The Caucasus: A Changing Security Landscape

Thursday, September 13, 2012

Panel 1: Regional Security

George Khelashvili, Tbilisi State University
*Regional (In)stability in the Caucasus: Strong States vs. Weak Regional Security Architecture*

Sergey Markedonov, CSIS Russia and Eurasia Program
*The Big Caucasus and Russia: Goals and Challenges after 2008*

Scott Radnitz, University of Washington
*The Politics of Foreign Intrigue in the Caucasus*

Anar Valiyev, Azerbaijan Diplomatic Academy
*Azerbaijan-Iran Relations: Quo Vadis, Baku?*

Chair: Jeffrey Mankoff, CSIS Russia and Eurasia Program

George Khelashvili began his presentation by outlining the shifts in policy of the regional and extra-regional actors in the Caucasus over the past three decades and assessing the impacts of these shifts on the security environment in the region:

- In the 1990s, the Caucasus states were largely unable to provide security on their own, leading to the destabilization of the region. As a result, the primary policy of foreign actors in the Caucasus was to pursue state-strengthening as a remedy for regional instability. In order to achieve this end, the states and governments of the Caucasus were the primary target of capacity-building and improvement efforts undertaken by various extra-regional actors.

- The 2000s saw significant improvements in state capacity in all three Caucasus states, in part thanks to the support provided by Russia, the United States, and Turkey. Additionally, the region enjoyed greater stability, as a result of the restraining influence of each of the three primary foreign actors on their protégé states. Russia, the United States, and Turkey ensured that Armenia, Georgia, and Azerbaijan, respectively, did not engage in reckless behavior that could have sparked significant regional conflict. The notable exception was the 2008 conflict between Russia and Georgia.

- Since 2010, the three Caucasus states have become bolder and more independent in both their domestic and foreign policies, largely as a consequence of the greater confidence that has resulted from the growth in state capacity over the previous two decades. As the confidence of the three Caucasus states in their own capacity grew, the restraining influence of the major outside actors has diminished considerably.

- For this reason, the most critical new variable in the Caucasus is not the increase in material capacity but the amplified confidence and independence of local state actors. While the material capacity of the various states has increased tremendously since the 1990s, such increases alone were not sufficient to create a climate ripe for instability and conflict. Rather, the upsurge in confidence and independence from
their major power patrons has allowed the local states to potentially pursue more risky, belligerent policies.

- The potential for conflict is amplified by the lack of a regional security architecture. Additionally, the Caucasus lacks the stabilizing influence of a hegemonic power or a clear, universally understood conception of regional balance of power. Finally, communication between Baku, Tbilisi, and Yerevan remains infrequent and of generally poor quality.
- The result is an anarchical situation in the Caucasus, exacerbated by the presence of two strongly revisionist states, Azerbaijan and Georgia. The presence of such revisionism within a fragile regional order vastly increases the potential for conflict, as it incentivizes a self-help strategy. Without constraints on their actions, seeking advancement through conflict (a form of self-help) may appeal to these states.

How can foreign powers ameliorate the situation in the Caucasus?

- One promising option is a return to the policies of the 2000s, when the United States, Russia, and Turkey were able to restrain and stabilize local state actors. Such a policy would necessitate high levels of engagement and coordination between the foreign powers involved. It would also require that local state actors accept reduced levels of independence in their foreign policy.
- Another, less promising option is developing a meaningful security pact between the three Caucasus states, supported by strong international guarantees. However, previous attempts have failed, either because of local intransigence or a lack of coordination among the outside powers. Additionally, the presence of two strongly revisionist states in the Caucasus would likely scuttle any attempt at the development of a security agreement.
- The third option is the so-called Medvedev Plan, which would guarantee the security of the region by positioning Russia as the undisputed regional hegemon. Theoretically, granting Russia a privileged sphere of influence in the Caucasus could enable it to guard against a regional security meltdown, especially given the lack of heavy Western engagement in the Caucasus. However, such a policy remains indefensible both on moral and practical grounds because it is too reminiscent of Yalta and Munich, where the great powers unilaterally decided the fate of the smaller states and populations. It also remains unclear—despite its desire for a privileged sphere of influence in the post-Soviet space—whether Russia is capable of providing or willing to provide for the security/stability of the Caucasus region on its own.

What kind of foreign interference should be expected?

- Given the prevailing instability and high potential for conflict in the Caucasus, it is not unreasonable to expect something akin to the 1800s. Just as it was during that period, the great powers of today could likely carve up the Caucasus into spheres of influence in order to both provide for the security of the region and to pursue their own limited interests.
- Such a scenario does not need to result in a large-scale, international conflict centering on the Caucasus. On the contrary, the external powers share a common interest in maintaining peace and security, which would likely prevent, rather than encourage, conflict.

Sergey Markedonov began his presentation by discussing the variability and selective nature of Russian policy in the Caucasus region:

- It is difficult to discuss Russian policy in the Caucasus because of the absence of any clear statement of Moscow’s official agenda in the region. To date, the Russian government has not released any concrete
outline of policy priorities, values, or the strategic approach governing Russian decision-making in the region. This dearth of information has further muddied the waters by fueling uninformed speculation.

- The little official information that is available suggests that Russian strategic thinking on the region is both extremely variable and exceedingly selective. President Putin’s recent decree on the foreign policy priorities of his government highlighted these trends in three distinct policy areas:
  - Russia appears to pursue a policy of *selective revisionism* in the Caucasus, especially as regards the two hot-button issues in the region: South Ossetia/Abkhazia and Nagorno-Karabakh. While Russia clearly seeks to promote/legitimize the breakaway republics of South Ossetia and Abkhazia, it seeks to maintain the status quo in Nagorno-Karabakh.
  - Russia also maintains a *selective attitude* regarding Western engagement in the Caucasus. While Russia remains intransigent on the issue of the involvement of the United States or NATO in Georgia, it has welcomed and promoted cooperation and engagement with the West on Nagorno-Karabakh. Again, this internal incoherence points to the selectivity with which Russia pursues its interests.
  - Finally, Russia has pursued a *variable approach* toward the issue of de-facto states. As mentioned above, it has sought to promote and support South Ossetia and Abkhazia while all but barely mentioning the issue of Nagorno-Karabakh. Russia’s position on Transnistria, which Russia has designated a subject of negotiation without any formal recognition of statehood, further demonstrates the selectivity of the government’s policy priorities on this issue.

The North Caucasus dimension of Russian policy in the Caucasus:

- The Russian government’s policy toward the North Caucasus, and the broader Caucasus region as a whole, was not mentioned in President Putin’s most recent foreign policy decree. Even so, it is clear that the North Caucasus has become increasingly important for Russia’s policy in the Caucasus as a whole, particularly after the 2008 war with Georgia and the more recent Arab Spring.

- While the Middle East is rarely mentioned in the context of Russian policy in the Caucasus, the experience of the Arab Spring appears to be having a significant impact on Russian strategic thinking. The overthrow of governments and the rise of political Islam in the Arab world have raised fears within the Russian policymaking elite of a contagion effect that could lead to instability and even violence in the North Caucasus. These fears are reinforced both by the presence of a Muslim majority in the Russian regions of the North Caucasus and the historical experience of political violence and insurgency in the region that has continuously sought to undermine the legitimacy of the Russian state.

- Following the 2008 war with Georgia, the North Caucasus has become an increasingly important issue in Russo-Georgian relations. Not only have the breakaway regions of South Ossetia and Abkhazia exacerbated relations between Moscow and Tbilisi, but recent instability in regions such as Dagestan portend a border security challenge for both Russia and Georgia in the future.

Russian policy in the Caucasus moving forward:

- The variability and selectivity of Russian policy in the Caucasus region has allowed Russia to pursue a multi-track policy. Specifically, it has allowed Russia to selectively promote either a revisionist agenda or the status quo depending on the impact of each case on Russian interests.
  - For example, Russia has been a strong proponent of the status quo in Nagorno-Karabakh, as the status quo allows it to focus on other policy areas, such as building economic ties, throughout the region. Simultaneously, Russia pursues a revisionist policy, supporting the de-facto states of
South Ossetia and Abkhazia against Georgia’s internationally recognized claim to sovereignty over them.

- While Russia does not want to choose sides in the Nagorno-Karabakh dispute, if Russia was forced to do so, the consequences for both Russian policy in the Caucasus and the Caucasus as a whole would be immense.

- Fears about the short-term potential for conflict between the states of the Caucasus or among the extraregional actors involved in the region are vastly overstated for a number of reasons:
  - First, rhetoric should not be confused with actual policy priorities or, in the case of the Caucasus, a desire to make war. While the rhetoric of the various leaders of the Caucasus states may often be inflammatory, due to resource and capability restrictions on local actors, such language does not reflect actual policy priorities.
  - Furthermore, it is incorrect to believe that an end to international peacekeeping activities, especially in Nagorno-Karabakh, would immediately lead to war. On the contrary, the same restrictions in terms of capacity also limit the potential for armed conflict between local actors, regardless of revisionist tendencies or the presence of international peacekeepers.

Scott Radnitz began his presentation by examining the role of conspiracy theory in the domestic political discourses of the states of the Caucasus:

- Conspiracy has become part of the reality of the post-Soviet space and, in particular, conspiracy theories have become a dominant theme in the domestic politics of the Caucasus states. The prevalence and influence of conspiracy theories is largely the result of domestic necessity on the part of the local governments. The leadership in the Caucasus states lacks legitimacy and is often distrusted by the population at large. As a result, the intentional proliferation of conspiracy theories has become a tool with which to distract the electorate and garner support for the government.

- Domestic political weakness is not the only reason for the proliferation of conspiracy theories in the political life of the Caucasus. Conspiracy theories can only be effective in distracting a population when that population is prepared to accept them as truthful or at least plausible. In the Caucasus, populations are predisposed to embrace conspiracy theories because they understand their place as an area of geostrategic competition. The people of the Caucasus understand that foreign powers want to be involved in the region, if only to promote their limited interests; as a result, these populations readily accept conspiracy theories.

Conspiracy in contemporary domestic politics in the Caucasus:

- Bidzina Ivanishvili, the Georgian billionaire and leader of the Georgian Dream political movement, is the greatest political challenge that current President Mikheil Saakashvili has faced during his time in power. As a result of this extremely tense political moment, conspiracy theories have remained at the forefront of Georgian political discourse. The majority of these theories have focused on Ivanishvili’s perceived ties to Russia, since he amassed his vast fortune there. Attempting to utilize this fact to its advantage, the Saakashvili government has attempted to paint Ivanishvili as a Russian proxy, even going so far as to punitively strip him of his citizenship. However, these claims have gained little traction with the Georgian electorate at large.

- Regardless of the outcome of the election, conspiracy theories about Russian influence in Georgian domestic and foreign affairs seem poised to remain influential. If a candidate from Georgian Dream won
the Presidency and pursued a policy of rapprochement with Russia, he would almost certainly confront a nationalist backlash. Alternatively, if Saakashvili won the election, he would go out of his way to paint the opposition as a proxy of the Putin regime in an attempt to further enhance his domestic standing and prestige.

- In Azerbaijan, the focus of conspiracy theories is Iran. These theories exert a strong influence on a population that is conscious of the tensions between Iran and Azerbaijan. The majority of the population considers swaths of northern Iran which are home to ethnic Azeris to be Azerbaijani territory. Azerbaijan is also concerned with the influence of political and militant Islamists in their domestic political system, and tends to see such figures as Iranian proxies. Finally, the fact that Azerbaijan is a strong ally of Israel further exacerbates the population’s concern over Iranian influence.

- The government of Azerbaijan has taken advantage of conspiracy theories about Iranian influence as a cover for cracking down on political Islam. In effect, conspiracy theories allow the Azeri government to eliminate potentially influential political opposition and enhance its domestic base of support.

- However, while many conspiracy theories are at best uninformed conjecture, a certain number of them have been shown to be true. For this reason, it is often extremely difficult to assess the validity of some conspiracy theories, as the few that are true can provide a measure of legitimacy to others.

The potential impact of conspiracy theories on regional security and stability:

- The widespread use of conspiracy theories by government actors in the Caucasus may have dire consequences for regional security.
  - Recent history has shown this to be true, as it is widely believed that conspiracy theories put forward by the Saakashvili government in 2008 may have been a factor in provoking the war with Russia. Notably, the war coincided with the period in which Saakashvili first faced legitimate political opposition.
  - Additionally, the proliferation of increasingly bellicose conspiracy theories and steps taken by Azerbaijan, such as a call from parliament to rename the country North Azerbaijan (implying that the Azeri-inhabited regions of Iran comprise South Azerbaijan) alongside Baku’s alleged role in supporting Israeli covert and potential military action, could draw Azerbaijan into the conflict between Iran and Israel.

- Conspiracy allegations can become self-fulfilling prophecies. An example is the case of Azeri Islamists. It is not inconceivable that, in the face of a government crackdown and widespread public criticism, Islamist figures would, as they have been accused, turn to Iran for support out of sheer necessity.

- The prevalence of conspiracy theories in the Caucasus could potentially also lead to a “politician who cried wolf” syndrome. While conspiracy theories may be particularly influential if they are both novel and tied to existing attitudes, their repetition can often rob them of their impact over time. This was the case in Georgia, where a 2009 study showed that over 50% of the population believed that Georgia should have closer ties with Russia and over 40% believed that the “Russian threat” was exaggerated, despite the anti-Russian refrain that characterized Saakashvili’s rhetoric during that period. Such weakening of public confidence could create the grounds for outside powers to enact a real conspiracy.

- A freer media in the Caucasus might not be a solution to the pervasiveness of conspiracy theories. As it stands, the prevalence of conspiracy theories has made domestic political discourse a winner-take-all competition focused on issues that should remain peripheral. The focus on conspiracies about foreign alignments crowds out debate on important domestic issues, leaving little room for mobilization around less dire but still important political issues. Freer media would, in all likelihood, only expand and enhance that rhetorical arms race, leading to an even greater proliferation of conspiracy theories than exists today.
Anar Valiyev began his presentation by outlining the factors and historical events that define Azeri-Iranian relations:

- The presence of an Azeri minority in northern Iran has a profound impact on the tenor of Azeri-Iranian relations. Since Azerbaijan’s independence, Iranian authorities have worried about the potential for this Azeri minority to be used as a pretext for conflict in the region. Moreover, much of the Azeri population in Azerbaijan considers northern Iran to be Azerbaijani territory. Conversely, Iran considers portions of northern Azerbaijan, which were lost when the khanates were divided between Russia and Iran in the 1800s, to be a breakaway region.

- The juxtaposition between the secular regime in Baku and the theocratic one in Tehran creates dissonance between the two states. Due to the large cross-border flows of Iranian citizens into and through Azerbaijan on a daily basis, much of the Iranian population has been exposed to the economic development and relative prosperity that the secular Azeri government has achieved. Azerbaijan stands as an example of an alternative social, economic, and political model which creates domestic tension within Iran.

- Discord has existed between Iran and Azerbaijan over the issue of Azerbaijan’s role in the Caucasus since the Soviet collapse. Iran originally envisioned an Islamic Azerbaijan that would promote Iranian policy in the Caucasus. However, Azerbaijan chose a different path, becoming a bastion of secularism on Iran’s periphery. This difference in ideology undermines the Iranian leadership’s efforts to establish a support base in Azerbaijan, and has had a profound impact on Azeri-Iranian relations.

- Other historical events have also affected this troubled relationship. From 1941 to 1946, Soviet troops occupied portions of northern Iran. Once they withdrew, an ethnic Azeri government, the Azerbaijani People's Government, was set up in northern Iran, lasting for eighteen months before being ultimately crushed by the Shah’s troops. The memory of this experience further inflames the territorial disputes between the two states.

- Relations have not always been overtly hostile. From 1993 to 2001, relations between the two states could be described as neutrally negative, as antagonistic but benign.

Present-day relations between Iran and Azerbaijan and the outlook for the future:

- After Iran first threatened Azeri ships in the Caspian Sea in 2001, relations became increasingly hostile, with a military component. From 2001 through much of 2012, the relationship was at an impasse, as neither state wanted to cross the point of no return. However, in recent months, a number of stories involving relations with Israel) have come to light that make conflict between these states increasingly likely:
  
  - Reports claim Azerbaijan is providing Israel with military bases on its territory in anticipation of military action against Iran. While these stories have not been officially corroborated and may well be false, they have exacerbated tensions between Iran and Azerbaijan.
  
  - Additional reports claim Azerbaijan has acquired large amounts of weaponry from the Israelis, the majority of which is thought to be defensive weaponry for protecting critical infrastructure.

- These reports demonstrate that Azerbaijan is actively preparing for potential armed conflict between Israel and Iran. Such a conflict would presumably involve Azerbaijan, and could potentially spark a conflict between Azerbaijan and Iran. The recent increase in Azerbaijan’s naval activity in the Caspian
Sea supports the assertion that Azerbaijan is becoming serious about ensuring its security through military means.

- Moreover, the influence of pro-Iranian forces in Azerbaijan’s domestic political sphere and civil society has grown. Iran has made a concerted effort to influence Azerbaijan’s domestic politics by supporting Islamic groups, protests, and grassroots organizing. The most prominent of these organizations is the Islamic Party of Azerbaijan, though Tehran also supports many other groups.

- How the situation between Iran and Azerbaijan develops is almost entirely dependent on the broader geopolitical situation in the region. If Iran is cornered or threatened, either by Israeli or American actions or through other means, Tehran could create tensions in the Caspian as a distraction or diversion. In this case, Azerbaijan would become extremely vulnerable, potentially provoking a military response. However, up to this point both countries have had enough realistic, intelligent policy makers within their governments and militaries to realize that a conflict is in neither side’s interests. The situation between Iran and Azerbaijan is consequently likely to remain stagnant as it has been for the past decade.

**Question and Answer:**

The discussion began with an exploration of the factors that may make the present-day Caucasus more stable and secure than in the past:

- The Caucasus is one of the few regions in the world today where war on a grand scale involving multiple states is both plausible and feasible. However, the potential for conflict in the Caucasus is often overstated by analysts. Many actors in the Caucasus remain committed to peace and stability and many of the issues that could have prompted armed conflict have either been resolved or stabilized.

- The 2008 war between Russia and Georgia is often cited as an example of the potential for future conflict in the Caucasus. However, the Russo-Georgian relationship and the relationship between Georgia and NATO, which in many ways prompted that conflict, have changed in recent years. Currently, it appears that Georgia becoming a member of NATO is off the table for the time being, thereby removing the pretext for war on the Russian side. Furthermore, Georgian resources and capabilities are limited, and Tbilisi is unlikely to willfully enter into another conflict with its much stronger northern neighbor.

- Overall, relations between the Caucasus states and the external powers with interests in the region have improved in recent years. This is especially true in the case of relations between Russia and Armenia, where both sides have made a concerted effort to improve the relationship.

- While Nagorno-Karabakh remains a potential source of conflict in the Caucasus, local states and external actors have proved capable of regulating the conflict. It appears that for now, neither Azerbaijan nor Armenia believes that war is in their short-term interests, since neither side can be certain of the outcome. The framework around the issue of Nagorno-Karabakh, both in terms of conflict management and the prevailing balance of power, appears capable of managing the potential for violent conflict in the coming years.

- Iran is certainly on the minds of actors within the Caucasus as a potential source of conflict; however, Iran has much bigger fish to fry. Given the injurious sanctions that have already been levied and the potential for an Israeli or American military strike, it is unlikely that Iran choose to will foment conflict in the Caucasus.

The panel was then asked to elaborate on the claim that the potential for conflict in the Caucasus has been overstated and that the situation in the region is not particularly dire.
• The potential for an accidental war or the accidental escalation of a minor conflict into a major one should not be understated. Something akin to a cult of the offensive prevails in the Caucasus today, with each actor newly confident in their capacities and capabilities. This could prompt states to take dramatic steps in non-dire situations.

• Escalation of a conflict often depends more on a series of micro-decisions, emanating from a can-do ethos, than any single decision to pursue war. The 2008 Russo-Georgian war is an example of how minor decisions to lead to major conflicts in the Caucasus.

• Weak domestic legitimacy could force the political leadership of one or more Caucasus states to launch a conflict in a bid to increase public support. While there is potential for conflict, there are so many actors in the region (both external and internal) that a major conflict is unlikely. The states of the Caucasus are restricted in terms of their freedom of action by the need to consult with these external actors.

The next question asked Sergey Markedonov to expand on his comments about Russia’s differing attitudes towards U.S. involvement in Georgia and Nagorno-Karabakh, respectively. These seemingly contradictory policies do, in fact, stem from the same strategic calculus. Russia bases its policy towards U.S. involvement in the Caucasus on its vision of its own interests. In Nagorno-Karabakh, Russia would like to preserve the status quo; thus, Moscow welcomes the involvement of the U.S. as a partner in the management of the conflict. Alternatively, Russia pursues a revisionist policy towards Georgia and ss a result, is very opposed to American involvement.

The following question asked Anar Valiyev and Scott Radnitz to comment on the case of Ramil Safarov and on Baku’s decision to pardon him. The Safarov case, while it has inflamed tensions, will not lead to war over Nagorno-Karabakh. This was not an impromptu decision by the government in Baku; on the contrary, the extradition and pardoning process took over a year. The government was aware of the reaction this decision would provoke in Armenia and in the international community, and Baku would not have gone through with the pardon if it would provoke conflict. It is unlikely Azerbaijan consulted with Russia or any other major player on this issue, as it was an independent policy decision designed for a domestic audience. The Safarov case demonstrates how a government can be forced to take symbolic actions by the domestic political landscape and how those actions can have far-reaching implications. Even if the Safarov case will not, on its own, begin a conflict, it has increased tensions in the short-term.

The panel was then asked to comment on energy policy in the Caucasus and its effect on relations between local and external actors in the region. Energy is not a pressing issue in interstate relations in the Caucasus today. The role of energy is often quite ambiguous. The Caspian does play a role in Caucasus relations, though at present the energy situation in the Caspian Sea appears to be at an impasse.

The next question asked Sergey Markedonov to comment on recent developments surrounding the Nagorno-Karabakh dispute and to analyze the interests of each side in maintaining or eliminating the status quo. Neither side in the dispute over Nagorno-Karabakh is ready for mutual compromise. Armenia seeks the recognition of Nagorno-Karabakh, while Azerbaijan wants the territory returned to its control. For these reasons, neither side is interested in real peacekeeping activities or compromise. Events like the Safarov case highlight the domestic calculations of both governments, as each is thinking mainly about its domestic image in anticipation of upcoming elections. Actions like the pardoning of Safarov provide opportunities for patriotic legitimization and provide a forum through which both civil society and the political opposition can play a more militant role. In terms of the negotiations, it is key that all actors involved stop focusing on rhetoric and start focusing on pragmatic and realistic solutions, while also putting pressure on Armenian and Azerbaijani leaders to come to an agreement. However, the Minsk Group appears to favor the status quo, making such a shift unlikely in the near future.
The next question asked Anar Valiyev to analyze the internal security threats in the North Caucasus and their implications. Both the Russian and Azerbaijani authorities see insecurity in the North Caucasus as dangerous. Consequently, each is interested in regional security and stability in an effort to limit the spillover effects of conflict from within the North Caucasus region and without.

The discussion closed with a final question asking Scott Radnitz and Anar Valiyev to comment on the internal politics of Azerbaijan and the potential for the Islamist opposition to fall into the hands of Iran. There are a wide variety of opposition groups in Azerbaijan, many of which are staunchly anti-Iranian. As for the Islamist opposition, it is possible that Iran is using them as a base for spreading its ideology and message. The Islamic Party of Azerbaijan is almost certainly an Iranian proxy.