

The Caucasus Region:

*From the Geopolitical
Periphery to an Arena of
Competitive Interests*

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Markedonov***

Abstract

The Caucasus region is receiving increasing attention among scholars and decision-makers due to its geopolitical fragility and unpredictability. The paper focuses on the transformation of the Caucasus to one of the focal points of the Eurasian, European and Transatlantic security. The author examines the basic reasons behind the increased interest in the Caucasus since the dissolution of the USSR, looking at different states (Russia, U.S., Turkey and Iran), in addition to the European Union. The author will provide a brief overview of the geopolitical development of the region, arguing that the region was strategically important for the dominant international and regional powers of the past, though in the Soviet era it was not engaged in international politics. The article pays special attention to Russia's position and its desire to maintain an exclusive role in the Caucasus. It examines the contradictory relationships of Moscow with Washington and Brussels, and explains American and European engagement in regional security issues. It also focuses on the similarities and specifics of the U.S. and EU policies on the region. On the Turkish and Iranian role, the author stresses the controversial connection of historical problems with the acute challenges of today. The article further considers the changing dynamics in regional and international actors' approaches, revealing their lack of consistency. The paper emphasizes the new status quo that is now shaping regional dynamics after the August War of 2008, and its impact on the geopolitical vectors engaged in the Caucasus puzzle.

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The dissolution of the Soviet Union brought new challenges to the Caucasus. The former republics of Soviet Transcaucasia immediately became international actors who identified their own national interests and foreign policy priorities. The formation of independent states in the South Caucasus has been accompanied by a search for new mechanisms to ensure regional security and enshrine the new formats of international cooperation. All of these developments have led to what can be called the return of the Caucasus to the “Major League” of international politics. While the countries of the region have passed through their second decade as independent states, the general situation in this region is neither stable nor predictable. Six of the eight ethno-political conflicts in the former Soviet Union (FSU) have taken place in the Caucasus and three of the four de facto entities in the FSU are found in this region. These turbulent conditions provoke the interest and engagement of both regional and global actors. The geopolitical situation in the Caucasus is well studied; at the same time, however, it has been considered primarily through the prism of the U.S.-Russia rivalry. This approach is constrained by perspectives rooted in the Cold War period. In reality the geopolitics of the Caucasus boast much more complicated parameters, and greater attention must be paid to the role of the closest

neighbors of Georgia, Armenia and Azerbaijan, namely Turkey and Iran. Furthermore, the role of the European Union, especially after pursuing enlargement in the Black Sea direction, should not be overlooked. This study represents an attempt to reenergize the strategic dimensions of the geopolitics of the whole region and to redefine its meaning for both the Eurasia region as well as the international security agenda.

Controversial historical legacy

As it is an integral geopolitical and socio-economic region, the Big Caucasus has traditionally found itself of the object of special attention from both regional and world actors, each of which has promoted its own interests and vision for the Caucasus. For centuries, the balance of power periodically changed, and, as a rule, the dominant role in the region belonged to one or two powers. During the 16th-through 18th-centuries we can discuss the Persian-Ottoman domination of the Caucasus, while from the first quarter of the 19th century through the early 20th century, we can talk about Russian domination. After the collapse of the Russian empire its role was challenged by the late Ottoman Empire (and later the Turkish Republic that arose from its ashes), Germany and the Entente countries (primarily the United Kingdom). However the failure of the nation-state proj-

ects as well as the further Sovietization of the three Caucasus republics led to the practical abandonment of the region from the perspective of the international political agenda. Throughout the Soviet period, as the American historian Charles King has rightly observed, the Caucasus experienced a time of relative peace and isolation. The Western diplomats and journalists who visited the region during the time of the “iron curtain” created records full of romantic impressions of the region, reminiscent in style of the writings of 18th century travelers.¹ A visit to Tbilisi, the capital city of Georgia, was usually included in the standard “tourist package” for foreigners, especially for the distinguished writers and artists. In this respect the view expressed by John Steinbeck, the Nobel Laureate in Literature who visited Tbilisi in in the late 1940s, was rather indicative: “Georgia, what is a magical place becoming a dream where you are leaving it.”² Although this seemingly stable period the region witnessed the process of complex political and socio-economic transformation, they remained largely unknown to outsiders. Events in the Caucasus were examined only through the prism of the domestic and geopolitical dynamics of the USSR. For example, in

¹ Charles King, *The ghost of freedom. A History of the Caucasus* – Oxford:Oxford univ.press, 2008. P. 199.

² John Steinbeck, *“A Russian journal”*. – N.Y.: Viking, 1948. P.195

“Georgia, what is a magical place becoming a dream where you are leaving it.”

1978 a group of U.S. Congressmen proposed that the famous dissidents Zviad Gamsakhurdia and Merab Kostava be considered for the Nobel Peace Prize. However, their initiative was dictated not by any possible sympathy for the Georgian national independence movement (in the U.S. this was not seriously considered) but rather by a desire to improve the general state of human and political rights in the USSR.

In 1991 the situation changed rapidly. Three independent states (Georgia, Azerbaijan and Armenia) and three unrecognized entities in breakaway regions (Nagorno-Karabakh, South Ossetia and Abkhazia) appeared. From that time through to the present day, the Caucasus region has remained one of the most unstable areas in the former Soviet Union. To date, all of the ethnic conflicts in the Caucasus remain unresolved. The Caucasus has also become one of the most militarized regions not only in the former Soviet Union but, in fact, in the whole world, as the independent states of the South Caucasus possess military capabilities comparable to those of an ordinary European state. Those confrontations (with the active involvement of Russia, the largest post-Soviet successor state)

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as well as rich natural resources and advantageous geographical location have made the Caucasus region an important subject of the world politics. Today we may well consider the problems of the Caucasus in the context of European and even transatlantic security.

In August 2008, the Caucasus region became the focal point of international relations. This is true, even if it seems like an overstatement. Following the disintegration of the Soviet Union in December 1991, borders between the former USSR republics were recognized as interstate ones. In 2008 the principles of the Belovezh'e Agreement on the dissolution of the USSR were violated.³ Thus, a precedent on the revision of borders between the former USSR republics was established in the South Caucasus. As a result, for the first time in Eurasia, and particularly in the Caucasus region, "partially recognized" states emerged: Abkhazia and South Ossetia. Their independence is denied by the UN but is recognized by the Russian Federation, a permanent member of the UN Security Coun-

cil. After the "five day war" in August 2008 Moscow demonstrated its willingness to play the role of a revisionist state for the first time since 1991. Before 2008, Russia's foreign policy was motivated primarily by the country's top priority: the maintenance and defense of the existing regional status quo. Moscow's attempt in 2008 to change this approach prompted changes in its relations with the West, namely the U.S. and the EU. The events of that year led to the suspension of NATO expansion to the East, that is, into the post-Soviet space. Although in contrast to the discourse popular in Russian media, the prospect of Georgian integration into NATO has not been struck off the NATO agenda, even as the process itself has become very slow. Georgia was listed as an aspirant state at NATO Chicago Summit of 2012. However no concrete dates of obtaining higher status were defined. Despite the fact that the relationship between Russia and the West has gradually improved following the "hot August," the disputed status of South Ossetia and Abkhazia still stands as a major area of contention between Moscow and Washington/Brussels. The White House's U.S.-Russia Relations "Reset" Fact Sheet states: "The Obama Administration continues to have serious disagreements with the Russian government over Georgia. We continue to call for Russia to end its occupation of the

³ The Article 5 of the Belovezh'e Agreement proclaimed recognition of the territorial integrity and inviolability of the borders of newly independent states (former USSR republics).

Georgian territories of Abkhazia and South Ossetia, and in parallel have worked with the Russian government to prevent further military escalations in the region.”⁴ On July 29, 2011 the U.S. Senate passed a resolution in support of territorial integrity of Georgia, which included the requirement for Russia to end the occupation (Senator Lindsey Graham, Republican and Senator Jeanne Shaheen, Democrat were co-authors of the resolution). In 2010-2011 some European countries (Lithuania, Romania) and the European Parliament as well as the NATO Parliamentary Assembly also chose to recognize the fact of the Russian “occupation” of Georgian territory.

Thus, the main purpose of this paper is to analyze the transformation of these peripheral regions to arenas of competitive interests. This transition has been a distinctly non-linear process. As such, the perception of the region as a primary competitive geopolitical area was formed not in 1991 but much later. In 1996, a prominent American diplomat David Mark (who served from 1994-1995 in Tbilisi both as a member and later as a deputy chief of the OSCE Mission in Georgia) wrote that it was necessary to “implement policies that would strengthen the stability in the Caucasus not disputing the obvious dominance of Rus-

⁴ U.S.-Russia Relations: “Reset” Fact Sheet // <http://www.whitehouse.gov/the-press-office/us-russia-relations-reset-fact-sheet>

sia and not taking serious political commitments.”⁵ Similarly, Georgia’s present Euro-Atlantic orientation was not proclaimed immediately following its independence. The policies of the U.S., EU, Russia, Turkey and Iran in the Caucasus region have not been constant in the post-Soviet period. Their various policies have not followed “one line” so to speak; rather, they have been very changeable, adjusting in response to a variety of factors. Despite the plethora of publications concerning the various aspects of the American, Russian, Turkish or European approaches to the Caucasus, these issues are rarely covered together within one study. As a result, there is a dearth of understanding of the regional and international security dynamics of the Caucasus. As for the practical value of this study, it must be noted that the problems of the region have been “privatized” by journalists who actively reproduce clichés and stereotypes that are divorced from the complicated and controversial dynamics that prevail in the Caucasus. This paper is a modest attempt to systematize the most important trends and stages in the development of the Caucasus policies of key stakeholders in the region (Russia, the U.S., the European Union, Turkey and Iran).

⁵ David Mark, “Eurasia letter: Russia and the New Transcaucasus” // *Foreign policy*. – Wash., D.C., 1996/1997. – N 105. – P. 141–159. It is necessary to pay a special attention to the term “Transcaucasus” used by this author: Thus he was ready to share the Soviet and Imperial terminology that would not be used later by the American experts and diplomats. Instead of it they will speak about the South Caucasus.

Russia: Foreign Policy as the Continuation of the Domestic Security Agenda

Many Western experts are perplexed by Moscow's persistence in preserving its domination in this part of the post-Soviet space. Indeed, in the early 1990s, Russia readily abandoned territorial claims to Ukraine and Kazakhstan, although with respect to ethno-cultural ties, northern and eastern Kazakhstan and the Crimea and Donbass in Ukraine remain considerably closer to Russia than to Georgia. The Kremlin's Baltic policy seemed far more passive than its policy in the Caucasus, even though Latvia and Estonia have large ethnic Russian communities. Moscow is involved in Central Asian political processes to a much lesser degree than it is in the South Caucasus. In 2001, Russia gave the go-ahead for America's penetration into the region, and today the decision makers in the Kremlin do not particularly object to the "development" of the region by the Chinese. Although Russian-Moldovan relations also leave much to be desired, Moscow, at least according to its rhetoric, is ready to cooperate with the West on the resolution of the Transnistrian conflict. The South Caucasus stands as an utterly different case. Since the first days following the dissolution of the USSR, Russia pointed to the importance of the South Caucasus as an area crucial for

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its central strategic interests. The Russian Federation has claimed a special role in the geopolitics of the Caucasus not just – and at the same time not so much – in its capacity as the successor of the USSR. Despite the absence of any relevant official policy formulations on the South Caucasus, Russia's policy clearly suggests a desire to assert regional leadership. It has demonstrated its readiness to amend borders (in the cases of Abkhazia and South Ossetia), prevent outside penetration in the region (in the case of its opposition to NATO and the U.S.) and to maintain a central role in managing the resolution of the Nagorno-Karabakh conflict. In this way, Moscow follows a policy of "selective revisionism." While it has recognized the independence of Abkhazia and South Ossetia, the Kremlin has chosen not to support the aspirations of the so-called 'Nagorno-Karabakh Republic' and even blames any electoral campaigns provided there by the de facto authorities.⁶ Strengthening its position as a regional leader,

⁶ RF recognized its support territorial integrity of Azerbaijan [RF podverдила podderzhku territorial'noi tselostnosti Azerbajjana] <http://www.rian.ru/politics/20100524/237860555.html> 2010, May, 24

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Russia actively cooperates with the West within the framework of the OSCE Minsk group. Unlike Georgia, the positions of Moscow and Washington on this issue have seen much more common ground. As American expert Jeffrey Mankoff rightly notes, “Russia’s mediating role undertaken in the context of the Minsk group, is strongly backed by the United States and France, the group’s other co-chairs and it is an example of the U.S.-Russian cooperation in the post-Soviet region.”⁷ Although Armenia remains a strategic partner of Russia (due to its CSTO membership and Russia’s engagement with its military and border-guard), Russia is interested in the constructive relationship with Azerbaijan. In September 2010 Russia became the first neighboring country of independent Azerbaijan to successfully agree upon the delimitation and demarcation of their interstate border.

However, Russia’s geopolitical ambitions in the South Caucasus are not intended to produce an “imperial resurgence.” Ensuring stability in the former Soviet Republics of Transcaucasia is a prerequisite for Russia’s peaceful domestic development and for the preservation of its territorial

⁷ Jeffrey Mankoff, “The Big Caucasus between fragmentation and integration” //Center for International and Strategic Studies Report. March, 2012. P. 10-11.

integrity. Although this may sound exaggerated, Russia is a Caucasian state. Seven constituencies of the Russian Federation (Adygeya, Ingushetia, Dagestan, Kabardino-Balkaria, Karachay-Cherkessia, North Ossetia and Chechnya) are immediately situated on the territory of the North Caucasus and four other subjects (the Krasnodar and Stavropol territories, the Rostov region and Kalmykia) are situated in the steppe foothills of the Caucasus. Additionally, the Black Sea shore of the Krasnodar territory and the region of the Caucasian Mineral Waters of the Stavropol territory are also part of the Caucasus region. The territory of the Russian North Caucasus is bigger than the three South Caucasus independent states put together. Furthermore, as a practical matter, the ethno-political tensions that have arisen in Russia’s regions have been closely connected with conflicts under way in the South Caucasus. The dynamics of the Georgian-Ossetian conflict have had a serious impact on the Ossetian-Ingush conflict in Russia’s North Ossetia and the Georgian-Abkhaz situation has exacted influence on the development of the Circassian population within Russia.⁸ The security environ-

⁸ On May, 2011 Georgia formally acknowledged the alleged “Circassian Genocide” that took place under the Russian Empire and as a result the issue quickly turned into an international incident. There are several arguments that suggest this approach could potentially complicate relations between Circassians and the Abkhaz people, with whom they share blood ties and whom they supported for the Georgian-Abkhaz clash of 1992-1993.

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ment in Chechnya and Dagestan has also been connected with the developments in Georgia’s Pankisi Gorge. As they share a common border, Russia and Azerbaijan have faced the issue of divided ethnic groups (Lezgins and Avars). It is important to understand that it is in Russia’s interests to have positive relationship on Baku regardless of its strategic military partnership with Armenia. Thus, ensuring stability in the Russian Caucasus is indivisible from the achievement of stability in Georgia, Armenia and Azerbaijan. It is for this reason that, since 1991, the Russian Federation has taken the burden of geopolitical leadership in the South Caucasus upon itself. However, despite its significant advantage in the region over the U.S., the EU, Turkey, and Iran (as a result of the language factor, the Soviet past, long-standing social and economic ties, and personal contacts between representatives of the political) Russia has been unable to offer any attractive modernization project to the South Caucasian states and has

thus been forced to confine itself to a “stabilizing” role. In the “hot spots,” such a role could have been justified; however, Moscow made a serious strategic mistake by concentrating only on seeking the “freezing” of these conflicts and leaving the socio-economic and socio-cultural spheres, as well as the problems of modernization, unaddressed. In reality, the Kremlin’s policy focused entirely on the consolidation of the political regime through support for the ruling powers in the South Caucasus. As a result, the South Caucasus has, since the late 1990s, ceased to be the Russian Federation’s exclusive geopolitical “property.” Both regional and extra-regional actors (although for different reasons) have stopped considering Russia as a source of legitimacy for the newly independent South Caucasian states, as an exclusive peace-maker or as the lone political center of gravity for Armenia, Georgia and Azerbaijan. The South Caucasus has been intensively internationalized, and it should be noted that this process was not only in the interests of the U.S., the EU, Iran and Turkey, but also in the interests of the South Caucasian states. In recent years, Moscow has managed to minimize challenges to its regional dominance. Plans for further NATO expansion in the region remain frozen and Russia has only strengthened its role as a power broker in the Nagorno-Karabakh process. However

the fact that Moscow has recognized the independence of the breakaway regions has created an ethno-political precedent in the region. Importantly, there are no guarantees that this very precedent could be used against the creator itself in the future, though right now the chances of such an outcome appear rather minimal. Thus, the cost of geopolitical success looks rather high due to the unpredictable and unforeseeable consequences that have followed, and that seem likely to continue over time.

U.S. Policy in the Caucasus: From Observation to Active Participation

Currently, U.S. interests in the South Caucasus are of great concern to Russian diplomats and policy-makers. Over the last decade, American involvement in the region has intensified through the development of a strategic cooperation framework (the U.S.-Georgia Strategic Partnership Charter of 2009, as well as the America's active promotion of Tbilisi's NATO aspirations), contributions to regional conflict resolution (specifically as regards the Nagorno-Karabakh peacemaking process and Armenian-Turkish rapprochement) and involvement in energy projects (support of the Baku-Tbilisi-Ceyhan pipeline and a number of other East-West pipeline projects originating in the Caspian Sea). Following the col-

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lapse of the USSR, Washington has supported the principle of territorial integrity for all of the newly independent state of the Caucasus and it has rejected the recognition of de facto states as sovereign countries.⁹

During the first half of 1990s, U.S. interest in the region was fairly minimal. Washington reacted calmly and positively to Moscow's pursuit of a continued dominant role in the region, supported its peacemaking activity (Abkhazia, South Ossetia) and even chose not to reject the deployment of Russian military bases in Georgia (even outside the two conflict zones). However active U.S. economic engagement (Azerbaijan's "Contract of the Century" with the Western oil Consortium signed in 1994)¹⁰, peacemaking activity under the auspices of the OSCE Minsk group (the format of three co-chairs with U.S. participation was established in 1997) and the Caucasus independent states' interests furthered U.S. penetration in the

⁹There is only minor exclusion from this general rule. Due to the Armenian lobby activity since 1998 USAID and other U.S. agencies have been providing funds for humanitarian and other assistance programs in the so-called Nagorno-Karabakh Republic.

¹⁰The U.S. oil companies "Amoco", "Pennzoil", "Unocal" and "McDermott International" became Consortium members, dividing 20% of profits between themselves (80% was retained by the Azerbaijani government).

region. Each country, however, has had its own motivations for increasing its engagement with the United States. Both Georgia and Azerbaijan lost conflicts with their separatist provinces, calling their territorial viability into question. As a result of these national security questions, there was interest from both states in promoting the United States as a geopolitical counterweight to Russia. Those aspirations became especially strong in Georgia following the Rose Revolution of 2003. Armenia has not wanted to lose the initiative and give Azerbaijan a chance to monopolize the issue of Euro-Atlantic integration in their favor. As a result, Armenia pursues cooperation with Washington and participation in NATO projects in an effort to ensure that the USA does not make the alleged “final choice” between the two Caucasian republics involved in the conflict over Nagorno-Karabakh. Other factors have also fueled interest in the Caucasus, foremost among them the numerous unresolved ethno-political conflicts and the region’s proximity to three major and ambitious Eurasian states: Russia, Turkey and Iran, as well as its crucial new role as a transport and energy corridor. The tragedy of September 11th and the subsequent military operations in Afghanistan and Iraq (2001-2003) increased the geopolitical importance of the Caucasus for American foreign policy.

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While the geopolitics of the Caucasus are seen as central from the perspective of the various Eurasian stakeholders, Caucasus issues are considered to be much more remote problems for the United States. In this sense, U.S. policy towards the Caucasus has another primary motivation that is tied to the fact that, from the U.S. perspective, the region is not valuable in isolation. Rather, it is essential as a forum through which the United States can work on a number of broader security and foreign policy conundrums. Georgia, for example, is seen by U.S. policy makers as the weak link among the former Soviet states that Moscow could use as a tool to establish its dominance in Eurasia. Meanwhile, Russia’s dominance in the post-Soviet area is seen to be part of a larger project of reintegration, a sort of “USSR-lite”. The increasingly strategic activity of Moscow in its “near abroad” is often identified with the strengthening of authoritarian tendencies in Russia itself. Whether such activity constitutes a challenge to the United States—and perhaps symbolic return to the geopolitics of the Cold

War—is disputable. Regardless of the validity of this notion, it is a part of the American political discourse and is often echoed by experts and academics. Thus, there remains the perception that Abkhazia and South Ossetia are neither the results of the ethno-political self-determination of small nations from the former Georgian Soviet Socialist Republic nor a precedent for the total revision of the borders established between the former Soviet republics prior to 1991—which would later become the official interstate borders after the dissolution of the Soviet Union. As such, the United States has actively supported Georgia in the international arena (at the UN and in NATO and the OSCE) and cooperated with Georgia on military and security issues. At the same time Georgia, amongst all the non-NATO countries, provided one of the largest troop contingents for par-

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ticipation in the war in Afghanistan. Traditional diplomatic rhetoric aside, one could say that Armenia and Azerbaijan play an important role in the broader context of U.S. Middle East policy. Boasting an extremely low (if not negative) rating in the Islamic

world, Washington remains interested in strengthening ties with the secular regime in Azerbaijan. It certainly will not replace Turkey (which in recent years has become distant from the United States on many issues) but it could be considered as a geopolitical counterweight to Iran. The post-Soviet nation-building experience of Azerbaijan also stands as an example of an ideological and political model that could be applied to other Muslim republics. The very particular rhetoric utilized in statements made by the White House and State Department towards Baku is notable given that human-rights issues, though mentioned, have ultimately overshadowed by two issues of higher priority: energy and military-technical partnerships. While the issue of democratization is addressed, it has been relegated to the periphery of bilateral relations with Azerbaijan, especially when compared to the tenor of U.S. relations with other Eurasian states. Armenia occupies a different position of importance. It is considered an instrument of pressure on Ankara, which in recent years has turned away from the general foreign policy course of the U.S. and Israel. In this regard, Secretary of State Clinton's visit to the Armenian Genocide Memorial in Yerevan during her 2010 tour can hardly be considered random or innocuous. Then there is the issue of the long-standing Nagorno-Karabakh conflict between Baku and

Yerevan. Unlike in Georgia, Washington sees this conflict as a potential opening for broad cooperation with Moscow, which is considered to be beneficial for other policy goals—such as Afghanistan and Iran—for which Russia's support is very important. In fact, Russian policy vis-à-vis the Nagorno-Karabakh peace process has been focused on mediation, in stark contrast to its one-sided support for the breakaway republics in Georgia. Not seeing in this situation any threat of future neo-Soviet reintegration, Washington is prepared to share the responsibilities of assisting in the resolution of the Armenian-Azerbaijani confrontation with Moscow. The same approach has been utilized in the context of Armenian-Turkish rapprochement, as Washington and Moscow continue to jointly support the normalization of the bilateral relationship.

The European Union: Spreading the Positive Political Experience

Since the dissolution of the USSR, the European Community (after 1993 the European Union) has also intensified its participation in the political and economic development of the Caucasus political and economic development, though even with such an increase there is still only a minimal level of EU engagement on the whole. The EU has worked in parallel with the United States and

NATO in a number of areas. Like Washington, Europe has kept a low profile in the South Caucasus. As the French scholar Laure Delcour noted, “this area remained terra incognita to many EU stakeholders.”¹¹ The focal point issue for Brussels during that period was the situation in Balkans that was provoked by the collapse of Yugoslavia. Among the EU membership only a few states (France, the UK, Germany, Greece and the Netherlands) opened embassies in all the newly independent countries of the region. The same held true in the case of the European Commission delegation opened in Tbilisi, as it alone was responsible for the whole South Caucasus.

Nevertheless, Europe collectively recognized the independence of the states of the South Caucasus in December 1991. In 1994 the Parliamentary Assembly of the Council of Europe (a kind of preparatory lab for the European integration project) included in its agenda the issue of cooperation with Armenia, Azerbaijan and Georgia. In 1995 the Council of Europe adopted a project on a common approach to the South Caucasus. Then, following a few waves of enlargement, the EU became much more attentive to the post-Soviet space, including the Caucasus coun-

¹¹ Laure Delcour, “The European Union’s Policy in the South Caucasus: in Search of a Strategy” in Annie Jafalian (ed.) “Reassessing Security in the South Caucasus. Regional conflicts and transformations”. Ashgate, 2011, P. 179.

tries. In 2004 Armenia, Georgia and Azerbaijan were included in the European Neighborhood Policy (ENP) project. The adoption of the ENP Action Plans by the South Caucasian states on November 14, 2006 marked the beginning of a new stage of “Europeanization” in the region. From then on, European policy towards the Caucasus has become much more coordinated and “integrated.” Since January 2007, the Black Sea region has become a border region of the EU with the inclusion of Bulgaria and Romania; as a result; as Turkish analyst Mustafa Aydin noted, the EU, unlike the US, has become a regional actor both in the Black Sea and the South Caucasus.¹² In 2008 the EU initiated the Eastern Partnership project for the six post-Soviet republics including the South Caucasus states, which was launched in 2009. The most recent of the aforementioned initiatives was a Swedish-Polish initiative which came about as a result of the growing influence of newcomers to the EU (specifically the former Communist bloc countries). However, the global financial crisis, a dearth of truly effective mechanisms for wholesale effective integration and the inability of the Caucasus countries to fully meet EU requirements has seriously hampered the realization of the Eastern Partnership concept.

¹² Mustafa Aydin, “Europe’s new region: The Black Sea in the Wider European Neighborhood” // *Journal of Southeast European and Black Sea studies*. – L.: Routledge, 2005. – Vol. 5, N 2. – P. 257–283.

Despite their strong integration with- in the joint American and Euro-Atlantic policy for the region, the EU’s policy on the Caucasus is unlike the U.S. approach in the sense that it places greater emphasis on the social and economic spheres than on military and political issues. The primary second-order priorities for the EU are stability in the region and regional compliance with European standards for the protection of human rights and democratic freedoms. As American expert Jeffrey Mankoff stressed, “given Europe’s own unique experience in using economic and political integration as a tool for overcoming deep-seated political conflicts (such as between France and Germany), the EU is uniquely placed to encourage regional cooperation with the politically fragmented Caucasus. It has developed a variety of tools for promoting both intraregional cooperation and integration with the wider European community.”¹³ In 2008 Europe pretended to play a role of the honest broker with the “Medvedev-Sarkozy Agreement” and the engagement of then-French President (presiding over the EU those times) on the cease-fire in Georgia, which was a crucial step in stopping the “five-day war” of 2008.¹⁴ Since October 2008 the EU monitoring mission in Georgia has remained the only in-

¹³ Jeffrey Mankoff, *Ibid.* P. 18.

¹⁴ http://www.kremlin.ru/appears/2008/08/12/2004_type63374type63377type63380type82634_205199.shtml

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ternational organization observing the situation around these conflict zones.¹⁵ Unlike the United States, the European Union is more flexible in its approaches to the de facto states (Abkhazia and South Ossetia), stressing the necessity of engagement with them without full political and legal recognition. At the same time, the EU has remained distinctly passive on the issue of the Nagorno-Karabakh conflict. Its involvement has been limited to the role of France as one of the OSCE Minsk group Co-Chairs. In this case, as well as on a number of other issues, many of the EU's traditional advantages have become disadvantages. The most glaring deficiency is the EU's lack of hard security resources, despite the fact that the EU has focused its energies on soft-power approaches. This deficit makes the regional position of Europe rather vulnerable and dependent on the policy courses of the U.S. and NATO.

¹⁵ This Mission due to the Moscow's position has had no access to the territories of Abkhazia and South Ossetia.

Turkey: Rediscovery of the Caucasus

The August War of 2008 increased Turkey's role in the Caucasus on the whole. Ankara emerged from it as a possible arbitrator and mediator for the settlement of the conflicts in the region. The "Caucasus Platform for Stability and Cooperation" initiated by Turkish Prime Minister Recep Erdogan became one of the first reactions to the uncertainty provoked by the Russo-Georgian confrontation. Almost at the same time, the historic visit of Turkish President Abdullah Gül to Yerevan in September 2008 (known as "the football diplomacy") marked the beginning of an Armenia-Turkey interstate dialogue. Although this impressive and promising start was replaced by stagnation and frozen negotiations, the fact that such rapprochement was even proposed promoted perceptions of a Turkish "return" to the geopolitics of the Caucasus.

But unlike the U.S. or the EU member states, Turkey is not a "freshman" in the "big game" taking place in the Caucasus. Between the 16th and 18th centuries, the Ottoman Empire, the predecessor of the Turkish Republic, fought for domination over the Caucasus, first against Persia and later with the Russian Empire. Large swathes of the South Caucasus used to belong to the Ottoman Empire or

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were within its military or political orbit during some period in the past. The Ottoman Empire became a second home to many immigrants from the Caucasus who left their homeland as a result of the numerous military campaigns and ethnic transfers of that period. Nowadays it is estimated that as many as 3-5 million people from the North Caucasus, 3 million Azerbaijanis and 2-3 million Georgians can be found in the territory of present day Turkey. One of the most topical issues for the contemporary Turkish republic is the “Armenian issue” and the on-going debates around the events of 1915. According to the data of the Turkish experts Mustafa Aydin, Mitat Celikpala and Fuat Dunder, Turkey currently hosts approximately 70,000 Armenians.¹⁶

However, for many decades after the establishment of the Turkish Republic, its elite ignored the Caucasus. Inspired by the ideas of Kemal Ataturk that Islam perpetuates underdevelopment and hinders modernization,

16 Mustafa Aydin, “Changing Dynamics of Turkish Foreign and Security Policies in the Caucasus” in Annie Jafalian (ed.) “Reassessing Security in the South Caucasus. Regional conflicts and transformations”. Ashgate, 2011, P. 118.; Mitat Celikpala, “Caucasian Diaspora in Turkey and Its Effects on Turkish Foreign Policy” in Mustafa Aydin (ed). “Turkey’s Eurasian Adventure, 1989-2006. Ankara. 2008. P. 35-37.; Fuat Dunder, “Minorities in Population Censuses in Turkey. Istanbul. 2000.

Turkish ambitions were directed towards Europe (and after 1945 to the United States), assuming that the Caucasian direction along with the Middle East and the Balkans were closely associated with the legacy of the Ottoman Empire. As a result, the issues of the Caucasus were pushed to the back of Turkish foreign policy. During the Cold War, Turkey stood as a NATO outpost along the southern part of the Soviet Union, the enemy of the West.

After the collapse of the Soviet Union in 1991, Turkey began to reconsider its previous policy approach to the Caucasus. This was facilitated by several factors. First, the formation of an independent Turkic state - the Republic of Azerbaijan – whose independence Turkey recognized on December 9, 1991, the day after the dissolution of the USSR. Second, the ethno-national self-determination that began in the North Caucasus exacted a heavy influence on Turkish policy. Third, a number of regional conflicts emerged on the state borders of Turkey. Fourth, Armenian independence revitalized a topical issue for Ankara, transforming it from the State-Diaspora to the interstate format. As such, it is better to speak about the Turkish rediscovery of the region. Nowadays, Turkey stands as one of the twenty largest economies in the world and it remains one of the most economically advanced coun-

tries in the Islamic world. Those conditions facilitate its involvement in regional politics and increase its ability to effectively promote its national interests in the Caucasus.

As was the case in 1918-1920, Azerbaijan has once again become Turkey's primary strategic partner in the South Caucasus. The two countries have realized a number of common projects in the energy, military and security spheres. The Georgian direction is also important for Ankara, although Turkish policy towards Georgia is full of paradoxes. On the one hand, Turkey has continued to support the territorial integrity of Georgia, ensuring huge investments in and military cooperation with this country. On the other hand, Ankara has kept the "Abkhaz window" open, as it has not interfered with either economic or humanitarian ties with this de facto state. The Abkhaz Diaspora has been very active promoting this cooperation. In 2009 Unal Cevikoz, the Deputy Undersecretary for Political Affairs in the Turkish Foreign Ministry (who is of Circassian descent), even visited Sukhumi, raising great hopes among the Abkhaz people on the issue of recognition.¹⁷ The particular concern for Ankara in the Caucasus is Armenia. In the two decades since the collapse of the So-

¹⁷ Emrullah Uslu, "Turkey Considers the Status of Abkhazia" http://dev.jamestown.org/118/?tx_ttnews%5Btt_news%5D=35581&tx_ttnews%5BbackPid%5D=485&no_cache=1

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viet Union, Ankara and Yerevan have repeatedly put the issue of normalization on the agenda. Back in the early 1990s (before the sharp deterioration of the military situation in Nagorno-Karabakh), Armenia and Turkey tried to find some common ground to overcome their tragic political legacy. However neither then, nor during the period of 2008-2012, has a breakthrough been achieved. Neither the hopes of the Armenian side that the "divorce" of Turkish goals and the Nagorno-Karabakh conflict were not justified nor Turkey's aspirations that the issue of 1915 would be sacrificed in the name of pragmatism have been realized. The two parties have reached the high point of their political relations, as protocols on normalization and the establishment of diplomatic relations were signed, but not ratified, by the national parliaments while the negotiations process remains frozen.¹⁸

However the developments around the Middle East (known as the "Arab Spring") have become the focus of Turkish foreign policy in 2011 and 2012, pushing the Caucasus to the

¹⁸ See more detailed observation: Sergey Markedonov, "A Nonlinear Reconciliation" <http://eng.globalaffairs.ru/number/A-Nonlinear-Reconciliation-15148>

background especially following the beginning of the civil war in Turkey's neighbour Syria. The involvement of Turkey in the Syrian crisis and its over-active and even obsessive attempts to play the role of mediator in the multilateral negotiations over Iran's nuclear program have demonstrated the limits of its diplomatic, military and political resources. Despite the support of the West, Turkey in its policy towards Syria, especially after the open involvement of Iran and Russia to save the Assad regime, has been in a very difficult position. It is not interested in increasing tensions with Russia over Syria, as Moscow has become one of Ankara's largest trading partners. At the same time, however, ever-increasing destabilization in its fragile neighbour and the prospect of a messy political transformation, what some have called a potential "second Afghanistan," does not provide Ankara with any chance to back off. All of these factors reduce the importance and relevance of the Caucasus region for Turkish foreign policy today.

Iran: Rhetoric and Reason

The Iranian issue stands out as a major problem on the international agenda. Although today Iran demonstrates a desire to play a role in the international geopolitical game, it remains primarily a regional power with a significant presence in the

Middle East, Central Asia and the South Caucasus.

The Caucasus vector in Iranian foreign policy is of particular interest because it exhibits a contradictory combination of pragmatic Realpolitik policies and strictly ideological approaches. More so than in other regions, the "realist" elements of Iranian policy are much more noticeable and influential, despite the religious nature of the Islamic Republic of Iran. The significance of the Caucasus region has traditionally been very high for Iran and it remains so today. Even now, the loss of the territories that once belonged to the Persian Empire (including Northern Azerbaijan, Eastern Armenia, and Southern Dagestan) still resounds tragically for many Iranians. Many Iranian experts consider the prerequisites of the current instability in the Caucasus to have developed as a direct result of the historical defeat of Persia in the 16th to 18th centuries. Currently Tehran remains extremely sensitive about the appearance or influence of any non-regional actors in the neighborhood, due to the fact that they consider the affairs of the Caucasus to be the legitimate domain of the countries of the region (Georgia, Azerbaijan and Armenia) as well as the three primary regional stakeholders (Iran, Turkey and Russia). This deeply held position helps to explain the Iranian position in the

discussion of the resolution of the Nagorno-Karabakh conflict. Iran has developed a number of proposals that might be considered as an alternative to the “Updated Madrid principles,” though they have not yet been published, though Tehran treats them as an integral part of its foreign policy discourse. Iran is not interested in seeing a resolution of the conflict that would involve the placement of international peacekeeping forces in the region, no matter under which flag they might be deployed. Tehran is especially aggrieved by the growing penetration of the Caucasus by Israel. As a result, we have observed some attempts by Iran to transfer the Middle East disagreements and tensions between Tehran and Tel Aviv onto the Caucasus stage.

Despite its loud and sometimes militant rhetoric, Tehran clearly favors the preservation of the status quo in the South Caucasus. In stark contrast to its hostile attitude toward the various non-regional actors, in particular the various Western actors, Iran can be considered an opponent of Moscow in its approaches to the ethno-political conflicts in Georgia. The Islamic Republic is not prepared to recognize the independence of Abkhazia and South Ossetia due to the fact that Iran is a multi-ethnic country that is home to millions of Azeris amongst others. As a result, Tehran is not interested in creating a precedent on the issue of

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ethnic self-determination that could have negative effects on a domestic level. In building its bilateral efforts with the Caucasus states, Iran prefers to rely more on national egoism than on the appeal religious dogma. It is necessary to note that nominally Shia Muslims make up the majority of the population of Azerbaijan. However, the issue of religious solidarity has not been a dominant factor in Iranian-Azeri bilateral relations. In fact, government officials in Baku have regularly criticized Iran for supporting radical Islamist forces inside Azerbaijan. The Iranian clergy (the key political element within the Islamic Republic) claims for itself the role of supranational spiritual leadership over all Shia Muslims. The question of Southern (Iranian) Azerbaijan is the other sore point of the bilateral relationship. Another important problem is the status of the Caspian Sea, where Baku and Tehran hold very different views about how territory should be divided amongst the littoral states. Nevertheless, for the whole period since the collapse of the USSR, Iranian-Azerbaijani relations have not only survived crises

and challenges but also experienced periods of “thaw.” Armenian-Iranian relations in the post-Soviet period have been much more cooperative. In this case the religious factor has not played a deterministic role and it could be said that this direction of Iranian foreign policy can be regarded as the most purely pragmatic. The Christian communities in Armenia have been important partners for an Islamic Republic of Iran that is interested in counterbalancing the growth of Turkish power in the region. While the two protocols on the normalization of relations signed by Ankara and Yerevan in Zurich did not lead to real results, Iran has continued to work towards the consummation of a number of energy and transportation projects in an effort to minimize Armenia’s geopolitical isolation.

Even Georgia, despite its actively pro-NATO foreign policy remains interested in maintaining positive relations with Tehran, even in spite of the virulent anti-Americanism espoused in Tehran. Since 2010, bilateral relations between Tbilisi and Tehran have become more intensive. The two countries have mutually abolished their visa regimes, an Iranian Consulate was opened in Batumi and direct flights between Tehran and Tbilisi have resumed. Most importantly, however, the Georgian political class has reached almost universal understanding on the necessity of

establishing meaningful relations and a strong partnership with Iran. Hence in the case of Iranian foreign policy in the Caucasus, revolutionary rhetoric and a realist foreign policy are not fully in sync, though they do coexist. On the one hand, when considering Tehran, we are reminded of their anti-Semitic and anti-American rhetoric, as well as the populist appeals to stop the penetration of the Caucasus and the Caspian Basin by Israel and the United States; but at the same time the Iranians have repeatedly proven their ability to pursue a pragmatic policy in the region, and to effectively play the geopolitical game.

Conclusion

Since 1991, the Caucasus region has undergone many complex transformations. First, this region has experienced the largest number of incidents and conflicts related to ethno-political self-determination, many of which have spread out to include both sides of the Caucasus. Second, within the past two decades, the Caucasus has undergone a transformation; once a distinctly peripheral region, it is now one of the major problems areas and focal points of international politics. It is worth noting that on the first day of the “five day war” in 2008, the situation in the Caucasus was discussed three times in the UN Security Council and the quarrels between the Russian and U.S. diplomats during that

period were reminiscent of the partially forgotten duels of the Cold War. Third, since the dissolution of the USSR, both the political elites of the Caucasus countries and a whole host of international actors have failed to stabilize this volatile region. Some armed conflicts, many of which had appeared “frozen” in the mid-1990s, have resumed. Today the Caucasus is experiencing a reshuffle of the status quo, as the region is in the midst of a serious regrouping of force. The original post-Soviet Caucasus shaped by the conflicts of the early 1990s has changed dramatically. The old rules of the game and the international missions in the region (the UN or the OSCE in Georgia) are either ineffective or unsuited to addressing the current situation. The first precedent on the issue of Eurasian interstate borders was created in the Caucasus. The process of internationalization has only intensified, both through the involvement “veterans” regional politics (Turkey and Iran) and the “newcomers” (the United States and the European Union). Russia continues to retain its exclusive role but, for the sake of its national interest, Moscow is ready to cooperate with other actors on a number of issues. Of course, such readiness does not in and of itself constitute strategic partnership, as the lack of meaningful compromises remains a strong determinant of the regional agenda. It is just in these competitive conditions that the

goal of the pacification of this turbulent region will be realized. In any case, this task can only be achieved through multi-dimensional approaches to regional peace and security that take into account both regional and international security interests, the salience of the region’s history legacy and the importance of both tradition and contemporary realities.