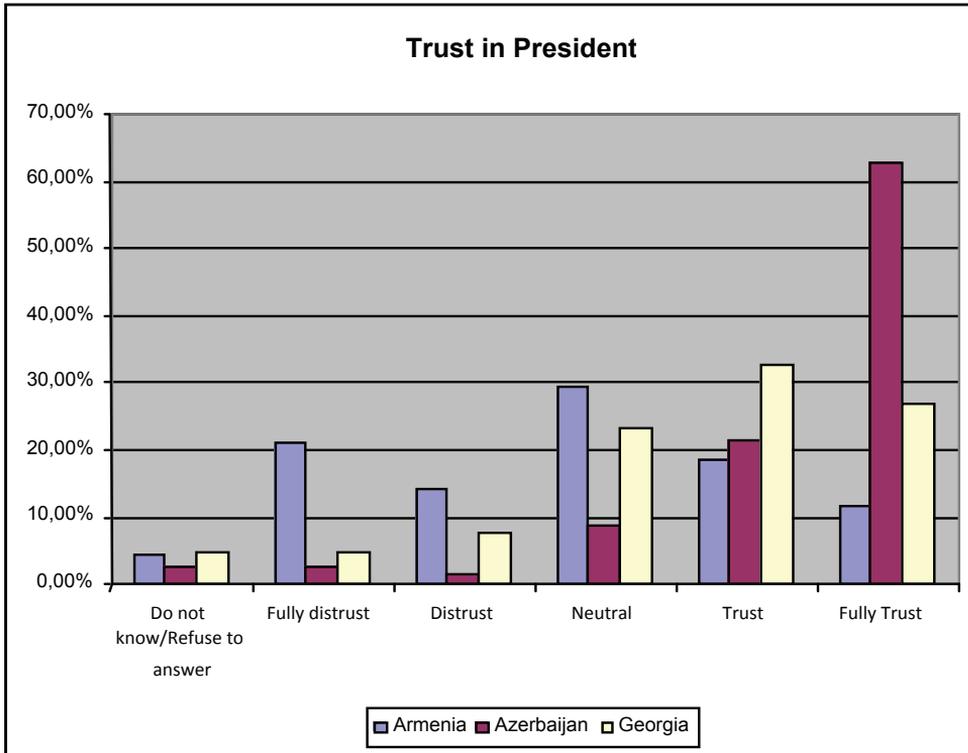
⁴ Caucasus Barometer 2010 Dataset. Caucasus Research Resource Center. Retrieved from <http://www.crrcenters.org/caucasusbarometer/> (April 22, 2011)

Executive Branch of Power

In the former Soviet Union republics and in the Caucasus in particular, the trust level in presidents and executive governments is one of the important indicators of legitimacy of power. Since all three countries are presidential republics, a low trust level in the executive branch of power would invite some doubt regarding the stability of the system. Many coups, government overthrows or so-called revolutions happened because of the low level of confidence a population had in its president. The history of Post-Soviet South Caucasus has several examples of such situations. Looking at the following graph, we can observe that the trust levels in presidents in the South Caucasus vary significantly.

The share of people who trust the president of Azerbaijan (fully trust and trust) comprises 84.1%.⁵ If we include those people who are neutral it could be said that almost 93% of Azerbaijan's population is either trusting or neutral to its president. This highly correlates with the results of the recent presidential election when president Aliyev got 87% of the votes with 75.6% voter turnout. It also proves many observations and theories that trust of institutions leads

⁵ The answers for this and all other questions were graded from 1 (fully distrust) to 5 (fully trust). The author has equalized grade 2 to distrust, 3 to neutral and 4 to trust.



“No other president in the Caucasus except the Azerbaijani one enjoys such a high trust level. The share of people who trust the Armenian president is around 30.3% while the number of people who fully distrust Serzh Sarkisyan reaches 35.5%. Meanwhile, the number of people who are neutral to the president reaches 30%.”

to higher voter turnout, especially in Azerbaijan. No other president in the

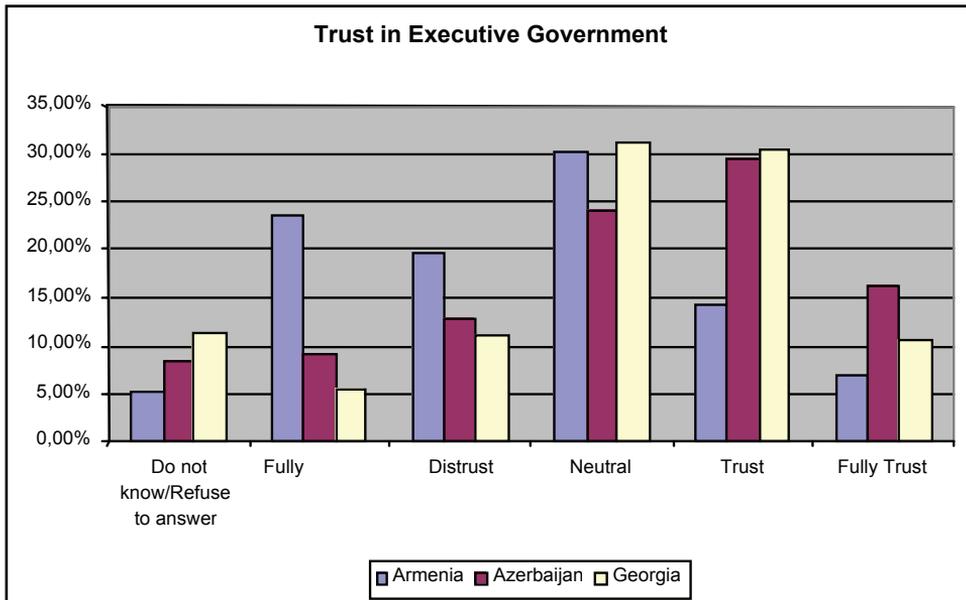
Caucasus except the Azerbaijani one enjoys such a high trust level. The share of people who trust the Armenian president is around 30.3% while the number of people who fully distrust or distrust Serzh Sarkisyan reaches 35.5%. Meanwhile, the number of people who are neutral to the president reaches 30%. The Georgian president, at the same time, is trusted by almost 60% of the population while the number of people who mistrust him is about 12.5%. Such sharp discrepancy in the trust level between the countries, especially between Armenia and Azerbaijan, is easily explainable. In Azerbaijan most of the re-

spondents were more likely to feel that the policy of the country is going in the right direction and that they were treated fairly by the government. It is worth mentioning that in comparison with 2007 and 2008, the trust level in the Azerbaijani president grew to 82% in 2009. The major reason for that is believed to be the ability of the Azerbaijani president and government to preserve neutrality and stability during the Russia-Georgia crisis. In contrast, the continued worsening economic situation in Armenia significantly decreased the level of trust in the Armenian president to a record minimum.

A similar picture could be observed in the graph explaining the level of trust in the executive government. As in the previous case, the trust level

toward the executive government is higher in Azerbaijan than in any other country in the South Caucasus.

However, in Azerbaijani a significant minority of people is neutral to the executive government. It is worth mentioning that in reality the Azerbaijani people distinguish between the power of the president and executive government. When the people in Azerbaijan are asked about trust in the executive government they mostly consider the local executive powers of districts and regions. Thus, despite the high percentage of trust (45%) toward executive government, some share of the population (22%) distrusts them. Although the share of people who distrust executive government is much lower than in Armenia, it is still higher than in Georgia

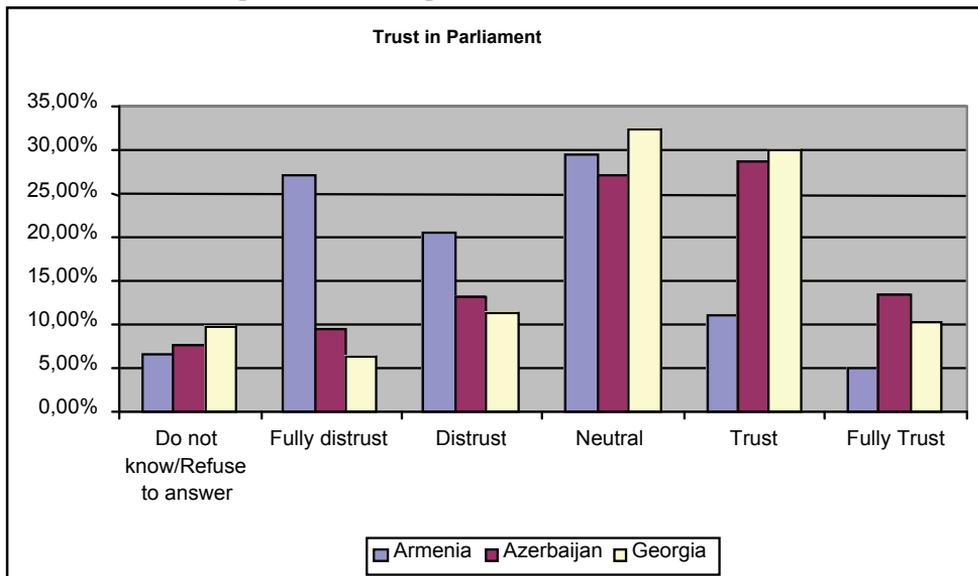


Legislative Branch of Power

The trust of parliament in Georgia and Azerbaijan is pretty high, varying between 40-42%. As in previous cases, the level of distrust in Armenia to a second branch of power is comparatively high - 47%. At the same time around 30% of respondents are neutral to activities of the Armenian National Assembly.

As in the previous case, a significant minority of people in all three countries is neutral to the activities of parliament while some share of people distrusts this institution. It is quite understandable to see such a response. In most societies, even in democratic ones, the legislative branch of power is always seen as an inactive body and the level of trust in this institution in presidential repub-

lics is usually not high. Even in the U.S., polls usually show that the significant majority of people disapprove of the work of the Congress.⁶ Although some researchers could claim that there is a difference between trust and approval, in the case of the South Caucasus the difference is marginal. However, it still does not explain why the Armenian parliament is distrusted more than the parliaments in Georgia and Azerbaijan. We could explain it with events that happened in the Armenian parliament in 1999, when armed terrorists killed the speaker and vice-speakers of the parliament. That shocking event could for years undermine the trust in the legislative branch of Armenia. It is interesting again to mention that voter turnout in Azerbaijan's parliament elections was 50.1%, which reinforc-



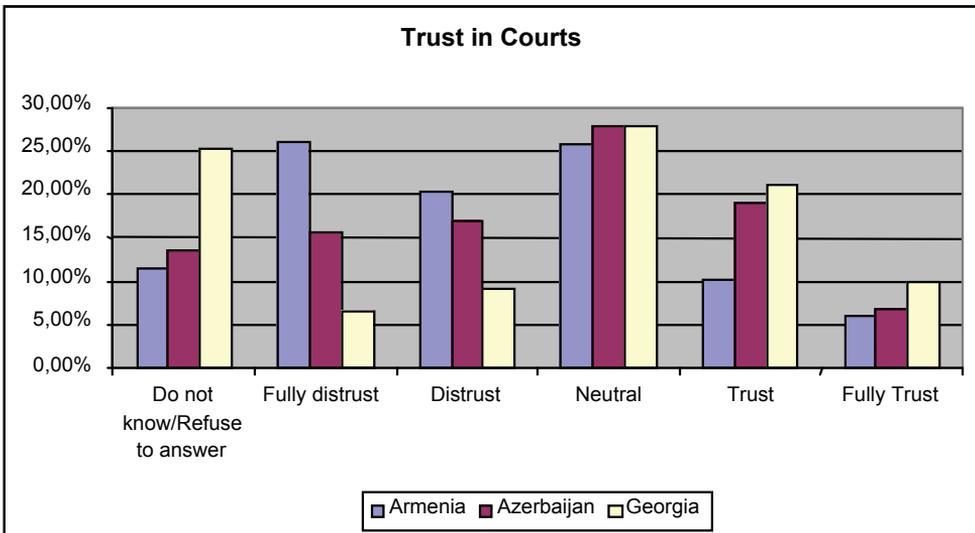
es our claim that trust is positively correlated with voter turnout.

Judicial Branch of Power

Independence and trust in the judicial system is also considered as one of the important elements of emerging democracies. In that context, Azerbaijan and Georgia are proceeding on the same path. The share of people who trust courts is around 26% to 31%. Meanwhile, the share of people who distrust courts in Azerbaijan is higher than in Georgia. Around 32% of respondents in Azerbaijan distrust courts. Such a high share of distrust among respondents in Azerbaijan could be explained by the fact that the Azerbaijani public is slowly getting used to the court system and due process procedures. Unfortunately, trust of the judicial system cannot be built overnight and is a difficult and

long process involving reforms and educating citizens.

In this context trust in law-enforcement agencies such as the police is highly dependent on trust in the judicial system. In the example of Georgia we can see that thanks to reforms of the police system, the trust level of Georgian citizens to law-enforcement agencies is very high: 66.6% of Georgian respondents trust the police while 20% are neutral. In Azerbaijan, however, the level of trust toward police is much lower and reaches only 38%. In Armenian, in turn, the level of distrust of police is very high. Around 50% of respondents distrust Armenian police. Such high levels of distrust could be explained by the memory of Armenians of the events in March 2008 when the police and army were shooting demonstrators in



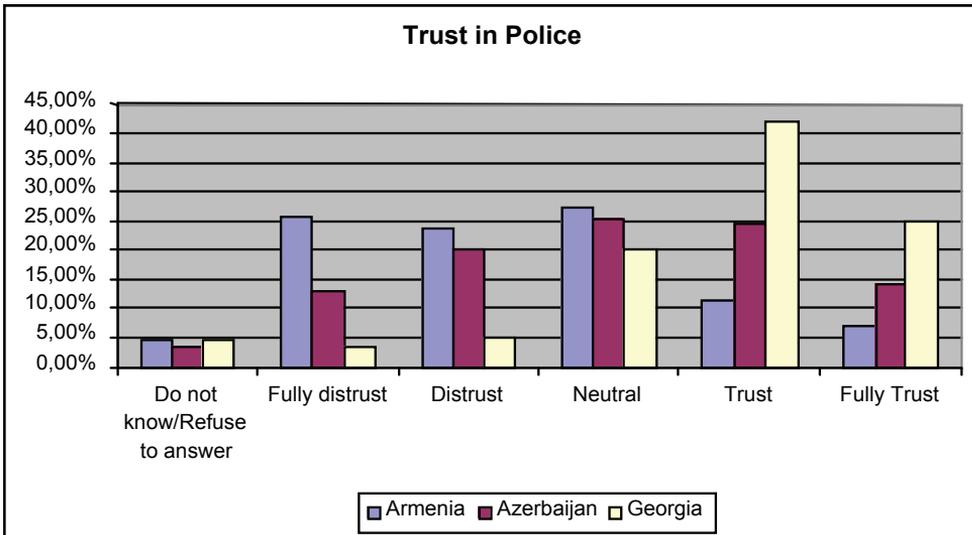
the streets. In Azerbaijan, meanwhile, the level of distrust toward police is moderate but still not insignificant. That is why recent anti-corruption reforms started by the Azerbaijani president began with changes mostly in the police and judicial systems. For the period since January of 2011, a number of police officers and judges were relieved from their duties for irregularities in their work. It is believed that the level of trust in this important element of government will significantly increase by the end of the year.

Trust to Other Institutions

Army

Since the independence of all three countries, the army was considered important for the countries' security. All three societies have high levels of

trust in military institutions compared to other institutions. However, there are certain differences among the three countries. Azerbaijan has the highest level of trust in the army compared to Georgia and Armenia. It could be explained by the fact that a significant majority of the population believes that a solution to the Nagorno-Karabakh conflict lies in the hands of the army and that only the military institution can resolve this situation. Meanwhile, significant investments in the army have built confidence among the public. In contrast, in Armenia the trust level is lower than in Azerbaijan; that could be partly explained by the army's involvement (especially regiments stationed in Karabakh) in bloody events in Yerevan in the aftermath of presidential elections in 2008. Moreover, the high death toll in the Armenian

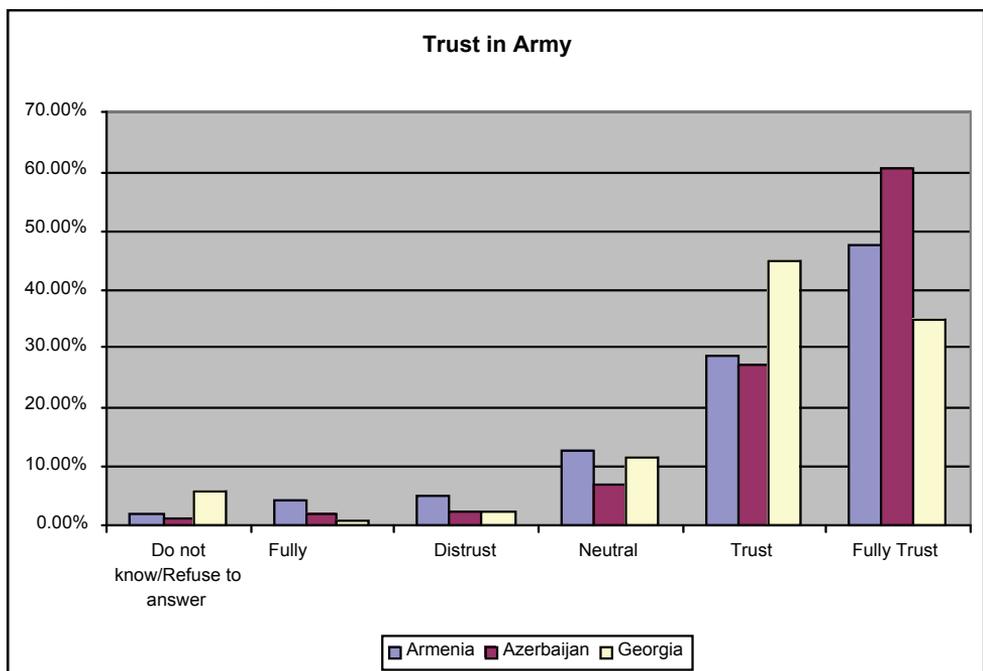


army due to irregularities and *dedovschina*, made this institution less trustworthy. Georgian trust of the army was rebuilt during the last two years since the Russia-Georgian war, when the Georgian army was beaten by the Russian army and public confidence was shaken.

Local Governments

Local government is another institution that requires building trust. Despite the fact that in Azerbaijan the share of respondents trusting local governments or municipalities is around 38%, a significant minority is still neutral. It could be explained by the fact that this institution is still young and undergoing reforms.

Meanwhile, many dissatisfied people tend to see municipalities as incapable of solving problems. In addition, the local governments do not have many functions since the major power rests with the executive branch. Thus, we can see that people tend to trust the executive power rather than local governments since the executive power could really solve the people's problems. Thus, voter turnout in Azerbaijan for municipal elections is very low compared to other elections. Turnout for the 2009 municipal elections comprised 31.8% while in previous elections this figure was around 45%. In contrast, in Georgia the trust in local government is a bit higher than in Azerbaijan while still a



significant number of people are neutral to local governments.

Health Care and Education

Both education and health care systems in Azerbaijan enjoy a high level of trust. In Azerbaijan around 60% of respondents trust the education system while 55% believe in health care. In comparison with 2009, the number of people who trust the education system grew by 7% and those trusting health care rose by 9%.

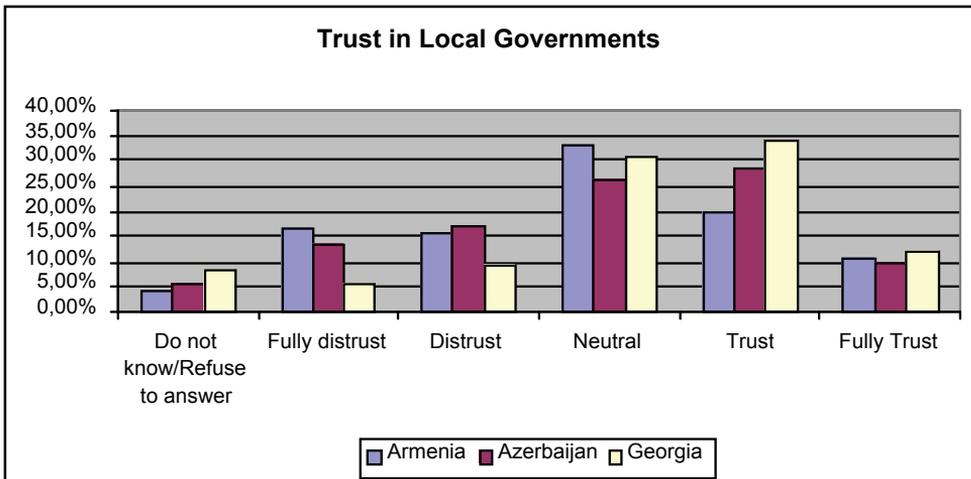
Ombudsman

The trust level in the ombudsman in Azerbaijan is low compared to other countries. Thus, only 24% trust this institution in Azerbaijan compared to 34% in Armenia and 39% in Georgia. However, the low level of trust in the ombudsman does not necessarily mean that more people distrust this

office. In fact the number of respondents distrusting the ombudsman is equal in Armenia and in Azerbaijan. It is interesting to observe that around 32% of respondents in Azerbaijan actually did not know (or refused to answer) about such a position. It shows that in Azerbaijan, and to a lesser extent in Armenia and Georgia, people are not aware of this institution or do not know about its activities.

Media

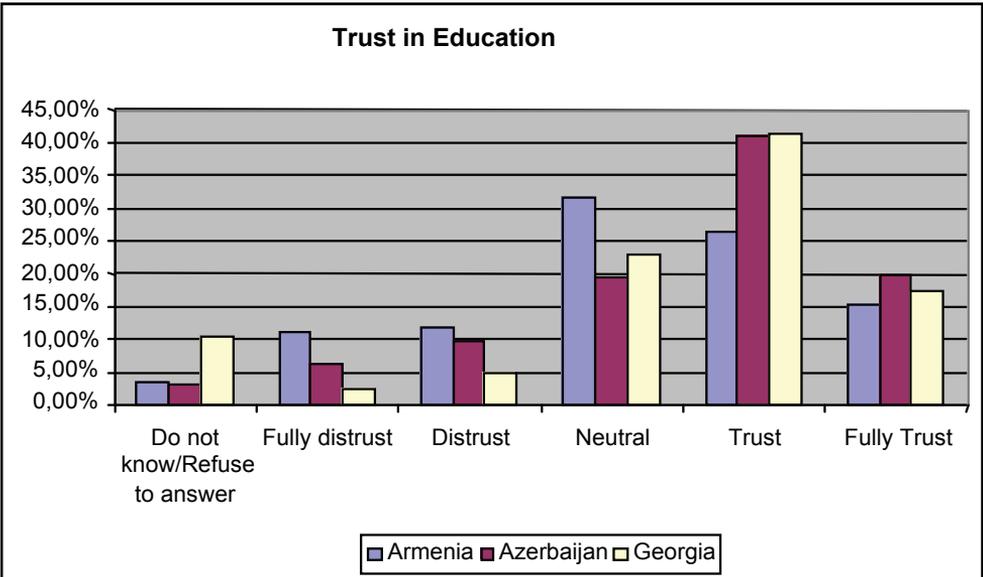
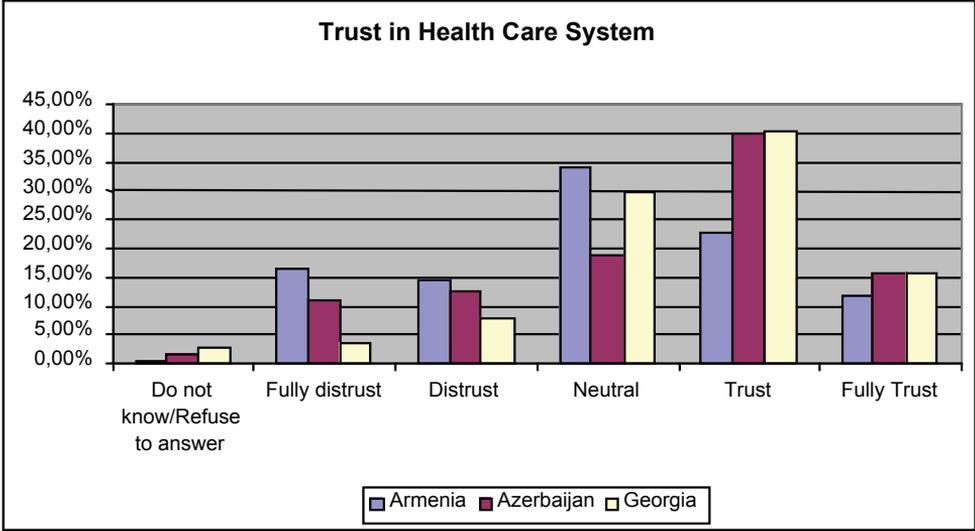
Media, often considered as a fourth branch of power, have high levels of trust in Azerbaijan and Georgia. In Armenia in contrast more people distrust the media. Meanwhile, a significant minority of respondents in all three countries - from 33% to 42% - are neutral or undecided toward the media.



Banks

It was mentioned in the literature before that the trust of people in financial institutions is one of the main factors in economic development. In many countries in Europe and the

U.S. the people’s trust of financial institutions and especially banks is very high. Meanwhile, based on that trust, financial institutions have developed systems allowing the population to gain access to cheap credit and loans. Thus, the interest on credit cards in

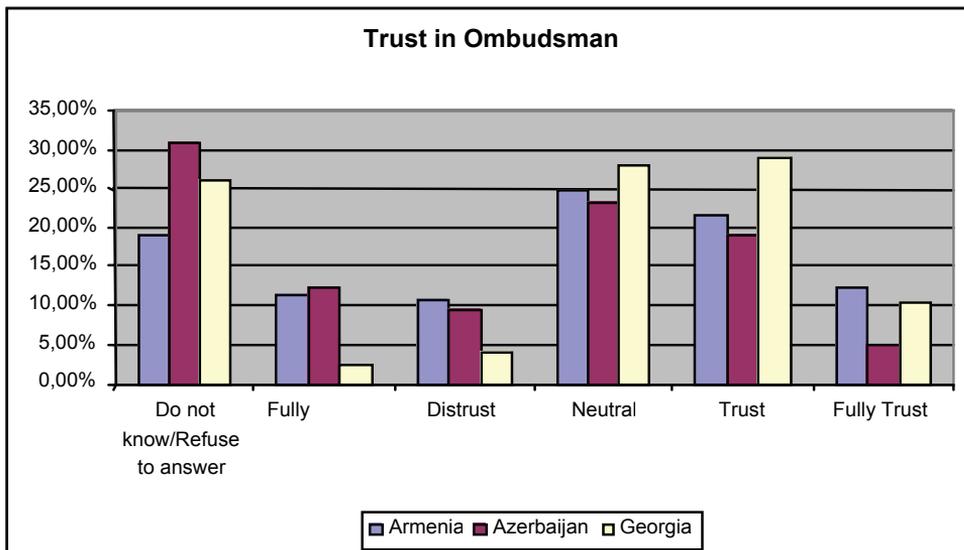


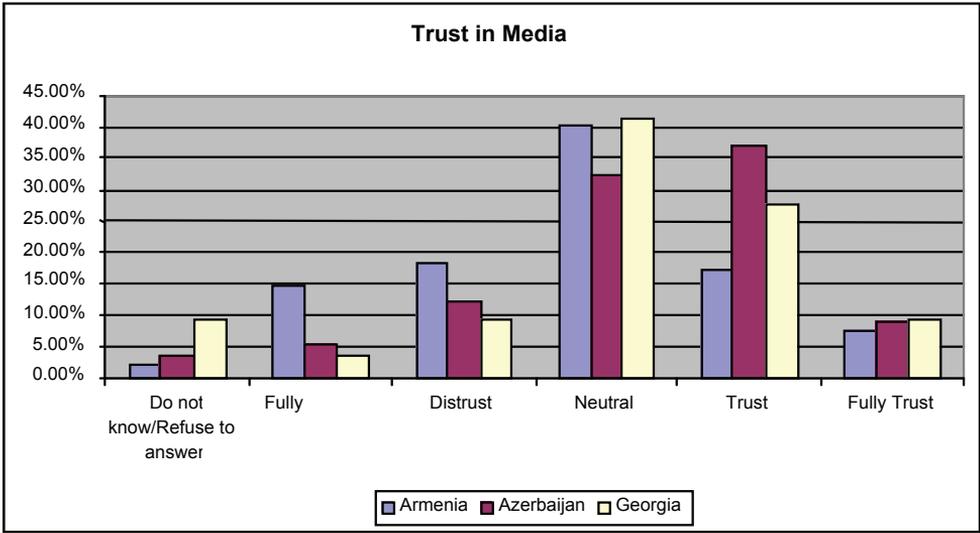
the U.S. could vary from 9% to 12% while mortgages of under 6-8% annually, could be available for average citizens. In contrast, in Azerbaijan and other republics of the Caucasus there is still a high level of distrust or neutrality toward financial institutions that eventually leads to very expensive credit and loans. Despite the fact that the number of banks and amount of banking capitalization in Azerbaijan is much higher than in Georgia and Armenia, still around 22% (higher than in Armenia and twice as high as in Georgia) of Azerbaijani respondents distrust banks. This fact could be easily explained by the negative history of banking development in Azerbaijan when during the last years of the Soviet Union and at the dawn of the country's independence many banks went

bankrupt, and many people lost their savings. But the positive fact is that the trust in banks for the last couple of years is increasing. In 2007 only 37% of Azerbaijani respondents trusted banks while 30% distrusted this financial institution.

Conclusion and Recommendations

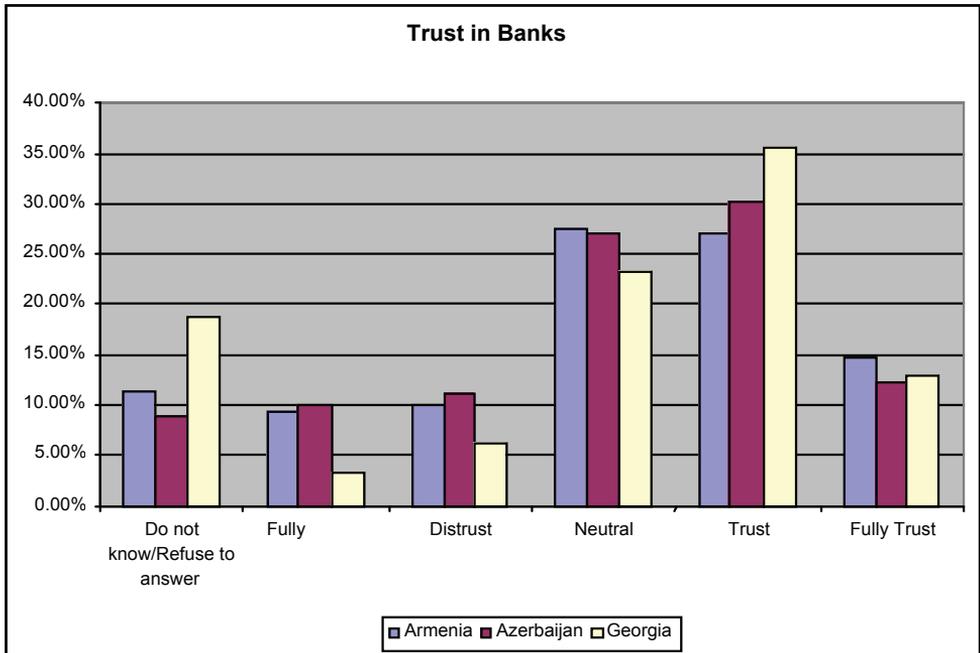
The results of the survey show that the situation regarding trust is much better in Azerbaijan than in Armenia and Georgia. The trust level in the major political institutions in the country is comparatively high and there is not much public disappointment with government's policies that could lead to massive social or political processes. However, it is understandable that some political institutions in Azerbaijan are weak and vulnerable and a lot of trust-building





measures have to be implemented in order to change the situation. For example, despite the fact that the majority of Azerbaijani public trust is neutral to courts, still when asked about

the fairness of the court system, approximately 56% of respondents answered that courts favor some citizens and only 14% believe that courts treat all citizens equally (a similar



situation is observed in Armenia and Georgia). It is very important for government to build the people's trust in the courts, elect the right judges and set up mechanisms for firing people involved in irregularities.⁷ The same policies could be developed for law-enforcement agencies or the office of ombudsman that has the lowest trust level in society. Part of the distrust could come from the fact that people do not know much about the work of the ombudsman. Through publications, TV programs and other resources, government should raise people's awareness about the roles of law-enforcement and the ombudsman. Another important area for development is local governments or municipalities. Decreasing voter turnout in municipality elections is an alarming trend indicating that people do not see this important body of self-governance as decisive for solving their problems. Part of it comes from the fact that local governments do not have enough resources or abilities to implement policies. Thus, executive governments should be interested in developing and strengthening municipalities in order to ease the burden in delivering services.

The Azerbaijani president and government have very high levels of trust that no other country in the Caucasus has. This is mostly explained by having prudent domestic and foreign policies. Such a level of trust is also very crucial for stability and sustainability of the political system of the country. Thus, today the Azerbaijani government has a unique chance to deepen reforms in many areas from education to local government, and the outcome of these reforms could strengthen the country's stability and statehood.

⁷ On April 21, 2011 President Aliyev signed a decree to dismiss Imishli district judge Gubadali Ali oglu Rzayev from the occupied position ahead of the term for repeated violation of legislative requirements during consideration of cases.

Energy Cooperation Opportunities in the Caucasus

Vladimer
Papava

Abstract

The paper deals with the design of the framework for the energy co-operation opportunities in the Caucasus, based on the paradigm of “pipelines harmonization.” Azerbaijan has a clear comparative advantage. It is rich in hydrocarbon resources and has a convenient geographic location, which promotes its use as a transport hub. Because of the special geographic features of the Caucasus, the use of Azerbaijan’s transport potential largely depends on other country in the region—Georgia. Georgia’s main comparative advantage is its geographic location on the restored Great Silk Road—the central corridor joining Europe and Asia. To intensify economic partnership between Azerbaijan and Georgia the new approach for the energy co-operation has to be developed. The energy resources located beyond Russian territory which, in principle, could be supplied to the West, have been modified by adjectives like “alternative.” The time has come to shift from the paradigm of “alternative pipelines” to an essentially new one; that is, the paradigm of “mutually supplementary pipelines” or “pipelines harmonization.” In that case, all those pipelines which have hitherto been considered as alternatives to each other will present themselves in quite a different context in which they will be regarded as distinct components of the same organic whole, a system of pipelines serving one common goal; that is, to provide an uninterrupted and consistent supply of energy resources to their customers.

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The Caucasus has developed into a meeting place for all sorts of geopolitical and economic interests¹, while the Central Caucasus² accumulates the entire range of regional problems. ³The situation worsened after Russia invaded Georgia in August 2008 and recognized the independence of Abkhazia and South Ossetia.

The problem of instability in the Central Caucasus is also compounded by the fact that the conflict territories themselves are becoming a bastion of terrorism and refuge for criminals engaged in drug trafficking and drug trade, as well as zones for money laundering, kidnapping, and human trafficking.⁴ Thus, the idea of achieving unity in the Central Caucasus (and in the Caucasus as a whole) can be considered an ideal the residents of this region should really be striving for.⁵

1 For example, (Gachechiladze, 2002, Metreveli, 2001, Yalowitz and Cornell, 2004).

2 Generally, I am a proponent of such a concept of the Caucasus which embraces the Central Caucasus, consisting of Armenia, Azerbaijan and Georgia; the South Caucasus, consisting of northern provinces of Turkey and Iran, dwelt by the Caucasian ethnic groups; and the North Caucasus which is located in the south of Russia and is also dwelt by the Caucasian ethnic groups (Ismailov and Kengerli, 2003, Ismailov and Papava, 2008).

3 Nuriyev, Elkhan, 2007. *The South Caucasus at the Crossroads: Conflicts, Caspian Oil and Great Power Politics*. Berlin: LIT.

4 Yazikova, Alla, 2005. *Iuzhniy Kavkaz: uravnenie so mnogimi neizvestnymi* (Southern Caucasus: the Equation with Many an Unknown). *Vestnik analitiki* (Analytical Herald), No. 2 (20), pp. 57-67.

5 Gajiev, K. S., 2003. *Geopolitika Kavkaza* (Geopolitics of the Caucasus), Moscow: Mezhdunarodnye otnosheniya Publishers, p.92

Difficulties of the Energy Cooperation

Of the Central Caucasian countries, Azerbaijan has a clear comparative advantage. It is rich in hydrocarbon resources ⁶ and has a, convenient geographic location, which promotes its use as a transport hub.⁷ Because of the special geographic features of the Central Caucasus, the use of Azerbaijan's transport potential largely depends on other countries in the region—Georgia and Armenia. Georgia's main comparative advantage is its geographic location on the restored Great Silk Road the central corridor joining Europe and Asia.⁸ Georgia has the potential to become a major transport link between Russia and Armenia and on to Iran. Armenia is also characterized by its potential transport function both in the West-East (Turkey-Armenia-Azerbaijan) and the North-South directions (Russia-Georgia-Armenia-Iran).⁹ The West-South (Georgia-Armenia-Iran) transportation corridor that links the Black Sea with the Persian Gulf is particularly important for Armenia, just as it is for Georgia.

6 For example, Aliiev, Ilkham, 2003. *Kaspiiskaia nefi Azerbaidzhana* (Caspian Oil of Azerbaijan). Moscow: Izvestia Publishers.

7 Escudero, Stanley, 2001. *Visions of Baku. Future Hub of the Caspian*. Azerbaijan International, No. 9.3

8 Shevardnadze, Eduard, 1999. *Great Silk Route. TRACECA-PETra. Transport Corridor Europe-Caucasus-Asia. The Eurasian Common Market. Political and Economic Aspects*. Tbilisi: Georgian Transport System.

9 For example, Mukhin and Mesamed, 2004.

It is not surprising that Azerbaijan's hydrocarbon resources and their transportation routes, routes of immense geostrategic importance¹⁰, have generated from the very beginning positive and negative effects for both this country and the entire region.¹¹ The positive effect is largely associated with the interest of Western countries in having as many alternative sources of oil and gas as possible. For such reasons, from day one, they have been extremely interested in developing Azerbaijani energy resources and creating alternative pipelines for their transportation. This, in turn, made possible a significant inflow of foreign direct investments into both Azerbaijan and other Caucasian states (Georgia and Turkey) where pipelines run. On the other side, the negative effects seem to be coming mainly from the involvement of regional rivals in the production and transportation of oil and gas. Russia and Iran have tried from the very beginning with all the means at their disposal to take control over the operation and particularly the transportation of Azerbaijani's hydrocarbon resources. In other words, the Caspian energy resources can not only be of benefit to the Central Caucasus but can also create a threat for the countries of this region as a consequence of Russia's

10 For example, Cornell, Tsereteli, and Socor, 2005

11 For example, O'Hara, 2004.

“In other words, the Caspian energy resources can not only be of benefit to the Central Caucasus but can also create a threat for the countries of this region as a consequence of Russia's concern about the West's growing influence on the region, something that arguably endangers its national security and runs counter to its interests.”

concern about the West's growing influence on the region, something that arguably endangers its national security and runs counter to its interests.¹²

Not only did the Russian side not want to develop a transportation corridor through Georgia or build pipelines in its territory, but it was willing to go far to prevent the implementation of such projects¹³. This evaluation of the Russian position with respect to the transportation of Caspian energy resources through Georgia was confirmed during the Russian-Georgian war in August 2008. The Russian aviation bombed the pipelines that pass through Georgia¹⁴ located far from South Ossetia,

12 Rondeli, Alexander, 2002. Pipelines and Security Dynamics in the Caucasus. Insight Turkey, Vol. 4, No 1, p. 17

13 Levin, Steve, 2007. The Oil and the Glory: The Pursuit of Empire and Fortune on the Caspian Sea. New York: Random House.

14 For example, Jackson, 2008

the protection of which was supposedly the reason for the invasion. This cast doubt not only on the security of the transportation corridor via which pipelines pass through Georgian territory¹⁵ but also increased the danger of Azerbaijan losing its economic independence. Fortunately, it did not take long to restore confidence in transporting energy resources through Georgia.¹⁶ The fact that Moscow was unable to realize its goal of establishing control over these pipelines by military means,¹⁷ and could not fully monopolize the transportation routes of energy resources from the former Soviet Union westerly, prompted Americans and Europeans to step up their efforts even more to find ways to develop alternative routes for transporting oil and gas by circumventing Russia.¹⁸ So, Ankara, Brussels and Washington are particularly interested in enhancing the security of the existing pipeline system

in Azerbaijan and Georgia.¹⁹ Kazakhstan is also very much interested in the security of the transportation corridor passing through Azerbaijan and Georgia, despite its close relations with Russia.²⁰ One way or another the Caucasian energy corridor is one of the main problems of the U.S. administration.²¹ At the same time, many states interested in diversifying the pipeline network have also stepped up their efforts in this area.²²

Another initiative to intensify economic partnership between Azerbaijan and Georgia as a “Caucasian tandem”²³, as well as draw Turkey into this process, is putting the Kars-Akhalkalaki-Tbilisi-Baku rail system into operation.²⁴

Of particular importance is the relationship between Azerbaijan and

15 It should be noted that one of the goals of the Russian aggression was to create doubt in the security of the pipelines passing through Georgia. More detailed see: Hassner, Pierre, 2008. One Cold War Among Many? *Survival*, Vol. 50, No. 4, pp. 247-256

16 Socor, Vladimir, 2008. Business Confidence Returning to the South Caucasus Transport Corridor. *Eurasia Daily Monitor*, The Jamestown Foundation, Vol. 5, No. 186, September 29, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=33978.

17 Cohen, Ariel, and Lajos F. Szaszdi, 2009. Russia's Drive for Global Economic Power: A Challenge for the Obama Administration. The Heritage Foundation, Background No. 2235, <http://www.heritage.org/research/RussiaandEurasia/bg2235.cfm>.

18 Krastev, Ivan, 2008. Russia and the Georgia War: the Great-Power Trap. *Open Democracy News Analysis*, August 31, <http://www.opendemocracy.net/article/russia-and-the-georgia-war-the-great-power-trap>.

19 Chicky, Jon, E., 2009. The Russian-Georgian War: Political and Military Implications for U.S. Policy. Policy Paper, February 2009. Washington, D.C.: Central Asia-Caucasus Institute, Johns Hopkins University-SAIS, <http://www.silkroadstudies.org/new/docs/Silkroadpapers/0902Chicky.pdf>, p. 12.

20 Kassenova, Nargis, 2009. Kazakhstan and the South Caucasus Corridor in the Wake of the Georgia-Russia War. EUCAM, EU-Central Asia Monitoring Policy Brief, No. 3, January 29, http://shop.ceps.eu/BookDetail.php?item_id=1786.

21 Cornell, Svante E., and S. Frederick Starr, eds., 2009. *The Guns of August 2008: Russia's War in Georgia*. New York: M.E. Sharpe.

22 Goble, Paul, 2009. Nabucco After Budapest: Old Problems, New Challenges and a Changed Role for Azerbaijan. *Azerbaijan Diplomatic Academy Biweekly*, Vol. 1, No. 3, February 1, <http://ada-edu-az.outsourceinformationssystem.com/biweekly/articles.aspx?id=110>.

23 Papava, Vladimir, 2009. Formation and Development of the “Caucasian Tandem.” *Azerbaijan Focus*, Vol. 1 (1), June-August, pp. 83-91.

24 Lussac, Samuel, 2008. The Baku-Tbilisi-Kars Railroad And Its Geopolitical Implications for the South Caucasus, *Caucasian Review on International Affairs*, Vol. 2 (4), pp. 34-46

Turkey. It's ethnic, cultural, and linguistic kinship with Turkey has generated unity in many international issues. Naturally, this had also a role to play in determining the oil and gas transportation routes. Despite the fact that the shortest route linking Azerbaijan to Turkey passes through Armenia and is potentially the best transportation route from the economic viewpoint, the strained relations between these countries and Armenia led to the rejection of that option. Azerbaijan's negative attitude toward use of Armenian territory as a transportation corridor reflects unequivocally the effects of three main events: the Armenian-Azerbaijani conflict over Nagorno-Karabakh; the occupation by Armenian armed forces of Azerbaijani territories beyond this conflict zone; and the disruption of Azerbaijan's rail communication with its autonomous exclave, Nakhichevan. Turkey, in turn, supported Azerbaijan by joining the embargo of the transportation routes to Armenia.

Armenia also has its complaints against Turkey with respect to the latter's refusal to recognize the massacres of Armenians in the Ottoman Empire as 'genocide.' Moreover, since Armenians frequently identify Azerbaijanis with Turks, Armenians also believe that Azerbaijanis were involved in this 'genocide'. This is a

graphic example of how the conflict relations that have developed between Armenia and these two countries have prevented Armenia from using its comparative advantage as the shortest route linking Azerbaijan to Turkey.²⁵

In the summer of 2008, after Russia launched its military attack on Georgia, Turkey revived its efforts to devise and implement the Caucasus Stability Pact, also known as the Caucasus Alliance, the Caucasus Stability Forum, or the Caucasus Stability and Cooperation Platform. This idea was born in as early as 2000, although it was not duly approved at that time.²⁶ It is still debatable as a platform, since it presumes drawing Russia (but not the West) into the processes aimed at ensuring stability in the Caucasus. Such a vision can hardly be evaluated as productive after the war against Georgia, Moscow's unilateral recognition of the independence of Abkhazia and South Ossetia, and the Kremlin's plans for Abkhazia and South Ossetia's possible integration with Russia.²⁷

At this point, Turkey and Russia continue to pursue different goals in the

25 For example, Aras and Foster, 1999, p. 236, Harutyunyan, 2004.

26 Kanbolat, Hasan, 2008. What is Caucasian Stability and Cooperation? What can Turkey do in the Caucasus? Today's Zaman, August 19, available at <http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=150578>.

27 Allison, Roy, 2008. Russia Resurgent? Moscow's Campaign to 'Coerce Georgia to Peace.' International Affairs, Vol. 84, No. 6, pp. 1160-1161

region. Ankara is interested in strengthening its role in the region, while Moscow is trying its best to use ever newer ways of putting pressure on Georgia.²⁸ It is worth noting that from the economic point of view, instability in Georgia threatens Turkey more than the violation of Georgia's territorial integrity.²⁹ This fact could be a certain starting point for finding common ground on harmonizing Turkey's and Russia's ideas about the Caucasus, especially after Moscow recognized the independence of Abkhazia and South Ossetia. Still, the

“Turkish-Russian cooperation in establishing and maintaining stability in the Caucasus may help Armenia join the regional transportation corridor projects it has been isolated from. The question is what price Armenia would have to pay for such involvement.”

differences between Turkey and Russia with respect to the Caspian energy resource transportation projects through Georgia and Turkey are substantial.

28 Goble, Paul, 2008. Turkey Returns to a Transformed Transcaucasus. Azerbaijan Diplomatic Academy Biweekly, Vol. 1, No. 18, October 15, <http://www.ada.edu.az/biweekly/articles.aspx?id=84>.

29 Çelikpala, Mitat, 2008. The Latest Developments in the Caucasus, the Struggle for Global Hegemony and Turkey, ASAM, October 9, <http://www.asam.org.tr/tr/yazigoster.asp?ID=2891&kat2=2>.

Not only the differences are great but also the interests of the other regional countries and the world powers are not very conducive.

In this context, Turkey's initiative to implement the Caucasus Stability and Cooperation Platform for now looks very utopian.³⁰ That said, Turkish-Russian cooperation in establishing and maintaining stability in the Caucasus may help Armenia join the regional transportation corridor projects it has been isolated from. The question is what price Armenia would have to pay for such involvement. Yerevan would have to stop supporting the existing regime in Nagorno-Karabakh, withdraw its genocide recognition policy toward Turkey, and renounce its territorial claims on Turkey. With such cost, it appears very doubtful that Armenia would have any chance of joining the regional transportation projects in the near future.³¹ That is why, the agreement to establish diplomatic relations and open the borders, signed by the presidents of Turkey and Armenia in the beginning of October 2009, unfortunately, is far from optimism.³² In this

30 Mamaev, Shamsudin, 2008. Turtsiia pristupaet k'aktivnomu stoianiiu' na Kavkaze (Turkey is Beginning to Take an 'Active Stance' in the Caucasus). Politicheskii zhurnal (Political Journal), No. 10 (187), 30 September, <http://www.politjournal.ru/index.php?POLITSID=778ffdc756a47c92a40696e325b8727f&action=Articles&dirid=40&tek=8240&issue=221>.

31 Ter-Sahakyan, Karine, 2008. Armenia should Make it Clear what the U.S., Russia, Turkey and Even the EU Promise Her for "Model Behaviour." PanARMENIAN Network, October 4, available at <http://www.panarmenian.net/details/eng/?nid=935>.

32 For example, Lobjakas, 2009, Robinson and Villelaibettia,

state of affairs, it is particularly important to stress that Moscow is not simply interested in isolating Armenia from the regional transportation projects.³³ Moreover, it is promoting in every way possible the “Kalinin-gradization” of Armenia³⁴, that is, implementing the State under Siege concept.³⁵ With a glance of situation, when mostly all large scale enterprises are under control of Russian capital, the attempts to create the necessary economic foundations for Armenia to break free of Moscow can basically be described as virtual.³⁶ The Armenian economy has essentially been entirely absorbed by Russia’s Liberal Empire.³⁷

The absence of official, including economic, relations between Armenia and Azerbaijan in no way exclude the existence of illegal trade relations (although in relatively small amounts). They are carried out via transit through Georgia. Despite the demands of the Azerbaijani side to prohibit the shipment of goods from Azerbaijan to Armenia through Georgia, the Georgian side, referring to the fact that Georgia and Armenia are members of the WTO, does not always fulfill these

“The Armenian economy has essentially been entirely absorbed by Russia’s Liberal Empire.”

demands. This is also creating certain difficulties in Azerbaijani-Georgian relations.³⁸

It should be pointed out that Russia not only took Armenia’s side in the Armenian-Azerbaijani conflict from the very beginning, but also rendered it military assistance.³⁹ Due to its direct and open support for the separatist movements in Abkhazia and South Ossetia, not to mention the direct war, Russia set itself also against Georgia. On this account, it is normal that one of the vectors of Moscow’s subversive activity in the post-Soviet expanse points to putting pressure on Georgia and Azerbaijan in order to destabilize the situation in these countries.⁴⁰

Armenia got the status of Russia’s outpost in the Caucasus, not an entirely flattering image for a sovereign state.⁴¹ Since Russia obviously has the advantage in bilateral relations, Armenia is gradually being downgraded

2009).

33 Minassian, Gaidz, 2008. Armenia, a Russian Outpost in the Caucasus? Russie.Nei.Visions, No.27, February 15, http://www.ifri.org/files/Russie/ifri_RNV_minassian_Armenie_Russie_ANG_fevr2008.pdf, p.9

34 Minassian, p. 13

35 Minassian, p.18

36 For example, Grigoryan, 2008

37 Minassian,p.9

38 Alkhazashvili, Malkhaz, 2006. Armenia-Azerbaijan: Trade Relations via Georgia. The Messenger, January 24, No. 015 (1035), p. 3.

39 Utkin, A. I., 2000. Amerikanskaia strategija dlja XXI veka (American Strategy for the 21st Century). Moscow: Logos Publishers, p.110

40 Brzezinski, Zbigniew, 2007. The Geostrategic Triad: Living with China, Europe, and Russia. Washington, D.C.: The CSIS Press. p. 62

41 For example, Cameron and Domański, 2005, Liloyan, 2004).

from partner to vassal.⁴² And this stands to reason if we keep in mind that Moscow sees only vassals or enemies at its borders.⁴³ Nevertheless, after Russia raised the price of gas it delivered to Armenia in April 2006, and closed the Verkhniy Lars checkpoint on the Russian-Georgian border (Armenia's only road connection with Russia), even the most pro-Russian politicians questioned the reliability of Russia's policy towards its most devoted partners, in this particular case Armenia.⁴⁴

Exclusion of the Armenian oil and gas transportation route from Azerbaijan to the West helped increase the expediency of using the Georgian route⁴⁵, which was in fact the one implemented. Geopolitically, Georgia occupies a key position in the Central Caucasus, especially considering the conflict between Armenia and Azerbaijan. Georgia has to perform the function of the region's link, that is, a regional hub in the Cauca-

sus. Both Russian⁴⁶ and Iranian⁴⁷ experts emphasize that some of Russia's and Iran's interests in the region coincide considerably⁴⁸, especially with respect to the Caspian's energy resources, among other things. On top of that, Russian experts think Russia is waging an energy war against several of the former Soviet republics, Georgia and Azerbaijan being cases in point.⁴⁹

New Vision for the Energy Sector Cooperation

The growth of the EU's dependence upon Russian energy resources has been exploited by the Russian leadership as an effective tool for putting political pressure not only upon EU members but also upon the countries whose territories are traversed by the energy transportation routes such as Belarus and the Ukraine.

In this context, searching for and the development of all potential (i.e. not

42 Minassian, 2008, pp. 4, 6. This stands to reason if we keep in mind that Moscow sees only vassals or enemies at its borders (Krašteev, 2008).

43 Krašteev, Ivan, 2008. Russia and the Georgia War: the Great-Power Trap. Open Democracy News Analysis, August 31, <http://www.opendemocracy.net/article/russia-and-the-georgia-war-the-great-power-trap>.

44 Grigoryan, Stepan, 2007. Yuzhniy Kavkaz i mezhdunarodnoe soobshchestvo. Mesto Armenii v sovremennom mire (The Southern Caucasus and the World Community. Armenia's Place in the Contemporary World). Evropa, zhurnal pol'skogo instituta mezhdunarodnykh del (Europe, journal of the Polish Institute of International Affairs), Vol. 7, No. 3, pp. 98-99

45 Croissant, Michael P. 1999. Georgia: Bridge or Barrier for Caspian Oil? In *Oil and Geopolitics of the Caspian Sea Region*, eds. Michael P. Croissant, and Bülent Aras. Westport: Praeger.

46 For example, Gajiev, 2003, pp. 432, 434-439, Malysheva, 2000

47 For example, Maleki, 2003/2004

48 Cornell, Svante E., 2001. Iran and the Caucasus: The Triumph of Pragmatism over Ideology. *Global Dialogue*, Vol. 2, No. 3, pp. 85-88.

49 Druzhilovskiy, S. B., 2006. K voprosu ob alternativnoy strategii Rossiyskoy Federatsii v sfere energeticheskoy politiki (On the Question of the Russian Federation's Alternative Strategy in Energy Policy. In *Sredizemnomor'e—Chernomor'e—Kaspiy: mezhdru Bolshoy Evropy i Bol'shoy Blizhnim Vostokom (The Mediterranean—Black Sea—Caspian: Between Greater Europe and the Greater Middle East)*, ed. by N. P. Shmelev, V. A. Guseynov, and A. A. Yazkova. Moscow: Izdatelskiy dom "Granitsa", pp. 77-82.

only Russian) sources of oil and natural gas and ways for their supply to EU countries has become an issue of particular importance.⁵⁰ One of the most significant deposits of hydrocarbons is those located in the Caspian region and in countries such as Azerbaijan, Kazakhstan and Turkmenistan. It is important to note that any energy resources located beyond the Russian territory, which in principle could be supplied to the West, have been modified by adjectives like “alternative.” This kind of language, consciously or unconsciously, presents a reflection of confrontation between Russia and the rest of the world in energy-related issues. This very controversy became a starting point for the emergence of “*pipeline confrontation*” or, even, of “*pipeline cold war*” between different countries of the EU and Russia and even between different countries of the EU.

By means of stereotypical mentality, this very idea of alternativeness has also been extended to the pipelines. In relation to the Russian pipelines of the western direction, the label of “alternative pipelines” have been attached to those which cross the territories of Azerbaijan, Georgia and Turkey – the pipelines Baku-Tbilisi-Supsa (BTS), Baku-Tbilisi-Ceyhan

“This very controversy became a starting point for the emergence of “pipeline confrontation” or, even, of “pipeline cold war” between different countries of the EU and Russia and even between different countries of the EU.”

(BTC) and the South Caucasian Pipeline (SCP). The accuracy of such an evaluation, however, becomes questionable if one takes into account the fact that the quantity of oil transported through those pipelines does not make up more than ten percent of the oil exports from Russia. With respect to the natural gas transported through the SCP, the situation is even worse. Its capacity accounts for just two percent of the Russian natural gas exports. Consequently, neither the BTS and the BTC pipelines nor the SCP could be regarded as a good alternative to the Russian pipelines. Russia has done a lot for inciting the “Pipeline Cold War” and its motivation is more than apparent. Russia has been trying to maintain and strengthen its monopolistic position in a number of directions and, most of all, in relationships with EU countries.

The time has come to shift from the paradigm of “alternative pipelines” to an essentially new one; that is, the

⁵⁰ Papava, et al. 2009

paradigm of “*mutually supplementary pipelines*” or “*pipelines harmonization*”.⁵¹ In that case, all those pipelines which have hitherto been considered as alternatives to each other will present themselves in quite a different context in which they will be regarded as distinct components of the same organic whole, a system of pipelines serving one common goal; that is, to provide an uninterrupted and consistent supply of energy resources to their customers.

The purpose of the “pipelines harmonization” is to develop a partnership mechanism to facilitate and harmonize energy suppliers’ support in response to countries’ identified needs. The harmonization of routes is about resolving alternative plans through respectful dialogue. It is about taking into account each country’s concerns and coming up with plans and solutions which deal fairly with all those concerns. It is about reaching a consensus for multiple pipelines.

Within the framework of this new paradigm of “pipelines harmonization,” the issue of the transportation of the Caspian energy resources to the West could also be reconsidered in a new context. Specifically, the BTC and SCP could play an important role in the harmonization of oil and natural gas

supplies to the EU countries in addition to the Russian pipelines.

The issue of the harmonization of gas supply to Europe requires the EU to take all possible efforts for the realization of the Trans-Caspian and the Nabucco projects which, together with the other existing and potential gas pipelines, will lead to the substantial mitigation (if not removal) of the problem of the monopolistic gas supplier and also ensure a stable and balanced flow of natural gas to EU countries.

Conclusion

The great challenge of the modern times is to design the framework for the economic and energy cooperation opportunities in the Caucasus.

Azerbaijan’s hydrocarbon resources and their transportation routes, routes of immense geostrategic importance, have generated from the very beginning positive and negative effects for both this country and the entire region. The positive effect is largely associated with the interest of Western countries in having as many alternative sources of oil and gas as possible. The negative effects seem to be coming mainly from the involvement of regional rivals in the production and transportation of oil and gas.

51 Papava and Tokmazishvili, 2008, 2009.

In the summer of 2008, after Russia launched its military attack on Georgia, Turkey revived its efforts to devise and implement the Caucasus Stability and Cooperation Platform. It is still debatable as a platform, since it presumes drawing Russia (but not the West) into the processes aimed at ensuring stability in the Caucasus. Such a vision can hardly be evaluated as productive after the war against Georgia.

Turkish-Russian cooperation in establishing and maintaining stability in the Caucasus may help Armenia join the regional transportation corridor projects it has been isolated from. Yerevan would have to stop supporting the existing regime in Nagorno-Karabakh, withdraw its genocide recognition policy toward Turkey, and renounce its territorial claims on Turkey. With such cost, it appears very doubtful that Armenia would have any chance of joining the regional transportation projects in the near future. It is particularly important to stress that Moscow is not simply interested in isolating Armenia from the regional transportation projects.

It must be noted that any energy resources located beyond Russian territory which, in principle, could be supplied to the West, have been modified by adjectives like “alternative.”

This kind of language, consciously or unconsciously, presents a reflection of confrontation between Russia and the rest of the world in energy-related issues.

In relation to the Russian pipelines of the western direction, the label of “alternative pipelines” has been attached to those which cross the territories of Azerbaijan, Georgia and Turkey. The time has come to shift from the paradigm of “alternative pipelines” to an essentially new one; that is, the paradigm of “mutually supplementary pipelines” or “pipelines harmonization.” In that case, all those pipelines which have hitherto been considered as alternatives to each other will present themselves in quite a different context in which they will be regarded as distinct components of the same organic whole, a system of pipelines serving one common goal; that is, to provide an uninterrupted and consistent supply of energy resources to their customers. The purpose of the “pipelines harmonization” is to develop a partnership mechanism to facilitate and harmonize the support of energy suppliers in response to the identified needs of particular countries.



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Next Steps *in the Solution of the Nagorno-Karabakh Conflict*

Alexander
Jackson

Abstract

The outlines for a settlement of Nagorno-Karabakh are clear under the Madrid Principles. With enough political will, these Principles could be implemented as a blueprint for a peaceful settlement. However there is inadequate political will from all parties, due to both domestic and international politics. At the domestic level, public sentiment prevents anything that would be viewed as a compromise. Maintaining the status quo may be unpopular, but not as unpopular as a bold agreement. This lay behind the failure of the Turkish-Armenian protocols and the current impasse. At the international level, Russia has not exercised its full leverage over Armenia. Other actors, such as the US and EU, have been disengaged. The next steps in the solution of the conflict should involve a much more active role by the EU and US, working in concert with Russia. The aim should be to make the benefits of cooperation more attractive than the domestic costs. Only the full engagement of international actors can prompt local leaders to unblock the peace negotiations.

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The term ‘frozen conflict’, which had previously been applied to the Nagorno-Karabakh conflict as well as other post-Soviet standoffs, was discredited with the Russia-Georgia war of 2008.¹ It became clear that these conflicts were not ‘frozen’ – they were tinderboxes, with the potential to create instability across the region.²

The Russia-Georgia war created a greater sense of urgency for the settlement of other unresolved conflicts in the region, notably the Nagorno-Karabakh dispute. Some progress has been made since August 2008, representing an intensification of a positive trend in settling the conflict which has been underway since around 2005.

Despite this progress, there is still some way to go before the ‘Madrid Principles’ are accepted as the basis for a peaceful political solution. Nonetheless, the technical parameters for the settlement – contained within the Madrid Principles – are clear. Therefore the next steps in the settlement of the Nagorno-Karabakh conflict could be considered as simply the implementation of the blueprint of the Madrid Principles.

1 Thomas De Waal, ‘The Karabakh Trap’, Conciliation Resources, February 2009.

2 Svante Cornell, ‘The New Eastern Europe: Challenges and Opportunities for the EU’, Center for European Studies, March 2010.

However there is another significant set of factors which conditions the next steps in the conflict – domestic and international politics. In particular, the need for strong political will from all parties to the conflict is a crucial factor. Without this, implementing the blueprint of the Madrid Principles will be impossible. On the contrary, without the strong political will the nationalist positions will be hardened on both sides, increasing the risk that even the existing blueprint will be abandoned and leading to renewed dangers of a war.

In other words, although the framework exists for a settlement of Nagorno-Karabakh, there is not yet the will to fulfill it. The longer that will is absent, the greater the risk that the framework will be abandoned and replaced by unilateral - and potentially military - approaches by both sides.

The Current Security Situation

The current security situation around the Nagorno-Karabakh Line of Contact (LoC) remains tense and volatile. In 2010 at least 25 lives were lost in skirmishes, up from 19 in 2009.³ One of the most serious ceasefire violations since the end of hostilities since 1994 occurred in February 2010, with reports of multiple deaths on both sides.

3 International Crisis Group, ‘Armenia and Azerbaijan: Preventing War’, February 2011.

The current level of monitoring is extremely inadequate. The Organisation for Security and Cooperation in Europe (OSCE) established a ‘Minsk Group’ in the early 1990s to monitor and seek a resolution to the conflict. The permanent representative of the Minsk Group, Andrzej Kasprzyk, has an inadequate staff and a deeply limited mandate for assessing the situation along the LoC. The requirement for Mr. Kasprzyk to inform both sides before any monitoring makes it “comparatively easy for either side to conceal from international eyes what it is doing”⁴. Even small confidence-building measures, such as withdrawing snipers (responsible for many fatalities) from the front lines, have not been implemented.

The large number of soldiers around the LoC, the proximity of the Armenian and Azerbaijani trenches, and the sophistication of the military hardware available to them make occasional clashes almost inevitable.⁵ These factors also increase the chances of fatalities, raising the danger of escalating retaliatory strikes with heavier weaponry and across a larger area. Lack of direct communication between the two sides, as well as the opacity of troop movements, makes it more difficult to cool down tense situations.⁶

4 De Waal (2009).

5 Amanda Paul, ‘Nagorno-Karabakh – A ticking time bomb’, European Policy Centre September 2010.

6 Crisis Group (2011).

Deterrent Factors

The fact that these skirmishes do not escalate into more serious fighting is an indication that the political leadership on both sides still retains close control over their armed forces (although nominally autonomous, the Nagorno-Karabakh military is closely linked with the Armenian mili-

“The current security situation around the Nagorno-Karabakh Line of Contact (LoC) remains tense and volatile. In 2010 at least 25 lives were lost in skirmishes, up from 19 in 2009.”

tary). More importantly, it demonstrates that both Baku and Yerevan are still committed to the peace process, rather than actively seeking to begin a new conflict. Mr Kasprzyk has acknowledged that this is the crucial factor preventing conflict, stating that “the cease-fire is preserved only by the political will of the parties”.⁷ The unwillingness to engage in military action is a product of *negative* factors as well as *positive* factors, i.e. engagement in the peace process. As one informed analyst notes, “the parties realize that a new war in the

7 ‘Incident on contact line was “most serious in past two years” – OSCE envoy’, News.az July 5 2010.

region would spell disaster for all”.⁸ This awareness stems from two main factors:

Firstly, the impact of the Russia-Georgia war was a clear warning for all parties to the Nagorno-Karabakh conflict. It drove home the lesson that military action has severe and often unintended consequences. For Baku, the damage to Georgia’s energy transit infrastructure was perhaps the most alarming lesson⁹; however, both Azerbaijan and Armenia had a sharp demonstration that Russia was willing to use military force in the pursuit of its interests. Although the parameters under which Moscow would intervene in Nagorno-Karabakh are unclear, the possibility of its intervention is not.

In addition the extraordinary arms build-up over the past few years arguably acts as a deterrent. Armenia’s pursuit of long-range missile systems would allow it to target Azerbaijan’s vital oil and gas industry in any conflict, whilst the increase in defensive capabilities in and around the heights of Karabakh itself makes it more difficult for any potential Azerbaijani offensive.¹⁰

8 Shain Abbasov, ‘Karabakh 2014: No war, but a difficult road to peace’ in Conciliation Resources, ‘Karabakh 2014’, September 2009.

9 Fariz Ismailzade, ‘The Georgia-Russian Conflict: A Perspective from Azerbaijan and Implications for the Region’, Caucasus Analytical Digest No.1, 2008.

10 Sergei Minasyan, ‘Mechanism Of Peacekeeping In Nagorno-Karabakh Conflict: Theory Of Deterrence Under The Armaments Race’ *Globus Energy and Regional Security*, Issue 5 2010.

On the Azeri side, Baku’s extraordinary military budget growth over the last few years has allowed it to purchase a range of advanced hardware and weapons systems, giving it a qualitative edge over Armenia.¹¹

These factors inhibit the potential for a new war in Nagorno-Karabakh. However, equally important is the positive commitment to the peace process and the feeling amongst both Armenia and Azerbaijan that – from their own perspective – the peace process can bring benefits that outweigh the costs. Whilst this commitment to the peace process exists, and whilst leaders in Azerbaijan and Armenia retain tight political control over their armed forces, preventing the escalation of skirmishes, it is unlikely that a major new conflict will break out along the ceasefire line.

Therefore the oft-repeated statement that the situation in Nagorno-Karabakh is “more dangerous than ever” is not entirely accurate.¹² The situation has always been dangerous and at present there are mitigating factors, as in the past. This is not to dismiss the risks or the potential impact of a new war over Nagorno-Karabakh, which would be extremely costly and bloody. It is simply to note

11 ‘The Military Balance’, International Institute for Strategic Studies 2010.

12 Amanda Paul, ‘Nagorno-Karabakh: more dangerous than ever’, *Today’s Zaman* 23 January 2011.

that there are currently factors in place to prevent a radical deterioration of the security situation. However all of these mitigating factors are contingent upon one thing: continued commitment to the current blueprint for a peaceful settlement.

The Madrid Principles: Blueprint for Peace?

The Madrid Principles are the latest iteration of the ‘Basic Principles’, which were unveiled in the summer of 2006 and which were themselves the result of years of talks and draft documents. There are stated to be around fifteen Basic Principles, but to date only six have been officially announced. They are as follows¹³:

1. Return of the territories surrounding Nagorno-Karabakh to Azerbaijani control;
2. An interim status for Nagorno-Karabakh providing guarantees for security and self-governance;
3. A corridor linking Armenia to Nagorno-Karabakh [through the district of Lachin, the so-called ‘Lachin corridor’];
4. Future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will;
5. The right of all internally displaced

¹³ Joint Statement on the Nagorno-Karabakh Conflict, The White House, July 10 2009.

persons and refugees to return to their former places of residence;

6. International security guarantees that would include a peacekeeping operation.

It is important to note the distinction between a ‘package’ and a ‘phased’ approach. A package approach would involve all elements being addressed at once and discussed until parties can agree; a phased approach involves the implementation of less controversial steps first, in order to build confidence and make progress, pushing more difficult issues – notably the issue of a final status for Karabakh – back.¹⁴

Armenia has supported a package approach, which would provide it with security guarantees and a resolution on the status of Karabakh before it made any concessions: to this end, it still seeks to link the issue of status with any withdrawal. Azerbaijan favours the phased approach, underlining the importance of returning the occupied territories first.¹⁵ International mediators currently support Baku, and Azerbaijan regularly declares that Armenia’s insistence on a package approach is intended to play for time and entrench the status quo.

¹⁴ Gerard J. Libaridian, ‘The elusive ‘right formula’ at the ‘right time’: a historical analysis of the official peace process’, Conciliation Resources, 2005.

¹⁵ Rexane Dehdashti-Rasmussen, ‘The Conflict over Nagorno-Karabakh: Causes, the Status of Negotiations, and Prospects’, OSCE Yearbook, 2006.

All of the principles are contested, to varying degrees, by one side or the other. In particular, nationalist constituencies in Armenia are deeply opposed to any steps which they consider to be a compromise, or which involve a ‘step back’ for Armenia. This problem is less acute in Azerbaijan because, at most stages of the Madrid Principles, Azerbaijan would be gaining, and ending the status quo which has been generally on Armenia’s side.

Returning occupied territories (which Armenia considers to be a security belt for itself and for Karabakh) around Nagorno-Karabakh itself would occur first. According to Azerbaijan’s Foreign Minister (although not formally confirmed by the Minsk Group), Armenian forces would withdraw from five districts of Azerbaijan bordering Nagorno-Karabakh itself: Agdam, Fizuli, Djebrail, Zangelan, and Gubadli. They would remain in Lachin and Kelbajar for up to five years in order to maintain land links between Armenia and Nagorno-Karabakh¹⁶. Azerbaijan is calling for an immediate withdrawal from the first five districts, in line with the ‘phased’ approach to the conflict, although it appears that Armenia is reluctant to withdraw until other elements of the peace process have been settled.

¹⁶ ‘Azerbaijani Foreign Minister Discloses Details of ‘Madrid Principles’, RFE/RL March 15 2010.

These conditions have been publicly accepted by the Azerbaijani government, and Armenia privately accepts the need for a phased withdrawal, although it remains in disagreement over certain modalities of the process¹⁷. In particular, Armenia has occasionally insisted on retaining full control of the entirety of Kelbajar and Lachin districts until after a referendum on Nagorno-Karabakh’s final status, the most contentious issue. It is likely that the Lachin corridor would be monitored by international observers as an intermediate step.

Currently the proposed make-up of the proposed peacekeeping force is unclear: it is plausible they would be from OSCE member states, although they may be UN-mandated and drawn from states which have no connection with the conflict. Depending on the contours of a final political settlement, Russia may play a large role in the peacekeeping mission in order to preserve its regional influence, although Baku would be very cautious about this.

These observers and/or peacekeepers would also facilitate the right to return (principle five) of Azeris displaced during the conflict. This has largely been accepted by both sides and has been underlined by several

¹⁷ International Crisis Group, ‘Nagorno-Karabakh: Getting To A Breakthrough’, 2009.

UN General Assembly resolutions.¹⁸ Currently, most of the districts are empty and overgrown; aware of the international repercussions, Armenia has dissuaded settlers from moving to the occupied regions, although authorities in Nagorno-Karabakh have reportedly offered strong incentives for settlers.¹⁹ The lack of settlements in the occupied districts would make returning displaced Azeris significantly easier, once funds have been provided and essential work, such as de-mining and restoring roads, carried out.

The most difficult issue in the peace process is the issue of Nagorno-Karabakh's status. With regard to this principle, the parties employ two somewhat contradictory principles of the Helsinki Final Act which formed the basis for the OSCE. Armenia emphasises Article 8, the equal rights and self-determination of peoples, whilst Azerbaijan underlines Article 4, territorial integrity of states. Some have argued that these positions simply represent "a legalistic framing of the conflict and are assumed to be synonymous with the negotiating stances of the conflict parties", and are changeable²⁰. This may be true, but clearly the adherence to these

18 'General Assembly Adopts Resolution Reaffirming Territorial Integrity Of Azerbaijan, Demanding Withdrawal Of All Armenian Forces' UN News Center 14 March 2008.

19 International Crisis Group, 'Nagorno-Karabakh: Viewing The Conflict From The Ground', 2005.

20 Conciliation Resources, Karabakh 2014, 2009.

principles reflects genuine interests, and they cannot be easily reconciled. Azerbaijan has attempted to compromise by offering Nagorno-Karabakh

"The lack of settlements in the occupied districts would make returning displaced Azeris significantly easier, once funds have been provided and essential work, such as de-mining and restoring roads, carried out."

the "highest level of autonomy" within the Azerbaijani state. Armenia and officials in Stepanakert have rejected this and insisted on a formula which would allow for Nagorno-Karabakh's eventual independence. President Sargsyan has stated that Nagorno-Karabakh "has no future within Azerbaijan".²¹

The issue is complicated by the fact that any "legally binding expression of will" would have to include the voices of Azerbaijanis displaced from Nagorno-Karabakh, who would have to be returned to their homes before any vote. The issues of interim status and final status are closely linked: Baku insists that any interim status must be in line with its territo-

21 'Statement by the President of the Republic of Armenia H.E. Serzh Sargsyan at the OSCE Summit', 2 December 2010.

rial integrity, which implies that the opportunity for secession called for by Armenia would be closed. Complicating the matter is the fact that the separatist government in Stepanakert is not involved in the peace process, as for Azerbaijan this would imply recognizing their claims to legitimacy. The most likely option is the deployment of a substantial international peacekeeping presence in Nagorno-Karabakh, in order to provide tangible security guarantees for Karabakh Armenian and to facilitate the return of Azeri refugees. The issue of final status would be discussed much later, once refugees had returned and the area was under international oversight.

From the above it can be seen that a clear blueprint does exist for the settlement of the Nagorno-Karabakh conflict. On a purely technical level the two main sticking points are the following: the modalities of the Armenian withdrawal from the occupied districts, including whether Kelbajar and/or Lachin would be included in any immediate withdrawal; and the question of how the final status of Nagorno-Karabakh is determined. Related to this is the methodological issue: whether the process stays strictly phased, as supported by Azerbaijan and the OSCE Minsk Group, or whether the mechanism for establishing final status is

agreed upon now, as Armenia insists. Given the existence of a blueprint for peace, the main factor inhibiting progress is insufficient political will: the inability of conflict parties to accept the need for compromise, and the unwillingness of the international community to play a more active role.

Lack of political will: the Armenian case

Political leaders do not act in a vacuum: their actions are always shaped by constituencies at home (as well as abroad), even in non-democratic or semi-democratic states. These constituencies often have agendas which are not in line with national interests, especially in weak or developing states. In these states, agendas are often bound up with concepts of national or ethnic identity, particularly in cases where that identity is perceived to be under threat.²²

These constituencies have significant roles in processes of conflict resolution. Diaspora communities have a unique place here: as one academic puts it, one view holds that “diasporas are long distance nationalists or fundamentalists that perpetuate conflicts through economic and political support or intervention without

22 Bahar Baser and Ashok Swain, 'Diaspora Design Versus Homeland Realities: Case Study Of Armenian Diaspora', *Caucasian Review of International Affairs* Vol.3 No.1 2008.

risking their own neck”²³

In the case of the Nagorno-Karabakh conflict, the Armenian diaspora communities could be considered to fulfill this definition²⁴. They are generally held to be more nationalist and with stronger historical links to perceived injustices against Armenians over the last century, since many diaspora communities in Europe and the United States were established after the events of 1915. Well-organized and well-resourced, they are able to exert influence on foreign governments (notably in the United States) and also to apply significant pressure on the government in Yerevan.²⁵

Strikingly, in February 2011 signs emerged that diaspora groups would receive representation in a planned second chamber of the Armenian legislature. This would allow them to influence the domestic politics of what is, essentially, another country.²⁶

In addition, the authorities in Nago-

23 Eva Østergaard-Nielsen, 'Diasporas and Conflict-Resolution – Part of the Problem or Part of the Solution?' Danish Institute for International Studies, 2006.

24 The emphasis on the Armenian case here does not imply that other conflict parties are immune to domestic political pressures; however, the Armenian case is the most complex and the most central to progress (or otherwise) on Nagorno-Karabakh.

25 Heather S. Gregg, 'Divided They Conquer: The Success of Armenian Ethnic Lobbies in the United States', Rosemarie Rogers Working Papers No. 13, 2002.

26 Harut Sassounian, 'Diaspora to be Represented in Armenia's Senate: Many Questions, Few Answers', *Asbarez.com* February 11 2011.

rno-Karabakh constitute a second (semi)foreign constituency. 'Independence' through war, the role of the military, claimed historical links to the land, national consciousness, and Armenian unity are amongst the key elements in the self-identity of Nagorno-Karabakh Armenians.²⁷ Therefore, it is quite clear that they constitute a more nationalist and uncompromising group than many in Armenia proper.

Although Yerevan and Stepanakert are often taken as synonymous in their aims and interests, in reality their approaches differ. The Armenian government is, in the final analysis, often prepared to compromise; the Nagorno-Karabakh authorities almost never are. Given the strong elite links between Stepanakert and Yerevan – former Armenian President Robert Kocharian led the de facto republic between 1994 and 1997, and incumbent Serzh Sargsyan was a pivotal military commander in the Nagorno-Karabakh military during the war – this means that Yerevan's policy is conditioned by hardliners in Karabakh, who emphasize freedom won through military force as a pillar of their self-identity, as well as the diasporas abroad which emphasize the events of 1915.

27 See, for example, 'Speech of NKR President Bako Sahakyan delivered at the "Armenian-Turkish Relations and the Artsakh Issue" Conference', July 10 2009.

“The Armenian government is subject to a number of pressure groups, most of which do not have much interest in making concessions on Nagorno-Karabakh or normalizing relations with Turkey.”

At home, nationalist opposition groups such as the Armenian Revolutionary Federation, many of them with links to Nagorno-Karabakh or the diasporas, also attempt to influence the government. At present they are disunited and internally fractured; however, by appealing to national identity they can conceivably generate significant public support. If a unifying leader could be found – less divisive than former President Levon Ter-Petrosian, now a staunch government critic but also widely distrusted by nationalist groups – the opposition could force the ruling Republican Party (HHK) into accepting their positions.

This illustrates that the Armenian government is subject to a number of pressure groups, most of which do not have much interest in making concessions on Nagorno-Karabakh or normalizing relations with Turkey (let alone both at the same time). In this regard absence from power is a luxury: opposition and diaspora groups can appeal to intransigent na-

tionalism in a way that the government, facing real domestic and foreign challenges, cannot.

This pressure is likely to intensify as the centenary of 1915 approaches. Nationalist sentiment will increase and lobbying efforts by the Armenian-American community to push a genocide recognition Bill through the US Congress will intensify. This will have a detrimental effect on the Nagorno-Karabakh peace process and the Turkish-Armenian thaw over the next four years, entrenching historical nationalism on all sides and discouraging compromise.

For the purposes of this article, the above indicates the constraints on the Armenian government as it seeks to make the next step on Nagorno-Karabakh. Parliamentary elections due in May 2012 also put pressure on the HHK, forcing it to respond to popular concerns and a public unwillingness to compromise.

The linkage of Nagorno-Karabakh with the rapprochement, although logical, also sharply increased the costs of the process for the Armenian government. Therefore it is unlikely that the Turkish-Armenian thaw, which would have enabled Ankara to exert greater influence on Yerevan vis-à-vis Nagorno-Karabakh, will be

revived. Although politically difficult, the thaw with Turkey would have brought tangible benefits to Yerevan in the form of better economic and political opportunities; the domestic cost could therefore have been

“Without the influence of the Turkish thaw, the pressures pushing Yerevan to make progress on Nagorno-Karabakh are greatly reduced.”

outweighed (and publicly justified) by the international benefits. However concessions on two fronts would be politically impossible for the HHK, given the fractious state of Armenian politics and the significant if divisive influence of Mr. Ter-Petrosian.

Without the influence of the Turkish thaw, the pressures pushing Yerevan to make progress on Nagorno-Karabakh are greatly reduced. Another factor inhibiting progress is the perceived absence of security guarantees for Nagorno-Karabakh, as the intense disagreements over the status of the Lachin corridor testifies. It is far more profitable for the HHK to maintain the status quo, certainly until after the 2012 elections and probably until after 2015. After this point, Yerevan may be able to limit the influence of the diasporas and persuade the authorities in

Stepanakert to accept compromises.

Lack of political will: the international case

In the Nagorno-Karabakh case, the next steps will be conditioned by international as well as domestic politics. Although the parties themselves are ultimately responsible for any solution, the international community also has a key role in formulating a settlement and encouraging progress towards it. Despite all the failings of the OSCE Minsk Group, for example, it has managed to develop the Madrid Principles and lead Armenia and Azerbaijan close to accepting them as a blueprint for peace.

The level of engagement of the international community will be essential in determining whether the parties can agree on the Madrid Principles, or whether they are rejected and the situation becomes more precarious and dangerous. Handled correctly, international actors can make compromise more palatable for national leaders, increasing the benefits of peacemaking relative to the costs.

Russia

Undoubtedly, the outside state with the most influence in the Nagorno-Karabakh conflict is Russia. As the

former imperial centre (Tsarist and Soviet) it has a strong historic role in the South Caucasus's ethnic tensions.²⁸

This historical legacy is buttressed by modern forms of influence. With Azerbaijan, Russia has conducted extensive energy deals, which have turned Baku from an energy importer to an energy exporter with regard to Russia. Most recently, Moscow signed a contract to double gas imports from Baku from 2010 volumes, and raised the possibility of buying much more. In the past, Russia has offered to buy all of Azerbaijan's export volumes, demonstrating the importance which the Kremlin attaches to this relationship²⁹. With Armenia, Russia has a range of economic and security ties, including Russian ownership of most of Armenia's major energy and industrial facilities, Russian gas supplies, and the presence of a large Russian military base at Gyumri.

Moscow is therefore able to exercise considerable influence over Baku and Yerevan. It is widely perceived to favour Armenia in the conflict, since it does not leverage Armenia into making concessions; however, it has repeatedly indicated that its real interest is the status quo, or at least prog-

ress which does not favour either side. For instance, increased security cooperation with Armenia in 2010 was offset by alleged sales of high-value military hardware to Azerbaijan.³⁰

It was widely believed that Russia has sought to keep the conflict frozen purely to maintain its influence in Armenia as a 'strategic foothold' in the Caucasus. After the war with Georgia, this no longer holds true: Russia has made efforts to promote a political settlement and be viewed positively after widespread international disquiet over its invasion of Georgia³¹. In November 2008 President Medvedev persuaded Presidents Aliyev and Sargsyan to sign the Moscow Declaration. Although it contained no specific steps, it is significant as the first document which bears both presidents' signatures since the 1994 ceasefire. Subsequently, Russian officials have regularly met with their Armenian and Azerbaijani counterparts and appear to be actively promoting a peaceful resolution based on the Madrid Principles.

Russia's change of approach to the Karabakh conflict appears to be serious, if not entirely whole-hearted yet (re-

28 Houman A. Sadri, 'Global Security Watch: The Caucasus States', California: Praeger 2010.

29 'Russia's Gazprom ready to buy all of Azerbaijan's gas - CEO Miller' RIA Novosti June 19 2010.

30 Alexander Jackson, 'Russia Tightens Its Grip in the South Caucasus', *Caucasian Review of International Affairs* August 23 2010.

31 Fariz Ismailzade, 'Moscow Declaration on Nagorno-Karabakh: A View from Baku' *Turkish Policy Quarterly* Vol. 7 No. 3, 2008.

flecting historical attempts to maintain the status quo). It is only partly driven by the need for a positive image after the war with Georgia and by the need for its Gyumri base, both of which are relatively minor concerns. Instead it appears to reflect a genuine desire to end the risk of a new Caucasus war, which would require some form of Russian intervention and create huge complications for Russia's regional strategy. A peace settlement brokered by Moscow would also allow it to maintain regional influence, for instance through peacekeepers or security guarantees.

Regardless of the contours of a final settlement, Russia will still have enormous influence in Armenia. Its ownership over strategic sectors of the Armenian economy, from railways to telecommunications and from power plants to banking, gives it significant sway over Armenia's political economy³². Yerevan will also remain a member of the Collective Security Treaty Organization, the Russian-dominated security bloc.

Given the certainty of continued influence, it can be expected that Russia will continue to push both parties towards a peaceful resolution. Whether or not it will exercise its full leverage will continue to reflect its strategic

³² 'Armenia: Hard Economic Times and Growing Russian Influence', Stratfor March 4 2009.

calculus in the South Caucasus, and whether it believes that a settlement's benefits outweigh the costs. If Russia chooses to make full use of its influence, it could contribute to rapid progress towards a political solution.

The United States

The high-water mark of US influence in Nagorno-Karabakh came in 2001 with the Key West talks, overseen by then-President George W Bush. The talks were inconclusive and since then US influence has been patchy. The two main conditioning factors at present are, firstly, the logistical need to maintain a 'central corridor' for NATO operations in Afghanistan, for which transit rights across Azeri territory are essential.³³ More broadly, this extends to Baku's cooperation in the 'war against terror', especially relevant given its proximity to Iran.

The second conditioning factor is the influence of the Armenian diaspora in Congress. Senators from states with significant Armenian-American constituencies, such as California and New Jersey, often support the positions of the Armenian diaspora in key Congressional bodies. Given the nature of American politics, this can lead to deadlock, as shown by the long deadlock in appointing Matthew

³³ Andrew Kuchins and Thomas Sanderson, 'The Northern Distribution Network and Afghanistan', Center for Strategic and International Studies, January 2010.

Bryza, widely mistrusted by Armenian-Americans, to the post of Baku ambassador.³⁴

This tension between the Executive Branch and Congress makes it difficult for the US to exercise a consistent influence in Nagorno-Karabakh; more pertinently, it means that neither side views Washington as a truly unbiased mediator. In addition, the US has only limited leverage, unlike Russia: it can offer financial incentives or political guarantees, but given its lack of attention to the Caucasus in recent years, neither of these seem particularly important for Baku or Yerevan.

The Caucasus is unlikely to become a focus area for the US any time soon; for now, a de facto policy of leaving the area to Russian influence seems to be Washington's default policy. Without sufficient political will, America will be unable to positively influence the next steps in the Nagorno-Karabakh conflict.

The European Union

The EU's involvement in Nagorno-Karabakh has been extremely limited to date. The EU's Eastern Partnership initiative, launched in 2009, stresses the need for stability in the South

³⁴ Alexander Jackson, 'Unblocking the US-Azerbaijan Relationship', *Caucasian Review of International Affairs* October 7 2010.

Caucasus and calls for efforts to achieve it; it does not envisage a more active role in conflict-resolution processes, emphasizing that existing formats should be supported.

At the institutional level, responsibility for the conflict is fractured between European agencies: the Special Representative for the South Caucasus, the European Commission, and the European Council all play a role in various policies towards the South Caucasus. There is no integration of effort, with country action plans having no overlap with the Special Representative, for instance.³⁵ National capitals also have their own agendas; France, with its strong Armenian diaspora and role as a Minsk group co-chair, is very different to (for instance) Hungary, which is actively seeking to build energy ties to Azerbaijan.

Competing initiatives and structures means that the EU has been unable to play a significant role at all in the Nagorno-Karabakh conflict. If and when a settlement is reached, the main activity of the EU will probably be to provide significant investment and reconstruction funds to the occupied areas of Azerbaijan, through vehicles such as the European Bank for Re-

³⁵ Stefan Wolff, 'The European Union And The Conflict Over The Nagorno-Karabakh Territory', Report prepared for the Committee on Member States' Obligations Parliamentary Assembly of the Council of Europe, 2007.

“Competing initiatives and structures means that the EU has been unable to play a significant role at all in the Nagorno-Karabakh conflict. If and when a settlement is reached, the main activity of the EU will probably be to provide significant investment and reconstruction funds to the occupied areas of Azerbaijan.”

construction and Development and the European Investment Bank.

Conclusion

Neither Russia, the US nor the EU has demonstrated the political will to force the parties into moving forward with the Madrid Principles, the only widely accepted blueprint for a settlement. The US has not focused on the South Caucasus for several years, and in any case its approach to Armenia and Azerbaijan is heavily conditioned by logistical requirements in Afghanistan and the influence of the Armenian diaspora. The EU, with a much greater stake in the region's energy resources, has failed to provide diplomatic muscle through a divided approach and a residual unwillingness to be seen to usurp Russian diplomacy.

Russia's failure to provide political will has not been through a lack of leverage but through an unwillingness to abandon its traditional 'divide and rule' policy. This appears to be changing and, if so, could have a dramatic effect on the next steps of the Nagorno-Karabakh peace process. Moscow remains the one power with the influence to decisively shape the conflict; at the raw military level, it is also the only state which could realistically threaten to use force to halt a conflict – it is therefore a crucial, albeit subtle, factor in maintaining the ceasefire and thus creating the space for peace talks.

However, Russia cannot dictate another state's internal politics, and Armenia's domestic politics pose a significant obstacle to peaceful progress in Nagorno-Karabakh. Although subject to some international influence, this is far less important to the government of President Sargsyan than the pressure exerted by a range of Armenian constituencies which emphasise a discourse of 'no compromise'. Opposition parties (notably the Armenian Revolutionary Federation) and alliances (Levon Ter-Petrosian's Armenian National Congress) are engaged in regular verbal conflict with the government, lambasting it for perceived weakness and selling out Armenia's position. Although the an-

ti-government forces are currently fractured and unpopular, the emergence of a strong and unified movement could herald a return to ‘street politics’, limiting the space for dialogue and making it even harder for President Sargsyan to work pragmatically with Azerbaijan or Turkey without being seen as a traitor. The fall of the government is not impossible.

The Yerevan government is also subject to pressures from Nagorno-Karabakh’s de facto authorities, and the Armenian diasporas, notably in the US. These are more nationalist and less willing to compromise than opposition parties within Armenia itself, due to a ‘frontier spirit’ and the luxury of distance, respectively. These groups exercise financial, political and ideological leverage over the Armenian government, and are certainly not beholden to its policies. Any Armenian pledge to withdraw from districts surrounding Karabakh will face staunch opposition in Stepanakert and could make the Nagorno-Karabakh military feel it has no choice but to launch attacks against Azerbaijan to disrupt the peace process.

However if the Armenian government can overcome these domestic obstacles, the Madrid Principles pro-

vide a clear blueprint for peace. The most contentious issue is the status of Nagorno-Karabakh. However it is clear that before addressing the issue of status, momentum needs to be achieved: first and foremost, this should involve an Armenian withdrawal from the five occupied districts around Nagorno-Karabakh, in line with the recommendations of the OSCE Minsk Group and several resolutions of the UN General Assembly.

Achieving this will require much greater efforts by the EU and the US, working closely in concert with Russia. In light of the US-Russia ‘reset’, Karabakh is one area in which they share aims and should be able to cooperate. Washington will only be able to play a supporting role compared to Russia, but it will still be important. Political guarantees and demonstrations of long-term US involvement would reassure Armenia and Azerbaijan that they are not being abandoned to Russian dominance.

The EU will have a crucial task: providing economic, political and soft-security assistance to the process as it moves forwards. Reconstruction funds, unarmed observer missions, security-sector reform and political support from the EU would be a powerful incentive to continue the pro-

cess and would also make it run smoothly.

No outside party can halt domestic politics or reinvent national identities. However, as the experience of European integration demonstrated, political and economic assistance – underwritten by security guarantees from great powers – can galvanize peacemaking processes and make the benefits of cooperation domestically acceptable. Greater international attention will, therefore, be critical in unblocking the current impasse and moving towards a peaceful final settlement of the Nagorno-Karabakh conflict.

The EU and the South Caucasus: *the place of Azerbaijan*

Evgeni
Kirilov

Abstract

Azerbaijan is part of a neighboring region of great strategic importance for the EU in political, economic and security aspects. Therefore the main focus of the EU policy should be to encourage its development as a stable and democratic country, ready to establish good neighborly relations and integrate into the EU policies. Alongside the strengthening of the democratization process in the country and the enhanced energy and economic cooperation, the EU should engage more actively as far as the security issues and regional cooperation are concerned. After the Russian - Georgian war in 2008 it became clear that sooner or later EU will play an active role with regards to the unresolved conflicts in the region. In this sense it is very important for the EU to step up its efforts for the peaceful solution of the conflicts in the South Caucasus, including the Nagorno-Karabakh conflict in order to guarantee the sustainable peace and stability at its Eastern border as well as to develop successfully its policies there. EU is a desired partner in this region and its strength lies in its soft power. EU has the experience and the capabilities to contribute to the creation of a more tolerant atmosphere in the South Caucasus, to show the people in the region that they can live again together in peace and prosperity and that they can restore the good relations and the mutual trust that existed in the past.

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The South Caucasus is not only a region in the immediate neighbourhood of the EU (Romania and Bulgaria have a sea border with the region), but also a region of great strategic importance for the EU in political, economic and security aspects. The EU's main objective here-of is to encourage the development of Armenia, Azerbaijan and Georgia towards stable and democratic countries, ready to establish good neighbourly relations and integrate into the EU policies.

The EU considers it very important, alongside its bilateral partnerships with these three countries to develop a credible regional approach. The size, the geopolitical location and the existing complex problems of the three countries suggest that they can realize their best potential as a region. That is also how they make part of the most recent initiative by the EU towards its Eastern neighbours - the Eastern Partnership which not only creates a valuable framework for enhanced cooperation with the EU but aims at developing the regional cooperation and multilateral dialogue so much needed in the South Caucasus.

The EU relies on each of the three countries in this endeavour and believes that the future of the region is above all in their hands and in the

hands of their leaders. Therefore it views its relations with Armenia, Azerbaijan and Georgia as relations between equal partners with whom it needs to have a dialogue on all issues of mutual interest and concern.

Azerbaijan occupies a particular place for the EU in this mosaic of partnerships in the region and in many spheres in which it is an indispensable EU partner. It is a stable country in a turbulent region, bridging Russia and Iran, the Black Sea and the Caspian Sea but more importantly it demonstrates a genuine desire to open up even more to the European values and cooperate with the EU more closely on all possible levels.

These are important facts that the EU should not disregard. The Union is making small but steady steps in meeting Azerbaijan's openness towards itself. However, the starting of the negotiations for an Association Agreement between Azerbaijan and the EU in 2010 is a big step forward. Its main goal is to lay a new legal foundation for the bilateral relations and achieve a closer political association and gradual economic integration. It will cover a number of areas, including political dialogue, justice, freedom and security, as well as trade and cooperation in various policies.

It will also have a direct positive impact on people's lives, in terms of economic opportunities and easier contacts with people from the EU. Visa facilitation and eventually visa liberalization agreements will also be part of this process.

“These are important facts that the EU should not disregard. The Union is making small but steady steps in meeting Azerbaijan's openness towards itself.”

Stepping on the priorities of this future association agreement, the EU should focus on three main areas of cooperation with Azerbaijan: the strengthening of the democratization process in the country, the energy and economic cooperation, and the security issues and regional cooperation.

As far as democratization is concerned it is in the interest of Azerbaijan to continue its efforts in approaching even further the European standards in the field of human rights protection, freedom of speech and freedom of assembly. The level of good governance, political pluralism and rule of law determine to a great extent the relations of the country with the EU and the latter will con-

tinue to provide financial and technical assistance to help the democratization process.

Also, Azerbaijan is a special priority for the EU because of its strategic geopolitical location and the shared common energy security agenda with the Union. The country's increasing importance as an energy, transport and communication corridor connecting the Caspian region and Central Asia with Europe, as well as the EU's increasing needs in the field of energy security require a more active cooperation of the two entities in the regional energy projects and particularly as far as the implementation of the Nabucco pipeline project is concerned. Also the development of new infrastructure and transport corridors, diversifying suppliers and routes such as the Trans-Caspian gas pipeline, the White Stream, the INOGATE (Interstate Oil and Gas Transport to Europe) and TRACECA (Transport Corridor Europe-Caucasus-Asia) and all possible projects connecting the Caspian Sea and the Black Sea are important for the EU. The role of the existing oil and gas pipelines like Baku-Supsa, Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum should also be underlined as valuable sources for the EU diversified energy supply from Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan.

The energy issues, however, should not be the only economic issues in the EU-Azerbaijan dialogue. The EU encourages Azerbaijan to diversify its economy and underlines the importance of building a favourable business climate and development of the private sector. It also supports the reform process, which makes the economy more attractive to foreign investors and is ready to assist the Azerbaijani authorities to accelerate the negotiations on accession of the country to the World Trade Organization (WTO).

Trade is one of the main elements of the European policy for supporting the political stability, human rights and sustainable development in the South Caucasus countries, including in Azerbaijan. Therefore concluding a free trade agreement with Azerbaijan is seen as a way not only to attract more foreign investments, stimulate job creation and eradicate poverty but also as a first step towards creating a free trade area between the three South Caucasian countries themselves - a process that would lead to a deeper and pragmatic regional cooperation and integration.

What should be noted here, however, is that the investors' confidence depends to a great extent on the transparency of the oil and gas reserves

data, the productivity, the transport infrastructure but most of all on the political stability both in Azerbaijan and the South Caucasus as a whole. The tense security environment, particularly after the war in Georgia, leads to an increase of the difficulties and the prices of the infrastructural projects in the region.

It becomes more and more evident that the EU ambitions and policies cannot be fully realized due to the big shadow over the region - the shadow of the unresolved conflicts in Georgia and in Nagorno-Karabakh. It is the biggest obstacle for enhancing political stability, democratization and sustainable social-economic development.

Unfortunately, it was the war in Georgia that attracted EU's attention to the region and just after it the Union realized that it needs to be more actively engaged there, particularly in regard to conflict prevention and management. The war in Georgia reminded the EU how near the South Caucasus actually is and that is in the immediate neighbourhood of the Union. It also showed how big the risk of "defreezing" the so-called frozen conflicts is and how big the political and human costs are when there exist attempts to solve these conflicts by force. The war showed

the vulnerability of the investments and the projects through which the EU wants to diversify its energy supplies. At the same time it showed that when there is the political will the EU can react swiftly and adequately. The French EU Presidency gave a good example in this regard. It became clear that sooner or later the EU will play a role with regard to the regional conflicts. It is better if this is realized sooner in order to avoid a similar tragedy in the future. It is very important for the EU to undertake its role in the peaceful solution of the conflicts in the South Caucasus, including the Nagorno-Karabakh conflict, in order to guarantee the sustainable peace and stability at the Eastern borders of the Union as well as to successfully develop its policies there. The EU is a desired partner in this region and its strength lies in its soft power.

In the case of the Nagorno-Karabakh conflict the EU is the only international actor whose presence does not raise controversies and which is accepted by both sides. Despite this fact so far the Union has not played a role in the conflict's resolution. Its resolution is a crucial precondition for the start of the dialogue and cooperation between Azerbaijan and Armenia. If this cooperation does not become a reality soon the prospects for the region are not very bright. Azerbaijan

will continue to bear the humanitarian costs of the status quo and Armenia will continue to suffer from its regional isolation. Both countries will continue to spend huge amounts on rearmament instead of development.

A number of positive developments which appeared in 2009 raised the optimism about the resolution of the Nagorno-Karabakh conflict. Unfortunately, this momentum was not sustained and the crisis in the Armenian-Turkish rapprochement cooled down this optimism. The increase in tension and in ceasefire violations across the line of contact show clearly that the status quo is unacceptable and bears constant risk of escalation. Therefore at this stage it is not enough for the EU simply to declare its support for the work of the Minsk Group. It has to find a way to engage adequately before it is too late. As a Co-chair of this Group, France put forth a lot of effort and positive energy but if the EU takes seriously its new foreign policy role entrusted to it by the Lisbon treaty it needs to give France a European mandate within the Group. After a political solution is found, most probably the leading element of an international peacekeeping force sent to Nagorno-Karabakh will be the EU. In fact, the status-quo comes as a result of inefficient years-

long diplomatic and political actions and this is in no one's interest. The big losers, however, are the people living in and around Nagorno-Karabakh and all the internally displaced people who had to leave their homes without a hope, without a past. These people are doomed to isolation, poverty and lack of prospects for a decent peaceful life. It is high time these

“The situation of the internally displaced persons as a result of the Nagorno-Karabakh war remains serious as well. The EU needs to participate actively and even to lead the international community's efforts for rehabilitation and development of the conflict zones by initiating projects for income generation, social-economic integration and encouragement of the reconciliation.”

people were put in the centre of the peace talks.

Otherwise, if there is an undesired negative development of the situation, the EU will be the one to bear the burden related to overcoming the conflict consequences as well as the high political cost before the European citizens who will demand an ex-

planation why the EU did not manage to prevent another violent conflict in the vicinity of its borders. After the unfortunate European experience in preventing the conflicts on the Balkans and Georgia, this will be unforgivable.

Last year has also been seen the launch of the first ever EU tailor-made programme for Nagorno-Karabakh - an NGO confidence-building project which aims to prepare the people on both sides for the possible concessions related to the conflict settlement. The EU support for the conflict resolution process is crucial and alongside the confidence-building programmes it should offer support for reconstruction and rehabilitation once a political solution is found. In this sense the creation of spaces for civic engagement not just between leaders, but also between civic organizations is crucial.

The situation of the internally displaced persons as a result of the Nagorno-Karabakh war remains serious as well. The EU needs to participate actively and even to lead the international community's efforts for rehabilitation and development of the conflict zones by initiating projects for income generation, social-economic integration and encouragement of the reconciliation. Despite

the launch of some programmes for integration of the IDPs, Azerbaijan still faces a number of difficulties in this respect. Of course the best and most adequate solution for these people would be to go back to their homes, where they belong. Therefore this objective should continue to be part of the comprehensive solution of the conflict.

The EU has the experience and the capabilities to contribute to the creation of a more tolerant atmosphere in the South Caucasus, to show the people in the region that they can live again together in peace and prosperity and that they can restore the good relations and the mutual trust which existed in the past. After all, the big historical lesson that the EU has learnt is the lesson of integration. Integration is the only weapon by which can be achieved a lasting conciliation with the past and an investment in a better future. Therefore the EU will continue to direct its efforts towards achieving closer regional cooperation and approximation of the three countries of the South Caucasus towards the European values through active political and economic association.

Overcoming threats to *stability in Azerbaijan*

Fariz
Ismailzade

Abstract

Azerbaijan is a young country, facing many internal and external threats. Some pundits believe that the government structures and national statehood are not strong and well developed enough to deal with these challenges and ensure Azerbaijan's sustainable development. Yet, the few examples of the risks that the country has faced in the past several years show the country's and the government's ability to be flexible, pro-active, responsible and transparent when addressing these risks coming from economic, social, religious and geopolitical factors. The diversity of risks that has hit Azerbaijan in the past 3 years is striking, yet the government has managed to develop solid and sound policies to overcome these threats. In many ways, this has shown the maturity and effectiveness of the state-building process in the country.

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Azerbaijan's independence came at a heavy cost. Bloody war with neighboring Armenia resulted in the occupation of nearly 20% of the country's territory. Some million people became internally displaced persons and refugees and civil war erupted in 1993. Economic collapse led to hyperinflation, huge unemployment and the total stagnation of industry.

Under these conditions, many wondered if Azerbaijan would survive as a country. In fact, many predicted that the fate of Azerbaijan would be similar to that of Azerbaijan Democratic Republic in 1920, which was taken over by the Red Army and failed to exist under the external and internal political, economic, social pressures.

Twenty years later, Azerbaijan is a completely different country. The main characteristics of Azerbaijan today include a booming economy, macroeconomic stability, balanced foreign policy, with successful nation and state building processes. The government has managed, despite enormous pressures from abroad, to implement its oil and gas contracts, signed with foreign companies and thus obtain necessary financial resources to build the infrastructure, modernize the economy and invest in the future of the country.

How sustainable is this stability in the country? Is this solely dependent on oil and gas revenues? Is political stability obtained at the cost of freedom? And can the country continue to develop in the future and maintain the increasing welfare of its citizens?

Some opposition forces inside the country and the critics of Aliyev administration abroad point out the short-term nature of Azerbaijan's success. They believe that the government is not able to manage the country in the long run and that stability is likely to deteriorate under external and internal shocks. In other words, they claim that Azerbaijan has not managed to build an effective state in modern terms and that the ruling party is looking after its own interests rather than those of the nation.

The events of last two to three years in Azerbaijan and in the broader region give several vivid examples of external and internal shocks to Azerbaijani statehood. The firmness and strength of any government is usually measured by its ability to respond to these threats, overcome or prevent them, make necessary adjustments and continue its development course. If the government is unable to deal with these threats and shocks, then it either collapses and another party

comes to power or the whole country enters the phase of chaos, instability and turmoil.

The five examples below illustrate Azerbaijan's ability to deal with external and internal shocks.

1) Global financial crisis

The global financial crisis hit Azerbaijan unexpectedly, just like many other countries. As oil prices plummeted around the world, so did the oil revenues of the state budget. For a country, whose exports overwhelmingly depend on the oil and gas sector, this could pose a fatal threat. Decreasing revenues meant decreasing social benefits, a freeze on government construction and other investment projects, rising unemployment, growing bankruptcy in the private sector, lowered investments, currency instability and food shortages.

Some opposition forces have started predicting the collapse of the Azerbaijani manat and panic in the banking sector. Newspapers have been speculating day and night that people should withdraw their savings. Some banks have stopped issuing loans and the sales of the cars, apartments, as well as micro-crediting have been stopped. The economy was approaching a nervous breakdown.

Under these circumstances, any government would panic. But President Aliyev and his administration acted rather confidently, taking necessary steps to minimize the negative impact of the global financial crisis. Foremost, the banking sector was paid attention to by the government: the strength of the manat was maintained (even at the expense of spending millions to issue dollars into the market), several banks were saved from bankruptcy by government funds and additional funds were released for micro-credit lending. Thus, the consumer confidence in the banking sector was preserved and a psychological panic was averted.

At the same time the state budget was carefully revisited and considering the dramatic decrease of the world oil prices from 147 USD per barrel to 45 USD, few large infrastructure projects were quietly put on temporary hold. Thus, the government acted as a fiscally conservative, pragmatic actor, avoiding excessive spending and large budget deficits. Gross domestic product continued to grow, albeit at much slower pace, and the food market was maintained stable due to carefully crafted food security policy (organizing extra markets in the capital city, building warehouses, ensuring the large reserve stock of wheat, etc).

2) *Turkey-Armenia rapprochement*

Armenia's occupation of Nagorno-Karabakh and surrounding regions of Azerbaijan has been one of the major threats to Azerbaijan's independence, sovereignty and the survival of statehood. Despite the cease-fire, tensions in the region continue and the risk of the renewal of military activities is present every day. Azerbaijani leadership has been negotiating with Armenia for the past 17 years, yet little progress was made on the return of the occupied territories. Under these conditions, Azerbaijan's policy of the economic isolation of Armenia has been one of the main pillars of foreign policy. This has been achieved to a great degree thanks to the construction of major oil and gas pipelines though the territory of Georgia and Turkey, bypassing Armenia and leaving that country in economic desperation. Closed borders between Armenia and Azerbaijan on one hand and Armenia and Turkey on the other hand deprive Armenia of major trade and commerce opportunities and limit the potential for its economic development.

Azerbaijan has always insisted that regional cooperation and trade with Armenia is possible only after the liberation of the occupied territories. In a way, Azerbaijan has been using

this rare tool of pressure (in the absence of major international pressures on Armenia) to force that country into political concessions. Thus success on the Nagorno-Karabakh issue and therefore the overall reputation of the Aliyev government to maintain Azerbaijan's territorial integrity and sovereignty depends very much on this issue.

In 2009, when Turkey, under pressures from the United States' new president Obama and the EU, expressed a desire to break away from this 20 year old policy of closed border with Armenia and finally normalize the relations with that country without any preconditions on the Nagorno-Karabakh issue, this posed a great threat to the foreign and nation-

“Azerbaijan has always insisted that regional cooperation and trade with Armenia is possible only after the liberation of the occupied territories. In a way, Azerbaijan has been using this rare tool of pressure to force that country into political concessions.”

al security of Azerbaijan. The fundamental pillar of the foreign policy of Azerbaijan was at stake and under

threat. Should Turkey proceed with these plans, Azerbaijan would be left alone in its geopolitical struggle with Armenia. Zurich protocols between Turkey and Armenia were supported by all major powers. Opening Turkish-Armenian borders would strengthen Armenia's economy and make it bolder and more stubborn at the negotiating table. Losing Turkey as a strong ally would weaken Azerbaijan's regional standing, jeopardize chances for the peaceful return of Nagorno-Karabakh, diminish the credibility of the Aliyev government domestically and eventually could lead to social protests and domestic instability.

Under these circumstances, President Aliyev chose a very tough, pragmatic, insistent and bold course: put pressures on Turkey, despite the fact that this country is much larger than Azerbaijan; use economic and energy tools to derive political dividends; show strong displeasure with the U.S. and EU regarding this initiative; and apply public diplomacy methods to impact Turkey's public opinion. Refuse to attend the Istanbul summit, despite repeated invitations by senior Turkish and U.S. officials, using openly harsh rhetoric regarding Turkey's gas policy vis-à-vis Azerbaijan, threatening to minimize military cooperation with US and NATO, ap-

pealing to Turkish nationalists and general public and many other activities has been at the forefront of this crisis management strategy. Azerbaijan was desperate and the more desperate it was becoming, the harder its political language was getting.

At some point, both Turkish and U.S. politicians understood that delinking Turkey-Armenia rapprochement and the Nagorno-Karabakh issue has been a wrong policy and could lead to negative consequences vis-à-vis Azerbaijan. Losing political and economic ties with Azerbaijan was too risky, considering the strategic importance of this country. President Aliyev and his foreign policy team made clever diplomatic maneuvers to tie the two issues together and oppose the opening of the Turkish-Armenian border. In a way, a foreign policy disaster for Azerbaijan was avoided, the regional balance of power and status quo was preserved and domestic political instability was prevented.

The fact that President Aliyev and his government could apply pressure on Turkey, risk relations with its closest ally, use harsh political language and adjust its behavior speaks of the Azerbaijani government's ability to clearly assess the external risks and adjust its policy to fight those risks.

Flexibility, persistence and clear vision guided Azerbaijan in this particular situation. Proactive and convincing measures, including public diplomacy tools, have been utilized in this emergency situation. A national security catastrophe was avoided.

3) *Floods*

In the summer of 2010 Azerbaijan was confronted with severe natural disasters - floods and forest fires. The former caused the largest human displacement since 1993, when Armenians occupied several regions of Azerbaijan, ethnically cleansing some 650,000 families. This time, more than 20,000 families were displaced by massive floods in central Azerbaijan, especially in Sabirabad and Saatly regions. Kura, the largest river of the Caucasus, was the major cause of these catastrophic floods, although heavy rains also contributed to the calamity.

The displaced people were hungry and angry. They needed shelter, food, water and medical supplies. Due to hot weather in the middle of the summer, diseases, flu and other sicknesses were easily transmittable. Anti-sanitary conditions exacerbated the problem. People lost their savings, houses, cattle, harvest. Most importantly, the water was coming to more

and more villages and nobody knew how to stop it.

It was obvious that a lack of timely government response could trigger social tensions. In many countries, such kind of natural calamities often cause political turmoil and lead to changes of regimes and governments. People, frustrated with the lack of support from the government, turn to revolutionary means to fix their problems. Even in such developed country like the US, the Katrina disaster reminded us all of how ineffective and slow the government response can be in such situations, further causing social problems.

In the case of Azerbaijan, the floods demonstrated the ability and most importantly the desire of the Aliyev government to jump into the epicenter of the natural disaster and provide timely assistance to the suffering people. It was a case not seen in the past decade: President Aliyev chairing the Cabinet of Ministers session in the tent camp, in the middle of desert in Central Azerbaijan. All key government persons, including the Prime Minister, were mobilized to rescue and support operations. The newly created Ministry of Emergency Situations led the practical activities. Immediate provision of food and medical supplies and tent camps was

arranged. Army, police, doctors, construction workers were all involved. The government started spending millions of manats on preventive measures. Thousands of trucks were brought with cement and concrete. All federal employees of the Ministry of Emergency, irrespective of posi-

“At some point, both Turkish and U.S. politicians understood that delinking Turkey-Armenia rapprochement and the Nagorno-Karabakh issue has been a wrong policy and could lead to negative consequences vis-à-vis Azerbaijan.”

tion and title, were ordered to spend weeks in these provinces to help with the rescue operations. Immediate construction of housing for displaced people in safe areas of the same region has started with the help of public funds. President Aliyev himself traveled to the devastated regions and promised people full material compensation for the damage.

Two interesting facts took place in this situation. First, the government refused to take a single penny of assistance from foreign donors, claiming that it would manage all humanitarian programs with domestic bud-

get resources. Secondly, not a single person died as a result of the floods. Despite massive displacement and enormous damage to agriculture and households, the timely rescue operations prevented human loss. By September of the same year, most of the people had moved into newly constructed houses.

This problem, perhaps more symbolically, points out to the ability of the government to provide timely assistance to its people and thus prevent social crisis. This requires flexibility on the part of the government to prioritize its activities. It also requires a certain degree of connectivity between the government and people. Understanding their needs, responding to them and receiving adequate feedback is important for any regime, and in the case of Azerbaijan, the government's actions showed that the administration is well aware of the needs of its people and is ready to step up its performance to prevent the collapse of the state and society.

4) Religious radicalism

Azerbaijan, as a country with a majority of its population adhering to the Muslim religion, has been experiencing lately the rise of religious radicalism. This has to do mainly with global trends in religion since 9/11,

but is also connected with the society's increased interest to religion following the collapse of the Soviet atheist ideology. More and more young people have started attending mosques, various sects are opening branches in the country and the number of radical groups connected with religion has also increased. The Ministry of National Security regularly arrests such groups, who attempt to either overthrow the government or create social chaos by means of terror. Such cases were especially active in 2008-2009, including such groups as Said's group (radical shia group), Forest Brothers, and others.

In December 2010, journalists asked Minister of Education of Azerbaijan Misir Mardanov whether the head cover for females (hijab) should be allowed in the primary public schools. He answered against the idea of wearing the hijab in schools, because Azerbaijan is a secular country. What followed was a series of massive, well-organized public demonstrations by religious groups, in which the flag of Azerbaijan and pictures of public figures, including the Minister himself, were burned. Demonstrators shouted anti-government slogans and put pressure on the government to change this policy. Angry, radical crowds of young men stormed the Ministry of Education as well as its

local branches. Primary public schools and their directors were also marked as points of public protest. In one moment, it seemed like an Iranian style revolution of 1979 was being repeated in Azerbaijan. Considering the fact that this happened during the annual Ashura mourning of Shia and the traditional gatherings of people during those days, the tensions were doubly exacerbated.

At first, the government was at a loss. It did not want to upset the society more by speaking against the hijab. At the same time, flaming and increasing tensions in the society had to be dealt with. Something needed to be done to prevent the sectarian or religious radicalism and the division of the country into two camps. Emotions were high. Anger was high. Chances for societal conflict and instability were high.

In this situation, the government acted wisely. First, well-known public figures and intellectuals were asked to speak on TV against religious tensions, divisions and antagonism. Harmony, tolerance, peaceful co-existence and respect for others' opinions were the stressed messages coming from TV during those days. Wise men, teachers and well-known scientists condemned such radical statements of the protestors and reminded

listeners constantly about the secular nature of Azerbaijani statehood and the division of state and religion by the constitution. Public discussions on the role of religion in school and life followed. Articles, op-eds and other means of public communication and media were utilized. Gradually, the government was able to pull the majority of the society behind itself and the religious radicals stayed as a marginal group. They failed to mobilize the society behind themselves.

After this soft power tactic, hard-core measures were also utilized: several leaders of the so-called Islamic party were arrested and the party's offices were closed. The way the government acted during this crisis showed the confidence of the regime and its ability to use public affairs tools to persuade the people. Political stability and religious harmony were preserved. Although more long-term measures are needed now to tackle the threat of religious radicalism in the country, in the short-run the Aliyev government managed to prevent the spillover and downward spiral of these negative and very dangerous events for Azerbaijani statehood.

5) *Arab revolutions*

The wave of revolutions in the Arab

countries in early 2011 has brought some consequences for the Azerbaijani political landscape as well. Tunisian and Egyptian revolutions, civil war in Libya, and unrest in Syria, Yemen and Bahrain have awakened Azerbaijani opposition, which has been asleep for the past 6 years. The last major opposition rallies took place after the parliamentary elections in 2005. After that, opposition has been fragmented and the growing oil revenues have made the Azerbaijani government overconfident and focused on development projects and infrastructure improvement. This, in turn, has silenced the critics of the government and deprived the opposition of the opportunity to demand the change of the regime.

Yet, the Arab revolutions have re-energized Azerbaijani opposition. Several demonstrations shook the city. First, Azerbaijani youth activists organized a protest rally, which was followed by the united opposition demonstrations in the center of Baku. Several other demonstrations took place in the regions of the country, such as Saatly and Sabirabad. Although all of these gatherings were dispersed by police forces, the opposition promises to continue and demands the resignation of the Aliyev government.

In this situation, President Aliyev again acted as a flexible politician, willing to adjust the political course for the sake of preserving stability in the country and further development of the national statehood. Chaos and instability can only be prevented by proactive and preventive measures. Thus, along with police actions against the demonstrators, massive anti-corruption measures have been undertaken in order to improve the performance of the government officials and lower the cases of mistreatment of citizens by the bureaucrats. Police, hospitals, customs, local municipalities, courts and other agencies have been especially targeted in this campaign. Almost all ministries took the message seriously. Hundreds of officials were dismissed, including several key government members, such as the head of one of Baku's municipality and military commissar. The head of "AzerSu" state water monopoly and deputy minister of National Security were also fired. Ordinary citizens have already started feeling the positive impact of this policy. The state anti-corruption commission has prepared several websites which inform the citizens about their rights and indicate the official state fees and tariffs, so that the government bureaucrats do not abuse these numbers. Hotlines and anonymous complaint procedures, both on-

line and in person, have been established in all state bodies. These measures are expected to continue and further contribute to the development of the business climate in the country. Now the government is working on a comprehensive database of all inspections in the country, including tax and audit ones, in order to avoid subjective, corruption-driven, repetitive and chaotic inspections in the future.

Conclusion

The above-mentioned five examples describe the various types of internal and external threats to the statehood and stability of Azerbaijan. They are of various natures: economic, ecological, geopolitical, social and religious. They are in a way a test of the power and strength of the Azerbaijani state, the effectiveness of the performance of the Aliyev government and its ability to change and adapt to new realities, be flexible under pressure and develop new tactics and policies to overcome these challenges.

All five examples of the recent three years indicate that the Azerbaijani government is extremely effective in understanding the rapidly changing situation in and around the country and reacting to these changes in a productive and result-oriented way.

They also show that the Azerbaijani government is not just pursuing its narrow self-interests as often is claimed by the opposition, but also is determined to stick to a hard line in order to prevent any damage to the national interests of the country. Preventive measures are often utilized by the government for the sake of national security.

Thus, one can firmly claim that the Azerbaijani state, despite its young age, has managed to form and establish itself into a credible, solid and effective player in international relations, able to manage its foreign and domestic policies and protect its national interests. In this respect, the Azerbaijani state is unlikely to collapse or turn into a failed state. To the contrary, it will continue to strengthen and develop its internal capacity in the near future.

Visiting Research Fellowship

The Center for Strategic Studies (CSS) is now launching a visiting research fellowship programme. The Programme welcomes applications worldwide from promising scholars at an early stage of their careers as well as from established senior researchers. During their fellowship, CSS fellows benefit from the high-quality research environment and working conditions provided by the host Institute. Fellows are responsible for their own travel and moving arrangements and expenses as well as finding and securing their own housing in Baku. CSS is not providing any financial remuneration to possible fellows. Visiting fellows who successfully complete the program are given a certificate of success with the approval of the CSS Director.

Requirements for this post:

Masters degree minimum and initial research experience on international relations, particularly on the international security system in its broad understanding. In reviewing applications, priority is given to the following: (a) projects that will be facilitated by research specifically at CSS; (b) first-time applicants; (c) junior applicants, especially those who have not previously worked in Azerbaijan; (d) applicants who are on regular, paid leave from their home institution.

Additional requirements:

A minimum of one year professional experience in a similar post. Excellent knowledge of Office IT systems. Excellent command (both oral and written) of the English language. Applicants should send a full CV (including details of nationality, date of birth and previous professional experience), accompanied by a cover letter outlining their reasons for applying for this post, reference letter (or reference name and contact information) by e-mail to: info@sam.az

DEADLINE: All application materials (including letters of recommendation) must be received by **late August 2011** via mail. Fellowship awards will be announced by 10 September, 2011.



The Nabucco Project

as a Security Provider for Azerbaijan?

Güner
Özkan

Abstract

The Nabucco project aims at bringing additional energy money to Azerbaijan, and thus it can further help boost the recovery of Azerbaijani people in terms of infrastructural development, rising salaries and reducing poverty, and diversification and improvement of economic activities. However, the Nagorno-Karabakh issue, the most important security problem of Azerbaijan, has stayed as a negative factor having influenced physical security and socio-political stability of Azerbaijan. In this study, the Nabucco project and its political and/or geopolitical value are discussed with respect to the Nagorno-Karabakh conflict with Armenia. The paper contends that any state having an abundance of scarce resources like oil and natural gas as very significant political assets can find or build geopolitical partners and alliances who can maintain its security, such as seen in the relationship between Saudi Arabia and the United States. However, this cannot be said in the case of Azerbaijan. There are a number of reasons why it is very difficult for Azerbaijan to use its energy resources and the Nabucco project in particular as an effective geopolitical tool to promote its security regarding the issue of the Nagorno-Karabakh problem. This paper tries to identify those reasons through the examination of three related topics: the 'Contract of the Century' and BTC example, the regional security benefits of Nabucco and the ongoing Russian factor.

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The Nabucco natural gas pipeline project extending in east-west direction is thought to provide a number of benefits for the participants including natural gas suppliers, transporters and buyers. Perhaps inspired by similar projects along the same route in the South Caucasus, the design of Nabucco natural gas pipeline attempts to avoid the dominance of one state and a certain type of unpredictable autocratic influence, bringing more peace, security, prosperity and democracy to the participants. If accomplished, the Nabucco pipeline- also referred by some as 'Project of the Century'- is believed to have the potential to provide many more opportunities than that of the 'Contract of the Century' with its carrier, the Baku-Tbilisi-Ceyhan (BTC) pipeline. However, this possible success still requires a lot of work and commitment from the actual participants and some extra-regional supporters, like the United States.

Previously, similar- and bigger, projects were planned to obtain the same results in the South Caucasus and Azerbaijan in particular. Those were the 'Contract of the Century' of Azerbaijan and BTC oil pipeline, carrying Azerbaijan's main oil yields from the Caspian Sea to the international markets, assuming that they were going to provide more security and stability

first for Azerbaijan and then for others in the region. Nearly one and a half decades have passed since the establishment of the Consortium to develop the 'Contract of the Century' and discussion over the construction of a main oil pipeline carrying Azerbaijani oil. Further, since 2005, the BTC oil pipeline has been bringing substantial amounts of oil export money to the Azerbaijani coffer and freedom to maneuver in foreign policies of both Azerbaijan and Georgia. The answers to the question of what kind of security the 'Contract of the Century' and the BTC have thus far provided for Azerbaijan can be used for making a prediction about the effects of the Nabucco pipeline in the future.

It can be easily said, as it was during the discussions of the realisation of the 'Contract of the Century' and BTC, that the Nabucco project too, is closely related to the security of Azerbaijan no matter which security definition, whether traditional or human-based, is considered at the centre of the debate. If the traditional perspective is taken into account, it can be said that political and material benefits of the Nabucco project are obviously invaluable assets in the hands of Azerbaijan, which may further strengthen its geopolitical direction in line with what it has already

done with its choice of BTC. The Nabucco project entails bringing additional energy money to Azerbaijan, and so it, as human-based security perspectives may suggest, can further help boost the recovery of Azerbaijani people in terms of infrastructural development, rising salaries and reducing poverty, and diversification and improvement of economic activities. Already Azerbaijan has largely witnessed a staggering level of economic growth and improvement of socio-economic life as a result of energy income. Yet, what about the most pressing security problem of Azerbaijan, Nagorno-Karabakh (NK) –an issue that has not only influenced physical security of Azerbaijan but also molded and regulated socio-political stability and identity of the Azerbaijani people from the elite level to the ordinary person in the street. As Azerbaijan has ended up hosting around one million displaced persons caused by the NK war between 1987 and 1994 and the occupation of about 20 % of the country by Armenian forces, no other issue, but the NK dispute, can be taken as the most important security problem of Azerbaijan. Without any solution to this problem, Azerbaijan, no matter how much it is prospering from economic growth, cannot take its security for granted.

The Nabucco project and its political and/or geopolitical value are discussed with respect to Azerbaijan's most important security problem, the NK problem with Armenia. This paper argues that, if the 'game' is played according to the 'rules', any state having an abundance of scarce resources like oil and natural gas as very significant political assets, can find or build geopolitical partners and alliances who can maintain its security, such as seen in the relationship between Saudi Arabia and the United States. However, this cannot be said in the case of Azerbaijan. There are obviously a number of reasons why it is very difficult for Azerbaijan to use its energy resources and the Nabucco project in particular as an effective geopolitical tool to promote its security regarding the issue of the NK problem. This paper tries to identify those reasons through the examination of three related topics: the 'Contract of the Century' and BTC example, the regional security benefits of Nabucco and the ongoing Russian factor.

Past Experiences: The 'Contract of the Century' and BTC

Azerbaijan's first agreement on the development of its Azeri-Chirag-Gunesli (ACG) offshore oil deposits in the Caspian in 1995 with domi-

nantly western energy companies was once named the 'Contract of the Century.' The new deal of the Nabucco pipeline signed between five transit countries of Turkey, Bulgaria, Romania, Hungary, and Austria with backing by the EU and the United States, is called a similar name, the 'Project of the Century.' Both projects and related pipelines were and still are two of the most important elements in the security calculation of Azerbaijan and especially on the resolution of the NK problem in Azerbaijan's favour. However, realization of the 'Contract of the Century' and BTC have been unable to provide a considerable degree of leverage for Azerbaijan to re-establish its territorial integrity by reaching a peace agreement with Armenia on the NK issue.

The 'Contract of the Century' was aimed at giving Azerbaijan an alternative to project its socio-economic development closer to western models and enhance its security in a volatile geopolitical environment. In other words, it was thought that if Azerbaijan had continued to rely largely on Russian energy companies and energy transportation means, it would have been difficult for it to get out of Russia's economic, political and security orbit. Azerbaijan managed to stay out of Russian-controlled Col-

lective Security and Treaty Organization (CSTO), and has found ways to develop strategic relationships separate from Russia. The 'Contract of the Century' has become a symbol for Azerbaijan and other energy rich states in the region such as Kazakhstan and Turkmenistan that they could no longer be counted as being fully dependent on Russia.¹

BTC that became a subject of rivalry throughout the 1990s has turned out to be the lifeline of the 'Contract of the Century.' However, Azerbaijan has remained unable to become an important bridge linking two sides of the Caspian, especially transportation of Kazakh oil resources via a pipeline crossing the Caspian seabed and Azerbaijani territory. It is true that some amount of Kazakh and Turkmen oil are transported via Azerbaijan and BTC,² but neither the amount nor the way they are transported is enough in volume and size to make Azerbaijan an invaluable energy hub.

1 For the details of the Russia's energy relations with Kazakhstan and Central Asia in general, see Ariel Cohen, *Kazakhstan: Energy Cooperation with Russia-Oil, Gas and Beyond*, (London, GMB Publishing Ltd., 2006); Svante E. Cornell, Mamuka Tsereteli and Vladimir Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline", S. Frederick Starr and Svante E. Cornell (eds.), *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West, Central Asia-Caucasus Institute & Silk Road Studies Program*, Washington, D.C, 2005, pp. 17-38, www.silkroadstudies.org (accessed on 06 May 2006).

2 Country Analysis Brief: Kazakhstan, Energy Information Administration, November 2010, <http://www.eia.doe.gov/cabs/Kazakhstan/pdf.pdf>, p. 5 (accessed on 02 April 2011); "Turkmen Oil Starts Flowing Through BTC Pipeline", RFE/RL, 12 August 2010, http://www.rferl.org/content/Turkmen_Oil_Starts_Flowing_Through_BTC_Pipeline/2126224.html (accessed on 02 April 2011).

There needs to be a long term and solid pipeline structure between Azerbaijan and the other energy rich states in Central Asia in order to have larger economic and geopolitical significance, beneficial for Azerbaijan's security needs. Having been aware of the fact that big energy structures between the two sides of the Caspian would provide Azerbaijan and other participant states with a number of economic and geopolitical advantages, Russia worked hard to diminish the likelihood of the realization of such ventures throughout the 1990s.

Certain parts of the Russian government, like the Ministry of Foreign Affairs, worked against the 'Contract of the Century' and the main oil pipeline of BTC. It first declared that the 'Contract of the Century' was void since the status problem of the Caspian water body was not resolved.³ Then Russia developed a new pipeline, Caspian Pipeline Consortium (CPC), capable of carrying 1.5 million barrels of oil per day from Tengiz oil fields of Kazakhstan.⁴ With the latter, Russia wanted to secure rights to carry most of Kazakh oil via its territory and not provide much option to Kazakhstan and others to use

the BTC line. Azerbaijan now exports much of its oil via BTC while Kazakhstan has been in search of pipelines alongside Russia's oil pipeline system. Among other things, one can surely see that any energy pipeline avoiding Azerbaijan in the East-West direction means Azerbaijan has to rely on its own limited ACG oil deposits and the amount it has received from Kazakhstan and Turkmenistan for export. Also, Azerbaijan is a landlocked country and its narrow territorial passage for energy transportation in the western direction via Georgia, Armenia or Iran does not offer much confidence for states and companies to invest much monetary and political capital in the region.

The 'Contract of the Century' has helped Azerbaijani leadership to follow much bolder and independent foreign policy in comparison with those have-not countries in the region, Georgia and Armenia. Yet, it must also be admitted that the same Contract and its main arm, the BTC, did not provide much hoped for external security for Azerbaijan, especially regarding the NK dispute with Armenia. They have only helped maintain the status quo that was established with the cease-fire signed in May 1994 between Azerbaijan and Armenia and the geopolitical balance

³ For the Caspian status issue, see Guner Ozkan, "The Caspian Status Problem: An Issue Undermining Azerbaijan's Security Strategy"; *Avrasya Etüdleri*, No: 29-30, 2006, ss.35-61

⁴ Ariel Cohen, *Kazakhstan: Energy Cooperation with Russia-Oil, Gas and Beyond*, (London, GMB Publishing Ltd., 2006), pp. 3-4.

agreed by major external actors like Russia, the United States, Turkey and Iran. On the NK issue, the participating companies and governments in the 'Contract of the Century' did not give much heed either to the application of the United Nations Security Council (UNSC) resolutions- 822, 853, 874 and 884, or to favouring Azerbaijan. It is true that all parties including the United States, Russia and Turkey have continued urging the resolution of the problem, but their efforts did not go beyond the likely efforts that would have been expected if there had not been energy business of Azerbaijan in the Caspian. Even such a big project, which had been much celebrated by some as being the main source of regional security, could not stop the emergence of the war between Russia and Georgia in August 2008.

Nabucco and Wider Security Benefits in the Trans-Caspian Region

Success of the Nabucco project does not rest only on the volume of natural gas that Azerbaijan will or can supply. Turkmenistan, as well as Iraqi and Iranian contributions to the project, is of vital value for the success of the Nabucco line and assumed security for all the participants alike.

Azerbaijan has reiterated a number of

times that it is ready to supply gas to Nabucco.⁵ Its recent gas export deal with Russia only included a small amount of yield, 500 million cubic metres (mcm), and after Medvedev's visit to Baku in September 2010, this amount was agreed to be increased to 2 billion cubic metres (bcm) annually from 2012 onwards.⁶ Nevertheless, in three to five years the Second Phase of the Shah Deniz project, which contains 1.2 trillion cubic metres (tcm) proven gas reserves of the overall total 3-4 tcm of Azerbaijan's gas reserves, will provide up to 16 bcm of gas per year, and a substantial amount of this is expected to fill the Nabucco pipeline. Whatever the amount Shah Deniz supplies in the near future, Nabucco is of great strategic importance for Azerbaijan since it would further strengthen Azerbaijan's hand and role in the geopolitical game played by powerful regional and international actors, namely Russia, Iran, Turkey, Armenia, Georgia,

5 Fariz Ismailzade, "Rush for Nabucco: Azerbaijan's Position Strengthens", Eurasia Daily Monitor, Volume: 6 Issue: 18, 28 January 2009, Category: Eurasia Daily Monitor, Energy, Azerbaijan http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=34424&tx_ttnews%5BbackPid%5D=27&cHash=b0863839f7 (accessed on 20 February 2010) ; "Azerbaijan Fully Supports Nabucco Gas Pipeline Project: Minister", 13 July 2009, Trend, <http://en.trend.az/capital/oil/oilgas/1503996.html> (accessed on 15 March 2010) ; "Ilham Aliyev and President of the European Commission Jose Manuel Barroso Held a Press Conference", Press Conference, 13 January 2011, <http://www.president.az/articles/1392?locale=en> (accessed on 29 March 2011).

6 "Azerbaijan to Double Gas Exports to Russia", RFE/RL, 03 September 2010, http://www.rferl.org/content/Azerbaijan_To_Double_Gas_Exports_To_Russia/2147684.html (accessed on 03 March 2011); R. M. Cutler, "BP, Azerbaijan Seal Offshore Gas Contract", Asia Times, 15 October 2010, http://www.atimes.com/atimes/Central_Asia/LJ15Ag01.html (accessed on 17 January 2011).

United States and the EU.

Azerbaijan's available and projected natural gas resources alone are not enough to fill the Nabucco line for a time period that could satisfy buyers in the lucrative European market. This scarcity of natural gas extracted in Azerbaijan puts Turkmenistan as an important source of supply to realise the project.⁷ The Turkmen President seems to be willing to be part of this project and, in fact, has important reasons to do so. After the death of the previous President, Saparmurat Niyazov, the new leader of Turkmenistan, Gurbanguly Berdimuhammedov, has been interested in opening up the country to the outside world. Berdimuhammedov seems to have accelerated this process, through which he is trying to increase options. Turkmenistan, a country of 5.5 million people, is using its most important and sought after asset, natural gas, as a strategic material in its hand. Berdimuhammedov appears to have learnt well from experience the decade or so that Turkmenistan cannot rely on Russia as the only and major energy corridor through which it exports its gas yield. A few interwoven and important development can be

7 In the former Soviet territories, Turkmenistan holds the second biggest proven natural gas reserves with about 8 tcm after Russia with its about 44 tcm. See (BP Statistical Review of World Energy June 2010, p. 22, <http://www.bp.com/productlanding.do?categoryId=6929&contentId=7044622> (accessed on 15 September 2010). Though many experts have some reservations, Turkmenistan's possible natural gas reserves goes up to 20 tcm, according to Turkmen officials.

given about the risks Turkmenistan has faced by solely relying on Russian territory to export all or vast portions of its gas production.

For years, after independence, Russia had bought Turkmen natural gas at a very cheap price and re-sold it to European countries at high prices. Also, while Russia often sold natural gas on behalf of Turkmenistan to Ukraine, a country that has often found it difficult to pay its gas bills, it reserved many prosperous markets in Central and Western Europe for its own gas sales. Further, in April 2009 the natural gas pipeline between Turkmenistan and Russia was disrupted by an explosion with an unknown cause. Although Russia repaired the broken part of the line after a long disagreement on which side should repair it, the impact of the dispute over the disruption and repair continues to influence the energy relations between Ashgabat and Moscow. As Russia is the main carrier of Turkmen natural gas and sells most of its yields to European markets, when demand and/or price of natural gas gets lower, Moscow chooses to reduce the amount of natural gas it buys from Turkmenistan. All these issues have surely provided for Russia a good deal of economic and political advantages in its Turkmenistan or Central Asia pol-

icies in general.

Perhaps, because of the risk resulting in the reliance on one transport country for energy resources, Turkmenistan has been in close cooperation with China for alternative energy lines in the east. Turkmenistan already signed a development license agreement with Chinese National Petroleum Company (CNPC) in 2007 for the development of the Bagtyarlyk gas field of 1.3 tcm gas reserves next to the Turkmen-Uzbek border. China also promised to lend Turkmenistan around \$3 billion for the development of South Yolotan natural gas field, one of the biggest five natural gas reserves it contains, according to experts, along the border with Afghanistan. All these have then increased the possibility of the amount of gas flowing from Turkmenistan to the rapidly growing Chinese economy. In April 2009, the two sides signed a 30-year agreement that included building a 4,000 mile long natural gas pipeline capable of increasing the volume of natural gas sales from Turkmenistan to China up 30% to 40 bcm annually.⁸ The new deal that was agreed to in March 2011 increases the volume of Turkmen natural gas sales to China further

from 40 bcm to 60 bcm.⁹

Reduction of the dependence of Turkmenistan on the Russian option for its energy transportation has obviously been a great advantage for the foreign and security policies, or geopolitical position of the regime in Ashgabat. Put simply, Berdimuhamedov in Turkmenistan has better tools now by dividing gas export routes mainly into the two directions via and to the great powers of Russia and China, so that he can now pursue his country's 'non-aligned' policy position in regional and international levels. Indeed, if or when Turkmenistan becomes the other biggest partaker in Nabucco, that will link the country to the three biggest geopolitical centres in international system- Russia, China and the West (mainly the EU)- more or less on equal footing.

Turkmenistan is now less dependent on Russia, and this policy is not an easy one to pursue especially in the area of energy transportation in the Caspian region as it may contravene interests of Moscow. This is especially true when the discussions on the Caspian status problem and related problems are put forward around environmental issues by Russia and Iran in order to discredit the Turkmen

8 Luke Harding, "China Signs Deal for 30 Years of Turkmen Gas", 25 June 2009, the Guardian, <http://www.guardian.co.uk/business/2009/jun/25/china-turkmenistan-gas>(accessed on 15 September 2010).

9 "China, Turkmenistan Agree on New Natural Gas Supply", Reuters, 02 March 2011, <http://af.reuters.com/article/energyOilNews/idAFTOE72105F20110302> (accessed on 01 April 2011).

“Reduction of the dependence of Turkmenistan on the Russian option for its energy transportation has obviously been a great advantage for the foreign and security policies, or geopolitical position of the regime in Ashgabat. “

leg of Nabucco through the bottom of the Caspian water reservoir.¹⁰

Thus, participants of Nabucco including Turkmenistan should avoid the mistakes and hesitations that they made over the status of the Caspian and financing of the line in the negotiation process for building the Trans-Caspian pipeline in the late 1990s and early 2000s. If both achieve this, Azerbaijan, which lacks geographical, and so geopolitical, depth due to being surrounded by Russia, Iran and the problematic status of the Caspian, can enhance its security that has already been boosted by the other energy lines, BTC and BTE. By this, therefore, Azerbaijan and Turkmenistan can link their security and national interests in a way that a Trans-Caspian gas pipeline could open up

other opportunities to resolve existing problems like sharing the disputed Kepez/Serdar oil fields in the Caspian between Baku and Ashgabat. If this is the logic to be adopted in the establishment of the Nabucco leg between Azerbaijan and Turkmenistan, the same scenario can be put forward in the case of Iran too.

Among the possible gas suppliers of Nabucco, obviously Iran has the biggest potential not only having abundant reserves, as the second largest deposits in the world, but also being closer geographically to Europe via Turkey. Yet, as is well known, the United States, even now under the Obama Administration, has also opposed Iran’s participation in the project before getting concrete compromises on the Iranian nuclear issue. If Iran were allowed to take part, there would be a great benefit not only for having more suppliers for Nabucco, but also for helping regional and international security. Whether taking Iran as a partner into any energy supply line to Europe would make the Iranian regime renounce its nuclear ambition is open to debate; it would surely be a positive step to engage with the state with positive terms that could provide some security benefits regionally and internationally. For instance, a relaxed and less pressurized Iran would not be willing to devel-

10 Sergei Blagov, “Moscow Aims for Caspian Settlement in 2011”, Eurasia Daily Monitor, Vol: 7, Issue: 216, 03 December 2010, <http://www.jamestown.org> (accessed on 20 January 2011); Bruce Pannier, “Caspian Summit Fails To Clarify Status, Resource Issues”, RFE/RL, 19 November 2010, http://www.rferl.org/content/Caspian_Summit_Fails_To_Clarify_Status_Resource_Issues/2225159.html (accessed on 13 December 2010).

op energy and other economic ventures with Armenia, which has seen Tehran as the second most important viable option, after Moscow, to escape economic and political isolation imposed by Azerbaijan and Turkey. A poverty stricken and isolated Iran would accept and join the Nabucco project if there was a serious offer made by decision makers on the realization of Nabucco, such as the United States and European governments. In the short and mid-term, however, it is unlikely that Iran will be one of the suppliers for the Nabucco pipeline as the United States and Turkish governments are divided on the participation of the country.¹¹

Russian Ongoing Energy and Military Tools

As it was during the discussions of the ‘Contract of the Century’ and the BTC pipeline, Russia has again taken an opposing side in the construction of the Nabucco pipeline. While Russia has, on the one hand, constantly argued the lack of commerciality of the Nabucco pipeline, on the other it has tried to take advantage of its upper hand in the South Caucasus and

Central Asia by signing more natural gas contracts with those states considered to be hosting prime resources to fill the Nabucco line. More than this, Russia has not hesitated to use military force and strengthen its military presence, all of which have, one way or another, influenced energy issues and security in the South Caucasus and in Azerbaijan in particular.

Similar to what once happened, developing CPC against BTC, Russia has now put forward South Stream against Nabucco. This then shows its reluctance to give up a strong presence in the South Caucasus and the Caspian. Russia has done it not just because Nabucco would really negatively impact Russia’s coffer by attracting energy exports away from its territory, but because it can further release a number of countries in Central and Eastern Europe, South Caucasus and the Caspian from continuing to be dependent on Russian gas and political maneuvering. In order not to lose such influence in those countries, Russia has treated Nabucco as a venture as if it were politically motivated, and advertised that it would be doomed to failure due to lack of suppliers for it¹², not an unfa-

11 “Energy: Nabucco Chief Eyes Iranian, Russian Gas Despite U.S. Objections”, Eurasianet, 22 June 2008, <http://www.eurasianet.org/departments/insight/articles/pp062308a.shtml> (accessed on 20 February 2010); “UPDATE 1-Turkish PM says wants Nabucco to transport Iran gas”, Reuters, 13 Jul 2009, <http://www.reuters.com/article/2009/07/13/energy-nabucco-iran-idUSLD60806920090713> (accessed on 20 January 2011); “Nabucco Gas Pipe Consortium Delays Plans to Include Iran in Project”, RIA Novosti, 23 August 2010, <http://en.rian.ru/business/20100823/160310830.html> (accessed on 20 January 2011).

12 “Nabucco Gas Project Has No Future - Russian Deputy PM”, RIA Novosti, 22 October 2010, <http://en.rian.ru/business/20101022/161053001.html> (accessed on 02 April 2011); “Nabucco Not Serious Rival to Russian Gas Pipe Projects – Zubkov”, RIA Novosti, 15 June 2009, <http://en.rian.ru/russia/20090715/155533724.html> (accessed on 02 April 2011).

“Similar to what once happened, developing CPC against BTC, Russia has now put forward South Stream against Nabucco.”

miliar message to those who closely watched the Russian argument put forward against the realization of the BTC.

Similar to the quick development of the CPC to transport Tengiz oil to Novorossiysk and reduce the chance that BTC would be used for the same purpose, Russia has been working to develop the South Stream gas pipeline system to curb Nabucco. Even if Turkey seems to have accepted the passage of the Russian South Stream gas pipeline via its exclusive economic zone in the Black Sea, the Turkish permission is, in fact, based on bargaining with Russia on the Samsun-Ceyhan oil pipeline and other developing cordial economic and political relations between Ankara and Moscow. Moreover, the most obvious goal of building Nabucco for the market countries and Turkey is to meet natural gas needs of Europe from as many diverse resources as possible. This single, but crucial fact, suggests that it is the governments of those states which, being heavily dependent on Russian gas, will first and foremost decide to get gas from Na-

bucco away from Russia’s control. As well as the Caspian delimitation problem, Russia has been using its gas giant, Gazprom Company, to make Nabucco unfeasible in commercial terms. As Vladimir Socor, also correctly recognizes that the agreement that was reached in February 2011 between Gazprom and Austrian OMV, which is one of the shareholders in the Nabucco project, to build and run a 50 km gas pipeline from Hungary to Baumgarten terminal in Austria is actually targeting to undermine Nabucco’s strategic importance.¹³ By building this pipeline, it is believed that Russia via Gazprom is trying to supply gas to the Nabucco’s main storage and distribution centre in Baumgarten in Austria from its planned South Stream line before the EU and other partners realise the rival Nabucco line.¹⁴

Though not as fiercely as it did during the 1990s over the ‘Contract of the Century’ and BTC, Russia has still played the role of hard security holder in the South Caucasus. Russia has long claimed that it is on the side of peace through taking military steps aimed at maintaining the status quo on the most important regional conflicts or rearranging the existing sta-

13 Vladimir Socor, “Gazprom-Austrian OMV Agreement: A Political Blow to Nabucco”, Eurasia Daily Monitor, 22 February 2011, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=37541 (accessed on 02 April 2011).

14 Ibid.

tus quo by military and economic means when it sees any prospect Moscow could lose some ground in the same area. Although one may not read those sorts of Russian measures as being directly linked to the energy issues in the South Caucasus and the Nabucco pipeline, they are all important factors influencing the minds of state and non-state decision makers on whether they choose to join in building costly energy pipelines skirting the Russian Federation.

For instance, in the case of Georgia, Russia placed its military in the Georgian breakaway regions of Abkhazia, South Ossetia and the two other ethnic areas of Acaria and Javakheti. By doing that Russia separated these regions from the Georgian capital and did not give the Georgian government and the regions (Abkhazia and South Ossetia), which had fought in the early 1990s, any chance for reconciliation.¹⁵ Russia always described its deployment of military into the region in the form of peacekeepers and a military base, as efforts necessary to establish and maintain peace and security. However, Russia's military deployment policy carried the meaning of nothing more than peace and security

¹⁵ See Pavel Baev, "Peacekeeping and Conflict Management in Eurasia", in Roy Allison and Christoph Bluth (eds.), *Security Dilemmas in Russia and Eurasia*, (London, Royal Institute of International Relations, 1998), pp. 209-229; Svante E. Cornell, *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus*, (Surrey, Curson Press, 2001), pp.343-353.

that Moscow has itself imposed on the region.

In a similar vein, in the problem between Azerbaijan and Armenia over the NK region, Russia has played the key role. Establishment of Russian a military base in Gyumri in Armenia has provided for Yerevan and the separatist NK region a security cloud; consequently, no progress has been achieved on the problem between Azerbaijan and Armenia. While Russia has often stressed that it was ready

“Throughout the 1990s, when the discussions over the energy pipelines from Azerbaijan to international markets were held, Russian presence in the region and the ongoing dispute over the NK and other regional security issues provided serious obstacles to making decisions on energy pipelines.”

to accept any peace Azerbaijan and Armenia agreed on over the NK issue, it did not hesitate to sign military strategic agreements with Yerevan and modernise the Armenian armed forces.¹⁶ Throughout the 1990s, when the discussions over the energy pipelines from Azerbaijan to international

¹⁶ Svante E. Cornell, *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus*, (Surrey, Curson Press, 2001), pp.353-357, p. 396.

markets were held, Russian presence in the region and the ongoing dispute over the NK and other regional security issues provided serious obstacles to making decisions on energy pipelines. This same situation regarding Russia is still very relevant today for the South Caucasus.

For instance, Georgia's aspiration to be a full member of NATO, which would reduce Russia's political and military position in the South Caucasus, led Moscow to use military force against Georgia in August 2008. Among others, one of the main topics discussed by the experts on the region and international politics in general was whether Russia's strong return to the region would impede the existing and possible future energy lines crossing the region. Georgia has now lost two breakaway regions to Russia indefinitely and created more risks for the security of Azerbaijan and existing and future investment decisions of the governments and companies in the Caspian region.¹⁷ Broadly speaking, the most obvious development is that the region from the Black Sea to the Caspian has witnessed a new rise of geopolitical intensity played by a number of soft (energy and economics) as well as

17 For a comprehensive overview on the impact of the war in Georgia in August 2008, see Mamuka Tsereteli, "The Impact of the Russia-Georgia War on the South Caucasus Transportation Corridor", The Jamestown Foundation, 2009, <http://www.jamestown.org> (accessed on 20 March 2011).

hard tools (military deployment and armed intervention). This has shown itself either in the example of Russia's strong return to Abkhazia and South Ossetia with military muscle or in the case of the removal of the pro-western President of Ukraine (Viktor Yushchenko) with the pro-Russian Viktor Yanukovich. Ukraine has done this power change via democratic elections, but it would be naive to rule out the role of Russia on Ukrainian public opinion, by cutting off the gas flow to Ukraine amidst the global economic crisis, in the run-up to the elections.

As well as those policies, Russia's new effort in the South Caucasus has shown itself with the new military agreement signed between Moscow and Yerevan on 20 August 2010.¹⁸ This strengthening of the military realignment between Russia and Armenia cannot be excluded from the establishment of the Nabucco project and its safe and secure functioning in years to come. The new defense deal between Armenia and Russia extended the presence of Gyumri military base until 2044, a base agreement that was going to end in 2020. By the new deal, Russia has also committed to upgrading the Armenian military with new weapons and guaranteeing

18 "Deal Signed on Extending Russian Military Presence in Armenia", RFE/RL, 20 August 2010, http://www.rferl.org/content/Russia_Armenia_Sign_Extended_Defense_Pact_/2133043.html (accessed on 21 August 2010).

the security of Armenia alongside Armenian armed forces. Although what kind of new military equipment Russia will supply to Armenia under the new agreement is not yet clear, it is assumed that Russia may give similar weapons to Armenia that it has already deployed in the Gyumri base such as S-300 missiles, MIG-29 fighter jets and T-72 tanks.¹⁹ Despite the fact that Azerbaijan is worried about Russia's military sale or deployment of weapons to Armenia and asked the Russian government not to allow those weapons to be used in the NK region, it is almost impossible to think that Armenia and Russia will hesitate to use them against Azerbaijan. As seen in the past during the war over NK, when Azerbaijan gained military successes on the battlefield, Russia did interfere by both supplying arms and personnel aid to the Armenian side through the existing Soviet military in the region.

There are also now rumors of Russia's sale of S-300 weapon systems to Azerbaijan. If they are true, then it suggests Russia's desire to maintain the status quo between Azerbaijan and Armenia. Two reasons can be given why Russia is selling advanced weapons of air defence to both sides: 1) Russia is selling its advanced

weapon system for commercial reasons, and 2) Russia, by showing its interests in maintaining military balance between the Azerbaijan and Armenia status quo, seems to make clear once again to regional and extra-regional actors that it is the most important and necessary actor between Baku and Yerevan and, of course, over the fate of the NK issue.

The latest likely point of Russia being the main actor in the region is also supported by the view that Russia has wanted to curb Azerbaijan for any of its attempts to restart the war in NK against Armenia as Baku has intensified efforts to modernize the Azerbaijani national army in recent years. According to SIPRI (Stockholm International Peace and Research Institute), Azerbaijan has spent much more money on armaments than Armenia between 1999 and 2008/2009. While Armenia spent \$93 million in 1999 and \$217 million in 2008, Azerbaijan surpassed those amounts during the same period with respectively \$133 and \$697 million.²⁰ It is also reported that Azerbaijan imported 70 armored personnel carriers from Russia, entered a joint project with South African Paramount Group to produce Mata-

19 "Armenia and Azerbaijan: Preventing War", Policy Briefing, No.60, International Crisis Group, 8 February 2011, p. 7, pp.14-15, <http://www.crisisgroup.org> (accessed on 20 March 2011).

20 Paul Holtom, "Arms Transfers to Europe and Central Asia", SIPRI Background Paper, Stockholm International Peace Research Institute (SIPRI), February 2010, <http://books.sipri.org/files/misc/SIPRIBP1002.pdf>, p. 2 (accessed on 20 May 2010).

dor and Marauder mine protected vehicles and bought unmanned drone aircraft from Israel. Most importantly, Azerbaijan has accepted a \$3.12 billion military budget for 2011, an amount that is said to be 30% more than the total yearly budget of Armenia.²¹

Azerbaijan is surely modernizing its army and buying new weapons with the money it is receiving from selling oil and gas, which has been strengthening the country's military capability in comparison with those of the other states in the region, especially Armenia. Azerbaijan has owed its ability to increase its military spending and cooperation with weapon companies in other states to its energy exports that have so far largely consisted of oil export via BTC. If the Nabucco project is accomplished, Azerbaijan will obviously have the potential to strengthen its military forces further. However, so long as Armenia and Russia continue to renew their strategic military alliance, Azerbaijan may not be able to restore its territorial integrity by using military means. Also, for other strategic and economic reasons alike, one may think that the agreement between

21 Mina Muradova, "Azerbaijan Boosts Defence Production", Central Asia Caucasus Institute Analyst, 19 January 2011, <http://www.cacianalyst.org/?q=node/5482> (accessed on 02 March 2011); "Risk of New Karabakh War Persists despite Astrakhan Summit", RFE/RL, 04 November 2010, http://www.rferl.org/content/Risk_Of_New_Karabakh_War_Persists_Despite_Astrakhan_Summit/2210479.html (accessed on 13 December 2010).

Baku and Moscow on gradually increasing gas exports of Azerbaijan to Russia to 2 bcm annually aims to convince and/or pacify Moscow not to interfere in the event of war over the NK region. This would however be unrealistic considering the past examples. One of them was the Azerbaijani acceptance of the Baku-Novorossiysk pipeline for the transportation of early oil from ACG, which was not considered sufficient reason by Moscow for not renewing and constantly arming Armenia in the region.

Yet, even though increasing gas exports to Russia seems to be a blow to the Nabucco project, in reality that policy of Azerbaijan is quite consistent with old policies established by Heydar Aliyev in the 1990s. The volume of gas that Azerbaijan promised to increase for Russia is far from negatively impacting the value of the Nabucco project for Azerbaijan and other likely participants as sellers and buyers. It is because, as well as exporting its own gas yield from Phase 2 of Shah Deniz project, Azerbaijan wants to be an energy hub by being a transport country for a significant volume of Turkmen gas to Europe as well. For the first time, since the late 1990s when the Trans-Caspian gas pipeline was considered, Turkmenistan has explicitly backed the build-

ing of the gas pipeline from Turkmenistan to Azerbaijan through the Caspian seabed. In November 2010, at the summit of the five leaders of the Caspian states, the Turkmen President Berdimuhammedov declared openly in the presence of Russian President Dmitry Medvedev that any pipeline to be laid down in the Caspian is an issue that could only be decided by the two states (Azerbaijan and Turkmenistan) involved.²² After this, the joint visit of the President of the European Commission, Jose Manuel Barroso, and Energy Commissioner, Guenther Oettinger, to Baku and Ashgabat in January 2011 was another boost in the realisation of the Nabucco project. All these revived cooperative efforts among the three main actors (Azerbaijan, Turkmenistan and the EU) of the Nabucco project appear to have made it clear that neither the frozen conflicts including the NK issue in the South Caucasus controlled by Moscow nor Russia's reminder of the Caspian status and environmental problems regarding the Trans-Caspian gas pipeline, could stop linking the two side of the Caspian with a solid project that will surely promote regional security at the centre of which Azerbaijan sits.

22 Bruce Pannier, "Caspian Summit Fails To Clarify Status, Resource Issues", RFE/RL, 19 November 2010, http://www.rferl.org/content/Caspian_Summit_Fails_To_Clarify_Status_Resource_Issues/2225159.html (accessed on 13 December 2010).

Conclusion

The 'Contract of the Century' has accomplished a lot with its arm of BTC. Nevertheless, its contribution to domestic political, social and economic development in the South Caucasus and the Caspian has still remained fallen short. The example of the 'Contract of the Century' is thus not presenting a clear picture that, when the Nabucco is put into service, it will solve many of the existing domestic political, social and economic problems of the gas suppliers. Yet Nabucco is a much more complex venture with a number of participating states having diverse regional and global interests.

If or when the Nabucco project is completed, its contribution can and should be expected in the development and/or improvement of the relationships among those participating states and regions. For instance, after Azerbaijan, now Turkmenistan's connection to the West with a very solid project like Nabucco will increase Ashgabat's self confidence for building a much more balanced relationship with Russia and give way for the development of similar projects in the western direction. It is true that when or if the Nabucco project is made real with the participation of Azerbaijan, Turkmenistan, Iraq and

Iran, it will create a much bigger positive impact not only on existing traditional security worries but also on non-traditional ones in the South Caucasus and, Central Asia, as well as in the ongoing worrisome relationship

“Nabucco appears to be able to contribute to the resolution of the NK problem no more than the contribution that the BTC provided for the same issue for a long time, what Azerbaijan has held in its hands in terms of strategic security capacity and foreign policy options cannot be underestimated.”

between Iran and the United States. Though it seems realistically to be a slim possibility, the United States' acceptance of the Iranian participation in Nabucco may help start a new beginning between Tehran and Washington in which it would be much easier for them to discuss the nuclear issue of Iran and decrease their differences in other matters in the Middle East.

It seems that, as a result of the positions all participating and likely participant states have displayed, it would be too optimistic to think that Azerbaijan would be able to use Nabucco to resolve the NK problem in a very definitive manner. To be more specific, neither initial Russian in-

volvement in the development of ACG oil deposits nor the energy companies of the western countries in the same and other projects did much in the way of changing their governments' policies towards the NK issue. However, as it was seen in the process of the development of BTC, Russia cannot do much to prevent Nabucco from being realised. The main difficulty again in the realisation of the Nabucco project, as was the case in the long delay of BTC, stems not only from states which are either suppliers of the gas and transit countries but also from likely buyers in Europe and external supporters like the United States.

At the end, although Nabucco appears to be able to contribute to the resolution of the NK problem no more than the contribution that the BTC provided for the same issue for a long time, what Azerbaijan has held in its hands in terms of strategic security capacity and foreign policy options cannot be underestimated. Even if it does not appear to help much to change the Armenian, Russian as well as other actors' positions in the resolution of the NK problem, the Nabucco project will definitely double the capacity of Azerbaijan in economic, military and strategic terms stretching from across the Caspian to the very heart of Europe. If not in

short and mid- terms, this enlarged importance and capacity that Azerbaijan will achieve has the capacity to transform strategic thinking in the region, and the NK problem cannot escape from the wind of change and stay as it is today.

The Northern Ireland Experience

*Does Changing the Question
Make Agreement More Possible?*

Seán
Farren

Abstract

Territorial disputes have existed since the beginning of human history. In essence, such disputes are usually founded on mutually exclusive claims to sovereignty over disputed areas, and have, as a consequence, been responsible, for many violent conflicts, great and small. While fundamental issues in such dispute are extremely difficult to modify, approaches to a solution can benefit from some lateral thinking. An approach that emphasizes the rights and responsibilities of the people in the disputed territories, as well as the rights and responsibilities of external interests towards those people, can reveal dimensions which are hidden, or at least obscured when the focus is exclusively on sovereignty and ownership. This article examines whether changing the questions about some fundamental issues can assist in achieving progress towards a resolution, at least for some territorial conflicts. The article does so by examining the successful search for a solution in Northern Ireland, where, after almost thirty years of violence waged by paramilitary groups and the security forces, and after a number of failed attempts to negotiate a settlement, agreement between the main protagonists was achieved in April, 1998. While the problems in Northern Ireland are very different in scale and intensity from many other conflicts, lessons may still be drawn from the manner in which negotiations were approached.

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For more than fifty years following the arrangements agreed between what was to become the Republic of Ireland and Britain in 1920-21, Northern Ireland was locked into a political zero-sum game. For Irish Nationalists, who composed one-third of the region's population, the key political issue was how to end the partition of Ireland which those arrangements had accepted.¹ Partition was perceived by Nationalists as a means of satisfying only the demand of the Unionist-Protestant community, who composed two-thirds of the region's population, that British sovereignty over the region should continue. Unionists had vehemently opposed the Nationalist goal of independence for the whole of Ireland because they felt their rights and their economic interests would be jeopardized by the Nationalist majority. Partition meant, therefore, that Nationalist claims to self-determination for the whole of Ireland had been overridden by British concerns to protect the Unionist community. Nationalists had, therefore, to settle for sovereignty over only twenty-six of the island's thirty-two counties.²

Critically, the partition of Ireland also

meant that Northern Ireland contained a minority of Nationalists who deeply resented being 'abandoned' in a Unionist dominated state. Furthermore, Nationalists believed that partition as well as intended to protect the Unionist community was also 'imposed' by a British determination to safeguard UK economic and strategic interests in the country. Hence, much of their political anger was directed against the British government whose withdrawal from the region became their number one political objective. In this demand Nationalists in Northern Ireland found support from successive governments and most of the political parties in the Republic of Ireland. Indeed, the constitution adopted by the Republic in 1937 contained an explicit claim to jurisdiction over the territory of Northern Ireland.³

To the Nationalist sense of abandonment was added a growing sense of grievance as Unionists tightened their grip on government in the years after 1920. Viewing Nationalists as deeply hostile to the very existence of Northern Ireland, the Unionist authorities attempted to safeguard their position by various forms of discrimination intended to ensure that Nationalists did not gain much influence. Electoral

1 Partition was part of the treaty reached by British and Irish representatives in 1920-21 at the end of a very turbulent and violent period in British-Irish relationships. The treaty, called the 'Anglo-Irish Treaty', was signed in London in November 1921.

2 Counties were local government administrative units and Unionists had a majority in the six north-eastern counties.

3 Articles 2 and 3 of the Irish constitution (1937) made the controversial claim that the whole island of Ireland formed a single "national territory". These articles offended Unionists who considered them tantamount to an illegal extraterritorial claim.

boundaries were drawn to limit Nationalist representation; a system of proportional representation was replaced by the 'first-past-the-post' system which also had the effect of limiting Nationalist representation; Nationalists were also discriminated against in employment, particularly in the public service. Other forms of discrimination included being denied access to public housing and restrictions on public expressions of their cultural traditions, especially by the state controlled broadcast media. Reinforcing Unionist antagonism towards their Nationalist neighbours was the Republic of Ireland's constitutional claim which they regarded as irredentist and without any justification. As a result both communities in Northern Ireland lived in deep suspicion of each other with Unionists also viewing the Republic of Ireland as a very hostile neighbor.

While a degree of acquiescence in their fate characterized the Nationalist community for several decades, the secret and illegal paramilitary organization, the Irish Republican Army (IRA), launched several unsuccessful terrorist campaigns in the period from 1920-60, all with the objective of forcing a British withdrawal from the region. Then, in the nineteen-sixties, a civil rights

campaign, modeled on that in the US at the time, emerged within the Nationalist community, demanding an end to discrimination and seeking reform of electoral procedures, a fairer means of allocating public housing and a complete overhaul of the police whose members were drawn overwhelmingly from the Unionist community. Some within the Unionist controlled government recognized the need for change, but a majority strongly opposed any 'concession' to Nationalists who were accused of really wanting to subvert the state. A period of instability ensued marked by large street demonstrations organized by the civil rights movement, which in turn were opposed by Unionist led counter-demonstrations. Violence between rival demonstrators was followed by clashes with local security forces. Eventually, British troops were deployed to keep order and to allow time for politics to provide a solution. Unfortunately, it would take two and a half decades of violence and of failed political initiatives before politics would prove capable of providing a solution.

Once British troops were deployed and political instability increased, sections of the Nationalist community argued that the opportunity should be taken to force the issue on sovereignty

and, by resorting to force, to compel the UK government to declare that Britain would withdraw from Northern Ireland and so pave the way for Irish unity. Hence, in 1970, the IRA embarked on a campaign of terror, killing British troops and members of the police service, as well as bombing so-called 'economic' targets - factories, shops and other businesses, mainly those owned by members of the Unionist community. While this campaign was to be conducted with greater intensity and sustainability than any of its predecessors,⁴ it too soon manifested its inability to achieve its key objective. The UK government firmly declared that it would not withdraw from Northern Ireland and, in support of this determination, involved an increasing number of its troops to counter the IRA and other paramilitary groups.

The ferocity of the IRA's campaign caught both the British government in London and the government of the Irish Republic in Dublin by surprise. While the Irish government at the time was strongly opposed to the use of IRA violence, it shared with the IRA the view that Northern Ireland was illegally occupied by Britain

and, hence, believed a British withdrawal was essential and that both parts of the island should be reunited. However, the British government viewed the IRA as attempting to deny the wishes of the majority of the population in Northern Ireland, the Unionists, and so, could not be allowed to succeed. Therefore, strong security measures had to be adopted to counter its campaign, although in many instances these measures would be counter-productive because of their heavy-handedness and the effects they would have on the wider Nationalist community. The introduction of internment without trial for those suspected of terrorist activity, and events like Bloody Sunday in Derry city when troops opened fire and killed fourteen civilians participating in a civil rights march, are examples of such counter-productive measures.

The risk of an outright civil war was considerable, particularly since Unionist reaction led to the emergence of paramilitary organizations within its own community. These began terrorizing Nationalist communities claiming that the regular security forces were not being effective in dealing with IRA violence, and suggesting that Britain was planning to withdraw and to abandon Unionists to the mercy of their traditional

⁴ Support for the IRA came from some sections of the population in the Republic of Ireland, a considerable amount of financial aid came from the Irish diaspora in the US and elsewhere. Libya's Colonel Gadafy also supplied the IRA with several large shipments of arms.

enemies. The zero-sum game of the mutually exclusive claims of each community seemed destined to wreak its havoc and leave a wasteland.

Initial Attempts at Resolving the Crisis

As political instability intensified the British government insisted that since Northern Ireland was part of the UK, the crisis was purely an internal UK problem.⁵ It stressed that the crisis would be resolved by a combination of measures including firm security action against paramilitaries, and a programme of reform to remove injustices against the Nationalist community. These assertions effectively dismissed the Irish government's argument that it should be involved in the search for a solution, and its claim to be a guarantor of the Nationalist community in Northern Ireland.⁶

Nevertheless, the Irish government also reiterated its belief that the ultimate solution lay in a British withdrawal that would make possible the unification of the two parts of Ireland. So, while it had no intention of resorting to military action in

5 British Prime Minister Edward Heath firmly dismissed Irish Prime Minister Jack Lynch's attempts to influence British policy on Northern Ireland, as 'unacceptable' and as an attempt 'to interfere in the affairs of the United Kingdom' 19 August 1971.

6 Prime Minister Jack Lynch had proposed that he attend a meeting of all the 'interested parties', see Dermot Keogh, Jack Lynch, Dublin: Gill and Macmillan, 2008.

support of the Nationalist community in Northern Ireland, the Irish government continued to insist that it had a role as the government to which that community looked for moral support. Furthermore, the Irish government demanded that the British ensure the rapid implementation of human and civil rights reforms to remove Nationalist grievances. It also demanded a review of the nature of government in Northern Ireland to determine whether Nationalist representatives might be able to have a greater say in decision-making.

As a result of these pressures, civil and human rights reforms were rapidly implemented, but political reform proved much more difficult. Most Unionist politicians opposed any change to the structures of government for Northern Ireland. They argued that the British system of majority rule, i.e. the party with the most seats in parliament should form the government, was the most democratic system and that any other, e.g. a power-sharing system involving parties representing different communities, was undemocratic and would produce weak governments. Furthermore, they argued that in the case of Northern Ireland there should be no place in government for representatives of parties whose

ultimate aim was to end the state's existence and to bring about Irish unity.

So, while civil and human rights reform proved relatively easy to achieve, reform in the political domain did not. There, the arguments against reform rested on traditional concepts of state sovereignty, i.e. Northern Ireland was exclusively a UK concern, and its government should be formed on majoritarian lines. Consequently, the idea that a third party, the Irish government, should have a role in the affairs of the UK, albeit related only to a particular part of the UK, was anathema, as was the proposition that Northern Ireland should have a government that somehow involved members from its minority Nationalist community. However, it was in challenging both concepts that the basis for a solution would lie.

New Political Voices

Just as the campaigns of violence were being launched in 1970, a new generation of political representatives emerged from within the Nationalist community to replace those who had previously represented that community. Many had played leading roles in the civil rights campaign, and, together, they formed a new

political party, the Social Democratic and Labour Party (SDLP), a party that would soon achieve majority support from the Nationalist community.⁷ There were two distinctive characteristics of the SDLP's approach to Northern Ireland's crisis. First, while it shared the Nationalist vision of a united Ireland, it was totally opposed to the use of violence as a means of achieving that goal. Secondly, the SDLP questioned the traditional Nationalist demand that a settlement required, as a first step, a British declaration to withdraw.

In essence, the SDLP addressed two critical questions: (i) is Irish unity achievable by force; (ii) are the British likely to unilaterally withdraw from Northern Ireland, thus ignoring the wishes of the Unionist majority? Since the answer to both questions was a clear 'no', the SDLP then asked if there was an alternative resolution, apart from mere acquiescence or the abandonment of the goal of Irish unity, neither of which the party would consider. It was in exploring answers to this question that the SDLP arrived at a formula for resolving the crisis, one that would ultimately be endorsed in the 1998 Belfast/Good Friday agreement.

⁷ For a full account of the role of the SDLP see, Seán Farren, *The SDLP – the struggle for agreement in Northern Ireland 197–2000*, Dublin: Four Courts Press, 2010.

“In arriving at its formula the SDLP argued that Northern Ireland’s crisis had arisen because each community felt threatened by the other, and so resorted to measures that seemed to offer it security.”

In arriving at its formula the SDLP argued that Northern Ireland’s crisis had arisen because each community felt threatened by the other, and so resorted to measures that seemed to offer it security. What was required, therefore, was a settlement that would eliminate Unionist fears that Nationalists would persist with their pressure, either through violence or other means, to coerce them into a united Ireland. Secondly, a settlement would also require that Nationalist fears of Unionists persisting with their discriminatory practices as a means of excluding them from gaining influence over affairs in Northern Ireland and so subverting the state, would have to be eliminated. Addressing those fears required, firstly, accepting that Northern Ireland’s two communities had their own distinct allegiances, Nationalists to a united Ireland, Unionists to the UK. Secondly, a resolution then required agreeing on the means that fully recognized and respected those allegiances, and the national identities

of which they were an expression. Thirdly, a solution had to provide the means whereby the two communities could live together co-operating in government and developing much more harmonious relationships.

Reformulating the Issues

The formula whereby this recognition and respect could be afforded these allegiances can be described as one that is *relationship* based. In other words, in answer to a further question – what are the key relationships that must be resolved to the satisfaction of all sides if an agreement was to be widely acceptable - the SDLP identified three critical relationships which it argued were at the core of the crisis.⁸ These are the following:

- (i) Relationships between the Nationalist and Unionist communities in Northern Ireland itself;
- (ii) Relationships between the people of Northern Ireland and the people of the rest of the island;
- (iii) Relationships between the people of Ireland and the people of Britain.

The crisis had exposed the bitter and deep-seated antagonisms which lay

⁸ SDLP, *Towards a New Ireland – a policy review*, Belfast: SDLP, 1972.

at the heart of these relationships, antagonisms that risked poisoning those relationships further if they were not satisfactorily resolved.

It was on the basis of this analysis that the party addressed the next question – what set of political institutions could be devised that would at least offer the prospect of creating more positive relationships between all involved. The answer to that question lay in a three-fold set of proposals related to each of the relationships:

- (i) A power-sharing or partnership government for Northern Ireland in which representatives from both communities would be represented on a proportionate basis;
- (ii) A Council of Ireland that would bring representatives from Northern Ireland and the Republic of Ireland together to discuss matters of mutual concern to the people of the whole island;
- (iii) A British-Irish Council to bring together ministers from Northern Ireland, the Republic and Britain to address matters of mutual concern to the islands of Ireland and Britain.

While the SDLP was not the only party to have arrived at this analysis, it was the only party in Northern Ireland to comprehensively develop such ideas. In addition to its institutional proposals, the party insisted that there had to be a complete overhaul of the police to make it a more representative force. Furthermore, the party proposed that referenda be held in both parts of Ireland to endorse, or otherwise, any agreement that might be reached, and that a human rights commission be established to ensure that the rights of all of the people of Northern Ireland would be fully upheld.

Failed Initiatives

Developing a formula that might be the basis for a settlement is but a first step in any peace process. Going beyond that step also requires a *political* process. In the case of Northern Ireland such a process was established in the early 1970s, but it was short-lived. Some Unionists were prepared to engage with the SDLP on the basis of the latter's proposals and together with the Irish and British governments reached an agreement, the Sunningdale agreement.⁹ The agreement provided for a power-

⁹ The agreement took its name from the location where it was reached in Britain, but not all of the parties were represented in the negotiations that produce the agreement, see Seán Farren and Robert F. Mulvihill, *Paths to a Settlement in Northern Ireland*, Gerrards Cross, 2000, chapter 4.

sharing government in Northern Ireland in which Nationalists and Unionists would be represented together with a Council of Ireland consisting of representatives and ministers from Northern Ireland and the Republic to deal with matters of mutual concern. However, ranged against the agreement were significant elements of the Unionist community as well as the paramilitaries from both communities. The IRA denounced the SDLP as traitors to the cause of Irish unity, while Unionists opponents of the agreement accused their consenting politicians in similar terms.

Faced with such opposition, the initiative failed after only five months from its implementation. From then until the mid-1990s there were no further attempts at a comprehensive agreement, although there were a number of initiatives that attempted to develop partial agreement. In those initiatives the British government emphasized once again an internal approach and again minimized the role of the Irish government.¹⁰ Given their limited approach to the relationships that had to be addressed, it was no surprise that they all failed. The paramilitaries from both

10 A constitutional convention of the parties in Northern Ireland, 1975-6, failed to agree a power-sharing government; talks convened by the British government in 1980 also failed to produce agreement as did an attempt to establish a new assembly for Northern Ireland 1982-86.

communities continued their campaigns of assassinations and bombings.

The absence of a viable political process together with ongoing paramilitary activity inevitably meant that security driven policies took precedence. The period was marked by many tragic events, perhaps the most dramatic being the 1980-81 hunger strikes during which ten paramilitary prisoners, most of them IRA members, died in protests against the regime imposed by the prison authorities.¹¹ The impact on the Nationalist community was profound, and only emphasized the need for a comprehensive settlement involving all of the parties to the conflict along with both governments.

First Major Break-Through

The SDLP's strategy during this period was to ignore the limited initiatives of the British government and, instead, to press for a new joint British-Irish initiative. The party emphasized the need to address all the key relationships in the crisis in as comprehensive a manner as possible; it stressed the responsibility both governments had for the situation, and argued that only they

11 Prisoners demanded the right to wear their own clothes, to r freedoms within the prison and when these and other demands were refused they eventually went on hunger strike and over a period of several months ten men died. Their funerals became mass displays of Nationalist outrage.

had the flexibility and the influence to create a viable process that could involve Northern Ireland's political parties. The Irish government shared this approach which was eventually successful when the two governments signed the Anglo-Irish agreement in 1985.¹²

This Anglo-Irish agreement gave the Irish government a formal consultative role with the British government in the affairs of Northern Ireland. By granting this role, the agreement marked the beginning of a concerted and joint approach towards achieving the kind of agreement envisaged by the SDLP. In particular, the agreement meant that the British government now finally accepted that the Northern Irish crisis was not simply an internal UK crisis, but one which intimately affected the Republic of Ireland as well. In future all three key relationships would have to be addressed together in any negotiations. The agreement also saw the Irish government formally accept that there could be no change to Northern Ireland's constitutional position as part of the UK unless a majority of its people so decided in a referendum.

12 Signed in November 1985 by UK Prime Minister Margaret Thatcher and Irish Prime Minister Garret FitzGerald the agreement provoked considerable outrage amongst Unionist politicians who led mass protest demonstrations in many parts of Northern Ireland. However, they did not succeed in having the agreement altered in any way.

Over the next few years both governments sought to persuade reluctant Unionists as well as the paramilitaries that progress could be made peacefully and democratically with both governments acting as guarantors to the two communities. In particular, contacts began to be made with the paramilitaries to persuade them to end their campaigns and allow all-party negotiations to commence.

The SDLP engaged in this outreach to paramilitaries, and was the first party to formally engage with Sinn Féin, the party closely associated with the IRA. The talks did not lead to an immediate IRA ceasefire, but they did help to bring Sinn Féin into the political process that eventually produced the ceasefires by the main paramilitary groups in 1994. These ceasefires paved the way for all-party negotiations that commenced in 1996, and which were based on an agenda that reflected very precisely the three relationships approach long since proposed by the SDLP.¹³ After almost two years the negotiations concluded with the signing of the Good Friday agreement in April 1998.¹⁴

13 The negotiations included the main Unionist party, the SDLP, Sinn Féin and several smaller parties. One important Unionist party led by Ian Paisley participated for a while but then withdrew and opposed the agreement eventually reached.

14 The agreement was signed on 10 April, the Christian feast of Good Friday and was put to the people in referenda in both parts of Ireland a month later.

Good Friday Agreement

The main provisions of the Good Friday agreement were, not surprisingly, the following:

- (i) Acceptance by all parties that Northern Ireland would remain part of the UK for as long as a majority of its people so desired, with periodic referenda to test that desire;
- (ii) The government of Northern Ireland to consist of a proportionately elected Assembly and an Executive, the latter to be composed of ministers from parties representing both communities;
- (iii) A North-South Ministerial Council would be established to bring ministers from Northern Ireland and the Republic of Ireland together to discuss and recommend action on matters of mutual concern;
- (iv) A British-Irish Council would also be established to bring ministers from both Ireland and Britain together to discuss matters of mutual concern.

In addition, there were provisions on

police reform, on human and cultural rights, and for referenda in both parts of Ireland to endorse, or otherwise, the whole agreement. The comprehensive nature of the agreement meant that all sides were winners. The agreement satisfied Unionist demands on Northern Ireland's membership of the UK; Nationalists now had a guarantee that if a majority wished that Northern Ireland be united with the Republic, this would happen; Nationalists also would have a right to be represented in the government of Northern Ireland; new political institutions with the Republic and with Britain acknowledged the wider relationships of both communities. Outside the political domain there were provisions for the creation of special commissions to oversee human and civil rights, while a new police service drawn from both sides of the community would replace the existing force. It was truly a win-win outcome on all sides.

When the referenda were held the agreement was overwhelmingly endorsed, 95% in favour in the Republic of Ireland and 72% in Northern Ireland. Like most agreements reached at the close of bitter conflicts, the Good Friday agreement encountered serious difficulties as it was being implemented,

difficulties that at times threatened its viability. However, these difficulties were eventually overcome and today it would appear that the agreement is putting down firm roots.

Conclusion

Reflecting on the Northern Ireland experience there are many lessons that can be drawn, for example: how to manage a peace process, how to develop contacts with paramilitaries, how to ensure negotiations are comprehensive, both in terms of participants and in terms of the agenda and how to ensure popular support for the process. Crucially, however, since successful peace processes all require some degree of compromise, key issues need to be formulated in ways that will assist in reaching that kind of outcome honorably. That is why examining how central questions might be reformulated in ways that will help parties break out of the zero-sum game, is an essential part of the preparatory process. Clearly, that happened in the Northern Irish situation, and doing so helped in no small measure to ensure the win-win outcome that was the Good Friday agreement.

Lifting the Veil: *The Future of the Old War*

Reshad
Karimov

Abstract

Among many questions one can have while studying suicide terrorism, there are two questions that stand almost unexamined. First, why has suicide terrorism been welcomed in the last few decades as such a potent weapon? Second, why is it that some terrorist groups use suicide terrorism, while others have not? The recent spate of female suicide bombers in different venues, different countries, and different terrorist organizations warrants careful study of this type of action. It will make more sense to think about suicide bombing as an example of a military innovation. This paper reviews the history of female suicide bombers, focuses on bomber characteristics and motivation, analyzes recent attacks, and predicts trends within a strategic assessment of the future of suicide bombing. The evidence suggests the importance of organizational factors in driving the adoption or non-adoption of suicide terrorism, as well as the greater danger of the next generation of suicide bombers. The author's main claim is based on the evidence of the ease with which marginalized youths are able to translate their frustrations into acts of terrorism, often on the basis of professed solidarity with terrorists halfway around the world whom they have never met.

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Every person who has lived through the beginning of the century will have a philosophical sense of the changes in the world. Naturally, the causes behind the enormous changes are too numerous to mention, but people will bring up repeatedly only one: terrorism. In world capitals, leaders fortified their security and curtailed public appearances. Ordinary citizens felt unsafe walking the streets of major cities, while the terrorists themselves were like phantoms – everywhere and nowhere at the same time, seemingly able to strike at will. Terrorism became the preoccupation of police and politicians, bankers and business leaders. The shelves of Western bookshops are filled with definitions and versions on the subject, pages that call to mind images of explosives, “middle eastern” people, women in veils, and young children armed and ready to fight. The news packages on TV also have become all too familiar in their horror – emergency workers and ambulances, screaming, blood-spattered wounded and splattered body parts on the ground covered with blankets. It might be Iraq, Israel, Sri Lanka, Russia or just about any state struck by a suicide bomb attack. Soon, most likely, the organization responsible would release a video of the bomber’s last words, there’d very likely be a retaliatory attack by the targeted

state, and the theatre would follow a familiar script...

Terrorism is not new, and even though it has been used since the beginning of recorded history it can be relatively hard to define. Terrorism has been described variously as both a tactic and strategy, a crime and a holy duty, a justified reaction to oppression and an inexcusable outrage. One of the contributors to our advancement of knowledge on the subject, David Rapoport, by studying the history of terrorism since the 1880s identified four distinct waves fueled by common ideological commitment originating from anarchism, anti-colonialism, socialism, and religious fundamentalism, respectively, with the first three waves lasting roughly 40 years each.¹ Rapoport defines these waves with three characteristics: a cycle of activities characterized by expansion and contraction phases, covering multiple nations, and “driven by a common predominant energy that shapes the participating groups’ characteristics and mutual relationships.”

But I will argue another dimension of the waves: the tactic. A war which changed the world ultimately changed warfare itself. September 11 illustrated a post-Cold War dynamic:

¹ David Rapoport, “The Four Waves of Modern Terrorism,” in Audrey Kurth Cronin and James Ludes, eds., *Attacking Terrorism*, pp. 46-73.

power, as the prerogative of states, is anachronistic, and governments find themselves increasingly vulnerable to indistinct transnational threats such as terrorism. The horrible reality is that states will not be immune to catastrophic violence perpetrated by terrorist groups motivated by distorted ideologies.

Violence without constraint, multiple devastating attacks, falling buildings, casualties in the hundreds, thousands, tens of thousands, these became the goals of the new cohort of terrorists. It is against this backdrop that al Qaeda appeared on the scene, injecting bombing into ordinary political struggle, controlling the location, timing, and method of delivery. Today, the use of women and explosive belts suggests a shift in tactics, since Muslim females appear to be increasingly employed to carry out today's weapon of choice in the Middle East – suicide attacks. Low cost, low technology, and low risk weapon – suicide bombers are readily available, require little training, leave no trace behind, and strike fear into the general population. A simple truth outlined by Martha Crenshaw is that terrorism is chosen many times because it is the most efficient.²

2 Martha Crenshaw, "The Logic of Terrorism: Terrorist Behavior as a Product of Choice" in *Origins of terrorism: psychologies, ideologies, theologies, states of mind*, Walter Reich (ed.), Washington, DC: Woodrow Wilson Center Press, 1998

The success of suicide bombers depends upon an element of surprise, as well as accessibility to targeted areas or populations. Both of these required elements have been enjoyed by female suicide bombers.

Historical perspective

Although female suicide terrorism is not new - the first known suicide attack by a woman was carried out in Lebanon on April 9, 1985 when Sana'a Mehadli, a 16 years old member of the Syrian Social Nationalist Party (SSNP), detonated a car bomb, which killed two Israeli soldiers and injured two more - the boom in female suicide bombings across Iraq has led to a flood of media efforts to identify a specifically gender based motivation in the face of this trend. For instance, former Indian Prime Minister Rajiv Gandhi and 16 others were killed while campaigning for re-election by a bomb concealed in a basket of flowers, carried by a female *Liberation Tigers of Tamil Eelam (LTTE)* suicide-bomber. One-third of the members of the Sri Lankan organization were women who, in addition to duty on the battlefield, in the kitchen, and in medical camps, had suicide bomb missions. In a way, the Chechen "*black widows*" remind us of the Tamil women suicide bombers in Sri Lanka, who are also products

“Explaining female suicide terrorism requires viewing it as a military innovation – the deployment of women bombers is the product of a tactical demand because women are stereotyped as nonviolent and they might elicit less attention and thus execute a stealthier attack.”

of a horrific civil conflict. In the Palestinian territories, the groups *Hamas* and *Palestinian Islamic Jihad* witnessed a surge in female bombers during the *intifadas*. During the current intifada the numbers of public displays of willingness and volunteering by Palestinian women to perpetrate terrorist attacks have grown. This is, ironically, a source of female empowerment due to the legitimization given to women’s participation in the struggle against Israel by Palestinian religious leaders and terrorist organizations, as well as the fact that the women feel this is the first time they are able to participate in military resistance and not only civilian activity.

Explaining female suicide terrorism requires viewing it as a military innovation – the deployment of women bombers is the product of a tactical demand because women are stereo-

typed as nonviolent and they might elicit less attention and thus execute a stealthier attack. Paradoxically, the strategic appeal of female attacks stems from the rules about women’s behavior in the societies where these attacks take place. Given their second-class citizenship in many of these countries, women generate less suspicion. Women also can increase the number of combatants in groups with depleted “man” power, whether through joining the ranks themselves or fulfilling a role as inexpensive cannon fodder. In the Chechen conflict so many had gone to fight and been killed that in some cases the women were almost the only ones left in certain villages. In the case studies of Sri Lanka and Chechnya, women have risen to the forefront of their organizations by engaging in suicide terrorism. Terrorists want to, and need to, communicate their message to the outside world and an audience – terrorism has been defined as “a synthesis of war and theater.” And when the first Palestinian female bombing occurred, the news was given great prominence, far more than any male suicide bomber would have received. The media, so essential to terrorist groups, are sucked in by the drama of self-sacrifice for a cause, with the centrality of women having a force-multiplying effect on the viewer’s consciousness. It is a reac-

tion that knows no state or religious boundaries. This disproportionate publicity, in turn, may arouse worldwide sympathies for suicide bombers and can also serve as a terrorist recruitment tool.

Approximately 17 groups have started using the tactical innovation of suicide bombing;³ women have been operatives in more than half of them in the Middle East, in Sri Lanka, in Chechnya, and in Colombia. Organizations, like the *Kurdistan Worker Party (PKK)* in Turkey, routinely use suicide bombers and have utilized the notion of martyrdom and self-sacrifice as a means of last resort against their conventionally more powerful “enemies.” These groups believe that suicide bombs are successful in bringing notice to their troubles and contend that suicide bombers are the only effective weapons they have, in contrast to their enemies’ much larger wealth, weapons, soldiers, and political means. Abu Shanab, a Hamas leader, stated that “all that is required is a bomb, a detonator, and a moment of courage.”⁴ Violent political movements may embrace it for ideological purposes, but they use it mainly for a very simple reason: it works.

3 Mia Bloom, “Female Suicide Bombers: A Global Trend,” *Daedalus* Winter 2007, Vol. 136, No. 1: 94–102.

4 Jessica Stern, *Terror in the Name of God: Why Religious Militants Kill*, (New York: Harper Collins Publishers, 2003) p.40.

Motivation

Question – why? Why would one die voluntarily in order to kill many innocent people? A suicide bomber, someone willing to die for a cause, is puzzling. Martha Crenshaw argues that,

*The motives for suicide terrorism do not appear to differ significantly from the general motives for terrorism, which include revenge, retaliation, and provocation of government over-reaction. These objectives may be tactical goals in the end of disrupting peace processes or acquiring political recognition and status. Although terrorism is often described in terms of pure emotionalism or “fanaticism,” its instrumental or strategic dimensions should not be overlooked.*⁵

Suicide bombers may end their lives in the same way, but it would be foolish to draw any conclusions about their motivations from a single story. Motives vary: revenge for a personal loss, the desire to redeem the family name, to escape a life of sheltered monotony and achieve fame, and to level the patriarchal societies in which they live.

5 Martha Crenshaw, “Suicide Terrorism in Comparative Perspective,” *International Policy Institute of Counter-Terrorism (ICT)*, *Countering Suicide Terrorism: An International Conference*, p. 21, retrieved on December 2, 2009 from <http://www.ict.org.il/Portals/0/51563-Countering%20Suicide%20Terrorism.pdf>

Recently, there is a tendency to assume a natural connection between faith and the willingness to kill and be killed. Focusing on recent events Juergensmeyer in his book *Terror in the Mind of God* explores the use of violence by marginal groups within five major religious traditions: Christianity (reconstruction theology and the *Christian Identity* movement, abortion clinic attacks, the Oklahoma City bombing, and Northern Ireland); Judaism (Baruch Goldstein, the assassination of I. Rabin, and Kahane); Islam (the World Trade Center bombing and Hamas suicide missions); Sikhism (the assassinations of Indira Gandhi and Beant Singh); and Buddhism (*Aum Shinrikyo* and the Tokyo subway gas attack). Juergensmeyer interviewed participants and advocates of violence (notably Mike Bray, Yoel Lerner, Mahmud Abouhalima, Simranjit Singh Mann, and an anonymous ex-member of *Aum Shinrikyo*).⁶ Unfortunately, Juergensmeyer is less interested in individual psychology than in “cultures of violence,” broadly construed. The author argues that only religion provides the moral justification to commit violence in the name of a *cosmic war* between good and evil and only religion polarizes a situation into such extreme absolutes that compromise and concession are no longer easy or sometimes even

6 Mark Juergensmeyer, *Terror in the Mind of God: The Global Rise of Religious Violence*,

possible. But I would argue that religious fanaticism creates *conditions* that are favorable for terrorism, yet there also must be other conditions that in combination provoke some people to see terrorism as an effective way of creating change in their world. In my own studies of cases of religious violence, I have found that religious speech and ideas play an important role though not necessarily the initial one. In fact, historically, many terrorist groups – such as the *Red Brigades* in Italy, the *Red Army Faction* in Germany, and the *Sendero Luminoso* in Peru– were radical-socialists with no religious connection whatsoever. And like the *Tamil Tigers*, the *PKK* in Turkey never promised its people a first-class ticket to heaven. Further, Islamist groups in early stages commonly discouraged and only unwillingly did accept female suicide attackers. At the start of the second intifada in 2000, Sheik Ahmed Yassin, the founder of Hamas, claimed, “A woman martyr is problematic for Muslim society. A man who recruits a woman is breaking Islamic law.”⁷ Hamas actually rejected Darin Abu Eishah, the second Palestinian female attacker, who carried out her 2002 bombing on behalf of the secular al-Aqsa Martyrs Brigade of Palestinian

7 Lindsey O'Rourke, “Behind the Woman Behind the Bomb.” *The New York Times*, August 2, 2008, retrieved on November 4, 2009 from <http://www.nytimes.com/2008/08/02/opinion/02orourke.html>.

militias aligned with Fatah.⁸

A simpler explanation revolves around the word “protest.” The explanation for one’s behavior is found not in how they think, but rather in how they feel. Terrorist organizations are well aware of the variety of individual motives and recruitment tactics aimed specifically at women often involving numerous, even contradictory, arguments: feminist appeal for equal participation, using a suicide attack as a way to redeem a woman’s honor for violations of the gender roles of her community, revenge, nationalism and religion — almost any personal motive that does not contradict the main strategic objective of uprising. In Iraq, particular-

“In “jihadist” propaganda, the invasion and violation of Muslim lands is intimately tied to the violation of Muslim women, either directly or through the corrupting role of Western values and attitudes.”

ly, women today are either using violence to protest the loss of their society, loss of their family members, or the loss of their country to an occupation they don’t believe in.

⁸ Ibid

In “jihadist” propaganda, the invasion and violation of Muslim lands is intimately tied to the violation of Muslim women, either directly or through the corrupting role of Western values and attitudes. When the 9/11 attacks were perpetrated, the U.S. was not in fact the occupier of a Muslim country, whatever bin Laden might have claimed. Yet through the U.S. response – the invasion and occupation of Afghanistan, and subsequently Iraq – suddenly it was. Recall that the first two female bombers in March 2003, who detonated themselves days after U.S. forces entered Baghdad, declared on television that their primary motive was to protect Iraq from a foreign invader.⁹ In most of the aforementioned cases, these women had a large amount of “personal baggage” and suicide bombing could be a way of “cleansing” themselves and erasing their past. The individual terrorist’s willingness to face not just high risk but certain death requires a psycho-cultural explanation.¹⁰ An example of this is the first female suicide bomber in the Palestinian/Israeli conflict, Wafa Idiris, a 27-year-old ambulance worker,

⁹ Farhana Ali, “Dressed to Kill: Why the Number of Female Suicide Bombers is rising in Iraq,” *Newsweek*, July 30, 2008, retrieved on November 4, 2009 from <http://www.newsweek.com/id/149531>.

¹⁰ Martha Crenshaw, “Suicide/Terrorism in Comparative Perspective,” *International Policy Institute of Counter-Terrorism (ICT)*, *Countering Suicide Terrorism: An International Conference*, p. 21, retrieved on December 2, 2009 from <http://www.ict.org.il/Portals/0/51563-Countering%20Suicide%20Terrorism.pdf>

who killed an Israeli civilian and wounded 140 in January 2002. In death she became a celebrity. She was married off at a very young age and could not have children. In that society a woman, a wife, who can't have children, is considered worthless. The husband divorced Wafa and married someone else and had children with her. Wafa also worked with a humanitarian organization on the West Bank where she saw a lot of carnage from the Israeli-Palestinian conflict. You might say that she was a very depressed person. But after the bombing, Wafa Idris instantly became a hero...

In the good old days, it seemed like such an easy task to identify and give a face to who were your friends and foes at times of war, even at the risk of racial and cultural stereotyping. Even the early years of suicide terrorism were a simpler time. Today, in fact, women of all ages and sects are playing an increasing role in several aspects of supporting terrorist behavior. Women have acted as facilitators, in both planning and perpetrating terrorist attacks. Areas of involvement include opening bank accounts under a maiden name to evade suspicion by counter-terrorism financing experts, raising money for terror groups through charity functions, and transporting supplies and information past

airport security officers focused on Arab men. In the Moscow theater hostage crisis on October 23, 2002, also known as the Nord-Ost Siege, the whole world saw the young women in black outfits, although it was not the first account of such tactic. The first Chechen "Black Widow" was Luiza Gazuyeva, who killed a Russian general in November 2001 because she believed he was responsible for killing her husband.

Among the Nord-Ost hostage takers were 19 women – marking the largest participation of female Chechen militants in any operation since the start of Russia's second war against separatists in the North Caucasus republic.¹¹ A terrorist act committed by young female mountain villagers was clearly a deliberate public relations move by the Chechen resistance. Asya Gilshurkaeva, a Nord-Ost suicide bomber, lost two husbands during two wars, and her 13-year-old brother was taken away in the middle of the night by soldiers and is still "missing." Aishat and Hadishat Ganiev, who were also at Nord-Ost, came from a family of ten children, in which two boys had died fighting the Russians, one daughter had gone missing and another son was jailed as a rebel. Once, soldiers arrested them

11 Irina Lagunina, "Russia: Nord-Ost Anniversary Recalls Ascent of Female Suicide Bomber," RFE/RL October 27, 2006, retrieved on November 4, 2009 from <http://www.rferl.org/content/article/1072365.html>.

at night and then released them four days later. According to the Russian newspaper “Izvestia,”¹² what was done to them isn’t known; the women do not talk about it, but when they disappeared the next time, they were seen again only when their bodies were found in the Dubrovka Street Theater siege which ended with the death of 129 hostages and all 41 rebels. Over the past 16 years, Russian soldiers have left a trail of destruction in Chechnya that is psychological as well as physical. Countless women have been widowed or lost sons, brothers or fathers. Those who have been raped may find it impossible to marry and live a normal life.

On March 29, 2010, carefully orchestrated attacks perpetrated by two Chechen “black widows,” that focused on two of Moscow’s most iconic subway stations just as they were filled with maximum crowds, and killed more than 50 people and injured another 100 on Moscow’s crowded metro, seemed to be a sign of the return of a nightmare that the Kremlin thought it had ended years ago. One of the suicide bombers was 17-year-old Dzhanet Abdurakhmanova, a widow of Dagestani militant leader Umalat Magomedov killed by federal troops the year before, and

12 Vadim Rechkalov, “Female- Dolphins,” [Вадим РЕЧКАЛОВ, “Девушки-дельфины,”] retrieved on November 4, 2009 from <http://www.izvestia.ru/articles/article36818/>

the second bomber was identified as Markha Ustarkhanova, a 20-year-old widow of a another militant leader, also killed by federal troops in a raids in 2009.¹³

“Unless martyrdom was valued by society or at least by an identifiably separate social group, individuals would not seek it,” I wrote in my field journal by the end of the 90’s, when I had been writing and documenting in Chechnya about how an entire generation has grown up in the war, how these young people have not known any other way of life. I also did understand that when healthy, beautiful, and intelligent young men and women set out to kill and be killed, something is wrong with the world that has not heard their anguished cries for justice. These young people deserve to live along with all those whom they have caused to die. Those young people, most of whose eyes shone with intelligence, had been spending hours discussing how to arrange a public bombing, how to kill themselves and take with them as many civilians as possible. At that time they saw certain conditions with no way out, some of which made violence against civilians seem like a reasonable and even necessary op-

13 “Black Widow Responsible For Moscow Subway Bombing Identified As Dzhanet Abdurakhmanova From Dagestan,” TimesNewsLine.com, April 3, 2010, retrieved on April 20, 2010 from <http://www.timesnewsline.com/news/Black-Widow-Responsible-For-Moscow-Subway-Bombing-Identified-As-Dzhanet-Abdurakhmanova-From-Dagestan-1270293104/>

tion. They saw their lives on Earth as too difficult to handle, and when they reached that stage, in their minds, taking out the enemy was an opportunity to become a hero. Even calls for jihad were overshadowed by desire to execute some kind of raging revenge. For me, unless one has been a mother, wife or daughter this is all but impossible to understand, but those ingrained instincts of protection and agonizing sorrow have to be released. They changed the notion of conventional warfare and wiped out the entire logic of power, since no credible threat can be made against someone who has no desire to survive. And given the globalization of terror from non-state actors, it's my belief that the art of suicide bombings, which will include female suicide bombers, the "innovation" in suicide bombing as the ultimate asymmetric weapon, will become more and more popular. Suicide bombing is mainly a demand-driven, not a supply-limited, phenomenon. There's a simple reason that since the 1980s the world has witnessed the ascent of suicide bombings: it's fair to say that the suicide bomber is the insurgency's most devastating weapon and the most efficient form of violence at close range with the power to metamorphose our thinking.

Preemption

Perhaps the increased role of women in supporting terrorism is a passing phenomenon. But when counterterrorism experts estimate their opponents' capabilities and techniques, it is proper for them to think about what is happening in the women's "locker room." Counterterrorism intelligence has two primary challenges: determining the capabilities an opponent can muster and fathoming the intentions to employ those capabilities – the "who, what, when, where, how, and how much?" But understanding the motivational factors behind why actors get involved in violent acts – the "why?" factor – may give us an idea of what challenges a society is facing, and in turn the factors that engender conditions in which terrorist organizations are able to recruit and win support. If "leaderless resistance" is the wave of the future, it may be less lethal but harder to fight; there are fewer clues to collect and less chatter to hear, even as information about means and methods is so much more widely dispersed. It is more like spontaneous combustion than someone from the outside lighting a match.

By understanding the psychological processes leading to terrorism, F.M. Moghaddam conceptualizes the ter-

rorist act as the final step on a narrowing staircase¹⁴. Although the vast majority of people, even when feeling deprived and unfairly treated, remain on the ground floor some individuals climb up and are eventually recruited into terrorist organizations. These individuals believe they have no effective voice in society, are encouraged by leaders to displace aggression onto out-groups, and become socialized to see terrorist organizations as legitimate and out-group members as evil. The current policy of focusing on individuals already at the top of the staircase brings only short-term gains. The best long-term policy against terrorism is prevention, which is made possible by understanding the motivational factors behind why actors get involved in violent acts. This may give us an idea of what challenges a society is facing, and in turn the factors that engender conditions in which terrorist organizations are able to recruit and win support. No other form of violence has a higher proportion of females than suicide bombers. The greater knowledge of women suicide bombers can further our understanding of terrorism in general while also furthering understandings of “women in conflict” – they are the mothers, wives, daughters, and the sisters that

“The greater knowledge of women suicide bombers can further our understanding of terrorism in general while also furthering understandings of “women in conflict” – they are the mothers, wives, daughters, and the sisters that carry the burden of the war on their backs.”

carry the burden of the war on their backs. Equally as important, as it requires much more than bearded Special Forces operators, we should strive to give Muslim women across the globe other outlets for employment, as an opportunity to contribute to countering terrorism in their societies. We need to make women believe, that the contribution they make in life is worth far more than any contribution they make in death. Moreover, since female attacks are considered especially shocking, rebel groups deliberately use them as bombs under the guise of addressing human problems. Thus prevention will require a great improvement in the social conditions that produce, beget, or trigger terrorist acts. Most surveys indicate that the support for violence decreases when there are viable alternatives and better prospects

14 Moghaddam, F. M. “The Staircase to Terrorism: A Psychological Exploration.” *American Psychologist* 60.2 (2005): 161–169, retrieved on November 24, 2009 from <http://www.cipert.org/resources/PsychTerrorismChapter5.pdf>

for peace.¹⁵ Can we offer something better? Something to defuse the explosive anger of jihadist widows bent on vengeance, or young women craving freedom from foreign occupation for themselves and their people? In the comfort of Washington, the answer would seem an obvious yes – politicians talk a lot about education, jobs, and equal rights. But in the dusty alleys of Baghdad, the arid hills of Waziristan, the rubble of Grozny, the walled-off villages of the West Bank the solutions may not always be so clear. We need to realize that we play to the same audience as *Bin Laden & Co.*: those Muslims trying to choose between the preached dreams of the Caliphate and of finding their own place in the terrible economy. Anything that persuades them that the world is open to them works in our favor. Anything that closes the door on them works for Bin Laden with the help of a new generation, almost entirely a grass-roots enlistment operation that is bottom up rather than top down in the sense that individuals in “jihadi” networks bring in other family members, friends, co-worshippers or co-workers.

Case in point? The new lyceum for girls that opened in February of 2008 in Pakistan – a country of 190 million citizens where violence is no longer

15 Mia Bloom, *Dying to Kill: The Allure of Suicide Terror* (New York: Columbia University Press, 2005.) ch. 3

limited to the lawless tribal lands along the border with Afghanistan. As the focus of the U.S.’s war on terror has moved from Afghanistan to Iraq and back, there is a widely dawning realization that its central front is actually Pakistan, where militants have thrown up a serious challenge to the authority of the Federal Government in every Province in the country – Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh – as well as in the Federally Administered Tribal Areas (FATA), Gilgit-Baltistan and ‘Azad Jammu and Kashmir.’ Devoid of a strong political leadership and the necessary will to confront terrorism, Islamabad has failed to respond adequately and recover some measure of control, as some 7,435 people died in terrorism-related brutality in 2010, according to the organization South Asia Terrorism Portal.¹⁶ Pakistan is the one Muslim nation that has nuclear weapons, where people who want them – like the Taliban and al-Qaeda – are still more popular there than the U.S. and its allies.¹⁷

Azerbaijan’s Heydar Aliyev Foundation had decided to build that school in Muzaffarabad at the initiative of

16 “Annual Fatalities in Terrorist Violence in Pakistan, 2003-2009,” retrieved on November 4, 2009 from <http://satp.org/satporgtp/countries/pakistan/database/casualties.htm>

17 Polls was conducted August, 2007 and January, 2008 by Terror Free Tomorrow: The Center for Public Opinion, D3 Systems and the Pakistan Institute for Public Opinion, retrieved on November 4, 2009 from <http://www.terrorfreetomorrow.org/upimages/tft/TFT%20Pakistan%20Poll%20Report.pdf>

Mehriban Aliyeva, the First Lady of Azerbaijan. This step can be seen as a drop in the ocean and may not eliminate violence immediately, but it might help to deliver benefits to the population while the terrorists and radicals cannot and influence government survival, as populations always hold government accountable for failing to provide simple social conditions and security. And certainly it can make terrorist tactics revolting if the population that the terrorists claim to represent, think they can get more through peaceful means than through violence. In the long run, because of the nature of terrorism, military action alone is not likely to be enough to win a war against terrorism itself. The war can and will last as long as the terrorists don't run out of potential bombers and new tactics, and above all else, the motivation to fight for their cause.

Conclusion

According to Sageman,¹⁸ this newest wave of terrorism is a leaderless hodgepodge of thousands of what he calls "terrorist wannabes." To some extent it still has an agenda; but unlike the first waves, whose members were well educated and intensely religious, the majority of the new

"jihadists" are a weird species of the Internet culture. Outraged by video images of Americans killing Muslims in Iraq, they gather in password-protected chat rooms and dare each other to take action. Like young people across time and religious boundaries, they are bored and looking for thrills. What makes these examples of the next generation of terrorists so frightening is the ease with which marginalized youths are able to translate their frustrations into acts of terrorism, often on the basis of professed solidarity with terrorists halfway around the world whom they have never met. They seek to belong to a movement larger than themselves, and their violent actions and plans are hatched locally, with advice from others on the Web. Their mode of communication also suggests that they will increasingly evade detection. Without links to known terrorists, this new generation is more difficult to discover through traditional intelligence gathering. Of course, their lack of training and experience could limit their effectiveness along with new possibilities of infiltrating the system. But that's cold comfort for their victims.

"It's more about hero worship than about religion," I wrote in my field journal after observing this phenomenon. Many of these representatives

18 Sageman, Marc, 2008, *Leaderless Jihad: Terror Networks in the Twenty-First Century*, Philadelphia: University of Pennsylvania Press

of the new wave don't speak Arabic or read the Koran. Very few (13 percent of Sageman's samples) have attended radical madrassas. Nearly all join the movement because they know or are related to someone who's already in it. In my field journal I would call such phenomenon "Darwinian structural evolution of the process of radicalization in a hostile habitat."

My point is that in the long run, because of the nature of terrorism, military action alone is not likely to be enough to win a war against terrorism itself - a war, that can and will last as long as the terrorists don't run out of potential bombers and new tactics, and above all else, the motivation to fight for their cause.

What can be done to counter, or at least to defuse, the danger of terrorism in the future? Some movements are open to political solutions - especially those demanding greater political autonomy, such as the Kurds in Turkey and the Chechens in Russia. But the more radical groups like al Qaeda are not interested in compromises; they demand total victory.

Again, in the long term, such white-hot fanaticism may burn out and even disappear, making way for new kinds of hate. But in the meantime, we are

faced with one of the most dangerous passages in human history. Some say, "Terrorist campaigns seem endless, but they always end!" "Civilization will prevail, it always has!"

But there can be no final victory in the war on terrorism, which, in one form or another, will continue as long as there are conflicts on Earth. A more threatening change will take place. Terrorism will become bloodier. More terrorist incidents will result in fatalities rather than purely symbolic violence, more incidents will result in multiple fatalities, and in more incidents it will become clear that the terrorists will be determined to kill as many people as possible. In part, the escalation will reflect the continuing need to command attention, which, in a crowded terrorist field, requires more spectacular violence. The terrorist acts will be tested by the "*New York Times front page test*" - it will reflect the brutalization of the terrorists themselves. The self-imposed constraints that had discouraged terrorists from wanton bloodshed will wear down. But the escalation will reflect the replacement of terrorists who had political agendas with terrorists who will be inspired by either religious or ethnic ideology to fight global identity jeopardizing their wish to preserve their own vision of themselves and were therefore beyond considerations of

morality and earthly politics.¹⁹

Nonetheless, those of us who have been studying terrorists for a long time are likely to be skeptical for one simple reason: all groups relying on terrorism face the same dilemma. Terrorism is essentially negative power. Terrorists can kill, destroy, disrupt, frighten, prolong conflict, deny peace, provoke repression, and create misery. But these acts make an open-ended cycle. Terrorists do these things to acquire positive power – to publicize their existence, galvanize support, attract recruits, gain concessions, and impose their views. To gain strength, terrorists must either escalate their violence or mobilize more people and become a mass movement, a difficult transition for them. Generally ill-suited for the tedious task of mobilization, yet frustrated at the lack of visible response, the default decision is to escalate the violence. Terror only breeds more terror, and recent history demonstrates the never-ending cycle of evil that such attacks incite. If not a bigger group, then bigger bombs. If not bigger bombs, then bigger sacrifice. Sadly, the world has already grown accustomed to seeing children becoming soldiers. But it may not be their last

role in this ugly scene in the age of the Internet.

19 Anna Simons, "Making Enemies: An Anthropology of Islamist Terror" Part I in *The American Interest*, Summer 2006, Part II in *Autumn* 2006, pp. 6-18, 35-45

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