ABSTRACT

RUSSIAN FOREIGN POLICY IN THE SOUTH CAUCASUS

by Brian Robert Marksberry

For about a decade, Russia has been a flush with money, and economic prosperity after the financial chaos of the 1990s. This boom has been driven largely by Moscow’s exports of natural gas and oil, and helped by record high energy prices. Much of this energy sources have been carried on pipelines that run through Russia’s unstable North Caucasus region. However, Western-backed pipelines in the South Caucasus pose a threat towards Russia’s newfound prosperity. In order to undermine future pipelines in the region, Moscow has sought to destabilize the region by encouraging and manipulating separatist tensions in the pivotal nation of Georgia. These tensions culminated in the brief conflict in August 2008. Three years later, relations between Tbilisi and Moscow remain high, and the West continues to see Georgia as a pivotal transit route for its pipelines, much to Moscow’s chagrin.
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This thesis is a culmination of years spent in higher education. From the time I wrote my very first term paper years ago while a student at Miami University Hamilton, to the all-nighters in graduate school, all of it has led to this. Many people have made this work possible, and to all of them I wish to extend my thanks. I wish to express my gratitude to all the professors I had, both as an undergraduate and as a graduate student. Some professors stand out more than others. To my thesis advisor, Professor Karen Dawisha, who challenged me early on to look into why Moscow is so interested in South Ossetia and Abkhazia.

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INTRODUCTION

In the late nineteenth century, the famous German statesman Otto von Bismarck was asked what he felt the cause of the eminent Great War. In response, he replied “some damn thing in the Balkans” would be the event that would plunge the world into war. More than a century later, another international rivalry has been playing out, this time in a little known and little understood region laying at the boundary between Europe and Asia Minor.

The Caucasus has long been the battleground for various empires throughout history. Asia Minor, the Caucasus, along with Central Asia, was the site of the “Great Game” of the nineteenth century, pitting Russia against Britain in a decades long struggle for influence in the regions. For Russia, the Caucasus was another place on the map to annex and to serve as a buffer against its historic rivals to the south, the Ottoman Turks. For Britain, the Caucasus was a strategic chokepoint that was worth involvement in. If tsarist forces had been able to conquer the Caucasus, they would have been in a better position to take Turkey, and eventually India, the jewel of London’s worldwide empire.

The Russian and Ottoman Empires again fought for control of the region in the First World War. A couple of decades later, the Caucasus was the focal point of a campaign along the Eastern Front between the Soviet Union and Nazi Germany. Postwar tension between the victorious Allied powers saw the Caucasus region become scene of the southern front in the geopolitical contest of the Cold War.

Now, twenty years after the collapse of the Soviet Union, the Caucasus is again subjected to intense international rivalry for control of this strategic expanse of territory. At stake is the Caspian Sea and its abundance of natural resources, and the necessary conduit routes for transporting its ‘black gold.’ For the nations involved in the geopolitical contest over the Caucasus, control of this region means controlling the transit routes of the massive energy reserves of the Caspian. For the U.S. and Europe, it means a diversification of their sources of energy. For Russia, control over the Caucasus means influence in Eurasia and abroad.

In the last decade or so, Russia has emerged like a phoenix from the financial ashes of the 1990s. Now, with an assertive leadership as personified by Vladimir Putin, Russia is again a figure on the world stage. Russian bomber planes are again conducting patrols near American airspace, a practice that was previously abandoned with the end of the Cold War. Around two
years ago, Russian submarines were reported off the Atlantic seaboard of the United States. Moscow has been active in the continent of South America as well, long regarded by Washington as its backyard. Moscow has established a relationship with Venezuela’s Hugo Chavez, and elements of the Russian military have been paying visits to their new South American ally.

This thesis is aimed at examining Russian foreign policy in the South Caucasus since 2001- the countries of Georgia, Armenia, and Azerbaijan. While much has been written on the subject, the usual rationale used for explaining Russia’s interests in the South Caucasus countries is its determination to prevent the countries of the area from joining Western institutions, especially the North Atlantic Treaty Organization (NATO). While I have no qualm against this rationale, as it is undoubtedly true, I believe it is too simplistic. Instead of offering up the usual reasons, I believe Moscow’s motivations in the region have other motives in the realm of energy.

Researching the Caucasus is a daunting task, given its complex history, myriad of ethnic groups and the historic rivalries between them. Upon undertaking such a duty, a novice to the area is quick to discover that the Caucasus is much like an iceberg- most of the mass is under the surface. By looking at only the surface of the South Caucasus- that Russia does not wish to see a NATO presence so close to its territory, one misses other important facts that are not as discernible to the researcher’s eye. In my quest to uncover Russia’s motives in the South Caucasus, I believe the hidden ice beneath the surface is in Russia itself. More specifically, the republics that make up the North Caucasus, a volatile and complex region itself with competing ethnicities calling the several republics home.

Most people may only know of the North Caucasus because of only one of its constituent republics, Chechnya. Russia has fought two wars in this volatile hotbed. The first one lasted from 1994-1996, and saw the humiliation of Russian arms. A second war began in late 1999, and has persisted to the present day in the form of a guerrilla insurgency. Unfortunately for Moscow, the violence in Chechnya has spread to the neighboring republics in the North Caucasus, and the Russian military remains involved in combat operations in the region.

It is the firm belief of this writer that Russia is determined to retain control over the North Caucasus because it serves as a corridor for energy pipelines, and is of close proximity to the Novorossiysk, the starting point for many existing and planned pipelines. Moscow’s growing assertiveness on the global stage has been largely fuelled by its exports of natural gas and oil.
The revenues from these energy sources have gone to fill the coffers of the Russian Federation, as well as the pockets of the country’s ruling elite. Numerous Western companies have forged contracts with the former Soviet republics lining the Sea. Despite the Sea’s importance, the only way its riches can reach international markets are by passing through the Caucasus. Until the last six years, Russia held a monopoly on transit routes, as oil flowing from the Caspian passed through its territory. With the commissioning of the Baku-Tbilisi-Ceyhan pipeline in 2006, Moscow no longer has the monopoly over the Caspian’s resources as it had enjoyed before. Largely, this was due to the difficulties in Chechnya and the violence in the North Caucasus that prompted the West and oil producers to seek a less dangerous route to ship oil to world markets. This is why it is so vitally important for Moscow to pacify the North Caucasus.

While pipelines such as the Baku-Tbilisi-Ceyhan are lifelines for the West, they are threats to Moscow’s pipelines in the North Caucasus. Thus, Russia has sought to destabilize the South Caucasus, or at least portray the region as unsuitable to host the West’s pipelines, leaving Moscow’s lines as the only viable source. While the South Caucasus is composed of three independent nations, Russia only needs to exert leverage on only one of these in order to achieve its objectives in the region. The rationale for Georgia’s importance is its geographic location on the Black Sea, and on the borders of both Russia and Azerbaijan. An important facet in any attempt to exert influence over Georgia consists of a concept that Dr. Karen Dawisha introduced in the 1990s, autocolonization. In this, a state willingly seeks to degrade its own autonomy in order to attract security or benefits from another state. In the years following the collapse of the Soviet Union, most former Soviet republics, including Georgia, sought to evade the dependence on Russia that autocolonization entails. Yet, Russia was able to exploit ethnic tensions in Georgia and retain it its sphere. As Georgia became an important country in the equation of pipeline geopolitics, the Georgian government sought to place its dependence on the West instead to serve as a counterweight against Russian influence.

In exploring this, this thesis will consist of four chapters. The first chapter will examine the problems Moscow faces in the North Caucasus, both from the residents of the region, as well as from Russian nationalists. The dilemmas facing the region are the reason why the focus of

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energy transit routes has shifted to the South Caucasian nations. The next chapter will look at the importance of the Caspian Sea basin, and the various pipelines now in operation, as well as those that are planned, and how they would affect the region. Next, Russia’s policies in the South Caucasus will be examined through a defensive lens. This means that Moscow’s actions in the nation of Georgia are driven by its need to portray the country as too dangerous to serve as a host for oil and gas pipelines. In seeking to destabilize Georgia, Russia has relied on separatist regions (South Ossetia and Abkhazia) as well as ethnic and religious minorities (Adjaria and Javakheti). By manipulating these regions of Georgia, Moscow has sought to undermine successive Georgian governments, for a state that does not have full control over its internationally recognized territory is a weak state. Finally, the effects of the 2008 Russo-Georgian War will be analyzed. These effects will be examined whether Russia succeeded in pressuring the Caspian producing nations in routing their energy through Russian territory, and the effects on portraying Georgia is unsafe for pipelines.
U.S. State Department map, 1994. Courtesy of the University of Texas Libraries, The University of Texas at Austin.
CHAPTER ONE: RUSSIA’S VOLATILE NORTH CAUCASUS

The North Caucasus is situated entirely within Russia, and separated from the South Caucasus by the greater Caucasus Mountains. The political makeup of the Russian North Caucasus, as well as most of the country, is a lingering result of decades of Soviet ethno-federalism. During the Soviet era, the more ‘evolved’ nationalities were accorded with their own union republic, with a high degree of autonomy. Inside several of the republics were autonomous republics (known as Autonomous Soviet Socialist Republics- or ASSRs for short). Less culturally advanced nationalities were granted their own ASSRs, and enjoyed the second highest level of cultural autonomy. In the third highest tier were autonomous okrugs, with much more restricted autonomy, and lacking constitutions, unlike the ASSRs and union republics.¹

Usually, especially in the North Caucasus, the boundaries of the ASSRs were drawn in order to include different ethnic groups inside the same autonomous republics, in order to prevent the possibility of unified revolts against Soviet rule. In the autonomous republics of the North Caucasus, such artificial boundaries were drawn to separate common ethnic families, such as Turkic peoples, and to include them in the same ASSRs as Circassian peoples (see figure 1.1). One example of this divide and rule strategy is Kabardino-Balkaria, in which the Kabardins, a Circassian people, were grouped in with the Turkic Balkars in the same autonomous republic.²

The Chechens and Ingushetians bore much anger against Russia, anger that would make cohabitation in the post-Soviet era as difficult at best. Primarily, the roots of Chechen anger against Russia lies in the 1944 mass deportations of these ethnic groups to Central Asia at the order of Joseph Stalin.³

Not all the autonomous republics in the Caucasus were organized in this manner, however. The Chechens and Ingushetians, two ethnically related groups, shared the same autonomous republic as described above. Despite these two groups sharing the same polity, ethnic Russians dominated the administrative structures in the Chechen-Ingush ASSR.⁴ It is worth noting, however, that the Ossetians, an ethnic group that has been Russia’s main ally in the

² Ibid. 43.
⁴ Cornell, Small Nations and Great Powers, 203.
Caucasus, were granted their own autonomous republic inside the Russian Soviet Federative Socialist Republic. Ossetians were also living to the south of Russia inside Georgia, but as North Ossetia was viewed as being the nationality’s parent republic, it was given ASSR status, while those in Georgia were given autonomous oblast status as South Ossetia within Georgia.

With the disintegration of the Soviet Union, and the pushes by the various constituent republics for greater sovereignty and independence, various groups seized it as opportunity. Autonomous republics and oblasts within the union republics seized the power vacuum to push for their own independence from their new central governments. Often times, secessionist inclinations were more prevalent in autonomous republics that experienced organization of the ethnic minorities as they witnessed rising nationalism originating from their newly independent union republic. The secessionist inclinations in Russia’s autonomous republics may have taken encouragement from Russia’s new president, Boris Yeltsin, who had urged the other union republics to take “as much sovereignty as they could swallow.” As the USSR disintegrated, the entities in the North Caucasus based on ethnicity were raised up to “republic” status within the nascent Russian Federation. The leadership of these new supposedly sovereign was to be entrusted to members of the titular nationality through popular elections. This was to prove to be a recipe for disaster that took root primarily in the Chechen-Ingush Republic. Two wars were fought between the federal center in Moscow and Chechnya, the first in the mid-1990s and the second one lasting from late 1999 to the present. In the first conflict, nationalism and the determination to achieve statehood was the dominant factor. In the second, continuing conflict, a religious awakening has played a pivotal role.

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5 Ibid. 252.
6 Ibid. 143.
Figure 1.1:

Ethnolinguistic Groups in the Caucasus Region

In 1990, as Soviet rule was waning, several intellectuals from the various autonomous republics of the North Caucasus sought to unite the peoples and territories of the region. Together, these cultural figures organized the Confederation of the Mountain Peoples of the North Caucasus (KGNK). This organization lacked any real constituency, and its officials were all self-appointed, and labeled themselves as representatives of their peoples. In a gesture intended to be more all-encompassing of all nationalities in the region, in late 1992 the organization renamed itself the Confederation of the Peoples of the North Caucasus (KNK). That same year, the KNK sent a few thousand armed fighters to fight on behalf of the separatist region of Abkhazia in newly independent Georgia. This unit, sent to fight on behalf of fellow Muslims against the Christian Georgians, was composed primarily of Cherkess, Kabardins, as well as Chechens. Several of these fighters were to become important figures in the Russo-Chechen conflicts, such as Shamil Basayev.\textsuperscript{11} However, the KNK fighters in Abkhazia were not a truly independent force, as they were recipients of much training and supplies from the GRU (Russian military intelligence). This covert Russian aid proved instrumental in the success of the KNK in driving Georgian forces from the Abkhazian capital of Sukhumi.\textsuperscript{12}

With the disintegration of the Soviet federation, Chechen separatists took Yeltsin’s words to heart, and declared independence from Russia. Elections were held, and brought a separatist president and parliament to power, even as Ingushetians seceded from the Chechen-Ingush republic, declaring their loyalty to the nascent Russian state. However, although Yeltsin had urged the other fifteen constituent union republics to attain as much sovereignty from the Soviet center, he did not mean the same for the autonomous republics themselves.\textsuperscript{13} The years between 1991 and 1994 saw a sort of limbo between the Chechen government in Grozny, and the new Russian government in Moscow, but in late 1994, Russia launched an invasion that soon turned in to a bloody quagmire for the ill-equipped Russian military. However, despite Russian military failures and the ultimate Russian withdrawal in mid-1996, the Chechen state could not celebrate its victory. Against the secessionists as epitomized by Dudayev, Islamists proved to be the only faction that could truly unite the Chechen people other than the presence of a common Russian

\textsuperscript{12} Ibid. 3.
\textsuperscript{13} Schaefer, *The Insurgency in Chechnya and the North Caucasus*, 115.
enemy.\textsuperscript{14} In the years between the two Chechen Wars, the political situation in Chechnya became more radical, and radical elements gained more authority.

\textbf{Chechnya and the Spread of Instability}

In August 1999, a band of Chechen fighters crossed into the neighboring Russian republic of Dagestan, attempting to spark a rebellion against Russian rule there as well. Their incursion ended in disaster, as the local villagers were more offended by their presence, and repelled them with the support of the local Russian garrison. Also in that summer, apartment bombings throughout Russia occurred, killing over 300 civilians. Russian authorities quickly placed the blame of the bombings on Chechen terrorists, and in October of 1999, the Russian military invaded Chechnya a second time. This time, the initial invasion was more successful, and a pro-Russian administration was installed in the capital of Grozny. Moscow has spent much time and resources trying to portray Chechnya as being more stable than it actually is, despite the presence of an insurgency in the years since the 1999 invasion.\textsuperscript{15} Russian forces have made many apparent gains in the continuing guerilla war, but its actions have only served to help fan the flames, and instability has spread from Chechnya into the other republics within Russia’s North Caucasus.

Despite Moscow’s gains in Chechnya, the rebels have adopted by spreading the fighting outside of the republic. Prior to his death in 2005 by Russian forces, the ousted Chechen president, Aslan Maskhadov, ordered additional fronts of resistance to be established in the neighboring North Caucasian republics, all subordinate to the Chechen rebels. Maskhadov entrusted the carrying out of this order to Basayev, believing that the insurgency against Russian had to be spread outside of Chechen borders in order to be effective.\textsuperscript{16} The spread of the insurgency in the other republics was helped by the high levels of corruption and economic conditions, which made the radical Islamic ideologies look more attractive.\textsuperscript{17} In order to spread the Chechen insurgency into the neighboring republics, Basayev nominated Abdul-Halim

\textsuperscript{14} Ibid. 123.
\textsuperscript{17} Sagramoso, “Violence and Conflict in the North Caucasus,” 686.
Sadulayev to lead the new campaign in other republics. Sadulayev was expected to easily be accepted by the Muslim population in other republics, and win their allegiance. Upon the assassination of Maskhadov by Russian forces, Sadulayev became the Chechen president.\textsuperscript{18}

Central to the modern insurgency in the North Caucasus are military units known as jamaats. These entities have attempted to recruit members in a variety of ways. In many cases, the official religious figures in the various republics find themselves denounced by the jamaats, being labeled as traitors to their religion and receiving threats. Such actions are lingering memories of the Soviet era, when official Islamic organizations were heavily infiltrated with spies and agents sent from government agencies. In other cases, the jamaats have sought to make themselves appeal to wider elements of North Caucasus peoples, by portraying themselves as heterogeneous units.\textsuperscript{19} Russian sources have consistently labeled all the fighters in the resistance as being “Wahhabists,” a term used to imply Islamic extremists, and the label “terrorists” is equally used by Moscow to describe all the fighters in the North Caucasus. In Moscow’s public language all of these “Wahhabists” are part of an international Islamic organization allied with Al Qaeda. However, despite Russia’s official pronouncements of its enemies in the North Caucasus, a clear majority of attacks in the region were directed against Internal Ministry troops and Russian soldiers, constituting an insurgency rather than acts of terrorism. Instead, the insurgency Russia faces in the North Caucasus desires political change and most importantly, independence from Russian rule.\textsuperscript{20} This is the key, as terrorism consists of attacking civilians, rather than armed combatants.\textsuperscript{21}

Despite the constrained nature of the resistance to Russia, the Chechen insurgency did affect the Russian populace at times. The Chechen resistance to Moscow’s forces was not limited to Chechen borders or the North Caucasus. In both Chechen wars, rebels carried the war to Russia’s heartland, and to its civilians. Numerous hostage takings were carried out inside Russia proper, and usually ended with negotiations. Several well-known hostage incidents have occurred during the course of the Second Chechen War in the last decade. Here, splinters within the Chechen insurgency showed. Not long after the 1999 invasion, Basayev sensed that the Chechen forces could not expect to military defeat Russian forces as they had years before.

\textsuperscript{19} Ibid. 7.
\textsuperscript{20} Schaefer, \textit{The Insurgency in Chechnya and the North Caucasus}, 47.
\textsuperscript{21} Ibid. 48.
Without seeking the authorization of President Maskhadov, Basayev added another aspect to the Chechen War—transforming it from a guerilla campaign into a terrorist conflict aimed at Russian civilians. With this decision, the objective of the Chechen strategy had turned to undermining the support and ties between the population and Russian President Putin. Later, as a part of this strategy, Basayev wrote to Putin, denying any responsibility for the 1999 apartment bombings that had been the Russian casus belli, but expressed a willingness to “take responsibility for this in an acceptable way.”

In one of the two most famous instances, in October 2002, terrorists took hundreds of theater patrons hostage during a performance of the play “Nord Ost” in Moscow. The fifty Chechen insurgents demanded a Russian withdrawal from their country, and threatened to blow up the building if their demands were not met. The Chechens not only wanted a simple pledge by Moscow to withdrawal, but demanded that President Vladimir Putin organize a large public rally in Red Square to proclaim an end to the conflict. According to the Chechens, Russia’s refusal would trigger a wave of attacks throughout the Russian capital. The standoff continued as negotiations dragged on for several days, until Russian special forces agents stormed the building and freed the remaining hostages. Apart from bringing the war home to the Russian populace, it also exposed the factions inside the Chechen insurgency. The faction that had carried out the hostage taking in the Moscow theater were of a more radicalized Islamist persuasion, apparently acting on their own behalf. The more moderate elements of the insurgency, including Chechen President Maskhadov, condemned the attack. For Maskhadov and other moderates, the war was a political fight for the independence of Chechnya, rather than a religious conflict. For the radicals, such as Basayev, the bounds of the conflict knew no limits, and he promised more attacks against the Russian populace until the public demanded an end to the Kremlin’s actions in the breakaway republic.

The largest attack carried out against a civilian population took place not in Moscow, but in the North Caucasus. In the ensuing violence, armed gunmen raided a school in the North

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22 Ibid. 213.
Ossetian town of Beslan, taking a thousand people hostage- most of them children. Hundreds were killed, a majority of the casualties being schoolchildren. The original plan originated in Nalchik, the capital of the Kabardino-Balkaria Republic. The attack occurred in the North Ossetian Republic, farther east than Kabardino-Balkaria and west of Ingushetia and Chechnya. One terrorist was captured in the ordeal, and claimed the attack was ordained by Maskhadov and Basayev, in order to disrupt the entire North Caucasus.

In the years since, attacks have not ceased inside Chechnya and Russia proper. Numerous attacks have taken place in the Russian capital of Moscow, blamed on Chechen rebels. Attacks in August 2004 targeted the city’s subway, and airliners taking off from an airport, killing 99 people collectively. An attack in late 2009 targeting a Moscow-St. Petersburg train claimed 26 victims, with insurgent groups from the North Caucasus claiming responsibility. In March 2010, two female terrorists from the North Caucasus republic of Dagestan attacked the Moscow metro, killing forty people and wounding eighty more. Later that same year, insurgents mounted an attack on the pro-Russian Chechen parliament in Grozny, killing six individuals. In January 2010, a bombing at the Domodedovo airport in Moscow claimed thirty-five victims of various nationalities. Again, according to federal officials, a rebel from the North Caucasus perpetrated the attack. With all these attacks, sentiment was growing inside Russia that the problems arising from the North Caucasus were fuelled by corruption and poverty, not just Islamic radicalism. Officially though, President Dmitry Medvedev continued to appeal to public anger, vowing that "the nests of these bandits will be liquidated." However, if combined with violent crime, the string of terrorist attacks had made Russia one of the most dangerous countries.

The Evolution of the Insurgency from Chechen Independence to Regional Unification

In the years since the start of the Second Chechen War in 1999, the spread of the violence to Chechnya’s neighboring republics has signaled an evolution in the aims of the movement as well. Chechen independence is no longer the primary objective, but the unification of the North

27 Ibid. 280.
28 Ibid. 281.
Caucasus ethnic republics under Islamic sharia law is the ultimate goal, within specifically defined boundaries. The pursuance of this aim, the separation of all the republics is the necessary first step. In this sense, federal rule from Moscow has become the obstacle in independence, and the regional leaders in the republics stand in the way of unification. Thus, indigenous attacks within the region have been aimed not only at Russian forces, but on government leaders of the republics as well.

The killings of Maskhadov and Basayev in 2005 and 2006 respectively, also led to a change in the insurgency’s tactics. After successors to Maskhadov had been killed in turn by Russian forces, the current leader of the Chechen insurgency, Dokka Umarov, became the movement’s head. Immediately, Umarov announced that his fighters would only attack legitimate governmental leaders and military forces. Shortly upon taking the helm of the exiled Chechen Republic of Ichkeria, Umarov began uniting the various jamaats in the other republics in the region, and was successful. By late October 2007, Umarov’s strategy of unifying the jamaats paid off, and he announced an end to the Chechen Republic of Ichkeria, and the rise of the new Caucasus Emirate, appointing himself emir of the new entity. The move signaled the new ideological nature of the insurgency, but alienated few, as the remaining secular fighters had left after Basayev’s death. In the years since the announcement of the Caucasus Emirate, the stability of other republics in the region has denigrated. Recent attacks have suggested that the insurgency is now targeting the civilian population, hinting that more radical elements are gaining more influence. Regionally, the republics of Dagestan and Ingushetia have become as unstable of Chechnya. In 2009 alone, the Russian military suffered at least 332 deaths and 636 troops wounded throughout the North Caucasus. The actual numbers are likely higher, given the official media blackout imposed by the authorities. At the start of the Second Chechen War, the Russian military was losing troops at a monthly rate equivalent to Soviet losses during the Soviet-Afghan conflict. The trend has continued to the present day. According to the Russian

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33 Ibid. 236.
35 Schaefer, The Insurgency in Chechnya and the North Caucasus, 237
military, at least six troops are killed in the volatile region each day, and in 2010, Russian casualties exceeded American fatalities in Afghanistan.37

The “Chechenization” of Chechnya and the region

When Russian military forces reentered Chechnya in late 1999, the strategy for occupying the republic was to establish a cordon against external support for the rebels, and to pacify the countryside. The pacification of Chechnya was to consist of the establishment of “safe zones” where life would return to normal, and ultimately would be handed over to the control of local officials. The Russians believed that future resistance would be little, as they had been convinced by loyalist Chechens that the population of the republic was war-weary and eager to resume normal lives.38 In practice, however, the “Chechenization” process did not go according to plan. Initially, Russia took advantage of a potential struggle against Maskhadov and appointed his rival, Akhmad Kadyrov, as head of the new Russian administration in Grozny. With this move, Moscow reverted to the traditional Soviet technique at maintaining control - a divide and conquer strategy.39 As elements of the Chechen insurgency began targeting the Russian civilian population, Moscow gave its appointed Chechen leadership “free reign” in the conquered republic.40 Such attacks against the civilian population also served to sour the opinions of the people in the Caucasus towards the radical elements of the opposition, many of who were tired of war and wanted to start rebuilding. With this, Kadyrov was able to win a popular mandate with his election as Chechen president in 2003.41

Following the Beslan tragedy, the election of regional leaders was replaced by direct appointment by the Kremlin. What this new administrative reform meant for the North Caucasus was that the republics would be placed under a feudal-like system, with Moscow appointing heads that served its interests, rather than the interests of the people in their region. In Chechnya, especially, more of the responsibility for providing security was relegated to the Russian appointed leadership of the republic, and its own security apparatus. As the Russian military is unwilling to accept conscripts from Chechnya or the other North Caucasus republics, as it is

39 Ibid. 212.
40 Ibid. 217.
41 Bodansky, Chechen Jihad, 271.
believed they would undermine the morale of other soldiers. Instead, Chechen draftees are
inducted into separate units to serve under Russian command, to provide a supportive role in
security operations. Russia has applied the same policies in raising local security units in the
other republics, with their only purpose being to combat the local insurgencies in their respective
homelands. However, these native military units have not always been able to crush rebel
fighters by themselves. In Dagestan, this has led to the reintroduction of troops from the federal
Interior Ministry to try to quell the violence. Although regular troops would be more effective, it
poses a significant risk, as an increase in the numbers of ethnic Russian troops could spark an
increased sense of nationalism in the republic.

Yet, as Moscow appoints obedient locals to lead the republics, there have also been
repercussions. The replacement of one leader with another, more likely pro-Russian one
inevitably leads to infighting and violence. Usually, however, the Kremlin has had to balance its
interests in the republics with the public needs. When the leader of Ingushetia had to be replaced
because of widespread corruption and brutality by his security forces, Moscow replaced him with
a younger and more amicable head of the republic. However, this led to a power vacuum and an
increase in violence. In Chechnya, the son of the assassinated president, Ramzan Kadyrov,
serves as Moscow’s man in Grozny. Despite his appointment as Russia’s man in Chechnya, the
republic today functions as Kadyrov’s private fiefdom within the Russian Federation. In his
years in power, Kadyrov has gone against the secular trend, and has initiated Islamic traditions in
the republic. However, the junior Kadyrov has run the republic as a personal fiefdom, with
rampant assassinations and torture of anti-Russian activists, as well as opponents of Kadyrov’s
rule. In addition, Kadyrov has amassed a personal fortune, a collection of luxury cars, and a
private zoo of exotic animals. A good illustration of Kadyrov’s extravagance is the lavish
birthday party he threw for himself in early October 2011. Officially, the festivities were held in

Issue 14, July 14, 2011, accessed August 29, 2011,
43 Valery Dzutsev, “Is Dagestan’s Kizlyar District Becoming a New Flash Point in the Regional Insurgency?”
North Caucasus Analyst Vol. 12 Issue 17, September 6, 2011,
http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=38368&tx_ttnews%5BbackPid%5D=514.
45 Martin Kuebler, “Chechnya, where stability comes at the price of secularism,” April 7, 2011, accessed September
46 Roger Boyes, “Rags to riches for warlord Ramzan Kadyrov who switched sides,” October 4, 2008,
http://www.timesonline.co.uk/tol/news/world/europe/article4878858.ece.
honor of “City Day,” to accompany the opening of a new development in Grozny. Yet, the party coincided with Kadyrov’s thirty-fifth birthday, and included Hollywood celebrities Jean-Claude Van Damme and Hilary Swank. The Russian blogosphere was in furious with the extravagant details, and rightly so, considering subsidies from Moscow make up 90 percent of Chechnya’s budget. This extravagance displayed by Russia’s man in Grozny demonstrates that Moscow will tolerate a great deal as long as the security situation is somewhat stable.

Despite the internal political scene of Chechnya, the Kremlin’s pacification efforts have consisted of appeasing separatist sentiment by painting the republic as an integral part of the Russian Federation. Chechnya became portrayed as being an integral part of Russia, in order to appease Chechen sentiment, as well as domestic Russian emotion. Central to this effort has been the 2004 assassination of the former appointed president, the elder Kadyrov. Moscow’s spin machine has portrayed Kadyrov as a martyr; one that epitomized all that characterized a “good” Chechen. Putin heaped praise upon him, describing him as a man who believed “…that it is impossible to build a future, a happy future for his people and for Chechnya, outside of the Russian Federation.” A street in the Russian capital of Moscow was renamed in honor of him, and media reports praised the late Chechen leader as the “main politician of all nations and all times.”

Moscow’s efforts at stabilizing the North Caucasus have also consisted of heavy financial subsidies to the republics. This has been attempted primarily to undermine support for the insurgency by raising the economic situation in the region. In the first decade of this century, Moscow allocated $27 billion to the republics of the North Caucasus, increasing from $500 million in 2000 to an astounding $6 billion ten years later. In the summer of 2010, Prime Minister Putin called for the region to attain a ten percent economic growth rate, a number that was seen as unrealistic given the troubles and instability facing the republics. At the same time, Moscow unveiled plans to construct ski resorts in five of the seven republics, in addition to other projects. These projects were all part of the Kremlin’s attempts to stabilize the region through

48 Schaefer, The Insurgency in Chechnya and the North Caucasus, 224.
49 Ibid. 223.
economic development and lowering the high unemployment numbers. Unemployment in the region varies by republic and according to various Russian agencies. According to Moscow’s Ministry of Regional Development, Dagestan has an unemployment rate of 3.8%, while Chechnya’s is 59.2 percent. However, the Kremlin’s financial assistance to the North Caucasus risks backfiring at home, as rising xenophobic sentiment among Russians may fuel the ascent of nationalistic politicians at home. This was evidenced by riots in Moscow’s Manezhka Square in late 2010, and protests in April 2011 against the “feeding of the Caucasus.”

Russia’s attempts to pacify the North Caucasus through nonmilitary means consist of other methods besides economic means. Moscow is currently seeking to increase the numbers of ethnic Russians living in the region. This state sponsored migration plan is intended to undermine the growing nationalism of the various ethnicities in the republics, as well as to weaken the rise of Islam. Ironically, however, the persistent decade long conflict in the region had served to drive many ethnic Russians out of the region. One such idea was proposed by Moscow’s envoy to the North Caucasus Federal District, Alexander Khloponin. Khloponin’s June 2011 proposal suggested offering federally owned arable land in the North Caucasus republics to be cultivated by Cossack groups. Given the scarcity of farmable land in the region, such a program, if implemented, would inevitably lead to further conflict.

Moscow’s continued involvement in the conflicts in the North Caucasus has not been widely supported by the average Russian, however. Initially, spurred by the apartment bombings in 1999, the Second Chechen War enjoyed massive public approval. However, after a few years, dissent became more widespread, and became epitomized by the Committee of Soldiers' Mothers, a well-known group advocating for the rights of Russian soldiers. According to polls taken only five years after the renewal of hostilities, 64 percent of respondents supported the idea of negotiating with the Chechen rebels. By December 2004, the Committee and public pressure

had succeeded in compelling the Russian military to only send volunteer soldiers to the Chechen battlefields, rather than conscripts.\textsuperscript{53}

Despite the volatility in the North Caucasus, the Kremlin is intent on retaining control over the region. This is most clearly evident in the fact that Moscow was willing to fight two wars over control of Chechnya, and continues to try to contain an insurgency that has spread to the other neighboring republics. Yet, while Moscow proclaimed “mission accomplished” in 2009, its soldiers are still fighting and dying in a mountainous region that many ordinary Russians are beginning to care little about. The Kremlin may have been justified in believing the struggle to be mostly over, but it may only be a temporary lull. Eventually, the United States will withdrawal from Iraq and Afghanistan, and the militants fighting Americans will return to fight Russian infidels in the North Caucasus. As war clouds were again gathering over Grozny in late 1999, Maskhadov tried to warn Moscow against launching another invasion. “It will be worse this time. There will be more victims. There will be stronger resistance. We will be fighting everywhere, in every village and city, in the woods and in the mountains.”\textsuperscript{54} However, despite the significant costs it has accumulated, both in lives and money, it is clear that Moscow has no intention to relinquish sovereignty over the North Caucasus.


CHAPTER TWO: ENERGY GEOPOLITICS AND THE CAUCASUS

Considering all the problems Russia faces in the North Caucasus, the casual reader must wonder why Moscow is so interested in this volatile region. Simply put, Russia’s economic security, as well as its geopolitical resurgence of the last decade, is dependent on Moscow’s ability to maintain influence in the Caucasus. To the west of the ethnic republics of the North Caucasus, straddled along the Black Sea coast, is Russia’s Krasnodar territory, predominantly inhabited by ethnic Russians. While Krasnodar has largely been spared of the violence that plagues the North Caucasus, Umarov has stated his intention to spread his influence to the territory, with promises to “liberate” it from Moscow’s control.\(^1\) Within this krai, or territory, lies the port city of Sochi, which is to be the site of the 2014 Winter Olympics, and another port city, Novorossiysk. Novorossiysk is not just a port city, but it is an energy hub, arguably Russia’s version of Houston. Major oil pipelines lead to the city, and the port serves as an essential starting point for present and future natural gas pipelines throughout the Black Sea. Until relatively recently, all pipelines leading from the energy-rich Caspian Sea terminated in Novorossiysk, but international events have ended the city’s monopoly on pipelines.\(^2\) Novorossiysk is therefore essential for Russia’s continuing control over the North Caucasus. However, it is also important for Russia’s economic security, and the well-being of Moscow’s ruling elite.

Energy and the Revival of Russian Influence

Russia is a major player in world energy markets, and its exports of oil and natural gas have been the primary engine for the country’s economic growth in the last decade, spurred by high energy prices. In fact, Russia is the world’s largest exporter of natural gas, and second largest producing country of oil, and the third largest consumer of energy.\(^3\) The economic boom that Russia has experienced from high energy prices has allowed the country to pay off its debts,

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\(^1\) “Umarov Vows To ‘Liberate’ Krasnodar, Astrakhan, Volga Region,” RFE/RL, March 9, 2010, accessed October 28, 2011, [http://www.rferl.org/content/Umarov_Vows_To_Liberate_Krasnodar_Astrakhan_Volga_Region/1978780.html](http://www.rferl.org/content/Umarov_Vows_To_Liberate_Krasnodar_Astrakhan_Volga_Region/1978780.html).


and have given it a sense of self-respect after being dependent on Western investments in the tumultuous 1990s.\footnote{Rafael Kandiyoti, “What Price Access to the Open Seas? The Geopolitics of Oil and Gas Transmission from the Trans-Caspian Republics” Central Asian Survey 27 (March 2008): 76.} Indeed, the Russian government’s “National Security Strategy to 2020,” issued in 2009, stated that Russia’s reemergence on the international scene has been driven by “the resource potential of Russia… has expanded the possibilities of the Russian Federation to strengthen its influence on the world arena.”\footnote{Steven Woehrel, Russian Energy Policy Toward Neighboring Countries. Report to Congress (Washington: Congressional Research Service, September 2, 2009), 6. Available: www.fas.org/sgp/crs/row/RL34261.pdf.} According to estimates made in 2007 by BP, Russia possessed 6.4 of global oil reserves, and 25.2% of the world’s reserves of natural gas.\footnote{Lioubov Stoupnkova, “Les alliances énergétiques: vers une réorganisation de l’espace eurasiatique?” (in French) La revue internationale et stratégique (hiver 2008/2009): 135.} The country’s main customer lies directly to the west, the member nations of the European Union. According to the European Union’s statistical office, Eurostat, the importation of hydrocarbon energy sources made up 53.8% of the economies of the EU’s 27 member states. In 2005 alone, the European Union imported 42% of its natural gas and 31% of its petroleum from the Russian Federation.\footnote{Ibid. 133.} Certain countries of the EU are more dependent on Russian energy than others, however. In 2005, Bulgaria received 100% of its natural gas from Russia, and Germany and France at 40.3% and 23.5%, respectively.\footnote{Ibid. 134.}

While Europe is dependent on Russia for the supply of its energy needs, certain European politicians are dependent on Russian energy for their own personal profits. In late 2005, Gerhard Schroeder, who had just been ousted from the German chancellorship, accepted a top position in the consortium in charge of Nord Stream. Schroder was criticized by many for the move, but it should not have come as a surprise. It was widely believed to have been a political reward from Moscow, for Schroeder’s agreement that September to host the terminus of the planned Nord Stream line.\footnote{“Schroeder attacked over gas post,” last modified December 10, 2005. Accessed October 23, 2011. http://news.bbc.co.uk/2/hi/europe/4515914.stm.} An equally conspicuous example can be found in Italy, where longtime leader Silvio Berlusconi openly flouts his close relations to Putin. However, the close ties may be more than just that, as leaked U.S. diplomatic cables cite allegations of Berlusconi and his close associates personally profiting from the country’s energy ties with Russia. According to the Georgian ambassador to Italy, Putin personally promised the Italian leader shares of the profits from future deals between Gazprom and the Italian company Eni. One of these proposed
pipelines would inevitably have been South Stream, as it is planned to supply Italy as well.\textsuperscript{10} Overall, however, Europe’s dependence on Russian energy sources has become so significant that some observers have suggested that NATO may invoke its collective security clause in case Moscow cuts off the supply.\textsuperscript{11}

Russia has historically viewed military power as the definition of being a ‘great power.’\textsuperscript{12} It is no coincidence, that in the years following the collapse of the Soviet Union, Russian influence declined as its military became subjected to budget cuts. The 1990s were a rough decade for Russia, not only economically, but psychologically as well. The average Russian viewed their president as beholden to Western aid, as many countries of the former Soviet bloc turned away from Moscow and embraced Atlantic institutions, such as NATO. An emasculated military, in addition to defeat in the First Chechen War, significantly downgraded Russia’s ability to flex what military muscle it still possessed, and only highlighted the sentiment of a ‘lost empire.’ The change in this sentiment would start surprisingly in the North Caucasus, with the Second Chechen War, which allowed Vladimir Putin an easy sweep into power. In the next few years, the high prices of oil enabled Moscow to allocate more funding into its dilapidated military establishment. By 2004, Moscow felt confident enough in its martial capacity to launch a military exercise intended to send a message to neighboring countries that were leaning towards the NATO alliance.\textsuperscript{13}

However much Putin desired to enhance Russia’s power, it was the patriotic fervor generated by the Chechen incursion into Dagestan in late 1999, and the subsequent renewal of conflict, that gave the Kremlin the political capital needed to increase defense spending. This increase in military spending was fueled, in turn, by the rise in global energy prices, which permitted the budget for the defense establishment to be increased without damaging spending on more sensitive domestic needs. This increase in spending was also permitted by the wary expectations by 2003 that the rise in oil prices was not a bubble, but that instead it was a permanent trend.\textsuperscript{14} President Putin’s dedication to enhancing Russia’s power through military projection capabilities was further demonstrated by a 2006 speech to the Duma, calling for a

\textsuperscript{11}Ibid. 64.
\textsuperscript{13}Ibid., 95.
\textsuperscript{14}Ibid., 45-46.
strengthened military that could “guarantee Russia’s security and territorial integrity no matter what the scenario” (emphasis mine).\textsuperscript{15} Perhaps by this statement, Putin implied that the Russian military, strengthened by oil revenues, must be able to suppress the insurgencies in the North Caucasus in particular.

In order to perfect the use of hydrocarbons as diplomatic weapons, it was essential to first re-nationalize the major energy companies, which had been privatized since the collapse of the Soviet Union. In order to achieve this, Putin went after the oligarchs who had risen to prominence during the Yeltsin administration. One such oligarch, Mikhail Khodorkovsky, head of the Yukos oil firm, was arrested on allegations of tax evasion. However, it is commonly accepted that the real reason for his apprehension was his unwillingness to abide by the Kremlin’s terms. In 2004, a year after his arrest, the main oil fields owned by Yukos were sold at discounted prices to Rosneft, another state-owned company.\textsuperscript{16} Following such moves, Putin placed his friends and associates from his KGB days to the top positions within Gazprom, Transneft, and other Russian energy companies. In addition, the board rooms of these companies were staffed with members of government bodies and agencies.\textsuperscript{17} In fact, current President Dmitry Medvedev previously served as a member of Gazprom’s board of directors prior to taking office. Russia’s use of energy as a diplomatic weapon has come in two forms, the “tap weapon” and the “transit weapon.” The “tap weapon” consists of a demand that a consumer country pay the price Russia demands, backed up with a threat to cease further shipment. Meanwhile, the “transit weapon” consists of a demand to another producer state to sell its product to Russia at a lower rate.

Central to Russia’s geopolitical energy strategy is to ensure it has a monopoly over the international pipeline network, and thus ensure other Eurasian countries are dependent on its energy sources.\textsuperscript{18} However much certain countries in Western Europe are dependent on Russian gas, for a while Russia was dependent on Ukraine as a transit route to supply European customers. Eighty percent of Russian gas bound for Europe passes through Ukraine, making Russia in turn dependent on Ukraine.\textsuperscript{19} The 2004 “Orange Revolution” in Ukraine resulted in a

\textsuperscript{15} Ibid., 45.
\textsuperscript{16} Woehrel, \textit{Russian Energy Policy Toward Neighboring Countries}, 3.
\textsuperscript{17} Bertil Nygren, “Putin's Use of Natural Gas to Reintegrate the CIS Region,” \textit{Problems of Post-Communism} (July/August 2008): 4.
\textsuperscript{19} Nygren, ”Putin's Use of Natural Gas to Reintegrate the CIS Region,” 5.
pro-Western leader taking over as president, and Moscow risked losing influence over another former Soviet republic. In December 2005, Russia announced that it was raising the price it was selling its gas to Ukraine from the previously discounted price to the market value- from $50 per thousand cubic meters, to $160. Although Russia and Ukraine eventually came to an agreement, the episode demonstrated to everyone the necessity of pipelines bypassing Ukrainian territory. Elsewhere, Russia has used the “transit weapon,” especially in relations with the former Soviet republics in Central Asia. Two of these republics, Kazakhstan and Turkmenistan, have coasts along the Caspian Sea, but are dependent on Soviet-era pipelines to export their natural gas through Russian territory. Taking advantage of this, Russia has used its monopoly on export possibilities, buying gas from these two states at prices below market value, and reselling it to Europe at higher prices. The profits attained have been used to subsidize Russia’s domestic gas consumption costs, which are below market value. Not surprisingly, there have been suggestions for alternative pipeline routes that bypass Russia, a move that has garnered support from the West. This has become Russia’s view of “energy security”- a variety of energy pipelines leading to European consumers. However, as will be demonstrated, the West’s view of “energy security” entails a variety of sources, preferably utilizing pipelines out of Russian borders.

In the renewed international quest for alternative pipeline routes following the 2006 Ukrainian gas crisis, several possibilities have been offered, a northern route transporting gas from Russia under the Baltic Sea to Germany. At the time of this writing, Russia’s northern gas pipeline, Nord Stream, was recently opened by Prime Minister Putin. In addition to this northern route, there is the southern route, which will be the scene for the drama to play out in the following pages.

The Caspian Sea and its Importance

In 1998, Richard Cheney, who was then the CEO of Halliburton, commented that “I cannot think of a time when we have had a region emerge as suddenly to become as strategically significant as the Caspian.” In this statement, the future vice-president may have been unaware

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20 Ibid., 6.
21 Thomas Land, "Caspian Producers Seek Independence," The Middle East, (July 2007) 40.
of the geopolitical contest this landlocked sea would see in the next decade. The Caspian is central to the southern corridor is the primary source of the proposed pipelines to reach European markets. A landlocked sea without ocean access, the Sea is more of a lake, shared by Russia, Kazakhstan, Turkmenistan, Iran, and Azerbaijan. Geographically, the Northern part of the Caspian has shallower waters, and is prone to be full of ice during the wintertime, which is a serious hindrance to energy companies seeking to exploit its potential. The South Caspian is deeper, but is estimated to contain less oil and gas. The shores off of Azerbaijan, for example, are projected to contain more gas than oil, but this has not prevented Azeri oil from becoming essential to the West.24 Despite its initial appearance, the Caspian’s importance in international relations cannot be taken lightly, as demonstrated by the multitude of energy companies that have interest in it. Indeed, both Kazakh and Azerbaijani officials have been known to describe their countries as “another Middle East.” No reliable estimates of the Caspian’s proven oil and gas reserves are available, as the estimates vary on the source. However, estimates by the U.S. government are always exaggerated. According to BP, the total reserves along the Caspian’s shores in Azerbaijan, Kazakhstan, and Turkmenistan are 15.4 billion barrels of oil, and 196 trillion cubic feet of natural gas (Tcf). The U.S. Department of Energy, however, maintains that the same region possesses 23.5 billion barrels of oil, and 205.5 Tcf of gas.25 Regardless how much oil and gas the Caspian countries actually contain; it is not enough to completely remove reliance on Middle East sources. However, the Caspian contains enough energy resources to increase supply enough to lower global prices.26

Given the impact that the riches of the Caspian could have on global energy markets, a casual observer may justifiably believe it is in the best interests of all nations in the region to cooperate on the exploitation of energy resources for their mutual prosperity. However, this is hindered by the widely held belief that whoever controls the pipeline transit routes in the region will be able to wield considerable influence in the Caucasus, as globally.27 The newfound importance of the Caspian Sea has not been lost on the littoral states that share its waters. A

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25 Bahgat, “Pipeline Diplomacy,” 312.
 naval arms race has erupted on this landlocked sea, with even Turkmenistan, which normally
tries to remain neutral, building up its presence. The United States has not been still on the
geopolitical contest in the region, and has stakes in the resources located here. By 2005, the U.S.
had set up a new initiative in the region, the Caspian Guard. This military command has its
headquarters in Baku, with combined air, ground and naval assets. This command is also
responsible for two new radar installations close to Azerbaijan’s borders with Russia and Iran.
These stations both have the ability to intercept radio and telephone conversations and watch
ground movements within Russia’s North Caucasus. Russia and Iran have countered western
encroachments into the resource-rich Caspian basin, however, by raising legal issues surrounding
the Sea’s status. Russia has proposed dividing the Caspian by granting each littoral state a share
of the sea based on the length of its coastline. This suggestion has been met with agreement by
basically every country but Iran. However, under Moscow’s proposal, Russia would only
receive 19 percent of the Sea, while Kazakhstan and Iran would receive 29 and 14 percent,
respectively. This would leave Russia unable to unilaterally access to the rich seabed off of
Kazakhstan and Azerbaijan, and would need to export their resources through bilateral
agreements. However, Russia has tried to counter this dilemma by stating that pipelines or
drilling in the Sea itself would require the consent of all five littoral states.

Despite being independent countries since the disintegration of the Soviet Union in 1991,
the countries of the Caspian basin have still been strongly influenced by Russia. Moscow
considers this region as part of its “near abroad,” and has been successful in the last two decades
of dominating the region through economic, political, and cultural ties. These countries have
little choice but to rely on Moscow, given the geographic confines they find themselves in. It
would be politically unfeasible for these countries to export their oil and gas through the south
through Afghanistan, given the long term conflict there. Further east lays India and China, but
the distances are too vast. Armenia and Azerbaijan are regional rivals and tensions remain high,
so Baku would not allow any of its pipelines to run through its neighbor. U.S. policies will not
allow pipelines to run through Iran. Thus, to reach Western markets, Azeri oil and gas need to

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28 Nourzhanov, “Caspian Oil,” 64.
29 Ibid., 63.
30 Svante E. Cornell et al, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline." In The Baku-Tbilisi-
Ceyhan Pipeline: Oil Window to the West, edited by S. Frederick Starr and Svante E. Cornell. (Washington, DC:
Central Asia-Caucasus Institute & Silk Road Studies Program, 2005), 19-20. Available:
31 Woehrel, Russian Energy Policy Toward Neighboring Countries, 18.
run through Georgia in the South Caucasus, or through Russia. The oil and gas infrastructure in the region is largely remaining from the Soviet era, and thus flows through Russia, making them dependent on Moscow in order to reach world markets. Russia’s influence in the region’s economic sector is so strong that it has made no secret of its intentions to retain control over these countries’ resources, and to profit as much as it can from them.\(^{32}\) Russia’s primary interests in the Caspian states are for its own financial reasons, however. As high energy prices have given Russia a renewed sense of power, it is in Russia’s interests to limit oil supplies on the market. While it cannot unilaterally influence production quotas issued by OPEC, Russia can, influence oil production in the Caspian states.\(^{33}\)

**Russian Pipelines and Projects Originating in the North Caucasus**

In the mid-1990s, even while global energy prices were at record lows, Russia was seeking to play a major role in the transport of Caspian oil. The initial strategy was for the oil fields in the Caspian to be developed jointly by the littoral states involved, and transported to world markets through pipelines under strict Russian control.\(^{34}\) In particular, when it comes to Azerbaijan’s oil, Moscow has adamantly stressed its view that the Main Export Pipeline (MEP) should run from the Azeri capital of Baku to Russia’s port in Novorossiysk. This pipeline, the Baku-Novorossiysk, is especially important to Moscow given its location. Being an older, already existent pipeline, during the Soviet era it transported Russian oil to Azerbaijan. It runs through the North Caucasus republics, especially through the Chechen capital of Grozny. Russia has placed great importance on this pipeline, and has taken great care in protecting its route, especially through war-torn Chechnya.\(^{35}\) Investors especially were hard to find, given the location of the pipeline and its susceptibility to the turmoil of the North Caucasus.\(^{36}\)

When it comes to natural gas, Russia has proposed two pipelines through the southern energy corridor, both originating from the North Caucasus port of Novorossiysk. Both of these proposed lines would circumvent Ukrainian territory, an action Gazprom itself cites as “aimed at strengthening European energy security.” The first project, South Stream, would run under the

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\(^{32}\) Kandiyoti, “What Price Access to the Open Seas?,” 76.


Black Sea to Bulgaria, and from there it would connect to existing pipelines.\textsuperscript{37} The project is expected to be completed by 2015, and constructed in conjunction with the Italian company EDI, delivering 63 billion cubic meters (bcm) per year.\textsuperscript{38} Despite its proclaimed novelty, the project is widely seen as not offering a new source of natural gas, but rather just diverting gas that would otherwise run through Ukraine. Aware of the unattractiveness of the costs, Moscow has been accused of inciting the flames of simmering conflicts in the Balkans in order to blackmail political opposition to its aims.\textsuperscript{39} Gazprom faces some dilemmas with South Stream, however. The pipeline’s natural route would have it run through Romanian and Ukrainian territorial waters. In late 2008, however, Romania affirmed its commitment to South Stream’s perceived rival, Nabucco. At the time, with Yuschenko at the helm, Ukraine had an interest in objecting to South Stream running through its waters as well.\textsuperscript{40} Other difficulties faced by the South Stream project are the financial problems of Gazprom. By 2008, Gazprom’s shares had dropped in value by 76%, necessitating a bailout by the Kremlin. As a result, the gas giant found itself strapped for cash to build any further pipelines.\textsuperscript{41}

Another important natural gas pipeline originating from Novorossiysk is Blue Stream. Although planned long well before the 2006 crisis with Ukraine, Blue Stream was also intended to uphold Russia’s view of energy security by supplying Europe with another available line. Blue Stream was commissioned in 2002, and came online three years later. The pipeline runs 1200 kilometers, with 900 of those being under the depths of the Black Sea, south to Turkey.\textsuperscript{42} Blue Stream was agreed on by Russia and Turkey in December 1997, a historic act considering the ancient rivalry between the two longtime enemies. The pipeline allowed Russia to tap into the growing energy market in Turkey, but needed financing from Italy’s ENI in order to proceed.\textsuperscript{43}

\textsuperscript{38} Woehrel, \textit{Russian Energy Policy Toward Neighboring Countries}, 5.
\textsuperscript{40} Ericson, “Eurasian Natural Gas Pipelines,” 50-51.
\textsuperscript{42} Ericson, “Eurasian Natural Gas Pipelines,” 49.
\textsuperscript{43} Bahgat, “Pipeline Diplomacy,” 324.
In addition to its seeking to retain a monopoly over Europe’s energy needs, Moscow has also sought to retain its control over domestic sources and infrastructure. With the rising energy prices at the turn of the millennium, Moscow saw more profit to be made if it controlled its own infrastructure, at the expense of western companies. This has been particularly true in the case of the Caspian Pipeline Consortium (CPC), an oil pipeline carrying crude from the Tengiz oil field in Kazakhstan, through the North Caucasus, and to Novorossiysk. Russia’s state-owned oil monopoly, Transneft, is currently the largest shareholder in the CPC conglomerate, but it has not stopped Moscow from trying to take over more. Russia was not originally welcoming of the deal, which had been planned before the collapse of the USSR. Moscow was fearful of losing its influence with Kazakhstan, but after it realized it still had options to retain its influence. The CPC came online in November 2001, after Russia and Kazakhstan had agreed on transit tariffs. Western companies such as ExxonMobil and Chevron have been issued with frequent financial demands by Moscow, backed up with legal threats on allegedly unpaid taxes.

The Effects of the Chechen Wars on Russia’s Pipelines

As important as the Caspian has become in global energy, it has assumed a role in Russia’s policies in the North Caucasus. Dagestan, one of the ethnic republics that has seen an increase in violence, contains most of Russia’s shore along the Caspian Sea. Indeed, the republic’s capital, Makhachkala, is Russia’s only all-weather port on the body of water. More importantly, however, the Baku-Novorossiysk pipeline comes north from Azerbaijan and transverses Dagestan before entering Chechnya and the other republics on its way to Novorossiysk. Political uncertainty in this volatile region leaves the pipeline unsafe, with millions of dollars at stake annually.

Earlier writers have speculated on the role of the Baku-Novorossiysk pipeline in the Chechen War of 1994-1996. In his appropriately titled work of the conflict, *Russia: Tombstone of Russian Power*, Anatol Lieven states that Chechnya was not of major importance to Moscow. Rather, Chechnya is located on “routes to more important places,” including for oil, which

45 Bahgat, “Pipeline Diplomacy,” 325.
prompted Moscow to attempt to use force to restore its sovereignty in Grozny.\textsuperscript{48} Meanwhile, Cornell contends that an autumn 1994 deal between Azerbaijan and Western oil firms may have provided an impetus for the war.\textsuperscript{49} In fact, the issue of the pipeline came up during the peace accords ending the war. When Chechen President Maskhadov demanded monetary compensation for damage caused by Russian bombs, Moscow threatened to build a pipeline around the breakaway republic, which prompted Maskhadov to drop his demands. In a three party deal, signed by Russia, Chechnya and Azerbaijan (the pipeline originating in Baku), the three parties agreed to resume oil shipments via the route, and to repair the line’s battle damage.\textsuperscript{50} The fact that Chechnya itself was a signatory to the accords regarding the pipeline demonstrated that Russia had not regained control over the separatist republic, but had lost more instead.

In the accords signed by Russian and Chechen representatives ending the conflict, Chechnya’s final status was to be determined at a later time. However, by dealing with the rebel government in Grozny, and leaving the Russian appointed head of Chechnya out of the negotiations, Russia had already recognized Chechnya’s de facto statehood.\textsuperscript{51} In the years between the two Chechen wars, both Moscow and Grozny recognized the importance of the Baku-Novorossiysk line to both states, especially as Western companies were making progress in Azerbaijan. However, the two sides were unable to come to an agreement over transit fees-Chechnya, seeing itself as a sovereign state, wanted its own share of the royalties of the pipeline, rather than receiving a part of Russia’s part. When a rival pipeline exporting Azeri oil to Supsa in Georgia, the Baku-Novorossiysk line seemed to make no economic sense, and lost support. Yet, it was the outbreak of renewed hostilities in Chechnya in 1999 that prompted Moscow to reexamine the Novorossiysk pipeline. Fearing a loss of revenue, and another planned pipeline in Georgia, Transneft hurriedly rushed plans for a bypass to circumvent the troubled republic.\textsuperscript{52} However, despite the bypass, Azerbaijan began looking into other viable options to ship its oil to Western markets.\textsuperscript{53}

\textsuperscript{49} Cornell, \textit{Small Nations and Great Powers}, 223.
\textsuperscript{50} Lieven, \textit{Chechnya}, 146.
\textsuperscript{52} Nikolai Poluektov, "Transneft Wants to Build Unneeded Pipeline in Dagestan," \textit{Current Digest of the Russian Press}, November 17, 1999, 21.
Initially, until a final settlement, it was decided that Chechnya would receive its share of the transit royalties it was owed directly from Russia. However, Moscow and Grozny were ultimately unable to operate the pipeline cooperatively. Shutoffs occurred, leading to a flurry of accusations by both sides. In one instance of March of 1999, Chechen authorities shut off the valve to the pipeline running through Grozny. The republic’s oil company, Chechentransneft, justified the action to Azerbaijan as being a ‘technical issue,’ while issuing an ultimatum to Moscow that threatened to keep the pipeline closed until Russia paid $100 million in transit fees owed. A commander of an armed unit dedicated to guarding the Chechen part of the pipeline was even assassinated, creating an internal crisis that prompted Chechnya’s President Maskhadov to demand resignations from the republic’s oil executives.\textsuperscript{54} Other closures in the pipeline’s operations occurred after fires broke out in the Chechen portion of the pipeline. It was determined that these fires came as a result of holes in the pipeline, cut by people seeking to siphon off oil. These numerous problems were leading to early calls for a bypass in the pipeline to avoid Chechnya, but money could not be found to finance the endeavor.\textsuperscript{55}

Chechnya played a role in the route that the Caspian Pipeline Consortium route would take. Upon the founding of the conglomerate in 1992, the Western companies involved promised Russia assistance in building the pipeline, which evidently was intended to run further south than it currently does. However, the violence in the breakaway republic spurred investors to look into an alternative route, one which would bypass Chechnya completely. A decree issued by the Russian government in April 1997 gave further impetus for a reroute of the pipeline. The opening of the new CPC, bypassing Chechnya was initially hailed as an achievement and rival to a pipeline running through Georgia (Baku-Supsa), with speculation of a second pipeline to run parallel to the CPC, which would bring Russia increased revenue and enhanced influence in the region.\textsuperscript{56}

The resumption of warfare in Chechnya in 1999 only made things worse for Moscow’s preferred pipeline. By the turn of the millennium, the instability in Chechnya made Western backing of the Baku-Novorossiysk infeasible. At the same time, many Western companies were apprehensive about investing in a proposed pipeline running through the South Caucasus. Thus,


at this crucial time, neither pipeline- Baku-Novorossiysk nor its proposed Baku-Ceyhan route, were preferred by Western companies. In this way, Russia’s ability to influence its ‘near abroad’ in the South Caucasus was hindered by its problems in the North Caucasus.\textsuperscript{57} Russia’s inability to conquer Chechnya and stabilize it only served to encourage countries in the South Caucasus-most notably Georgia, to pursue their own policies independent of Moscow. Georgia was to become a vital link in the chain to access the treasures of the Caspian, and Russian interventions in its own neighborhood were a contributing factor towards this trend.\textsuperscript{58}

\textbf{Pipelines Supported by the West}

The inability of Russia and Chechnya to cooperate on the Baku-Novorossiysk pipeline prompted Azerbaijan to seek an alternative route to export its oil. In addition, with Azeri oil being pumped through the Baku-Novorossiysk line, it was being mixed in with less valuable Siberian crude, causing Azeri oil to lose value. Another pipeline, running from Baku and ending at the Georgian Black Sea port of Supsa proved to be a shorter transit route, and consequently less expensive. These two factors led the Baku-Supsa pipeline, as it became known, to become Azerbaijan’s favored route, thus placing Russia at a disadvantage. However, although technically rival routes, Baku-Novorossiysk and Baku-Supsa shared a key disadvantage- they required tankers to transit the already crowded Turkish Straits.\textsuperscript{59} Further, although Baku-Supsa had become the route favored by Azerbaijan, it was unable to become the Main Exporting Pipeline, because of its unsatisfactory diameter.\textsuperscript{60} Finally, in 1997, Azeri President Aliyev declared that Baku “was no longer prepared to be totally dependent upon Moscow” for the exportation of its oil. The Baku-Supsa pipeline was more of a replacement than a complement to the Baku-Novorossiysk line, as it was pumping at its full potential due to the regular shutoffs on the Northern route due to the fighting in Chechnya.\textsuperscript{61}

Turkey, which was seeking to become an energy hub, was eager to host a stretch of the proposed line, and wanted it to end at Ceyhan on the Mediterranean. The United States was interested in the development of the proposed Baku-Tbilisi-Ceyhan (BTC) pipeline as well.

\textsuperscript{57} Cornell, \textit{Small Nations and Great Powers}, 223.  
\textsuperscript{58} Ibid., 397.  
\textsuperscript{59} Andreas Billmeier, Jonathan Dunn and Bert van Selm, \textit{In the Pipeline: Georgia's Oil and Gas Transit Revenues}. IMF Working Paper, 2004, 3.  
\textsuperscript{60} Cornell, \textit{Small Nations and Great Powers}, 361.  
\textsuperscript{61} German, “Corridor of Power,” 68.
American support for the project dated to the Clinton administration, as it would supply an additional source of oil without having to rely on Russian goodwill. Initially, the proposed alternative, a pipeline from Baku, through the Georgian capital of Tbilisi, and to the Turkish port of Ceyhan, was unattractive. First, as mentioned before, Western investors were weary of a pipeline running through Georgia, with its unresolved conflicts (to be discussed in the next chapter). Second, the low prices of energy in the 1990s made this alternative route seem too inefficient, and not worth the construction costs. The terrorist attacks of September 11, 2001, and American efforts to find an alternative to the Middle East for its oil, provided an impetus to take BTC off the drawing board and into fruition. However still, as Azeri and Georgian officials acknowledged, a driving force for the construction of BTC remained Western determination to secure access to Caspian energy without being beholden to Russia (and Iran). The pipeline also attracted the attention of Kazakhstan, with its President Nazarbayev strongly supporting its construction, and showed interest of eventually supplying BTC with Kazakh oil as well. The addition of Kazakh oil as a potential supply for the pipeline would be beneficial, given that Azeri output is expected to decline to less than half its present one million barrels per day by 2020. When The Baku-Tbilisi-Ceyhan pipeline began operations in May 2005, it was not just controversial given its geopolitical circumstances, but also a marvel of engineering and regional cooperation. More importantly, it began serving as an ‘umbilical cord,’ linking Azerbaijan, Georgia and Turkey to the West. This is especially relevant to Russia, which has historically seen the two former countries as a part of its privileged sphere of influence. Indeed, even when the BTC was just in its planning stages, the pipeline was causing friction between Washington and Moscow.

Russia has also been subject to competition in its gas exports to Turkey. Running parallel to the BTC oil pipeline is the South Caucasus Pipeline (SCP), which pumps natural gas from

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64 Billmeier et al., In the Pipeline, 4.
65 German, “Corridors of Power,” 68.
Baku to its final destination to Erzurum in Turkey. The royalties in transit fees that the transit countries receive could rise, if additional consumers of the pipeline’s gas can be found.\textsuperscript{68} This is highly likely, as natural gas shipped through the SCP would be more economically efficient for European consumers than gas exported through newer Russian fields.\textsuperscript{69} However, the SCP probably would not have come to fruition if it were not for the Baku-Tbilisi-Ceyhan oil pipeline, as the latter served as a precedent in ways.\textsuperscript{70} This is mostly likely due to the fact that the work on the BTC line required Azerbaijan, Georgia and Turkey to cooperate more closely, and helped encourage a strategic partnership between the three states.\textsuperscript{71} The SCP itself is linked to a projected pipeline, the Nabucco gas pipeline, which is expected to be fed by the existing South Caucasus line. Widely seen as a rival to Moscow’s prospective South Stream, Nabucco is intended to provide natural gas to European markets while intentionally bypassing Russian territory.

For Russia, these Western backed pipelines are clearly a threat. This belief is clearly illustrated in a claim made by former Defense Minister Igor Sergeyev, who claimed that U.S. interest in the BTC and other pipelines were part of a plan to “weaken Russia and take full control over the North Caucasus.”\textsuperscript{72} Thus, Western backed pipelines in the South Caucasus are an economic threat, as well as a source of foreign interests close to Russia’s borders. Clearly, then, Moscow would belief itself justified in discouraging the use of existing pipelines in the South Caucasus, and to prevent the construction of future routes. In order to accomplish this, Moscow especially would need to influence Azerbaijan to reroute its energy sources through Russian territory. Georgia, as a transit state, would also need to be brought back into the Russian fold in order to limit pipelines crossing its territory. Thus, Russia would need to regain influence over these two nations in the South Caucasus. However, as will be demonstrated in the next chapter, in order to gain leverage over Azerbaijan, Russia would only need to bring Georgia back within its sphere.

\textsuperscript{68} Billmeier et al., \textit{In the Pipeline}, 6.
\textsuperscript{69} Cornell et al, “Geostrategic Implications,” 22.
\textsuperscript{70} Ibid., 25.
\textsuperscript{71} Ibid., 24.
CHAPTER THREE: RUSSIA’S INTERESTS IN THE ETHNIC CONFLICTS IN THE SOUTH CAUCASUS

By now, it should be established that Russia’s interest in retaining control over the volatile North Caucasus is driven by the importance of the region as a route for energy sources. As such, Western backed pipelines running through the South Caucasus, such as the Baku-Tbilisi-Ceyhan, are threats to Russia’s economic prosperity. However, if Russia were to be able to control the South Caucasus, it would inevitably be able to have leverage to bear over the routes of future pipelines in the region. This is Moscow’s motive in its actions in the South Caucasus in recent years. Russia’s actions, such as the 2008 war in Georgia, were defensive in a way, as it was seeking greater leverage over the countries in the South Caucasus, and to demonstrate the hazards facing Western backed pipelines running through the states in that area.

The South Caucasus serves as the meeting point for many Eurasian powers, such as Russia, Turkey, and Iran. Therefore, it has been naturally been a region of much contestation throughout history. It is also geopolitically important as the natural outlet for the Caspian Sea basin. In addition, the region has gained importance for the West in the last decade, as it serves as an essential air corridor to Afghanistan and the Middle East. However, gaining control over the South Caucasus does not necessarily mean controlling all three independent states in the region. Instead, Russia would only need to regain influence over the nation of Georgia to be able to gain leverage over not only the other two nations (Armenia and Azerbaijan), but Central Asian nations such as Kazakhstan and Turkmenistan as well. Especially with Azerbaijan, Georgia is important, as relations between the two countries have been termed a ‘confederation,’ and Georgia’s President Saakashvili argued that the bonds between the two nations are strong enough to justify forging confederative ties.73 Strategically, Georgia is the key to the South Caucasus. The Georgian city of Gori is especially important. While it may be best known as the birthplace of Joseph Stalin, it also serves as the geographical center of the Caucasus, with a major east-west road running through it. Most importantly and conspicuous is the fact it is the only one of the

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three countries that has access to international maritime trade.\textsuperscript{74} Therefore, it would be safe to state that whoever controls Georgia controls the South Caucasus as a whole.

In addition, Russia already enjoys warm relations with landlocked Armenia, and would need the use of Georgian airspace and territory in order to supply its troops stationed in Armenia. The only other international access route for Armenia is through Turkey, which is unfeasible due to historic and political reasons. Despite the fact that air traffic exists between Armenia and Turkey, the two nations are still hostile towards each other, and do not have diplomatic relations between them.\textsuperscript{75}

The third country in the South Caucasus that emerged from the disintegration of the Soviet Union is Azerbaijan. As explored in the previous chapter, Azerbaijan has gained importance in the energy industry for the oil and gas reserves off its Caspian Sea coast. However, as the Caspian Sea is a landlocked sea, Azerbaijan is dependent on other nations to reach international markets. This is true not just for its own trade, but for its oil and gas exports as well. Baku fought a war with Armenia in the early 1990s over the breakaway Nagorno-Karabakh region. As with the republics in Russia’s North Caucasus, the conflict in Nagorno-Karabakh had its roots in the Soviet era. This breakaway entity was predominantly (and still is) inhabited by ethnic Armenians, but it was placed under Azerbaijani jurisdiction. As the Soviet Union began to break apart in the late 1980s, ethnic conflict sprouted in Nagorno-Karabakh, and within years it engulfed Armenia and Azerbaijan into full-fledged conflict. Despite the implementation of a cease-fire, animosity still exists between the two countries, and Nagorno-Karabakh remains a disputed territory. In the early years of the country’s independence, Azerbaijani President Abulfaz Elchibey proposed a “peace pipeline” to run through Armenia, giving both countries reason to put their differences aside in a joint project. The idea was considered too idealistic at the time, and today, such a prospect occurring in the future is out of the question.\textsuperscript{76}

As important as Georgia is for the region, it is also a heterogeneous cauldron of seething tensions. Soviet leaders must have been aware of its geographical significance, as it too was subjected to the classic Soviet ‘divide and conquer’ tactic. The Soviet leadership had good reason to question Georgia’s loyalty to the federation, as many Georgians felt that they had

\begin{itemize}
\item \textsuperscript{75} Ibid. 140
\item \textsuperscript{76} Steve LeVine, “The Oil and the Glory: The Pursuit of Empire and Fortune on the Caspian Sea,” (New York: Random House, 2007), 221.
\end{itemize}
suffered more under Stalin, due to fears of Georgian separatism. Protests in 1956 had turned into demonstrations of Georgian nationalism, prompting Soviet authorities to crush the protests with troops and tanks.\textsuperscript{77} The Georgian Soviet Socialist Republic consisted of three ethnically defined entities within the republic, Adjaria, Abkhazia, and South Ossetia. And, as was the case with Chechnya and Nagorno-Karabakh, the ebbing of Soviet control in the late 1980s inevitably led to rising nationalism and conflict.

Internal conflict or a war with a neighboring state can be the greatest challenges faced by any democratizing country. Internal conflict especially has the potential to deteriorate the efficiency of political institutions in such a nascent democracy.\textsuperscript{78} Indeed, it may be said with little argument that any state that cannot exert full control over its internationally recognized borders is a politically weak state. The independent Georgia that emerged from the rubble of the USSR was no different, especially given the ethnically defined political entities within its boundaries. However much it was reeling from its own domestic turmoil, Russia recognized this, and exploited the rising nationalism among Georgia’s ethnic groups in a bid to retain influence over its newly independent neighbor. By manipulating ethnic conflicts within its southern neighbor, Russia’s ultimate objective was, and still is, to force an ouster of the successive Georgian leadership to allow for one that is more compliant to Russian policies. With a more pro-Moscow government in Tbilisi, Russia would gain enhanced leverage over Azerbaijan and the other states of the Caspian littoral.

Upon gaining independence from the breakup of the USSR, the states of the South Caucasus inherited political institutions that were legacies of the Soviet era. Each of the Soviet republics had their own administrative structures as existed at the Union level, but in practice they were much weaker with little autonomy. Consequently, it has been difficult for them to keep law and order, and to fend off the threats to their national security. In turn, this led to the absorption of power into powerful executive presidencies. Militarily, they were definitely weaker than other former Soviet republics. For whatever reason, there were relatively few soldiers from the South Caucasus in the Soviet Army. While other republics build their new

\textsuperscript{77} Darrell Slider, “Democratization in Georgia,” in Conflict, Cleavage, and Change in Central Asia and the Caucasus, by Karen Dawisha and Bruce Parrott (New York: Cambridge University Press, 1997), 158.

\textsuperscript{78} Karen Dawisha, "Democratization and political participation: research concepts and methodologies," in Conflict, Cleavage, and Change in Central Asia and the Caucasus, ed. by Karen Dawisha and Bruce Parrott (New York: Cambridge University Press, 1997), 50.
militaries by simply recalling their ethnic compatriots back home, the Transcaucasian countries could not, and were forced to build militaries from scratch.\textsuperscript{79}

In Georgia, independence was led by Zviad Gamsakhurdia, who faced considerable opposition from his political rivals for his authoritarian tendencies. By spring 1992, he had been driven from power to continue an armed resistance to the new government. In his place, Eduard Shevardnadze, who had previously served as the Soviet foreign minister, took the helm of power.\textsuperscript{80} There are hints that Russia may have been involved in the overthrow of Gamsakhurdia. Fiercely anti-Russian, Gamsakhurdia had sought to undermine Moscow’s influence in the Caucasus region in general. He had been a strong proponent of a “Common Caucasian Home,” which was intended to challenge Russia’s primacy in the region. His attempts at forming an alliance with Chechnya was a part of this, and he even attended Dudayev’s presidential inauguration. When he was ousted from power, Gamsakhurdia chose to seek exile in Chechnya, where he helped organize the “All-Caucasian Conference,” which brought together groups from throughout the region.\textsuperscript{81}

Matters were complicated by the presence of the three autonomous entities within Georgia’s borders. Difference with Adjaria is religious, not ethnic. During the Soviet era, two of these had held the status of Autonomous Socialist Republics, Abkhazia and Adjaria. A third entity, South Ossetia, had been an Autonomous Oblast. Although the Soviet constitution placed these three regions within Georgia’s borders, they remained effectively out of Tbilisi’s administrative reach.\textsuperscript{82} When Mikhail Gorbachev’s \textit{perestroika} and \textit{glasnost} reforms became enacted in the 1980s, nationalist sentiment that had long since been dormant came to the surface. As Georgians began to demand more sovereignty, they were met in turn by rising nationalist sentiment in the autonomous regions. In Abkhazia, the ethnic Abkhazians, who only comprised 17 percent of their autonomous entity, demanded sovereignty and ultimately, to be independent of Georgia. Protests in the Georgian capital erupted in turn, claiming that the Abkhazians had already enjoyed exclusive rights and had frequently discriminated against ethnic Georgians within Abkhazia. As the protesters got out of hand, the local authorities quivered, and with

\textsuperscript{80}Ibid. 215.
\textsuperscript{82} Aves, “National Security and Military Issues,” 214.
Moscow’s consent, Soviet troops were used to implement martial law. In the ensuing struggle, the soldiers brutally attacked the protesters with shovels and a toxic gas. The attempts by the Soviet leadership to evade responsibility led most Georgians to lose any trust they still had in the USSR.  

Abkhazia had originally been a Soviet Republic, on the same level as Georgia, and had been one of the founding member republics of the Soviet Union. However, in 1936, this status was annulled, and Abkhazia was made subordinate to Georgia as an ASSR. The region’s Black Sea coast and tropical climate made it a favorite vacation spot, a factor that contributed strongly to the Georgian economy during the Soviet era. However much Abkhazia contributed to the Georgian Republic’s economy, there were heated discussions between the two sides over who was indigenous to the area. Regardless of which nationality was there first, the Georgians or the Abkhazians, there were distinct differences between the two. Abkhazians are Muslim, and during revolts against Imperial Russian rule in the 1800s, many Abkhazians fled to predominantly Muslim countries in the Middle East or the Ottoman Empire, which explains why such a small percentage of the people in Abkhazia are the titular nationality. Linguistically, Abkhazians speak a language more similar to that spoken in the North-West Caucasus than Georgian. Following the subordination of Abkhazia to Georgia, the entity became a target of a campaign of “georgianization,” with the use of Abkhaz language officially discouraged. Although this policy was lifted in 1956, its repercussion was strong, and was a contributing factor to the deep hostility between the two nationalities.

South Ossetia too had stark differences with Georgia. As may be remembered from the first chapter, the Ossetians are split between North Ossetia within Russia, and South Ossetia that remained subordinated to Georgia for decades. Religiously, the Ossetians are Christian like the Georgians, with the majority being Eastern Orthodox. However, there is a minority of South Ossetians who are Sunni Muslim, a legacy of shared background and interactions with their Muslim neighbors. A strong majority of Ossetians, 98% speak Ossete, with 60 percent claiming Russian to be their second language. As in Abkhazia, official attempts to force the population to learn Georgian led to deep resentment. However, the Ossetians made up a majority in South

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Ossetians, close to two-thirds, with Georgians making up much of the rest of the population. Despite the region’s incorporation to Georgia during the Soviet era, it retained closer allegiances to Russia. As early as 1925, there were attempts by South Ossetia to merge with their brethren in North Ossetia, and thus join Russia. The bid went nowhere, but for the remainder of the Soviet period, South Ossetia became one of the most Sovietized regions in the USSR, and since independence, has been one of the most pro-Russian entities in the entire Former Soviet Union (FSU).\(^85\) This had its roots following the collapse of the imperial Russian Empire, as Georgia seceded from Russia, and South Ossetians were separated from their northern brethren. As the young independent Georgia was conquered by the Bolsheviks and Sovietized, the South Ossetian oblast was created before the North Ossetian autonomous region. From the perspective of many Georgians, however, the granting of autonomous oblast status to South Ossetia within Georgia was a clear attempt by the Soviet authorities in Moscow to preempt and weaken any future independence movements by Georgia, a sentiment that foreshadowed the tragedies to come decades later.\(^86\)

The third autonomous entity within Georgia upon independence, Adjaria, took a different path than Abkhazia and South Ossetia. Unlike most of the other autonomous entities within the Soviet Union, Adjaria was afforded its autonomy not on the basis of ethnicity, but on religion. This was simply because the Adjarians are considered to be ethnically Georgian, but the difference is that while most ethnic Georgians are Christian, Adjarians are Muslim. In the Soviet census of 1926, Adjarians were defined as a distinct national category. However, it too was subjected to a campaign of assimilation. Compared to Abkhazia and South Ossetia, this attempt at integration was more successful, as more Adjarians began to consider themselves Georgian. By the 1989 census, this category had disappeared. Differences remain, however, as few interfaith marriages between Muslims and Christians. In addition, although most Adjarians consider themselves Georgian, many within Georgia proper consider them separate, as not being “true Georgians,” due to religion.\(^87\) Despite the identification of many Adjarians as being Georgian, Adjaria is influenced by Turkey a great deal. The decision by early Soviet leaders to extend autonomy to Adjaria based on religion may have been influenced by Moscow’s desire for rapprochement with the Turkish republic. Linguistically, especially, Adjarians speak Georgian,

\(^{85}\) Ibid. 130-131.  
\(^{87}\) Toft, “Multinationality, Regional Institutions, State-Building, and the Failed Transition in Georgia,” 128.
but with a strong Turkish influence. And, despite repeated efforts to eradicate Islam from the region, such moves failed.\textsuperscript{88}

As the structure of the Soviet Union began to disintegrate, so did the structure of Soviet Georgia. The Abkhazians, by now a minority nationality in their own entity, considered the migration of ethnic Georgians as a plot by the authorities in Georgia to incorporate the autonomous republic into Georgia. This, in turn, led to demonstrations as early as 1981. However, at that time the USSR was still a strictly authoritarian state, and this helped avert ethnic tensions from reaching full blown conflict.\textsuperscript{89} As the Soviet Union began to break apart by the close of the 1980s, Georgian nationalism became more pronounced and chaffed under the old system. The existence of Abkhaz and South Ossetian nationalism were viewed by Georgian nationalists as being fictitious creations of Russia in an attempt to keep Georgia within the Union. These suspicious were strengthened as more Ossetians and Abkhaz declared Russian to be their primary language.\textsuperscript{90} In 1988, leading Abkhazians wrote to the Soviet leadership listing their protests against Georgia. A year later, the territory asked the Soviet leadership to restore their status as a Soviet republic, at the same administrative level as Georgia within the USSR.\textsuperscript{91} The next year, the Abkhaz Supreme Soviet took the matter into its own hands, and unilaterally declaring the region a union republic, thereby seceding from Georgia. In 1991, as Soviet leader Mikhail Gorbachev called for a referendum on the new Union Treaty, Georgian authorities called for a boycott, which obviously was ignored in the separatist regions of South Ossetia and Abkhazia, where the preservation of the Soviet Union was strongly supported. The support of the nationalities in these two regions was strongly motivated by the belief that they would be better represented in a union allied with a federative Russia, than with a growingly nationalist Georgia.\textsuperscript{92}

As Abkhazia sought an upgrade in its status or all-out independence, South Ossetia pursued a similar course of events. As in Abkhazia, the Ossetians preferred to remain in the Soviet structure even as the rest of Georgia was seeking greater sovereignty or secession from the USSR. In 1989, the South Ossetian leadership asked the Soviet authorities in Moscow to merge their oblast with North Ossetia within Russia, thereby seceding from Georgia. The move

\textsuperscript{88} Cornell, \textit{Small Nations and Great Powers}, 175.
\textsuperscript{89} Ibid. 157-158
\textsuperscript{90} Ibid. 163
\textsuperscript{91} Slider, “Democratization in Georgia,” 170.
\textsuperscript{92} Cornell, \textit{Small Nations and Great Powers}, 164.
was rejected, and the authorities in Tbilisi removed South Ossetia’s status as an autonomous oblast within Georgia. These rising tensions between South Ossetian and Georgian authorities marked a deinstitutionalization of the Soviet legacy, as Tbilisi sought its sovereignty, and Ossetians tried to retain their privileges afforded by the Soviet structure.\footnote{Toft, “Multinationality, Regional Institutions, State-Building, and the Failed Transition in Georgia,” 133.}

**The Wars of the Georgian Succession and Russia’s Part**

Upon the official dissolution of the Soviet Union in December 1991, Georgia found itself without an army when it faced numerous internal crises. The country’s military force, the Georgian National Guard, relied on volunteers who, because of Tbilisi’s lack of finances, had to rely on their own weapons. A paramilitary force, the Mkhedrioni, existed beside the regular National Guard.\footnote{Cristoph Zürcher, *The Post-Soviet Wars* (New York: New York University Press, 2007), 137.} The Guard was authorized to consist of 12,000 trained men, but in reality was only comprised of 1,000. In the struggles it would fight, 5,000 to 6,000 would ultimately bear arms under its banner, but many of these soldiers were irregulars fighting when they decided to. In addition, the National Guard operated separate from the Georgian leadership of Gamsakhurdia, and both armed groups refused to vow allegiance to the president.\footnote{Ibid. 138-139.}

The first conflict broke out in South Ossetia in 1991, in a battle that on paper, Georgia should have been successful in. Here too, however, Georgia failed not because South Ossetia or its Russian backer was stronger, but because Georgia was facing internal turmoil and was weaker vis-à-vis the Ossetians and Moscow. On the battlefields of South Ossetia, Russia took an active part as well. The Ossetian rebels received significant assistance, in the forms of money, manpower, and supplies from their kin across the Russian border in North Ossetia.\footnote{Ibid. 148} While it is apparent that North Ossetia elected to aid their ethnic brothers in Georgia unilaterally, the Russian Federation apparently took no measure to stop such actions by their federal subject. It must be remembered, after all, that Moscow had taken sides in the Prigorodny conflict in 1992. Gamsakhurdia faced an armed coup attempt by the commander of the National Guard, Tengiz Kitovani, who refused to yield to the president’s authority. While conflict was waging in South Ossetia, Gamsakhurdia was ousted and fled to his Chechen exile. One of Shevardnadze’s first decisions upon his return to Georgia in early 1992 was over the conflict in South Ossetia.
Although a final military push would have been militarily feasible, Shevardnadze refrained, as he feared it would give the National Guard enhanced power, and especially as it would anger Russia. In turn for Russia’s assistance to ending the Ossetian conflict, Georgia accepted a Russian dominated peacekeeping force in South Ossetia, and a final decision on its political status was put off for later.\footnote{Aves, “National Security and Military Issues in the Transcaucasus,” 216.}

In Abkhazia, Tbilisi had agreed to continued autonomy for the entity, but the dispute was on how much self-rule would be afforded.\footnote{Tuft, “Multinationality, Regional Institutions, State-Building, and the Failed Transition in Georgia,” 134.} However, when these disagreements led to war in 1992, Russia played a more active part, both directly and indirectly. The conflict started in August 1992, as a Georgian military unit was sent to the Abkhaz capital of Sukhumi to liberate Georgian officials that had been taken hostage earlier. The Abkhaz leadership considered the mission to be a violation of their self-proclaimed dominion, and resisted. As may be remembered from the first chapter, fighters from Russia’s North Caucasus volunteered to fight alongside the Abkhaz rebels, with significant amounts of training and support by Russian military intelligence. Formerly Soviet army units stationed in Abkhazia, now under Russian control, gave further support to Abkhaz fighters. Shevardnadze, who had made a visit to Sukhumi in an attempt to inspire his troops at the last minute, was placed in a precarious position.\footnote{Slider, “Democratization in Georgia,” 172.} As Abkhaz fighters and their allies approached the Georgian positions, Shevardnadze was placed in a position where he was dependent on Russia for his own survival. Russian warships evacuated the Georgian president from the encroaching rebels, and issued terms to Shevardnadze in exchange for his flight from danger. In return, Shevardnadze accepted Russian peacekeepers in Abkhazia, and Moscow’s assistance in stopping Gamsakurdian loyalists within Georgia proper. In addition, Georgia was forced to join the Russian dominated Commonwealth of Independent States, and allow four Russian bases in the country. Russian analysts still take pride in this event, and describe Shevardnadze as being “humiliated,” and “on his knees.”\footnote{Gordadze, “Georgian-Russian Relations in the 1990s,” 35.} In the aftermath, Abkhazia, like South Ossetia, became a de-facto state, and celebrated its “independence.” To is important at this time to reiterate that ethnic Abkhazians only comprised 17% of the population in Abkhazia, and thus were dependent on significant help from the outside to drive back Georgian forces.
Politically weakened from military defeat and domestic turmoil, Georgia had no other choice but to acquiesce to Russian demands to maintain four military bases in the country. While the stationing of one country’s military forces in a foreign state is ordinary, especially for the United States, Georgia remained opposed to the Russian bases, but was in no position to refuse. These bases were agreed to in the “Treaty on Russian Military Bases on the Territory of the Republic of Georgia,” signed by both parties in September 1995. In addition to sanctioning Russian garrisons, the treaty also obliged Moscow to defend Georgia’s border security, and granted it exclusive influence in the training of Tbilisi’s armed forces. With Western military advisors thus officially banned, second-rate Russian units were in charge of the training of Georgian soldiers, which is a primary reason the Georgian military was of such low quality in the early years of the past decade. However, as Georgia had been pursuing a path independent of Moscow since the breakup of the USSR, it would hardly have served Russia’s interests by providing Georgia with a well trained military.

**Adjaria**

The bases that were agreed to were not to be set up random locations. Rather, they were set up in regions of Georgia with secessionist motives, or ethnic tension. One of these bases was established in Batumi, the port and capital city of the autonomous region of Adjaria. One could speculate that the presence of Russian troops in Adjaria, which borders Turkey, provided Moscow with a counterweight to its historic rival in Ankara. However, Adjaria is also an economically vital region as well. The port city of Batumi is site of a large oil refinery, the only one in all of Georgia. It was also expected to play an important role as an energy hub in the transportation of crude from the Caspian Sea. Batumi also serves as an exportation point for Azerbaijani oil, shipped from the terminus of the Baku-Supsa pipeline by railroad. Clearly, it was in Georgia’s interest in asserting control over the autonomous region of Adjaria, just as much as Russia would have been interested in keeping this refinery out of Tbilisi’s direct reach. The presence of Russian military troops in Adjaria would be a major hindrance to Tbilisi’s desires to assert control over the region.

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Early attempts by Tbilisi to revoke the autonomous status Adjaria had enjoyed during the Soviet era went nowhere. However, although South Ossetia and Abkhazia fought for independence, Adjaria desired nothing more than to retain its autonomous status within an independent Georgia. Under the leadership of Aslan Abashidze, the Adjarians succeeded in maintaining their internal sovereignty. Eventually, Abashidze began to run the autonomous republic as his own personal fiefdom, with the support of the Russian garrison sanctioned by the 1995 treaty. The Adjarian leader openly welcomed the foreign military presence, which he saw as a guarantee that the central government in Tbilisi would not attempt to use force against his rule. Abashidze even began to think of the Russian garrison as his own personal military force. With the support of these troops stationed in Batumi, Adjaria closed off the border it shared with the rest of Georgia. The Batumi garrison also allowed young Adjarian men to serve in its ranks, thereby reducing the numbers of potential conscripts for the newly established Georgian military.

However much Abashidze asserted that he did not seek to secede from Georgia, it is clear that he was not only fostering a state within a state. Rather, this Russian backed local strongman positioned himself as an alternative national leader. During the fighting in Abkhazia, Abashidze criticized Tbilisi’s decision to resort to force, and discussed negotiations directly with the Abkhaz rebels. In addition, he sought to play the role of a mediator, and strived to influence the warring factions not to jeopardize the security of the rest of Georgia, and especially Adjaria. In a later interview, he stated that “Adjaria is zealously preserving Georgia’s territorial integrity…we are distancing ourselves from those decisions which are harmful to Georgia.” An Adjaria delegation’s official visit to separatist Abkhazia was viewed with disdain in Tbilisi. Abashidze even accompanied Georgian diplomatic delegations on state visits to foreign capitals, and was viewed as a potential successor to Shevardnadze. Here it is worth reiterating that Abashidze pursued his own policies, internationally and with Georgia’s secessionist entities, because of the support given to him by the local Russian military forces.

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104 Ibid. 177.
105 Gordadze, “Georgian-Russian Relations in the 1990s,” 34.
107 Cornell, Small Nations and Great Powers, 177-178.
Armenians in Georgia

A second Russian military installation was established in a southern part of Georgia, along the borders with Turkey and Armenia. This region, known as Javakheti, is predominantly inhabited by ethnic Armenians, who compose 90 percent of the population. Despite its location within Georgian boundaries, the Armenian population of this region considers themselves to be Armenian rather than Georgian, and consider their capital to be in Yerevan, not Tbilisi. The accepted form of currency in this region is not the Georgian lari, but rather, the Russian ruble. Armenia, however, has not taken on the cause of the Armenians in Javakheti as it has in Nagorno-Karabakh, and it considers the matter an internal matter of concern of Georgian authorities. Yerevan’s refusal to take such a hard stance on behalf of its diaspora in Georgia is primarily due to the fact that it is dependent on Georgia for access to the outside world. Yet, the inhabitants do not openly challenge the central government in Tbilisi, out of a belief that as long as they lie dormant, their de facto autonomy. Because of their ethnic identification, the people of Javakheti have become pawns in a regional struggle over control of Georgia, and pipelines.

In late 1998, in an apparent bid to increase his own power and influence, Abashidze suggested that the two districts comprising Javakheti could be incorporated into Adjaria. While the Armenians of Javakheti had been pressing some demands for regional autonomy, Abashidze’s proposal was viewed by Georgian analysts as a plot orchestrated by Moscow to destabilize their country even further. This was a crucial time for Georgia, as the plans concerning the route of the future Baku-Tbilisi-Ceyhan pipeline were under negotiation. There is some support to the belief that Russia was attempting to disrupt the tense tranquility of the Javakheti region. The Russian military base established in the region’s capital, Akhalkalaki, was located close to the projected route of the BTC pipeline. As in Adjaria, the Russian presence was seen by the local inhabitants as a guarantee against any potential encroachments by Tbilisi to regain control over its territory. In a different way, however, the military base and the

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112 Cornell, Small Nations and Great Powers, 178.
local community depended on each other. In an economically deprived region such as Javakheti, the Russian base was the sole provider of health care, jobs, and money, not to mention a hub of local smuggling. A clear majority of the employees of the base were Armenian, and usually held a Russian passport. It is therefore of little surprise that discussion at the 1999 OSCE summit to close the Akhalkalaki garrison provoked unrest among the local populace.\(^{113}\) Georgia put up with the presence of these foreign troops, mostly because it feared that the garrison’s heavy weapons could have ended up in the hands of the locals. Indeed, it seemed by many to be too much of a coincidence that turmoil began to erupt in Javakheti in the autumn of 1998, right when the final decision of the route of BTC was under discussion.\(^{114}\)

From roughly 2000 on, an enhanced desire for increased autonomy has appeared in Javakheti, fuelled primarily by the poor economic conditions that afflicted all of the country at the time. Nationalist groups exploited fears of a Turkish threat, and were stalwartly against any withdrawal of the Russian garrison. While the calls for autonomy have subsided since the 2004 Rose Revolution, but continued to be against a pull-out of Russian troops. These groups are closely associated with the international Armenian diaspora and maintained close cooperation with the Russian base until its closure several years ago.\(^{115}\) However, as the closure of the base appeared imminent, the Armenian government pledged to work with Tbilisi in order to prevent the Armenian population of Javakheti from becoming unruly. One usually pro-Russian newspaper struck a similar chord, stating that their nation had to prevent their brethren in Javakheti from becoming "a tool in Moscow's hands," adding that "the Armenian-Georgian relationship is invaluable for Yerevan." Again, Armenia had to work with Georgia, considering how economically dependent it is on Georgia’s Black Sea ports.\(^{116}\) However, acts of regional cooperation will not diminish the threat of conflict in this area alone. Until Tbilisi takes notice of the demands and concerns of the local populace in Javakheti, the region has the potential to lead to ethnic warfare in the region, thus jeopardizing the security of the BTC pipeline.\(^{117}\)

\(^{113}\) Cornell, et al., *A Strategic Conflict Analysis of the South Caucasus*, 22.


\(^{115}\) (Cornell, et al., *A Strategic Conflict Analysis of the South Caucasus*, 23.


\(^{117}\) Hin, “Javakheti,” 35.
The resignation of President Boris Yeltsin on December 31, 1999 in favor of his successor, Vladimir Putin, marked a turning point in Russian relations with its southern neighbor. Upon taking office, Putin inherited a complex relationship with Georgia. The issues surrounding South Ossetia and Abkhazia were still unresolved, and Russia had recently agreed on an eventual withdrawal of its military bases. Despite this, Georgian President Eduard Shevardnadze continued to play the ‘Russian threat’ card in domestic politics, and had roused Moscow’s disappointment when he agreed to host a stretch of the BTC pipeline. Convinced that relations could not be improved, Putin decided that Shevardnadze had to be replaced with a leader who would be more pliant to Russian interests. Energy was considered a potential way to reinforce political opposition to Shevardnadze. Moscow enacted cuts in natural gas supplies destined to Georgia. In addition, a new visa regime targeting Georgia was emplaced.\textsuperscript{118} Putin had another reason to hold Shevardnadze in disdain and push for his ouster, however. The Georgian leader had pursued a relationship with the West following Moscow’s first misadventure in Chechnya. Indeed, Shevardnadze had begun fostering relations with Grozny, and the Chechens were interested in building a road to Georgia in order to end its geographical isolation.\textsuperscript{119} However, it was the attacks of September 11, 2001 that were to have more ramifications for relations between Moscow and Tbilisi.

The start of the Second Chechen War witnessed a renewed Russian push to reintegrate Georgia into its sphere of influence. Moscow demanded the right to fly its warplanes through Tbilisi’s airspace in missions to Chechen targets, which was met with a rebuke from Shevardnadze, who was by now weary of a greater Russian military presence in his country. This denial infuriated Putin, who in turn ordered airstrikes on the Georgian side of the border with Chechnya. Moscow further accused Georgia of acting as a transit route for fighters en route to Chechen battlefields, and of supplying munitions to the rebels. In particular, Georgia’s Pankisi Gorge was portrayed as being a safe haven for Chechen and foreign Islamic fighters. Despite the lack of evidence, Russian officials stuck to their claims of alleged Georgian involvement. These propaganda moves were unsuccessful in luring Tbilisi to cave to demands, but they were somewhat successful in portraying Georgia as a weak state incapable of securing

\textsuperscript{119} Gordadze, “Georgian-Russian Relations in the 1990s,” 40.
its borders to the international community.\textsuperscript{120} With the 2001 attacks on the United States, Shevardnadze portrayed his country as being under threat from a terrorist threat in its Pankisi Gorge, and pleaded for American support in an October 2001 visit to Washington. These claims were backed up by some talk that terrorists might endanger the construction of the BTC pipeline, which put more urgency to the matter.\textsuperscript{121} The U.S., seeking to avoid a potential Russian incursion into Georgia under the pretext of fighting terrorism, initiated a military training program with Georgia. Under the aegis of the newly established Georgia Train and Equip Program (GTEP), Washington dispatched 150-200 soldiers to train Georgia’s inept force. Although Moscow could not publicly denounce a foreign mission sent to combat the alleged threat in the Pankisi Gorge, through its own actions, Russia had brought an American military presence close to its borders, something it did not desire. In addition, it strengthened Russia’s views that Shevardnadze was adamantly pro-American, and a nemesis to Moscow’s interests.\textsuperscript{122} Israel too began playing a part in Georgia, as Israel defense contractors began supplying weapons systems to Tbilisi, ties that the Israeli government was eager to downplay in the wake of the 2008 war with Russia.\textsuperscript{123} Having failed to oust Shevardnadze with claims of Chechen militants, Moscow increased efforts to undermine Tbilisi through Abkhazia and South Ossetia.

**Abkhazia**

Another place where Russian troops were deployed was in the separatist region of Abkhazia. Strategically, it possesses no oil refineries like Adjaria, and is not in the potential route of a major pipeline as Javakheti is. However, Abkhazia is still strategically important, partly because of its location on the Black Sea. During the Abkhazian war in the early 1990s, Russian Defense Minister Pavel Grachev commented on the region’s importance to Moscow when he remarked that “we can’t leave Abkhazia, because then we’d lose the Black Sea.”\textsuperscript{124} With its ports on the Black Sea, a Russian presence in Abkhazia would give Moscow access to warm waters, a Russian dream since the days of Peter the Great. Militarily, control over Abkhazia would provide Moscow with a potential base for its naval fleet stationed in the

\textsuperscript{120} Ibid. 41-42.
\textsuperscript{122} Gordadze, “Georgian-Russian Relations in the 1990s,” 43.
\textsuperscript{124} Gordadze, “Georgian-Russian Relations in the 1990s,” 37.
Ukrainian port of Sevastopol, should Ukraine permanently oust its Russian guests. In addition, a Russian presence in Abkhazia may be based on ethnicity. Ethnically, the Abkhaz are related to the Adyge and Kabardin peoples, both of which can be found in Adygeya and Kabardino-Balkaria in the North Caucasus. Thus, it is possible that Russian thinking is that influence over Abkhazia might persuade the related nationalities in the volatile North Caucasus to support continued Russian rule over their regions. Since the conclusion of the Abkhaz war of the 1990s, and the peace terms imposed upon Georgia, the region had enjoyed de facto independence. However, Russia felt motivated to bring a resolution to the crisis in the late 1990s, when oligarch Boris Berezovsky, then head of the CIS, proposed an alternative pipeline. His proposed pipeline would have originated from the shores of the Caspian Sea, and would have bypassed Chechnya by transiting through Georgia, Abkhazia, and then to Russia. The plan went nowhere, but Russia realized that Abkhazia, along with South Ossetia, could serve as levers of influence against the government in Tbilisi. By propagating institutions of statehood in the separatist regions, Russia could keep the likelihood of future conflict alive, and thus easily make Georgia look too unstable for Western-backed pipelines.

In 1994, in the aftermath of the Abkhazian war, Russia imposed economic sanctions, mostly due to strong insistence from Tbilisi. However, with Vladimir Putin’s accession to the premiership in 1999, and began on his own foreign policy. With this change, Russia unilaterally lifted a ban on men of military age from crossing into Abkhazia from the Russian border, a ban that had been imposed by the CIS three years prior. In the same year, Moscow unilaterally lifted the blockade of Abkhazia, helping the economy of the separatist region to stabilize. By the spring of 2008, roughly eighty percent of Abkhazians held Russian citizenship, allowing them to draw pensions from the Russian Federation. Abkhazia had become so dependent on Russia for its basic needs and finances that Sukhumi’s foreign minister stated that his de facto republic was a “Russian protectorate...just like Georgia is an American protectorate.”

126 Gordadze, “Georgian-Russian Relations in the 1990s,” 40.
129 Ibid. 494.
Despite being governed by its first president, Vladislav Ardzinba, in an autocratic fashion, Abkhazian politics in its de facto independence have been more stable than its South Ossetian counterpart.\textsuperscript{130} Political opposition to the government enjoyed good popularity, especially its media sources. In addition, multiple political parties have grown in the region, with truly competitive elections taking place.\textsuperscript{131} These contested elections have been a primary reason why Moscow has been less successful in influencing the political course of the region as it has been in Tskhinvali. Despite Ardzinba’s assertions in 2004 that the opposition would push for an Abkhaz reintegration into Georgia, such fear mongering did not hinder the success of the opposition candidate in the 2004 presidential election.\textsuperscript{132} In the first round of the election, opposition candidate Sergei Bagapsh came ahead of the Russian backed candidate, Raul Khadjimba. The aftermath of this preliminary round led to a crisis that carried the potential to lead to violence. Yet, although Moscow’s preferred candidate failed to come ahead in the polls, the Kremlin still managed to play a role in the resolution of the crisis. A Russian team composed of the First Deputy Prosecutor-General and the deputy speaker of the State Duma negotiated a settlement in which the rivals would run on the same ticket, with Bagapsh as president, and Khadjimba as his vice-president running mate. Officially, both men claimed that they had joined together in order to avoid violence. Unofficially, however, they had little choice, considering that Russia had imposed an economic blockade that had cost the region its main sources of revenue. With the Russian brokered agreement reached, Moscow lifted its sanctions.\textsuperscript{133}

Following the death of Bagapsh in late May 2011, early elections were mandated to take place in Abkhazia. In the ensuing campaign, three main contenders ran for the presidency. Vice President Alexander Ankvab (who had succeeded Khadjimba), Prime Minister Sergei Shamba, and Khadjimba, ran against each other for the separatist republic’s top post. However, as in 2004, Russia would have an indirect role as well as a preferred candidate. On August 10, a Moscow newspaper published a story alleging that Ankvab had collaborated with Georgian forces during the conflict in the early 1990s. Five days later, the same accusations were appeared in a video shown by some of Shamba’s supporters. By now, Shamba was seen as the

\textsuperscript{131} Ibid. 160.
\textsuperscript{132} Ibid. 168.

most pro-Russian of the three candidates, which led to rumors that Moscow was attempting to tarnish the reputation of Ankvab, who went on to win the contest. Regardless, however, the special election held little interest among ordinary Abkhazians, many of whom were more excited about taking part in the upcoming Russian parliamentary elections, which their Russian passports allow them to take part in.\textsuperscript{134}

**South Ossetia**

South Ossetia is a region that has little natural resources, and is not of close proximity to any pipeline routes. However, despite its lack of natural resources, it is of significant strategic importance. The simple reason for this is that the Greater Caucasian Mountains serves as a natural border between the North and South Caucasus, and the only major highway connecting the North and South Caucasus runs through South Ossetia.\textsuperscript{135} Thus, control over South Ossetia is essential for whoever seeks to have significant influence over both the North and South Caucasus. Moscow is interested in South Ossetia for this reason, and in addition to the natural fact that South Ossetia is inhabited by the same ethnic group that inhabits North Ossetia within Russia. As North Ossetia is the only republic in Russia’s North Caucasus that is adamantly pro-Russian, Moscow would have an incentive in strengthening the Ossetians as a counterweight to the nationalist sentiments among other North Caucasian peoples. Moscow is not interested in South Ossetia per se, but rather, what the region represents, which is an internationally recognized region of Georgia that could serve as a way to destabilize the government in Tbilisi.

In November 2000, about a year after his accession to the Russian presidency, Putin announced a new policy, enacting legislation requiring entry visas from all Georgians entering Russian territory. This policy was a clear violation of CIS regulations on visas, but also biased in who it targeted. Although Russia still recognized Abkhazia and South Ossetia, it exempted these two regions, and Adjaria, from the new visa requirements.\textsuperscript{136} The unequal implementation of visa requirements was only a start in Moscow’s attempt to exert more influence over South Ossetia, however. Moscow next targeted the seat of power in the South Ossetian capital of


\textsuperscript{135} Shaffer, “Geopolitics of the Caucasus,” 133.

\textsuperscript{136} Illarionov, “The Russian Leadership's Preparation for War, 1999-2008,” 51.
Tskhinvali. Chibirov was leaning towards a political compromise with the Georgian government, and would be unlikely to do much bidding for the Kremlin.

In the years between the end of the South Ossetian war and the rise of Vladimir Putin, relations between Georgia and the Ossetians had begun to normalize. In 1999, the president of the separatist entity, Ludvig Chibirov, and Shevardnadze signed the Baden Document, which would have laid the foundation for future cooperation between South Ossetia and Georgia. Chibirov was even willing to agree to a reintegration of his region back into Georgia, in exchange for greater autonomy. By his willingness to work on a peaceful conclusion to the tensions with Tbilisi, Chibirov had sealed his own political fate, as the change in Moscow’s leadership had embarked on a different set of policies on relations with South Ossetia.

In its own bid to control South Ossetia, Russia would take an active role in the 2001 South Ossetian presidential elections. In February of that year, an officer of the Russian secret service prepared a conference called the “Meeting of Four,” composed of himself and leading South Ossetians who were deemed to be the most radical. The three South Ossetians were Gerasim Khugaev, Tskhinvali’s former trade envoy to Moscow; Alan Chochiev, a former two-term South Ossetian prime minister; and Eduard Kokoity, who was known as a businessman and a professional wrestler. The conference was to determine which of the three men would be more suited to run in the upcoming elections against Chibirov. In the aftermath of the meeting, Chochiev was decided against, and Khugaev would not have met the requirements to stand as a candidate. Thus, Moscow was stuck with supporting Kokoity to face off against Chibirov. Kokoity was aided in his campaign by a powerful political clan, the Tedeyeves, who had gained considerable influence in the preceding years. The two main members of the clan, Albert and Jambulat, had gained in stature and wealth during their political alliance to Chibirov. Albert had served a term as the head of the security organ in Tskhinvali, while Jambulat was a world wrestling champion, and coach of the Russian national team. Despite being related to Chibirov, the brothers had grown tired of the incumbent president, and decided to financially back Kokoity in the 2001 election. Their decision to support Kokoity may have been motivated by a business partnership they had reached with Kokoity while in Moscow.

137 Ibid. 52.
138 Ibid. 51-52.
South Ossetian politics under the leadership of President Kokoity bear more in resemblance to a political machine in an American city, than a self-proclaimed independent republic. The best description may come from Russian journalist Yulia Latynina, who stated that “South Ossetia is not a territory, nor a country, nor a regime. It is a joint venture of siloviki generals and Ossetian bandits for making money in a conflict with Georgia.”

After engineering Kokoity’s succession to the South Ossetian presidency, Moscow took an active role in fostering his regime as a way to undermine the government in Tbilisi. In the years preceding the outbreak of war in August 2008, Russian policies were aimed at integrating South Ossetia within the Russian Federation in an effort to weaken Tbilisi, all while officially recognizing the separatist region as a part of Georgia.

Following Kokoity’s defeat of Chibirov, the Tedeyev brothers were rewarded for their patronage with being named customs officials overseeing the Transcaucasian highway, the important lifeline connecting the North and South Caucasus, which had become a haven for smuggling. A few years after taking power, Kokoity sought to strengthen his grip on the levers of power by establishing control over the region’s parliament. Setting his sights on the Communist speaker of the parliament, a pro-Kokoity political party was established. The new party, called “Unity” was modeled after the Russian party of power, Putin’s “United Russia.” However, Unity was not just a political party; it was designed to serve as a vehicle for Kokoity’s initiatives. The ultimate objective was to ensure that one party controlled the legislature, to ensure that it became a “ministry of passing laws,” rather than a separate branch of government.

With a slogan of “Our Path is to Russia,” it was clear in the lead up to the 2004 parliamentary elections which way Kokoity’s new party would lead. Kokoity himself shared this sentiment in the run-up to the elections, when he stated in an interview that "our integration with Russia is now closer than ever and no one will force either me or my nation to deviate from this path." Indeed, political analysts asserted that the elections were playing to a script that had been written in Moscow.

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141 Dzugayev, “South Ossetia: President Builds Power Base.”
142 Ibid.
The tiny enclave even established its own spy agency, named the KGB, much like the Soviet era security agency. However, despite being under the auspices of the government in Tskhinvali, the South Ossetian KGB is manned and operated by personnel by its Russian counterpart, the FSB.\footnote{Preobrazhensky, “South Ossetia: KGB Backyard in the Caucasus,” 4.} In the aftermath of the 2008 conflict, the South Ossetian KGB has gained more importance, as a tool to spy on foreign interests in Georgia.\footnote{Ibid. 5.} More importantly for Moscow, however, the fact that its own agents are involved in espionage under Tskhinvali’s banner enables Russia to undertake surveillance operations of Tbilisi while maintaining innocence.\footnote{Ibid. 3.}

Russia has also used South Ossetia to undermine Tbilisi’s through corruption as well. South Ossetia has long been known to be a haven for smuggling, and of key importance is the Transcaucasian highway. In Tskhinvali’s eyes, however, traffic along the highway from Russia is not smuggling, as it insists that customs duties were paid to both Russia and South Ossetia. Smuggling along the highway through South Ossetia attempted to undermine Georgian national security, created powerful crime families, and exposed the rampant corruption among members of Georgian law enforcement bodies.\footnote{Alexandre Kukhianidze, Alexandre Kupatadze and Roman Gotsiridze, Smuggling Through Abkhazia and Tskhinvali Region of Georgia, (Tbilisi: Transnational Crime and Corruption Office, 2004), 5. Available: \url{www.conflicts.rem33.com/images/Georgia/crim_geor_kukhian_kupatad.pdf}.} Tbilisi allowed this activity to continue for a long time, including a large market that operated at the town of Ergneti, a town at the South Ossetian border with Georgia proper.\footnote{Kolsto and Blakkisrud, “Living with Non-recognition,” 497.} This market presented the government in Tbilisi with a paradox. On one hand, the international community, including Moscow, recognized South Ossetia as being a part of Georgia. Yet, Georgian customs officials were not allowed to collect taxes or tariffs within South Ossetia, something that was detrimental for the Georgian state.\footnote{Kukhianidze, Kupatadze and Gotsiridze, Smuggling Through Abkhazia and Tskhinvali Region of Georgia, 18-19.} The market was allowed to operate for many years by corrupt Georgian officials, as the governors of regions bordering South Ossetia were involved in the illegal marketplace, and thus profited from its operations.\footnote{Natalia Mirimanova, ed. by Diana Klein, Corruption and Conflict in the South Caucasus, (International Alert: 2006, 18. Available: \url{www.caucasusbusiness.net/sites/default/files/corruption_and_conflict_in_the_sc.pdf}.} According to Georgian law, it was illegal for products to flow into South Ossetia without the imposition of taxes, but Russian personnel were complicit in the activities. In fact, Russian customs officials were allied with the Moscow-dominated peacekeeping force in the...
separatist region, and Russian troops in the force regularly accepted bribes to allow the safe transit of freight trucks into the market area. ¹⁵¹ For South Ossetia, the existence of the Ergneti bazaar was the primary provider of the de facto government’s budget. Various border agents from both sides were engaged in the smuggling operation in its years of operation. The smuggling of flour was especially profitable, as a huge difference in flour prices in Ergneti and other parts of Georgia was so vast. Russian companies were especially busy in this illegal trade, as sixteen companies from the Krasnodar and Stavropol regions imported flour into South Ossetia for eventual sale in Ergneti. In some cases, Russian flour was brought in with forged documents, and taken to Georgian mills, where the flour was repackaged into Georgian sacks with appropriate labels, and sent to Tbilisi, following bribes made to traffic police. Eventually, the smuggling grew to be so rampant that according to the Georgian National Security Council, seventy percent of flour consumed in the country was foreign, and of that, 35-40 percent was smuggled. ¹⁵²

The negative impact of the Ergneti market and its activities were well known to the officials in Tbilisi, as well as its potential to destabilize the government. As early as 1999, then President Shevardnadze signed a decree that placed a customs point in the town of Gori in order to collect customs duties on goods from South Ossetia. Initially, this, along with increased cooperation between law enforcement agencies, led to a remarkable increase in the customs collected. However, corruption among Georgian officials led to the breakdown of this effort, to the point that it was no longer working. In addition, attempts by the government to place oversight over the importation of goods from Ergneti angered local residents on the Georgian side of the border. For these residents, the operation of the market provided means of employment as loaders or drivers. For local consumers, the market allowed them to purchase inexpensive goods that would have cost more at other markets.¹⁵³ For Georgia, there was no way to legally sanctify the activities involved with the Ergneti market, and in June 2004, it was finally shut down by the officials in Tbilisi.¹⁵⁴

The Russian involvement in South Ossetia extended into its civil and governmental functions as well. The official language of the region is Russian, and the ruble is the official

¹⁵¹ Kukhianidze, Kupatadze and Gotsiridze, Smuggling Through Abkhazia and Tskhinvali Region of Georgia, 19.
¹⁵² Ibid. 20.
¹⁵³ Ibid. 20-21.
¹⁵⁴ Mirimanova and Klein, Corruption and Conflict in the South Caucasus, 20.
currency used in business transactions within the separatist region. In the most well-known example of Russian involvement, the inhabitants of Abkhazia and South Ossetia were allowed to apply for Russian passports. By February 2004, 95 percent of South Ossetians possessed passports issued by Moscow, which officially made them Russian citizens.\(^{155}\) The possession of this citizenship allowed the people of South Ossetia to even vote in the 2004 Russian presidential election, four years before Moscow officially recognized the region’s independence from Georgia. It is believed that close to 100 percent of the South Ossetians that held passports issued by Moscow voted in the 2004 Russian elections, a greater percentage than would take part in the elections for their own de facto government in Tskhinvali.\(^{156}\)

Increasingly, however, the South Ossetian regime became permeated with Russian influence, so much that many leading officials in Kokoity’s government were Russian citizens appointed by Moscow. Many officials in the South Ossetian government are not originally from South Ossetia, but are Russian. In the ensuing years, many Russians, including FSB agents and military officers, have been appointed to top positions within the government in Tskhinvali. The natural path for this behavior is that a Russian military officer serving within Russian borders would be appointed to serve as defense ministers in Tskhinvali. Likewise, the previous occupation for the chief of the South Ossetian KGB is as an officer within the Russian equivalent, the FSB.\(^{157}\) In a notable instance that clearly demonstrates Moscow’s partiality, Vasily Vasiljevich Lunev, a top commander in the Russian military, was appointed to serve as South Ossetia’s Minister of Defense in early 2008. However, on August 9, 2008, he was also appointed as commander of Russia’s 58th Army, the primary combat force engaged in the 2008 conflict in Georgia.\(^{158}\) Lunev replaced General Anatoly Khrulev, who was an early casualty of the fighting between Russia and Georgia.\(^{159}\) Another top position, that of South Ossetian Prime

\(^{157}\) Illarionov, “The Russian Leadership’s Preparation for War,” 81-82. For a more exhaustive listing of Russian officials serving in top posts in South Ossetia, see Illarionov.
\(^{158}\) Ibid., 82.
Minister, is currently held by Vadim Brovtsev, a Russian who previously to his appointment, had no connection to South Ossetia.  

Russian dominance of South Ossetia extended into its political elections as well. As already examined, Moscow set up its preferred candidate, Eduard Kokoity, to win the 2001 presidential race. Five years later, Moscow had a direct role in Kokoity’s reelection that coincided with a referendum on the territory’s status. Meanwhile, Tbilisi ran an “alternative” election, hoping to exploit dissent within the rebel enclave towards Kokoity’s regime. Despite criminal charges against the “alternative” candidates by the government in Tskhinvali, the parallel contest took place, with Dmitry Sanakoyev taking a form of endorsement from the Georgian government. Sanakoyev had previously served as defense minister and as a prime minister under Kokoity’s predecessor. These alternative elections were organized by the pro-Georgian Union for National Salvation of Ossetians, and 23,000 ballots were cast. Sanakoyev received the most votes, at 94 percent, and an equal percentage of votes affirmed the alternative referendum question “do you agree that South Ossetia should hold talks with the Georgian government on being part of a federal (Georgian) state?”

Meanwhile, the elections organized by the Kokoity regime and its Russian sponsors proceeded as well, with Kokoity being reelected with 98 percent of the votes cast, according to the figures released by the Tskhinvali authorities. Similarly, 99.9 percent supported the referendum question “do you agree that the Republic of South Ossetia should retain its current status as an independent state and be recognized by the international community?” Although the referendum did not ask voters if they supported South Ossetia joining the Russian Federation, authorities in Moscow were behind the scenes. Various declarations by Russian authorities in the Ministry of Foreign Affairs and Duma stated that the referendum question was worded

carefully, seeking to encourage international acceptance of South Ossetia’s “independence.” Other Russian statements claimed that the referendum results could not be ignored by foreign nations, and that they must be accepted in future negotiations. Kokoity went further, by stating that his reelection and the referendum results were a “first step toward South Ossetia’s unification with North Ossetia.”

As the years progressed, Moscow became increasingly aggressive and blatant in its treatment of South Ossetia and Georgia. Although Russia still maintained a contingent of troops in both Abkhazia and South Ossetia as peacekeeping forces, Moscow had no interest in seeking to settle tensions. To the contrary, Russia was determined to maintain the status quo and aid the separatist regimes in order to maintain leverage over the central government in Tbilisi. The Rose Revolution of late 2003 witnessed the ouster of Shevardnadze, and his replacement by the pro-American Mikheil Saakashvili. Despite the Kremlin’s disdain for Shevardnadze, it launched an attempt to rescue his regime, hoping it would bring the Georgian leader back into Moscow’s orbit. However, it was too little, and Shevardnadze’s fall was followed by the accession of an American ally. Within months, Saakashvili initiated a successful attempt at ousting Adjaria’s Abashidze and reincorporating the region within Georgia proper. Moscow declined to come to the aid of its puppet in Batumi, perhaps hoping that it would warm Saakashvili to Russia. Indeed, shortly after the ouster of Abashidze, Saakashvili expressed his gratitude to Putin for not interfering in Adjaria. Putin responded by stating that the Georgian leader should "remember, we did not intervene in Adjaria, but you won't have any gifts from us in South Ossetia and Abkhazia."

Russia’s support for the rebel entities became more apparent and conspicuous to outside observers. On an official state visit to Tbilisi, Moscow’s foreign minister, Sergei Lavrov, declined to take part in a ceremony honoring Georgian victims of the war in Abkhazia. Later, however, he hosted the foreign ministers of both Abkhazia and South Ossetia, as well as the

164 Ronald Asmus, A Little War that Shook the World: Georgia, Russia, and the Future of the West. (New York: Palgrave Macmillan, 2010), 78.
165 Gordadze, "Georgian-Russian Relations in the 1990s," 45.
separatist Transnistria region of Moldova. The very next day, President Putin entertained the leaders of Abkhazia and South Ossetia at his Sochi home. Moscow even began to assist the rebels in exacerbating existing tensions. In the summer of 2004, Georgian officials stationed in the contested territory intercepted a truck convoy carrying armaments from Russia bound for Tskhinvali. The next day, fifty Georgian troops serving as a part of the peacekeeping contingent were forced to get on their knees in the rebel capital, as artillery shelled Georgian villages and border posts. In an official Russian news report of the incident, a news anchor bragged that “we’ve organized a trap for the Georgians. This time, it seems, they’ve walked into it.” In its official version of the events, the Russian government blamed Georgia for what happened, and vowed to defend its ‘citizens’ in the rebel territory. Scuffles would continue until late that August, when Tbilisi was compelled to withdraw its troops from South Ossetia.

When examining the steps Russia took in Georgia’s separatist regions of Abkhazia and South Ossetia, it seemingly appears that Moscow was working with sovereign states to defend them and to build up their state structures. That may have been how officials in Sukhumi and Tskhinvali viewed Russian involvement, and perhaps how Moscow saw it. However, it is worth reiterating that at the same time, the Russian government officially recognized them as integral parts of Georgia. Moscow would not officially recognize the two entities as being independent until August 2008, in the aftermath of the brief war that month.

168 Ibid. 59.
169 Ibid. 56-57.
CHAPTER FOUR: THE 2008 WAR AND ITS REPERCUSSIONS

In February 2008, the Serbian province of Kosovo unilaterally declared its independence, nine years after the end of the war that had placed the province under international jurisdiction. Shortly afterwards, Western nations recognized Kosovo’s independence, prompting Putin to declare that Kosovo’s declaration of independence created a “precedent.” Undoubtedly, Putin had Georgia’s two separatist regions in mind when he stated this. However, even before Kosovo’s unilateral declaration, the Russian government was planning to use South Ossetia and Abkhazia as its responses to a potential recognition of Kosovo by Western nations. In December 2006, a month following the South Ossetian elections, the Russian Duma passed resolutions calling for recognition of the independence of South Ossetia and Abkhazia, and for their integration within Russia. More importantly, however, the Duma apparently intended on giving further encouragement to the rebel governments to bring them further into Russia’s sphere. Although the Russian government refrained from recognizing the independence of the two regions, the resolutions helped lay the foundation of the war to come.

During the early months of 2008, tensions began to rise between Moscow and Tbilisi over the separatist regions of South Ossetia and Abkhazia. Accordingly, in April of that year, Moscow announced it was doubling the size of its peacekeeping contingent from 1,500 troops to 3,000. Tensions rose further when the Abkhazian army of 10,000, led by Russian officers, was mobilized for active duty. The next month, Russia dispatched a contingent of 400 railroad troops to Abkhazia with the mission of repairing railroad tracks and bridges leading from the border with Russia. Two months later, in July, these troops were withdrawn from the rebellious Georgian region, with their tasks complete. While this is a seemingly irrelevant fact, it says a great deal about the preparations Moscow was pursuing. The Russian military relies on railroad links to transport their tanks and heavy equipment, not highways. The deployment of the contingent was not lost on the international scene either. Moscow justified the presence of these specialist soldiers as being part of the peacekeeping contingent in Abkhazia. NATO’s leadership

called the move a violation of Tbilisi’s territorial integrity, and called for their removal. The European Union went a step further, when its parliament passed a resolution calling the placement of these railroad repair troops in Abkhazia a display that Russia had lost its “role of neutral and impartial peacekeepers.”³ That same month, as the railroad unit departed Abkhazia, the Russian naval fleet stationed at Sevastopol in Ukraine departed its moorings in order to take part in the planned military exercises, Kavkaz-2008. Moscow’s armada was also carrying military troops aboard its ships, and landed some of them at Ochamchire, Abkhazia, close to the border with Georgia proper.⁴

The Kavkaz-2008 exercises were being carried out as a simulated “anti-terrorist” operation, according to Moscow’s official line. However, the commander of the Russian military’s North Caucasus Military District, who oversaw the exercise, exposed that the operation was also meant to assist Russia’s peacekeepers in Abkhazia and South Ossetia, given the recent turmoil in these regions. Across the border, the U.S. was leading its own military exercise outside of Tbilisi, involving units from Georgia, Armenia, Azerbaijan, and Ukraine.⁵ Later, in August 3-5, some 800 South Ossetians, mainly women and children, were moved from their homes to North Ossetia across the Russian border. The South Ossetian officials in Tskhinvali claimed they were being evacuated from their homes in case the increasing tensions led to all-out war. However, the republican leadership of North Ossetia issued claims to the contrary, stating that the South Ossetians were being taken to a previously planned summer camp in North Ossetia.⁶

Just a couple of days later, the war in South Ossetia started, and additional Russian forces came streaming across the border through the Roki Tunnel. Officially, the Kremlin stated, and it still maintains, that it intervened against the Georgian army in South Ossetia in order to protect its “citizens” in South Ossetia, and to prevent a humanitarian disaster. The remainder of this thesis will not seek to discover who started the conflict—whether it was Tbilisi or Moscow—because that is irrelevant and confusing at best. Instead, it appears that the war was expected, if not preplanned, by Moscow authorities. Officially, Russia intervened on behalf of the people of South Ossetia. However, Moscow expanded the war using Abkhazia as a launching point,

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⁴ Felgenhauer, “After August 7,” 171-172.
⁵ Popjanevk, "From Sukhumi to Tskhinvali,” 148.
⁶ Ibid. 149.
seizing the vital Georgian anchorage of Poti, which was also the home port of the Georgian Navy. Instead, however, the war may have had other motives. A clear fact that Russia was not the impartial actor it portrayed itself as being was that Tskhinvali’s defense chief, Vasily Vasiljevich Lunev, was appointed as commander of Russian troops in Georgia shortly after Moscow’s intervention. The previous commander of the 58th Army, Anatoly Khrulev, was wounded early in the struggle. Thus, for most of the conflict between Russia and Georgia, Lunev was serving both South Ossetia and Russia, hardly an indicator of the impartiality Moscow would portray. Andrei Illarionov, who for five years served as Putin’s senior economic advisor, claimed a few months after the war that the primary objective of Russian forces was to oust Georgian President Mikheil Saakashvili. According to Illarionov, Moscow had been planning the conflict since 2004.

Mr. Illarionov’s claims verify that Russia had been using Georgia’s separatist regions in attempts to undermine the government in Tbilisi, as illustrated in the previous chapter. If Illarionov’s assertions are correct, then it would be seem that Moscow could not wait any further for natural causes to stir a coup, and decided to intervene directly. Illarionov further maintains that the original casus belli cited by Moscow - the deployment of Georgian troops in South Ossetia - was a preemptive move by Saakashvili. The large numbers of Russian troops entering the rebellious territory led to a growing concern in the Georgian government as to what Moscow was planning. Apparently, Saakashvili ordered the attack after he realized the threat, and evidently sought to secure Tbilisi’s rule over South Ossetia and preclude its use as a staging ground. There is some evidence to support the notion that Russia’s ultimate objective was the ouster of Saakashvili, as Russian troops were headed towards Tbilisi, and had occupied the vital port of Poti by the time the French negotiated ceasefire took effect. Russia still maintains a military presence in the disputed regions, and is strengthening its presence, rather than removing it, as mandated by the ceasefire agreement. In a recent article, the Georgian Vice-Prime Minister Giorgi Baramidze lambasted Moscow for violating the terms of the deal with its continued troop

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7 Civil Georgia “Reports: Senior Russian Military Commander Injured.”
The United States Senate expressed a similar sentiment. In a rare act of bipartisanship, the upper house of the U.S. Congress passed a resolution on July 29, 2011, recognizing Georgia’s territorial unity, with South Ossetia and Abkhazia as being “occupied by the Russian Federation.”

The legality of Russia’s continued military presence in the two regions ultimately depends on how one views the status of the entities. Instead of obliging the ceasefire agreement and withdrawing its troops from South Ossetia and Abkhazia, Russia took a different route. Moscow’s ultimate objective, ousting the Georgian government in Tbilisi, had been stopped by the French-mediated ceasefire. President Medvedev unilaterally recognized the independence of the two regions, a step that gives Moscow legitimacy in keeping its forces within Georgia’s internationally recognized borders. By recognizing the independence of these two regions, Russia would have been able to exclude itself from troop limitations if they had still been designated as “peacekeepers.” Instead, by recognizing them and establishing relations, Moscow would have been able to sign basing agreements with separatist leaders, allowing it to move more troops and equipment into these territories. Medvedev himself implied this in an interview on the third anniversary of the conflict, when he stated that “the essence of it (recognizing their independence) was to recognize the territories as subjects to international law so we could protect them,” and that “the (ceasefire) plan said nothing about Russia not recognizing Abkhazia or South Ossetia.” It comes without explanation that the only way Moscow could defend the two separatist regions is to keep troops stationed within their borders.

**Repercussions of the War on the Region**

The Baku-Tbilisi-Ceyhan oil pipeline was a major source of discussion during and after the events of August 2008, as was the future of other future pipeline projects championed by the West. On one side of the coin is the argument that the war never was about energy supplies. A central aspect of this argument is the assertion that Russia never attempted to bomb the pipeline.

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during the conflict, and was reluctant to target them. However, it would have been foolhardy for Moscow to deliberately target an important artery as the BTC, as it would have invoked anger from Turkey, a nation that Russia needs as a consumer for its own gas pipeline projects. Further, an open attack against the BTC line would have stirred a harsher response from the U.S. Quite simply, a deliberate attack on the BTC would have been too open of an act of bellicosity, especially when Moscow portrayed the conflict as having a humanitarian purpose. While it is true that Russian forces did not openly target pipelines crossing Georgian territory, there were still dangers evident with the pipeline. Prior to the outbreak of the conflict, an unidentified source in Abkhazian intelligence forecasted the likelihood that “specially trained diversionaries may blow up the Baku-Tbilisi-Ceyhan pipeline.” Further, Russia may not have openly bombed the BTC pipeline, but its actions were designed to have in impact in the pipeline’s source, Georgia’s neighbor of Azerbaijan.

As discussed in the beginning of the previous chapter, in order to influence the route of future pipelines originating in Azerbaijan, Russia does not need to control the entire South Caucasus. Because of the dependency of Armenia and especially Azerbaijan on Georgia, Georgia is the key. Poti especially is important for the trade of the region, and its seizure by Russian forces during the conflict demonstrated its vulnerability. Indeed, there are many Azerbaijani analysts who are convinced that Moscow’s actions were deliberately designed in order to pressure Baku to come more in to Moscow’s fold. Like its neighbor, Baku had been interested in enhancing its cooperation with the NATO military alliance and furthering its integration into European structures. Despite its tendencies to make inroads towards the West, Azeri officials had strived to maintain cordial relations with Moscow. However, the outcome of events in Georgia was to be more important for Baku than actions in Russia, given Georgia’s position as Baku’s lifeline to the world. If Tbilisi had been successful in reintegrating its separatist regions back into its fold, Baku would have felt strengthened to resolve the unresolved

15 Illarionov, “The Russian Leadership's Preparation for War,” 75.
conflict with Armenia over Nagorno-Karabakh. It was because of this close association and reliance on Georgia that when Georgian forces first went into South Ossetia, Baku announced its desire to see the conflict resolved with Georgia’s territorial integrity intact.\textsuperscript{17}

Georgia’s quick defeat by Russian arms left Baku feeling more apprehensive about pursuing a pro-Western path. More importantly, it persuaded vast segments of the Azeri population that it was Russia, more than any other power, held the keys for the resolution of conflicts in the South Caucasus.\textsuperscript{18} Psychologically speaking, the attitude of the Azeri population was affected by the conflict as well. A bombing of a mosque on August 17, 2008- soon after the end of hostilities in Georgia- led many Azeris to wonder if the bombing was an attack orchestrated by Moscow in order to destabilize their country as well to send a warning.\textsuperscript{19} The political opposition was more vocal in its opposition to Russia’s actions, openly declaring Moscow’s intervention in Georgia an act of “aggression.” A popular Azeri news website, known during the conflict for its pro-Georgian point of view, found itself attacked by Russian sources. However, despite its close association with Tbilisi, the government in Baku refrained from taking a more proactive stance. Considering the political relations with Moscow, the Azerbaijani government was apprehensive about provoking its giant neighbor to the north.\textsuperscript{20}

However, Azerbaijan has not been pursuing a more pro-Russian foreign policy in the three years since the conflict. Instead, Baku has been toeing a more neutral line. On May 25, 2011, Baku signed documents on its accession to the Non-Aligned Movement (NAM), making it the third former Soviet republic to join the organization, and the first in the Caucasus. Although Azerbaijan has not given any public hints that it would cut its ties to NATO, its accession to NAM would give it more room to criticize the security alliance. Although Baku’s membership in the neutral organization allows it to remain nonaligned to any great-power, it also gives a possibility that Russian influence over Baku could grow. However, the move has met disdain from segments of the Azeri political scene, with the opposition criticizing the move, as it removes the country away from a true security alliance such as NATO, and especially longtime ally Turkey.\textsuperscript{21}

\textsuperscript{17} Valiyev, “Azerbaijan,” 270.
\textsuperscript{18} Ibid. 271.
\textsuperscript{19} Ibid. 277.
\textsuperscript{20} Ismailzade, “The Georgian-Russian Conflict Through the Eyes of Baku”
However much Baku may be leaning away from the West, it may be more due to the United States than the effects of the Russian-Georgian War. Initially, Baku’s foreign policy reactions to the conflict in Georgia were an indirect result. Instead, it was the perception that the West, especially Washington, did not respond strongly enough to Russia’s intervention, that prodded Baku to pursue another direction. In the minds of many average Azeri citizens, the common perception of the West was more distrustful as a result of the conflict. If the West would not come to the aid of a Christian country such as Georgia, many began to doubt that it would come to the assistance of a Muslim nation such as Azerbaijan in case of a struggle. Baku’s second guessing of an alliance with the West was further fuelled by its angst over President Obama’s striving to reach conciliation between Armenia and Turkey. Azerbaijan’s anger over this act was motivated more by its feelings of being alienated and left out. Azerbaijan’s President Ilham Aliyev demonstrated his anger by snubbing an invitation by Washington to attend a conference being hosted in the Turkish city of Istanbul. By June 2010, relations had reached such a low that then U.S. Defense Secretary Robert Gates had to pay a visit to Baku in order to shore up the mutual military cooperation between the two countries.

The legacy of the conflict has also had an impact on Russia’s relations with the international community. Since 1993, Russia has sought membership in the World Trade Organization. By late 2011, most of the WTO’s existing members have accepted the prospect of Moscow joining the organization. Georgia, however, stood as the lone dissenter. On October 27, 2011, Tbilisi announced it had decided to back a Swiss proposal to allow Russia to join the WTO. According to the proposal, international monitors would be deployed along Russia’s borders with Abkhazia and South Ossetia to oversee trade between Russia and the two entities. This is beneficial more for Tbilisi, as it may be remembered that Georgia had asked for an international peacekeeping force in the regions years before the conflict. Apparently, however, it took a brief war and leverage in the form of WTO membership in order to bring international involvement to the disputed crises.

Georgia as a Transit Route for Pipelines after the War

The conflict in Georgia, however brief it was, did raise the question of the safety of pipelines running through the South Caucasus. Despite the repeated claims made by Georgian officials that Moscow deliberately targeted the important Baku-Tbilisi-Ceyhan pipeline, Russia never sought to attack it. However, Russian forces did attack other elements of Georgia’s oil infrastructure. In particular, an essential railway bridge used to import Azeri oil into Georgia was destroyed. By purposely missing the pipeline, Russia effectively sought to place themselves into a position to influence the BTC and other lines, and demonstrate the vulnerability of these energy supply routes. Ultimately, Russia’s aim may have been to spark turmoil and a collapse of the Georgian government, knowing that investors would not want to fund further pipelines in the country. If foreign investors and companies were to lose trust in Georgia as a safe transit nation, then the Nabucco project would be shelved as well. This would in turn grant Russia a monopoly over the export of energy from the former Soviet republics and Iran to European markets. Indeed, for the duration of the conflict, Azerbaijan rerouted its oil from BTC through existing Russian pipelines, a situation that Moscow would like to see made permanent.

With its quick victory over Georgia, Russia undoubtedly sought to bring further influence over Azerbaijan, in an attempt to reshape the energy situation in the South Caucasus. Initially, the conflict did cause alarm in Baku and Western energy companies. According to BP, the largest stakeholder in the BTC project, the conflict in Georgia prompted Baku to take a second look at regional security, and especially the security of its energy exports. Leading BP officials were well aware of the potential risk of hostilities, noting that all other pipelines depended on the security of the BTC. If the Baku-Tbilisi-Ceyhan line could not be safeguarded, then investors would never back any future pipelines running through the “Southern Corridor.” The explosion along the BTC’s Turkish route especially rattled Baku, and served as a “wake-up call” for Azerbaijan. On the other side of the Caspian Sea, BP began to worry that Turkmenistan was having second thoughts about supplying gas for the Nabucco project.

After the initial shock of the Russian incursion into Georgia, the pipelines and the politics surrounding them eventually returned to normal. In the three years that have gone by since the

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25 Pannier, “Georgia-Russia Conflict Changes The Energy Equation.”
Russo-Georgian War, it seems that there is renewed interest in the Southern Corridor, rather than a permanently diminished one, as Moscow would have hoped for. Not only do the major existing pipelines still operate at full capacity, there is ongoing discussion for the proposed routes and suppliers. Even the Caspian littoral state of Kazakhstan, which typically maintains strong relations with Moscow, has been seeking to diversify its energy export routes. Even though Russia (and gradually, China), seek to expand their sway over Kazakh energy, Astana has sought different routes. Even after the tense security situation in the South Caucasus, as displayed with the events of August 2008, Kazakhstan was still looking at supplying the Trans-Caspian Gas Pipeline with natural gas, which would run to Baku, and supply the South Caucasus Pipeline. The only major stumbling block remains the status of the Caspian Sea itself, and Moscow’s persistent assertions that all pipelines under the Sea must be agreed to by all the littoral nations. The conflict did not disrupt the supply of the Baku-Tbilisi-Ceyhan pipeline either. Kazakhstan had started supplying the BTC with oil in 2007 (shipping its crude by tankers across the Caspian to Baku).\(^\text{28}\) Despite news stories in Western media outlets that Astana would drop out of the BTC project due to the violence in Georgia, Kazakhstan’s Foreign Ministry dispelled these as rumors.\(^\text{29}\)

Although Western-backed pipelines are still operational in Georgia, Russia gained an essential advantage as a result of the war. In 2006, with the commissioning of the Baku-Tbilisi-Ceyhan pipeline, Azerbaijan ceased shipping crude via the older Baku-Novorossiysk line. With the conflict placing BTC in danger, BP temporarily closed the pipeline, and Baku had to resume using the Russian pipeline. The Baku-Supsa route, which had recently been reopened, had to be closed as well, and oil shipments from Georgia’s ports of Batumi and Poti had to cease. The loss of oil transit revenue may have been a factor that led Saakashvili to ask Turkey to help broker an end to the conflict. Ankara especially had deep financial reasons to wish a quick cessation of hostilities, and appealed to the UN.\(^\text{30}\) Azerbaijan also resorted to sending 200,000 tons of crude


to Iran before the hostilities in Georgia ceased. In the years since the Georgian War, Baku has sent more oil via the Baku-Novorossiysk pipeline, a situation that obviously favors Russia. In 2009, the pipeline’s supply of Azeri crude dropped, but in 2010 it jumped again, and by the end of the first quarter of 2011, Baku had exported 541,536 tons of crude via the Russian pipeline, an increase by 92,756 over the figures of a roughly a year earlier. However, in 2011, Azerbaijan decided to decrease its exports through the Russian pipeline, while Azeri crude sent through the Baku-Supsa route still outpaced that pumped through the former. However, Baku still sends fifteen times more crude via the BTC than the pipeline running to Novorossiysk.

The struggle over gas pipelines has changed little as a result of the 2008 War, and international rivalries continue to dominate. In September 2011, the European Union decided to officially start talks with Turkmenistan and Azerbaijan regarding the construction of the proposed Trans-Caspian Gas Pipeline. Remarkably, all twenty-seven member states of the EU agreed on the proposal tasking the European Commission to begin discussion with the two Caspian states. According to the EU’s Energy Commissioner, Gunther Oettinger, “Europe is now speaking with one voice… the trans-Caspian pipeline is a major project in the Southern Corridor to bring new sources of gas to Europe.” This is an important step in bringing Nabucco off the drawing boards and to fruition, as a pipeline bringing Turkmen gas to Azerbaijan is an essential supply for the proposed pipeline. This is a potential blow to Russia’s proposed South Stream pipeline, which is also intended to supply Europe with natural gas. As of late September 2011, it was projected that construction on South Stream would be soon in coming, although Europe is still pressing for an alternative to Russian gas. The proposed Nabucco pipeline may gain some traction due to Russia’s own actions. In the same month as the EU decided to start negotiations on the TCGP, Turkey’s energy minister, Taner Yildiz, threatened to end its twenty-

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five year supply contract with Gazprom unless the Russian gas monopoly yield to its demands to revise Ankara’s price. Turkey is the latest country to seek modifications to their current gas deals with Gazprom. Gazprom responded that it would only deal with the Turkish energy company, not a government minister.  

However much Russia’s future may depend on renegotiating its prices with its customers, low oil prices have also economically hurt Moscow. Russia’s main export product is its Urals blend of crude (oil shipped through the Baku-Novorossiysk is sold under this brand), is the cornerstone of Moscow’s finances. The Urals blend of petroleum is so important that Russia’s national budget for the next three years is built on the expectation that the Urals crude would fluctuate around $100 per barrel. On September 26, 2011, two days before his sudden resignation, Finance Minister Alexei Kudrin remarked that Russia’s economy would only be function normally for one year if oil prices were to drop to $60 a barrel, a price he expected to come in the next eighteen to twenty-four months.  

Recently, Prime Minister Putin has openly called for the country to “stimulate taxes” rather than rely on oil prices, in order to pay for pensions and military spending.  

The Effects of the 2008 War on Georgia and the Separatist Regions  

As mentioned previously, it is apparent that Moscow’s ultimate objective in the 2008 conflict, despite the dispute over who fired the first shot, was to oust Georgian President Mikheil Saakashvili. Despite Saakashvili’s popularity with Western leaders, especially former U.S. President George W. Bush, there continues to be a political opposition to his rule in his country. Since the ceasefire that ended the 2008 conflict, many figures in the Georgian opposition have visited Moscow to seek a lobby with the Russian government. In April 2010, opposition figures visited the Russian capital to discuss the status of Abkhazia and South Ossetia, which had already been recognized by Moscow as independent states. According to one opposition figure, Koba Davitashvili, the visit was to “discuss issues about the country's unification… we will not

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discuss the country’s domestic affairs. *We want to create a Georgian lobby in Russia.*” (Emphasis mine).\(^{39}\) Evidently, the Georgian opposition recognizes that Russia is the driving force behind the limited international recognition that the separatist regions have since attained.

Most notably, in April 2009, the opposition started massive street protests aimed at forcing Saakashvili to resign. The Georgian leader refused to yield to their demands, and a few weeks later, on May 5, a Georgian military unit took the initiative. At a tank base thirty kilometers from Tbilisi, a renegade commander led his battalion in mutiny in support of the protesters. The mutinous unit was quickly surrounded and forced to surrender by units loyal to Saakashvili. Before his surrender to pro-Saakashvili troops, the commander of the tank battalion delivered a declaration supporting the opposition rallies. The Georgian government quickly blamed Russia for the mutiny, alleging that it was an attempt by Moscow to disrupt NATO military exercises planned to start the next day in the country. The Kremlin denied any involvement, responding that Saakashvili “needs to see a doctor. While Russia officially denounced any attempts by Tbilisi to make it responsibility, there is some credence. Tbilisi’s counter-intelligence had been watching the mutinous soldiers beforehand. In addition, it had been well known that Russia had been seeking to make inroads into the Georgian military ranks to find supporters that would oust Saakashvili in favor of a more pro-Russian government.\(^{40}\)

The political opposition towards Saakashvili has made annual protests in recent years, all calling for Saakashvili to resign. In May 2011, the opposition had to postpone previously planned rallies due to lack of interest. The rescheduled rallies occurred on May 25, the start of “Europe Week,” an event meant to bring attention of European leaders to Tbilisi’s longing to integrate into European institutions. This may have been a symbolic act, meant to send a message to European officials that not all of Georgia was of the same opinion. This is parallel to Russia’s strategy towards Georgia- which consists primarily of depicting the country as too risky of a prospect for membership in international organizations such as the EU or NATO. Indeed, Russian media had been openly encouraging the protesters; portraying the protesters as being viciously suppressed by Georgian authorities. Russia’s Ministry of Foreign Affairs was vocal as

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well, condemning Saakashvili and calling for his resignation due to “ill-conceived internal and political forces.” Moscow continued to accuse Tbilisi of “preventing the country’s population and political forces from exercising their freedoms of association and expression.”

One Georgian politician who has been becoming increasingly important in the ranks of the opposition is Nino Burjanadze, who had formerly been an ally of President Saakashvili. She has been a frequent visitor to Moscow, and has called for Russia to provide the opposition with more support. Burjanadze has maintained recently that it was necessary for Georgia to restore relations with Russia and resuming “trustful dialogue” with South Ossetia and Abkhazia. According to Burjanadze, the current leadership in Tbilisi finds it politically expedient to portray Russia as being an enemy, in order to ensure its own survival.

In October of 2011, a Georgian billionaire, Bidzina Ivanishvili, burst onto the country’s political scene, and immediately became a rallying point for various segments of the opposition. His sudden appearance in Georgian politics has rejuvenated the opposition and all many ordinary Georgians who view politicians, especially Saakashvili, as corrupt. Ivanishvili’s quick rise in importance in only a few weeks may be due to the abysmal reputations of Burjanadze and other opposition leaders, combined with his persona reputation as a philanthropist. Under the surface, however, he remains somewhat of a mystery on his views on the future of Tbilisi’s relations with Moscow. He made his fortune in Russia, yet has partnered with officials from existing parties that are not very enthusiastic about cordial relations with Russia. Openly calling for warm relations with both Russia and the West; he has acknowledged the infeasibility of restoring the country’s territorial integrity. Despite stating his resolve to become president only through a fair electoral process, authorities have wasted no effort trying to admonish him. Ivanishvili has emerged as a rallying point for various segments of the opposition. Yet, despite his willingness

to reestablish warm ties with Moscow, he shares Saakashvili’s aspirations for membership in NATO, calling it “the best option for our security.”

Events in South Ossetia and Abkhazia have been evolving as well in the years since the war in August 2008. As of the time of this writing, only five nations in the world have recognized the independence of the two Georgian regions. Russia, obviously, was the first to establish formal diplomatic relations shortly after the conflict. In the years since, Nicaragua, Venezuela, and the tiny Pacific island nation of Nauru had done so. In late September 2011, the nation of Tuvalu in the Pacific Ocean followed suit. For South Ossetia’s Eduard Kokoity, Tuvalu’s decision was a “courageous and determined step.” Earlier in 2011, another small Pacific island nation, Vanuatu, briefly recognized Abkhazia, but shortly retreated from the move. Despite this, officials in Sukhumi and the Vanuatu government’s website still mention the recognition.

Moscow’s decision to officially establish ties with Abkhazia shortly after the war may have been fuelled by Russia’s main export-energy. In the early summer of 2008—just as Russian troops were rebuilding railroad tracks in the separatist region—Gazprom announced its objective to start probing Abkhazia’s Black Sea coast for oil and gas. A subsidiary of Gazprom, Promgaz, was tasked with the exploration of hydrocarbon sources from July 2008 to December 31, 2009. In Moscow’s point of view, it may have been justifiable for its gas company to establish such a deal with Abkhazian authorities, given that Moscow decided on April 16, 2008 to establish direct relations with Georgia’s separatist republics. However, Gazprom’s move in Abkhazia may have had an effect on Russia’s bid to join the World Trade Organization at the time. Georgia, already a WTO member, could have vetoed Moscow’s bid. However, an official recognition of the independence of Abkhazia by the Kremlin would have enabled it to pursue its energy exploration off its coast and justify it to the international community as such. Furthermore, in May 2009, Russia’s Rosneft oil company signed an agreement with the Abkhazian government, giving the

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45 “Georgia’s ‘Pragmatic Dreamer’ Outlines Political Credo,” RFE/RL, October 26, 2011, accessed October 29, 2011, [http://www.rferl.org/content/georgia_ivanishvili_outlines_political_credo/24372378.html](http://www.rferl.org/content/georgia_ivanishvili_outlines_political_credo/24372378.html).
Abkhazia’s Black Sea oil reserves are estimated to run from eighty million to 200 million tons.\(^48\)

In the years since Abkhazia’s independence has been recognized by Moscow, the Russian security apparatus, the FSB, has been particularly active in the republic. In the Soviet era, the KGB had always enjoyed a privileged status in the region. With the breakup of the USSR, the KGB’s successor, the FSB, has felt entitled to equal privileges, especially after the war that was fought to “liberate” the region from Tbilisi’s rule three years ago. Now, however, current and former officers of Russia’s security service buy up prime pieces of Abkhazian real estate. Russia’s elite, many of whom are former FSB (including Putin), have long held close ties to Rosneft. This trend has included not only members of the FSB, but Russia’s governmental ministries as well, who have been procuring properties in Abkhazia so their employees can take lavish vacations. Despite the encroachment by Russian money and elites, many people in Abkhazia are growing resentful, feeling that their independence is being swallowed by their supposed protector.\(^49\)

Abkhazia may be nominally independent from Georgia to a small handful of countries, but its future is largely uncertain. While the Abkhaz remain grateful to their powerful Russian neighbor, they want to build an independent state, free from Moscow and Tbilisi.\(^50\) Fewer ethnic Georgians are in the republic than there were prior to August 2008, driven out by two waves of ethnic cleansing in both of the separatist war. Although the Georgians have been largely driven out, ethnic Armenians are still plentiful in the region. This fact underlies another potential crisis, as economic differences have arisen between Armenians and Abkhazians. The workforce is made up primarily of Armenians catering to a political class composed of Abkhazians. Furthermore, although Sukhumi desires to retain a friendship with Moscow, Russia is starting to complain about the “ungrateful” Abkhaz, who have not sworn an oath of fealty towards Moscow as the South Ossetians largely have. However, Abkhazia may eventually have no other choice but to reorient themselves more in Russia’s sphere, as with its limited recognition, few foreign countries are willing to accept an Abkhazian passport. And, as much as ordinary Abkhazians

complain about the growing Russian presence in their republic, Moscow is not intending to leave anytime soon.\textsuperscript{51}  

Instead, Russian influence is as strong as ever, and is increasing. The Russian ruble remains the official currency, and most of the inhabitants speak Russian in their public lives. Even former President Bagapsh’s political party, United Abkhazia is openly sculpted from Russia’s ruling United Russia. In addition, under Bagapsh, Russia was granted control over the borders, railroads, and airport.\textsuperscript{52}  

Militarily, Russian troops are fortifying the de facto state as well. Under the terms of the Sarkozy-mediated ceasefire, Russian troops were to withdrawal from Georgia proper to their original positions within both separatist regions and resume their peacekeeping status. However, Russian buildup in Abkhazia appears to be more offensive minded, rather than defensive. From Moscow’s point of view, such a military buildup is permissible because of the friendship treaty it signed with Sukhumi after recognizing its independence.  

Moscow is building up an air, naval and land presence in the region. Since the end of the war in 2008, Moscow has taken over a former Soviet military airfield at Bombora, which is the largest in the South Caucasus. It is expected to base transport planes, and advanced combat aircraft such as the Su-27 fighter jet. Most importantly, however, the runway ends only 100 meters from the sea, so aircraft can take off and fly beneath effective radar range after taking off.

Russia is also building a naval base at the Abkhaz port of Ochamchira. This is an important aspect in regards to Russia’s relations with Tbilisi. During the Russo-Georgian conflict of 2008, Russia’s Black Sea Fleet took part in combat operations from its moorings in its homeport of Sevastopol, Ukraine. This move prompted a rebuke form then Ukrainian President Viktor Yushchenko, who issued a decree requiring the Russian fleet to give Ukrainian authorities advanced notification when its warships exited and planned to return to its Ukrainian base.\textsuperscript{53}  

This, along with the potential that a future Ukrainian government may evict the fleet, has prompted Moscow to seek different bases for its Black Sea armada. Novorossiysk has been

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selected for a future base, as well as Abkhazia’s port of Ochamchira.\textsuperscript{54} Given Ochamchira’s close proximity to Georgia, it is a strategic asset to Russia, and would provide a useful base of operations against Georgia’s major ports, especially Poti and Batumi.

On land, the Russian military has been making inroads into Abkhazia as well. Although Moscow officially portrays its military buildup in Abkhazia as being a defensive one, it has the characteristics of being a potential offensive force. Russia has already stationed FSB border guards to patrol the region’s boundaries with Georgia proper, which should be enough of a defensive measure itself. However, Moscow has gone further than just stationing border patrols in Abkhazia. In a notable incident in August 2010, the Russian military moved an advanced anti-aircraft missile system, the S-300, into Abkhazia, under the guise of providing the Abkhaz with a defense against a future Georgian attack. However, given the fact that Tbilisi’s air assets consist of a few Soviet-era ground-attack aircraft and helicopters, the deployment of the S-300 systems are more than adequate. Instead, this missile system will provide Moscow with the ability to control the airspace over a large swath of territory over the region.\textsuperscript{55} In addition to advanced anti-aircraft missiles, Russia has also deployed one of its most technologically advanced tank types, the T-90, to the separatist republic.\textsuperscript{56} Given the fact that Moscow easily overpowered Georgia’s defenses in August 2008 with less advanced hardware, it is worth questioning what Moscow’s true motives are with deploying such advanced weaponry to Abkhazia, other than establishing a military presence to influence the region as a whole.

Initially, Russia planned on stationing 3,700 troops in both South Ossetia and Abkhazia. Later, the figures were revised to lower numbers.\textsuperscript{57} While even the first number is a relatively small force to be able to defend, much less pursue offensive operations in the future, it is likely because neither of the separatist regions could probably accommodate larger contingents of Russian forces. In South Ossetia, the economy of the last three years has been a service economy, based upon maintaining the Russian garrisons in the republic.\textsuperscript{58} As small as the

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\textsuperscript{55} Baramidze, “Georgia in the Crosshairs,” 84.


\textsuperscript{58} Skakov, South Ossetia, 1.
population of the republic is, it is needless to say that the region would be unable to accommodate a larger contingent for very long, especially considering that a substantial amount of its revenue comes directly from Moscow. South Ossetia is dependent on Russian money in order to pay basically all aspects of its operations. A freeze in fund allocation in early 2009 illustrated this, as Tskhinvali found itself unable to pay pensions, benefits, and even to fund its own governmental officials. The Russian Finance Ministry was compelled to resume the financing of Tskhinvali when fears arose that unrest caused by lack of money could topple Moscow’s compliant South Ossetian leader. In effect, Russia is propping up a government in South Ossetia with financial subsides, in order to base troops close to the Georgian capital.

Russia’s increasing domination of South Ossetia’s social and cultural spheres is not as unwelcome as it is in Abkhazia. To the contrary, Tskhinvali has always longed for closer ties with Moscow, even years before the events of August 2008. Partly, this may be due to South Ossetia’s geographic position, landlocked as it is, it would require close association with either Georgia or Russia. Another factor is of course, the ethnic component, as there are also Ossetians within the Russian Federation’s North Ossetia. Long before the conflict between Russia and Georgia, South Ossetia’s leader, Eduard Kokoity had hinted that his rebel entity could merge with North Ossetia, and thus become a federal subject of Russia. Talk like this was usually mute at this time, as Russia still officially recognized the region as being an integral part of the Georgian state. However, in the wake of the 2008 conflict, there has been mixed messages on the future of the relationship between Russia and its new protectorate of South Ossetia. In the summer of 2011, Kokoity mentioned the possibility of his republic joining the Union State, a loose union between Russia and Belarus, if the latter were to recognize Tskhinvali’s independence. Meanwhile, Kokoity continued to raise the possibility of South Ossetia entering into the Russian Federation. The idea received a much bigger boost when Russia’s Prime Minister Putin suggested that South Ossetia may join Russia, “if the Ossetian people” were to

support the concept. However, President Dmitry Medvedev later rebuked Putin’s comment, stating that Tskhinvali did not meet the requirements.62

In South Ossetia’s first election since the Georgian war, Kokoity’s party of power, Unity, won many of the parliamentary seats. With 46.36 percent of the votes, Unity won less than half of the votes cast. The People’s Party, a party that is also subservient to Kokoity, garnered 22.53 percent. The Communists came in third, with 22.25 percent of the ballots. As Unity is based off of Russia’s ruling party, United Russia, Unity employed many of the same political tactics used in Russian campaigns. As would be expected, the elections attracted criticism from Western organizations. The European Union denounced the elections as “illegitimate.”63 NATO also condemned the elections, and belittled their significance. Yet, while Western international organizations denounced the elections and their validity, individual European countries were not as critical. One Italian politician who had served as a poll monitor, hailed the contest as a “model of democracy.”64 Other observers from Russia, Germany, and Poland, the parliamentary elections were held “in the atmosphere of pluralism, with provision of clear democratic alternatives to voters, and complying with common democratic standards.”65 While it is possible that these European observers believed what they stated, it must be remembered that Italy and Germany are both two of Russia’s biggest energy customers. Behind the scenes, it must also be remembered that Italy’s Berlusconi is particularly close to Putin, and that he stands to personally profit from future energy deals. Thus, it would be in the Italian government’s interest to heap praise on the political process of a Russian protectorate such as South Ossetia.

As vocal as Kokoity has been on joining Russia, his nationalism has not translated to popularity. With the cessation of hostilities with Georgia in 2008, Kokoity used the conflict as an opportunity to personally purge political figures in Tskhinvali of questionable allegiance to his regime. Kokoity has been held responsible for the theft and embellishment of billions of rubles, sent by Moscow to aid in the postwar reconstruction of the republic, leading to his

popularity to suffer dramatically with his own population. The people of South Ossetia (and the Russian leadership) may have been relieved that Kokoity’s term in office ends in November 2011, but he has tried to stay in power. An attempt this summer to amend the constitution to allow him to stand for reelection for a third term has failed. Despite his failed attempts to retain the presidency, Kokoity has stated he has no intention to relinquish politics, and ultimately may strive to become prime minister, which would allow him to oust his political rival, Moscow-appointed Vadim Brovtsev, from the premiership. In an apparent attempt to appease Moscow and garner its support for his political survival, in June 2011, Kokoity renamed two streets in the Ossetian capital after both Medvedev and Putin. It seems apparent though that Moscow will not forget about Kokoity after he leaves office, as there has been mention that Moscow may place him in an official post in one of the regions of the Russian Federation.

Although Kokoity is ineligible to run in the upcoming presidential election, the branches of his regime are still attempting to manage the outcome. As early as 2009, when Moscow expressed its displeasure in the prospect of Kokoity running for a third term, the South Ossetian strongman began proposing various associates of his to Russian authorities in order to gauge who Moscow would support as his successor. In the years since, it is South Ossetia’s Minister of Emergency Situations, Anatoly Bibilov, that has emerged as Russia’s preferred candidate. Apparently, the decision to unofficially endorse Bibilov was made by top echelons of the Russian government such as the Kremlin, the FSB, the Defense Ministry, and the Ministry of Regional Development, the body that oversees reconstruction money sent to Tskhinvali. In April 2011, a constitutional amendment was enacted that required presidential candidates to have held residency in South Ossetia for a minimum of ten years preceding one’s candidacy. Since then, this clause has been cited as justification for banning many potential candidates from running. Out of an original thirty who had announced their candidacy, only seventeen have officially been registered as candidates, most of whom are members of the current administration. One of those who have been banned is Dzhambolat Tedeyev, a former associate of Kokoity who had aided the president in his accession to power ten years ago. Tedeyov was
seen as the likely primary challenge to Bibilov, and his supporters faced threats and even arrests from police. The crackdown thrust the longtime feuding between Tedeyov and Kokoity to the surface, and Tedeyov warned of South Ossetia becoming “the next Libya” if Kokoity’s regime continued political arrests of his supporters. Kokoity responded by accusing Tedeyev of seeking to spark a “colored revolution” inside the republic. Following Tedeyev’s official banning from the election, a standoff ensued between his supporters and police. On October 13, 2011, Tedeyev was deported from South Ossetia, a move that was probably made to marginalize his potential to cause Kokoity any more trouble.

The political campaign has also turned deadly as well, with an apparently professional murder of a member of the opposition. On October 14, Soslan Khugayev, an important and influential member of the Forward, Ossetia! Party was murdered in the North Ossetian capital of Vladikavkaz. The assassination was a brutal one, and evidently done by professional killers, as he was found dead with five gunshots in the back, and one in the head. It has been speculated that his assassination was aimed to convince the presidential candidate for Forward, Ossetia!, Albert Dzhussoyev, not to appeal his rejection as a candidate by South Ossetian officials. The murder of a South Ossetian political leader only highlighted how divisive the political environment inside the republic has been. In early October, prompted by the turmoil, veterans of the Chechen “Vostok Battalion” that had fought against Georgian forces in 2008 wrote an open letter to Russia’s Medvedev, calling on him to intervene and end the “oppression” of the South Ossetian populace by the government, and to prevent civil war. Potential unrest as a result of the electoral campaign may play into involving Russia as well, as officials in Moscow have hinted that electoral problems could lead to the erasing of the “artificial borders” between North and South Ossetia.

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The Prospects for Future Conflict between Russia and Georgia

With the Russian military buildup in Abkhazia and South Ossetia, as well as unresolved tensions between the two countries, the prospect of renewed warfare seems to be a matter of when, not if. While the roughly 3,000 troops stationed in each of the two separatist republics is not large enough of a force to engage in offensive operations against Georgian forces, their geographic distributions is of vital importance. As a proportion to the ethnic population of the regions, there is one Russian soldier per fifty Abkhazians, with the proportion being significantly smaller in South Ossetia, with one in ten people there being a Russian soldier. As seen before, Abkhazia is situated along the Black Sea, and is within easy striking distance of Georgia’s main port of Poti, and its oil infrastructure in that city. This is precisely what Russia did in August 2008, and would likely use its prepositioned forces in Abkhazia to do again. However, Russia would be able to take Poti’s port and oil facilities with greater ease than in 2008, as Moscow has stationed warplanes in Abkhazia, and its naval forces have a closer base of operations there as well.

Maintaining a military presence in South Ossetia, despite how small it is, gives Moscow a strategic advantage as well. Given that the only road route between through the Caucasus Mountains lies within the Roki Tunnel, Russia is in a better position now to bring in further forces in the case of conflict. Saakashvili himself recognized the strategic significance of the Roki Tunnel during the war, when he stated to foreign journalists that his troops had wanted to halt Moscow’s advance at the bottleneck, but “we were too late.” Now, however, with a strong presence in South Ossetia, Moscow is in a better position to ensure that Georgia is unable to seize the crucial tunnel, ensuring that a larger influx of reinforcements from Russia’s North Caucasus can arrive in combat.

Although it can be reasonably argued that contrary to Russian claims that Georgia is still a threat to Abkhazia and South Ossetia, Tbilisi would probably be too reluctant to openly challenge Russia’s enhanced strength in the region. However, Moscow’s justification for a future war with Georgia will be cited as a need to defend the two separatist regions. In fact, this

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is already being played out. The South Ossetian KGB has accused Tbilisi of training young refugees from the region to act as saboteurs. According to Tskhinvali authorities, Georgia recruits young people from refugee camps to reenter South Ossetian territory for reconnaissance and acts of violence.76 Moscow has taken up the call as well, and in June 2011, Russian authorities indicated their concern that a growing number of members of Georgia’s security service were operating within the borders of both Abkhazia and South Ossetia, with the intent to engage in acts of sabotage. Similar allegations have been issued by Tbilisi, claiming that Russian agents are planning similar acts within Georgia.77 The FSB has even claimed that the Georgian government has sought to hire Chechen militants to conduct acts of terrorism against Russian troops stationed in the separatist republics.78

Although a future conflict will be justified by Georgia’s alleged ties to terrorism, Tbilisi as well deserves some of the blame for intervening in Russia’s already volatile North Caucasus. While Tbilisi does not question Russia’s sovereignty over its North Caucasus republics, analysts have suggested that Saakashvili is trying to give Moscow “a taste of its own medicine,” in reference to its interference in Georgia’s own regions. As a part of its effort, Tbilisi has started a television channel set to broadcast in the North Caucasus with a Georgian-centric view of events.79 In a momentous move in May of 2011, the Georgian parliament officially recognized the Circassian genocide, where many of the Circassian peoples of the North Caucasus died during the 19th Century. The move won applause from Circassian activists, and the Georgian flag was seen flying in the capital city of Kalbardin-Balkaria.80 Although Saakashvili’s attempts to bring “unity” to the Caucasus, his actions have brought condemnation from Georgia’s key Western ally, the United States. In a meeting between the presidents of the two

countries, President Obama allegedly told Saakashvili that the “Circassian genocide is none of your business.”

In the three years since Russia and Georgia fought a brief conflict, much has changed in the region and in the nations that were involved in the struggle. Clearly, the war was not as spontaneous as Moscow portrays it. Not only was the war planned beforehand by Russia, the seeds are being sewn that will undoubtedly lead to renewed conflict. Officials in both Moscow and Tskhinvali are accusing Georgian authorities of sponsoring terrorism against the separatist entities of Abkhazia and South Ossetia. Whether or not these claims are true is questionable. However, the blame for any future conflict must not reside entirely on Russian actions, however. In the last three years, President Saakashvili has been meddling in the internal affairs of the Russian Federation. Although Saakashvili’s actions towards the ethnic populations of the North Caucasus may be the same thing Moscow has done towards his country, it will only lead to future trouble. Given the turmoil that already plagues Moscow in the North Caucasus; the Georgian leader’s actions are only stirring up a hornets nest that Russia will not tolerate.

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CONCLUDING REMARKS

Faced with defeat in the French and Indian War at the hands of the British Empire, France was forced to cede control of Canada to the British crown. The celebrated philosopher Voltaire was quick to seize on the misfortune that had befallen his country, and argued that France should not lament the loss of Canada too much, as it had only lost “a few acres of snow.” Now, almost two and a half centuries later, Russia remains mired in an insurgency in its North Caucasus that shows no sign of abating anytime soon. Despite heavy casualties among its military and barbarous acts of terrorism in its homeland, Moscow too has no intention of giving up its suzerainty over the region. Unlike Nouvelle France, the North Caucasus is more than just a few mountains, or a few “acres of snow.” It is the transit route for Russia’s fortune, its true “black gold,” and must be kept under Moscow’s control at all costs.

Oil has been called the “Achilles’ heel” of Western economies, given the dependence of the West on this natural resource. So it is too, for Russia, albeit for different reasons. Like the West, Russia is heavily dependent on crude oil, but it is due to the export potential of this resource. Indeed, Russia’s economic prosperity of the last decade has been fuelled more to the higher prices and demands of oil, than to the leadership of Vladimir Putin. Therefore, faced with the growing international attention focused on the Caspian Sea basin, Moscow needs to either limit production and thus keep prices high, or possess a monopoly on the pipelines carrying energy sources to Western markets. At the height of the Cold War, the Reagan administration successfully lobbied Saudi Arabia to increase oil production, in an effort to limit sources of revenue available for the Soviet government. The current Russian leadership probably has this in mind, and is intent to maintain a monopoly on pipelines in order to ensure it has leverage over Western governments.

To this end, Russia would prefer for the main export pipeline for Azeri oil to be the Baku-Novorossiysk line, passing through the volatile North Caucasus. It is therefore essential that Moscow be able to contain the violence in the ethnic republics in the region for its own economic livelihood. It is this same fact that is the driving force behind Moscow’s actions in the former Soviet republics of the South Caucasus. Western countries have had an interest in these independent nations as an energy supply route in order to bypass Russia’s monopolistic control,
and to avoid potential sabotage to energy routes from the violence in Chechnya and other Russian republics.

In the first few years after the disintegration of the Soviet Union, Russia’s primary goal in its relations with Georgia was to station military units and to play a deciding role in the ethnic conflicts in a bid to retain influence. Ultimately, Moscow’s objective was to undermine the successive Georgian leaders by keeping the continued destabilization of the country a possibility. With the Rose Revolution in late 2003, Moscow attempted to win Shevardnadze’s loyalty once more by rescuing him. When this failed, Russia resorted to undermining new Georgian President Mikhail Saakashvili by keeping the ethnic conflicts in Abkhazia and South Ossetia unresolved. Through all of this, however, Russia’s ultimate objective was to keep Georgia as a politically unstable country in order to ward off investors investing in the construction of the Baku-Tbilisi-Ceyhan pipeline.

The opening of the BTC made this pipeline the main exporting pipeline of Azeri oil meant the closure of Russia’s Baku-Novorossiysk route, a disastrous turn for Moscow. Of course, other factors contributed to the rising tensions between Tbilisi and Moscow. Most notably among these is the deep hatred of Saakashvili by the Russian leadership, and his lofty aspirations to join NATO and other Western institutions. However, the impetus that prompted Moscow to take military action in an attempt to oust the Georgian government probably was not an even in the Caucasus, but in the Balkans. The unilateral declaration of independence by Kosovo in early 2008 stirred anger not only in Belgrade, but in Serbia’s longtime ally, Russia. Then President Putin even foretold his intentions when he remarked that Kosovo’s independence move created a “precedent.” This, along with the closure of the Baku-Novorossiysk pipeline in favor of the BTC prompted Moscow to take drastic measures.

The brief Russo-Georgian War of August 2008 ended with a ceasefire mediated by France’s Sarkozy, acting as President of the European Union. In the aftermath of the conflict, Russia likened its recognition of South Ossetia and Abkhazia by comparing them to Kosovo. If there truly is a “Kosovo precedent,” it is the launching of a war justified by a belligerent as being founded on humanitarian grounds. The NATO alliance did just this, rightly or wrongly, when it intervened in an internal Yugoslav affair. Moscow’s use of this “precedent” was the same- a meddling in what Russia, as well as the rest of the world, recognized as sovereign Georgian territory. For Russia, it was the Georgian bid to retake South Ossetia that triggered a
counteroffensive by Moscow, a move Russia claimed was to prevent “genocide.” The West has done this once more in Libya, another energy rich state. The war did not resolve anything and the ceasefire was more of an armistice- and like the most well-known armistice, it too will undoubtedly only lead to a future conflict.

At the time of this writing, it looks apparent that Moscow has not been able to influence the routes of pipelines destined to originate in or run through the Caucasus. True, Azerbaijan was compelled to bring the Baku-Novorossiysk pipeline back online when the BTC was closed due to the conflict in Georgia. Yet, it must be remembered that Baku’s decision to restart use of the Baku-Novorossiysk line were motivated by economic reasons rather than a case of Azeri leaders being nervous of a resurgent Russia. This is demonstrated by the fact that the BTC remains Azerbaijan’s primary export route. In addition, the Nabucco project looks closer to becoming reality rather than an idea still on a drawing board. Furthermore, in the opinion of this writer, Turkey’s recent decision to end a contract with Gazprom may jeopardize Russia’s South Stream project, which is destined to originate in Novorossiysk. Elsewhere, progress is finally being made with the Nabucco project, which would place the future of South Stream into question. Yet the importance of the Caucasus as a corridor for energy routes will only grow due to recent events elsewhere in the world. The tragedies that afflicted Japan in March 2011 have influenced many in the West to look for a different source of energy that is safer than nuclear power. The win by Germany’s Green Party in regional elections illustrates a possible shift back to fossil fuels, if only temporary.

Autocolonization as it applies to the Caucasus will continue to change as well. In its first couple of years of independence, Georgia found itself plagued by ethnic conflicts. This led Tbilisi to become reluctantly dependent on Moscow to bring a cessation to the hostilities. These ceasefires did not mean peace, though, as tensions remained high and Russia began openly manipulating situations inside Georgia’s rebellious regions. In a quest to find security guarantees and a counterweight against Russia, the Georgian leadership courted Western oil companies and politicians. These actions culminated in the opening of the Baku-Tbilisi-Ceyhan pipeline, a controversial route even before its construction. Yet, as seen, Russia’s invasion of Georgia in 2008 did not alter the geopolitical chess game of energy. The West will be more dependent on Caspian sources of energy, and Georgia will continue to lean towards the West as long as the desire to diversify pipeline routes continues. South Ossetia and Abkhazia may be
nominally independent and recognized as such by a handful of countries, but their security needs will continue to bind them to Moscow’s military and financial protection.

Ultimately, however, the West needs to wean itself off of the use of fossil fuels. This is an important necessity, if not for combating climate change, but for the West’s energy independence. Many leaders in Western capitals think of energy independence as cutting Russia out of the equation. To the contrary, energy independence can only come with the widespread adaptation of renewable sources of energy, and not through looking to diversify sources of fossil fuels. This goes for Russia, as well. Eventually oil and gas will either reach prices no one is willing to pay, and sooner or later, it will run out. Given the economic importance of crude and natural gas, Moscow needs to seek its own “energy independence” itself, and diversity its economic portfolio.
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MAPS:
