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Dear Readers,

The Institute of Strategic Studies of the Caucasus presents the first issue of *The Caucasus & Globalization*. We hope that this journal, an academic publication in the form of a digest, will give academics and specialists the opportunity to share with the broad public the results of their research studies on the political, economic, legal, and social problems of the Caucasian Region in correlation with the globalization processes.

It goes without saying that there is an acute shortage of thought-provoking scientific and analytical digests among the great abundance of various printed matter. And this is no accident. All of us, the peoples of the Caucasus, are busy restoring our statehood, building relations with the world around us, and forming new political, economic, and social orders, while trying to respect and preserve our history, culture, and independence. Our minds are occupied with the region's hot spots—Karabakh, Abkhazia, South Ossetia, Chechnia, Ingushetia, and Daghestan—because we are well aware that without rapid and fair settlement of these conflicts, we cannot become full-fledged states and self-respecting nations. We have too much going on.

Nevertheless, the rebirth of our states also presupposes the creation of new paradigmatic approaches to and analytical views on history, politics, the economy, culture, and religion. We must come to terms with ourselves, understand who we are, define who we want to be, and identify how best to attain our goals and follow our chosen path. We must first comprehend all of this ourselves, and then present it to the rest of the world at a level it can understand and accept.

The Caucasus & Globalization, which covers the most diverse areas of social studies, will be published quarterly in English and Russian. The first issue includes articles by members of the editorial board, which is made up of well-known academics from Azerbaijan, Georgia, Iran, Japan, Russia, Sweden, Turkey, and the U.S.



I am inviting academics, specialists, and all our readers to cooperate with us, and hope that you will not only find the articles in this first issue interesting, but also very beneficial.

Nazim MUZAFFARLI (IMANOV)

Editor-in-Chief

GEOPOLITICS



Eldar ISMAILOV

Director of the Institute of Strategic Studies of the Caucasus, Chairman of the Editorial Council of Central Asia and the Caucasus Journal. His experience also embraces work at the Baku Institute of Public Administration and Political Science (currently—Academy of Public Administration under the President of the Azerbaijan Republic) as head of the Department of Social Administration and Management (1991-1997). He is also founder and president of the Transcaucasus Development Bank. He is the author of more than 50 academic works on geo-economics, macroeconomics, economic-mathematical modeling and public administration of socioeconomic processes. His most recent work Tsentral'niy Kavkaz i ekonomika Gruzii (The Central Caucasus and Economy of Georgia) (2004) was published in co-authorship with Vladimir Papava and Teymuraz Beridze.

NEW REGIONALISM IN THE CAUCASUS: A CONCEPTUAL APPROACH

A b s t r a c t

The article looks at the particular issues associated with the Caucasian region becoming an independent entity of the global economy. The author justifies the need for a new approach to structuralizing the socioeconomic space of the Caucasus, which includes the Northern, Central, and Southern Caucasus, that most fully and precisely reproduces current geopolitical reality in the region and makes it possible to draw up a natural model of Caucasian integration. The

choice of Azerbaijan and Georgia—two Central Caucasian countries—is comprehensively justified as the integrating nucleus for the region, with the help of which the Caucasus can begin carrying out its geopolitical and geo-economic functions. These functions can best be performed by integrating the Central Caucasian and Central Asian states into the system of world economic relations, which will ultimately lead to the formation of a Central Eurasian regional union.

The Caucasus as an Independent Region of the Global Economy: An Evolutionary Approach

The Soviet economy, which comprised a “single national economic complex,” was distinguished by a high degree of integration of the Union republics and clear-cut division of labor among

them. After the Soviet Union collapsed, independent national states arose in its former expanse, each of which retained the main characteristics of the former unity for a certain period of time. These characteristics consisted of the structure of the economy, the distribution of productive forces, the technologies used, and the organizational principles of production applied.

The situation was complicated by the absence of specific development programs. The momentum of the administrative-command system of management, and the fact that these countries were not ready to undertake independent market reform and unable to raise the efficiency of the economy and the population's standard of living on the morally worn out material and technical base they inherited long made themselves felt. As a result, the first years of sovereign development were accompanied by an abrupt slump in production, investment passivity, and limited opportunities for technical and technological renewal and access to the world markets due to low competitiveness, the breakdown in the monetary system and production relations, hard currency instability, and so on. All of this was characteristic to one extent or another of each of the regions of the former Union, including the Caucasian.

The Caucasus became an arena for playing out diverse geopolitical and economic interests.¹ In contrast to the other regions which separated from the U.S.S.R.—the Baltic countries, Central Asia, the West Slavonic part of the U.S.S.R.—the legal and political status of the various Caucasian countries vis-à-vis the world community is heterogeneous. The Caucasus lost its political-legal and socio-economic integrity. The Northern Caucasus is under the jurisdiction of the Russian Federation. Out of the three South Caucasian republics that acquired state independence and that by our classification represent the Central Caucasus, two of them—Azerbaijan and Georgia—are oriented toward the West. They are being shaken up from within by ethno-political conflicts in which ethnic minorities are taking advantage of the former metropolis' patronage. Armenia, on the other hand, as a satellite state and Russia's outpost, continues to carry out the latter's policy in the Caucasus.

The multi-vector nature of the Caucasian political space, Russia's involvement, partially in the form of direct participation and partially as an external factor, in its reform processes, the region's rich hydrocarbon resources and its significance as a transportation corridor for exporting Central Asian oil and gas to the world market, and the arduous nation-building period the region's countries have been going through are all drawing the attention of both the academic community and politicians to the Caucasus, and particularly to the Central Caucasus.² Each country with interests in the Central Caucasus (Russia, Turkey, Iran, the U.S., the European and Asian states, and others) is developing its own views on this region and the prospects for its development.³

No matter what the differences in opinion or the approaches to the current situation and the prospects for developing the integration processes in the Central Caucasus, the key question is whether the traditional (Russian) factors still retain their influence on the Caucasus, or whether the future lies in the new strategic priorities. This question makes it possible to consider these approaches from two perspectives:

¹ See: K.S. Gajiev, *Geopolitika Kavkaza*, Moscow, 2001; A.G. Dugin, "Kavkazskiy vyzov." *Osnovy geopolitiki. Geopoliticheskoe budushchee Rossii. Myslit prostranstvom*, ARKTOGEIA, Moscow, 2000; V.V. Degoev, *Bolshaia igra na Kavkaze: istoria i sovremennost*, Moscow, 2001; H. Guliyev, "Geopoliticheskie kollizii Kavkaza," *Tsentral'naia Azia i Kavkaz*, No. 4, 1999, pp. 23-29.

² See: *Kavkaz: istoria, sovremennost i geopoliticheskie perspektivy*, Papers from an international scientific conference, Baku, 1998.

³ See: *Rossia i Zakavkaz'e: poiski novoi modeli obshcheniia i razvitiia v izmenivshemsia mire*, Moscow, 1999; A.V. Belyi, E. Remakl, "Rossia i Zapadnaia Evropa: geopoliticheskie interesy v Kavkazsko-Kaspiiskom regione," in: *Evropa i Rossia: Problemy iuzhnogo napravleniia. Sredizemnomor'e-Chernomor'e-Kaspiy*, Moscow, 1999; S. Cherniavskiy, "Kavkazskaia strategiia Vashingtona," *Mezhdunarodnaia zhizn*, No. 1, 1999; S. idem, "Zapadnaia aktivnost v Zakavkaz'e," *Mezhdunarodnaia zhizn*, No. 6, 1998; S. idem, "Iuzhniy Kavkaz v planakh NATO," *Mezhdunarodnaia zhizn*, No. 9, 1998; F. de Pau, "Politika Turtsii v Zakavkaz'e," in: *Spornye granitsy na Kavkaze*, Moscow, 1996; F. Nakhavandi, "Rossia, Iran i Azerbaijan. Istoricheskie istoki vneshnei politiki Irana," in: *Spornye granitsy na Kavkaze*.

1. we can either entertain the idea of a united Central Caucasus in a new political system of relations;
2. or we can see the future of the Central Caucasus as a new modification of the old integration model.

Frequently, the new strategic priorities imply that one traditional priority factor of influence (the Russian) is replaced by others (the Western, Turkish, and so on). This dichotomy is often described as replacing one Big Brother with another. It is obvious that this bipolar systemization of the integration processes in the Central Caucasus appears overly simplified. In order to understand the current situation, as well as develop principles and the main areas for forming a regional integrated community, it is important to comprehend and summarize the historical experience of the integration processes going on in the Caucasus.

The transformation of the Caucasus into a single socioeconomic region with its own regional system of governance (including in the Central Caucasus) has a long history. As a component of different empires at different times in history, this system underwent significant modification. It stands to reason that imperial systems left their mark on the integration of the Central Caucasus. On the whole, they (as governing entities) played a consolidating role with respect to the Caucasus (as the object of governance), giving it qualities of integrity. Nevertheless, at certain short times in history, which we will talk about below, the centralized administration of the Caucasus was extremely fragile.

At the beginning of the 16th century, independent state formations existed in the Northern Caucasus, the most significant of which were the Avarian Khanate, the Daghestani Shamkhalate, and several others.⁴ By the mid-16th century, all of these independent feudal dominions were under the protectorate of the Ottoman Empire, although they retained their own system of governance and local currency. Things were a little different in the Central Caucasus. As a result of the collapse of the united Georgian state in the 15th century, which had existed since the 12th century,⁵ three independent czardoms—Imereti, Kartli, and Kakheti—and one principedom—Samtskhe—arose at the same time in the western part of the Central Caucasus. In the eastern part of the Central Caucasus, the ancient Azerbaijani state of Shirvanshakhs, which arose in the 9th century,⁶ and the Shekinskoe dominion were on their last legs. As for the Southern Caucasus, this region was divided between two powerful neighbors—the Sefevid and Ottoman empires.

The long confrontation between the Sefevid shahs and the Ottoman sultans led to an abrupt change in the situation in the Caucasus. As a result of the Amasiiskiy Peace Treaty entered between the sides sparring for the Caucasus in 1555, the Imereti czardom⁷ and the Samtskhe Principedom⁸ were subordinated to the Ottoman Empire for more than two centuries. In 1628, the Akhaltsikhe pashalik was created in the Samtskhe-Saatabago Principedom by the Ottomans.⁹ The entire eastern part of the Central Caucasus, including the Georgian czardoms of Kartli and Kakheti, and territories of the already non-existent Shirvanshakh state (abolished in 1538) and the Shekinskoe feudal dominion (abolished in 1551), was subordinated to the Sefevid Empire. The mentioned lands were part of three beylerbeyliks (the Shirvan, Karabakh, and Chukhursaad). The Sefevids created an Azerbaijani (Tabriz) beylerbeylik in their part of the Southern Caucasus (the southeastern part). Administration was under the strict control of the shah's court, and Sefevid currency—the *abbasi* (*abaz*)—was in circulation there.

The Ottoman system of governance was widespread in the mountainous area of the Northern Caucasus and the western parts of the Central and Southern Caucasus, which belonged to the Ottoman

⁴ See: *Istoria narodov Severnogo Kavkaza s drevneishikh vremen do kontsa XVIII veka*, Moscow, 1988, pp. 292, 294.

⁵ See: *Sovetskaya istoricheskaya entsiklopediya*, Vol. 4, Moscow, 1963, pp. 812, 814.

⁶ See: *The History of Azerbaijan*, in seven volumes, Vol. 2, Baku, 1998, p. 296 (in Azerbaijani).

⁷ See: *Sovetskaya istoricheskaya entsiklopediya*, Vol. 5, Moscow, 1964, p. 804.

⁸ See: *Ibid.*, Vol. 12, Moscow, 1969, p. 524.

⁹ See: *Istoria Gruzii*, Tsodna Publishers, Tbilisi, 1961, p. 142.

Empire or were under its powerful influence. In these regions of the Caucasus, the standard Ottoman currency—the *piastr* (*kurush*)—was in circulation.

This situation in the Caucasian region, with a few insignificant changes one way or the other (between the Ottomans and the Sefevids), remained right up until the first quarter of the 18th century, when the Russian Empire became actively involved in the struggle for the Caucasus. Even before its final establishment in the Northern and Central Caucasus, Russia began deliberately and consistently to form a new administrative-territorial structure in the region. It introduced the Russian model of governance and the principles of territorial division, and it also established its own model of interrelations with the region's former independent state and ethnopolitical formations. In 1785, the Russian Empire created an integrated regional system of governance of the conquered northeastern parts of the Caucasus (the Astrakhan and Caucasian gubernias/oblasts) for the first time. This was the Caucasian vicegerency with its center in Ekaterinograd, which also governed the conquered Central Caucasus from 1844. Gubernias, oblasts, and okrugs were created, which were supervised by Russian bureaucrats. A czarist vicegerent, who lived in the city of Tiflis,¹⁰ headed the central body of coordination and control over all socioeconomic life in the Northern and Central Caucasus. Russia also began to actively introduce its own currency—the ruble—in the Caucasus.

The Russian government carried out administrative reform in the Caucasus in 1846. Five gubernias were created in the Central Caucasus—Shemakha (after 1859, the Baku gubernia), Tiflis, Kutaisi, Irevan, and Elizavetpol. As early as 1844, due to Shamil's increasingly frequent uprisings, the Dzharo-Belokan oblast was transformed into a military district of the same name, the head of which was endowed with the rights of a governor. In the Northern Caucasus, in addition to the existing Astrakhan gubernia, in 1846-1847, the Derbent and Stavropol gubernias were created, and in 1867, the Black Sea okrug (see Table 1).

In the second half of the 19th century, the remnants of independence to which the local state formations still clung were completely eradicated. For example, in the 1860s, the Daghestani khanates (Kyurin, Mehtulin, and Avarian) and shamkhalate were abolished. In the Central Caucasus, during the same years, Abkhazia, Megrelia and Svanetia were deprived of the remnants of their autonomy.¹¹

In the Southern Caucasus, both in its western and eastern parts, including the Kars pashalik (part of the Ottoman state) and Azerbaijani (Tabriz) beylerbeylik (part of Iran), the former systems of governance of the corresponding state centers, as well as their currency, were still in place in the mid-19th

Table 1

**Administrative-Territorial Division of
the Caucasus in the Russian Empire:
1721-1917**

Division Region	Gubernias		Oblasts		Okrugs	
	Name	Years	Name	Years	Name	Years
Northern Caucasus						
	Astrakhan	1715-1785, 1796	Astrakhan	1785-1796		
	Caucasian	1785-1822	Caucasian	1822-1847		
	Stavropol	1847-1917				

¹⁰ Between 1882 and 1905, the post of superintendent was introduced in the Caucasus instead of vicegerent (see: *The History of Azerbaijan*, Vol. 4, Baku, 2000, pp. 117, 196; Vol. 5, Baku, 2001, p. 98).

¹¹ See: *Ocherki istorii Gruzii*, Vol. 5, *Gruzia v XIX veke*, Tbilisi, 1990, pp. 165, 167-168.

Table 1 (continued)

Division Region	Gubernias		Oblasts		Okrugs	
	Name	Years	Name	Years	Name	Years
	Derbent	1846-1860	Daghestan	1860-1917		
			“Don Cos- sack Host Region”	1786-1917		
			Terek			
			Kuban	1806-1917		
	Black Sea	1896-1917		1860-1920	Black Sea	1867
Central Caucasus						
<i>Georgia</i>	Georgian	1801				
	Georgian- Imereti	1841-1846				
	Tiflis	1846-1917				
	Kutaisi	1846-1917				
				Batumi	1878-1917	Sukhumi
<i>Azerbaijan</i>	Shemakha	1846-1859	Caspian (from Derbent to Astara)	1722-1735		
	Irevan	1850-1917	Dzharo- Belokan	1830-1844	Dzharo- Belokan	1844-1860
	Baku	1859-1917	Caspian (Northern Azerbaijan)	1840-1846	Zakataly	1860-1917
	Elizavetpol	1868-1917				
Southern Caucasus						
<i>Southwestern Caucasus</i>			Kars	1878-1917		
			Akhaltzikhe	1828-1917		
<i>Southeastern Caucasus</i>			Caspian (from Astara to Rasht)	1722-1732		

century. As a result of the Russian Empire's victory in the war with the Ottoman state, the Kars pashalik (southwestern Caucasus) was transferred to the czarist authorities' control in 1878. Here a Russian system of governance was also established, the Kars oblast was created in the Caucasian vicegerency and the Russian ruble was put into circulation.

In this way, beginning in 1878, almost the entire Caucasus (without the eastern part of the Southern Caucasus) was part of the Russian Empire and functioned as a single, integrated socio-economic and financial-institutional system—the Caucasian vicegerency.

Only after the collapse of the Russian Empire in February 1917 was the vicegerency in the Caucasus abolished. In 1918, independent republics and integrated state formations emerged in the Caucasian region. For example, in the piedmont of the Northern Caucasus, the Don, Terek, Kuban, Black Sea, and other Soviet republics arose and existed for a while. In 1918, some of these new state formations (the Kuban-Black Sea, Terek, and Stavropol Soviet republics) became integrated into the North Caucasian Soviet Republic. The same situation developed in the Central Caucasus, where the Transcaucasian Democratic Federative Republic (T.D.F.R.) arose in 1918 on the basis of the integration of the former Transcaucasian gubernias. After existing for just over one month, it broke down into three independent states: the Azerbaijan Democratic Republic, the Ararat Republic, and the Democratic Republic of Georgia. The same thing happened in the Southern Caucasus. The Southwestern Caucasian (Kars) Democratic Republic and the Araz-Turkic Republic arose in the western part, and the Republic of Azadestan and the Soviet Ghilan Republic in the eastern part.

After reinforcing their position in the 1920s, Russia, Iran, and Turkey began to conduct a coordinated policy in the Caucasus aimed at abolishing the local independent state formations. Gradually all of them were abolished. In Iran and Turkey, they were transformed into administrative-territorial units—*ostans* and *vilayets*, respectively. In the former Russian Empire, first Soviet republics were created on new socialist principles, which were later integrated into a single state formation with their regional financial-institutional systems of governance: in the Northern Caucasus—into the Mountain Autonomous Soviet Socialist Republic (M.A.S.S.R.), and in the Central Caucasus—into the Transcaucasian Soviet Federative Socialist Republic (T.S.F.S.R.). As the governance system of the socio-economic processes in the Soviet state developed, these regional party-legal and financial-economic institutions were abolished—in 1924 and 1936, respectively.

Nevertheless, the main institutions of regional governance were retained: military-strategic and political—the Transcaucasian and North Caucasian Military and Border districts, the Transcaucasian and North Caucasian railroad, the Transcaucasian and North Caucasian Energy System, the Transcaucasian Higher Party School, and so on; and economic—corresponding structures in the central (Union) bodies of state administration of the economy (of the Transcaucasian and North Caucasian economic regions). These institutions functioned until the collapse of the U.S.S.R. in 1991.

So, during the past five centuries, the Caucasus has been in and out of various imperial systems of governance: the Ottoman, Sefevid, Iranian, Russian, and Soviet. The most complete and integrated was the governance system of the Russian Empire in the form of the Caucasian vicegerency, which at certain times included almost the entire Caucasus (apart from the southeastern subregion, although its Caspian part, Ghilan, belonged to the Caspian region of Russia in 1722-1732).

When independent republics formed in the Central Caucasus in the 1991, the single sociopolitical and economic space of the Soviet Caucasus disintegrated. Each country began to create its own political-legal and financial-economic institutions.

The Northern Caucasus, on the other hand, retained the properties of a single political and economic space it possessed in Soviet times. In 2001, it was incorporated into the newly formed Southern Federal District of the Russian Federation. This presumed greater integration of the Northern Caucasus with Russia's other southern regions than with the rest of the Caucasus, although until the collapse of the Soviet Union, its economy was more closely integrated with the Transcaucasian economic region than with the Russian regions.

In the western and eastern parts of the Southern Caucasus, the systems of governance and currency of the Turkish Republic and the Islamic Republic of Iran were retained, respectively.

During the past two centuries, formation of an integration model (principles, forms, and methods) in the Caucasus took shape and was supervised mainly by the Russian and the Soviet empires. In the 20th century, Moscow, shifting from the political-economic principle of governance to the party-economic, created the C.P.S.U. Central Committee Bureau for the Transcaucasus and, in keeping with this, identified the Transcaucasian and North Caucasian economic regions as independent units

within the single national economic complex of the country and the Russian Federation, respectively (1954-1991). Between 1844 and 1917, the Northern, Central, and Southwestern (after 1878) Caucasus, belonging to the Caucasian vicegerency of the Russian Empire, were governed from a single regional center by the czarist vicegerent in the Caucasus and its headquarters in Tiflis.¹² In the Soviet Empire, the governance systems of the Northern (M.A.S.S.R. and Daghestan A.S.S.R., later the North Caucasian Economic Region) and the Central Caucasus (T.S.F.S.R., Transcaucasian Economic Region, C.P.S.U. Central Committee Bureau for the Transcaucasus) were divided and coordinated by Moscow.

Nevertheless, it should be noted in particular that during the periods of their independence, the Caucasian peoples also created their own integrated state formations and, correspondingly, regional economic-financial and legal institutions of governance. For example, the Imamate of Sheikh Shamil (1835-1856) and the Mountain Republic (1920-1924) formed in the Northern Caucasus, as well as the Transcaucasian Democratic Federative Republic (April 1918) in the Central Caucasus.

So this historical excursion shows that, despite its history full of contradictory trends, integrated state formations (governance systems) formed in the Caucasus. This was observed both during periods of independence of the indigenous peoples of the Caucasus and during periods when they belonged to various empires, which shows the existence of objective trends toward regional integration. In other words, the Caucasus is bound to form a single and integral entity of globalization.

At present, due to the “collapse” of the single Caucasian sociopolitical and economic space after the self-elimination of the Soviet Union (whereby the Northern Caucasus remained part of the Russian Federation) and since independent republics have formed in the Central Caucasus, the nations of this region have begun intensively searching for ways to integrate. This also explains the permanent emergence and discussion of ideas such as the Common Caucasian Home and Caucasian Common Market.

On the Geo-economic Concept “The Caucasus”

Before turning to an analysis of “new regionalism” in the Caucasian region, it would be a good idea to reveal the essence of the concept “the Caucasus” and its components. The contemporary content of this geopolitical concept goes back to the 18th-19th centuries—to the period when Russia conquered the Caucasus. This was when the Caucasian region began being divided into the Caucasus and the Transcaucasus (beyond the Caucasus).¹³ Later, the concept of the Northern Caucasus was introduced to designate the territory to the north of the conquered Transcaucasus.

It goes without saying that the concept “the Transcaucasus” was a product of Russia’s foreign policy conception, which reflected the metropolis’ attitude toward the political-administrative division of the conquered region. Of course, in so doing, the interests of its peoples, as well as the ethnopolitical, economic, cultural, and other relations that historically developed in the region, were frequently sacrificed to the interests of the Russian Empire. What is more, the concept “the Transcaucasus” latently presumed that the territory to the south of the Great Caucasian Mountain Range did not belong to the Caucasus proper, was beyond it and so outside it. In so doing, this term was essentially an expression of and to some extent a means for achieving the Russian Empire’s political goal—division of the local peoples living in the northern, central, and southern parts of the Caucasus.

¹² See: *Ocherki istorii Gruzii*, Vol. 5, *Gruzia v XIX veke*, Tbilisi, 1990, pp. 165, 167-168.

¹³ See: T.V. Gamkrelidze, “‘Transcaucasia’ or ‘South Caucasus’? Towards a More Exact Geopolitical Nomenclature,” *Marco Polo Magazine*, No. 4/5, 1999, available at [<http://www.tracecca-org.org/rep/marco/mp40.pdf>].

There is no doubt that the concept “the Transcaucasus” not only had a geographical, but also a geopolitical meaning. This is clear at least from the fact that the Transcaucasus only stretched to the southern state frontiers of the Russian Empire and altered in size along with their changes. For example, at the end of the 19th century, after the Kars Region of the Ottoman Empire was conquered by the Russian Empire, it was considered a component of the Caucasus. But after Russia lost Kars, Ardahan, and Bayazeh, they were no longer mentioned as Caucasian in the Russian political and historical documents. Nevertheless, this is precisely what these areas considered themselves: after declaring their independence, they created a state in November 1918 and called it the Southwestern **Caucasian** (Kars) Democratic Republic.¹⁴

Since it reflected the existing geopolitical reality and, in particular, Russia’s absolute domination in the Caucasian region, the concept “the Transcaucasus” was used right up until the beginning of the 1990s.

The first attempt to reject the Russian model of geopolitical division of the region was to replace the concept “the Transcaucasus” with the more correct concept “the Southern Caucasus,” which includes all the same republics—Azerbaijan, Armenia, and Georgia. It should be emphasized that the concept “the Southern Caucasus” also has a “Russian” geopolitical meaning, since it designated the part of the Caucasian region that achieved its independence from Russia (the U.S.S.R.), unlike the Northern Caucasus which remained part of the Russian Federation. The division of the Caucasus into these two parts is again carried out in correspondence with the borders between Russia and the sovereign Caucasian countries. It is no coincidence that the term “the Southern Caucasus” went into circulation and was endorsed as soon as the U.S.S.R. collapsed. In so doing, the concept “the Southern Caucasus” reflected an important aspect of the new geopolitical situation in the Caucasus—the emergence of three independent states there.

The historical significance of this event cannot be overestimated, since declaration by the largest Caucasian nations of their own statehood opened the way for their consolidation on new principles and for building a united Caucasus in the future.

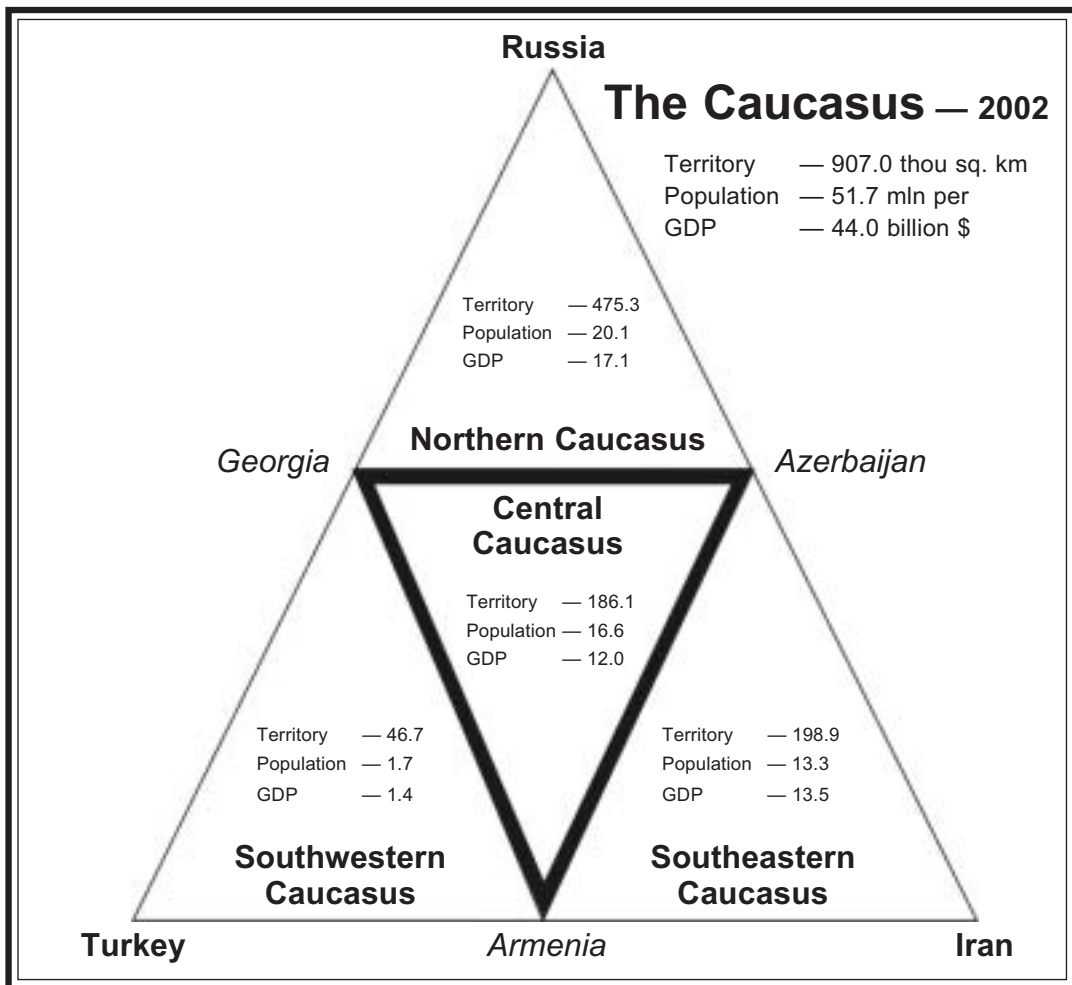
In this respect, the meaning of the concept “Caucasian state” should be clarified. First, a state claiming to be called Caucasian should, like any other state, possess the necessary attributes of statehood. Second, it should be territorially located in the Caucasus. At present, only Azerbaijan and Georgia correspond fully to the listed conditions. Armenia is located territorially beyond the Great Caucasian Mountain Range, so cannot unequivocally be considered a “Caucasian state.” As for Russia, this state can be considered a contiguous state, since only a small part of its territory belongs to the Caucasus.

In light of this, another semantic load of the concept “the Southern Caucasus” can be singled out. This is perhaps a not fully recognized desire to underline the Caucasian nature of the three South Caucasian states in counterbalance to Russia, which is constantly claiming the status of a Caucasian state with a certain geopolitical undertone.

Nevertheless, the term “the Southern Caucasus” in its present meaning, in our opinion, does not adequately reflect the geopolitical processes going on in the Caucasus. The mechanical exchange of one concept for another is essentially taking place within the framework of the former Russian model for structuring the Caucasus, dividing it into the Northern and the Southern within the post-Soviet space. This model suffers in our opinion from two main drawbacks. First, it has outlived itself, since its foundation has disappeared—Russia’s monopoly domination in the Caucasus. Second, this model is based on an incorrect reflection of historically developed socioeconomic, sociocultural, and ethnic parameters of the Caucasus. The matter concerns the unjustified shrinking of these parameters due to the fact that the northeastern regions of Turkey (the Kars, Ardahan, Artvin, Igdyr, and other *ils*) and the northwestern regions of Iran (the East Azerbaijan and West Azerbaijan *ostans*) are not included in

¹⁴ See: A. Gajiev, *Iz istorii obrazovaniia i padeniia Iugo-Zapadnoi Kavkazskoi (Karskoi) Demokraticheskoi Respubliki*, Baku, 1992.

Figure 1



the Caucasian region. Many centuries before Russia conquered the Caucasus, these regions were part of the same socioeconomic and ethnocultural area, where even today Caucasian peoples mainly live, which makes it possible to consider them “Caucasian” regions of these countries, like the Caucasian region of Russia (the Northern Caucasus).

Based on the above, we offer the following way to structure the Caucasian region¹⁵ (Fig. 1):

- 1. The Central Caucasus**, including the three independent states—Azerbaijan, Georgia, Armenia;
- 2. The Northern Caucasus**, consisting of the border autonomous state formations of the Russian Federation;

¹⁵ At first glance it may seem that the methodology offered will complicate the already extremely complicated geopolitical picture of the region even more. But it is precisely this that makes it possible to supply the integrity of the Caucasus with its “lacking elements” and, in so doing, achieve dynamic, stable, and systemic development of the integration processes throughout the region. This approach will make it possible to offer an integration model for the Caucasus based on the “3+3” principle, incorporating into it the independent states of the Central Caucasus (Azerbaijan, Georgia, and Armenia) and regional nations (Russia, Turkey, and Iran).

3. The Southern Caucasus, including the *ils* of Turkey bordering on Azerbaijan, Georgia, and Armenia (**Southwestern Caucasus**) and the northwestern *ostans* of Iran (**Southeastern Caucasus**).

In our opinion, the offered version for structuring the Caucasus most fully and precisely reproduces current geopolitical reality in the region, encompasses all its components (countries, regions, and autonomous formations), and takes into account the historically developed specific features of the Caucasus as a sociocultural and economic formation. Division of the Caucasian region into its central, northern, and southern parts makes it possible to designate essentially new and realistic ways of developing the integration processes in the Caucasus.

Special mention should be made of the particular (ambiguous) position in which Armenia finds itself in this methodology. In this model, it is part of the Central Caucasus, while it could also be included in the Southern Caucasus due to the fact that, first, it, just as the Southeastern Caucasus (*ostans* of Iran) and the Southwestern Caucasus (*ils* of Turkey), is beyond the Great Caucasian Mountain Range and equidistant from it. In other words, Armenia is geographically located in the Southern Caucasus. Second, until the 19th century, most of the Armenian population, along with other Caucasian peoples, lived compactly for many centuries in these particular regions of the Ottoman Empire and Iran, but thanks to the Russian Empire migrated entirely to the Azerbaijan (Erivan) khanate. But keeping in mind that in the Soviet period (1920-1990), Armenia developed socioeconomic relations with Georgia and Azerbaijan as part of the single Transcaucasian economic region, and at present it has approximately equal political-legal and sociodemographic parameters (in contrast to the constituent “Caucasian elements” of the regional nations—the Northern and Southern Caucasus), and also taking into consideration that the world community already considers Armenia (along with Azerbaijan and Georgia) as a South Caucasian state of the same ilk, it is included in the Central Caucasus.

Correlation of the Geopolitical and Geo-economic Functions of the Caucasus

An analysis of Caucasian geohistory of the 16th-20th centuries shows that the socioeconomic space of this region executed both a geopolitical and a geo-economic function at different stages in its history. The correlation between them changed depending on the stage of historical development: whereas during the years of complete dependence, that is, when the region belonged to a particular empire, the entire Caucasus or its individual parts could not carry out any geofunction, during periods of varying degrees of dependence, it carried out one or the other geofunction, and during periods of independence, it executed both of the above-mentioned functions at the same time.

For example, after the Russian Empire conquered the Caucasus and during the time of the Soviet Empire, the region was a component of Russia and the U.S.S.R., respectively, and so it could not fulfill either the geopolitical or the geo-economic function.¹⁶ At present, when the countries of the Central Caucasus have acquired their independence, both functions are being revived. In so doing, it should be noted that at this stage, the region’s geo-economic function must undergo more intensive development.

¹⁶ Only during isolated short periods of history, in particular during the transformation of the Russian Empire into the Soviet, was the Caucasus involved in a big geopolitical game (World War I). In so doing, during this period, this region began to carry out a geopolitical function, while its geo-economic function could not be engaged. As the Center’s (Moscow’s) powers and absolute domination over the region intensified, its geopolitical function ceased to be effective.

But geopolitical predilections, along with extreme enthusiasm about the national idea, in the Central Caucasus are continuing to have a strong influence on the formation and development of the geo-economic function, which in turn presumes an active search for and the drawing up of a new concise and balanced geo-economic strategy. In this respect, in the 21st century, the countries of the Central Caucasus themselves should primarily strive to ensure that the geo-economic, rather than the geopolitical, function dominates in the region. If the region finally begins to carry out its geo-economic function in a balanced way and can consistently develop it, this will make it possible to develop and perform a coordinated geopolitical function in the future, from which both the countries of the region and the world economy as a whole will benefit. Only by predominantly strengthening the geo-economic function can the Caucasus become a single, integrated, and effective functional subsystem of the global economy.

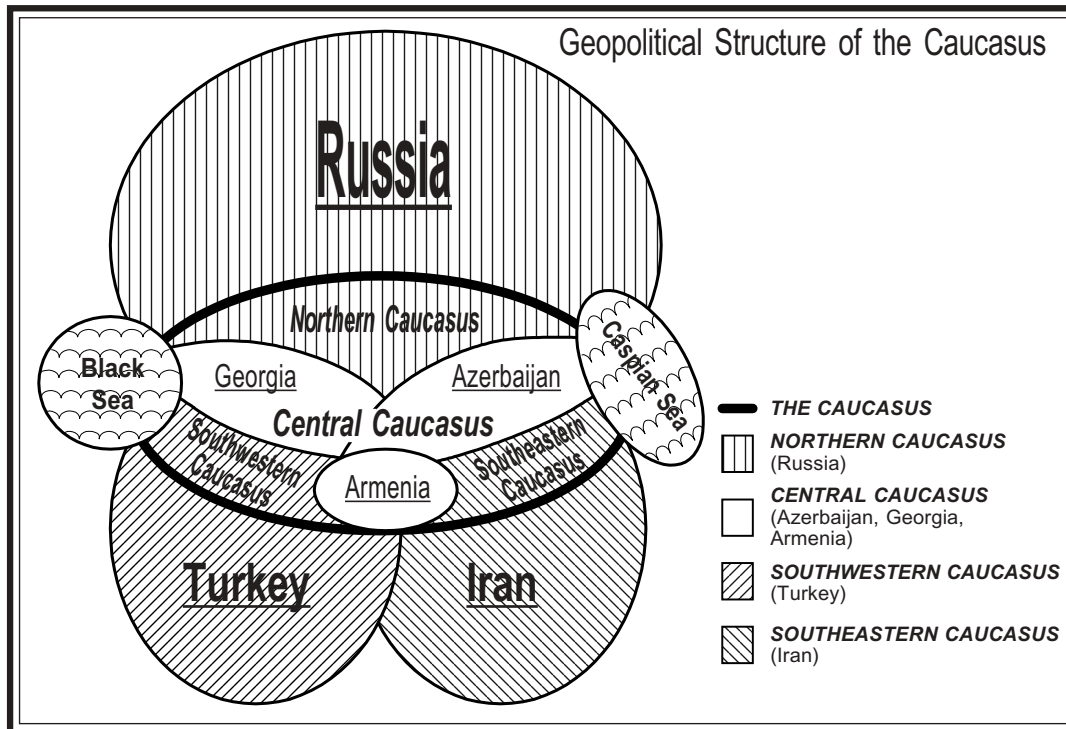
When developing a conception of national-state interests, the ratio between geopolitics and geo-economics depends on the priority of particular factors, for instance, security in the broad context, prestige on the world arena, economic prosperity, and so on. The geopolitical and geo-economic vectors do not necessarily have to coincide for different goals to be reached. What is more, since they have numerous intersection points, they might contradict each other. Sometimes geopolitical categories play the role of dangerous throwbacks, particularly in those cases when foreign economic strategy is fully subordinated to foreign political precepts.

In our opinion, the Caucasus, which is located on the border of the European security space, should be a geo-economic, rather than a geopolitical region. The Caucasus itself should strive to ensure that geopolitics does not predominate here, otherwise, it might be in danger of becoming controlled by other countries. Geo-economically, the region's entities can function as single components of the global economy. If the region can ultimately define its geo-economic function, all of its states will gain from this. In this sense, the transportation projects are very important, both of energy resources, and of other raw minerals.

Along with this, based on geopolitical and geo-economic expediency, the need for Caucasian integration, primarily with Central Asia, is growing. Together, these two regions can become a new integrated independent economic regional formation—Central Eurasia. Although the Caucasus, as a historically developed region, is important in itself, its value and geo-economic advantages will increase manifold in this context, since the geo-economic function of the Central Asian region, keeping in mind that it is identical to the geo-economic function of the Central Caucasus, will allow the latter to fully carry it out. Coordinated implementation by the Central Caucasian and Central Asian countries of their geo-economic function is throwing integration opportunities wide open, both throughout the entire Eurasian expanse, and in the global economy. In order to justify this viewpoint, we would do well to look at a three-dimensional panorama of the Caucasus' geopolitical structure (see Fig. 2 on p. 18).

It is easy to see that the Caucasus forms an ellipse or a sort of arc supporting the bunches of circles of different regional nations and integration formations stretching from the Black to the Caspian seas. Russia, from the north, and Turkey and Iran, from the south, are "pulling it back." At the same time, the Caucasus began receiving, particularly in recent years, strong impulses from larger, in the geographic and geopolitical sense, integration formations: from the U.S. and the EU in the far west, and from the Asia Pacific Region (APR) in the east. In so doing, the U.S. and EU are striving to "advance" their interests through the "neutral" Central Caucasus to the Central Asian region, while China, Japan, and Korea are doing the same through "neutral" Central Asia, to the Central Caucasus. Whatever the case, the geopolitical and geo-economic vectors of the interests of the Euro-Atlantic and Asia Pacific nations will, in the final analysis, promote unification of the "neutral" Central Caucasian and Central Asian countries. Although these states are still far from clearly comprehending the global need for accelerating regional integration, the beginnings of this process are already manifest. This shows that it is indeed possible to form a new independent economic regional entity—Central Eurasia (CEA)—in the center of the Eurasian continent, stretching

Figure 2



as a single historical-geographical space from the shores of the Pacific to the shores of the Atlantic and from the Arctic seas to the Indian subcontinent. However, some experts believe that this configuration will be the most vulnerable element, in terms of strength of economic and geographic ties, of the Eurasian continental model.¹⁷

Ignoring geo-economic and geopolitical determinants, it is impossible to ensure high efficiency of integration unions. In this respect, the prospects for Caucasian development depend to a decisive extent on rational use of the advantages of CEA's geopolitical and geo-economic location between two mega regions—the Euro-Atlantic and the Asia Pacific—which will also largely define the distribution of global forces in the new century. Each country claiming participation in Central Eurasian integration should propose its own ways to intensify the integration processes based on interrelated interests. It is precisely the geo-economic paradigm that should predetermine the domestic economic strategy and model of conduct for the integrating countries from the very outset. For example, Azerbaijan, which has immense transit and production potential, is paying particular attention to communication projects, including development of transportation and energy infrastructure, as well as to linking its economy up to the labor division system in the Eurasian macro region. This approach calls for a reliable foundation for cooperation among the CEA countries aimed at jointly advancing their own interests, which is helping to realize the geo-economic interests of the region's states. But if the geopolitical component both in the Central Caucasus, and in Central Eurasia as a whole becomes more prominent than the geo-economic, this region will not be able to fully carry out its geo-economic function and, in so doing, will not achieve stable and accelerated economic growth and a higher standard of living. The real need for cooperation among the Central Caucasian and Central Asian states in developing and operating transportation routes, jointly forming security mechanisms, and

¹⁷ M. Laumulin expresses a similar viewpoint in his article entitled "Politika protiv geografii. Evrazia na geopoliticheskom perelome," *Kontinent*, No. 8, 17-30 April, 2002.

implementing energy projects, including the geopolitical and environmental aspects, is more than obvious. What is more, implementation of the Central Caucasus' geo-economic function—ensuring transit trade between the East and West—defined the region's geopolitical destiny and security in the past and should continue to define them in the future.

The interest of the great and regional powers (the U.S., EU countries, China, Russia, Iran, and Turkey) in CEA is equally indisputable today. This interest is primarily aroused by the region's geo-economic potential (although each of them sees this task differently). Their attention has long been attracted and is still attracted by CEA's geographic location as an important transportation corridor and area of vast undeveloped natural resources. So achieving stability in CEA and its incorporation into the world community and world economy are important tasks for all these states. In so doing, formation of a "neutral" CEA is especially advantageous for the U.S., EU countries, and APR, while Russia, Iran, and Turkey picture this unity in a slightly different way. At present, obvious rivalry is going on among these powers for economic supremacy in the region, and so the Central Caucasian countries, as well as all of CEA, must take the right attitude toward this global geo-economic situation.

In this way, geo-economic integration is entirely reshaping the geopolitical structure of the Caucasus, is changing the ideas about development priorities, and is creating real prerequisites for establishing new regionalism. And although the Central Eurasian countries may have more regional differences than common characteristics, under globalization conditions the most important thing is to find a mutually advantageous solution to potential problems and prevent dangers, which of course could be used later to eliminate the conflicts going on in different areas of social life.

Special Features of New Regionalism in the Central Caucasus

Under the conditions of universal globalization and new regionalism, the post-Soviet states are faced with the urgent task of looking for ways of socioeconomic integration into the world economy. This task is also urgent for the Caucasus, where extremely complicated socioeconomic, national-territorial, confessional, geopolitical, and other interests are clashing.

The special features of the Caucasus stem from its exclusively ethnonational and confessional diversity, as well as other factors, among which a particular place is occupied by its geographic location. The Caucasus has always been viewed as a regional formation with immense geostrategic importance and as a unique region where East and West, North and South, Christianity and Islam directly meet. The Caucasian region is a field where several lines of international politics come together and intersect. It was and still is a link between the Middle and Near East and the basins of the Caspian, Black, and Mediterranean seas. The Great Silk and Volga-Caspian trade routes being currently revived run through its territory, as well as several military and strategic routes of important political significance. A multitude of different peoples have been living here for many centuries, and the region is a melting pot of different cultures and religions. Admittedly, the socioeconomic relations between these peoples usually developed in different empires, which cannot help but have a certain, primarily negative, effect on them.

The unflagging interest in the Caucasus shown by the leading world nations and political forces clearly testifies to the geopolitical and geo-economic attractiveness of this region. A large number of foreign scientific-research centers and analysts are directly engaged in studying the problems of the Caucasus' socioeconomic development. The collapse of the Soviet Union had an immense impact on the policy of the interested countries toward the Caucasian region.¹⁸ In some cases, Western politi-

¹⁸ The possibility of a so-called second coming of Western capital to the region has emerged. Western countries have been given the most favorable geopolitical and geo-economic conditions for penetrating areas of the Caucasus previ-

cians include the Caucasian-Caspian region in the so-called Eurasian Balkans, to which areas of Southeastern Europe and Central Asia and parts of South Asia and the Middle East, characterized as conflict-prone zones, belong. What is more, powerful neighbors are tempted to interfere in the countries of this area, and each of them could put up resistance to another neighboring state in the region.¹⁹

The place and role of the Caucasian region in the world economic community must be urgently defined. Researchers interpret this question differently and have still not come to a clear and unanimous opinion. Determining the actual geo-economic and geopolitical functions of the Caucasus and the extent to which reality differs from the scientific viewpoints put forward is an urgent, although highly complex task.

The geo-economic and geopolitical importance of a particular region is characterized by long-term economic, management, territorial-spatial, and other factors, as well as their impact on foreign relations and international processes. The Caucasus has always been a zone of interest of many states of Europe and Asia, as well as a cluster of sociopolitical and economic contradictions. The current state of the world is such that more and more countries are inclined to view the Caucasus as a zone of their interests, which is largely due to the rising need of highly developed states for energy and raw material resources and their interest in international projects aimed at producing and transporting Caspian oil and gas, laying communication lines, building infrastructure, and so on.

The Caucasus' significance as an integral socioeconomic entity, according to Zbigniew Brzezinski, is invariably rising. In so doing, he emphasizes in particular the promising role of the entire Caucasian region first as a source of massive, but still undeveloped, supplies of natural resources, primarily gas and oil, and second, as a crossroads of Eurasian transportation routes. However, he also points out the existing and potential sources of instability in the region.²⁰

The Caucasian region is indeed rich in natural resources, and not only in energy, but in iron, copper, and chromium ore deposits as well. The Caspian Sea possesses 90% of the world supplies of sturgeon, which is a source of immense profit for the countries (including Azerbaijan) that have access to it. In addition to everything else, the region has every opportunity to become a vital junction in the transportation systems running South-North and East-West as well as a transportation-communication corridor joining Europe and Asia. Caspian oil and its transportation routes are a target not only of competition among companies, but also of political rivalry among the large nations. Both regional (Russian, Turkish, and Iranian) and global (American, EU, APR, and Greater Near Eastern) interests intercept and intertwine here. So this region is currently in the zone of special attention of the so-called world government.²¹ Each of the entities of the latter has its own "spheres of attraction" here and its own idea of Caucasian integrity, whereby it uses its financial and power levers to have a bearing on the integration of the Caucasian state formations and the rates of their development.

What is more, the correlation of forces among the entities of the "world government"—Eurasian and Euro-Atlantic powers—periodically changes. This, in turn, leads each time to a transformation in the region's integrity, the interstate relations among the Caucasian components, and the rates and forms of their movement.

ously closed to them. Powerful oil-and-gas and transportation-communication corporations were the first to react, but in the past few years Western states have stepped up their activity in every vector. Taking advantage of the status of such organizations as the U.N., OSCE, and others, Western and Eastern countries are participating in the settlement of ethnic and territorial conflicts. Observers from international organizations monitoring the execution of various agreements are permanently in the region.

¹⁹ See: A. Derbskiy, *Kavkaz v sisteme geopoliticheskikh interesov stran mirovogo soobshchestva*, available at [<http://www.kavkazweb.net/view.cgi?m=1&name=ana/geo>].

²⁰ See: Z. Brzezinski, *The Grand Chessboard. American Primacy and Its Geostrategic Imperatives*, Basic Books, New York, pp. 124.

²¹ "World government" here means a community of the most developed nations on the planet, which directly or indirectly (by means of supranational organizations) carries out global governance of the processes going on in the world.

In the 21st century, the Caucasian state formations gained the opportunity for the first time to become integrated into a single economic union that meets the urgent development interests of the region as a whole and each of its components individually. The Caucasian states, which are in favor of ensuring smooth entry of their national economies into the system of world economic relations, believe it necessary to participate in international economic and financial unions and organizations. This is manifested primarily in their socioeconomic integration with their closest neighbors (for example, GUAM, the CIS, BSECO, CAREC, and others), as well as in the active establishment of relations with other regional economic unions (for example, the EU, APEC, NAFTA, the SCO, and others).

What is more, the absence of a global system of economic cooperation is making it difficult to develop national and regional mechanisms to achieve an optimal balance of interests. This is manifested in particular in the relations between the Caucasian countries and Russia. As Georgian political scientist and internationalist Alexander Rondeli has noted, the Central Caucasian states are “in a rather indeterminate state” with respect to Russia, being involved both in reintegration and disintegration processes with it.²² In his opinion, there are objective reasons for their reintegration: the special features of the economic structure, technological and raw material demands, acute energy problems, the need to export products to the Russian market, the need for guarantees of sovereignty, territorial integrity, and external security, and the existence of long-term friendly relations and close cultural ties. The new economic and political realities are conducive to disintegration, as well as Russia’s inability, which is in a state of transformation itself, to render full-fledged assistance to the states of the post-Soviet space, the inability of new Russian business to establish relations with them, and, particularly, its tendency to periodically apply forceful pressure on certain countries, which is arousing mistrust and a negative reaction among the population.

These conclusions were drawn several years ago and unfortunately the effect of the negative factors is still going on. Russia’s foothold in the Caucasus has slipped somewhat during this time due, in particular, to its involvement in the prolonged military conflicts in Nagorno-Karabakh, Abkhazia, South Ossetia, and Chechnia, which greatly complicate Russia’s relations with Azerbaijan and especially with Georgia. What is more, centrifugal trends have been observed in the policy of the Central Caucasian states, their striving for priority cooperation both with the Euro-Atlantic, and with the Asia Pacific world has been designated at the global level.

Emin Makhmudov thinks that “it is stretching the point to apply the concept ‘regionalism’ to the Central Caucasian countries at present, since only its beginnings are manifest here, primarily due to the implementation of international economic projects.”²³ As we know, Armenia’s policy and particularly its military aggression against Azerbaijan have ostracized this country not only from such major projects as the “Contract of the Century,” SPECA, and the BTC and BTE pipelines, in which Azerbaijan and to a certain extent Georgia are involved, but it also essentially plays only a token role in the TRACECA (restoration of the Great Silk Road), TAE (laying of a Trans-Asia-Europe fiber optic cable), and INOGATE (cooperation program for increasing the safety of energy resource deliveries to the EU) projects.

What is more, it is worth noting that the most important and effective regional union in terms of harmonious development of the Caucasian (primarily Central Caucasian) entities would be their accord with each other. This would make it possible to jointly and comprehensively resolve the entire range of economic, social, and environmental problems that affect the Caucasus as a whole. But the transition period proved extremely arduous and essentially changed both the external conditions under which the Caucasian countries function (the collapse of the single Soviet national economic complex, the significant weakening in economic ties with the former Union republics, the declaration of

²² See: A. Rondeli, “Gruzia na postsovetском prostranstve,” in: *Kavkazskie regionalnye issledovaniia*, No. 1, 1996, p. 98.

²³ E. Makhmudov, *Problema iuzhno-kavkazskoi bezopasnosti i integratsii segodnia*, available at [<http://ija.hetq.am/ru/r-emakhmudov.html>].

their sovereignty, the reorientation of foreign trade toward states of the Far Abroad, and the formation of the CIS) and the internal economic environment (transition to liberal market relations, the acute socioeconomic crisis, the profound production slump, and the drop in standard of living).

In the post-Soviet economic space, the Caucasian countries have certain special features. First, their weaker dependence on Russia—the system-forming state of the CIS.²⁴ This distancing was expressed primarily in the creation of an alternative system for producing raw materials and their transportation to the world markets, the building of the Baku-Supsa, Baku-Tbilisi-Ceyhan, and Baku-Tbilisi-Erzurum pipelines as alternatives to the new Russian route, and the creation of GUAM—an organization aimed at freeing itself from energy and transportation-communication dependence on Russia. Second, the increase in interdependence between the Caucasian countries (Azerbaijan and Georgia) and Ukraine and Moldova within the regional associations of GUAM and BSECO. Third, the expansion of regional cooperation, particularly of Azerbaijan, with the Central Asian states within the framework of CAREC, ECO, and SPECA.

In this way, both throughout the Commonwealth as a whole, and within the Caucasian countries, regionalization of the economic space took place during the reforms when regional groups were created, the development rates of which significantly differ.²⁵ Experts point out the significant integration potential of the latter, which is currently not being made use of. This in turn requires intensification of the integration trends emerging in the regional associations of the Caucasian countries. What is more, despite certain objective conditions, the inertial natural complementariness of the economic systems, and the corresponding factors of production (in particular, natural, production, and intellectual resources), Caucasian regionalization is being held back by disintegrating factors, for example, by the military conflicts in the region and the impact of the contradictory trends of the world market.

This gives reason to talk about the uniqueness of new regionalism in the Caucasian states: "...regionalism in the foreign political relations of the Caucasian countries implies something more. And by this I mean, just to what extent these countries understand in their activity that they are a single region—the Caucasus. Today, the Caucasian countries do not have enough interests and political references in common, as a result of which they are defending their interests separately on the international arena. There are valid reasons for this: the burden of their historical past (the long unsettled disputes between Armenia and Turkey, the Caucasian war of the 19th century etched on the Chechens' memory, and so on), and the development of events after the collapse of the Soviet Union. Finally, special mention should be made of the geopolitical orientation of the South Caucasian states, which is the clearest manifestation of their disunity."²⁶

Under these conditions, drawing up a realistic model of Caucasian integration is becoming a top priority. The short historical review of the system of governance in the Caucasus in the 18th-20th centuries showed that the peoples of the region, both during periods of dependence on regional powers, and during the years of independence, strove for integration. As a result, different types of integrated state formations emerged with their own special government and financial-institutional structures and common currencies. These integrated state formations largely appeared in Russia's geopolitical space, that is, in the Northern and Central Caucasus. As for the Southern Caucasus, parts of which belonged and still belong to Turkey and Iran, it could not be incorporated into the integration process. The same goes for the integration processes within the Southern Caucasus—between its Turkish and Iranian parts. In these areas, either independent state formations appeared periodically,

²⁴ With the exception of Armenia, whose unilateral dependence on Russia tends to increase, since the latter is its largest trade partner: Russia's share in Armenia's foreign trade turnover amounted to approximately 13.0 percent in 2005.

²⁵ See: D. Matsnev points in particular to this trend (see: *Rossiiskii ekonomicheskii zhurnal*, No. 9-10, 1999, pp. 62-63; *Central Asia and the Caucasus*, No. 2, 2000, pp. 90, 98).

²⁶ M. Bichashvili, *Regionalizm vo vneshnei politike iuzhno-kavkazskikh stran*, available at [<http://ija.hetq.am/ru/rmbichashvili.html>]. In so doing, the author points out the formation of two regional alliances: on the one hand, Armenia-Russia-Iran, and on the other, Azerbaijan-Georgia-Turkey.

or they were drawn into the sociopolitical and economic life of the Caucasus, which was part of the Russian Empire.

Today, the Northern Caucasus, which consists of eight republics (Adigey, Daghestan, Ingushetia, Chechnia, Kabardino-Balkaria, Karachaevo-Cherkessia, North Ossetia-Alania, and Kalmykia) and four administrative units (the Krasnodar, Stavropol, Rostov, and Astrakhan regions), belongs to the Southern Federal District of the Russian Federation. In the Northern Caucasus, as during the Soviet era, a common currency is still in circulation—the ruble, as well as integrated organizational-legal institutions and financial mechanisms of regional integration.

Under current conditions, each of the entities located in the Central Caucasus independently establishes financial-institutional ties with each other, whereby the degree of independence of these ties differs and the relations between the countries are developing differently.

After acquiring their independence, the republics of the Central Caucasus joined several regional associations—the ECO, CIS, BSECO, GUAM, and others—although they have still not gleaned any significant benefits from this participation. In our opinion, there are objective reasons for this. One of them is the politicization of the mentioned associations, another lies in the fact that they have only just formed and have not yet accumulated sufficient experience of cooperation under the new conditions. For example, the ECO is a club of Muslim states uniting countries of different orientations from a large region, beginning with Islamist Afghanistan and ending with secular Azerbaijan. There are also significant differences in the goals, principles, methods, and forms in which they function.

In the economic space of the former U.S.S.R., steps are also being taken to form a regional integrated association, but at present, due to a whole slew of objective reasons, they have not yielded the anticipated results. A graphic example of this is the significant political difficulties in creating the CIS in 1991. In addition to this, at present, 27 tariff and approximately 200 non-tariff customs restrictions exist among the CIS countries, which there are plans to gradually abolish over the next ten years. The economic goals set in GUAM are also being implemented slowly. Cooperation among the countries belonging to the BSECO is developing more dynamically. As of the end of 2005, the participation of the Central Caucasian states in various regional unions and programs can be singled out as the main area of their cooperation (see Table 2).

Table 2

**Membership of the Central Caucasian States
in Regional Groups and Programs**

	CIS	GUAM	BSECO	ECO	CAREC	TRACECA	INOGATE	SPECA
Armenia	X		X			X	X	
Azerbaijan	X	X	X	X	X	X	X	X
Georgia	X	X	X			X	X	

It should be noted that Azerbaijan and Georgia participate in GUAM; the Central Caucasian states are all members of the CIS and BSECO, while only Azerbaijan belongs to the others (CAREC and ECO). An analysis of this activity shows that the most integrated of the Central Caucasian countries is Azerbaijan, while the least integrated is Armenia. Azerbaijan's leading position adequately reflects its state policy, its advantageous geographical location (access to the Caspian Sea and participation in regional groups with the Central Asian countries), rich natural resources, and highest economic potential and investment performance. In terms of these parameters, Armenia lags behind essentially all the countries of the region, which is explained to a certain extent by its policy and low level of participation in regional unions.

At the beginning of the 1990s, the possibilities of expanding foreign trade with neighboring states helped to accelerate the formation of these regional associations. The Central Caucasian countries believed that the benefits from this cooperation could more likely be realized if there was integration among countries with different, but mutually complimentary production possibilities in the most profitable industries, and if integration itself was accompanied by a significant reduction in tariff restrictions and the granting of extremely moderate regional preferences. In practice, however, the entities of regional associations were not guided by the aforementioned considerations in their activity, so the effect from it was insignificant.

Let's take, for example, the plans to put the Rustavi Metallurgical Combine back into operation. In Soviet times, this enterprise put out millions of tons of steel and pig iron every year, and the ore for production was delivered from the Azerbaijani town of Dashkesan. At present, due to unsuccessful attempts to attract investments, the combine has long been standing idle. This and other similar circumstances are hindering the revival of economic integration between Georgia and Azerbaijan to a certain extent.

The level of integration in the systems of governance is also acquiring vital importance. For example, the CIS can be considered the best formed integration union, while GUAM is only just beginning this process. Along with this, attention should be focused on the fact that the benefits of integration are determined not only by measures of foreign trade policy, but also by joint efforts to improve the infrastructure and service sphere. For example, such a regional union as BSECO has a banking structure—the Black Sea Trade and Development Bank, while the CIS and GUAM are making their first attempts to create a common interstate bank.

When talking about regionalization in the Caucasus, it should be noted that from the geopolitical and geo-economic viewpoints, the most promising is not so much a Caucasian regional group (for example, a Caucasian Common Market or a Caucasian Common Home), as regional unions of Caucasian and Central Asian states. As already mentioned, GUUAM and CAREC can be considered prototypes of this kind of union. For example, in addition to Ukraine and Moldova, Georgia, Azerbaijan (since 1997), and Uzbekistan (since 1999) belonged to GUUAM, which essentially made it possible to ensure efficient relations with the states of Eastern Europe, the Caucasus, and Central Asia via these countries. But in May 2005, due to Uzbekistan's withdrawal from this structure, GUUAM was reorganized into GUAM. In so doing, the chain linking the Caucasus and Central Asia into a single whole was broken. In addition to Afghanistan, China (the Xinjiang-Uighur Autonomous Region) and Mongolia, four Central Asian republics (apart from Turkmenistan) and Azerbaijan belong to CAREC, which was founded in 1997. Keeping in mind that Azerbaijan has ethnogenetic communality and linguistic kinship (the Turkic group) with the peoples of Central Asia, it could become a link in the Caucasus-Central Asia chain and play one of the leading roles in forming the Central Eurasian union—CEA.

This approach is justified by the fact that CEA, which became one of the most rapidly transforming regions integrating into the world economy at the end of the 1990s, has significant advantages (large supplies of natural resources, a relatively developed infrastructure, human capital). In other words, it has the resources and significant development potential necessary for a self-reproducing entity of the world economy. The main goal of a possible regional group of CEA countries located in the center of the Eurasian space, where Europe and Asia intersect,²⁷ consists of ensuring multi-vector integration—Western Europe and Eastern Asia (West-East), as well as Russia and South Asia (North-South). This advantageously distinguishes it from the regional integration agreements existing in the world, such as NAFTA in North America and MERCOSUR in South America, which are mainly to do with trade and have a purely intra-continental sphere of activity.

²⁷ According to the conception of Samuel Huntington's "clash of civilizations" (see: S.P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster, New York, 1996, 368 pp.), after the collapse of the Soviet bloc, the main world rivals are three super civilizations (Western-Christian, Muslim, and Chinese-Confucian). The CEA states are the juncture of all three super civilizations.

The Central Eurasian countries will ultimately have to find their own approach to regional cooperation and integration. Despite the common threats to economic and social stability, at present they are not only lacking strong political motivation and leadership for intensifying regional integration, but also foreign sources of financing. Integration of Central Eurasia into a single socioeconomic region has been dictated not so much from the viewpoint of its potential and market volume, that is, trade and investment possibilities and attractiveness, as from the perspective of functional value, which lies in its unique territorial location. For many centuries, the world trade routes—the Great Silk Road and Volga-Caspian Trade Route—have passed through this region, and now their contemporary modifications—the West-East and North-South international transportation-communication corridors, linking the markets of the EU and APEC, as well as of Russia and South Asia—have been laid. Under present-day conditions, there are plans to restore the new Silk Road based on three supporting branches of the economy: power engineering, the transcontinental transport system, and telecommunications. The fulcrum of this project, which is attracting global, regional, and local interest at the same time, should not only be development of the natural resources of the Caucasian-Caspian region in its broad sense, but also simultaneous incorporation of the natural riches of the Central Asian and Central Caucasian countries into the world economy.

In other words, at the beginning of the 21st century, the principles, forms, and methods of new regionalism in the Caucasus should be largely determined based on joint use of the economic potential of the Central Caucasian and Central Asian countries and their transportation-communication networks in the system of world economic relations. In this way, the Central Caucasus, after becoming a fundamental component of a single and integrated Central Eurasian region, will be able to fully perform its geo-economic function, which, in turn, will promote the creation of favorable conditions for dynamic growth of the economy and national prosperity in the region's countries.



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GEOPOLITICAL LESSONS OF THE POST-SOVIET CAUCASUS: FORWARD TO GLOBALIZATION OR BACK TO CLASSICAL EURASIAN GEOPOLITICS?

A b s t r a c t

The author looks into the specific features of the post-Soviet Caucasus' geopolitical development with the intention of finding out the extent to which the

regional relations system has drifted away from classical Eurasian geopolitics and the extent to which the region is ready to join the globalization process. He concludes

that post-Soviet Caucasian geopolitics still largely relies on its classical principles and instruments, which interfere with the region's prompt and fullest possible involvement in the current globalization process.

Today, globalization is declared from all sides to be the key, irreversible, and nearly only trend in world politics capable of systemic changes. It is believed to be based on the objective regularities of the world's economic, technological, communication, as well as sociopolitical and sociocultural development. There is a fairly widely shared opinion that sooner or later every country and region will be forced to blend with the unified post-industrial standard, which, in the final analysis, will create a single and harmonious world.¹

At the same time, the international system's advance toward "global harmony" has been accompanied in the post-Soviet period by problems that can hardly be described as temporary and unable to produce any serious impact on the process itself. I have in mind the wave of ethnopolitical conflicts that swept post-Soviet Eurasia, the critical nature of the socioeconomic situation, which did not change in any noticeable way and in some places became even worse, etc. This, in turn, was given all kinds of theoretical explanations. Mention can be made of Immanuel Wallerstein's conception of the general crisis of the "capitalist world-system,"² or Samuel Huntington's "clash of civilizations"³ conception, which produced quite a stir several years ago. It offered an absolutely different scenario for the international system's evolution up to and including its fragmentation along cultural and civilizational dividing lines. The neo-realists and their most prominent representatives, Kenneth N. Waltz⁴ and John J. Mearsheimer⁵ in particular, also insisted that habitual patterns of the use of force and structural geopolitical factors would be preserved in the post-Cold War world.

The highly problematic nature of the globalization trends makes us wonder about the involvement of relatively new countries and regional interstate alliances of Central Eurasia in the process: their geographic location, the specifics of socioeconomic development and domestic processes, as well as the level of maturity of their relations with their neighbors pose several questions related to their place and role in the supra-regional and world processes. I have selected the post-Soviet Caucasus⁶ as an object of my assessments designed to demonstrate the extent to which the traditions of classical Eurasian geopolitics are retaining their viability in the "rapid globalization era."

¹ The notorious "end of history" conception offered by Francis Fukuyama in his "The End of History," *The National Interest*, No. 16, Summer 1989, pp. 3-18 outlined this prospect to a certain extent.

² I. Wallerstein argued that world systems were developing in cycles and that the capitalist system was confronted with its first and genuine crisis, which would deepen in full conformity with the four long-term trends: worldwide disintegration of the rural lifestyle, an ecological crisis, the change of the old development trends of state power, and the inability of the states to perform their regulatory function. For more detail, see: I. Wallerstein, *Konets znakomogo mira. Sotsiologiya XXI veka*, Russian translation edited by V.L. Inozemtsev, Logos Publishers, Moscow, 2004, pp. 43-46 (English edition: Immanuel Wallerstein, *The End of the World As We Know It: Social Science for the Twenty-First Century*, University of Minnesota Press, Minneapolis, London, 1999).

³ For more detail, see: S.P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Shuster, New York, 1996.

⁴ For more detail, see: K.N. Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, Issue 2, Autumn 1993, pp.44-79.

⁵ For more detail, see: J.J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security*, Vol. 15, Issue 1, Summer 1990, pp. 5-56.

⁶ I use a relatively recent pattern that divides the Caucasus into three sub-regional units: the Northern Caucasus (the autonomous units of the RF Southern Okrug), the Central Caucasus (Azerbaijan, Georgia, and Armenia) and the Southern Caucasus (the northeastern parts of Turkey and the northwestern ostan of Iran) (see: E. Ismailov, Z. Kengerli, "The Caucasus in the Globalizing World: A New Integration Model," *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 135-144).

The Caucasus in the Eurasian Geopolitical Context: Problematic Heritage

The geopolitical relationships in the Caucasus are a direct product of the region's importance in the Eurasian context, which at all times stirred the Eurasian centers of power to action and affected the historical friendship/enmity alignments of the ethnopolitical Caucasian units. Svante E. Cornell wrote the following on this score: "The strategic alignments centering on the Caucasus cannot be fully comprehended without viewing their place in the wider strategic alignments of Eurasia."⁷

The Eurasian great powers were locked in struggle for control over the region, which being a religious and ethnic patchwork, had no internal consolidating core. It was considerably weakened by disunity and never-ending strife, which at all times attracted external influence. As Raimo Väyrynen put it, all fragmented and heterogeneous regions tempt external geopolitical interests.⁸

From time to time, the struggle among the powers of the "traditional external triangle" (Russia, Turkey, and Iran) for domination over the Caucasus flared up reflecting the changing balance of power inside the triangle and affecting the degree of stability across the region. In the post-Soviet period, geopolitical confrontation remains the key factor of regional political relationships. Today, as in the past, the rivals are using cultural and ideological propaganda, selective (read: biased) military and economic aid, and de facto alliances with one of the countries against the others, as well as ethnic separatism to secure their goals.

The traditional attributes of the Caucasus' imperative nature in Eurasian geopolitics not only continued into the post-Soviet period—they were complemented with new, easily detected factors no less stimulating for interested geopolitical players.

The Caucasus' imperative nature is connected, first and foremost, with its geostrategic importance. Its geographic location remains one of the central factors of the region's political development. As a crossroads, it historically determined South-North and East-West relations.⁹ Those who control the Caucasus have vast territories in Eurasia under their control too. This was what sealed the region's historical destiny: for a long time it remained a scene of uncompromising rivalry among Russia, Iran, and Turkey. Karl Haushofer, a prominent representative of classical geopolitics, wrote about the Caucasus as one of the historic zones of confrontation, along with the Bosphorus, Gibraltar, the Suez Canal, etc.¹⁰ In changed form, this confrontation is still going on.

In the post-Soviet period, when the Caspian and Central Asian energy resources came to the fore, the Caucasus acquired still greater importance as a door leading to them. Elkhan Nuriyev has the following to say on this score: "Control over the energy resources and export routes out of the Eurasian hinterland is quickly becoming one of the central issues in post-Cold War politics."¹¹ The Caspian basin and Central Asia are two oil- and gas-rich areas,¹² the latter, however, being controlled by

⁷ S.E. Cornell, *Small Nations and Great Powers. A Study of Ethnopolitical Conflict in the Caucasus*, Curzon Press, 2001, p. 399.

⁸ See: R. Väyrynen, "Regional Conflict Formations: An Intractable Problem of International Relations," *Journal of Peace Research*, Vol. 21, Issue 4, November 1984, p. 339.

⁹ While writing about this, R. Gachechiladze concentrates on the Caucasus' central part, but I believe the geopolitical description should be applied to the entire region (see: R. Gachechiladze, "Geopolitics in the South Caucasus: Local and External Players," *Geopolitics*, Vol. 7, No. 1, Summer 2002, p. 115).

¹⁰ See: K. Haushofer, "Granitsy v ikh geograficheskom i politicheskom znachenii," in: *O geopolitike. Raboty raznykh let*, Mysl Publishers, Moscow, 2001, p. 127.

¹¹ E.E. Nuriyev, "Crossroads and Conflict: Security and Foreign Influences in the Caucasus: An Azeri Perspective," *Southeast European and Black Sea Studies*, Vol. 1, No. 3, September 2001, p. 155.

¹² The prospected oil reserves of Kazakhstan and Azerbaijan comprise 2.2 billion tons; the natural gas reserves of Turkmenistan, Azerbaijan, and Kazakhstan are 5.55 Tcm (see: *BP World Energy Outlook 2003*, pp. 4, 20, available at [www.bp.com]).

Russia and the Soviet Union¹³ throughout the 20th century, remained a geopolitically closed area. Today, this has created prerequisites for unilateral control over the region's energy resources. Early in the 20th century, Alfred T. Mahan, another classic of geopolitics, wrote that "when it came to the continental force's control of the future of Central Asia, the natural conditions between the 30 and 40 parallels offered Russia advantages, which could be described as exclusive."¹⁴

The geopolitical demonopolization brought about by the Soviet Union's disintegration and Russia's weakened influence created extremely favorable conditions for the Caucasus to become a unique bridge to be used to open Central Asia geopolitically and to ease access to its natural riches.

In fact, the geopolitical importance of the Caucasus' communication potential is not limited to Central Asia and the Caspian. It should be contemplated on the Eurasian scale. Its geographic location is turning the Caucasus into a center where transcontinental communication routes will meet. No trans-Eurasian communication line, either the West-East or the North-South line that bypasses the Caucasus, can serve its purpose effectively.

This shows that the region's communication potential should be assessed from two points: (a) geo-economic and (b) geopolitical. They are interconnected, so neither of them can be described as preferable. It is the intertwining of the geo-economic and geopolitical factors that determines the common current nature of interstate relations in Eurasia.

The Geo-economic Importance of the Caucasus' Communication Potential

The geo-economic factor is tied to the already mentioned energy potential of the Caspian and Central Asia. Huge energy resources have made an efficient transportation system an absolute must.

Today, a multivariant pipeline system is being created in the Caucasus. Several projects were contemplated: the northern one was expected to connect Baku and Novorossiisk, while the western one, which envisaged a pipeline along the Baku-Tbilisi-Ceyhan route, was accepted as the best option.¹⁵

At first the pipeline system in the Caucasus was intended only for Azeri oil; in 1994, Azerbaijan signed agreements with foreign corporations, which gave them access to Azerbaijan's Caspian oil fields.¹⁶ To solve the problem of moving Central Asian hydrocarbons to the world markets, the Central Asian oil and gas pipelines should be linked to the Caucasian system with the help of a trans-Caspian pipeline. It takes no wisdom to see that the Atlantic powers have set themselves the task of preventing any external regional force from establishing its unilateral control over the developing oil and gas pipeline system in post-Soviet Central Eurasia. Svante E. Cornell has described this in the following way: "The pipeline through Turkey has thus been actively supported by the U.S. govern-

¹³ Central Asian geography offered Russia much better conditions for geopolitical control than all other powers. The Caspian Sea in the west; the hardly negotiable mountain ridges in the east and southeast, and sandy deserts in the southwest protected the region on three sides. In the north, however, where the region borders on Russia, the natural limits are much less forbidding, which makes it vulnerable to continental expansion from the north (see: A. Nursha, "The Caspian Region: Territory and Oil," *Central Asia and the Caucasus*, No. 2 (8), 2001, p. 63).

¹⁴ See: A.T. Mahan, *The Problem of Asia and Its Effects upon International Policies*, Sampson Low, Marston & Co., London, 1900, p. 47 (quoted from: T.V. Andrianova, *Geopoliticheskie teorii XX v. Sotsial'no-filosofskoe issledovanie*, Moscow, 1996, p. 54).

¹⁵ The main transportation corridor Baku-Tbilisi-Ceyhan was officially opened in May 2005; there is also the Baku-Supsa oil pipeline; a southern variant (across Iran) was also discussed.

¹⁶ Azerbaijan signed 21 contracts with 33 consortiums from 14 countries (see: I. Aliev, *Kaspiyskaia neft Azerbaidzhana*, Moscow, 2003, p. 179).

ment as well as the Azerbaijani, Georgian, Turkish, Kazakh and Uzbek leadership. It seems that for these states a pipeline that passes through neither Iran nor Russia gives them a lifeline to the western world and avoids a situation of dependence on these two allies.”¹⁷

For several, mainly geographic, reasons Russia could have become such regional force: it did its best to prevent the decision on the western variant as the key transportation route for Azeri energy fuels. Anatoli Utkin, a Russian political scientist, wrote: “In the final analysis, it was the oil transportation routes that became the bone of contention between American and Russian firms and hence between the U.S. and Russia. Huge material values and Russia’s control over the Caspian republics were at stake.”¹⁸

In the long-term perspective, too, the trans-Caspian communication lines (the oil and gas lines included) that cross the Caucasus to reach the Black Sea will remain the best option for Central Asia and the Central Caucasus. An Eurasian communication system connecting the industrially developed Western countries and the Central Eurasian states fighting for survival amid the ruins of their economies will lead to cooperation first in the energy, then in the economic, and later in the social and cultural spheres. Askar Nursha has pointed out: “In an attempt to put an end to their isolation Central Asian and Caucasian states are actively involved in all sorts of transportation projects (transcontinental highways and railways and maritime corridors). They will allow the region’s countries to compensate for their unfavorable geopolitical situation and to become an integral part of the world economy. The major geopolitical centers seeking a great involvement in the region and control over transcontinental transportation flows are all for the region’s integration.”¹⁹ The West-East mainline that crosses the Caucasus will promote these aims. “Scores of multinational companies, led by the oil and gas industry, have poured huge investments into the region, and the rapidly expanding regional transportation network, spearheaded by the European Union (EU) effort to create an East-West transportation corridor, promises to increase links between the Caspian states and the outside world.”²⁰

The Geopolitical Importance of the Caucasus’ Communication Potential

The Caucasian communication potential can be described in classical geopolitical terms; its role in the system of geopolitical relations, which determines the situation in Eurasia, is obvious.

We cannot overestimate the geopolitical importance of communication lines: throughout history, an efficient communication network has been and remains one of the linchpins on which state alliances and geopolitical blocs are hinged. At all times, the Atlantic powers have been paying particular attention to communications and an effective communication system inside the Atlantic bloc; they also exercised no less effective control over the external marine communications. This, together with other factors, allowed them to triumph in the Cold War.

The Soviet Union’s disintegration produced one of the main geopolitical effects: it moved geopolitical confrontation from the global to the Eurasian level. The confrontation scale notwithstanding, its general geopolitical nature remained basically the same: in the post-Cold War period attempts to set up new geopolitical blocs to replace the dead geopolitical giant have been renewed.²¹ In the post-

¹⁷ S.E. Cornell, op. cit., p. 360.

¹⁸ A.I. Utkin, *Mirovoy poriadok XXI veka*, Moscow, 2001, p. 393.

¹⁹ A. Nursha, op. cit.

²⁰ R. Sokolsky, T. Charlick-Paley, *NATO and Caspian Security. A Mission Too Far?* Washington, 1999, p. 29.

²¹ Russia is still the driving force behind these projects. Zbigniew Brzezinski has identified three geostrategic alternatives post-Soviet Russia has been exploiting. He called one of them “a counter-alliance involving ... a Eurasian anti-U.S. coalition designed to reduce the American preponderance in Eurasia” (Z. Brzezinski, *The Grand Chessboard. American Primacy and its Geostrategic Imperatives*, Basic Books, New York, 1997, p. 99).

Soviet period, the Russian establishment readily accepted the so-called Primakov doctrine (1996) that spoke of a Moscow-Beijing-Tehran strategic triangle. Its aim, writes Mr. Brzezinski, was to “bring together the world’s leading Slavic power, the world’s most militant Islamic power, and the world’s most populated and powerful Asian power, thereby creating a potent coalition.”²² A model within which Russia, Iran, and Armenia could pool forces to set up a geopolitical bloc looked more realistic. When writing about the vectors of Eurasian geopolitical bloc-building in the post-Soviet period that affected the Caucasus, Svante E. Cornell pointed to two opposing axes: the North-South formed by the three countries mentioned above and the West-East that ranged “from the U.S. over Turkey and Georgia to Azerbaijan, with the Central Asian extension of Uzbekistan.”²³

The bloc of the three countries—Russia, Iran, and Armenia—is promoted by their relationships in the past, their common regional opponents as well as the solid foundation of mutually advantageous military-political and economic cooperation. These are very important factors. Since the end of the Cold War (with the exception of a very short period when liberal politicians were in power in Russia in the early 1990s), Russia and Iran as two main centers of power and Armenia, which performed a connecting and projecting function, were working hard to detract the Atlantic impulse and strengthen the continental alternative. According to Alexander Dugin, a geopolitical alliance between Russia, Iran, and Armenia is a necessary element of developing and spreading the Eurasian (continental) impulse.²⁴

Communication Lines and Geopolitical Relations in Post-Soviet Eurasia

The new post-Cold War balance of power and the new contours of geopolitical confrontation in Eurasia did not deprive the communication lines of their importance; the priorities of individual lines, however, have been readjusted. Classical geopolitics proceeded from the central role of two types of geographic communications: sea and land routes. While in the past, the Sea Powers sought control over the sea trade routes,²⁵ the importance of which survived in the geopolitical confrontation of the Cold War, in the post-Soviet period, when confrontation shrank to Eurasian dimensions, the Atlantic bloc had to move inland. The new geopolitical conditions called for a revision of the old thesis that to control the Land Powers there was no need for the Sea Powers to move deep into Eurasia. It was thought that efficient control over the sea routes and coastal continental line was enough.²⁶

The new geopolitical situation presupposed much stronger influence of the Atlantic bloc on the Eurasian heartland and, most important, efficient control over the land routes that linked these regions. Askar Nursha pointed out: “During the Cold War the Land Powers and Sea Powers cooperated in the Eurasian coastal zones. In the post-Soviet era the cooperation zone has moved directly to Russia’s southern frontiers. From that time on the major geopolitical centers are competing not for coastal zones but for the strategically important Eurasian heartland.”²⁷

²² Z. Brzezinski, op. cit., p. 116.

²³ S.E. Cornell, op. cit., p. 398.

²⁴ See: A. Dugin, *Osnovy geopolitiki. Geopoliticheskoe budushchee Rossii. Myslit’ prostranstvom*, Fourth Edition, Arktogetia-tsentr Publishers, Moscow, 2000, p. 352.

²⁵ This thesis was most obviously developed by Alfred T. Mahan as the Sea Power conception (see: T.V. Andrianova, op. cit., p. 52).

²⁶ In his continental Rimland conception, Nicholas Spykman emphasized the geopolitical importance of the coastal line of continental Eurasia (inner crescent) in the Sea Power/Land Power opposition. It was he who said, “Who rules the Rimland rules Eurasia; who rules Eurasia rules the World” (see: N.J. Spykman, *The Geography of Peace*, Harcourt, Brace and Co., New York, 1944, p. 43).

²⁷ A. Nursha, op. cit., p. 64.

This added importance to the heartland regional and sub-regional units with communication potential on a continental scale that perform the following functions: first, they are points where strategic lines of mainly land routes meet; second, they are areas that geographically link the continental centers of power and their internal intermediate components. This applies not only to the landmass, but also to all sorts of intercontinental water bodies able to perform communication functions. In most cases, these and similar imperative spatial units perform both functions simultaneously, which naturally adds to their geostrategic value.

From this it follows that confrontation between the Atlantic bloc and the continental centers of power seeking control over the key strategic units will mount still higher. The end of the Cold War left the Atlantic bloc with the best of opportunities to establish control over the inland areas. This has spurred it into geopolitical activity. Despite their obvious deficit of power and much weaker potential of their continental projection compared with the Atlantic bloc, the continental powers displayed their equally stable interest. The obvious deficit of power of each of the continental powers explained why at the beginning of the post-Soviet era geopolitical rivalry over these spaces was relatively slack.

Is There a New Continental Bloc in Eurasia?

The geopolitical logic suggested that the continental powers should form blocs to be able to address both strategic and tactical geopolitical tasks. For example, from the very beginning, the Russia-Iran geopolitical partnership was of a strategic nature. It was designed to fulfill three main functions: first, that of a cornerstone of sorts to proliferate the continental impulse; second, that of a system of regional buffers to contain the Atlantic impulse in the West-East vector; third, that of a breather to allow each of the countries to build up its own power. On the other hand, it would have been much harder to lay the foundation of a Russia-China geopolitical alliance with the possible involvement of India.

The continental impulse based on the Russia-Iran-Armenia triangle was much more effectively proliferated, not only because the states had no serious contradictions similar to those that existed between Russia and China or China and India, but also because it was much easier to build up a hierarchy of partnership within a triangle. Russia would have found it harder to achieve this with China or even India. The Russia-Iran-Armenia bloc presupposes Russia's leadership and the role of the main center of power: both Armenia and Iran have accepted this. This model would help promote the continental impulse within the CIS as well. Zbigniew Brzezinski describes this as the second geostrategic alternative, by means of which Russia could counterbalance the Atlantic impulse: "Emphasis on the 'near abroad' as Russia's central concern, with some advocating a form of Moscow-dominated economic integration but with others also expecting an eventual restoration of some measure of imperial control, thereby creating a power more capable of balancing America and Europe."²⁸

The two other geostrategic alternatives that Mr. Brzezinski discussed in his book have been carried out in a mutually complementary form that presupposes the bi-vector development of the Eurasian continental impulse with possible consolidation within the CIS; other Eurasian geopolitical centers and actors might join in. In any case, as the continental bloc developed, geopolitical activities designed to control the imperative Eurasian expanse were supposed to increase and did in fact increase.

²⁸ See: Z. Brzezinski, *op. cit.*, pp. 98-99.

“Caucasian” Problems of Forming a “New Continental Bloc”

One of the major specific features of the geopolitical processes in post-Soviet Eurasia was created by the “efforts” of the Russia-Iran-Armenia bloc to “serve” as a foundation for a broader continental alliance. Alexander Dugin is convinced that Russia should pursue only one geopolitical aim: “strengthening the Eurasian tellurocratic complex and preparing for its planetary victory in the duel with Atlanticism.”²⁹ Has the foundation of the tellurocratic complex been completed? If not then what has interfered with the process?

I believe that the tellurocratic complex will remain incomplete in the absence of de facto control over the Caucasus. The real, but still vulnerable, independence of Georgia and Azerbaijan, on the one hand, and Russia’s inability to ultimately establish its control over the Northern Caucasus, on the other, make it impossible for the North-South axis to control the Caucasus.

At first, the North-South axis powers were confronted with purely geographical difficulties and the absence of an uninterrupted land communication line between them. While Armenia and Iran have a common land border, the axis leader had no common land border with either of them. The main communication lines between Russia and Armenia cross Georgia; the lines between Russia and Iran go across Azerbaijan. In Soviet times, Russia (the Soviet Union) and Iran had a common land and uninterrupted Caspian sea border. Today, there are five Caspian states grappling with the international-legal status of the Caspian; the possibility of establishing an unhampered sea communication line between Russia and Iran is doubtful.

This problem is not limited to the Caspian states’ economic relationships. Delimitation of the Caspian seabed, which will give the coastal states the right to develop their sectors, is only one side of the problem. The international-legal delimitation of the water surface is of no less trans-regional importance, including for the North-South axis’ more or less prolonged geopolitical validity: it will undermine to a great extent the positions of Russia and Iran, which will be deprived of an uninterrupted water communication line.

The direct land communication routes between Iran and Armenia can in no way compensate for the absence of direct and free communications between Russia and Iran, the mission of which is to control the North-South axis’ main forces, while Armenia is sort of Russia’s geopolitical extension, projecting its influence on a regional scale.

The main communication routes already controlled by third countries (Azerbaijan and Georgia) that tend toward the Atlantic vector, in the future, when these states will become stronger and the West will behave in a harsher and much more obvious way, will give the Atlantic bloc even better opportunities to control the North-South axis and its development. In fact, the axis powers will be left no choice: they will be forced to draw the Caucasus into the continental camp, or to be more exact, under their control.

Forms and Methods: How Geopolitical Interests are Realized in the Post-Soviet Caucasus

The frantic and even excessive activities of the North-South axis powers throughout the entire post-Soviet period designed to compensate for the absence of a de jure controlled interaction space with methods of de facto control confirm the Caucasus’ geostrategic importance.

²⁹ A. Dugin, op. cit., p. 351.

In Georgia, this strategy was realized, first, through consistent efforts to build up Russia's influence in the areas where ethnic minorities lived in compact groups and in the periphery autonomies (Abkhazia, South Ossetia, Ajaria, and Javakhetia); and second, through the military presence along the Russia-Georgia-Armenia line that preserved the so-called "southern Batumi-Akhalkalaki-Gumri defense line, which at one time formed a kind of military shield, first against Turkey, and later, during the Cold War, against NATO."³⁰ This preserved the military communication line between Russia and Iran and created a buffer that contained the influence along the East-West vector. Until recently, control over the land communication lines between Russia and Iran that crossed Azerbaijan was less strict than in Georgia. Today, it is partly maintained with the help of tacit support and military-technical aid extended to the separatist regime of Nagorno-Karabakh and by means of the occupation of the districts of Azerbaijan that border on it in the west, south, and east.³¹

The geopolitical effect of the war between Armenia and Azerbaijan, which considerably weakened potentially pro-western Azerbaijan, allowed the North-South axis to broaden its common land expanse. This did not end in the creation of a directly controlled Russia-Iran land corridor, but it strengthened the axis on the whole by extending the area of Armenia-Iran mutual contacts. Until part of Azeri territory was occupied, the land border between Armenia and Iran was only 35 km long,³² while the stretch of Azeri-Iranian border was 765 km long.³³ Today, a large part of the latter is under the control of the Armenian armed forces (the Armenian-occupied border Zangelan and Jabrail districts and part of the Fizuli District). The total length of the state border between Armenia and Azerbaijan is 1,007 km³⁴; over 50 percent of it (between Armenia and the main territory of the Azerbaijan Republic with its adjacent districts that connect Armenia and Nagorno-Karabakh—Kalbajar, Lachin, Gubatly, and Zangelan) is controlled by Armenia.

I have already written that control over Azerbaijan was needed to keep the Atlantic impulse in check and prevent it from spreading along the West-East vector. First, Armenia's traditional function of a "safety belt" between Turkey and the Turkic nations of the Caucasus and Central Asia has become even more pronounced. Prior to the 1992-1993 occupation of Azerbaijan's southwestern territories, the narrowest land gap between Turkey and Azerbaijan's main territory³⁵ was about 35 km in the Meghrin (Zangezur) District (officially under Armenian control); after the occupation, this gap became much wider.³⁶ Tadeusz Swietochowski offered a very precise description of the occupied lands' strategic importance: "Karabagh formed a link or a barrier (depending on who controlled it) between the Muslims of the Eastern Transcaucasia and Turkey."³⁷

³⁰ P. Dzhincharadze, "Should Russian Military Bases Be Withdrawn from Georgia: Several Aspects of the Situation," *Central Asia and the Caucasus*, No. 5, 2000, pp. 128-129.

³¹ On the whole, since 1994 Armenia has been de facto exercising control over about 20 percent of the territory of Azerbaijan. In addition to the territory of Nagorno-Karabakh, which at first had no land communication lines with Armenia, two "intermediary" districts of Azerbaijan (Kalbajar and Lachin) were occupied. Later, four occupied southern Azeri districts (Zangelan, Gubatly, Jabrail, and part of Fizuli) extended the land communication lines between Armenia and Iran. Armenian occupation of eastern districts (Agdam and Fizuli) widened the west-east vector of Armenian control. This has created a safety belt of sorts to prevent Azerbaijan's possible attempts at establishing its control over the temporarily lost territories.

³² See: *CIA—TheWorldFactbook2002-Armenia*, available at [<http://www.cia.gov/cia/publications/factbook/geos/am.html>].

³³ See: *Azerbaijan in Figures 2004*, State Statistical Committee of Azerbaijan Republic, Baku, 2004, p. 9.

³⁴ Ibidem.

³⁵ On land Turkey directly borders on Azerbaijan in the Nakhchyvan area, separated from the main territory of the Azerbaijan Republic by the official territory of Armenia; the border stretch is merely 15 km long (see: Ibidem).

³⁶ There is every reason to believe that the transfer of the Zangezur corridor under Armenian control that took place in the 1920s was one of the Kremlin's most important long-term strategic moves in the Caucasus intended to add territory to the "safety belt" to contain a possible broadening of the trans-regional Turkish impulse.

³⁷ See: T. Swietochowski, *Russian Azerbaijan 1905-1920*, Cambridge University Press, New York and Cambridge, 1985, p. 143.

Second, Armenian control over the Azeri areas mentioned above offers a possible tool for interfering with the emerging trans-regional economic corridor running across Central Eurasia in the West-East direction. In fact, the Baku-Tbilisi-Ceyhan oil pipeline runs across ethnopolitically unstable Georgian and Turkish areas; and in Azerbaijan it is too close to the frontline. In other words, continued Armenian armed control over the Azeri areas neighboring on the pipeline offers the possibility of paralyzing it by escalating the conflict from the outside.³⁸

The geopolitical activities described above were accompanied by Russia's geopolitically motivated moves in the Northern Caucasus, which is part of the Russian Federation. The so-called first and second Chechen wars and the related military operations in Daghestan were aimed not only at restoring the country's territorial integrity. They also had obvious and no less important geopolitical undertones: without the Northern Caucasus, the formation of the de facto controlled Central Caucasian land expanse would have become functionally useless for the North-South axis.

The resolute steps the Kremlin undertook to restore its control in Chechnia and Daghestan should not be associated merely with its firm intention to stem Islamic radicalism. Much suggests that the Russian leaders were driven by the logic of the post-Soviet geopolitical situation in the region and, in particular, by the need to preserve control over the hinterland bordering on the Central Caucasian republics.

The defeat in the first Chechen war of 1994-1996 deprived Russia of its control over Chechnia and, to some extent, over Daghestan, the geostrategic situation of which looks more advantageous than that of its neighbors. Russia would have lost Chechnia and Daghestan if it were defeated in the second Chechen war; this was fraught with the possible emergence of an ideologically hostile regional actor interfering with the North-South axis' advance.

It should be said that both Chechnia and Daghestan form the eastern part of the land expanse that links the Northern and the Central Caucasus. Chechnia is part of Russia's land border with Georgia, while Daghestan forms the entire stretch of Russia's border with Azerbaijan and part of the Russian-Georgian border. The key lines of the land and sea routes of the North-South and West-East vectors cross these borders. K. Gajiev has the following to say about this: "It is Daghestan's location at the meeting place of several states with which Russia has close ties for certain historical reasons that determines its strategic importance for Russia. In the east, it borders on Georgia, in the south, on Azerbaijan, in the north, on rebellious Chechnia capable of unpredictable steps and actions under certain conditions. The role of the port of Makhachkala has changed: it was situated at the crossing of sea routes leading to Astrakhan, Aktau (Shevchenko), Kransnovodsk, Baku, and Pehlevi. Across the sea, Daghestan borders on several states: Kazakhstan, Turkmenistan, Azerbaijan, and Iran. A railway and a motorway, which cross Daghestan in the north-south direction, connect Moscow and Russia's key regions, as well as Ukraine with Baku and, further on, with Tehran. Two large bridges (railway and road) across the Samur River (part of the border line) in the republic's southernmost part are the only land links between Russia, Azerbaijan, and Iran."³⁹

After their defeat in the Cold War, the continental powers are desperate to preserve their de facto control in the Caucasus to save their geopolitical potential. In the long-term perspective, however, complete control over the Caucasus is needed to develop the Eurasian impulse and create an integral neo-continental alternative.

The following are the main possible geostrategic effects of the North-South axis' restored control over the entire Caucasus.

- *First:* total control over strategic land as well as sea (Caspian) links. This would turn the Russia-Iran line into a monolith foundation complete with an effective system of trans-regional bloc communications.

³⁸ In this way Russia has acquired the possibility of paralyzing the Western pipeline route both in Azerbaijan and Georgia (see: H. Guliyev, "Konflikty na marshrutakh Kaspiiskoy nefti," *Kavkaz*, No. 2, 1997, p. 10).

³⁹ K.S. Gajiev, *Geopolitika Kavkaza*, Mezhdunarodnye otnoshenia Publishers, Moscow, 2003, pp. 292-293.

- *Second:* since the Caucasus is strategically indispensable for the Eurasian communication system, control over it would lead to just as efficient control over the main Eurasian communication lines. On top of all the other advantages, the continental countries would acquire the final say on the Caspian and Central Asian oil and gas transportation issue.
- *Third:* control over the Caucasus means that the Central Asian nations would still be as geopolitically isolated as ever under Russia's control.
- *Fourth:* this would create an effective inner-Eurasian buffer that would halt Atlantic cultural, economic, and political influence on the threshold of Eurasia, leaving the continental powers as the sole dominant force in the vast Eurasian space stretching from the eastern Black Sea shores to the southern part of the Korean Peninsula.

The above suggests that geopolitical confrontation is a much more likely trend than "global harmony." Unfortunately, this is all the region had when it entered the 21st century, which promised so much.

The Region in the Early 21st Century: New Openness or Traditional Closeness?

Everyone knows that to be included in the current globalization processes, a state has to be open, at least to some extent, to the world. The same applies to regions. When talking about openness, I particularly have in mind its geopolitical aspect. No matter how much a country (region) wants to become open to the world, it cannot integrate either into the financial, commercial, communication, and sociocultural spheres, or into other spheres at the international level unless it opens up geopolitically.

Even though globalization supporters are doing their best to present the contemporary world as economy-orientated and de-territorialized,⁴⁰ we cannot ignore the fact that this is not true of at least some countries and regions. Geopolitics today is very different from that of Mackinder's, Mahan's, and Spykman's times. The time has not come, however, to annul such fundamental parameters as territory, geographic environment, and land and sea communication routes. They are still important; in some cases, they determine the state's (region's) degree of involvement in the globalization processes and their forms.

The geopolitical practices in the Caucasus, partly described above, have demonstrated that the region's (and Central Eurasia's) involvement in the global processes has been limited by the activities of the continental centers of power. For obvious and natural reasons, the Russian⁴¹ and Iranian political establishments rejected the idea of so-called geopolitical pluralism in the post-Soviet expanse formulated in the West as an absolute necessity of the post-Cold War period. Indeed, the Cold War outcome tipped the world balance of power. The Western victory in the Cold War meant a Western geostrategic triumph and unchallenged worldwide leadership in the economic, technological, (and within the "end of history" context) ideological spheres.⁴² Under these conditions, if realized, the

⁴⁰ See: B. Buzan, O. Wæver, *Regions and Powers. The Structure of International Security*, Cambridge University Press, 2003, p. 31.

⁴¹ The so-called near abroad conception can be described as Russia's response to the Western thesis of geopolitical pluralism. Russia hastened to identify this political expanse as a sphere of its political interests where it intended to play a special role (see: B. Coppieters, "Zakliuchenie: Kavkaz kak kompleks bezopasnosti," in: *Spornye granitsy na Kavkaze*, ed. by B. Coppieters, Ves mir Publishers, Moscow, 1996, p. 216).

⁴² According to Francis Fukuyama the end of history meant, among other things, triumph of the Western liberal-democratic ideas. For more detail, see: F. Fukuyama, op. cit.

“open doors” principle as applied to the Central Eurasian sub-regions liberated from Soviet control would have spelled another geopolitical defeat for the continental centers of power.

The continental powers’ stake on the continued traditionally closed nature of Central Eurasia can be explained by the “security dilemma,” a phenomenon described by political studies. Here I have in mind not so much the habitual (military) aspect, but its political and ideological dimension, the specific features of which Barry Buzan clearly described in his conception of internal security sectors.⁴³

On the one hand, globalization is rightly regarded as a product of capitalist development; its achievements as well as failures being attributed to Western civilization. On the other hand, all the key continental powers were traditionally building up their political, economic, and ideological systems as very specific ones peculiar to one state only. The Soviet Union relied on the totalitarian regime, planned economy, and Marxist-Leninist ideology. Post-Soviet Russia is developing as an authoritarian political system, as a market economy in which the state has a prominent role to play, and as a Great Power with Slavophilic ideas in the ideological sphere. Iran a rigidly theocratic state, its economy being a market state-regulated economy in which religious traditions play an important role; Shi’a Islam dominates the ideological sphere. The Chinese political system is strictly authoritarian, while its economy combines command and market approaches; its ideology hinges on Maoism diluted with Confucianism.

According to the logic of the structural-political factors described above, successful globalization in Central Eurasia would undermine the attractive image of the alternative (continental) state systems in the eyes of their societies. More than that: the geographic location of Central Eurasia (which borders on the continental powers’ territories and populations) would, in the final analysis, intensify the centrifugal trends in the border areas of Russia, Iran, and China already suffering under the burden of numerous ethno-religious and socioeconomic problems.⁴⁴

Even if we do take account of all external geopolitical stimulators, it would be wrong to dismiss the problems of post-Soviet “globalization” of Central Eurasia as being caused solely by the “geopolitical plot” devised outside. There are objective factors stemming from the region’s spatial-political structure and the general sociopolitical and economic development level of the regional and neighboring states that contributed and are contributing to the region’s continued traditional geopolitical closeness.

Here I would like to say a few words about the specifically Caucasian political structure. Irrespective of the structure applied to the region—bi-sectoral (the Northern and Southern Caucasus) accepted in post-Soviet times, or tri-sectoral (the Northern, Central, and Southern Caucasus)—it is absolutely clear that only that part of the Caucasus that includes the three Caucasian states (Azerbaijan, Armenia, and Georgia) can be regarded as an isolated constellation of states described above. They alone are able to develop separately from the adjacent powers up to and including integration into the globalized (Western) world. The entire region has no chance of joining the process if the states that own the Northern (RF), Southeastern (IRI), and Southwestern (Turkey) territories remain outside the globalization process.

From this it follows that if Russia, Iran, and Turkey prefer a certain form of regionalism, the outlines of which can be clearly seen in what Russia is doing in the post-Soviet expanse (regional

⁴³ B. Buzan believes that a structural, political threat may appear in the relationships of states that belong to rivaling political and ideological systems. Advantages achieved by one of them immediately create threats for the opposite side, since the success achieved by the former devalues the latter in the eyes of its own nation in the first place (see: B. Buzan, *People, States and Fear. An Agenda for International Security Studies in the Post-Cold War Era*, Second Edition, Lynne Rienner Publishers Boulder, Colorado 1991, pp. 120-121).

⁴⁴ The Russian, Iranian, and Chinese areas bordering on Central Eurasia are populated mainly by ethno-religious minorities; they are poorly developed both socially and economically. In Russia, this is the so-called “southern Muslim belt,” in Iran, the northern areas populated by Azeris and Turkmen, in China, the Uighur-populated northwestern regions.

integration alliances of the EurAsEC type), to West-channeled globalization, it is impossible to imagine the Northern Caucasus moving toward globalization as part of a single Caucasian area.

If in a flight of fancy we imagine that the three adjacent countries agreed to march together with the Central Caucasian republics toward globalization, the present level of their sociopolitical and economic development would not be enough to accelerate the process. The development level of all the regional states (Azerbaijan, Armenia, and Georgia) as well as the powers (Russia, Iran, and Turkey) is unacceptably low. In no way can they be described as post-industrial countries. The three-level state classification system devised by Buzan and Wæver⁴⁵ describes them as modern states, that is as "...defined by strong governmental control over society and restrictive attitude towards openness. They see themselves as independent and self-reliant entities, having distinctive national cultures and development policies, and often pursuing mercantilist economic policies. Their borders mark real lines of closure against outside economic, political, and cultural influences and their sovereignty is sacrosanct."⁴⁶

The model state to be accepted as a globalization standard of sorts is a post-industrial or, within the Buzan/Wæver classification, "postmodern state."⁴⁷ It is qualitatively different from what we can see in the Caucasus and around it. Significantly, the 2005 globalization index, which includes 62 countries, A.T. Kearney offered in *Foreign Policy Magazine* based on the criteria of economic integration, personal contacts, technological ties, and political involvement, Russia, Turkey, and Iran occupy 52nd, 56th, and 62nd places, respectively,⁴⁸ while the Central Caucasian republics did not make the list.

C o n c l u s i o n

It is becoming increasingly harder for the post-Soviet world to bypass, without painful losses, the global trends that affect its general development vector. Unprecedented integration of the economic, technological, communication, ecological, sociocultural, and other spheres of the planet's states known as "globalization" demands that the traditional forms and methods of interstate cooperation be abandoned. At the same time, different states and different regions are demonstrating different trends when it comes to abandoning the classical geopolitical forms. This is probably natural for the unevenly globalizing world.

Central Eurasia and its closest neighbors can hardly be described as a region that has successfully reasserted the traditional geopolitical paradigm. What is more, the post-Soviet geopolitical practices in Central Eurasia demonstrate the opposite. This is confirmed in particular by an analysis of the geopolitical processes in the post-Soviet Caucasus. We should agree that even today, 15 years after "the end of history," it is much harder to explain the Caucasian developments from the point of view of the globalist theoretical perspective than with the help of the political realism paradigm and classical geopolitical principles. Military and political factors obviously predominate in the region; there is a tendency toward institutionalization of the military-political sphere, yet the region is doing nothing.

⁴⁵ When assessing the contemporary states' sociopolitical development level, Buzan and Wæver identified three levels: premodern states; modern states, and postmodern states (see: B. Buzan, O. Wæver, op. cit., pp. 23-24).

⁴⁶ Ibid., p. 23.

⁴⁷ They believe that the postmodern states greatly differ from the contemporary model inherited from the Westphalian model. They preserve certain elements of modern states, such as borders, sovereignty, and national identity, but for a wide range of reasons (the developed spheres of economic and cultural interaction) they no longer assess these elements as seriously as before. There is a much more open approach to economic, cultural, and political cooperation; they are convinced that the open nature of their economy and, to a lesser degree, of their society and politics help them to achieve well-being and security (see: B. Buzan, O. Wæver, op. cit., p. 24).

⁴⁸ See: "Measuring Globalization," *Foreign Policy Magazine*, May/June 2005, available at [http://www.atkearney.com/shared_res/pdf/2005G-index.pdf], 16 April, 2006.

ing to promote its integration. It rather divides the regional and adjacent actors. The desire to build up a single institutional mechanism of collective security has obviously been surpassed by the process of forming alliances and counter-alliances already going on. The economy, which according to globalization logic should have played the leading role in dominating the traditional spheres of contacts, is mainly trailing behind. The economic security strategy rests on vulgar mercantilism rather than on the liberal principles of globalization.

Despite its globalization rhetoric Central Eurasia still looks like a testing ground of a geopolitical confrontation between the continental and Atlantic trends. The old and painfully familiar tools are still being widely used, ranging from *divide et impera* to Cold War propaganda. Russia and Iran are not beating about the bush when describing what the United States is doing in Afghanistan and Iraq—the West is employing the same classical geopolitical overtones when describing Russia's policy in relation to the separatist groups in Central Caucasus, its "gas pressure" on Ukraine and Georgia, the ploy it used to exchange Armenian debts for Armenian industrial capacities, etc. This scenario does not offer much optimism about the destinies of the countries and regions, the geographic location of which helps the nations to promote their political interests.



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GLOBALIZATION AND THE PROBLEMS OF NATIONAL SOVEREIGNTY

A b s t r a c t

Since the appearance of the Westphalian system of world order, national sovereignty has been recognized as one of the key factors of each state's independent and equitable existence as an entity of the international relations system. But the globalization processes currently encompassing an ever-growing area of social, political, and international life are significantly changing the content of this

concept. Increasingly distinct contradictions are appearing between the economic and political interdependence of states and nations, on the one hand, and the principles of national sovereignty, on the other. These contradictions are devaluating the concept of "national sovereignty" in its traditional sense. This article is based on the author's thoughts about the problems of national sovereignty under globalization conditions.

It is worth noting that nation-building and the strengthening of sovereignty in the Central Asian and South Caucasian states has essentially coincided with the evolution of the role and significance of the state as a sociopolitical institution in general, and of state sovereignty, in particular. To put it

another way, the acquisition and strengthening of sovereignty in the Central Asian and South Caucasian states has coincided with a time in which the concept of "sovereignty" in its traditional understanding is losing its meaning.

Just recently, the state was unequivocally viewed as an insular territorial entity. This insulation was enforced by the principles of the Westphalian Peace Treaty, on which the U.N. Charter and other important international documents were based. The world system was viewed as a system of states which respected each other's sovereignty and were essentially equal to each other, states which determined their domestic policy independently, without external interference, and were free to conduct their foreign affairs as they chose. Even the weakest states, which had only just acquired independence, could unequivocally count on their territorial integrity, non-interference in their internal affairs, and freedom in decision-making regarding their foreign policy affairs. But nowadays, in the era of globalization, things are very different.

Of course, no one has done away with the traditional conception of state sovereignty. Technically, all actions on the international arena are based on the principles of **inviolability** of state sovereignty. But we cannot help but notice the increasingly distinct contradiction between the economic and political interdependence of states and nations, on the one hand, and the principles of national sovereignty, on the other. Nor can we fail to notice that this contradiction is more and more frequently resolved to the detriment of state sovereignty.

The world economy today is already functioning as a single and integrated system, in which the rules of the game are not being made so much by the governments of individual countries, as by transnational corporations. Commodity quoting on the world stock exchanges, national currency exchange rates, and the price of energy resources largely depend on the action or inaction of transnational corporations. If we keep in mind that national currency exchange rates, the number of jobs, the level of personal income, and the quality of particular social benefits depend on stock exchange commodity quotations and the price of energy resources and other raw material, it is not hard to understand that the sociopolitical situation in a particular country depends not so much on the state as such, as on transnational corporations.

The role and significance of the state as a sovereign entity are also declining within the framework of another trend in world development, that is, interstate and interregional integration processes. Taking the example of one of the most successful integration projects, in my opinion, called the European Union, we can see that the Union's member states are gradually delegating some of their sovereign rights to supranational management structures. This used to apply only to economic issues, but now it also encompasses currency and finance issues, law-making issues, and, in the future, also foreign policy and defense issues. Although it is believed that supranational management structures are operating strictly in compliance with the mandate issued by sovereign states, we cannot help but notice that within the framework of a Union, the state as a sovereign entity, as a sociopolitical institution, loses its clout in favor of suprastate entities.

At present the most serious factor undermining the traditional principle of the inviolability of state sovereignty is the humanitarian factor. By the humanitarian factor I mean such values as human rights, citizen rights, the rights of individual ethnic groups and nations as a whole, as well as migration of the population.

Over the past ten years, the U.N. Security Council has been adopting many decisions aimed at protecting human rights and protecting the rights of certain ethnic groups in a particular state. In most cases, these decisions ended in humanitarian intervention in the country in question. We were witnesses to how humanitarian interventions were carried out on the basis of mutual accord among a group of leading countries of the world, without the sanction of the U.N.

Whether we like it or not, collective interference under the auspices of the U.N., or without it, in the internal affairs of sovereign states in the form of peacekeeping or humanitarian intervention for protecting systematically violated human rights is gradually becoming standard international policy.

If humanitarian intervention, even under the auspices of the U.N., is considered from the viewpoint of the Westphalian sovereignty system, it is obvious that we are talking about interference in the internal affairs of a sovereign state, that is, about the violation of the rights of a sovereign state. But nowadays it is difficult to find a person, organization, or state that would consider a human rights issue the strictly internal affair of a particular state. This is occurring, as I have said, because collective interference under the auspices of the U.N. in the internal affairs of sovereign states in the form of peacekeeping or humanitarian intervention to protect human rights is gradually becoming a standard international policy. Whether this is good or bad is another matter, but today it is a reality which, I believe, is a direct consequence of globalization.

It is important to note that globalization not only means the integration of sovereign states, the merging of their economies into a single system, and the erosion of borders between different civilizations, but also fragmentation of the state and nation into smaller structures. In many countries, stable trends are being clearly seen toward a split in terms of ethnic, religious, and cultural characteristics. Regionalization is being observed, which encompasses parts of two or more states and, most important, the border line between civilizations is becoming all the more distinct.

As a result of ethnic fragmentation of the nation, we are seeing separatism not only in the new states that have recently gained their independence, but also in the more prosperous countries of the world. Religious and cultural fragmentation is resulting in one of the most threatening banes of our times—international terrorism. Fragmentation is becoming just as destructive to the sovereignty of individual states as economic and political integration or humanitarian intervention.

The factors listed above, which are characteristic of globalization, are significantly undermining the sovereignty of any individual state. The state as a sociopolitical institution is losing its value, both in the functional respect, and as an actor in international policy.

It is hardly worth dramatizing devaluation of the concept of “state sovereignty.” As I see it, “sovereignty” is not a static concept, but a dynamic one. Each era should have its own ideas about sovereignty. The Westphalian sovereignty system can hardly be efficacious in the age of globalization, where entirely different measurement parameters come into play. The state as a sociopolitical institution will be forced to adapt to the new conditions. And we are already seeing this in the horizontal and vertical delegation of some of our sovereignty rights to local regional entities, nongovernmental and intergovernmental formations, and supranational structures. In other words, part of a state’s sovereignty is being delegated to that level where it can most effectively respond to the challenges of the new global phenomena.

Judging by everything, the new independent states of Central Asia and the Caucasus will have to adapt to these trends in particular, that is, transfer some of their sovereignty rights to regional and supranational structures, retaining the most favorable and vital in the hands of the state.

I would like to end with a quote from an article by U.N. Secretary General Kofi Annan published in the newspaper *Financial Times* of 31 December, 1999. Talking about state sovereignty in the globalization age, Kofi Annan noted that “globalization and international cooperation are changing our understanding of state sovereignty: states are now widely understood to be the servants of their peoples, and not vice versa. At the same time, individual sovereignty—and by this I mean the human rights and fundamental freedoms enshrined in our charter—has been enhanced by a renewed consciousness of the right of every individual to control his or her own destiny.”¹

¹ Kofi Annan, “The Legitimacy to Intervene International Action to Uphold Human Rights Requires a New Understanding of State and Individual Sovereignty,” *Financial Times*, 31 December, 1999.



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THE "QUIET" REVOLUTIONS AND THE RULING POLITICAL STRUCTURES

A b s t r a c t

The article looks at the specific features of the velvet revolutions that took place in 2003-2005 in Georgia, Ukraine, and Kyrgyzstan. After comparing them with the existing theoretical models, the author concludes that they are very different from all the earlier studied and well-known varieties.

In 2003, Georgia and, a year later, Ukraine became the scenes of nearly identical political events: the republics lived through so-called color revolutions which brought new political leaders to power. These coups were very much in line with the list of bloodless regime changes that started in 2000 in Yugoslavia, where a new president replaced Slobodan Milošević. In 2005, the quiet revolution in Kyrgyzstan was added to the list of the developments that inevitably riveted the attention of political analysts. As distinct from the previous regime changes, the Kyrgyz revolution was less predictable and more dynamic. We are obviously witnessing a new type of rearrangement of forces taking place during or after elections on a wave of wide-scale rejection of the election results rather than because of them.

These events can be analyzed from different points of view:

- causes;
- essence;
- the extent to which external factors affected their emergence and course;
- their regional and worldwide echo.

The author revealed the essence of these events and analyzed their relation to the specific features of sociopolitical development in the Central Asian and Caucasian states and the regions' political regimes. He hypothesized that despite the discontent obvious in all these countries and the external influences, these developments were possible only in countries with a republican government. His analysis and conclusions are far from exhaustive: the phenomena under study are too recent, while sources are too scarce.

The events in Kyrgyzstan, Ukraine, and Georgia cannot be assessed within the well-known theories related to revolutions. For this reason, many regional politicians are convinced that it was bloodless coups that brought new people to power. Despite the fact that the very term "democratic revolu-

tion” is self-contradictory, there is the opinion that the term aptly describes what happened: after all, the events brought the opposition to power bypassing the election procedure. At the same time, we cannot deny that every theory describes revolutions as a fundamental, and often violent, change of intellectual, political, economic, and cultural structure. Democratic, velvet, or Color Revolutions change power in a non-violent way and without dramatic social changes.

In-depth study of all the revolution-related theories suggests that the events that took place in some of the former Soviet republics cannot be described as classical revolutions. These theories view revolutions as the highest point of accumulated social discontent, which heralds a new phase of historical development. This is clearly seen in the theories that deliberate on the “totalitarian movement,” Samuel Huntington’s theory of “uneven development,” and the well-known commonalities conception Crane Brinton deduced from his analysis of the revolutions in America, England, France, and Russia, as well as the structural-functional theory that contradicts the Marxist theory of revolutions.¹

At the same time, certain theorists who have undertaken an analysis of the causes, factors, and goals of revolutions, as well as the social specifics obvious in the countries with revolutionary experience, describe phenomena obviously similar to those that form the subject of the present article.

In his *Anatomy of Revolution*, Crane Brinton identified certain similar features displayed by the British, American, French, and Russian societies: they were changing societies with developing economies, financial deficits, impotent governments, and corrupt ruling circles. The social classes could no longer live together in one state, while the use of force ended in unexpected failures, etc.² The societies that lived through the Color Revolutions displayed three of the above-mentioned specific features: a changing and developing economy, class incompatibility, and unexpected failures in the use of force.

The structural-functional theory also describes certain features similar to those observable in the seats of the Color Revolutions: due to changes in the system of values and the rules of social conduct, the changes within the unevenly developing social regime cause disharmony.³

On his part, Samuel Huntington believes that a revolution is a form of radical change that not every society must necessarily experience and not every historical period bring about. At the same time, he agrees that a revolution means a rapid, fundamental, and violent domestic change in the dominant values and myths of a society, in its political institutions, social structure, leadership, and governmental activity and policies.⁴

It seems that Samuel Huntington’s “uneven development” theory belongs to the rare class of conceptions that, together with analyzing causes, factors, aims, and motives, explain the meaning of revolutions and comment on their importance. This fills part of his book *Political Order in Changing Societies*, in which he asserts that a revolution is one of the methods employed to renovate traditional societies. He says that such renovation is possible if most groups are alienated; they become revolutionized when their demands are rejected and they themselves are deprived of the possibility of participating in ruling the country.⁵

Mr. Huntington is convinced that both the democratic and the communist political regimes can attract social groups and avoid revolutionary developments. This will be impossible only if these groups are left out in the cold. The traditional definition of a revolution cannot describe the events that took place in the three republics and were called Color Revolutions, even though the causes and aims and the specific features of the post-Soviet societies were theoretically close to the classical formula. These incidents were free from “roughness,” a birthmark of any revolution; in this way they differed from the “traditional” revolutions.

¹ See: M. Melikian, *Revolution-Related Theories*, Gamus Publishers, Tehran, 1997, p. 77 (in Persian).

² See: C. Brinton, *The Anatomy of Four Revolutions*, Transl. by M. Salasi, Nashre Nou Publishers, Tehran, 1987 (in Persian).

³ See: Ch. Johnson, *Revolution and the Social System*, Hoover Institution Studies, Stanford, 1964, p. 76.

⁴ See: M. Melikian, op. cit., p. 133.

⁵ Ibid., p. 134.

The governments of Eduard Shevardnadze in Georgia, Leonid Kuchma in Ukraine, and Askar Akaev in Kyrgyzstan were deposed without bloodshed. The former leaders, in turn, refrained from alerting the armed forces and using force to stem the revolution: they proved to be experienced politicians. On the other hand, prior to the revolutions, there were no serious symptoms of a profound crisis and social discontent. Normally, revolutions take place when social discontent reaches enormous proportions and develops into a long string of protest rallies that bring together huge groups of dissatisfied people.⁶ Quiet revolutions happen quickly, they are not predated by obvious symptoms of a power crisis, and in this way they differ from “traditional” revolutions.

If we take into account that all the Color revolutions were prepared within a very short period of time and carried out according to a preliminary scheme and that they involved external forces, we should admit that we need to move away from the “traditional” model in order to correctly understand them. At the same time, the active involvement of large population groups (young people in particular and even their educated members) does not allow us to describe these events using the term “coup.”

There is no doubt that the regime changes in Georgia, Ukraine, and Kyrgyzstan constitute a new type of political change in the newly independent states no matter what labels—either revolution or coup—are attached to them. Democratic aims in closed societies cannot be achieved by other methods. Similar events might also take place in other countries and regions.

We cannot deny the obvious: the Color Revolutions in Yugoslavia and the three Soviet successor states were brought about by their social and political specifics. It is the current international situation that makes such developments possible: they are triggered not only by social discontent, injustice, and economic insolvency, but also by regional and international processes and, therefore, should be analyzed within the framework of the Big Global Game. In the wake of 9/11, the Middle East and Eurasia underwent numerous changes, which, in the final analysis, proved to be mutually complementary within the Big Game complex.⁷ Speaking of the regime changes in the three republics, I would like to say that even if internal factors did play the main role in the process, no good results would have been possible without preliminary planning and serious support from the outside.

At the same time, when analyzing the factors conducive to the coups’ prompt success, we should pay particular attention to the political structures in these countries and their specific features. For several years analysts have been engaged in an in-depth study of the build-up of people’s power and statehood development in the post-Soviet countries. I am convinced that the regimes’ rapid downfall testifies to the fact that these processes were slack in Georgia, Ukraine, and Kyrgyzstan: statehood development was painful there—transfer from the communist regime to a new state built on people’s power was accompanied by obvious failures responsible for the destabilization.

Soviet power looked at the process of social formation based on the new, socialist model as the nation’s important social and political program. In the post-Soviet period, the former Soviet constituents lost their pride as citizens of a great state, while it proved hard to cover the distance that separated them from a new, “illusive” status of their states with clear-cut borders. On the one hand, the process of acquiring a new national status was hampered by numerous domestic problems, inadequate material and moral resources, and ethnic strife; on the other, the leaders were still living in Soviet times. Global processes worsened the situation. From this it follows that Islam, ethnic diversity, and historical traditions, which, in turn, are elements of national status, played both positive and negative roles.

As a rule, factors criminalizing the situation were also responsible for the national crises; this, naturally, could have deprived the leaders of their control over society. Instability may help when it comes to planning a regime change. Any attentive analyst of the history of the Soviet successor states will easily detect the weak points of their state structures. All the local leaders (with the exception of Akaev) were former C.P.S.U. functionaries raised in the Soviet school of management. Their sincere

⁶ See: A.S. Kohan, *Theories of Revolutions*, Transl. by Ali Reza Tayeba, Gamus Publishers, Tehran, 2001, p. 35 (in Persian).

⁷ See: F. Fukuyama, “ABC of State-Building and Governance,” Transl. by Modjtab Amir Wahidi, *Politics-Economics*, No. 8, 1988, p. 4 (in Persian).

wish to achieve sovereignty, progress and prosperity of their countries notwithstanding, one could hardly expect them to destroy the structures they themselves had set up. They found it hard to grasp the skills of meeting popular demands and satisfying new requirements. In the process of nation- and state-building, they relied on traditional, clan, and family relations, which, in turn, affected to a no mean degree the local political systems. In some cases, their reliance on the linguistic culture and national traditions scored them political victories that triggered more conflicts and destabilized the regime still further. In some republics, the political system looked very much like the party system of Soviet times diluted with clan and kindred relations. From time to time, the local leaders had to bow to external pressure by making democratic gestures.⁸

In other words, the Soviet successor states were confronted with the uneven development problem. Their economies were moving away from the socialist regime and state monopoly to the market, and radical changes were being accomplished in the sphere of culture and education, while their political regimes were trailing behind. If we accept the idea that “market development” and “democratization” were two major trends of the systemic changes encouraged by the international institutions in relation to Central Asia and the Caucasus after 1990, a sober analysis of the local conditions suggests that the transfer to the market, privatization, and attracting foreign investments were more or less successful. However, it should also be said that the democratization project based on free elections, freedom of speech, and a civilized society was carried out with great difficulty.⁹

In the context of freedom of speech and building civilized societies, some of the republics have made quite good progress compared with Soviet times. We should bear in mind, however, that the policy of preventing crises and instability caused what can be called “negative progress,” where the change in political elites is concerned. Uneven development and lack of coordination among different spheres weakened the states; in Central Asia and the Caucasus these problems were also connected with security issues.

It is very hard to classify the local political regimes—this is one of the most important problems the analysts have to cope with. It is much easier to describe them beyond the scope of the classical and contemporary political theories, in which the state is discussed as an integral whole immune to internal social challenges.

This is especially obvious in the theory of political realism, which views the state and its national interests as homogeneous and internally compatible. Realism stems from the thesis that states (very much like billiard-balls) have homogeneous firm shells (their governments), which seek self-preservation as their main aim. States function in an anarchic milieu, while their responses are mainly directly proportional to the force with which they are attacked. This is especially obvious in the conceptions of neo-realism. However, as the ideas about the role of political sciences and international relations changed and as sociology came to the fore in their subject range, analysts likewise re-adjusted their ideas about the category of “state.” They are also discussing the role of history and culture, as well as the nations’ collective memory and experience. Those who study states pay particular attention to their historical, tribal, and cultural specifics.

Contrary to their realistic and even liberal conceptions, the policy of states and their conduct at home and on the international arena obviously continue their past. According to this viewpoint, the state of the post-Cold War period is a much more complicated social phenomenon than that described by the realists. In any case, the conception of post-modernity suggests that the country’s domestic specifics and the stages of its history deserve special attention if we want to analyze such political phenomena as revolutions, wars, peace, etc. connected with the state.

⁸ See: F. Atari, “Nationalism and National Governments in Central Asia,” *Studies of Central Asia and the Caucasus*, Foreign Ministry publication, Tehran, No. 44, Winter 2003 (in Persian); M. Aydin, *The New Geopolitics. Caucasus and Central Asia*, Ankara University, 2001, pp. 6-13.

⁹ See: V. Popov, “Lessons from Transition Economies,” *Paper for the UNRISD Meeting on the Need to Rethink Development Economies*, South Africa, 7-8 September, 2001.

The countries described here became independent less than two decades ago, therefore they can be described as “newly independent” states. The process of their nation-state development created numerous problems that significantly affected the competence, legitimacy, and cohesion of their political regimes. External factors build up pressure. Under such conditions, the state and its relationships with neighbors become an “object of rivalry” of larger actors.

Political stability in the Soviet successor states is further undermined by lack of transparency when it comes to changing leaders. Nearly all of them were over 60 (before the Color Revolutions) and nearly all of them were at the helm for over 15 years. There was no rotation mechanism, while everything was done to cement the positions of the old local leaders. The seemingly strong regimes are in fact enfeebled by their own monopoly on power: in the process of concentration of power the mechanisms of identifying the “successor generation” lose part of their functions.

Political longevity is justified by the need to avoid crises and preserve stability; all large powers have tacitly accepted that, some of them even support the situation. In some of the republics, a younger generation of politicians cannot come to power through fair elections—a process the current regimes have monopolized.¹⁰

The system of traditional, family, and clan ties that has struck root in some of the post-Soviet republics, as well as the “instability potential” obvious across the post-Soviet expanse require stable and continued leadership of the same people. We should not forget, however, that the people, the younger generation in particular, expect that power will be changed through transparent procedures and that new leaders will be brought to power.

There is the opinion in the expert community that after 9/11 the United States concluded that the old post-Soviet leaders should be replaced. The tragic events of 11 September, 2001 convinced America that it would not be able to achieve its long-term goals by supporting undemocratic regimes. For this reason, the United States relies on the generation that thinks in democratic terms and acts accordingly. In this way, while pursuing its national interests, the United States becomes convinced of continued regional stability.

Anyone wishing to understand the causes of the Color Revolutions in the post-Soviet republics should pay attention to the weakened ties between the political structures and the public; on the other hand, this speaks of certain shortcomings in the development of statehood. In Soviet times, the communist parties kept the region’s political regimes in constant and close interaction. No similar system was created when the Soviet Union fell apart. Since the political regime (and the entire state-nation system, for that matter) includes the entire complex of political, economic, and cultural ties and relationships, this special feature can be explained within the systems analysis framework.

The “delimitation of regimes” plays a special role in systems analysis. The political regime uses certain institutions and data to establish contact with the social regimes and till the soil of exchange between the regime and its environment. In principle, the nature of the data and institutions describes the limits of the political regime using them. The institutions are formed by demands and support; it is very important to ensure support and meet demands that, more likely than not, were inspired by the shortcomings of the external milieu. Adequate support of the political regime creates the energy the regimes need to continue functioning.

Any political system regards the channels that help study social demands and prepare materials needed to meet them as being as important as the measures needed to support the actors and internal groups operating within the system. The above means that any political system should monitor the situation on a permanent basis, study the demands, and enlist support, in order to avoid crises of legitimacy that might rupture its contact with society.¹¹ The Color Revolutions in the three republics demonstrated that their political regimes proved incapable of regulating the processes described above,

¹⁰ See: I. Romer, “Leadership Change in Central Asia,” *Studies of Central Asia and the Caucasus*, No. 45, 2004, p. 171 (in Persian).

¹¹ See: A. Gavami, *Politics of Comparison*, Senate Publishers, Tehran, 1994, p. 31 (in Persian).

while their contact with the public, and the man in the street especially, was weakened. The people irritated by their hard economic conditions and stimulated from the outside took to the streets to fight the political regime: they had lost their contact with the existing political structures long ago.

The problems of the post-Soviet political structures can be fairly effectively analyzed within the structural functionalism theory, which looks at society as a single organism. Talbott Parsons, one of the authors, believes that a compromise with the environment and the creation of social cohesion are two key functions of any society.

Gabriel Almond believes that any regime can survive if society accepts it, and that correct execution of definite functions helps political regimes overcome crises.¹² An analysis of the post-Soviet political structures reveals that they are pestered by all sorts of problems related to national and statehood development, power change, the advance of political regimes, and improvement of their functional nature, which weakened the ties between the political structures and society, thus undermining the former's ability to withstand crises.

It would be wrong to underestimate the contribution of the first post-Soviet leaders to the republics' independence and the process of setting up new political structures. We should not forget, however, that the current events and the current situation are the direct outcome of changes that took many centuries to be completed. At the same time, transformation of the political structures and balanced development of the political regimes, as well as other phenomena in these countries are inevitable. All possible repercussions should be taken into account to prevent these republics from falling victim to confrontation with influential external forces much mightier than any of the domestic factors.

¹² See: A. Gavami, *Politics of Comparison*, p. 49.



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TURKEY AND THE CAUCASUS

A b s t r a c t

The emergence of newly independent states in the Caucasus at the end of the Cold War presented challenges to Turkey, while enlarging its role. The collapse of the Soviet Union removed the century-old Soviet/Russian threat, while at the

same time created a power vacuum on Turkey's borders. In this environment, Turkey became an important actor in the region as a result of its strong historical connections. While Turkey had traditionally avoided involvement in regional politics, it has since been drawn into the volatile new politics of the region. After fifteen years, despite setbacks, Turkey has become one

of the important players in a region where it previously had only a marginal influence and no active involvement. Although economic and political conditions in the region are unlikely to stabilize for some years, it is without doubt that Turkey will continue to create new networks of interdependency between Ankara and the regional capitals.

Introduction: Early Expectations

The worldwide transformation since the late 1980s has positioned Turkey at the epicenter of the rapidly changing Eurasian geopolitics. While the emergence of eight independent states to Turkey's northeast at the end of the Cold War has presented it opportunities to utilize, the changes also highlighted potential risks. Citing its strong historical, cultural, ethnic and linguistic bonds with the newly independent states of Eurasia, the role Turkey might play in the region has been extensively discussed, not only within Turkey but also in the West, whose fear that radical Islam might fill the power vacuum that occurred in the region with the demise of the Soviet Union, led to encouragement to the newly independent states to adopt a "Turkish model" of secular democracy, combined with a liberal economy.

Turkey, however, having based its post-war foreign and security policies on the strategic importance it played for the West, due to its location *vis-à-vis* the Soviet Union, hardly welcomed the end of the Cold War. As the function and relevance of NATO in the post-Cold War world order was opened up to discussion, Turkey suddenly found itself in a "security limbo" and realized that the end of the "threat discourse" was fundamentally damaging to its Western security connection, and to the military and the economic benefits derived from it. While the emergence of liberal democracies in Eastern Europe created a buffer zone between Western Europe and Russia, Turkey still felt threatened by the uncertainties in its immediate neighborhood.

While it was observed that the bipolar system had been radically altered, it became clear that Turkey could no longer sustain parameters of its traditional foreign policy of non-involvement in regional problems, based on the predictability of the Cold War politics. As Turkey was getting increasingly uneasy about its post-Cold War posture, the emergence of newly independent states beyond its Caucasian border was both a challenge and a thrill. Nevertheless, Turkey's response to the Soviet collapse during the late 1980s was somewhat cautious, especially at the outset when the status of the new republics was far from clear. Thus, when confronted with the opportunity to establish relations with the individual Soviet republics after Gorbachov's *glasnost* and *perestroika* policies began to open the closed Soviet system, Turkey's main policy was designed to avoid any perception of seeking to undermine the existing U.S.S.R.¹

Since then, however, Turkish policy toward the region has changed dramatically, and after the U.S.S.R. formally broke up in December 1991, the implementation of a new policy orientation soon followed. As a result, Turkey became the first country to recognize the independence of the new republics; Azerbaijan on 9 December, and the rest on 16 December. After the recogni-

¹ See: B. Simsir, "Turkey's Relations with Central Asian Turkic Republics," *Turkish Review Quarterly Digest*, Vol. 6, No. 28, Summer 1992, pp. 14-15.

tion, Turkey also signed protocols with each of them, except Armenia, initiating diplomatic relations at ambassadorial level.² Thus, by the end of 1991, Turkey had completely abandoned its Moscow-centered policy, and embarked on a program of active relations with the Soviet successor states.

Although initially cultural, linguistic, and/or religious affinities were stimulating factors for forging closer ties, Ankara's new attitude toward the region was based more on pragmatic economic and foreign policy considerations than on simple rhetoric or sentimental concerns. First of all, the changed international environment clearly forced Turkey toward a regional role. Turkey suddenly found itself located at the center of a new political and economic conglomerate, i.e. Eurasia.³ It was clear that Turkey could play a dynamic role in connecting the newly independent Central Asian and Caucasian states to the rest of the world.⁴ This role also included efforts toward regional cooperation through such organizations as BSECO, which, if worked on the basis of cooperation and mutual benefit, could help to stabilize the region and provide an institutional link for these states through which they could connect to the rest of the world.

At another level, Turkey expected to gain major economic benefits from the development of closer ties with the newly independent states. The potential for economic cooperation was quite substantial in the region, and the Turkish private sector, with heavy backing from the government, had moved extensively to exploit the region's economic potential.⁵ At the same time, there was also the expectation that Turkey would become politically more important in regional and global politics because of its linkages with the region. This view was also based on the belief that Turkey's secular and emerging democratic credentials would enhance its importance as a model for future development in the former Soviet republics.⁶

At the same time, while Turkey was aiming to achieve a greater role in the region, the fear that the vacuum left by the collapse of the Soviet Union could lead to Islamic fundamentalism among the Muslims of Eurasia led to the West's promotion of Turkey as a model.⁷ Hence, as a result of growing self-confidence about its potential and political support in the West, Turkey felt ready to take advantage of the economic and political opportunities offered by the newly independent states of Eurasia. Thus, following visits of regional leaders to Ankara, the Turkish Premier toured the area in April 1992 and offered \$1.1 billion in import credits and loans.⁸ Cultural and economic cooperation protocols were exchanged, and in an unprecedented way, Russian interests in the region were challenged. Turkey also discussed the possibility of providing military training to the regional countries, and actively advocated building gas and oil pipelines through Turkey to market the Caspian energy resources. Thus, by mid-1992 Turkey had made a bold bid for influence in the region in the political, financial, cultural, military, and economic areas.

² See: *Turkey Confidential*, December 1991, pp. 11-12; *Newspot*, 14 November, 1991, pp. 2-3.

³ Prime Minister Suleyman Demirel's speech at Johns Hopkins University, Bologna, Italy, 14 May, 1992, *Turkish Review Quarterly Digest*, Vol. 6, No. 28, Summer 1992, p. 89.

⁴ In the spring of 1992 Demirel was quick, after the declaration of independence by the Central Asian and Caucasian states, to offer Turkey's services to the West in the form of a comprehensive proposal submitted to President Bush of the U.S. as a conduit for channeling funds and ideas to the new republics (see: "Ankara'dan Yardim Hamlesi," *Milliyet*, 24 March, 1992).

⁵ According to the then Turkish premier Tansu Çiller, by 1995, Turkey's private and public investment in Central Asia, approximated \$4 billion (see the text of her speech at the Centre for Strategic Studies (CSIS), Washington, D.C., 19 April, 1995).

⁶ See: S. Sayari, "Turkey: The Changing European Security Environment and the Gulf Crisis," *Middle East Journal*, Vol. 46 (1), Winter 1992, p. 15; P.B. Henze, *Turkey: Toward the Twenty-First Century*, RAND Corporation, Santa Monica, 1992, p. 9.

⁷ See: *The Times*, 17 February, 1992, observed that the "fear of fundamentalism spreading in Central Asia has in turn prompted Washington to encourage Turkey in its approaches towards the region." *The Daily Telegraph* of 22 February, 1993 quoted the U.S. Secretary of State James Baker as urging Turkmenistan "to follow Turkey, rather than Iran."

⁸ See: *Newspot*, 21 May, 1992, p. 2.

Regional Rivalries and Facing Reality, 1993–1995

Despite all the earlier promising signs, it quickly became clear that Turkey was not alone in its bid to fill the power vacuum. On the contrary, the competition between the rival countries seeking influence in the rapidly changing Eurasia became a 21st century replica of the “Great Game,” with the Russian Federation, Turkey, Iran, the U.S. among others envisioning becoming key players. Each of the countries seeking influence in the region had their specific objectives, and the competition among them included economic, political, ideological and religious dimensions, thus various possibilities for widespread conflict.⁹

From the Turkish perspective, the possibility of a military confrontation with either Iran or Russia provided ample concern. Turkey was concerned that Iran would attempt to have an impact on identification of Muslim people throughout the Caucasus (and Central Asia), an apprehension shared at the time by the Russian Federation and the West generally. Iran, on the other hand, worried that Turkey’s active role in Azerbaijan and Turkic republics of Central Asia might create pan-Turkic hegemony on its northern borders. Thus, a competition ensued briefly between the two opposing models of political development for the Turco-Muslim peoples of Eurasia; the secular model of Turkey with its political pluralism and the Islamist model supported by Iran. However, despite their initial enthusiasm in approaching these republics, it soon became clear that neither country had enough political cloth and economic power to back up its ambitions. Moreover, since late 1992 Moscow, which had no coherent policy earlier on following the dissolution of the U.S.S.R., began to exhibit a keen interest in the region, redefining it as the “Near Abroad” so that by 1994, the power vacuum created by the collapse of the U.S.S.R. had proven to be a temporary phenomenon.¹⁰

In the meantime, while Turkey became the first country to extend recognition to Azerbaijan, Iran did not conceal its concern over the Turkish action, accusing Turkey of pan-Turkism, and the West of instigating such sentiments. Fears were expressed that the Turkish recognition would encourage an independent Azerbaijan to lay claim to a “greater Azerbaijan.” Existence of about 20 million Azeris, out of roughly 60-million population, made Iran edgy and afraid that Iranian Azerbaijan might get restless after the independence of the Soviet Azerbaijan. The concern was exacerbated earlier by the nationalist rhetoric of the President Elchibey in Azerbaijan. Though Turkey never played to such sentiments and Azerbaijan after Heydar Aliev’s rise to power has stayed clear of the issue, Iran still dreads the possibility that another nationalist leadership might come to power in Azerbaijan. In such a case, Iran will inevitably see Turkey as the beneficiary in the evolving relationships that directly affect Iran’s territorial integrity, and might put itself on a high-stakes conflict path with Turkey.

These factors also complicated the Karabakh conflict. Although both Turkey and Iran shared similar concerns about the continuation of the Karabakh conflict, there were differences between them about how to solve the problem. While Turkey attempted to have the conflict dealt with within the OSCE context, Iran, which also has a large Armenian minority, took a more direct approach by negotiating with and attempting to mediate between the two Caucasian republics. While Iran’s bilateral attempts to solve the problem created concerns in Turkey about a possible increase in Iranian influence in the region, Iran, in turn, was concerned about Turkey’s cooperation with the U.S. to solve the problem, which was seen as paving the way for “growing American influence in the region.”¹¹

While Turkey was locked in an influence competition with Iran, it, at the same time, did not wish to alarm Moscow by exerting too much influence in the region. Although Russia initially wel-

⁹ For description of the new “Great Game” and the policies and aims of its players, see: M.E. Ahrari, “The Dynamics of the New Great Game in Muslim Central Asia,” *Central Asian Survey*, Vol. 13, No. 4, 1994, pp. 525-39.

¹⁰ See: N. Diuk, A. Karatnycky, *New Nations Rising: The Fall of the Soviets and the Challenge of Independence*, John Wiley, New York, 1993, p. 132.

¹¹ K. Haktanir, “Developments in Central Asia and Turkish-Iranian Relations,” *Middle East Business and Banking*, June 1992, p. 11.

comed Turkish influence in the region as a counterweight against Iran, those views modified rather quickly and Russia became more aggressive in its assertion of its own rights in its "Near Abroad." Hence, after a brief self-isolation, Russia moved to re-establish its place in the region as a dominant actor. In this move, political, economic and military pressures have been used extensively. This put Russia and Turkey briefly on the opposite sides in the Caucasus.

Turkey, however, realizing the Russian sensitivities regarding ethnic strife in the Caucasus, has repeatedly reassured Moscow of its opposition to any further fragmentation of Russia, and of its support for the CIS's stability and integrity.¹² As a result, while Turkey, soon after the collapse of the Soviet Union appeared to be gradually shifting its priorities away from Russia in its focus on the newly independent republics of the former Soviet Union, since 1995 it has adopted a policy stressing that the benefits of cooperation with Russia are still greater than those of the rest of the former Soviet republics.

Although the Turkey has chosen to avoid involvement in any way to the conflicts within the Russian territory, the quest of the Chechens for independence, and Turkey's interest in it, had earlier become a sore point in Turkish-Russian relations. The crisis was especially critical for Turkey, not only because Turkish public opinion showed great sympathy for the Chechen cause, but also because the crisis displayed similarities to Turkey's Kurdish problem. Thus, while criticizing Russia for its excessive use of force in Chechnya, Turkey has been quite careful to state that the matter is an internal affair of the Russian Federation.¹³ In any case, Turkey avoided direct involvement in the issue especially after the second round of fighting started in October 1999.

Nevertheless, Turkey's moves in the region to forge closer relations prompted its rivals to question whether Turkey was aiming for regional hegemony and/or a revival of the historical pan-Ottomanist and pan-Turkist unions. Although Turkish leaders have repeatedly expressed that fears of a revival of pan-Turkism as an extension of Turkey's efforts in the region are unfounded, the suspicions of its neighbors have continued.

Concentration on the Caucasus, 1995 onwards

Perhaps resulting from disappointments faced in Central Asia in creating a credible zone of influence, and also arising from inability to utilize its perceived strengths, Turkey has subsequently moved its attention to the Caucasus, a region that has proved more promising for partnership than has Central Asia. In addition to geographic proximity, the lures of the Caspian energy reserves and the need to transfer these resources to Western markets provided added incentive for closer involvement. Finally, the Caucasus presented Turkey with a particular challenge with regard to ethnic conflicts, as it became clear that Turkey's standing in the region would be determined by its responses to the ethnic and nationalist conflicts in the region.

Relations with Armenia

Turkey's relations with Armenia have been an especially delicate issue because of the legacy of distrust between the two nations and the historical baggage that they brought into the relations. Although Turkey recognized Armenian independence on 16 December, 1991, without any preconditions, the border between the two countries immediately became a source of controversy as the latter

¹² See, for example: "Turkish PM Demirel Visits Moscow: Useful, Constructive Talks Expected," *FBIS-SOV*, 27 May, 1992, pp. 15-16.

¹³ See: *Briefing*, No. 1023, 9 January, 1995, pp. 7-8; No. 1024, 16 January, 1995, p. 10.

has consistently refused to recognize the border between the countries, originally drawn by a peace treaty signed between Turkey and the short-lived independent Armenian Republic in 1921. The Russian-Turkish treaty of 1921 also confirmed all the borders between the R.S.F.S.R. and Turkey [the R.S.F.S.R. remained an independent Socialist state until 1923, when it became a nation of the Union of Soviet Socialist Republics]. After the collapse of the Soviet Union, however, as Turkey no longer shared a border with Russia, some Armenian parliaments announced that they did not recognize those borders established by Moscow.¹⁴ As a result, in the spring of 1992, Turkey stipulated that it would not proceed to formalize diplomatic relations with Armenia until it provided formal written recognition of existing borders. As of now, it has not done so.

Apart from the border issue, references in the Armenian Independence Declaration to “killings of Armenians by the Ottoman Turkey in 1915,” and Armenian efforts to obtain international recognition for it created tension between the two countries. Although former Armenian President Ter-Petrosian, recognizing the need to enhance his countries relations with Turkey on a realistic basis, refrained bringing the issue into the agenda and thus offered an opening, developments in the Caucasus, i.e. the Karabakh problem, prevented further rapprochement between the two countries. From Turkey’s point of view, the conflict has presented unacceptable options with dangerous ramifications. Turkish public opinion has strongly encouraged the Turkish government to side with Azerbaijan, even supporting military intervention.¹⁵ The government however has refrained from acting on these pressures and chosen to mobilize international response to Armenian attacks in Karabakh. It has also displayed awareness toward the importance of the “Russian factor” to solve the conflict by seeking Russian cooperation especially in the OSCE. However, when the matter of peacekeeping was discussed following the ceasefire between the warring parties on 12 May, 1994, Turkey advocated for the deployment of a multinational force under the OSCE supervision, and against Russian peacekeepers as suggested by Moscow. Turkey saw in this another attempt by Russia to exclude the rest of the world from the Caucasus.¹⁶

Although Turkey was able to remain clear of military involvement in the conflict, Karabakh issue firmly underscored the dilemmas that faced Turkey in its efforts to maintain neutral regarding ethnic conflicts in the former Soviet republics. Turkish policy during the conflict was aimed mainly at ensuring with political measures that this regional conflict does not escalate to a level that seriously threatens Turkish security, and thus compels it to intervene militarily. However, the conflict has brought an end to tentative moves from both sides of the Turkish-Armenian border to put an end to historic animosities. Although early in the independence process both sides seemed to agree on the need to overcome psychological barriers between the two peoples, moves by the Armenians over Karabakh caused Turkish public opinion to press Ankara to speak out firmly against Armenian actions, thus halting the process of reconciliation. With the advent of nationalist Kocharian into power in Armenia in March 1997, the possibility of rapprochement between the two countries shelved for the time being.

In the meantime, Armenian signature of a friendship and cooperation agreement with Russia in 1997, and allowing Russian forces to be stationed in the country, has put Armenia and Turkey on the opposite sides of the emerging loosely defined political alliances in the Caucasus: the Russian Federation, Armenia and Iran on the one side; the U.S., Azerbaijan, Georgia and Turkey on the other.

Relations with Azerbaijan

Azerbaijan was among the top of the list that every expert on the Caucasus predicted Turkey to make most progress in its post-Cold War relations. The expectation proved correct and Turkish-Azeri relations started-off with a leap forward based on cultural, linguistic, and historic bondages as well as

¹⁴ See: *Briefing*, 19 March, 1991, p. 3; C. Kirca, “The Only Hope for Armenia,” *Turkish Daily News*, 12 February, 1991.

¹⁵ See: *Financial Times Report on Turkey*, 7 May, 1993, p. 5.

¹⁶ See: *Milliyet*, 25 February, 1995, p. 17; 8 May, 1995, p. 13.

shared economic, political and strategic interests. In time Turkey has become the only country that consistently supported Azerbaijan in its struggle over Karabakh, risking its relations with Armenia and Russia along the way.

Although the harmonious relationship between the two countries established during the reign of president Elchibey was somewhat cooled down with the advent of Heydar Aliiev in Azerbaijan, the cooperation continued and even expanded into various domains. Apart from strategic cooperation against Russian attempts to re-establish its hegemony over the Caucasus, the two countries have been cooperating on Baku-Tbilisi-Ceyhan (BTC) project, possibility of transferring Azeri natural gas to Turkey, various cultural programs and thriving trade, as well as establishing and training national army of Azerbaijan. Moreover, Aliiev's policy of avoiding alienation of Russia and Iran in the region while firmly cooperating with the West has helped Turkey move away from its earlier confrontational line with Russia, Iran and Armenia. This pattern of relationship continued after the transformation of power in Azerbaijan from Heydar to Ilham Aliiev, whose rise to power was welcomed by Turkey, alongside the U.S., for continued stability in the country.

Relations with Georgia

After the collapse of the U.S.S.R., Georgia has rapidly become Turkey's one of the more important foreign policy openings in the post-Cold War era. The relations have thrived on the Georgian opposition to Russian dominance in the Caucasus, its support for the realization of the BTC project, and its willingness to cooperate with Turkey on wide variety of issues, from tourism to security. Turkey, in return, has been more than willing to extend its friendship, economic, political and military support to Georgia, which offered to Turkey a foothold in the Caucasus and a gateway to Central Asia.

In contrast to Russian meddling with ethnic issues in Georgia, Turkey's bipartisan approach to Abkhazian and Ossetian problems and continuing reaffirmation of Georgian territorial integrity helped to enhance the relationship. So much so that Turkey became the biggest trade partner of Georgia shortly after its independence and, in the words of former Georgian President Shevardnadze, a strategic partner in the long run. In addition, starting with cooperation in military education, Turkey, under NATO's Partnership for Peace program, offered its advice and help in establishing Georgian national army. Then the two countries moved on to cooperate in the restoration of Marneuli airfield and Vaziani military base after the withdrawal of the Russian forces.

Recently, when Georgia was again put under pressure by Russia in the aftermath of 11 September events, with accusations that it was harboring Chechen gunmen, Turkey, with the American backing, was again forthcoming in its support. Finally the arrival of American military advisors to Georgia in the wake of 11 September attacks, sealed Georgia's western orientation. This, together with Turkish-Georgian-Azerbaijani trilateral security cooperation, is poised to bring new dimensions to both bilateral relations and in a wider scale to Caucasian geopolitics. Although Turkey was caught unprepared for the developments leading to the Rose Revolution, the relationship between the two countries continued to be friendly, based on sound understanding of security situation in the Caucasus and mutually shared interests.

Caspian Energy Resources and the Struggle for Pipelines

One of the peculiar features of the Caspian is that the regional countries most interested in the early exploration and transportation of oil and natural gas are landlocked and have to rely on the goodwill of their neighbors to be able to export their petroleum. Under geopolitical calculations,

Russia has been trying to retain its political influence in the Caspian Basin. Thus, it had insisted that the northern pipeline from Baku, Azerbaijan, to the Russian Black Sea port of Novorossiisk should be the main transit route for oil from the Caspian region. If successful, this would have of course ensured Moscow's exclusive and strategic control over the region's resources.

However, opposing Russian insistence on the northern route, the U.S. and Turkey as well as Georgia and Azerbaijan preferred a western route through Georgia to the Turkish Mediterranean port of Ceyhan. Although there have been various projects developed to move Caspian energy resources to market, the main competition has been between these two routes. What was at stake was not only oil and gas transit revenues that both countries can extract from pipelines passing through their respective territories, but more importantly, the pipeline network is one of the key factors in securing and maintaining influence throughout the Eurasia.¹⁷

As the Baku-Tbilisi-Ceyhan pipeline is being put into operation in these days, its main effect would be to weaken Caspian states' economic and transportation dependence on Russia. They will appear as new competitors to Russia in the export of oil and gas, and, together with Georgia, would use the money thus obtained to enhance their political independence from Russia. The role of the Western states, whose oil and gas companies provide the necessary investment, would increase, as would the role of Turkey.

C o n c l u s i o n s

The collapse of the U.S.S.R. has been a mixed blessing for Turkey. While the century-old Soviet/Russian threat to Turkey's security has disappeared, the vacuum created by this departure in the Eurasia has become the breeding ground on Turkey's borders for potential risks and threats for regional security, because of the deep tensions between mixed national groups, contested borders, economic difficulties, and competition of outsiders for influence.

Yet, Turkey is cited as an important stabilizing actor in the emerging new order because of its strong historical, cultural, ethnic and linguistic bonds with the newly independent states. Thus, the role Turkey may play in this region has been extensively discussed not only within Turkey but also in the West. While Turkey has traditionally avoided involvement in regional politics, it has been unavoidably drawn into the volatile new politics of the Caucasus, where Armenia and Azerbaijan are locked in a potentially expandable conflict, where Georgian politics is highly unstable, and where Chechens fight to break away from the Russian Federation. For its part, Turkey, mindful of the disruptive impacts of sub-nationalism and ultra-nationalism, has been eager to promote the positive aspects of national formation in the region, making clear that transitional concepts based on Islam or pan-Turkism are not part of its policy *vis-à-vis* the states in the region.

In the meantime, a new rivalry with Iran and the Russian Federation over influence in the new states of the Caucasus presented new risks and difficult policy choices. Yet, Turkey has attempted to play down the importance of these potentially threatening tendencies, instead emphasizing its moderate character, which helped lead the newly independent states in a moderate and secular direction, thereby also seeking closer relations with both Russia and Iran. It should not be forgotten that Turkish-Russian mutual interest in maintaining peace in the Caucasus and in regional cooperation in the Black Sea is considerable, and the importance of these states to each other proved to be greater than initially expected.

It is clear that Turkey has undergone a dramatic shift away from its traditional policy of isolationism, and that Turkish foreign policy is increasingly focusing on the Caucasus, alongside the Balkans, the Middle East and the Central Asia. It is clear that the tensions between the Soviet successor states in the region will be contributing factors for Turkish security planning in the early part of

¹⁷ On this subject, see: M. Aydin, *New Geopolitics of Central Asia and the Caucasus; Causes of Instability and Predicament*, Center for Strategic Research, Ankara, 2000, pp. 56-71.

the 2000s. Although Turkey has disavowed any intention of intervening militarily in inter-republican clashes in former Soviet territory, it is still conceivable that Turkish forces might be invited by these states to play the role of peacekeepers between or within them. In this context the Armenian-Azerbaijani conflict has already presented Turkey with a sense of the difficulties that it might encounter in the near future if it chooses to engage in ethnic and nationalist conflicts in the region.

Even if Turkey's initial vision toward Eurasia proved somewhat unrealistic, the effects it generated did set the tone for Turkish policy for the rest of the 1990s and early 2000s. While Turkey has not necessarily become the model to which the new states of Eurasia aspire, its thriving private sector, its secular approach toward religion and its functioning democracy continue to have their appeal in the region. Meanwhile Turkey had learned two important lessons *vis-à-vis* its relationship with Russia: It is an important economic partner for Turkey, and that an overly aggressive foreign policy in Eurasia is not advisable, given the risk of escalation into a direct confrontation.

Finally, the emergence of independent republics in the Caucasus represented a turning point in Turkey's regional role and policies. Turkey has become one of the important players in a region where it previously had only a marginal influence and no active involvement. Although economic and political conditions in the region are unlikely to stabilize for some years, it is without doubt that Turkish policymakers will continue with their efforts to create new networks of interdependency between Ankara and the regional capitals. Also, it is without doubt that other regional players, especially Russia and Iran, will continue to view these policies with suspicion and challenge them.



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GEORGIA AFTER THE ROSE REVOLUTION

Abstract

The Rose Revolution in November 2003 created a setting characterized by major new challenges as well as major new opportunities for Georgia. After presenting the forces that gave rise to the Rose Revolution (emerging civil society, vi-

The statements made and the views expressed are solely the responsibility of the author. The author wishes to express appreciation for the thoughtful comments provided by the anonymous reviewers. Not for quotation.

brant free press, weak state authority, and national memory and unity), several issues that will shape the future of Georgia are examined. The first of these is economic growth, which provides some reason for optimism, though the picture remains tenuous. The second is the struggle over Georgia's territory, in particular the challenges facing the state when it comes to breakaway territories. Frustration on this front remains to the present time. The third is the

development of a strong state, something that provides particular challenges in light of the failing state inherited by the Saakashvili government, but something that showed some promising signs in the wake of the Rose Revolution. After a promising start, the Saakashvili government has recently drifted in the direction of over-centralization of power in the president's office, and this is cause for concern as the government continues to struggle to find its way.

In November 2003 the world watched as crowds of Georgians braved cold, rain, and the threat of violence to stay in the streets demanding a new government. A dramatic series of events played out over three weeks culminating in the downfall of Eduard Shevardnadze's corrupt and moribund regime and the rise of a government headed by Mikhail Saakashvili. Now, with some perspective on these events the question is: What does Georgia have to show for the Rose Revolution? As I shall argue below, the answer to this simple question is complex, a mixed bag of accomplishments and missed opportunities, cause for optimism as well as reason for concern about what the future holds. The bottom line is that there is much to be proud of in the achievements of the past two years, but the momentum that was so inspiring in the wake of the revolution may now have stalled. And looking to the future, there are grounds for real concern on some fronts.

* * *

Why is so much attention in the West focused on the Rose Revolution and its outcome? There are many countries several times the size of Georgia that have garnered much less attention from the U.S. and others, so it is essential to understand what motivates our concern in this case. The two obvious reasons for this are:

- 1) Georgia's role in the geopolitics of oil and gas, and
- 2) the possibilities Georgia holds for serving as a model of emerging democracy and civil society.

The key to understanding the first of these factors in today's world is the Baku-Tbilisi-Ceyhan (BTC) pipeline, a project initiated in the 1990s during the presidency of Eduard Shevardnadze. This pipeline will soon transport a million barrels of oil a day to the West without going through Russia, Iran, or the Bosphorus Straits. It is so important for the region that Svante Cornell, Mamuka Tsereteli, and Vladimir Socor have said that it "reconfigures the mental map with which political observers and decision-makers look at the world."¹

The Rose Revolution and the events that have unfolded in its wake are the key to understanding the second reason for the importance of Georgia today. This revolution was an important step in creating a laboratory for democracy, and it provides a context in which political, cultural, and economic issues have played out over the past year and a half.

The BTC pipeline and Rose Revolution have been interpreted in quite different ways, and part of what follows is devoted to presenting opposing perspectives. In particular, American and Russian

¹ S.E. Cornell, M. Tsereteli, and V. Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline," in: *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, ed. by S.F. Starr and S.E. Cornell, CACI & SRSP, Washington and Uppsala, May 2005, p.17.

views often stand in sharp contrast, and this has been a continuing source of friction between the two countries.

As many events in the former Soviet Union have demonstrated, predicting the future in a place like Georgia is next to impossible. It is possible, however, to identify some core issues around which the future will be worked out, and these will be my focus. The three issues I have in mind are:

- 1) economic development,
- 2) territory, and
- 3) the development of a strong, well functioning state.

Of concern in the first case is the economic viability of the country, the second has to do with the extent and organization of Georgia's territory, and the third deals with the issue of whether the country can develop the norms required of a modern state.

These three issues are interrelated, but they tend to show up in different discussions conducted by different policy and academic communities. One thing they have in common, however, is that today they are playing out against the backdrop of the Rose Revolution, so I begin with a brief review of this event.

The Rose Revolution as Backdrop

The Rose Revolution was an extraordinary event that put Georgia on the international stage for several days in November 2003. It brought Saakashvili, a young populist critic of Shevardnadze's corrupt government, to power and initiated the region's most important experiment in democracy. The ramifications of this revolution extend well beyond Georgia's borders. It has made democratic movements thinkable in places like Ukraine, a country where Georgian flags sprouted in the rallies of the Orange Revolution of 2004. And it emerges in discussions about potential democratic transitions elsewhere, including Russia itself.

A few basic forces at work prior to the Rose Revolution provide insight into why it took place. The first was the civil society that was struggling to emerge at the time. Numerous NGOs had been active in Georgia for years, and they clearly had an impact on government and society by the time of the parliamentary elections of 2 November, 2003. Some of these NGOs had actively defended the rights of religious and ethnic groups and in the process helped create a new kind of public discourse. Opinion differs as to just how important NGOs were in the revolution, but observers generally agree that they at least played a role in laying the groundwork for the event. This view is supported by the fact that after the Rose Revolution leaders of countries like Uzbekistan and Russia, where such upheaval is viewed with trepidation, have restricted or simply closed down many NGOs.

A vibrant free press was a second factor in the Rose Revolution. In the lead-up to the events of 2003 the Georgian public was often inspired by the images and stories provided by the media, especially the television station Rustavi-2. The media, aided by the NGOs, had become so powerful by 2003 that attempts by government authorities in the previous few years to muzzle television stations were met by massive public resistance. Some observers viewed the media's coverage of the Rose Revolution as bordering on the irresponsible, but they generally agree that it played a pivotal role in initiating and maintaining public support for it.

In contrast to these first two ingredients in the Rose Revolution, each having to do with the presence of a new force, the third involves an element that was largely missing: state authority. During the last few years of his presidency, Shevardnadze's technology of power was marked by a sort of liberal detachment from the corrupt processes in his government, and this led many to regard Georgia as a frag-

ile, if not failing state. Such a view was supported by the fact that opposition leaders, along with the NGOs and media, encountered relatively little resistance from law-enforcement agencies during the Rose Revolution, something that stood in striking contrast to events that unfolded in Uzbekistan in May 2005.

The fourth essential ingredient that went into the Rose Revolution was Georgian national identity and unity. Despite years of poverty and demoralization, opposition leaders were successful in appealing to powerful feelings of national unity when it came to mobilizing the nation. The fact that they were able to rally the population around a unifying “story of peoplehood”² was a crucial ingredient in the success of the revolution. This was particularly noteworthy in a country where it is often said that whenever two Georgians congregate, one can be sure to find at least three political parties.

Some of the most powerful statements coming from leaders of the Rose Revolution have to do with themes of Georgian national unity and identity. Whereas there were differences of opinion as to how important the NGOs were or how responsible the media were, there is agreement that the people were the main actors of the events of November 2003. They were motivated by deep frustration with the corrupt government, but this frustration did not simply express itself in an outburst of destruction.

Instead, the Georgian people came together in a way that was moving and often surprising to the leaders—and even to the people themselves. Nino Burjanadze (Chairperson of Parliament in both the Shevardnadze and Saakashvili governments) summarized what she saw by noting that Georgians “can tolerate a lot of things, poverty and so forth, but when it comes to our dignity, we cannot tolerate it... [T]his nation still has kept some inner force that can be used to recover its future.”³ And in his reflections, Zurab Zhvania (Prime Minister in the Saakashvili government until his tragic death in February 2004) remarked that the Rose Revolution “was the first time since regaining independence that Georgians feel like winners. They have this sense that they won... People are still in poverty and have the same economic problems and so on, but they now feel much, much stronger than before. It was like regaining dignity. We are a nation. We are a nation, and we are proud that we are Georgians again.”⁴

The Rose Revolution provided a new background for developments in Georgia, and the country has responded rapidly—and for the most part well—to this new context. During the first couple of years since the events of 2003, it has undergone major changes, many of them encouraging, in the areas of economic growth, territory, and the emergence of state institutions. These positive developments set the stage for discussions about whether the country continues to be headed down a positive path, but before turning to more critical observations, it is important to outline the accomplishments.

Economic Growth

In the first couple of years after the Rose Revolution the most important news on the economic front was strong growth. This stands in contrast to what was going on during the period leading up to the Rose Revolution and also to what most analysts assume would have happened had this event not occurred. The *Economist Intelligence Unit* reports real GDP growth of 8-10% for recent years.⁵ Because collecting statistics on economic growth is still such a new enterprise in Georgia and because much of the economy is still in the process of coming out into the open, these figures meet with skepticism in some quarters. Nonetheless, it is worth noting that they exceed the figures of other CIS countries.

² R.M. Smith, *Stories of Peoplehood: The Politics and Morals of Political Membership*, Cambridge University Press, Cambridge, 2003.

³ Interview with Nino Burjanadze, in: *Enough! The Rose Revolution in the Republic of Georgia*, ed. by Z. Karumidze and J.V. Wertsch, Nova Publishers, New York, 2005, p. 50.

⁴ Interview with Zurab Zhvania, in: *Enough! The Rose Revolution in the Republic of Georgia*, p. 42.

⁵ Country Report for Georgia, *The Economist Intelligence Unit*, May 2005.

Consumer price inflation has generally been low since the Rose Revolution, but there are indications that it is rising, and this is a cause of growing concern. Trade balances moved in a negative direction temporarily, but this is thought to be due to the construction of the BTC pipeline in an economy that was not sufficiently developed to supply the needs of such a major construction effort. The Georgian lari (GEL) has grown steadily against the Euro and U.S. dollar.

The construction of the BTC pipeline, now largely complete, along with plans for the Southern Caucasus Gas Pipeline Project (SCP), have provided an important engine of economic growth for Georgia. With the completion of both of these projects in the near future, however, the country will no longer be able to rely on major new infusions of construction funds to maintain its economic development. The BTC pipeline will be providing something on the order of 50 U.S.\$ mn per annum in transit fees, but it will become increasingly important to foster growth in small and medium sized business, especially in sectors such as agriculture and tourism. The latter was a major part of the Georgian economy during the Soviet years, when several million tourists came to the republic each year, compared to a mere 10,000 in 2004. In this context observers have noted the urgency of developing this untapped potential.⁶

Turning to economic policy, there has been strong growth in revenue collection since the Rose Revolution. In fact, initial targets for tax revenues had to be revised upward twice in 2004 because of the surge in tax collection. During that year tax revenues doubled over what they were in 2003,⁷ and as a result the government was able to pay off its arrears to several sectors (teachers, pensioners) and double monthly pensions. These trends resulted from strong economic growth, anti-corruption efforts, and tax reforms. More businesses, especially medium and large-scale enterprises, have come out of the shadow economy as the enforcement of tax laws has improved. In addition, other sources of revenue increased sharply. For example, there was a marked increase in the customs fees with the re-integration of Ajaria into the country in early 2004.

In general, increased revenues have been matched by increased expenditures by the state, which rose 60% in 2004 over the previous year. The largest outlays continue to be for social subsidies, debt repayment, and transfers to local governments. Expenditures on law enforcement and defense have risen rapidly as these undergo structural changes and the government makes new commitments to the country's armed forces. The number of public-sector employees actually showed a significant drop of 30,000 during 2004 as the government did a great deal of house cleaning, but savings were used largely to improve the salary of remaining employees, a move that makes them less susceptible to corruption.

On the whole, the picture of economic development and policy in Georgia is encouraging. It is strikingly better compared to the prospects before the Rose Revolution, and it is much better than what most analysts assume it would be today had this event not occurred. Some of the improvement can be attributed to increasing confidence on the part of domestic and foreign investors. This stems in part from a more transparent tax code, and it is essential that the government continue to act in predictable, responsible ways to increase this confidence. There are, however, potential problems that observers see, and many of these are tied to the issue of Georgian territory and the challenge of developing a strong state.

The Issue of Georgian Territory

The boundaries and political organization of Georgia's territory are issues that have been at the center of debate for years and concern the country's very existence. When discussing these issues,

⁶ P.B. Henze, *Tourism in Georgia: An Unexploited Opportunity for Economic Development*, *CaucasUS Context*, Vol. 2, No. 1, Spring 2005.

⁷ Country Report for Georgia.

Georgians often employ the expression “territorial integrity,” but I shall just use the more neutral “territory” in an attempt to avoid pre-judging several contested issues.⁸

Regardless of terminology, the major debates over territory in Georgia focus on the regions of Ajaria, South Ossetia, and Abkhazia. These three regions are quite different in history, ethnic composition, and politics, but one thing they have in common is Russian involvement, which Georgia views as unwarranted meddling, if not hostile intervention. This involvement takes several forms, including the provision of military equipment, and it is often viewed as part of “The [Russian] policy of using separatist groups for policy purposes.”⁹

The problem presented by Ajaria, a small region in southwest Georgia on the Black Sea coast, was essentially resolved by the summer of 2004. In comparison with Abkhazia and South Ossetia, the challenge it presented was so modest that many observers did not even consider it to be a “breakaway region,” the term commonly applied to the other two. South Ossetia, and especially Abkhazia, however, present much greater challenges. Despite the small size of the territories and populations, intense feelings of ethnic nationalism have been the source of seemingly unending confrontation between central authorities in Tbilisi and these two “unrecognized republics,” as they are termed by international observers.

The opposing sides in these disputes espouse markedly different ideas about the national identity of the groups involved as well as the historical origins of the regions and their conflicts. These ideas have been elaborated, often in inflammatory and dangerous ways, by leaders on all sides. The result is that the groups have utterly different responses to questions such as: Were the borders of present-day Georgia drawn in artificial and illegitimate ways to include territories that do not belong to the country? Should these regions be independent? Should they be part of another country (namely Russia)?

I shall not go into the histories of these regions, histories that extend far into the past and are the subject of longstanding research as well as quarrels.¹⁰ Suffice it to say that the collective memories of various parties paint very different pictures of how Abkhazia and South Ossetia came to be included in the borders of Georgia. The picture is further complicated by the fact that it is not only the people of these two breakaway regions and Georgia who are caught up in this dispute. Other parties, especially Russia, are involved.

As critics of Russia see it, “Moscow continues to unashamedly back the two secessionist territories in northern Georgia, Abkhazia and South Ossetia, who wrested off Tbilisi’s control in the early 1990s with Russian help.”¹¹ From a Russian perspective, however, interest in the region stems from quite legitimate concerns. One of these is that BTC and other east-west corridor energy and transportation projects portend a scenario in which a significant portion of infrastructure development will move out of Russia’s central regions to the Southern Caucasus. Indeed, this is already happening and constitutes a blow to the economic and demographic future in the traditional Russian heartland.

The major source of Russian concern stems from traditional fears of being surrounded by potential enemies. In particular, it could result in “total American control along a substantial part of Russia’s state borders.”¹² The Russian commentator who made this statement went on to argue that “This control will inevitably evolve into interference in the internal affairs of oil exporters and transit countries, including Georgia... America intends to deploy its own military contingents where the Russian military is stationed nowadays.”¹³

⁸ I am indebted to Tom de Waal for pointing out this terminological issue.

⁹ S.E. Cornell, M. Tsereteli, and V. Socor, op. cit., p. 26.

¹⁰ For a summary of some of these quarrels, see St. Kaufman’s book *Modern Hatreds: The Symbolic Politics of Ethnic War*, Cornell University Press, Ithaca, 2001.

¹¹ S.E. Cornell, M. Tsereteli, and V. Socor, op. cit.

¹² *Russia Must Protect Its Interests in the Post-Soviet Zone*, Interview with Andrei Ishchuk of the Federation Council CIS Affairs Committee, *Vremya Novostei*, 27 May, 2005.

¹³ *Ibidem*.

Perhaps the most striking illustration of where this line of reasoning leads can be found in the seemingly endless process of removing Russian military bases that are on Georgian territory. The two bases involved are holdovers from Soviet times, and the fact that their removal has been so long in coming reflects a lingering mentality of colonialism on the part of some circles in Russia. A new set of agreements to remove them will hopefully bring this point of contention to an end. Interestingly, at a meeting of the CIS Collective Security Treaty Organization on 24 June, 2005, Russian officials declared that the expressions “near abroad” and “post-Soviet space” should be taken out of circulation,¹⁴ but remnants of the thinking behind such terms clearly remain, at least among some circles in Moscow.

In striking contrast to the Russian perspective, many observers in the West and Georgia view Russia as the cause, rather than the antidote to problems with the breakaway area. This is an assertion that officials in Moscow vehemently deny. Regardless of one’s perspectives on such issues, a basic fact of life for Georgia is that Russian economic and geopolitical interests will continue to be felt in the region. Ideally, however, these should be approached with an understanding that “Russia has a natural right to influence, but not to dominate or dictate policy.”¹⁵

Discussions of the frozen conflicts in Abkhazia and South Ossetia routinely revolve around a few possible scenarios. The first is that South Ossetia and Abkhazia would be re-integrated into Georgia, undoubtedly with some special arrangements for autonomy. This is generally the Georgian view of what should happen, and since the Rose Revolution brought him to power Saakashvili has made several bold claims that it would happen. To date, however, negotiations and occasional flare-ups of armed conflict have not been encouraging. For example, a military operation by Georgian forces in South Ossetia in the summer of 2004 was an embarrassing failure for the Saakashvili government. What is generally viewed as an impulsive operation on the part of a Georgian leadership caught up in the hubristic atmosphere of the Ajarian success ended up setting back relationships between Tbilisi and South Ossetia.

A second possible outcome of the struggles in these two unrecognized republics is that they would become sovereign, independent states. This seems highly unlikely, if for no other reason than that they are so small. Estimates of the number of people in Abkhazia today run around 200,000 (half Abkhaz and the other half mainly Armenians, Russians, and Georgians), and less than 50,000 are estimated to live in South Ossetia. Nonetheless, leaders of these regions often make bold assertions of their right to exist as independent countries.

A third scenario is for South Ossetia and Abkhazia to become part of the Russian Federation. In the view of some, this seems to be precisely what Moscow is angling for, given its practice of handing out passports to those in the breakaway regions who want them. There are limits to how vigorously Russia can pursue this strategy, at least overtly. This is because encouraging these regions to break away from Georgia raises questions about why the same approach should not apply to Chechnia and other hotspots of ethnic independence movements in the Northern Caucasus. The wars and the brutal, seemingly endless armed conflict that have afflicted Chechnia in the post-Soviet period are framed against a background in which Russia refuses to give it full autonomy or independence. Any move for such independence by Abkhazia or South Ossetia would raise alarm in Moscow that regions such as Chechnia and Dagestan in the Northern Caucasus could follow, and this would present a fundamental challenge to the Russian state.

A fourth possible scenario for the future is that rather than trying to incorporate Abkhazia and South Ossetia into the Russian Federation, various parties are working to ensure that they remain in limbo as stateless territories. The villas built by Russian generals and businessmen on the Black

¹⁴ V. Socor, “From CIS to CSTO: Can a ‘Core’ Be Preserved?” *Eurasia Daily Monitor—The Jamestown Foundation*, Vol. 2, Issue 125, 28 June, 2005.

¹⁵ S.E. Cornell, M. Tsereteli, and V. Socor, op. cit., p. 17.

Sea shore of Abkhazia, as well as the large-scale smuggling of gasoline, cigarettes, and flour in South Ossetia, provide strong incentives to keep these regions outside the control of the Georgian state—or any other state for that matter. This is all part of “the widespread wartime political economy in the Caucasus that is among the region’s most intractable obstacles to peace and democratization.”¹⁶

This wartime political economy has emerged in the context of what many observers view as Russia’s confused, or even nonexistent policy in the Caucasus. The seeming inability to come up with a coherent approach can be seen as a reflection of the tenuous standing of government authority in Russia in the wake of what is called “economic reform.” In the view of some observers, the emergence of an economic oligarchy has usurped much of what would otherwise be a state’s sphere of action. And if Anatol Lieven¹⁷ is right, this is a stable system, not a passing stage in the development of liberal democracy and capitalism. The plight of Mikhail Khodorkovskiy shows that Russian authorities will try from time to time to re-establish their authority, but no one should doubt the power of the oligarchy and the resulting inability of the state to pursue a single coherent strategy when it comes to issues like the breakaway regions of Georgia.

In sum, the struggle over the size and political organization of territory in Georgia involves several actors and motives, and the result is that competing explanations often exist for events that transpire there. Economic forces and rational geopolitical strategizing clearly play a role, but the most powerful and volatile force at issue, a force that provides the framework within which others operate, may be national memory and identity. Stuart Kaufman,¹⁸ for example, has argued that it is hard to account for the disputes between Abkhaz and Ossetians, on the one side, and Georgians, on the other, if one focuses only on economic or political factors. From this perspective it is especially hard to account for why conflicts do *not* exist elsewhere. For example, Azeris and Armenians each make up about 6% of the country’s population, but there has not been the sort of conflict between them and Georgians that one finds in Abkhazia and South Ossetia with their much smaller numbers.

It is worth noting that this should not be taken to suggest that all is well with Azeri and Armenian minority groups in Georgia. For example, there have been tensions in Samtskhe-Javakheti, an ethnic-Armenian region on the Armenia-Georgia border, with some groups calling for secession from Georgia. And in Kvemo Kartli, a southeastern region predominantly populated by about 300,000 ethnic Azeris, there have also been disturbing developments. The powerful collective memories at work in this latter setting are evidenced in the practice of local radical Azeri groups, as well as some Azeri media, to refer to Kvemo Kartli using the Azeri name Borchaly, which implicitly questions the Georgian origin of this area.¹⁹

In sum, Georgian concerns with the issue of territory focus first and foremost on Abkhazia and South Ossetia, but it is important for the country not to overlook other minority populations as well, especially Azeri and Armenian groups living within the country’s borders. In all cases the symbolic politics of nationalism is an essential driving force in the disputes. For the Russian actors, economic motives might play more of a role, but even there the sides are defined and the issues framed in terms of the memory and politics of nationalism.

Most observers, including many Georgians, now recognize that there is enough blame to go around for the sad state of affairs in the crucial regions of Abkhazia and South Ossetia. If they are to be re-integrated into the Georgian state, it appears that two essential things will have to occur.

¹⁶ S. Blank, “The Lessons of War: Chechnya, Russia, the Caucasus,” *CaucasUS Context*, Vol. 2, No. 1, 2005.

¹⁷ A. Lieven, *Chechnya: Tombstone of Russian power*, Yale University Press, New Haven, 1998.

¹⁸ S. Kaufman, *op. cit.*

¹⁹ *Eurasia Daily Monitor*, Thursday, 29 September, 2005, Vol. 2, Issue 181. Published by the Jamestown Foundation.

First, the opposing sides will somehow have to transcend or diminish the power of the “sealed narratives”²⁰ that make it impossible for them to see each other’s view of the situation. In this effort the political elite, including public intellectuals, will have to take the lead. Some on the Georgian side have already recognized that an apology from politicians and public intellectuals for words and actions that have exacerbated nationalist feelings might be in order. And second, solid agreement on new forms of autonomy for the regions will be required. At least some Georgians know and accept this, but feelings remain so high that the first response of the opposing sides is often that either complete sovereignty or straightforward re-annexation is the only possible future. Both are non-starters.

The Development of a Strong Georgian State

As noted earlier, one of the reasons that the Rose Revolution succeeded was that little in the way of state authority stood in its way. Shevardnadze had been presiding over a failing state for years, and by late 2003 corruption, chaos, and demoralization had created such a crisis that he could no longer assume the loyalty of state actors, including the police and military.²¹

In the aftermath of the revolution President Mikhail Saakashvili and his leadership team made several moves with an eye toward rebuilding trust in the state. The campaign they launched in 2004 to create a clean and effective police force is a prime example. Saakashvili fired all the traffic police with their low pay and bad habits and hired new ones at salaries high enough to allow them to resist corruption. These new officers, outfitted in distinctive uniforms and supplied with a fleet of new Volkswagen police cars, made their debut in the fall of 2004. This reform effort is viewed as one of the most important success stories of the government.

Although the immediate motivation for strengthening state authority might have been the crisis that the Shevardnadze government had left behind, it is being pursued in an historical context where trust in state institutions has always been superficial at best. People in Georgia and the Caucasus more generally have a long history of relying on family and personal networks rather than on bureaucratic institutions when pursuing economic goals and other forms of social action. Society has traditionally relied heavily on “clientelistic”²² relationships somewhat like those found in twentieth century machine politics in U.S. cities. Recent findings from studies in the Southern Caucasus suggest “high levels of personal support from family and friends but lower levels of trust and integration into the wider society.”²³ This system grounded in networks of personal relationships, as opposed to generalized trust,²⁴ remains in force today and provides a challenge to anyone wishing to build a modern state in Georgia.

²⁰ This is an insightful term that Thomas de Waal has used in his analysis of the conflict in Nagorno-Karabakh (T. de Waal, *Black Garden: Armenia and Azerbaijan through Peace and War*, New York University Press, New York, 2003). He has also applied it to other conflicts in the Southern Caucasus more generally (see the Roundtable Discussion of the Caucasus International Forum in *CaucasUS Context*, Vol. 2, No. 1, 2005).

²¹ See the interviews with Nino Burjanadze, Zurab Zhvania, and Richard Miles, in: *Enough! The Rose Revolution in the Republic of Georgia*.

²² C.H. Fairbanks, “Clientelism and the Roots of Post-Soviet Disorder,” in: *Transcaucasus, Nationalism, and Social Change*, ed. by R.G. Suny, University of Michigan Press, Ann Arbor, 1996, pp. 341-374.

²³ P. Abbott, “Wealth, Health, Happiness, and Satisfaction in Post-Soviet Armenia and Georgia,” *CaucasUS Context*, Vol. 2, No. 1, 2005.

²⁴ H. Farrell and J. Knight, “Trust, Institutions, and Institutional Change: Industrial Districts and the Social Capital Hypothesis,” *Politics and Society*, Vol. 31, No. 4, 2003, pp. 537-566.

One of the steps taken by the Saakashvili government to counter this was a public relations campaign aimed at broadening support for state institutions. This campaign is reflected in billboards that appeared early in 2004 in Tbilisi depicting the clean and trustworthy police force that serve the Georgian people. One reading of these billboards is that they were part of the same kind of advertising one can expect from just about any political machine. Namely, they were meant to publicize a success story of the ruling party and remind Georgians of what the Saakashvili government had done for them. To be sure, this was at work, but they were also part of a campaign to build loyalty to Georgian state authority more generally.

In this connection, consider the billboard below. It was part of a campaign to educate members of the public about how they could contact the police in an emergency, namely by calling the new emergency number of 022. But the broader message is to be found in the photos of the officers. Their smart uniforms and badges clearly distinguish them from the old, Soviet-style look of their predecessors. And in case anyone missed the pictorial representation of trustworthiness and dedication, the written text proclaimed, "When you need a help, we are at your side."



The second billboard shown below was even more pronounced in its emphasis on the trustworthy nature of the new police, going so far as to suggest that they provide good role models for future citizens. At the top of this billboard was "23 November," which is the official date of the Rose Revolution in 2003, and the bottom proclaimed, "In the Name of Georgia." Again, this presentation can be taken to be a reminder of how much the country owes Saakashvili and his party, but it goes further in its appeal to the citizens of Georgia. The two officers present a friendly, yet disciplined face of the new state and are put forth as reason to trust in central authority. And the boys saluting in the foreground imply that this new precedent of trustworthiness could help foster the next generation of citizens.



Along with a campaign for public trust waged through billboards, Saakashvili has engaged in an ongoing rhetorical effort, one that often employs the intriguing strategy of harnessing ethnic nationalism in an effort to build civic nationalism. The seeming paradox in this is actually not so surprising if one takes into account what Jurgen Habermas has called the “Janus-faced” nature of modern nation-states. Although the source of political legitimacy in the modern state may be the voluntary nation of citizens, he argues that the political mobilization required to secure social integration continues to rely on ethnic nationalist notions like language, culture, and a shared history. “*Staatsbürger* or citizens constitute themselves as a political association of free and equal persons by their own initiative. *Volksgenossen* or nationals already find themselves in a community shaped by shared language and history. The tension between the universalism of an egalitarian legal community and the particularism of a community united by historical destiny is built into the very concept of the national state.”²⁵

The upshot of this formulation is that Saakashvili’s strategy for building a strong, trustworthy state requires walking a tightrope between the ideal of civic nationalism and the alluring, but potentially dangerous appeal of ethnic nationalism. On several occasions he has carried off this balancing act in some striking ways. Consider, for example, an event of 24 January, 2004, which was the day before Saakashvili’s official state inauguration as president of Georgia. On that day he made a pilgrimage to the ancient monastery in Gelati in western Georgia in order to take an oath on the tomb of David the Builder.²⁶ The patriarch of the Georgian Orthodox Church, who was also present, gave his blessing to the event, declaring, “You are entrusted with Georgia with its great hardships and problems. Georgia expects reunification from you and we are sure that you will do it with God being your helper.”²⁷

²⁵ J. Habermas, “The European Nation-state: On the Past and Future of Sovereignty and Citizenship,” in: J. Habermas, *The Inclusion of the Other. Studies in Political Theory*, ed. by Ciaran Cronin and Pablo De Greiff, MIT Press, Cambridge, 1998.

²⁶ David the Builder continues to play a central role in the Georgian imagination. In a recent poll conducted by the International Republican Institute, he was the top choice among Georgians as “a hero in our time.” Saakashvili received only 2% of the votes (reported in *The Messenger*, #119 (0893), 3 June, 2005).

²⁷ *Caucasus Knot/News*, 24 January, 2004.

As many as 10,000 people listened as Saakashvili responded to the patriarch's call by stating, «Today Georgia is split and humiliated. We should unite to restore Georgia's territorial integrity. Georgia has existed and will exist. Georgia will become a united strong country.» These comments by the patriarch and Saakashvili sound like a clarion call to ethnic nationalism. Indeed, in the early 1990s it was precisely such statements that gave rise to the outbreak of nationalist violence between Georgians and the Abkhaz and Ossetians.

However, Saakashvili has often managed to use such utterances in a more dexterous and strategic manner. His assertion that the country must once again become "a united strong" entity is something to which no Georgian would object, and as such provides a foundation for everyone to participate in a national discussion. However, his performance at the tomb of David the Builder, the founding figure of Georgia's "Golden Age," would at first glance seem to be addressed to a narrower audience. Namely, it would appear that he was speaking to ethnic and religious nationalists, for whom David's success in building the first strong Georgian state is a great source of pride.

But the way Saakashvili followed up on this performance reveals a calculated effort to lure nationalistically oriented Georgians into the broader community of citizens. He did this by relying on the fact that an essential part of this heroic narrative is that King David called for tolerance and sought the commitment of a wide range of national groups in carrying out his state building project. Hence, Saakashvili was framing issues in such a way that it appealed to those motivated by ethnic nationalism, but in the process encouraged them to recognize their responsibilities to building a multi-ethnic state.

In Habermas's terms, by speaking to nationals, Saakashvili wanted them to think as citizens. All Georgians, including those motivated by ethnic nationalism, were being invited into a discussion around a shared national narrative, but the reading that is emphasized is not what they may have assumed at the outset. Instead of viewing national difference as a threat to the state and its territorial integrity, Saakashvili harnessed a national narrative in which diversity is a strength, a claim he has made explicitly on several occasions.

The public relations effort and rhetorical strategies of the Saakashvili team reflect a major campaign to foster trust in the state, but is there any evidence that the government has been effective in its efforts? Does this campaign amount to anything more than the sort of propaganda put forth by Soviet authorities in previous decades? Or is it part of an effort that is having more profound and concrete consequences? An interesting answer to this can be found not in billboards, surveys, and the like, but in another fact already discussed: the striking increase in tax revenues.

This development was partly attributable to the fear that the Saakashvili government has struck into the hearts of Georgian citizens and businesses. Soon after taking office it launched an aggressive anti-corruption campaign that included detaining suspected tax evaders and putting them in "pre-trial detention." This involved incarcerating individuals suspected of tax evasion with little or no legal procedures and then negotiating their release in exchange for back taxes. Other instances of making searches and arrests without due process or before proper warrants had been issued have also been widely reported. Such measures are highly questionable from a legal perspective and run the risk of being abused by the government. Indeed, in the view of many there have already been too many instances when they have been harnessed for crude political ends.

The more ominous long-term outcome would be that such practices lead to diminished, rather than enhanced trust in the state, and this is what the government may be starting to see. The result is that many Georgians and outside observers believe that such practices should be phased out and the government needs to make increased efforts to make the transition to a more normal form of governance.

In sum, the larger situation is one in which the increase in tax revenues presents an encouraging picture. How much of this is motivated by fear of the tax police, as opposed to the more positive development of growing trust in the government, remains an open question. But the trajectory has been encouraging, especially if the government can make the transition to using practices that are legal, fair, and transparent. The possibilities for doing this have been increased by the passage in 2004 of a new, simpler, and fairer tax code.

Problems and Prospects

The new pipelines and the Rose Revolution provide a backdrop for economic growth, the resolution of territorial disputes, and the beginnings of a strong state in Georgia. Much of this suggests that there is good reason to be sanguine about where the country is headed. As is always the case, however, yesterday's successes only raise questions about what needs to be done today.

A pessimistic view of the current situation would emphasize that Georgia's drive for territorial integrity seems to be stalled, that large segments of its population have not seen any of the benefits of the economic upturn they keep hearing about, and that new concerns are rising over just where the government is headed and how much to trust it. From this perspective the afterglow of the Rose Revolution has faded and the population's patience is beginning to grow thin, something reflected in a significant drop in Saakashvili's poll ratings. Fortunately for him, the opposition to date has been weak and disorganized, so there is no imminent threat to his presidency. Nonetheless, some serious thought is now in order about what comes next.

What should be at the top of the agenda of the Saakashvili government at this point? There is growing consensus that a key item should be making the transition from the centralized control it has employed since the Rose Revolution to one in which the distribution of power is the norm. Demands for this are rising, and the government is approaching a fork in the road where it will have to make some decisions on how to address them. Continuing down the path of centralizing power in the president's office raises serious questions about the country's future. To be sure there are those who believe that Georgia is still in a state of emergency that requires a strong, centralized hand. Many, however, now appear to see this as bordering on the kind of permanent revolution invoked by Soviet leaders to retain their power.

One of the most alarming results of over-centralizing power in the president's office is the weak and insufficiently independent judicial system in Georgia, a system that people simply do not trust. Judges are widely viewed as being beholden to, if not outright intimidated by the executive branch, and this means that their decisions are assumed to be subject to whatever the current political agenda might be.

This view is beginning to have a deleterious impact on the economic climate as domestic and foreign investors become less certain that they can count on the judicial system to get a fair hearing, especially in disputes with tax collectors. In 2004 a special procedure was established to help businesses arbitrate such disputes. This was popular with the investment community, but after losing several cases and the tax revenues that went with them, the Saakashvili government abruptly cancelled the practice, saying it was costing the state too much. The motivation of the government is understandable, but this move was a blow to investor confidence in Georgia. The bigger story, however, has to do with why the arbitration panel was needed in the first place. The answer is that it grew out of the assumption that the courts could not be trusted to deliver fair decisions.

Today the major danger that the government may be facing stems from the over-centralization of power. People are beginning to view this as a form of permanent, stultifying authoritarianism reminiscent of the Soviet era. The Communist Party and Komsomol may no longer exist, but the patterns of rhetoric and thought associated with them seem to be re-emerging, and the fact that Saakashvili is sometimes referred to as a "neokom" is revealing in this regard. This trend is especially alarming because trust in the actions of the state may hold the key to economic development and even the settlement of territorial disputes. If Georgia can create a trustworthy judiciary, this could unleash a new wave of investment and economic growth. And this, in turn, would provide such an attractive alternative to the corrupt political economies in breakaway regions that they would be more likely to negotiate new, productive relationships with the Georgian state.

What can be done to right the current imbalance in the distribution of power and heighten the credibility the government will need to move on to the next stage? A good first step would be to reverse the questionable changes in the constitution that were made in 2004. Those changes, which transferred power from the legislative to the executive branch, are raising more and more questions as

the country tries to make the transition to a normal democracy. Dealing with this situation would be an encouraging sign that the government has recognized the problem of over-centralization of power in the president's office.

A second step would be to create a more consultative form of political dialog in Georgia. Many would like to see Saakashvili welcome more voices from the opposition into public debate in an effort to bring along the whole country as it pursues future challenges. This is not simply part of an effort to defuse the opposition, but to produce wiser and more widely accepted solutions to the problems faced by the country.

Both of these steps involve judgments about timing: at what point do the strong measures needed to fight corruption and establish a first draft of a working state need to be replaced with the inherently messy, but more open and consultative procedures that eventually have to be part of a democracy? Finding the right answer to such questions will determine much about where the country will head in the future.



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RUSSIA AND GEORGIA: RELATIONS ARE STILL TENSE

A b s t r a c t

The article aims to reveal the gist of the most recent political relations between Russia and Georgia. Of all Russia's neighbors, the tensest relations have developed with Georgia, a small Caucasian state striving to carry out an independent

policy oriented toward the West. The author shows that the relations between the two countries can best be characterized as those between a strong and a weak neighbor, a scenario well known from the classics of the international relations theory.

According to the specific laws governing international relations and the accepted game rules, each sovereign state, no matter how small and weak, should primarily consider its own interests.

Due to the new circumstances, particularly its incorporation into the international political and economic system, Georgia has begun to gradually develop new ties and, naturally, distance itself from Russia.

Of all the CIS countries, it is Georgia that maintains the closest relations with the U.S. and has declared its intentions to join NATO. Georgia believes its strategic goal to be integration into the European and Euro-Atlantic structures.¹ It has many challenging domestic and foreign problems, but the most acute is perhaps its relations with Russia, which is conducting a tough policy of pressure on its little neighbor.

Georgia's relations with Russia are the most serious problem of its national security and, consequently, its foreign policy. They leave much to be desired, and their current state cannot be considered a diplomatic or foreign policy achievement for either Georgia or Russia.²

Interrelations between Georgia and Russia are developing in keeping with the provisions of the international relations theory, which, when defining the place and opportunities of small countries in the international system, notes the following, among other things:

1. It is extremely dangerous for a small country to be the neighbor of a large and powerful nation;
2. A small country should act extremely cautiously in its relations with a powerful neighbor; it does not have the right to make a strategic mistake, such mistakes can sometimes be tantamount to suicide;
3. Diplomacy is essentially the only foreign policy tool a small country can possess.

It is no secret that Russian policy is striving to return Georgia to the Russian orbit and establish a pro-Russian leadership in this country. It is prepared to go to any lengths to achieve its goals. At present, and in the near future, Russia does not and will not have enough resources or desire to play a constructive role with respect to Georgia, that is, help it "to get back on its feet" and build a contemporary stable democratic state with a new economy. Russia has too many serious economic, demographic, and sociopolitical problems of its own. The Northern Caucasus is a good case in point.

Russia is objectively interested in the long run of having stable states with well developing economies among its neighbors in the Southern Caucasus, providing favorable conditions for Russian business, particularly since geographical and historical circumstances are conducive to establishing constructive, good neighborly, and friendly relations. Despite all their resentments against Russia, politicians, and the Georgian people as a whole, understand the value of positive relations with Russia, hoping to have it as a strong, healthy, and rich neighbor. Otherwise, there will be no order at all in the Eurasian space.

It is not in Georgia's interests to spoil its relations with its northern neighbor. The economic advantages of friendship with Russia and the established cultural and kindred ties between the people of both countries aside, a political confrontation with the Russian Federation is fraught with serious, if not fatal, consequences for Georgia, which Russia has repeatedly given its small and weak neighbor to understand. This seeming imprudence on Georgia's part casts aspersions on the ability of its political leadership to adequately assess the situation and make realistic decisions. This is precisely what the Russian military-political elite is accusing the Georgian leadership of, while continuing to put pressure on its weak neighbor. But is the Georgian leadership, which is allegedly striving to hinder Russia in every way and not taking into account the vital interests of its powerful neighbor, really so imprudent?

¹ For more detail, see: *Georgia and the World: A Vision and Strategy for the Future*, MFA of Georgia, Tbilisi, October 2000; *National Security Concept of Georgia*, Tbilisi, 2005.

² For more on Russian-Georgian relations, see: J. Devdariani, "Georgia and Russia: The Troubled Road to Accommodation," in: *Statehood and Security: Georgia after the Rose Revolution*, ed. by B. Coppieters and R. Legvold, The MIT Press, Cambridge, 2005, pp. 153-203.

Georgia's foreign political orientation is determined by its strategic goal to integrate into the Euro-Atlantic and European structures. This goal logically ensues from the fact that since Georgia is a multiethnic and polyconfessional state, democracy is vital to it for balancing the interests among the diverse groups of its population. Georgia will be unable to survive if it does not become a truly democratic state.

In its efforts to return Georgia to its fold, Russia has been unable to offer its weak neighbor any kind of attractive model. On the contrary, it tried and is still trying to put pressure on Georgia, primarily by taking advantage of its internal weakness, which ensues from its ethnic and confessional diversity. With its authoritarian inclinations, Russia could and would not want to help Georgia become a democratic state. Keeping in mind the current political processes in the Russian Federation (particularly the situation in the Northern Caucasus), becoming a Russian satellite would mean that Georgia would lose its historical opportunity to build a contemporary democratic nation and state, that is, it would lose its national perspective. This, and not its disdain for Russia, explains why the Georgian political elite is striving to make the country part of the Euro-Atlantic community.

Russia's Interests

It goes without saying that the Caucasus is extremely important to Russia, which is confirmed by the centuries-long attempts by the Russian Empire to penetrate the Caucasus and Russia's (first imperial and then Soviet) almost two-century-long activity in this strategically important region. The collapse of the U.S.S.R. and emergence in the Southern Caucasus of three independent states (Azerbaijan, Armenia, and Georgia) is forcing Russia to adapt to the rapidly changing geopolitical situation. Used to applying and demonstrating its might, the Russian Federation is trying to reanimate its status as a great power, primarily by restoring control over the former Soviet republics. It is the Russian military-political elite's objective to remain in the Southern Caucasus, and it cannot imagine achieving this without turning Georgia into its satellite.

Georgia is a key country for Russian politicians. And keeping in mind the current situation in Azerbaijan and Armenia, if Russia does not retain its control over Georgia, not only will it be unable to restore control over the Southern Caucasus, but it will also be unable to claim a role as a major player in the region.³ Control over Georgia will allow Russia not only to control the entire Southern Caucasus, but also to feel confident in the Northern Caucasus, where things are not going as the Russian leadership would like.

Control over Georgia will allow Russia to have an obstacle in the south that can hold back Turkey's influence on the former Soviet Turkic-speaking republics and peoples. Control over Georgia will make it possible to cut off energy resource-rich Azerbaijan from the West by closing its access through Georgia to the Black Sea. Control over Georgia will allow Russia to interfere in the creation of a Europe-Asia corridor and transit routes between Central Asia and Europe via the Southern Caucasus, as well as retain its monopoly in transporting energy resources and other commodities from Central and Eastern Asia to Europe. Control over Georgia will allow Russia to retain its major military presence in the Black Sea. By controlling Georgia and, consequently, the entire Southern Caucasus, Russia can ensure its significant influence on the Middle East countries. What is more, control over Georgia will provide Russia with convenient contact with its only ally in the Caucasus—Arme-

³ In this respect, it is interesting to compare the interests of the U.S. and the West in the Southern Caucasus with Russia's interests. U.S. interests in the region were formulated by Vladimir Socor in his report entitled *The South Caucasus: Region of Crisis. Perspectives and Opportunities for European Policies*. Paper presented at the Joint Conference of the German Society for Eastern Europe Studies and the Friedrich Ebert Foundation, Berlin, 30 June, 2003.

nia—which due to historical circumstances is wary of Turkey and hostile toward Azerbaijan, occupying almost 1/5 of the latter's territory.

These reasons, for which Russian politicians believe that Georgia should be kept in Russia's military-political orbit, are the powerful factor compelling the Russian Federation to constantly put pressure on Georgia and accuse it of conducting an anti-Russian policy.

Tense Relations

Immediately after the collapse of the Soviet Union, it became clear that Russia did not want to leave the Southern Caucasus. This was confirmed primarily by the actions of the Russian military in this region and in particular their "contribution" to destabilization in the Southern Caucasus by supporting separatism in the region's countries and fomenting ethnopolitical conflicts.⁴ The Russian Federation has always viewed the Caucasus as an exclusively vital strategic region, retention of control over which is perceived as a vitally important priority of Russia's national security.⁵

As a strategically key country for the Russian Federation, Georgia was placed under significant pressure of the latter, which increased even more after 1999 when Vladimir Putin came to power in Russia. Independence proved to be an extremely arduous test for the small post-Soviet state. Georgia must not only resolve very difficult problems relating to building its statehood and a new economy, but also has to bear the immense pressure exerted on it by its powerful neighbor Russia, which is willing to go to any lengths to remain in Georgia.

Small countries have a particularly hard time if they border on much stronger states.⁶ In Georgia's case, its neighbor is Russia, its former "landlord" (during the Russian Empire and then the Soviet Union) and a former superpower, which is still hoping to regain this status and is trying to retain its supremacy or at least influence in its former dominions—its newly independent neighbors.

The asymmetry of the post-Soviet space in the security sphere is making it possible for Russia to put pressure on its much weaker small neighbors. It is no coincidence that Russia's closest entourage was defined at the beginning of the 1990s as the Near Abroad, where Russia wanted to play a special role and enjoy special rights. When speaking about the countries of the Near Abroad, the then chairman of the State Duma Committee on CIS Affairs and Relations with Compatriots Konstantin Zatulin said: "With all due respect for these states, many of them are doomed to become our satellites or die. I see their territorial integrity in precisely these terms."⁷

Admittedly, since then much has changed in international politics, in Russia itself, and in the region, but Russia has not taken any constructive steps so far in its relations with the Southern Caucasus, particularly with Georgia. However, Russia is not slackening its pressure on Georgia, which confirms the immutability of Russia's strategic interests toward Georgia.

⁴ For more detail, see: Th. Goltz, "Letter from Eurasia: The Hidden Russian Hand," *Foreign Policy*, No. 92, Fall 1993, pp. 92-116; St. Blank, "Russia's Real Drive in the South," *Orbis*, Vol. 39, No. 3, Summer 1995, pp. 369-386; J.W.R. Lepingwell, "The Russian Military and Security Policy in the 'Near Abroad,'" *Survival*, Vol. 36, No. 3, Autumn 1994, pp. 70-92; S.N. MacFarlane, L. Minnear, St.D. Shenfield, "Armed Conflict in Georgia: A Case Study in Humanitarian Action and Peacekeeping," *Occasional Paper*, No. 21, Tomas L. Watson Ir. Institute for International Studies, Brown University, Providence, 1996, pp. 15-16; St. Lunev, *Russia's Dangerous Ambitions in the Caucasus*, Vol. 2, No. 8, 19 April, 1996, Online version; A. Arbatov, *Bezopasnost: Rossiiskiy vybor*, EPI Center, Moscow, 1999, pp. 163-164.

⁵ See: M. Light, "Russia and Transcaucasia," in: *Transcaucasia Boundaries*, ed. by J.F.R. Wright, S. Goldenberg, R. Schofield, VCL.Press, London, 1996.

⁶ For more on the problems of security of small countries bordering on superpowers, see: O.F. Knudsen, *Sharing Borders with a Great Power. An Examination of Small State Predicaments*, Norwegian Institute of International Affairs, Report 159, May 1992.

⁷ *Nezavisimaia gazeta*, 5 May, 1994.

Since 1999, after the beginning of the second Chechen war, Russian-Georgian relations have become even more unfriendly. Sometimes they improve slightly, but on the whole they remain extremely unsociable, if not downright inhospitable. Many Russian analysts and parliamentary deputies define Georgia as “the only country in the world with the audacity to conduct an anti-Russian policy.”⁸ In the Russian mass media, Georgia always figures as a state unfriendly toward the Russian Federation, headed by people who hate Russia (first Eduard Shevardnadze, and now Mikhail Saakashvili), and used by the United States in its intrigues against Russia, while the latter is only striving to protect its own legal interests. If we compare Russia’s relations with various post-Soviet states, we can see that its relations with Georgia are the worst. To be more precise, Russia permitted and still permits itself to carry out actions with respect to Georgia that it does not permit itself to carry out with respect to other post-Soviet states or neighboring countries.

Many analysts note that the beginning of Georgia’s independence was not only very painful and dramatic, but its relations with Russia were also the most antagonistic and tense.⁹ The post-Soviet chaos and anarchy in the Southern Caucasus and particularly in Georgia were not conducive either to developing the economy or to conducting a rational domestic and foreign policy. Post-Soviet Georgia did not have a mature political elite from the very beginning (where was it to get it from?) capable of restraining the genie of ethnic nationalism released by the collapse of the Soviet Union, which embroiled not only Georgia, but also the whole of the Caucasus in bloody conflicts.

The government of President Z. Gamsakhurdia was not only unable to have a constructive impact on the sociopolitical processes in Georgia, but with its clumsy policy and nationalistic rhetoric also caused an increase in the social and ethnic contradictions leading to the civil war and ethnopolitical conflicts in South Ossetia and Abkhazia.

Russia managed to mortify extremely weak, but obstinate Georgia after Shevardnadze, having de facto lost Abkhazia and South Ossetia, was left with no other choice but to agree under Russian pressure to join the CIS in 1993 and sign an agreement on granting Russia the use of military bases in Georgia for 25 years. At the last moment, Shevardnadze managed to include two items in the agreement on the bases obligating Russia to help Georgia restore its territorial integrity and assist in the building of Georgia’s armed forces. If Russia did not fulfill these obligations, this agreement could not come into force. But the agreement was never ratified by the Georgian parliament, although the latter ratified a large so-called framework agreement between Georgia and Russia as early as 1994.

It should be stressed that the large agreement mentioned was not ratified by the Russian State Duma (President Yeltsin did not even dare suggest that the Russian parliament ratify it, being well-aware of the anti-Georgian moods of most of its members).¹⁰ Not until 2002 (!), did talks begin, at the suggestion of the Georgian side, to draw up an agreement on the fundamental principles of friendly relations between Georgia and the Russian Federation, which was supposed to create a legal base for Georgian-Russian relations.

At first, work on this agreement was quite successful, although, according to unofficial Georgian sources, the Russian side demanded from the very beginning that the Georgians include a formulation on strategic partnership between the two sides. There were also other demands, which bogged down work on the agreement,¹¹ and the foreign policy situation was not conducive to its successful continuation.¹²

⁸ This is what well-known Russian analyst V. Nikonov said in an interview with Georgian television, as well as many deputies of both chambers of the Russian Parliament in interviews with Georgian and Russian TV channels and newspapers in 2002-2003.

⁹ See: A. Jonathan, “The Caucasus States: the Regional Security Complex,” in: *Security Dilemmas in Russia and Eurasia*, ed. by R. Allison and C. Bluth. RIIA, London, 1998, p. 176.

¹⁰ Is it not indeed a curious situation when a strong neighbor de facto occupies two territories of a sovereign, but very weak neighbor, Georgia, but the former’s parliament did not want to review ratification of a framework agreement with Georgia that declared mutual recognition of territorial integrity.

¹¹ After a new leadership came to power in Georgia, consultations were renewed regarding this agreement, but soon everyone stopped talking about it.

¹² See: A. Chigorin, “Rossiisko-gruzinskiye otnosheniia. Chto dal’she?” *Mezhdunarodnaia zhizn’*, No. 5, 2003, p. 52.

This was when Russia stepped up its pressure on Georgia, accusing it of harboring Chechen militants (terrorists, in Russia's interpretation) in Georgia's Pankisi Gorge, and Russian aviation fired several times on Georgian border zones.

Moscow saw to it that the Pankisi Gorge became the central theme in Russian-Georgian relations in 2002-2003, and it even overshadowed the conflicts. In light of the campaign launched against international terrorism, this even placed Georgia in a disadvantageous position on the international arena and presented Russia practically as a victim of terrorist acts emanating from Georgia. Only timely action by the OSCE and its monitoring on the Russian-Georgian border, diplomatic moves by the U.S., and its assistance to Georgia through the Train and Equip military program averted the country from danger and made it possible for its security ministries to establish control over the Pankisi Gorge.

Relations after the Rose Revolution

Mikhail Saakashvili and his associates who came to power in Georgia in the wake of the Rose Revolution announced radical improvement of relations with Russia to be their foreign policy priority from the very beginning. Tbilisi even called on Moscow to "start relations from scratch," and a positive mood was in the offing in contacts between the two countries. But soon the new Georgian leadership was given to understand that Moscow would not tolerate Georgia's strivings to "enter Europe" and could not accept Georgia being friendly with the West and with its northern neighbor at the same time.¹³ By 2005, Russian-Georgian relations again assumed negative tones: the Russian Federation began accusing the Georgian leadership of conducting an anti-Russian, irresponsible policy, and Tbilisi, in turn, began accusing Moscow of conducting an imperial policy.

At the beginning of 2006, when Georgia activated its policy with respect to NATO, Russia resorted to tough measures and essentially placed an embargo on the import of several Georgian agricultural products, as well as wines (the Russian market accounts for approximately 80% of the export of all Georgia's wine production). Although the Wine War with Georgia began supposedly for sanitary reasons, experts have no doubt that big politics is behind this decision by Russia, as this prohibitory measure was undertaken precisely when relations between the two countries reached their most hostile point.¹⁴

On 10 April, 2006, Russia opened up the border with Abkhazia for foreigners.¹⁵ A few weeks earlier, Gennadi Bukhaev—assistant to Russian Government Chairman Mikhail Fradkov—said at a joint assembly (!) of the North and South Ossetian governments that the Russian leadership had made a fundamental decision about the annexation of South Ossetia.¹⁶ Should it be considered a constructive approach to the settlement of ethnopolitical conflicts? Russia is continuing to adhere to a policy of double standards in its relations with Georgia by respecting the sovereignty and territorial integrity

¹³ Personal interview with Archil Gegeshidze, leading expert of the Georgian Foundation for Strategic and International Studies, 20 April, 2006.

¹⁴ See: D. Dokuchaev, "Vinnaia voina zakonchitsia nichem," 19.4.2006. Miach na nashei storone," *Politkom.ru*, 14 April, 2006; V. Socor, "Russia Bans Georgian, Moldova Wines and Other Products," *Eurasia Daily Monitor*, 28 March, 2006, Vol. 3, Issue 60.

¹⁵ [Lenta.ru/news/2006/04/11].

¹⁶ See: T. Stanovaia, "Nepriznannym respublikam pomogaet Moskva neofitsial'naia," *Politkom.ru*, 28 March, 2006; A. Kuznetsov, "Vperiod v proshloe," Lenta.ru/26/03/23; V. Portnikov, "Odin den' v Rossii," *Politkom.ru*, 27 March, 2006.

of Georgia in words, while taking two Georgian territories—Abkhazia and South Ossetia—under its military control and assisting their separation from Georgia in practice. Russia has granted its citizenship to thousands of residents of these territories. It has also instituted visa conditions with respect to Georgia and, violating its sovereignty, introduced special privileged conditions on the Abkhazian and South Ossetian sections of the Georgian border, which is another step toward incorporating the two separatist territories of a neighboring sovereign state. Russia's official representatives, the heads of ministries and other departments, and State Duma deputies are visiting Abkhazia, while Russian organizations and private persons, despite protests from the Georgians, are privatizing Abkhazian land and property.¹⁷ Since 2003, large numbers of Abkhazians and South Ossetians have been granted Russian citizenship.

Russian expert Mikhail Alexandrov claims that Georgia is the main threat to peace and security in the region, and that it is carrying out the most destabilizing policy. "Provoking powerful geopolitical opposition, it unambiguously declared its striving to join NATO."¹⁸ He also believes that "...Russia's efforts in this respect should consist of three elements: first—deterring Georgia, second—not permitting the internationalization of the conflicts, and third—assisting political transformation within Georgia."¹⁹

Mr. Alexandrov goes even further and clearly articulates: "...this is how we would like to see revived Georgia. In my view, three main principles should be put forward in relation to Georgia: democracy, federalism, and neutrality."²⁰ Against the background of the above-mentioned, i.e., the call "to assist political transformation within Georgia," Mr. Alexandrov's opinion about what Georgian democracy should be like is especially interesting: "The development of democracy in Georgia should mean that pro-Russian politicians receive equal opportunities for carrying out their activity as those opportunities enjoyed by the party in power."²¹ A truer word was never spoken, as they say.

Is There a Solution?

The Caucasus is practically a world champion among the regions in terms of number of unrecognized territories declaring themselves to be states. The settlement of ethnopolitical conflicts in the region is still problematic, primarily due to Russia's unconstructive position. And, most important, this is making it difficult to see ways to develop full-fledged regional cooperation. The Caucasus' future is the future of the region, and not of separate countries. In this respect, we can only set our hopes on progress in the economic sphere and on the economic interests of the regional nations. It appears that business will help to resolve the problems created by the politicians and the military.

¹⁷ A vivid example of the disdain of the Russian authorities for international standards of conduct is the visit to Abkhazia in mid-July 2003 of the then chairman of the Russian State Duma Committee on International Affairs Dmitry Rogozin and Chairman of the Committee on Geopolitics Alexander Shabanov (see: *Mtavari gazeti*, Tbilisi, 17 July, 2003; *Nezavisimaia gazeta*, 18 July, 2003). The recent participation in the celebrations of Independence Day in Sukhumi by Deputy Chairman of the Russian State Duma Sergei Baburin can be considered a typical example of such actions by the Russian side. "It is not only your, but also our, Russian holiday. Abkhazia was and remains the pride and hope of all Russia," said Baburin at a meeting (see: S. Baburin, "Abkhazia—eto geopoliticheskaia realnost'," *IA Regnum*, 30 September, 2005).

¹⁸ M. Alexandrov, "Tri elementa sderzhivaniia Gruzii," *Materik*, 1 April, 2006.

¹⁹ *Ibidem*.

²⁰ *Ibidem*.

²¹ *Ibidem*.

One aspect should be singled out in the relations between the two countries. Georgia is trying, without perceptible success so far, to internationalize its problems relating to separatism, while Russia is stubbornly trying, and so far successfully, to retain its essentially key role in resolving ethnopolitical conflicts. The international community is tolerating this situation for the moment, but Russia's unconstructive approach toward settling the conflicts is prolonging the crisis in the region.

Russian-Georgian relations leave much to be desired, to put it mildly. The reasons for this are Russia's loathing to lose control over Georgia and the decision of the Georgian political elite to become a member of the Euro-Atlantic community. It would seem that we are faced with two mutually exclusive viewpoints and a situation where compromise is impossible. Consequently, "the winner takes all" principle is taking the upper hand. Analyst Mikhail Alexandrov quoted above concludes that "it is essentially impossible to resolve the problems under the current Georgian leadership, political transformation within Georgia itself is needed to resolve them."²² The same Mr. Alexandrov believes that Russian-Georgian relations have gone past the point of no return, and he does not see any way of holding a constructive dialog.²³ This viewpoint does not leave any hope for improving relations and is deprived of elementary self-criticism.

Another well-known Russian analyst, Sergei Markedonov, claims when analyzing Russian-Georgian relations that "policy in the Southern Caucasus is undergoing a systemic crisis and that Moscow, perhaps for the first time in the post-Soviet period, has come up against political will and consistency in the Caucasus... Russia's Caucasian policy should finally acquire meaning and its own image and stop acting as a stepdaughter of Soviet policy."²⁴

Politics is the art of compromise, even if we are dealing with a knowingly weak side. Crude pressure does not always yield the desirable results. Georgia, as already mentioned, sees its chance of survival in creating a democratic state and integrating into the Euro-Atlantic and European structures. And in so doing, the scenario of the development of relations between Russia and Georgia could be normal, without mutual distrust and the fear of weakening their own national security. An atmosphere of mutual trust should indeed be created and policy conducted in keeping with civilized game rules. Russian-Georgian relations lack the desire to cooperate and respect each other's legal interests.

The Southern Caucasus, and particularly Georgia, is increasingly becoming a target of the world community's interest. Recently, Europe began reconsidering its energy policy, in which the Southern Caucasus and Georgia could play a more important role than before. Georgia is slowly but surely moving toward membership in NATO; its leaders are always ready to enter a dialog with Russia on the legal interests of both countries, although this dialog, to our immense regret, has become the victim of the extremely reactionary and imperial forces of its powerful northern neighbor.

Relations between Georgia and Russia are like a barometer reflecting the situation throughout the Caucasus. If Russia manages to return Georgia to its military-political orbit, this might have serious consequences for the security architecture in Europe and the Euro-Atlantic structures.

²² "Kakie rychnagi vliianiia na Gruziiu est' u Rossii?" Online conference of Mikhail Alexandrov, *km.ru*, 3 April, 2006.

²³ *Ibidem*.

²⁴ S. Markedonov, "Chtoby ostanovit' szhimaiushcheesia vliianie Rossii na Iuzhnom Kavkaze, neobkhdimo otkazat'sia ot prodolzheniia sovetskoi politiki," *Prognosis.ru*, 28 December, 2005.



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RUSSIAN YOUTH POLICY AND ITS IMPLICATIONS FOR THE SOUTHERN CAUCASUS

A b s t r a c t

Since the fall of the U.S.S.R., Russia—like the other former Soviet republics—has been involved in the twin process of nation-building and state-building. One focus of this work is the socialization of young people, something that has become all the more urgent in the aftermath of the Colored Revolutions. Russian youth policy thus represents part of a larger attempt to anchor state and society within a sound institutional framework, which, under Putin, is marked by a typical mixture of delegation and centralization. Substantively, youth

policy is characterized by the pursuit of modernity and “normalcy,” and the wish to remain a culturally distinct, unique actor in world politics. At the same time, there is widespread agreement that national development requires creating market institutions and attracting foreign capital, as well as re-socializing the populace to behave like far-sighted, value-maximizing, rational individualists. This article reviews the pattern of current youth policymaking in Russia, while also drawing parallels to similar processes underway in the Southern Caucasus.

I n t r o d u c t i o n

The collapse of the U.S.S.R., and the resulting devastations of Russia’s economy, brought with it a multitude of acute social problems. At the same time, the sudden, massive exposure to globalization constituted a double-edged sword: while opening up a world of possibilities, it also exacerbated cultural fragmentation and diminished social cohesion. The unenviable lot that fell to Boris Yeltsin was to put all the pieces back together in some stable fashion. In short, since 1991, Russia—like all of the other post-Soviet states—has been embroiled in the process of nation-building, involving the creation of new institutions of governance as well as new systems of meaning and order. This has culmi-

nated in a number of official programs, designed to achieve development, stable and efficient social organization, legitimacy, and national pride. In examining these programs and the discussions surrounding them, one finds a consensual demand for modernity and normalcy, along with the wish to remain a culturally distinct and unique actor in world politics. At the same time, one finds widespread agreement that national development requires creating market institutions and attracting foreign capital, as well as re-socializing the populace to behave like far-sighted, value-maximizing, rational individualists.

Increasingly, the focus of such efforts has been on the socialization of youth. This, in turn, stems from recognition within policymaking circles that successful nation-building depends on enlisting the loyalty and active participation of young people, something which requires appropriate social mechanisms. Youth policy thus represents part of a larger attempt to anchor state and society within a sound institutional framework—one which, under Putin, is marked by a telltale mixture of delegation and centralization. The following article reviews the pattern of current youth policymaking in Russia, outlining the contours of the relevant legislation as well as the nature of the political process involved.

The Predicament of Youth

The chief object of nation-building was to be the still-malleable generation of young people, which came of age during perestroika or after the fall of Communism. In a sense, this was nothing out of the ordinary: all societies see their youth as holding the hope of the future, and naturally seek to mold young people to become responsible guardians of the nation. Naturally, too, given the proclivities of youth, all societies experience some anxiety about the likelihood of achieving this goal. In Russia, however, there were particularly sound reasons to worry.

One source of concern is the absence of any cohesive national identity. Instead, since the end of the U.S.S.R. there has been a tendency toward cultural and intellectual fragmentation, as some segments of society wished to rapidly join the developed West, while others sought meaning in “authentically Russian” pre-revolutionary constructs, and still others tried to salvage Soviet ideas and practices. Furthermore, the inevitable difficulties of transition meant that many ideas which were espoused under Yeltsin, and which might under different circumstances have provided a solid foundation for cohesive identity formation, were often discredited by association. As a result, even fifteen years after the end of the U.S.S.R., no compelling new vision has emerged to replace the all-encompassing ideology of Soviet Communism. The younger generation’s outlook is marked instead by atomized individualism. Echoing the Putnamesque concern with dwindling participation in civil society organizations in the U.S., observers of the Russian youth scene have noted the prevailing tendency to resist any formal or routinized social attachments.¹ The same holds for young people’s political participation—or rather, their lack thereof. According to a 2004 survey, only 40% of youth voted in the parliamentary election (compared to 55% of those in the 36-54 age group, and 73% of those over 55), and 61% stated that they had no interest in politics.²

However, while the majority of young people remain aloof from politics, analysts are concerned about the possibility of creeping radicalization. The most insidious development in this regard is the so-called “colored revolutions,” or the successful popular movements in Georgia (2003), Ukraine (2004), and Kyrgyzstan (2005). Ominously, in each of them young people played a leading part in storming the barricades of power. As if such unrest was not disturbing enough, there are other signs

¹ According to one survey, as of 2002 only 2.7% of those aged 14-30 were directly involved in youth NGOs (see: *Polozhenie molodezhi v Rossii: Analiticheskiy doklad*, Mashmir Publishers, Moscow, 2005, available at [http://stat.edu.ru], p. 100).

² See: *Molodezh: snova vne politiki?* Foundation for Social Opinion, 22 January, 2004, available at [www.fom.ru].

of perverse politicization as well. One is Islamic militancy. No longer confined to Chechnia, instances of terrorism—and popular as well as official persecution of Muslims—have been reported in a number of areas throughout the Northern Caucasus. The worry is that militancy might deepen and spread to Bashkortostan, Tatarstan and elsewhere. Also troubling is the proliferation of skinheads and other right- and left-wing extremists, which has resulted in a number of highly publicized episodes of violent racism.³ Although young people are obviously not the only carriers of such ideas, they remain the most volatile element in society, capable of causing major disturbances if such attitudes become more widespread.

On top of these disturbing attitudinal trends, objective indicators suggest that the country's youth is plagued by a number of major afflictions. Chief among these are the following: high levels of unemployment and under-employment; a rise in juvenile crime; increasing rates of emigration among youth; rampant drug abuse and alcoholism; epidemic levels of tuberculosis and sexually transmitted diseases (including AIDS); high mortality rates associated with various risk factors in the 15-24 age group; lack of social infrastructure for young people, including housing, education, and health care; and lack of infrastructure necessary for participating in modernization, including access to the Internet. Furthermore, at a time when globalization and immigration necessitate high levels of tolerance, data suggest that many young people are actually intolerant and xenophobic. According to one survey, 35% of young people (aged 18-35) admitted to having negative feelings toward ethnic minorities, and 51% said that they would support evicting certain ethnic groups from their region.⁴

In short, available evidence suggests the emergence of an asocial, apolitical, unhealthy, often delinquent, and generally disaffected younger generation, with all this implies for the future of Russia.

Youth Policymaking: Discursive Foundations

Already by the mid- to late-1990s, awareness of these spiraling problems led to mounting anxiety that Russia was truly on the verge of “losing an entire generation.” Repeatedly, public and private commentaries as well as official policy statements have reflected the same concerns: i.e., that young people are losing their national grounding, and, moreover, are becoming self-indulgent idlers with no clear sense of responsibility. According to one typical report, nothing less than the very fate of Russia was at stake, inasmuch as the younger generation “grows within itself the shape of the future,” and yet is also especially likely to make “erroneous choices.”⁵ This inherently problematic situation is said to be exacerbated in post-Soviet reality by globalization and an accompanying, hedonistic shift in youth values. For example, public discourse reveals widespread disgust over uncensored media content, including its pernicious effects on youth culture. And of course, such concerns are compounded by anxiety over the potential for youth-sponsored political unrest, along the lines of the “Orange Revolution” in Ukraine. For all of these reasons, there has been a growing demand within the political elite to “do something” about the predicament facing young

³ See: “Ministr vnutrennikh del Rashid Nurgaliev: Ot cheloveka s ruzh'em k sovremennym tekhnologiiim,” *Izvestia*, 2 March, 2006.

⁴ For data on the above points, see: *Polozhenie molodezhi v Rossii*; G.A. Cherednichenko, *Molodezh' Rossii: sotsial'nye orientatsii i zhiznennye puti*, Russian Christian Humanitarian Institute, St. Petersburg, 2004. An official condensation is *Polozhenie molodezhi i realizatsiia gosudarstvennoy molodezhnoy politiki v Rossiiskoy Federatsii: 2002 god*, Department of Youth Affairs of the Ministry of Education and Science, 17 December, 2003, available at [<http://www.ed.gov.ru/junior/news/>].

⁵ *Doktrina molodezhi Rossii*, Article 1.1.

people—and by extension, Russia as a whole. This shared understanding translates into a general agreement—at least among adults—about the need for a comprehensive government program to manage the issues relevant to young people (young people tend to be skeptical about the validity of such a program). Yet despite broad agreement about the existence of a problem and the need to do something about it, a public debate has arisen about what, exactly, ought to be done. The debate itself is interesting for what it reveals about prevailing attitudes toward democracy and the desirable role of government.

Essentially two opposing positions have emerged, each representing a fundamentally different perspective as well as a different institutional base. The first position has been articulated with the Ministry of Education and Science, which tends to be staffed (or at least advised) by true experts on youth affairs, who are relatively conversant with the views and values held by young people. While sharing the general belief that the younger generation can be guided from above, those associated with the Ministry have some real sensitivity for the complexities involved, and clearly understand that a heavy-handed, didactic approach will almost certainly backfire. As a result they seek to foster some degree of real, independent initiative on the part of youth, and thus to include young people directly in policymaking. From this perspective, youth participation in NGOs—which are formally independent from, yet systematically linked to the state—is viewed not only as an indicator of social health, but also as a means of contributing to effective governance. In contrast, many others involved in the political debate—including from the Parliament and the State Council—call for “taking the process of socialization of youth under state control,” through a combination of propaganda and centralized supervision. This approach would involve creating specialized media organs, making schools once more into centers of moral instruction, and even forming a new “federal service for socialization.”

Again, while specific policy drafts and ideas have been articulated by certain institutional proponents, they have wide social resonance, and frequently surface in informal discussion as well as newspaper articles, letters to the editor, and Internet blogs. The debate over youth policy thus expresses a basic tension in Russian society: a demand for civil society and democratic legitimacy, alongside an equally powerful demand for control, stability, and a guaranteed normative order. The resulting ambivalence is evident in policy recommendations, which combine a call for partial delegation, including encouraging autonomous initiatives on the part of well-socialized youth, as well as continued oversight by the state. This attitude was expressed by Putin, in response to a question about the ideal role of youth: “The earlier young people are brought into political activity, the better. All the more so since young people are devoid of stereotypes, which could hinder them from taking brave decisions. Of course, the number of youths in politics should be balanced, especially in the organs of power and administration, bearing in mind that in these organs there must be people with considerable experience, with professional knowledge.”⁶

Such views are in no way limited to Putin or his followers, but rather, appear to be widely shared among the elite. A striking example comes from a sociologist who took part in a round table on youth policy, who observed that the latest federal draft contained a subtle shift in emphasis toward delegating autonomy to youth NGOs. In her view, this was equally desirable and dangerous: “It is necessary, but may be effective only under conditions of definite control; otherwise, considering our mentality, we will get anarchy.”⁷

In keeping with such attitudes, by late 2005 a compromise position had been hammered out, combining key elements of the two opposing positions. Although its specific provision will be spelled out below, for the moment it is worth emphasizing the key innovation, which is the idea of a “transition to self-organized society.” This notion offers a revealing insight into how much has been learned, and not learned, since the fall of the Soviet Union. On the one hand, it represents an awareness that

⁶ “Vladimir Putin: ‘Rossia razvivaetsia vse bolee dinamichno’,” *Oblastnaia gazeta*, 3 February, 2006.

⁷ “80 kopeek—na cheloveka,” *Rossiiskaia gazeta*, 16 September, 2005.

Soviet-style diktat is counter-productive, especially in the sphere of youth policymaking. Indeed, it also seems to reflect something more far-reaching: i.e., the understanding that any top-down, centrally organized approach to social and economic processes is doomed to failure in the modern world. Instead, according to this view, under conditions of globalization—with its massive transborder flows and neoliberal underpinnings—adaptive forms of organization are sub-state and flexible, exercising a high degree of autonomy and able to adjust rapidly to changing information and popular needs. For these reasons, according to the new latest policy guidelines, “The self-organization of citizens, non-governmental organizations, business and their interaction with one another must become the foundation of the society of the future.” On the other hand, during the transitional period it was necessary to carefully prepare the ground for such a self-organized society, i.e., “to formulate and consolidate new norms of behavior and values.”⁸

Youth Policymaking: The Institutional Framework

This discursive demand eventually spawned a serious, state-led effort to rectify the problems of youth. Unfortunately, achieving such rectification was extraordinarily difficult, since the dislocation of young people happened to coincide with a general breakdown in social organization, economic functioning, and state capacity. The fledgling state was overwhelmed with the requirements of establishing sovereignty and managing a never-ending succession of crises, in virtually all areas of governance. The result was a near-vacuum at the institutional level: moldering offices staffed by gussied-up bureaucrats, with no resources and no real authority. Youth policy was in abeyance, consisting of a mixture of archaic or incoherent legislation which was hastily thrown together at the time of the Soviet collapse. Lacking a systematic, integrated legal foundation and institutional underpinning, these early policies were at best temporary measures, and in fact existed mainly on paper. Meanwhile, the previous system of institutional oversight and social welfare provision had disintegrated, leaving the younger generation unsupervised and adrift. Yeltsin did finally recognize the wasteland of youth policy, and, typically, addressed it as a mobilizational problem: a new campaign was launched, replete with bureaucratic excess and mounds of official paperwork. By the late 1990s this had resulted in the drafting of various “concept statements” and “target programs.” Despite their comprehensive analysis and lofty intentions, however, these programs were never adopted, and remained essentially theoretical exercises divorced from practical implementation.

With Putin’s accession, however, the preceding paralysis was quickly overcome, and a new initiative was launched to draft an effective national youth policy—one that would culminate in binding legislation. Primary responsibility for this project was granted to the Ministry of Education (renamed the Ministry of Education and Science in 2004), which led the process of drafting a new, even more comprehensive and systematic federal program. Second, a State Commission for Youth Affairs was charged with responding to ideas and drafts created within the Department of Youth Policy, as well as coordinating policy relevant to youth which fell within the purview of various other ministries. These bodies are complemented by an inter-ministerial Commission, which was formed in order to respond to ideas drafted by the Ministry, and to coordinate issues relevant to youth affairs which fell within the purview of other ministries. Third, as a check on the above institutions, in 2002 the State Council—an advisory body created by Putin and composed of the heads of Russia’s territorial units—was tasked with commenting on proposals and drafts emanating from the State Commission on Youth Affairs and the Department of Youth Policy. In addition, under the lower house of parlia-

⁸ *Proyekt Strategii gosudarstvennoy molodezhnoy politiki v Rossiiskoy Federatsii*, available at [<http://mon.gov.ru/children/osnapr/>].

ment (Duma), there also exists a Sub-Committee on Youth Affairs, which has at times been a significant participant in debating various documents and proposals.

With several other, auxiliary agencies also active in this area, the current Russian system thus includes a number of independent organs involved in formulating and systematizing new policy ideas.⁹ To an extent, the wide range of agencies simply reflects the immense scope of youth policy, which straddles education, information technology, health and social welfare, employment, and cultural affairs. At the same time, it also reflects the institutional redundancy which is typical of Putin's rule, and which ideally prevents the emergence of any powerful locus of authority which might oppose the president on a given issue.

Official Youth Policy

The creation of a new policy structure was followed by a spate of decrees and legislative acts, which in turn led to a series of draft frameworks. Finally, in late October 2005, the Ministry of Education and Science completed a draft program, entitled "Strategy of State Youth Policy in the Russian Federation (2006-2016)." In addition to calling for massively increased outlays and a new system of institutional oversight, the Strategy identifies three overarching goals for youth policy:

- 1) "Drawing youth into social practice and informing them about potential development possibilities in Russia." With regard to drawing young people into social practice, the government's plan is to fund—and therefore, hopefully, to coopt—youth groups involved in such "productive endeavors." The second component—informing the youth about potential developments—encompasses a number of measures (especially the Internet and television), designed to enlist young people in addressing the priority areas of state policy.
- 2) "Fostering youth's creative activity." The underlying emphasis is on practical innovation, as well as creative activities more broadly. As such, this initiative is connected to planned improvements in education, especially through strengthening critical reasoning skills and increasing access to computers. In addition to promoting Russia's competitiveness in such areas as science and engineering, the goal is to produce a new generation of market-oriented, information-savvy entrepreneurs.
- 3) "Integrating into society youths who are in difficult living situations." This broad category includes invalids, orphans, migrants, social deviants, addicts, ex-convicts, and young people living in "hot zones" (like Chechnya). While the specific means of achieving such integration vary from one category to the next, the common underlying assumption is that youth alienation may be diminished—and productivity enhanced—by giving young people a stake in society, through a combination of fulfilling work and political involvement.

In addition to these fundamental goals, six other subsidiary projects were sketched out in a larger programmatic document produced at around the same time.¹⁰ Much like the three basic principles listed above, these goals are telling indicators of the key concerns and values motivating Russian policymakers. These six projects consist of the following:

- 1) "Healthy Generation"—attempts to inculcate a "healthy way of life," based on morality, rational individualism, social responsibility and national identity.

⁹ Within the State Duma there also exists a Sub-Committee on Youth Affairs (under the Committee on Physical Culture, Sports and Youth Affairs), as well as a Youth Chamber, both of which have at times been significant participants in debating various documents and proposals.

¹⁰ The Framework document is *Kontsepsiia Federal'noy tselevoy programmy "Molodezh' Rossii" na 2006-2010 gody*, Moscow, 2005.

- 2) "Citizen of Russia"—stresses the importance of political activity and "self-organization" of youth. This ties in with encouraging the formation of NGOs (discussed below), as a means of overcoming apathy and alienation. According to one official statement, though participating in such organizations, "young people are given an opportunity to become a subject of the law and of social activity, thereby testifying to their laudable civic character."¹¹
- 3) "Young Family"—counters the decline in Russia's overall population, as well as the falling share of Great Russians within it. Numerous studies suggest that young couples increasingly live together and have children outside of marriage. The concern, then, is that demographic decline is related to inadequate employment and housing opportunities for young families. In addition, part of "strengthening the family" involves educating young parents about proper childrearing.
- 4) "Professionalism of Young People"—geared to creating remunerative jobs, this project helps connect young people to available openings through employment networks.
- 5) "Youth in Difficult Living Situations"—calls for special support services for invalids, orphans, migrants, delinquents, and young people located in unstable "hot spots."
- 6) "Youth in Informational Space"—promotes the use of high-tech systems, including multimedia and interactive telecommunications, in order to attract young people to become involved in the above projects. Given the youth's proclivities in this area, the emphasis on information systems thus constitutes both the form and substance of youth policy work.

Of course, these comprehensive programmatic documents are only part of a larger effort to instill appropriate values and shepherd young people along a desirable path. A number of other, more specific programs have also been mobilized, involving a wide range of institutions, to address issues of general social importance, which are also especially relevant for the youth.

One example is the federal "E-Russia" program, which is intended to "accelerate economic growth" and "eliminate bureaucratic barriers" by increasing Internet use across all sectors of society. This obviously dovetails with the project on "Youth in Informational Space," but also goes beyond it in fostering integration into the international economy, promoting computerization of schools, and creating sponsoring government websites as well as other forms of state-society information linkage.¹² Another is Russia's involvement in the European Union's Bologna process, which is dedicated to promoting academic autonomy, common intellectual standards and degree equivalency in higher education. With regard to combating the social and cultural ills of globalization, one finds numerous campaigns: to promote safe sex, to stamp out smoking, to prevent alcoholism, and so forth. In addition, the government has established a Federal Service for the Control of Drug Trafficking, and there are plans to install filters on school computers to prevent downloading of drug-related websites, and even to begin testing students for drug use.¹³ And certainly there is no skimping on moral and patriotic education; in fact, there exists a systematic approach for encouraging the development of appropriate attitudes in young people. In the words of the official policy statement outlining this initiative, the plan is "to conduct scientifically based organizational and propaganda activities with the goal of further developing patriotism as a pivotal spiritual component of Russia."¹⁴

¹¹ *Podderzhka molodezhnykh i detskikh obshchestvennykh ob'edineniy, konsul'tativno-soveshchatel'nykh struktur molodezhi, organov molodezhnogo samoupravleniia*, Dept of Youth Policy, Education, and Social Defense of Children, Ministry of Education and Science, 2005, available at [<http://mon.gov.ru/children/anob/>] (see also: "Minobrazovaniia vospitaet 'pozitivnuiu molodezh'," *Kommersant*, 23 March, 2005).

¹² For extensive background and links see [<http://www.e-rus.ru/>]. The larger context is ably analyzed in D.J. Peterson, *Russia and the Information Revolution*, RAND, Santa Monica, 2005.

¹³ See: "Studenty sdadut testi na narkotiki," *Kommersant*, 20 September, 2005; "Drug Traffic to Be Filtered Out of School Computers," *RIA-Novosti*, 15 September, 2005.

¹⁴ *Patrioticheskoe vospitanie grazhdan Rossiiskoy Federatsii na 2006-2010 gody*, available at [http://www.ed.gov.ru/files/materials/1641/full_version.doc].

As demonstrated by the above programs and campaigns, official youth policy incorporates both moral and pragmatic objectives. This is vividly reflected in particular youth activities prescribed by the framework documents, such as *Patriotism and Business: The Contribution of Russian Entrepreneurship to the Patriotic Moral Instruction of Citizens*, or *Russian Folk Culture as a Basis for Morality*. In these ways, the official approach to national youth identity formation reflects the typical global practice of “hybridization.” As elsewhere around the world, this strategy represents an attempt to absorb certain global (hegemonic) practices, while rejecting other “excessive” or offensive ideas, and asserting a unique, supposedly indigenous identity. More specifically, in Russia’s case hybridization includes the embrace of rationalist models, including market institutions and individualism, along with the promotion of a “quintessentially Russian” cultural narrative. These sentiments were crisply articulated by Sergey Mironov, chairman of the Federation Council: “I personally belong to those who are strongly convinced that contemporary political activity is unthinkable without a serious moral foundation. This thesis contradicts the ideology of success, achieved by any means, which is so popular today. To be honest, I don’t like an arrangement whereby exclusively pragmatic, rich young egoists should dominate in Russia.”¹⁵

In short, the ultimate goal of youth policy is to achieve a unique synthesis of entrepreneurial dynamism and creativity, while also consolidating a shared value system as well as a national sense of belonging.¹⁶ While official approach incorporates both carrots and sticks, on the whole it seeks to influence youth identity not by punitive means, but instead by creating a network of social organizations to provide education, healthcare, employment counseling, and various other support groups. In all of this, as the following section discusses, an increasingly prominent role is played by officially approved (and formally registered) organizations, operating below the level of the federal government.

Implementation

So far, none of the ambitious programs on youth policy has gotten far off the ground. This sad state of affairs has reflected a host of obstacles, including inadequate funding, weak state capacity, and clashing priorities. Until fairly recently this was equally true at the local level, where municipal offices were woefully underdeveloped and incapable of carrying out such plans. Most were threadbare carryovers from Soviet period, but now absent the supporting ideology and system of institutions. In the ensuing climate of desuetude and distraction, little in the area of youth policy was accomplished, or even seriously attempted. In addition to the above shortcomings, policy implementation was also handicapped for some time by broad social resistance to the re-imposition of any ideological order. To some extent this was attributable to the delegitimation of Communism, and the early euphoria over democratization. In any case, the result was to stigmatize the previous, “Soviet-style” administrative mentality, marked by its penchant for conformity and top-down control. For all of these reasons, the tendency throughout Yeltsin’s rule was to muddle through in a state of bureaucratic inertia, while in practice accommodating social disarray and idiosyncratic forms of expression.

Gradually, however, along with Putin’s tightening grip on the political hierarchy, top-down institutional mechanisms were strengthened again. The result was creation of an institutional web for tailoring policy to local conditions, and ensuring its steady enactment. In an obvious case of cultural carryover, this includes, first, building a semi-official (or pseudo-independent) movement to oversee

¹⁵ “Trebuetsia molodezhnaia politika,” *Tikhookeanskaia zvezda*, 24 September, 2005.

¹⁶ See: N.A. Moiseeva, “Globalizatsiia i ‘russkiy vopros’,” *Sotsiologicheskie issledovaniia*, No. 6, June 2003, pp. 13-21; Ye. Yasin, “‘Russian Soul’ and Economic Modernization,” *Russia in Global Affairs*, No. 3, July/September 2003.

youth activities on the ground. The goal here is to essentially recreate the Komsomol, the pervasive youth organization in which all well-socialized and upwardly mobile Soviet youth were expected to participate. However, given the ostensibly pluralistic character of the regime, the monolithic Communist Party organization has been replaced by a cluster of seemingly autonomous, purely spontaneous youth groups. The first of these, "Moving Together," was essentially supplanted by "Ours," without any real difference in character. Both were intended to counter youth oppositional activity, and appeared to receive their backing from the Kremlin. Besides these supposedly independent groups, there are also youth wings of the pro-presidential parties, United Russia and the Russian Party of Life.

All around the country, this initiative involves both fostering and, hopefully, taming youth NGOs. Doing so requires drawing a distinction between highly desirable, politically screened and officially registered "socially-positive youth organizations," and unimportant or even undesirable "informals," whose activities are not consistent with the state's objectives. As a supplementary measure, new legislation requires foreign NGOs to register (or re-register) with the government, a step which—depending on its implementation—could lead to harassment of foundations as well as domestic NGOs which the regime views with suspicion. Perhaps more important than the letter of the new law is its underlying rationale, which seems aimed at preventing the radicalization of youth organizations by unsavory foreign elements.

In addition, the attempt to create an organizational web involves establishing direct ties between NGOs and state authorities at all levels. One way of achieving the latter goal is by creating pseudo-civil society bodies, such as the Youth Chamber, which exists under the State Duma, and to which representatives of regional youth parliaments from around the country are invited. Like the regional youth parliaments themselves, the purpose of the Duma's Youth Chamber is partly to help members learn the ropes and to provide substantive input on legislation projects. In this way, it—much like the approved NGOs and party youth wings—offers a kind of proving ground for politically ambitious youth. It also responds to demands on the part of certain youth groups for participation in policymaking, a demand which arises partly for kindred ideological reasons, but partly because of purely practical concerns, such as the need for new dormitories.¹⁷ According to Boris Gryzlov, Speaker of the Duma and leader of United Russia, "In this country we have hundreds, thousands of youth organizations. They want to make policy themselves—to send their representatives to the Public Chamber... in meetings they speak about this directly. Young people do not like it when things are explained to them, as if to little children, how to live, how to love the Fatherland or how to vote."¹⁸

Still another, free standing Youth Chamber has recently been created, consisting of representatives of officially registered and acceptable youth NGOs.¹⁹ It thus parallels the Public Chamber, a handpicked debating society made up of prominent citizens. Much like the "adult" Public Chamber, the new Youth Chamber will apparently serve as a deliberative and advisory body on various matters pertaining to youth, including such thorny problems as the hazing of new army recruits. Since the announcement of its pending formation in February 2006, a cascade of regional level Youth Chambers have also been created. The entire hierarchy will therefore complement—or perhaps compete with—the preexisting Youth Chamber under the State Duma.

Yet while their specific activities and institutional bases (and presumably, their memberships) are distinct, both Youth Chambers are fundamentally alike: that is, they both offer the state a potential means of coopting the youth movement.

¹⁷ See: "Studenty trebuiut otdat' vlast' sovetam," *Kommersant*, 14 February, 2006.

¹⁸ "B. Gryzlov: Legkikh deneg ne byvaet, esli govorit o chestnykh dengakh," *Moskovskiy Komsomolets*, 11 August, 2005.

¹⁹ See: "Ekstremistam vkhod zapreshchen," *Moskovskiy Komsomolets*, 8 February, 2006.

An additional part of the institutional web is local youth centers, which existed on a limited scale during Soviet times, but which were relegated to second place in their socialization role, behind the Komsomol and summer camps. Now, however, in view of young people's reluctance to join social organizations, youth centers have become a more attractive vehicle for monitoring and socialization. To be sure, the moral instruction offered at such centers is generally very low key, which is in fact the reason that young people might choose to attend them—the centers basically offer a place to play games or hang out. Nevertheless, at least here young people's activities are supervised, and perhaps social entrepreneurs can promote a "healthy way of life" using subtle, even subliminal methods. In any case, the new official youth policy aims to support large-scale construction of youth centers in the localities. Another striking throwback with similar objectives is the recreation of youth construction brigades. According to Aleksandra Burataeva, former head of the Unity Party youth wing and leader of the Duma's Youth Chamber, "On the one hand these programs solve problems of job creation and employment, and on the other hand they are educational measures."²⁰ Moreover, steps have been taken at the national and regional levels to reinstate Soviet-style youth rallies and summer camps, which seek to provide many of the same social and ideological functions. In all of the above ways, then, the goal is not so much to *de*-politicize as to *re*-politicize young people—yet in a way consistent with the purposes of the state.

Finally, it is worth noting that the official, top-down component of youth policy has a bottom-up corollary, which may lead to either a cooperative or competitive dynamic. The former is far more pronounced, however, while one observes a great deal of spontaneous collaboration at the regional and municipal level. Not only is the federal center forced to respond to local governments and agencies regarding policy implementation, but local officials (and sub-state actors like teachers, youth center directors, and librarians) tend to share the same objectives, and are powerfully motivated to contribute to the programs' success. On the other hand, there are also signs that opportunistic governors may attempt to gain control over youth organizations for their own purposes: i.e., to raise their popularity among young voters, and/or to gain extra leverage in pursuing their own policies vis-à-vis the center. An interesting case in point involved the governor of Perm, Oleg Chirkunov, who tried to use a right-wing youth group to push his anti-immigrant policy in the region. This move was quickly opposed at a round table for youth, sponsored by representatives of the pro-Kremlin group "Ours," on the grounds that Chirkunov was pandering to fascists. The result was an ignominious (from the governor's standpoint) public retraction.²¹ The episode suggests, however, that youth politics and movements may be becoming an arena in which various political battles are fought, including center-periphery jockeying as well as other more parochial contests.

Comparisons with the Caucasus States

On the whole, the emerging youth policies of Russia and the Caucasus states are remarkably similar, both with regard to the hybrid content of prescriptive national youth identity and the general process of engaging young people. For example, all seek to encourage the development of "patriotic" sentiment among the youth. In addition, all are attempting to create new youth centers, partly as a place for young people to congregate for wholesome activities, and partly as a vehicle for connecting youth organizations with local officials.

This similarity appears to be the result of several factors. One, certainly, is the shared cultural propensities of post-Leninist states. This is evident in the tendency to issue cultural directives, itself

²⁰ *Osnovnye napravleniia raboty FTsP "Molodezh Rossii 2006-2010 gg.*, available at [http://kreml.org/interview].

²¹ See: *Molodezhnaia politika: novyy resurs dlia 'sil'nykh' gubernatorov*, Center for Current Politics in Russia, 13 February, 2006 (available via ISI Emerging Markets).

a vivid example of institutional holdover from Soviet times.²² Nevertheless, as a reflection of what we might call post-Leninist culture, it is striking that these impulses to control social and ideological processes are checked—partly from within the state, though largely from without—by a nascent democratic or “civil society” norm. The result is ambivalent: i.e., it includes an effort to maintain central control over youth organizations, while at the same time conceding to them substantial autonomy. It should be noted, however, that Georgia is becoming somewhat of an outsider in these respects, since under Saakashvili the trend has been to move away from top-down orchestration and toward more independent forms of civil society.²³

A second factor explaining the similarity in official youth policy is the existence of shared institutional ties, especially within the intergovernmental framework of the Commonwealth of Independent States (CIS). Despite its many weaknesses, the CIS has nevertheless provided a forum within which officials from various branches of government are able to exchange ideas and at times coordinate policymaking. Among other things, this includes periodic meetings between ministers or deputy ministers charged with managing various aspects of youth affairs. While it is often difficult to see such meetings as a “cause” of state policy, official contacts do appear to contribute to shared learning and a degree of legislative uniformity.²⁴

Yet another factor is the new states’ comparable positions on the periphery of the world system, and the broadly equivalent socialization pressures to which they are exposed. Officials at all levels are aware of international norms and standards in the area of youth policy, and of the work being conducted in this area by the U.N. and other leading IGOs.²⁵ Russia, Azerbaijan, Georgia and Armenia are also members of the Council of Europe. The Council’s Directorate of Youth and Sport provides its own set of guidelines for developing youth policy, and ministerial officials regularly participate in seminars conducted under its auspices. Members in good standing are expected to observe institutional norms such as “achieving greater transparency, flexibility and rapidity in the implementation of youth policies” and “[encouraging] young people’s participation in civil society.”²⁶ Participating in the Council (and formally reproducing its tenets) provides a way of authenticating claims of European-ness, and thereby enhancing domestic and international legitimacy.²⁷ It is true that Azerbaijan, and to a lesser extent Armenia and Russia, have often honored various membership requirements in the breach, especially those regarding local democracy and human rights. Nevertheless, the fact that such ideas are articulated may exert some constraining effect on official conduct.

C o n c l u s i o n s

Despite the dogged efforts of its proponents, as of this writing no comprehensive law on Russian youth policy was yet in force. The delay has been due, in part, to opposition over the enormous expen-

²² See: A. Altstadt, “Azerbaijan’s Struggle Toward Democracy,” in: *Conflict, Cleavage, and Change in Central Asia and the Caucasus*, ed. by Karen Dawisha and Bruce Parrott, Cambridge University Press, Cambridge, 1997, pp. 110-155.

²³ See: “Georgian Leader Dances at Youth Camp Free of ‘Soviet Nonsense and Rubbish’,” BBC Monitoring, 19 August, 2005.

²⁴ For example, the nature and timing of Ilham Aliiev’s creation of a pro-presidential youth group in Azerbaijan strongly suggested the direct influence of Russian ideas. Baku had recently been visited by a delegation from the Russian Ministry of Education and Science, including Sergei Apatenko, the head of the Department of Youth Policy (see: “Pervyi vitze-spiker Milli Medzhliisa priniial delegatsiiu Ministerstva obrazovaniia i nauki Rossii,” Trend News Agency, 3 February, 2005 (see also: “Armenian and Russian Youth Unite into New Organization,” ARMINFO, 30 April, 2006).

²⁵ See, for example, the remarks by Galina Kuprianina, Head of the Department of Youth Policy at the Ministry of Education, stenograph, meeting of the Social Youth Chamber, Russian Duma, 21 April, 2003, available at [<http://www.duma.gov.ru/family/workpsych.htm>].

²⁶ The Directorate’s webpage is http://www.coe.int/T/E/Cultural_Co-operation/Youth/.

²⁷ See: J. Checkel, “Norms, Institutions, and National Identity in Contemporary Europe,” *International Studies Quarterly*, Vol. 43, No. 1, March 1999, pp. 83-114.

ditures requested. According to one report, the cost of financing youth policy had skyrocketed from 96 million rubles (\$3.4 million) in the previous year, to roughly 30 billion rubles (\$1 billion) per year.²⁸ This was vastly out of kilter with prevailing budgetary assumptions. Not surprisingly, the Minister of Economic Development and Trade, Gherman Gref, has been an especially outspoken opponent. In contrast, supporters of the new youth policy concept appear to rest their hopes on private contributions from corporate sponsors, although the prospects of actually generating funds on this scale are questionable. For these reasons, the new official Strategy essentially skirts the entire issue of funding. Passage of the new Strategy has also been impeded by uncertainty about the nature of state-society and center-periphery relations, including the question of where ultimate responsibility lies for funding and implementing such measures.

While still evolving, and despite being marked by a certain ambivalence and even overt dissonance, at this point the central pillars of youth policy seem fairly clear. With respect to state building, this includes the combination of centralization and decentralization which is so characteristic of political reform under Putin (often referred to as “managed democracy”). In the area of nation-building, we find the construction of entrepreneurial, proactive citizens, who will nevertheless remain stalwart nationalists and loyal subjects of the state. Much like the pursuit of democracy, then, the pursuit of hybridization is also highly ambivalent, as Russian society attempts to reconcile seemingly opposite tendencies. This is especially true in the sphere of youth affairs, where the allure of global culture—including its most libertine and potentially harmful aspects—is especially powerful, and where so much is at stake with regard to society’s bid to reproduce itself across the generational divide. Indeed, the lack of resolution in this area testifies to the complex, contentious process of policymaking in Russia, notwithstanding the “super-presidential” system in place. The process of youth policymaking thus offers key insights into the connections between state building and nation-building, as well as the difficulties in reconciling these two agendas, in the context of globalization.

²⁸ See: “Gosudarstvo pochuvstvovalo vlechenie k molodezhi,” *Kommersant*, 3 November, 2005.

GEO-ECONOMICS



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COMPARATIVE ADVANTAGES OF THE CENTRAL CAUCASIAN COUNTRIES: POTENTIAL, REALIZED, AND MISSED OPPORTUNITIES

A b s t r a c t

This article analyzes the comparative advantages of the Central Caucasian states. Keeping in mind the geopolitical and geo-economic factors influencing the states of the region, it identifies the comparative advantages of its countries in terms of potential, realized, and missed opportunities. It fo-

cus particular attention on the development of the Central Caucasus' transportation and communication networks. The comparative advantages of the region's states can only be optimally realized if the territorial conflicts, which are having a negative effect on the development of these countries, are settled.

I n t r o d u c t i o n

In order to understand the current situation in the multifaceted political expanse of the Caucasus,¹ as well as draw up principles and the main vectors for forming a regional integrated community, we must first comprehend and sum up the main economic development trends both in the Caucasus as a whole, and in each of its states individually.

¹ See: K.S. Yalowitz, S. Cornell, "The Critical but Perilous Caucasus," *Orbis, A Journal of World Affairs*, Vol. 48, No. 1, 2004, pp. 105-116.

Each Caucasian country is unique in its own way and fulfills its own special function, which requires individual study. In so doing, an analysis of the current state and future prospects for developing interrelations among the Caucasian countries themselves deserves close attention.

By concentrating on an analysis of the possible ways to peacefully settle the conflicts unfortunately prevalent in the region today, most researchers of the Caucasus are failing to look at the problems relating to economic interrelations in the Caucasus and the prospects for their development. There are only a few publications devoted to these problems.²

Due to the present state of the region's countries (both individually and in aggregate) and particularly their interrelations, any analysis of the prospects for Caucasian integration is going to be rather provisional. But if we permit ourselves to think, even for a while, that it is not worth conducting such an analysis,³ we are conceding to the fact that the isolation and contradiction characteristic of some of the region's states could be retained. In the globalizing world—particularly in the long term—this is not only undesirable, but essentially impossible: the Caucasus cannot and should not remain in isolation from the world integration processes. What is more, we are deeply convinced that integration into the world economy requires understanding the corresponding interregional opportunities.

In the contemporary globalizing world, the international economic function fulfilled by a particular country is of special importance for its development. The formation of this function primarily depends on the comparative advantages of a particular country, the application of which also defines its place in the world economy. What is more, much also depends on the international relations of this country, both with its immediate geographical neighbors, and with countries defining the main vectors in world politics. There are often cases when a particular country cannot make full use of its comparative advantages, if its international relations do not promote this.

This article is devoted to an analysis of the comparative advantages of the Caucasian countries and how they are currently being realized. This analysis is based on a conception of the regional classification of the Caucasus developed by Eldar Ismailov. According to this conception, the Caucasus is a single whole consisting of three parts—the Central Caucasus (Azerbaijan, Armenia, Georgia), the Northern Caucasus (the southern regions of Russia located in the northern part of the Caucasian Mountain Range), and the Southern Caucasus (the northern regions of Iran and Turkey).⁴

1. On Potential Comparative Advantages of the Central Caucasian States

The international relations of the Central Caucasian countries are largely defined by their historical roots, which have a significant influence on the formation of the main vectors of their foreign policy.⁵

² See: Ph. Champain, "Conflict in the South Caucasus: From War Economies to Peace Economies?" *Insight Turkey*, Vol. 6, No. 2, 2004, pp. 124-132; *From War Economies to Peace Economies in the South Caucasus*, ed. by Ph. Champain, D. Klein, and N. Mirimanova, International Alert, London, 2004; E. Herzig, *The New Caucasus. Armenia, Azerbaijan and Georgia*, Royal Institute of International Affairs, London, 1999.

³ See: N. Chikovani, "A United Caucasus: Reality Rooted in the Past or High-Flown Political Illusions?" *Central Asia and the Caucasus*, No. 5 (35), 2005, pp. 45-54.

⁴ See: E. Ismailov, "O geopoliticheskikh predposylkakh ekonomicheskoi integratsii Tsentral'nogo Kavkaza," *Izvestia Akademii nauk Gruzii. Seria ekonomicheskaya* (Proceedings of the Georgian Academy of Sciences—Economic Series), Vol. 10, No. 3-4, 2002, pp. 123-148; E. Ismailov, Z. Kengerli, "Integratsia Kavkaza i sovremennye geokonomichekije protsessy," *Izvestia Natsional'noi akademii nauk Azerbaidzhana. Seria gumanitarnykh i obshchestvennykh nauk (ekonomika)* (Proceedings of the Azerbaijan National Academy of Sciences—Humanitarian and Social Science Series), No. 1, 2002, pp. 24-48; E. Ismailov, Z. Kengerli, "The Caucasus in the Globalizing World: A New Integration Model," *Central Asia and the Caucasus*, No. 2 (20), 2003, pp. 135-144.

⁵ See: R.P. Adalian, "Armenia's Foreign Policy: Defining Priorities and Coping with Conflict," in: *The Making of Foreign Policy in Russia and the New States of Eurasia*, ed. by A. Dawisha and K. Dawisha, M.E. Sharpe, Armonk, 1995,

Of the Central Caucasian countries, Azerbaijan, which is rich in hydrocarbon resources,⁶ clearly has a definite comparative advantage. To this can be added its convenient geographical location, which promotes its use as a transportation hub.⁷ However, in light of the special geographical features of the Central Caucasus, the use of Azerbaijan's transportation potential largely depends on the other countries of the region, Georgia and Armenia.

Georgia's main comparative advantage is its geographical location along the transportation corridor connecting Europe and Asia, which also defines the international economic function of this country.⁸ Georgia also has the potential to become a significant transportation link joining Russia with Armenia and further with Iran.

Armenia too is characterized by a potential transportation function both in the West-East direction (Turkey-Armenia-Azerbaijan), and in the North-South direction (Russia-Georgia-Armenia-Iran). For Armenia, just as for Georgia, the West-South (Georgia-Armenia-Iran) transportation corridor, which joins the Black Sea to the Persian Gulf, is also of special importance.

The problem lies in the extent to which the international relations of the Central Caucasian countries promote the use of their comparative advantages.

2. Regional Problem of Oil and Gas

Oil and gas occupy an important place in the contemporary world economy and politics, which largely defines the nature of the relations of many states toward the Central Caucasus. Based on this, it is not surprising that Azerbaijan's hydrocarbon resources and their transportation routes,⁹ which are of immense geostrategic importance,¹⁰ conditioned the positive and negative effects both for this country and for the entire region from the very beginning.¹¹

The positive effect is largely associated with Western countries, which are interested in having as many alternatives for obtaining oil and gas as possible. So from the very beginning, they have been extremely interested in assimilating Azerbaijani energy resources and creating alternative pipelines

pp. 309-339; L. Alieva, "The Institutions, Orientations, and Conduct of Foreign Policy in Post-Soviet Azerbaijan," in: *The Making of Foreign Policy in Russia and the New States of Eurasia*, pp. 286-308; *Armenia, Azerbaijan, and Georgia: Country Studies*, ed. by G.E. Curtis, Federal Research Division Library of Congress, Washington, 1995, pp. 64-70, 138-141, 219-225; R.G. Hovannisian, "Historical Memory and Foreign Relations: The Armenian Perspective," in: *The Legacy of History in Russia and the New States of Eurasia*, ed. by S.F. Starr, M.E. Sharpe, Armonk, 1994, pp. 237-276; Sh.T. Hunter, "The Evolution of the Foreign Policy of the Transcaucasian States," in: *Crossroads and Conflict: Security and Foreign Policy in the Caucasus and Central Asia*, ed. by G.K. Bertsch, C. Craft, S.A. Jones, and M. Beck, Routledge, New York, 2000, pp. 25-47; S. Jones, "The Role of Cultural Paradigms in Georgian Foreign Policy," *The Journal of Communist Studies and Transition Politics*, Vol. 19, No. 3, 2003, pp. 83-110; A. Kukhianidze, "The Armenian and Azeri Communities in Georgia: On Georgia's Nationalities and Foreign Policies," in: *Commonwealth and Independence in Post-Soviet Eurasia*, ed. by B. Coppieters, A. Zverev, and D. Trenin, FRANK CASS PUBLISHERS, London, 1998, pp. 111-124.

⁶ See: I. Aliev, *Kaspiiskaia neft' Azerbaidzhana*, Izvestia Publishers, Moscow, 2003.

⁷ S. Escudero, "Hub for the 21st Century. Azerbaijan's Future Role in the Caspian Basin," *Azerbaijan International*, No. 10.2, 2002, available at [http://www.azer.com/aiweb/categories/magazine/ai102_folder/102_articles/102_caspian_hub_escudero.html].

⁸ See: V. Papava, "On the Special Features of Georgia's International Economic Function," *Central Asia and the Caucasus*, No. 2 (14), 2002, pp. 143-147.

⁹ See: J.H. Kalicki, "Caspian Energy at the Crossroads," *Foreign Affairs*, Vol. 80, No. 5, 2001, pp. 120-134; S.F. Starr, S.E. Cornell, *The Politics of Pipelines: Bringing Caspian Energy to Markets*, SAISPHERE, 2005, pp. 57-61.

¹⁰ See: S.E. Cornell, M. Tsereteli, V. Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline," in: *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, ed. by S.F. Starr and S.E. Cornell, Uppsala University, Uppsala, 2005, pp. 17-38.

¹¹ See: S.L. O'Hara, "Great Game or Grubby Game? The Struggle for Control of the Caspian," *Geopolitics*, Vol. 9, No. 1, 2004, pp. 138-160.

for their transportation. And this, in turn, has ensured a large inflow of foreign direct investments both into Azerbaijan and into other Caucasian countries (Georgia and Turkey) where the pipelines run.

As for the negative effects, they proceeded primarily from the regional oil- and gas-production and transportation competitors—Russia and Iran, which, with all the means at their disposal, tried to gain control over the use and particularly the transportation of Azerbaijani hydrocarbon resources.

The common ethnic, cultural, and linguistic traits it shares with Turkey are of special importance for Azerbaijan, which gives rise to common viewpoints on many international issues. This, as might be expected, also came into play when defining the route for transporting oil and gas.

Despite the fact that the shortest route linking Azerbaijan with Turkey passes through Armenia, the choice of this potential transportation route, which is the most advantageous from the economic viewpoint, was undermined by the relations that developed between these countries.

- First, the conflict between Armenia and Azerbaijan over Nagorno-Karabakh, and the seizure by Armenian armed forces of Azerbaijani territory beyond this conflict region, not to mention the breakdown in railroad communication between Azerbaijan and its autonomous republic, Nakhchivan, unequivocally determined Azerbaijan's negative attitude toward the use of Armenian territory as a transportation corridor.
- Second, Turkey, in turn, in support of Azerbaijan, also blocked transportation communication lines with Armenia. Here it should also be mentioned that Armenia has its claims against Turkey with respect to the latter's nonrecognition of the so-called "Armenian genocide" at the beginning of the 20th century. What is more, the fact that Armenians often identify Azerbaijanis with Turks is the reason why the Armenians also perceive the Azerbaijanis as accomplices in the Armenian "genocide."¹²

The case of Armenia is a graphic example of how use of its comparative advantage as the shortest route linking Azerbaijan with Turkey is being hindered by the conflict relations that have developed with these countries.¹³

3. Partners and Adversaries

It is important to note that Russia has been on Armenia's side from the very beginning in the Nagorno-Karabakh conflict. Here we will emphasize that by directly and openly supporting the separatist movements in Abkhazia and South Ossetia, Russia has also set itself against Georgia.

As a result, the military-political union between Armenia and Russia was registered as a strategic partnership between these countries. By recognizing Russia's advanced defense function in the Central Caucasus, Armenia acquired the status of Russia's outpost in the Caucasus, not an entirely flattering position for a sovereign state to be in.¹⁴

¹² Sh.T. Hunter, op. cit., p. 30.

¹³ See: B. Aras, G. Foster, "Turkey: Looking for Light at the End of Caspian Pipeline," in: *Oil and Geopolitics of the Caspian Sea Region*, ed. by M.P. Croissant and B. Aras, Praeger, Westport, 1999, pp. 229-247; K. Dikbas, *Armenia and BTC. Media Dialogue: Armenia-Azerbaijan-Turkey*, 24 June, 2005, available at [<http://www.mediadialogue.org/eng/?page=issue&id=906>]; A. Harutyunyan, "Armenia as a Factor of Balance in the Southern Caucasus Region," in: *Security Sector Governance in Southern Caucasus—Challenges and Visions. Study Groups Regional Stability in Southern Caucasus Security Sector Reform*, ed. by A.H. Ebnöther and G.E. Gustenau, National Defense Academy, Vienna, 2004, pp. 166-178.

¹⁴ See: F. Cameron, J.M. Domański, "Russian Foreign Policy with Special Reference to its Western Neighbours," *EPC (European Policy Centre) Issue Paper*, No. 37, 2005, available at [http://www.theepc.be/TEWN/pdf/354600757_EPC%20Issue%20Paper%2037%20Russian%20Foreign%20Policy.pdf]; T. Liloyan, "Armenia—Russia's Outpost in South

The exclusion of the Armenian route for transporting oil and gas from Azerbaijan to the West has helped to increase the expediency of using the Georgian vector,¹⁵ which was in fact put into practice.

Geopolitically, Georgia has a key position in the Central Caucasus, particularly keeping in mind the conflict between Armenia and Azerbaijan. Georgia must carry out the function of the region's link.

What is more, essentially immediately after restoration of its state independence, Georgia made its strategic, pro-Western, choice.¹⁶ As a country with high systemic risk factors, primarily due to the high level of corruption,¹⁷ Georgia's investment attractiveness is low, although implementation of the BTC oil pipeline project¹⁸ and the projects related to it are opening up new opportunities for expanding investments beyond the energy sector.¹⁹ This situation greatly improved after the Rose Revolution,²⁰ since trust grew in a country which had officially declared the priority of democratic values in post-revolutionary changes.²¹

From the very time the idea arose of transporting Caspian oil to the West and building the BTC oil pipeline (bypassing Russia and Iran) for this purpose, Azerbaijan,²² Georgia,²³ and Turkey²⁴ essentially represented one team with significant support from the U.S.²⁵ This fully met the main goals of the White House in the region aimed at isolating Iran; preventing the restoration of Russia's monopoly position in the region; supporting Turkey's increasing influence in the region; and encouraging American companies to make investments in the region.²⁶

Caucasus—Duma Speaker," *ArmenianDiaspora.com*, 15 December, 2004, available at [<http://www.armeniandiaspora.com/archive/16794.html>].

¹⁵ See: M.P. Croissant, "Georgia: Bridge or Barrier for Caspian Oil?" in: *Oil and Geopolitics of the Caspian Sea Region*, pp. 275-290.

¹⁶ See: A. Rondeli, "The Choice of Independent Georgia," in: *The Security of the Caspian Sea Region*, ed. by G. Chufrin, Oxford University Press, New York, 2001, pp. 195-211.

¹⁷ See: M.F. Brzezinski, J.C. Bell, "Systemic Risk Factors in Russia and Eurasia," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*, ed. by J.H. Kalicki and E.K. Lawson, Woodrow Wilson Center Press, Washington, 2003, pp. 283-308.

¹⁸ See: V. Papava, "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Georgia," in: *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, pp. 85-102.

¹⁹ See: S.F. Starr, "The Investment Climate in Central Asia and the Caucasus," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*, pp. 73-91.

²⁰ See: N. Ascherson, "After the Revolution," *London Review of Books*, Vol. 26, No. 5, 2004, available at [http://lrb.verioovps.co.uk/v26/n05/asch01_.html]; Z. Baran, "Removing the Thorn in Georgia's Rose Revolution," *Georgia in US Media*, Embassy of Georgia to the USA, Canada and Mexico, 24 March, 2004, available at [<http://www.georgiaemb.org/DisplayMedia.asp?id=325&from=media>]; *Statehood and Security: Georgia after the Rose Revolution*, ed. by B. Coppeters and R. Legvold, The MIT Press, Cambridge, 2005; Jr.Ch.H. Fairbanks, "Georgia's Rose Revolution," *Journal of Democracy*, Vol. 15, No. 2, 2004, pp. 110-124; "Enough." *The Rose Revolution in the Republic of Georgia 2003*, ed. by Z. Karumidze and J.V. Wertsch, Nova Science Publishers, New York, 2005; Ch. King, "A Rose Among Thorns," *Foreign Affairs*, Vol. 83, Iss. 2, 2004, pp. 13-18; E. Miller, "Smelling the Roses: Eduard Shevardnadze's End and Georgia's Future," *Problems of Post-Communism*, Vol. 51, No. 2, 2004, pp. 12-21; C. Welt, *Georgia: Consolidating the Revolution. Russia and Eurasia Program*, Center for Strategic and International Studies, 6 April, 2004, available at [<http://www.csis.org/media/csis/pubs/ci.consolidatingrevolution.04.06.05.pdf>].

²¹ See: V. Papava, "Georgia's Macroeconomic Situation Before and After the Rose Revolution," *Problems of Economic Transition*, Vol. 48, No. 4, 2005, pp. 8-17.

²² See: S.E. Cornell, F. Ismailzade, "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Azerbaijan," in: *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, pp. 61-84; N. Nassibli, "Azerbaijan: Oil and Politics in the Country's Future," in: *Oil and Geopolitics of the Caspian Sea Region*, pp. 101-129.

²³ See: M.P. Croissant, op. cit., pp. 275-290; V. Papava, "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Georgia."

²⁴ See: B. Aras, G. Foster, op. cit.; Z. Baran, "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Turkey," in: *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, pp. 103-118.

²⁵ See: J.H. Kalicki, op. cit., pp. 122; S. Mahnovski, "Natural Resources and Potential Conflict in the Caspian Sea Region," in: *Faultlines of Conflict in Central Asia and the South Caucasus. Implications for the U.S. Army*, ed. by O. Olicker and T.S. Szayna, RAND, Santa Monica, 2003, pp. 109-144.

²⁶ See: F. Müller, "Energy Development and Transport Network Cooperation in Central Asia and the South Caucasus," in: *Building Security in the New States of Eurasia. Subregional Cooperation in the Former Soviet Space*, ed. by R. Dwan and O. Pavliuk, M.E. Sharpe, Armonk, 2000, pp. 188-200.

Another goal was added to the aforementioned after the tragic events of 9/11, that is, the U.S. was interested in promoting development in the region's countries, which would help to avoid the danger of new terrorist acts and bring the war on terrorism to its successful conclusion.²⁷

What is more, we must also keep in mind that the U.S. administration placed top priority on achieving national energy security, within the framework of which the U.S.'s international energy policy is acquiring special significance, in particular in the Caspian Region.²⁸ The U.S.'s strategy in the region can be paraphrased as one of "multiple pipelines," which means adding new pipelines to the existing ones.²⁹

All the same, the U.S.'s interests in the region are not limited to energy alone.³⁰ The U.S.'s task is to help the former Soviet republics of the region to eradicate the negative elements inherited from the Soviet economy, to develop a market economy and private sector, to build robust foundations for economic growth, to establish the rule of law, to resolve social and environmental problems, and to avail themselves of the benefits of energy development and extended export routes.³¹

It is no accident that the U.S.'s Caspian policy aimed at preventing restoration of Russia's monopoly in the region is perceived as a policy aimed against Russia itself, but this is not true.³² According to the U.S.'s official position, Caspian energy is an arena for potential cooperation with Russia.³³ Along with this, cooperation potential between the U.S. and Russia also encompasses such spheres as enhancing the economic development of the region's states and preventing religious and political extremism and international terrorism.³⁴ It is cooperation and partnership, and not a conflict of interests between the U.S. and Russia,³⁵ that can help to achieve the most positive results in use of Caspian energy.

Implementing principles of cooperation and partnership between the Caucasian countries can also ensure that their interests are met; unfortunately, understanding and carrying out these principles in practice in the region is the most difficult thing for the Russian side.³⁶ In addition, certain so-called "frozen conflicts" in the Central Caucasian countries are making it difficult to develop economic (and other) cooperation between them,³⁷ although this certainly does not mean the countries cannot look for ways to carry out this kind of cooperation.³⁸

Recently, the EU has been focusing greater attention on the Black Sea countries.³⁹ Here it should be emphasized that the TRACECA and INOGATE projects are most in harmony with the

²⁷ See: T.T. Gati, T.L. Christiansen, "The Political Dynamic," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*, pp. 447-459.

²⁸ See: J.H. Kalicki, op. cit., pp. 120.

²⁹ See: A.N. Pamir, "Is There a Future of the Eurasian Corridor?" *Insight Turkey*, Vol. 2, No. 3, 2000, pp. 31-44.

³⁰ See: A. Jaffe, "U.S. Policy Towards the Caspian Region: Can the Wish-List be Realized?" in: *The Security of the Caspian Sea Region*, pp. 136-150.

³¹ See: S.R. Mann, "Caspian Futures," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*, pp. 147-160.

³² See: Z. Baran, "Developing a Euro-Atlantic Strategy Towards Black Sea Energy: The Example of the Caspian," in: *A New Euro-Atlantic Strategy for the Black Sea Region*, ed. by R.D. Asmus, K. Dimitrov, and J. Forbrig, The German Marshall Fund of the United States, Washington, 2004, pp. 116-124.

³³ See: F.S. Larrabee, "The Russian Factor in Western Strategy Toward the Black Sea Region," in: *A New Euro-Atlantic Strategy for the Black Sea Region*, pp. 147-156; S.R. Mann, op. cit., pp. 152-153.

³⁴ See: G. Chufirin, "The Caspian Sea Region: Towards an Unstable Future," in: *The Security of the Caspian Sea Region*, pp. 325-343.

³⁵ See: V. Naumkin, "Russia's National Security Interests in the Caspian Region," in: *The Security of the Caspian Sea Region*, pp. 119-135.

³⁶ See: V. Papava, "Strategic Economic Partnership in the Caucasus," *Caucasica. The Journal of Caucasian Studies*, Vol. 2, 1998, pp. 189-197; V. Papava, N. Gogatadze, "Prospects for Foreign Investments and Strategic Economic Partnership in the Caucasus," *Problems of Economic Transition*, Vol. 41, No. 5, 1998, pp. 79-88.

³⁷ See: A. Yunusov, "The Southern Caucasus: Cooperation or Conflict?" in: *Building Security in Europe's New Borderlands. Subregional Cooperation in the Wider Europe*, pp. 147-172.

³⁸ See: Ph. Champain, op. cit. (see also: *From War Economies to Peace Economies in the South Caucasus*).

³⁹ See: H. Grabbe, "Towards a More Ambitious EU Policy for the Black Sea Region," in: *A New Euro-Atlantic Strategy for the Black Sea Region*, pp. 106-115; D. Lynch, "Security Sector Governance in the South Caucasus—Towards an EU Strategy," in: *Security Sector Governance in Southern Caucasus—Challenges and Visions*, pp. 34-47.

European view of Central Caucasian development.⁴⁰ Implementation of the BTC oil pipeline is viewed as an important component of Europe's energy security.⁴¹ What is more, the system of Black Sea oil pipelines can be used as a significant component of the EU's "Wider Europe" strategy, and in this respect, the significance of Georgia and Azerbaijan, which are potential contenders for membership in the European and trans-Atlantic structures, is very important.⁴²

Caspian energy resources can not only be of benefit to the Central Caucasus, they might also pose a threat to the countries of this region. This is predetermined by Russia's fear about the increase in the West's influence on the region, which is supposedly creating a danger for its national security and contradicts its interests.⁴³

What are Russia's main economic interests in the Caspian energy region? They can be formulated as follows: the development of mutually advantageous trade and economic relations with the region's countries; the use of their transport capacities; and participation in the production and shipment of energy resources.⁴⁴ We must also keep in mind the fact that Russia receives roughly 50 percent of the country's total hard currency revenues from the export of oil and gas.⁴⁵ It stands to reason that Russia is not interested in losing control over the revenues of other countries from Caspian energy.

According to Russian experts, the construction of the BTC oil pipeline contradicts Russia's interests.⁴⁶ To be fair, it should be noted that some Western experts are supporting Russia's stance and voicing anti-American criticism with respect to the oil pipeline projects,⁴⁷ although this in no way reflects a realistic view of the processes going on in the region and, particularly, the West's official position. Russian politicians are still holding onto the idea of restoring the empire, at least in its modernized form, which was reflected in the conception for creating a so-called Liberal Empire.⁴⁸ In accordance with this conception, Russia can and should restore its economic influence throughout the entire post-Soviet space by means of economic expansion.

Russia began implementing a plan for incorporating the Caucasus into the Liberal Empire being formed with its strategic partner in the region—Armenia: at the end of 2002, a Russian-Armenian agreement called a "debt-for-equity" swap was implemented. According to this document, Russia obtained enterprises from Armenia, the total cost of which was enough to fully cover Armenia's \$93-million debt to Russia. Russia's activity in Georgia in this area, which began even before the Rose Revolution, significantly increased after the revolution,⁴⁹ which the Georgian leadership also assisted. It should be noted that in the event of successful implementation of the Russian Liberal Empire plan in Georgia, it will be easier to draw Azerbaijan into this imperial scheme as well, since all of its main transportation and communication arteries, including the main pipelines, run through Georgia.

Based on the above, it is not at all surprising that the Russian side not only was not interested in developing a transportation corridor through Georgia and, in particular, in building pipelines passing through its territory, it also made use of every possible mechanism to hinder the implementation of these projects.⁵⁰

⁴⁰ See: A. Rondeli, "The South Caucasus: Pipeline Politics and Regional Economic Interests," in: *The South Caucasus: Promoting Values Through Cooperation*, Seminar Report Series No. 20, Helsinki, 12-15 May, 2004, NATO Defense College, Academic Research Branch, Rome, 2004, pp. 43-52.

⁴¹ See: H. Chase, "Future Prospects of Caucasian Energy and Transportation Corridor. The Role of Caucasian Energy Corridor in European Energy Security," *Georgian Economic Trends*, No. 3, 2002, pp. 85-87.

⁴² See: Z. Baran, "Developing a Euro-Atlantic Strategy Towards Black Sea Energy: The Example of the Caspian."

⁴³ See: A. Rondeli, "Pipelines and Security Dynamics in the Caucasus," *Insight Turkey*, Vol. 4, No. 1, 2002, pp. 13-17.

⁴⁴ See: V. Naumkin, op. cit., p. 122.

⁴⁵ See: A.N. Pamir, op. cit., p. 34.

⁴⁶ See: V.S. Zagashvili, "Neft", transportnaia politika, interesy Rossii," in: *Rossia i Zakavkazie: realii nezavisimosti i novoe partnerstvo*, ed. by R.M. Avakov and A.G. Lisov, Finstatinform Publishers, Moscow, 2000, pp. 184-195.

⁴⁷ See: M. Collon, *Monopoly. L'OTAN à la conquête du monde*, EPO, Bruxelles, 2000.

⁴⁸ See: A. Chubais, "Missia Rossii v XXI veke," *Nezavisimaia gazeta*, 1 October, 2003, available at [http://www.ng.ru/printed/ideas/2003-10-01/1_mission.html].

⁴⁹ See: V. Papava, S.F. Starr, "Russia's Economic Imperialism," *Project Syndicate*, January 2006, available at [<http://www.project-syndicate.org/commentary/papava1>].

⁵⁰ See: A. Rondeli, "Pipelines and Security Dynamics in the Caucasus."

According to the widespread view of Russian experts, public opinion in Georgia seems to be exaggerating Russia's role in destabilizing the political situation in Georgia in order to halt construction of the oil pipelines linking Baku to the Black Sea and the Mediterranean Sea. However, these experts admit there are facts confirming Russia's negative actions toward Georgia.⁵¹

In this context, it is interesting to note the view that the West's future relations with Russia are predetermined by the outcome of Russian-Georgian relations: what will Russia prefer—to have Georgia as a prosperous and stable neighbor, or to keep it “a prisoner of its imperial past.”⁵²

According to Russian experts, Iran and Armenia are Russia's strategic partners in opposing the creation of a Europe-Caucasus-Asia transportation corridor.⁵³

Both Russian⁵⁴ and Iranian⁵⁵ experts emphasize the coincidence of several Russian and Iranian interests in the region,⁵⁶ and specifically with respect to Caspian energy (among other things). They are essentially unanimous in their skeptical assessments of economic (among other) aspects of the BTC oil pipeline project.⁵⁷ This position is also shared by several Western experts.⁵⁸

Iran was particularly vexed about its exclusion, at the U.S.'s insistence, from the projects for developing and transporting Azerbaijani energy resources.⁵⁹

There is a substantiated opinion that Iran is at a geographic disadvantage, since the main consumers of Caspian energy resources are more interested in the East-West infrastructure than in transporting more oil through the Persian Gulf.⁶⁰ In this respect, it is important to note that Iran has a real interest in Georgia. In Tehran's opinion, Georgia forms a significant section of the transportation corridor linking Iran to Europe.⁶¹

What is more, surprise is aroused by arguments that oil and Caspian energy resources as a whole should become the basis of advancement of the region's countries, and that the U.S.'s approach regarding Iran's exclusion from the oil pipeline network is supposedly delaying this process.⁶² First, the experience of a large number of countries shows that oil and other energy resources far from always ensure their advancement,⁶³ which was briefly noted above. Second, it cannot be considered substantiated that Iran's exclusion from the oil pipeline routes and the inclusion of new countries in them interfere with the progress of the latter.

⁵¹ See: N.V. Zubarevich, Y.E. Fedorov, “Russian-Southern Economic Interaction: Partners or Competitors?” in: R. Menon, Y.E. Fedorov, G. Nodia, *Russia, the Caucasus, and Central Asia: The 21st Century Security Environment*, M.E. Sharpe, Armonk, 1999, pp. 119-144.

⁵² Z. Baran, “Developing a Euro-Atlantic Strategy Towards Black Sea Energy: The Example of the Caspian,” p. 18.

⁵³ See: V.S. Zagashvili, op. cit., p. 188.

⁵⁴ See: D.B. Malysheva, “Turtsia i Iran: Zakavkazie—ob'ekt starogo sopepnichestva,” in: *Rossia i Zakavkazie: realii nezavisimosti i novoe partnerstvo*, pp. 63-74.

⁵⁵ See: A. Maleki, “Does the Caspian Remain Important to All Actors?” *Amu Darya. The Iranian Journal of Central Asian Studies*, Vol. 8, No. 16 & 17, 2003/2004, pp. 47-76.

⁵⁶ See: S.E. Cornell, “Iran and the Caucasus: The Triumph of Pragmatism over Ideology,” *Global Dialogue*, Vol. 2, No. 3, 2001, pp. 80-92; R.O. Freedman, “Russia and Iran: A Tactical Alliance,” *SAIS Review of International Affairs*, Vol. XVII, No. 2, 1997, pp. 93-109.

⁵⁷ See: N. Entessar, “Iran: Geopolitical Challenges and the Caspian Region,” in: *Oil and Geopolitics of the Caspian Sea Region*, pp. 55-180; A. Maleki, op. cit., p. 56; V.S. Zagashvili, op. cit., pp. 193-194.

⁵⁸ See: D. Sherman, “Caspian Oil and a New Energy Politics,” *International Institute for Caspian Studies*, 2000, available at [<http://www.caspianstudies.com/article/daniel%20sherman.htm>]; T.R. Stauffer, “Caspian Fantasy: The Economics of Political Pipelines,” *The Brown Journal of World Affairs*, Vol. VII, Issue 2, 2000, pp. 63-78, available at [<http://www.watsoninstitute.org/bjwa/archive/7.2/Oil/Stauffer.pdf>]; [http://www.caspianstudies.com/article/caspian_fantasy.htm].

⁵⁹ See: N. Entessar, op. cit., p. 171; R.O. Freedman, op. cit., p. 107.

⁶⁰ See: F. Müller, op. cit., p. 192.

⁶¹ See: D.B. Malysheva, op. cit., p. 67.

⁶² See: M.M. Mohsenin, “The Evolving Security Role of Iran in the Caspian Region,” in: *The Security of the Caspian Sea Region*, pp. 166-177.

⁶³ See: T.L. Karl, *The Paradox of Plenty: Oil Booms and Petro-States*, University of California Press, Berkeley, 1997; T.L. Karl, I. Gary, “The Global Record,” *FPIF-Petro Politics Special Report*, January 2004, available at [http://www.fpif.org/papers/03petropol/development_body.html].

It should be noted that Iran welcomes regional cooperation as a tool of peace and stability in the region,⁶⁴ which is a positive thing in itself.

4. The Railroad—Bringing Closer or Driving Apart?

It was noted above that implementation of the transportation corridor project through Georgia, Armenia, and Iran is of special importance for the Georgian and Armenian economy, and can be considered a component of a larger project—the North-South transportation corridor.⁶⁵ This project, however, has its difficulties.

The North-South transportation corridor naturally implies Russia's participation and the activation of Russia-Georgia-Armenia-Iran transportation ties. This problem is directly tied both to launching a ferry service between the Georgian port of Poti and the Russian port of Kavkaz, and to restoring rail communication between Russia and Georgia, to be more precise, the Abkhazian section of the Georgian railroad. Movement along this section was halted in August 1992 after the beginning of the armed conflict in Abkhazia.

Restoration of this railroad communication is primarily in the interests of the strategic partners—Russia and Armenia.⁶⁶ For Georgia, without realistic progress in the peaceful settlement of the conflict in Abkhazia, this project could lead to the loss of a more or less effective tool in the talks with Moscow. The main thing is not to hinder the process of Georgia's territorial reintegration, even in exchange for the revival of rail communication with Armenia.⁶⁷ In so doing, it should not be forgotten that the possibility of peacefully settling the conflict in Abkhazia will create a precedent that could have a negative international effect for Armenia regarding the future status of Nagorno-Karabakh. What is more, it must be kept in mind that even if the Abkhazian section of the railroad is not restored, the interests of the Armenian side are still being taken into account in the railroad-ferry service between the ports of Poti and Kavkaz.⁶⁸

The urgency of this problem will increase if we take into account that official circles in Armenia are considering several projects (assessed at between 700 million and 1 billion dollars) for building a railroad to Iran. Particularly since these projects are being viewed in the same context as the possibility of reviving rail communication with Russia via Georgia. In so doing, some think that opening the Abkhazian section of the railroad will intensify the Russia-Armenia-Iran coalition opposing Georgia⁶⁹ and will lead to forming a Russia-Armenia-Iran axis⁷⁰ and to weakening the U.S.'s influence in the region,⁷¹ which is one of the main tasks of Russo-Iranian cooperation.⁷²

Theoretically, the Russia-Georgia-Armenia-Iran railroad should help to reinforce economic interrelations among these countries, but keeping in mind the rising dangers for the entire civilized

⁶⁴ See: M.M. Mohsenin, op. cit., p. 174.

⁶⁵ See: A. Mukhin, V. Mesamed, "The North-South International Transportation Corridor: Problems and Prospects," *Central Asia and the Caucasus*, No. 1 (25), 2004, pp. 123-126.

⁶⁶ See: N. Atshemian, "Russia Hopeful About Renewed Rail Link With Georgia, Armenia," *Armenialiberty*, 13 October, 2005, available at [<http://www.armenialiberty.org/armeniareport/report/en/2005/10/ED0948A5-0E2C-4498-89EC-49A1401A356A.ASP>]; B. Volkhonsky, "Vladimir Putin Tries to Keep Armenia as the Last Ally of Russia," *Kommersant*, 31 March, 2005, available at [<http://www.kommersant.com/page.asp?id=557608>].

⁶⁷ See: G. Katcharava, "Problem of Abkhazia in Georgian Russian Relations," *Abkhazeti*, No. 1, 2003, pp. 17-28.

⁶⁸ See: T. Pachkoria, "Armenia Content with Georgia-Russia Direct Railway Ferry Opening," *Armenian Diaspora.com*, 11 January, 2005, available at [<http://www.armeniandiaspora.com/archive/18030.html>].

⁶⁹ See: N. Melia, "Rezultat oprosa v Gruzii: Vosstanovlenie zheleznoi dorogi v Abkhazii segodnia nedopustimo," *abkhazeti.ru*, 1 September, 2005, available at [http://www.abkhazeti.ru/pub/smi/01_09_2005/]; idem, "U Gruzii i Abkhazii dva mnenia po odnoi doroge," *Abkhazia. Apsny*, 2 September, 2005, available at [<http://abkhazia.vov.ru/portal/?set=news&mc=readfull&do=3>].

⁷⁰ See: S. Cornell, "Iran and the Caucasus," *Middle East Policy*, Vol. 5, No. 4, 1998, pp. 51-67.

⁷¹ See: S. Martirosian, "Turtsia i Armenia sblizhaiutsia. Na radost' druziam?" *Rosbalt Information Agency*, 7 September, 2003, available at [<http://www.rosbalt.ru/2003/07/09/106841.html>].

⁷² See: S.E. Cornell, "Iran and the Caucasus: The Triumph of Pragmatism over Ideology," p. 86.

world coming primarily from Iran, the dubious expediency of rail communication between it and its open partner, Russia, is obvious.

The fact that Armenia and Georgia cannot use the comparative advantage of the potential North-South transportation corridor testifies again to the economic losses being endured by the region's countries due to the political difficulties throughout the entire Caucasus.

I n L i e u o f a C o n c l u s i o n

The future of the Central Caucasian countries largely depends on settling the conflicts in the region and achieving a fundamental change in the approaches of the Caucasus' neighbors toward these countries. Armenia, Azerbaijan, and Georgia should be perceived not so much as objects in their spheres of influence, but as partners in regional economic (among other) projects. Then the economic significance of both the Central Caucasus and of the Caucasus as a whole will increase even more, as a result of which the interest of the "international investment community" in the region will significantly promote its economic development. This will result in the full realization of the comparative advantages of the Central Caucasian countries, which will yield positive results, not only for these states, but for the international community as a whole.



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ECONOMIC INTERACTION IN THE POST-SOVIET SPACE

A b s t r a c t

Ever since the breakup of the U.S.S.R., the post-Soviet space (former Soviet Union) has been the scene of cease- less attempts to create various integration alliances and groupings aimed at strengthening bilateral and multilateral economic

cooperation with the prospect of economic integration. Over the past three or four years, the integration rhetoric has markedly increased, which is due to the consolidation of the newly independent states and to the fact that some of them have entered the path of positive growth rates. Are there any

economic prerequisites for the integration of the newly independent states? What is the contribution of state policy to the integration process? What processes and actors are the real driving forces behind integration? These and other related questions are the main focus of attention in this article.

Proto-Integration Groupings in the Post-Soviet Space: “Spaghetti Bowl”

Today there are several proto-integration groupings operating in the post-Soviet space: Commonwealth of Independent States (CIS), Eurasian Economic Community (EurAsEC), Common Economic Space (CES), Russia-Belarus Union State, Shanghai Cooperation Organization (SCO), GUAM, Community of Democratic Choice (CDC) and the Economic Cooperation Organization (ECO). At the same time, a number of post-Soviet states are already members of the World Trade Organization (WTO). The actual picture of involvement of the post-Soviet economies in regional and global integration groupings is shown in Table 1 (on p. 98).

This situation appears paradoxical. Countries with national economies of more than modest size and, consequently, with limited export volumes (with the exception of Russia) are simultaneously members of organizations and groupings with similar and often overlapping goals and purposes. UNDP experts describe this situation as a “spaghetti bowl” of integration agreements with a “conflicting and confusing” set of rules.¹

Let us start with a short characteristic of the existing official alliances and agreements. The “oldest” organization is the **CIS**. In retrospect, it is obvious that the CIS has played a key historical role by enabling the former Soviet republics to “get divorced” in a relatively peaceful and civilized manner (even if not without regional military conflicts) and to gain some diplomatic experience in bilateral and multilateral relations. By the end of the 1990s, the CIS had virtually outlived its usefulness, as the presidents of Belarus, Kazakhstan and Russia have declared on many occasions. It is also obvious that the CIS never actually got underway as an effective mechanism of economic cooperation. It should be borne in mind here that numerous bilateral and multilateral trade and economic agreements between the former Soviet republics have in effect resulted in the creation of a free trade area in the post-Soviet space, which has emerged irrespective of the CIS.

The **EurAsEC** sprang up within the CIS from the customs union agreement. The Treaty Establishing the Eurasian Economic Community was signed in October 2000 by Russia, Kazakhstan, Belarus, Kyrgyzstan and Tajikistan. In May 2002, Moldova and Ukraine acquired observer status in the Community. In late 2005, the EurAsEC was joined by the Central Asian Cooperation Organization (CACO), and in January 2006, by Uzbekistan.

The EurAsEC’s special executive bodies include an interstate council, an interparliamentary assembly and an integration committee. Its activity is financed depending on the economic potential of its member countries. Since the accession of Uzbekistan in 2005, Russia has a quota of 40%, Belarus, Kazakhstan and Uzbekistan, 15% each, and Kyrgyzstan and Tajikistan, 7.5% each. Accordingly, voting strength in decision making is equal to the country quota.

¹ *Central Asia Human Development Report. Bringing Down Barriers: Regional Cooperation for Human Development and Human Security*, UNDP, Bratislava, 2005, p. 57.

Table 1

**Regional, Bilateral and Global Economic Organizations
in the Post-Soviet Space**

	CIS 1991	EurAsEC 2000	CES 2003	Russia- Belarus Union State 1999	SCO 2001	GUAM 1997	Economic Cooperation Organization 1992	Community of Democratic Choice 2005	WTO
Armenia	+								+ (2003)
Azerbaijan	+					+	+	+	
Belarus	+	+	+	+					
Georgia	+					+		+	+ (2000)
Kazakhstan	+	+	+		+		+		
Kyrgyzstan	+	+			+		+		+ (1998)
Moldova	+	Obser- ver				+		+	+ (2001)
Russia	+	+	+	+	+				
Tajikistan	+	+			+		+		
Turkmenistan	+						+		
Ukraine	+	Obser- ver	+				+	+	
Uzbekistan	+	+			+		+		
PRC					+				+ (2001)
Turkey							+		+ (1995)
Iran							+		
Pakistan							+		+ (1995)
Afghanistan							+		

In January 2006, Kazakhstan and Russia instituted within the EurAsEC framework a Eurasian Development Bank with an authorized capital of \$1.5 billion (shared between Kazakhstan and Russia in the proportion of 1 to 2). One of its purposes is to finance investment projects in the EurAsEC member countries, especially in the energy and transport sectors.

The main declared goal of the EurAsEC is to create a customs union. In 2000, its members signed an agreement on a common customs tariff, under which they had to create a customs union within five years (with the possibility of prolongation). In the event, Kyrgyzstan and Tajikistan are to accede to the common tariff under a special arrangement. By the beginning of 2006, the EurAsEC members had coordinated 62% of their tariffs. About 80% of their customs legislation has been harmonized. In the longer term, they are aiming at a transport and a monetary union.

At first glance, the EurAsEC members have made significant progress in coordinating their tariff policy. However, let us recall that in 1996 the members of the Customs Union officially declared that they had already harmonized 100% of their import tariffs. But the main point is that it is not quite clear how the EurAsEC members can in principle resolve the problem of Kyrgyzstan.

That country has long joined the World Trade Organization, and for an overwhelming majority of product items, with the exception of agricultural products for a certain period of time, has

reduced import tariffs virtually to zero. Incidentally, this period is coming to an end. It is impossible to induce Kyrgyzstan to withdraw from the WTO or even to review the terms of its membership in that organization. At the same time, by allowing the republic's special membership in the EurAsEC its member countries would officially agree to the existence of a "Trojan horse" in the Eurasian space, a kind of window for duty-free inflow of goods from all over the world. Given the diverse and highly developed offshore, virtual and criminal forms of business organization in the post-Soviet space, this will inevitably result in a state of affairs where the bulk of exports going to EurAsEC markets are fictitiously cleared through Kyrgyzstan. Considering the dramatic domestic situation in that country, Kyrgyzstan would probably have nothing against such a turn of events, but it is obviously not in the interests of the EurAsEC "wheel horses." In all fairness, one should note that it did not take any particular bureaucratic effort to turn Kyrgyzstan into a channel for the penetration of Chinese goods into the post-Soviet economic space. As shown below, this took place quite naturally.

It is interesting to note that the creation of a customs union is also the main purpose of the CES, officially established in September 2003. Some analysts say that the CES agreement was specially arranged to stimulate negotiations with Ukraine, which refused to join the EurAsEC and categorically refuses to even discuss the problem of transferring part of its sovereignty to the supranational level. However, even within the CES framework Ukraine is prepared to agree only to the creation of a free trade area. Given the parallelism in the activity of the EurAsEC and the CES, it is quite probable that in case of the signing of a customs union agreement these two organizations will be integrated into some kind of new structure.

Apart from the CIS, EurAsEC and CES, another agreement operating in the post-Soviet space is the 1999 Treaty Establishing the Union State of Russia and Belarus.

During a summit in Shanghai (PRC) on 15 June, 2001, the leaders of Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan set up the **Shanghai Cooperation Organization (SCO)**. At the second SCO summit in St. Petersburg (Russia) in June 2002, its members signed an agreement on a Regional Anti-Terrorist Structure (RATS), which is a standing body of the SCO and is designed to coordinate the interaction of the parties' law-enforcement agencies and special services in the fight against terrorism. The SCO Charter provides for the admission of new members to the organization and for the granting of observer or dialog partner status to interested states and international organizations.

The leading role in the SCO is played by the PRC, which, in effect, is the main "locomotive" of this organization. China aims to gear the SCO to the solution of problems of its economic cooperation with the Central Asian countries, and this is actually taking place. But one should bear in mind that throughout its long history China has pursued its foreign policy through bilateral agreements and contacts: multilateral political activity is contrary to the spirit and traditions of Chinese diplomacy and politics. It is no accident that the PRC has concluded parallel bilateral agreements on partnership and cooperation with all the SCO countries.

Proto-integration groupings of a political nature constitute a special group. One organization of this kind is **GUAM** (in some periods, it included Uzbekistan and its acronym was GUUAM). Its establishment was encouraged by the U.S. and Western Europe. In late 2005, Georgia and Ukraine initiated the creation of an organization known as the **Community of Democratic Choice (CDC)** in the Baltic-Black Sea-Caspian region. The first CDC forum took place in August 2005 with the participation of Azerbaijan, Georgia, Ukraine, Moldova, Lithuania, Latvia, Estonia, Poland, Macedonia, Slovakia, the U.S., European Union and OSCE.

Neither GUAM nor the CDC have a serious economic basis. As regards the post-Soviet space, there are two pairs of countries: Georgia and Azerbaijan, on the one hand, and Ukraine and Moldova, on the other, engaged in fairly active trade with each other simply because of their geographical proximity. In fact, GUAM and the CDC are more of interest to the U.S., which seeks to create a strategic corridor for the export of Caspian hydrocarbons through Azerbaijan, Georgia and Turkey.

In 1992, five Central Asian states and Azerbaijan became members of the regional **Economic Cooperation Organization** (ECO) together with Turkey, Iran, Pakistan and Afghanistan. As in the case of CAEC and CACO (see below), ECO mostly remains a “rhetoric society” and its members have not taken any serious steps to promote mutual trade, especially as in the early 1990s the post-Soviet countries still pinned great hopes on economic assistance from Turkey, whereas today these hopes have been disappointed.

Let us recall the fate of other post-Soviet regional economic organizations that have now ceased to exist. In 1994, Kazakhstan, Kyrgyzstan and Uzbekistan set up the Central Asian Economic Cooperation Organization (CAEC). In 1998, they were joined by Tajikistan, and in 2002, by Russia. Subsequently, CAEC was transformed into the Central Asian Cooperation Organization (CACO). Its member states established an interstate council at presidential level, a prime ministers’ council and a foreign ministers’ council, and also a Central Asian cooperation and development bank, but the activities of CAEC and CACO did not yield any positive practical results. In 2005, the latter disbanded and joined the ranks of the EurAsEC.

At the official level it is often argued that the diversity of regional organizations in the post-Soviet space reflects the mosaic pattern of the given region and that integration between its states develops at different levels and at a different pace depending on the specifics and readiness of each of them. In actual fact, all integration groupings in the post-Soviet space yield a low (in most cases, zero) practical return. The situation with post-Soviet integration resembles the integration initiatives of developing countries in the Near and Middle East and in Africa, where tens of organizations designed to promote integration have operated for decades with zero results. Serious experts have good reason to take a highly skeptical view of the activities of regional economic cooperation organizations in the post-Soviet space and believe that these organizations have no future.²

But how then can one explain the persistent attempts by the post-Soviet states to create diverse alliances and proto-integration groupings? In the event, real economic interaction processes have been developing in the post-Soviet space for the most part independently of (or even despite) the activities of official institutions, and it is a mistake to analyze the situation through the prism of the organizational and diplomatic activities of the bureaucracies. A sound basis for such an analysis can only be provided by an investigation of objective trends reflected in the movement of trade flows and factors of production.

Objective Prerequisites for Economic Interaction

Under close examination it turns out, first, that all the post-Soviet countries are characterized by extremely difficult conditions for market-based development. Eurasia has no common border with the developed economic centers of Europe or Asia: Western Europe and Japan (see Table 2). Along its perimeter, Eurasia is “hemmed in” by countries with a low or, at best, medium development level. The distance between the post-Soviet countries and the economically developed states (just as between some post-Soviet countries) is several thousand kilometers, which significantly increases transportation costs in foreign trade. Second, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are landlocked states without an outlet to the sea and, consequently, to global trade routes. This means a further increase in foreign trade costs for these countries. And third, many post-Soviet states have difficult topographies (with mountains, deserts and

² See: Yu.V. Shishkov, *Integratsionnye protsessy na poroge XXI veka. Pochemu ne integriruiutsia strany SNG*, Moscow, 2001, Chapter 7.

semi-deserts occupying a significant part of their territory), which additionally increases the costs of economic exchanges.

That is why it is not surprising that the summary index of geographic conditions for the development of the CIS countries lies in the range of values extremely unfavorable to economic growth (see Table 2). And difficult geographic and economic characteristics, for their part, prevent the development of economic cooperation between these states.

Objectively speaking, the purely economic characteristics of the post-Soviet countries do not favor integration either. First, all of them belong to the group of economies with low or medium per

Table 2

Index of Geographic Conditions for the Development of the CIS Countries

	Summary index*	Territorial contiguity with Western Europe	Distance between the country's largest city and major West European centers, km	Proportion of population living within 100 km of the sea, %	Proportion of population living 500 m above sea level, %
Ukraine	3	0	1,200	24	4
Belarus	3	0	950	0	0
Turkmenistan	2	0	3,800	0	11
Russia	2	0	1,650	11	11
Moldova	2	0	1,260	12	0
Kazakhstan	1	0	4,800	0	31
Georgia	0	0	2,600	26	80
Azerbaijan	0	0	3,090	0	53
Uzbekistan	0	0	4,300	0	44
Tajikistan	0	0	4,450	0	88
Armenia	0	0	2,865	0	100
Kyrgyzstan	0	0	4,570	0	100

* Total score for four characteristics. The higher the score, the more conducive are the country's physiographic characteristics to economic development. Each characteristic is measured on a scale from 0 to 2 points as follows:

- *Distance between the country's largest city and major West European centers:* less than or equal to 600 km—2 points, from 600 to 1,200 km—1 point, and over 1,200 km—0 points;
- *Proportion of population living within 100 km of the sea:* 80% or over—2 points, 50-80%—1 point, and under 50%—0 points;
- *Proportion of population living 500 m above sea level:* under 20%—2 points, from 20% to 50%—1 point, and over 50%—0 points.

S o u r c e: J. Sachs, *Geography and Economic Transition*, 21 November, 1997 (mimeo).

capita income. At the official exchange rate, per capita GDP in the most developed post-Soviet economies in 2005 was within the limits of \$3,705 (Kazakhstan) to \$5,365 (Russia). In Tajikistan, Kyrgyzstan and Uzbekistan, per capita GDP was under \$500 (see Table 3).³ As a rule, integration between states with low development levels tends to be weak.

Second, very wide gaps in development levels are an additional obstacle to closer economic interaction. The variation coefficient for per capita GDP in 2005 was 79% (in 1995, 87%), and the difference between the highest (Russia) and the lowest (Tajikistan) per capita GDP in 2005 was 16.3 times (in 1995, 20.7 times).

It should be noted that the gaps between countries have remained very wide and have even increased. This impedes economic cooperation both on the level of the entire post-Soviet space and in its various subregions. Clearly, the growing divergence of socioeconomic development levels hinders economic interaction. In light of these circumstances, the self-dissolution of CACO is hardly accidental.

Third, world experience shows that the real driving force behind cross-border integration is the manufacturing industry. In all the post-Soviet economies, manufacturing (with the exception of metallurgy) is in a slump. The share of engineering in GDP is small and continues to shrink. In effect, these countries (except Russia) do not export any machinery or equipment. Consequently, the very

Table 3

**Development Level and Factor Endowment
in the CIS Countries**

	GDP per capita, U.S. dollars		Share of manufacturing in GDP, %, 2003	Factor endowment	
	2005	1995		capital	labor
Armenia	1,655	340	22	shortage	surplus
Azerbaijan	1,545	320	23	shortage	surplus
Belarus	3,025	1,024	23	command economy	
Georgia	1,465	352	19	shortage	surplus
Kazakhstan	3,705	1,050	16	surplus	shortage
Kyrgyzstan	475	320	8	shortage	surplus
Moldova	795	330	18	shortage	surplus
Russia	5,365	2,275	...	surplus	shortage
Tajikistan	330	110	...	shortage	surplus
Turkmenistan	2,160	1,505	...	command economy	
Ukraine	1,735	720	25	shortage	surplus
Uzbekistan	490	395	9	shortage	surplus

³ All computations for this article are based on official national statistics of the post-Soviet states and on the databases of international financial and economic organizations.

structure of the economy does not create any demand for closer economic interaction between the post-Soviet states.

And fourth, most post-Soviet countries are equally endowed with the main factors of production. This means that there is no structural complementarity between the post-Soviet economies not only at the level of economic structure, but also at the level of production factors, and in its absence any integration initiatives are doomed to failure.

Only two economies—Kazakhstan and Russia—somewhat stand out against this background. In these countries, spare capital resources have appeared in the past two or three years due to an increase in oil revenues. In view of depopulation, Russia is also in need of a constant inflow of labor from abroad. The special role of Kazakhstan and Russia in the market integration process is considered in greater detail below.

Dynamics of Mutual Trade

Current economic interaction in the post-Soviet space is almost entirely confined to trade. All countries have similar economic characteristics: labor surplus, capital shortage (except Russia and Kazakhstan) and low technological level of production (except, to a certain extent, Russia). On this basis, it is logical to assume that exports and imports of goods and services will remain the basic form of cooperation in the post-Soviet space for at least another decade. Hence the question: how important is mutual trade for the post-Soviet economies?

The generally accepted indicator of the significance of regional trade flows is the share of intra-regional exports (less frequently imports) in the given region's total export (and import) flows. Table 4 (on p. 104) shows the movement of this indicator in 1996-2004.

The data presented in Table 4 suggest the following conclusions:

- **Caucasus-3.** Mutual trade within this group of countries has little significance. In 2004, regional exports amounted to only 6% of the total exports of these three countries. Regional imports play an even smaller role. These patterns have in large part been inherited from Soviet times. In the final days of the U.S.S.R., the share of regional exports in the Caucasus-3 group was only 4.5%, and that of imports, 3.3%. This situation is not surprising: the three Caucasian countries have an extremely low degree of economic complementarity and, consequently, very limited possibilities for increasing their economic cooperation.

Unfortunately, regional economic cooperation between the Caucasian countries is additionally complicated by the far from simple geopolitical and regional political processes effectively blocking regional trade. The main political obstacles to an expansion and deepening of economic and trade relations in the Caucasus are as follows: the military conflict between Armenia and Azerbaijan; competition between external centers of power for the routes of transportation of energy resources from the Caspian region; the "historical trauma" of Armenian-Turkish relations; and the U.S. policy of isolating Iran.

- **Central Asia-5.** These five countries have no objective prerequisites for more intensive cooperation either. As Kazakhstan and Turkmenistan increase their exports of oil and gas, and Tajikistan, its exports of aluminum and raw cotton, the share of regional exports in the total exports of these five Central Asian countries will continue to decline. In view of its geography, Kyrgyzstan is more interested than the others in the closest possible cooperation in the region, if only because its goods can reach the Russian market only through the territory of its neighbors. However, over the past few years Kyrgyzstan has been a channel for the supply of Chinese goods to the markets of Central Asia and Russia under the guise of Kyrgyz products.

Table 4

Share of Intra-Regional Trade in Total Exports and Imports, %

	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>Exports</i>									
Caucasus-3	12.8	15.0	4.1	8.4	5.3	4.65	4.6	4.7	6.0
CA-5	8.6	8.2	6.6	7.1	5.4	5.0	...
GUAM-4	4.5	4.3	3.3	2.7	2.4	2.5	3.1	3.6	3.5
CIS-12	32.2	31.5	26.3	21.0	20.1	21.1	19.7	20.2	20.6
<i>Imports</i>									
Caucasus-3	6.9	8.1	5.0	3.7	3.6	3.6	4.3	2.9	3.7
CA-5	10.1	9.9	...	6.6	...	7.6	...
GUAM-4	2.0	3.2	2.7	1.9	1.9	2.2	2.5	2.6	2.8
CIS-12	35.8	36.2	37.5	39.0	45.4	40.1	36.8	37.0	38.2
For comparison									
<i>Exports</i>									
ASEAN	25.4		21.9	22.4	23.9	23.2	23.7	23.0	
MERCOSUR	20.3		25.0	20.6	20.0	17.1	11.5	11.9	
GCC	6.8		8.0	6.7	4.9	5.3	5.8	4.9	
NAFTA	46.2		51.7	54.6	55.7	55.5	56.7	56.1	
Caucasus-3:	Azerbaijan, Armenia, Georgia;								
CA-5:	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan;								
GUAM-4:	Georgia, Ukraine, Azerbaijan, Moldova;								
CIS-12:	twelve CIS member countries;								
ASEAN	(Association of South East Asian Nations);								
MERCOSUR	(Southern Cone Common Market): Argentina, Brazil, Paraguay, Uruguay;								
GCC	(Gulf Cooperation Council): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates;								
NAFTA	(North American Free Trade Agreement): Canada, Mexico, the U.S.								

- **GUAM-4.** This is the most artificial grouping of those presented in Table 4. In fact, the four countries have nothing to trade with each other. In view of their geographical proximity, substantial mutual trade is maintained between Ukraine and Moldova, but Moldova has no real significance as a trading partner either for Azerbaijan or for Georgia.
- **CIS-12.** After the collapse of economic ties in the 1990s, in recent years mutual trade between the post-Soviet states has stabilized. The share of regional exports has “frozen” at the level of 20-21%, which is roughly equal to the figure for the ASEAN grouping. This shows that economically speaking the CIS is the most viable trading bloc.

Since the CIS consists of economies that are very different in scale, more substantive conclusions on the significance of mutual trade for the post-Soviet economies require a more detailed approach.

The computations presented in Table 5 show that for the Caucasus-3, Central Asia-5 and GUAM-4 groupings, exports to CIS markets make up from one-fifth to one-quarter of total regional exports.

If we view the situation from the angle of individual countries, we will find that exports to the CIS are critically important to Belarus, Georgia, Moldova and, to a lesser extent, Turkmenistan. Post-

Table 5

**Share of CIS Member Countries
in Total Exports and Imports, %**

	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>Exports</i>									
Caucasus-3	48.8	48.8	41.1	26.7	18.5	15.3	16.6	18.4	21.4
CA-5	46.4	42.7	34.2	33.6	33.6	35.5	29.0	27.5	25.3
GUAM-4	52.2	41.6	35.3	28.9	30.1	27.7	24.3	26.1	26.4
CIS-12	32.2	31.5	26.3	21.0	20.1	21.1	19.7	20.2	20.6
<i>Imports</i>									
Caucasus-3	35.0	40.0	33.4	29.8	28.7	30.5	36.6	29.8	32.0
CA-5	48.6	45.5	42.4	38.6	49.3	47.0	45.5	47.2	46.2
GUAM-4	60.7	55.8	51.1	53.5	53.7	52.5	50.5	47.3	49.4
CIS-12	35.8	36.2	37.5	39.0	45.4	40.1	36.8	37.0	38.2
<i>Exports</i>									
Armenia	44	41	37	24	24	26	19	19	17
Azerbaijan	46	48	38	23	13	10	11	13	17
Belarus	67	74	73	61	60	60	55	55	53
Georgia	65	58	56	45	39	45	49	49	51
Kazakhstan	56	45	39	26	26	30	23	23	20
Kyrgyzstan	78	53	45	40	42	36	34	35	38
Moldova	68	70	68	40	59	61	55	54	51
Russia	18	19	19	15	13	15	15	15	16
Tajikistan	43	37	34	46	49	33	26	24	17
Turkmenistan	68	64	60	26	45	...	51	45	43
Ukraine	51	39	33	28	31	29	24	26	26
Uzbekistan	39	34	26	30	36	27	28	26	31

Soviet markets are also very important to exporters from Kyrgyzstan and Uzbekistan, whereas Armenia, Azerbaijan, Tajikistan and Russia are least dependent in economic terms on the post-Soviet space.

Russia remains the leading center of economic attraction in the CIS. However, as all the post-Soviet economies (including the Russian economy) are reoriented toward other markets, Russia's role as the "center of gravity" for CIS trade tends to weaken. At present, exports to the Russian market are of critical importance to Belarus (47% of national exports in 2004), so that its Treaty on a Union State with Russia makes economic sense. Over a third (36%) of Moldova's exports also go to the Russian market. This shows that economic relations with Russia should have greater priority for Moldova, whereas its participation in the GUAM bloc does not make economic sense. Export and import flows between Moldova, Azerbaijan and Georgia are either nonexistent or are close to zero.

For Azerbaijan, Tajikistan and Turkmenistan, exports to Russia are of little importance. At the same time, over the next few years Russia is planning to buy increasing amounts of Turkmen gas, which can bring the Turkmenistan economy back into the Russian trade "fold."

Given that the structure of the Russian economy is increasingly assuming a natural resource character, it is obvious that opportunities for post-Soviet cooperation in the manufacturing industry are unlikely to increase. Azerbaijan and Kazakhstan, which are natural resource economies as well, will increasingly look toward markets outside the CIS.

Private Sector Interaction

Whereas at the level of nation states CIS integration remains an ideological and bureaucratic project with little chance of practical implementation, at the level of cooperation between private sector corporations and firms in the post-Soviet space there has been significant progress in the past two or three years. This is due to the fact that in a number of post-Soviet transition countries the private sector has reached a fairly high degree of maturity and, most important of all, has accumulated relatively large financial resources. Of course, this applies almost exclusively to the oil states: Kazakhstan and Russia. Large Russian private companies (in some cases, companies with mixed, state and private forms of ownership) are actively tapping foreign markets. Naturally, in the former U.S.S.R.—by virtue of the common historical past, continued use of the Russian language as a lingua franca (which is particularly true of business activity in the private sector: even in Azerbaijan, Armenia and Tajikistan, which have switched to their own language to a greater extent than other states, the positions of the Russian language in the business community are quite strong), close mentalities and similar business culture—the expansion of Russian and Kazakh capital is most perceptible.

Special note should be taken of three main lines of interaction between private and mixed (state-private) sector entities in the post-Soviet space.

1. An expansion of post-Soviet cooperation on the part of Russian and, to a lesser extent, Kazakh oil and gas corporations. Evidently, this is the most promising avenue. In both Russia and Kazakhstan, large oil and gas corporations have already accomplished the tasks of gaining control of the domestic markets and have launched out into foreign markets. It is no accident that Russia's Gazprom and LUKoil have recently intensified their efforts to acquire assets and develop cooperation with Uzbekistan, Kazakhstan and Turkmenistan. Kazakhstan is also trying to build up its oil and gas business in the FSU republics. In this context, one should note Kazakhstan's desire to purchase the Tbilgazi gas distribution system put up for privatization in Georgia, and also the Mazeikiu Nafta oil refinery in Lithuania.
2. An expansion of banking capital. Commercial banks in Kazakhstan and Russia have consolidated sizeable financial resources, which cannot find effective use at home. Being in posses-

sion of significant resources, Russian and Kazakh commercial banks seek to diversify their risks by entering the markets of other FSU republics. Thus, Russian banks have in effect bought up close to 70% of Armenia's bank assets. They are also fairly active in Kyrgyzstan, Kazakhstan and, to a lesser extent, in Ukraine. Kazakh banks, which have virtually no investment targets in the national economy, are active in Kyrgyzstan (a significant part of its banking sector is controlled, directly or indirectly, by Kazakh capital), Russia, and recently in Ukraine and Georgia.

3. An incipient trend toward mergers and acquisitions in telecommunications. The telecom sector (mainly mobile communications) in the post-Soviet space is developing very rapidly. No wonder that Russian mobile companies (incidentally, significant equity stakes in these companies are held by Western investors) are actively acquiring smaller operators in Kazakhstan, Uzbekistan and Tajikistan.

The latest trends noted above have had little effect on the manufacturing sector: in view of its poor development, post-Soviet cooperation in this sector remains limited and insignificant. In most cases, it is a matter of maintaining the cooperation ties between manufacturing plants inherited from the U.S.S.R., and not between newly created enterprises. From this standpoint, economic interaction between the post-Soviet economies differs fundamentally from the experience of the ASEAN countries or other more or less successfully developing countries, where the driving force behind regional cooperation is interaction in the manufacturing sector. In the post-Soviet economies, the "locomotive of integration" is not the manufacturing industry, but natural resource, financial and trade capital.

Spontaneous Economic Interaction Under Globalization

Despite obvious trends in the post-Soviet space toward economic stabilization and an increase in the transparency of economic flows, this space is still to a certain extent in a state of chaos. A significant share of commodity flows is not recorded by official customs statistics, and there is continued intensive redistribution of factors of production between the FSU countries. Two processes are particularly pronounced: labor migration and unrecorded mutual trade.

Unrecorded trade. Through "holes" in the customs borders along the perimeter of the CIS countries, illegal imports (i.e., imports not reflected in official statistics) find their way into the post-Soviet space on a significant scale. One of the largest customs holes of this kind is Kyrgyzstan. Given its poorly controlled border with China coupled with its WTO membership, Kyrgyzstan has turned into a powerful channel for the penetration of Chinese goods into post-Soviet markets. It is clear that Chinese goods crossing the Chinese-Kyrgyz border are not intended for the microscopic Kyrgyz market, but are in transit to the Central Asian markets (mainly Kazakhstan) and to Russia. Paradoxically, Kyrgyzstan's membership in post-Soviet integration groupings benefits not so much Kyrgyz exporters as Chinese goods. Since economic growth in Kazakhstan and Russia driven by growing oil revenues is unlikely to lose momentum in the medium term, the Chinese trade expansion into the Kazakh and Russian markets through Kyrgyzstan is bound to pick up speed.

Other major channels of unrecorded imports into the post-Soviet space include Belarus, the Kaliningrad Region (Russia), Russia's eastern regions bordering on the PRC, and recently (to an increasing extent) Kazakhstan. In 2004, China and Kazakhstan reached an agreement to build a 200 hectare free trade zone in the border area close to the Chinese city of Horgos. Clearly, the opportunities it provides will be used, in the first place, by Chinese producers to increase exports to

Kazakhstan and through Kazakhstan to Russia. Unrecorded imports also flow in through Black Sea ports and Transdnistria.

Labor migration. Russia and, to a lesser extent, Kazakhstan are the main “centers of attraction” for migrants from the FSU republics. It is also obvious that labor migrants come from such donor countries as Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan, Moldova and Ukraine. The past two or three years have brought a noticeable increase in labor migration from Uzbekistan, but since statistical information on that country is very scant, the existing estimates are probably seriously understated and do not reflect the real scale of labor migration from that country.

Table 6 presents rough estimates of the macroeconomic significance of migrant workers’ remittances for some labor-surplus countries of Central Asia and the Caucasus. Several points deserve special attention. First, migration involves sizeable contingents of the economically active population in countries with modest local economic opportunities and a labor surplus. In Kyrgyzstan and Tajikistan, labor migrants constitute up to a third of the economically active population, and in Azerbaijan and Georgia, up to two-fifths. Second, about 70-85% of all labor migrants are oriented toward Russia. Third, migrant remittances are a major macroeconomic factor for the labor-exporting countries. In Tajikistan and Kyrgyzstan, total migrant remittances, including official bank transfers, cash and goods, make up (at the very least) 10-15% of the gross domestic product, and in Georgia and Azerbaijan, 20%.

Table 6

Macroeconomic Role of Labor Migration for CAC Countries in 2003

	Migrant workers as % of official employment	Remittances from labor migrants as % of GDP
Kyrgyzstan	32	10-12
Tajikistan	35	13-15
Uzbekistan	9	3
Azerbaijan	up to 40	7-21 (up to 35)
Georgia	up to 40	23 (up to 32)

It is hardly possible to present a dynamic picture of labor migration over several years, but it is clear, first, that the so-called Tulip Revolution in Kyrgyzstan has spurred labor migration from that country. Second, the continued decline in the living standards of broad masses of the population in Uzbekistan increasingly induces the country’s relatively immobile labor to look for jobs abroad. In 2004-2005, the large contingents of Uzbek labor migrants in Kazakhstan and Russia increased still further. Third, the Tulip Revolution followed by institutional chaos, and also the spring and summer events of 2005 in Andijan (Uzbekistan) gave a new impetus to the migration of non-indigenous peoples (i.e., Russians, Ukrainians, Belorussians, etc.) from the Central Asian region. And fourth, oil-driven economic growth in Kazakhstan and Russia turns these two countries into an ever more attractive market for cheap low-skilled and medium-skilled labor from the “labor-surplus” countries of Central Asia and the Caucasus, especially since Kazakhstan borders on Uzbekistan and Kyrgyzstan.

In other words, powerful factors stimulating mass labor migration in the post-Soviet space continue to operate on the side of both demand and supply. Closer to 2010, Russia will enter an acute phase of depopulation and, consequently, the need for imported labor in the Russian economy will sharply increase.

In countries hosting labor migrants there is evidence of an urge to bring the spontaneous labor movements under control. With this aim in view the authorities are tightening migration and labor legislation and raising fines payable by employers for the use of illegal labor. Nevertheless, these

measures have a limited effect. Pervasive corruption and the huge scale of migration hinder the attempts to bring labor flows under control. All the more so since the divergence of the post-Soviet countries in terms of economic development and pay levels continues to grow, objectively spurring the movement of large masses of able-bodied people from poor to rapidly developing countries.

* * *

In summary, one can say that serious opportunities for a significant increase in mutual trade in the post-Soviet space are lacking, which is mostly due to the generally difficult conditions for development. Nevertheless, regional trade simply must become one of the instruments for ensuring sustainable economic growth. Even the most insignificant increase in foreign trade flows is of great importance for economic dynamics. Given the generally adverse conditions for development in the post-Soviet space, it is necessary to fight for every possible export niche, however insignificant it may seem.

Numerous bureaucratic groupings and associations in the post-Soviet space have a very weak impact on economic cooperation. The latter is developing under the decisive influence of market factors. Proto-integration trends in the post-Soviet space are based on the complementarity of the main factors of production. Until recently, the most noticeable phenomenon was the movement of migrant workers from labor-surplus to labor-shortage countries. Over the past few years, the activity of private capital from relatively capital-surplus Russia and Kazakhstan is gathering momentum in the post-Soviet space.



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ON THE INTERRELATIONSHIP BETWEEN POLITICAL AND ECONOMIC PROGRESS IN THE CENTRAL CAUCASUS

A b s t r a c t

The article analyzes the political and socioeconomic situation in the Central Caucasus. It reveals the common and particular features of the regional conflicts, the only universal principle for the settlement of which is not to permit a forceful

change in the interstate borders generally recognized and confirmed by international documents.

It looks, first, at the correlation between regional and interstate political stability and economic development and, second, at interstate dependence between

political democracy and economic progress. It shows that in the interrelationship between regional economic development, on the one hand, and settlement of political conflicts, on the other, it is the second that comes first and so should be viewed as the absolute priority.

When three independent states appeared in the Caucasus, a principally new, but extremely paradoxical situation arose there: the rest of the world recognized their borders, but the Caucasians themselves did not. Although they have extremely rich natural and good intellectual resources, they nevertheless belong to the poor countries of the world. After finally restoring their own states, the Caucasians began mass migration to other countries...

Where is the key to understanding and resolving these paradoxes?

Political Situation in the Region

Armenia and Azerbaijan are in a state of war. It started at the end of the 1980s and has since taken tens of thousands of lives. After ten years of cease-fire, the hostilities have recently flared up again: there are reports every week about Azerbaijan's positions being fired on, and people being killed, wounded, and taken prisoner. Azerbaijan describes this war as aggressive on Armenia's part, while Armenia sees it as a war "to liberate" Nagorno-Karabakh (NK). Armenia currently occupies 20% of Azerbaijan's territory, most of which is outside NK. There are approximately one million refugees and forced migrants in the country, 60% of whom are living below the poverty line. Judging by everything, Azerbaijan will never reconcile itself to occupation of its territory and is determined to build up its military potential.

Georgia's territorial integrity is also a problem. Abkhazia and South Ossetia continue to claim their independence, integrating in reality with Russia, but not with Georgia. Another hotbed of potential separatism smolders in Samtskhe-Javakhetia, a region densely populated by Armenians. Admittedly, the nature of these territorial problems differs dramatically from Nagorno-Karabakh. In contrast to the Abkhazians and Ossetians, the Armenians have already achieved their national self-identity and have their statehood, so theirs is nothing like a "national-liberation" struggle. However, Azerbaijani territory is occupied by another state that has still not cancelled the official decision on annexation of this land. In both cases, Russia's role is similar, boiling down to direct military-financial support of the aggressor and the separatists.

Armenia has turned into a monoethnic aggressor-state. The Azeris forcefully deported from Armenia at the end of the 1980s were the last large non-Armenian ethnic group. The occupation of NK and its adjoining territory is now acknowledged everywhere, and this trend will apparently grow in the next few years. Due to its aggressive behavior toward its neighbors, Armenia is not included in the large regional projects being implemented in the Central Caucasus. It is also obvious that the degree of Armenia's foreign political-economic dependence (primarily on Russia) is much higher than Azerbaijan's and Georgia's.

Georgia is trying to become the political center of the Central Caucasus. Georgia believes that it is the only country in a position to "talk to all the neighbors." Several hundreds of thousands of Azeris densely populate Georgia, while there are about twenty thousand Georgians in Azerbaijan. All the main political forces of these countries are actively steering a course toward intensifying mutual integration. Azerbaijan and Georgia are jointly participating in several large regional programs, including building oil and gas pipelines and implementing the TRACECA transportation

projects. They are the co-founders and members of GUAM and support integration into the Euro-Atlantic space. But it can be presumed that a more specific and active attitude toward each other's territorial problems will be needed to bring the two countries closer together. As for interrelations with Armenia, Georgia does not have any major problems. At least both countries are trying to retain the semblance of this, although territorial claims against Georgia are being heard all the more frequently and insistently.

Economic Situation in the Region

General comparisons. All three Central Caucasian states are relatively poor. The most recent rating of the World Bank (July 2006) ranks them in the group of countries with "relatively low gross national income (GNI) per capita."¹ And they have still been unable to compensate for the economic losses inflicted by the collapse of the Soviet Union. In 2003, Azerbaijan's GDP amounted to 79.6% of the 1990 level, Armenia's to 96%, and Georgia's to 46%.² Azerbaijan leads in the region in terms of such economic indicators as GDP, state budget, investments in basic capital and foreign direct investments, and foreign trade volume. In 2005, it occupied first place in the world in terms of GDP increase with a growth rate of 26.4%. The economic growth rates in Georgia and Armenia are also quite high (see Table 1).

The indicators of prosperity leave much to be desired. The percentage of the population living below the poverty line is quite high. Until 2005, the poverty level was higher in all three states than the same indicator for countries with an approximately identical per capita GDP taking into account purchasing power parity. Since 2005, Azerbaijan has been on the trend line (see Fig. 1 on p. 114).

However, several factors which distort the poverty indicators should be kept in mind. First, each country applies its own poverty criteria, which differ from the ones used by the others. In order to

Table 1

Some Key Socioeconomic Indicators of
the Central Caucasian Countries

Indices \ Countries	Azerbaijan	Georgia	Armenia
Territory (<i>thou. km²</i>)*	86.6	69.7	29.8
Population (<i>thou., 2004</i>)*	8,279.5	4,521.0	3,049.7
Change in population size (%)*			
2001	0.77	- 0.72	- 0.82
2002	0.75	- 0.9	- 0.61
2003	0.74	- 0.99	- 0.4
2004	0.56	- 1.01	- 0.2
GDP (<i>million USD, 2004</i>)*	8,523.1	5,091.2	3,549.4

¹ See: [http://siteresources.worldbank.org/DATASTATISTICS/Resources/CLASS.XLS]. The countries of the world are divided into four groups: low gross national income (GNI), \$875 or less, lower middle income, \$876-3,465, upper middle income, \$3,466-10,725, and high income, \$10,726 or more.

² See: *Statisticheskie pokazateli Azerbaidzhana—2005*, Baku, 2005, p. 805.

Table 1 (continued)

Indices	Countries		
	Azerbaijan	Georgia	Armenia
GDP (billion USD, PPP, 2005, estimate)**	36.53	16.13	15.27
GDP per capita (USD, 2004)***	1,029.4	1,126.1	1,163.9
GDP per capita (USD, PPP, 2005, preliminary data)**	4,600	3,400	5,100
Annual increase in GDP (%)			
2002*	10.55	5.48	13.19
2003*	11.2	11.2	13.91
2004*	11.2	8.51	10.1
2005****	26.4	7.7	13.9
State budget for 2006 (million USD)*****			
–revenues	3,743.2	1,704.4	848.8
–spending	3,949.8	1,825.0	1,004.2
–deficit	206.6	120.6	154.5
Investments (% of GDP, all sources, 2004)*	53.18	24.35 (2003)	24.18
Foreign direct investments (million USD, 2000-2003)***	5,033.9	46.2	405.7
FDI per capita (USD, 2000-2003)***	613.47	161.55	131.78
Foreign trade (million USD, 2005, preliminary data)**			
–export	6,117	1,400	800
–import	4,656	2,500	1,500
Ratio of export to GDP (%, 2004)*	43.97	31.78 (2003)	34.66
Foreign debt (million USD)**	2,253 (2005, preliminary)	1,900 (2003)	1,868 (31.12.2004)
Ratio of foreign debt to export	0.368	1.357	2.235

Table 1 (continued)

Indices	Countries	Azerbaijan	Georgia	Armenia
Average monthly nominal wages (USD, 2004)*****		98.3	81.7	78.8
<p>* See: <i>The World Development Indicators—2005</i>, available at [http://devdata.worldbank.org/wdi2005].</p> <p>** See: <i>CIA—The World Factbook—2005</i>, available at [http://www.cia.gov/cia/publications/factbook/index.html].</p> <p>*** Calculated according to: <i>The World Development Indicators—2005</i>, available at [http://devdata.worldbank.org/wdi2005].</p> <p>**** Data of the CIS Interstate Statistics Committee, available at [http://www.cisstat.com/rus/index.htm].</p> <p>***** Indicators for Azerbaijan: Official site of the Azerbaijan Parliament, available at [http://www.meclis.gov.az/qanunlar/index.htm]; for Georgia: Internet newspaper Day.az, available at [www.day.az/news/georgia/37749.html]; for Armenia: IA REGNUM, available at [www.regnum.ru/news/550625.html].</p> <p>***** Data in national currencies—according to the official sites of the Azerbaijani, Georgian, and Armenian Central Banks, available at [www.nba.az], [www.nbg.gov.ge], [www.cba.am]. Currency exchange rates: according to CIA: <i>The World Factbook—2005</i>, available at [http://www.cia.gov/cia/publications/factbook/index.html].</p>				

unify the criteria, international financial institutions use indicators of the size and percentage of the population living on an income of less than one and two dollars. But, in our opinion, these indicators make it possible to best characterize the prosperity level only in the poorest countries of the world. Second, in an effort to obtain additional political or economic dividends (for example, more foreign financial aid), many countries often try to artificially raise their own poverty data, making it look worse than it is. And finally, the third factor distorting the picture is the informal economy, which if taken into account would make both per capita GDP and incomes in particular higher than the official statistics show.³ It should also be kept in mind that in states where natural resource (particularly oil) production and export predominate, the increase in GDP is higher than the increase in incomes. This factor, which is important for Azerbaijan, is having a negative impact on reducing poverty as per capita GDP rises.

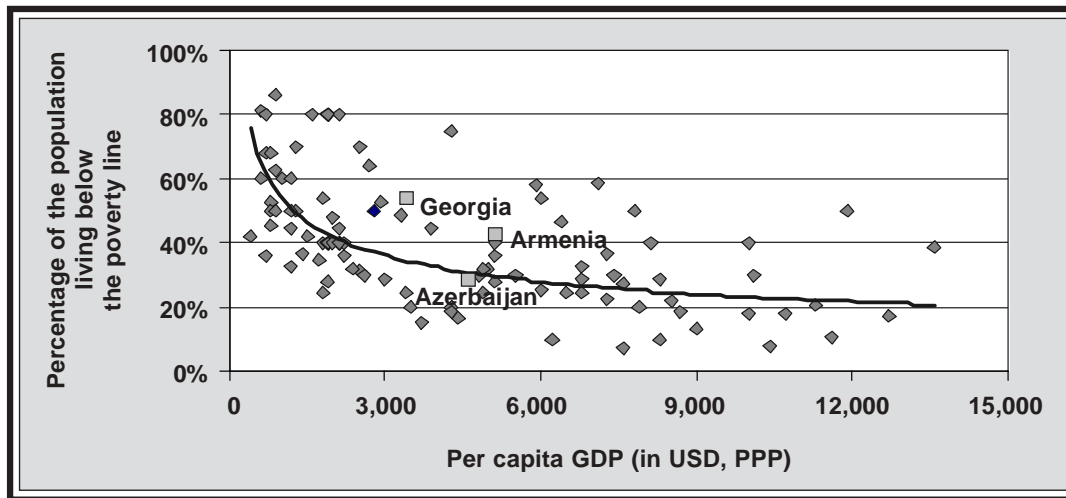
Unemployment remains high. Unfortunately, the statistics in this area are imprecise and mainly reflect the registered unemployed, who register largely to obtain benefits. In 2000-2002, the lowest unemployment level was registered in Azerbaijan at 1.3% of the able-bodied population. In Armenia, it amounted to 9.4% and in Georgia to 12.3%.⁴ But the real level of unemployment is much higher, approximately identical in all three countries and, according to our calculations, fluctuates between 20% and 25%.⁵ In Georgia, it is possibly a little higher than the average Caucasian index.

³ There is no generally accepted methodology for calculating the percentage of the informal economy. The most reliable are Schneider's calculations, which the World Bank usually refers to. According to them, in 2000, the informal economy in Georgia amounted to 67.7% of the gross national product, to 60.6% in Azerbaijan, and to 46.3% in Armenia (see: F. Schneider, *Size and Measurement of the Informal Economy in 110 Countries around the World*, July 2002, p. 13, available at [http://rru.worldbank.org/Documents/PapersLinks/informal_economy.pdf]).

⁴ See: *World Development Indicators—2005*, Table 2.4, Unemployment, available at [<http://devdata.worldbank.org/wdi2005/Section2.htm>].

⁵ According to official statistics, in Azerbaijan the employed population amounts to 76% of the labor resources (calculated according to: *Statistical Indicators for Azerbaijan—2005*).

Figure 1

Correlation between Per Capita GDP and the Poverty Level⁶

The thing is that in Azerbaijan, oil and gas production, as well as the transportation of hydrocarbons are not labor-intensive sectors: at present, despite its enormous share in the structure of the economy, a little more than 1% of the able-bodied population is employed in the oil industry. One of the targeted precepts of the very ambitious Development Program for Azerbaijan's Regions in 2004-2008⁷ is to create 600,000 new jobs in the non-petroleum sector.

Social polarization (inequality) is rather profound and continues to intensify. The indicators offered by international organizations do not always provide a correct reflection of its level, since they are calculated on the basis of local official statistics. For example, according to *The World Factbook*, the poorest 10% of households in Azerbaijan account for 2.8% of all the incomes (or consumption), and the richest 10% account for 27.8% (1995), while the *Gini coefficient* is equal to 36.5% (2001). In Georgia, this coefficient is equal to 36.9% (2001), and in Armenia to 37.9% (1998).⁸ In this way, the differentiation coefficients are very close to the European (throughout the European Union, it is equal to 32%, in Great Britain to 36.8%, in Portugal to 38.5%, and in Greece to 35.1%)⁹ and could very well be considered normal.

But in the Caucasus, the prosperity statistics distort reality. The rich mainly accrue wealth from illegal sources, primarily by corruption, which naturally the official figures do not reflect. It is also true that a significant percentage of the income of the poorly off strata of the population is not included in the statistics either, since it is provided by the informal economy. But the percentage of unofficial income of the rich is several-fold higher. So actual polarization is more profound than the official figures show.

The political result of the current economic situation is somewhat paradoxical. Theoretically, given the low material prosperity, high unemployment, and rather profound social polarization, the leftist-centrist political orientation should predominate, but in all the Central Caucasian states,

⁶ Compiled according to: CIA—*The World Factbook*—2005, available at [<http://www.odci.gov/cia/publications/factbook>]. We are talking only about those countries where the per capita GDP according to PPP does not exceed \$15,000. The data on the poverty level in Azerbaijan relate to 2005.

⁷ Endorsed by Presidential Decree of 11 February, 2004, available at [http://www.president.az/s22_decrees/_decrees_r.html]

⁸ See: CIA—*The World Factbook*—2005, available at [<http://www.cia.gov/cia/publications/factbook>].

⁹ See: Ibidem.

rightist-centrism is currently the prevailing political philosophy. In Azerbaijan, for example, politicians who are leftist by definition (let's say communists or social democrats) come forward with slogans characteristic of the rightists. Demands such as privatization of state property or tax reduction are universal. Disruption in the Central Caucasus of the normal correlation between the level of the economy and the political agenda is most likely related to the historical past of the region's countries: they came from the bowels of the most leftist economy in the world, and even the leftist politicians would like to move the economy of their countries further to the right (although not as far as the rightists), which of course requires specific economic reforms.

Economic reforms. Noticeable progress has been achieved here. The best criterion of the ultimate success of the reforms should of course be economic growth rates. But for several reasons (primarily "distortion of the picture" by the high percentage of oil and gas production in Azerbaijan), direct indicators of economic freedom are more precise in the Caucasus at present. The analysis conducted every year by the Heritage Foundation in cooperation with *The Wall Street Journal* is considered the most acceptable for making international comparisons in this area (see Table 2).¹⁰

Of course, these indicators are also provisional to a certain extent. Sometimes it even happens that two positive changes together produce a negative result. For example, the authors of the *Index of Economic Freedom* calculate the tax burden on the basis of the ratio of state spending to the GDP. In Azerbaijan, tax rates in the period under review dropped, which should have led to a reduction in the tax burden. But tax collection improved at the same time, which cancelled the benefits from the drop in tax rates and led to an increase in the percentage of state spending in the GDP and, correspondingly, to a drop in the end coefficient. This technically means that businessmen now pay more taxes, al-

Table 2

The Level of Economic Freedom

Indicators	Countries		
	Azerbaijan	Georgia	Armenia
Trade	3.0	3.5	2.0
Tax burden	3.6	2.3	2.1
State interference in the economy	3.0	1.5	2.0
Monetary policy	2.0	2.0	2.0
Foreign investments	4.0	3.0	1.0
Banks and finances	4.0	2.0	1.0
Incomes and prices	3.0	3.0	2.0
Property rights	4.0	4.0	3.0
Economic regulation	4.0	4.0	4.0
Informal economy	4.5	4.5	3.5
Total score	3.51	2.98	2.26
Rank among 157 countries	123	69	27

¹⁰ Compiled according to: *Index of Economic Freedom—2006*, calculated by *The Heritage Foundation* and *The Wall Street Journal*, available at [<http://www.heritage.org/research/features/index/indexoffreedom.cfm>].

though in actual fact the total sum of official taxes and “informal payments” (bribes) most likely decreased. So these indicators should be respected, but also taken with a grain of salt.

Nevertheless, the data presented confirm the fact that the Central Caucasian states must resolve several urgent problems, the most important of which are shrinking the size of the impermissibly “inflated” informal economy and ensuring the real guarantee of property rights.

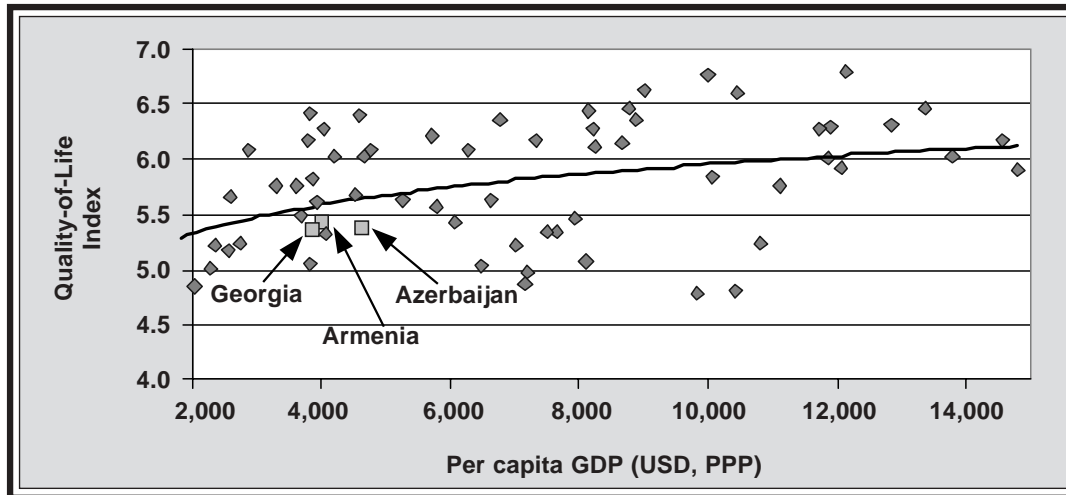
In this way, from the historical perspective, the Central Caucasian states’ independence, as well as the important political and economic reforms they have carried out are indisputable achievements. Nevertheless, the Central Caucasus could make more efficient use of this historical opportunity. The main obstacles are expansionism and separatism. Regional conflicts are having a negative effect on the political and economic development of the Central Caucasian countries.

Political Stability and Economic Progress

The theoretical interdependence between these two concepts is obvious: they are reciprocal. The most authoritative source for measuring the correlation between them is the data published in *The Economist Intelligence Unit*. But it does not present a complete enough list of countries for which an assessment of the political stability risk is given; this list does not include Georgia and Armenia. Only those states are included on the rating list in which large investors are seriously interested.¹¹ The rating of countries in terms of quality of life is more complete. According to the methodology applied here, political freedom and security are the most significant (26.2%) components of the quality of life. Therefore, the correlation between per capita GDP and quality of life, although indirect, still reflects the interdependence between political stability and economic progress (Fig. 2).

Figure 2

Correlation between Per Capita GDP and Quality of Life¹²



¹¹ See: *Risk Briefing*, available at [<http://viewswire.com>].

¹² Compiled according to: *The EIU—Worldwide Quality-of-Life Index, 2005*, available at [http://www.economist.com/media/pdf/QUALITY_OF_LIFE.pdf]. Countries are considered where the per capita GDP according to PPP is between \$2,000 and \$15,000.

In this figure, the quality-of-life indices are scattered quite far from the trend line, whereby this is true of both poor and relatively rich countries. This shows, among other things, that material prosperity in society's perception does not play as high a role as might be expected. Although perhaps it would be expedient to differentiate the percentage of factors depending on the level of per capita GDP and, as it increases, raise the percentage of material factors by decreasing the value of factors such as gender equality or social activity. From the analytical viewpoint, it might be productive to carry out a parallel compilation of ratings for groups of countries in which per capita GDP fluctuates within well-known limits.

Political instability is hindering economic progress for several reasons, the most important of which are as follows:

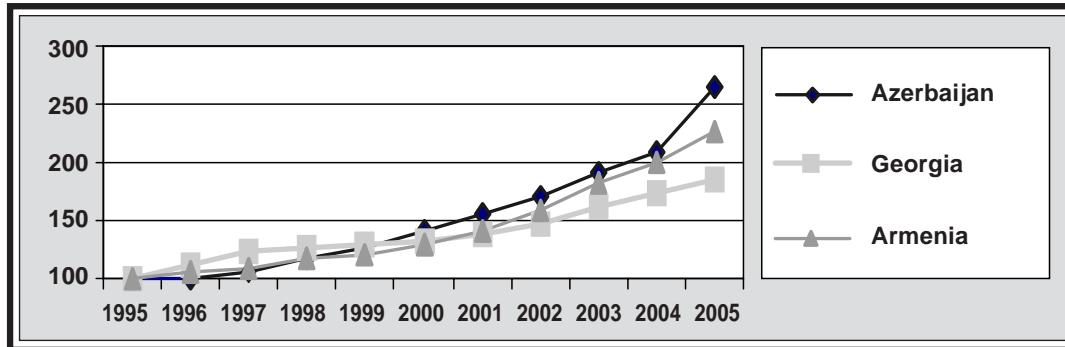
- the government cannot make the correct economic decisions, particularly if they threaten to be politically unpopular;
- domestic and, especially, foreign investments are dramatically slowing down, particularly in branches where the payback period is long (even oil investments were not made in Azerbaijan until the second half of the 1990s, although they are usually less subject to political risk than investments in other branches). A so-called *vicious circle of political instability* arises when the threat of political change and violation of property rights limit investments, which entails a drop in economic growth rates and an increase in poverty and social tension, creating, in turn, the threat of new political cataclysms;
- the outflow of capital from the country is increasing, whereby residents are also exporting it. The progressive difference between the volume of gross domestic savings and total domestic investment in favor of the first can be interpreted as one of its indicators;
- business is oriented toward "fast" profit, which can often take forms detrimental to the economy (in the Caucasus, the situation became absurd, when at the end of the 1980s-first half of the 1990s, dismantled railroad rails or power transmission lines were "exported" abroad essentially for a song);
- the monetary system is not withstanding political pressure, inflation is becoming difficult to control (the highest inflation was noted in Azerbaijan in 1994 at 1,800%, and an important role in this was played by political instability in 1993).

But it stands to reason that political stability in itself does not guarantee economic progress. This is at least evidenced by the differences in rates and quality of economic growth in countries which are generally recognized to be politically stable.

Dependence of economic development on political stability in the states of the Central Caucasus. At the end of the 1980s-beginning of the 1990s, the economy of the region's countries fell under the destructive influence of political instability, both internal and external. After Azerbaijan and Armenia signed a cease-fire agreement on 12 May, 1994, relative political stability was established in them, which was expressed, with a certain time lag, in accelerated economic growth. Domestic political instability in Georgia was retained at a higher level, which apparently was one of the reasons for the less dynamic economic growth compared with Armenia and particularly with Azerbaijan (see Fig. 3 on p. 118).

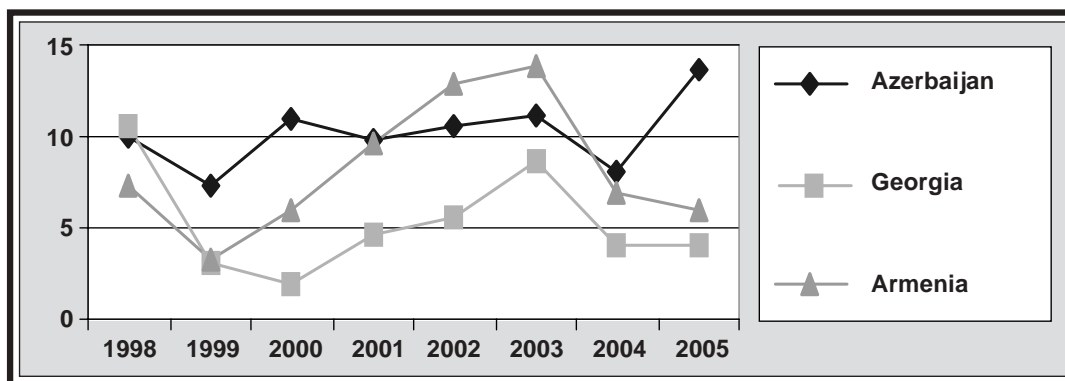
Armenia overcame its overall political instability, objectively caused by the war, at a faster rate than Azerbaijan. War in itself is undoubtedly the highest (extreme) form of breakdown in stable social development. The war ended favorably for Armenia and did not have domestic political repercussions, rather vice versa. In Azerbaijan, on the other hand, domestic political instability, which was one of the most important reasons for the military failures, became even more aggravated because of the latter. The country needed more time to gear up to normal economic progress, since the time lag itself needed for this began later. The coincidence of the curves of the volume of GDP in Azerbaijan and Armenia until 1998 is explained by the mass foreign investments made after signing the first oil contract in 1994.

Figure 3

GDP Volume Indices (at constant prices, 1995 = 100)¹³

The dynamics of real GDP reveal the more subtle correlation between political stability and economic progress (Fig. 4).

Figure 4

Growth in Real GDP (in %)¹⁴

Here a certain anomaly is clearly seen, which is expressed in a slowdown in real GDP in Azerbaijan in 2002-2003, although growth was maintained above the 10% level, which in itself is quite a high index. This slowdown, which was somehow contradictory to the dynamic acceleration that began in the previous years, was caused, among other things, by the political uncertainty resulting from the deterioration in President Heydar Aliev's health.

Political expectations had an effect on the economic behavior not only of local, but also of foreign businessmen. After the presidential election at the end of 2003, and subduing of the unrest that followed it, political stability in the country was quickly restored, which was soon reflected in an increase in economic growth rates. This process continued throughout 2004. According to the forecasts, the growth in Azerbaijan's real GDP will not fall below the 20% mark in the next few years, thus competing with the most dynamically developing economies of the world.

There is apparently a correlation between Georgia's Rose Revolution in November 2003 and the slight slowdown in GDP growth in 2004-2005: any revolutionary change gives rise to a certain

¹³ Calculated on the basis of data of the CIS Interstate Statistics Committee, available at [<http://www.cisstat.com/rus/index.htm>].

¹⁴ Compiled according to IMF statistics; data for 2004 and 2005—estimated (see: *Recent Policies and Performance of the Low-Income CIS Countries*, April 2004, available at [<http://www.imf.org/external/np/oth/042304.pdf>]).

amount of political uncertainty and instability initially. But if it remains in a strategically correct development vector and promotes systemic stability, a revolution can create prerequisites for economic stability too, that is, stabilization of economic progress rates at a specific, "economically normal" level. If Georgia can cope with its foreign and domestic political problems (i.e. normalize relations with Russia, on the one hand, and overcome internal separatism, on the other) while retaining political stability, in the next few years, economic growth will stabilize at the level of 6-7%.

It would of course be a great mistake to explain the economic growth curves by means of political factors alone, including by the presence or absence of stability. In particular, it is unlikely that the noticeable slowdown in real GDP growth in Armenia in 2004-2005 has direct political undertones. It most likely returned to its "economically normal" level observed right up until 2000.¹⁵

Conditions under which political stability can work toward long-term stable economic growth. There are two mandatory conditions.

- **First**, it (political stability) should be systemic, that is, ensured by the very political structure of society, its formal and real political-legal system, as opposed to stability, which rests primarily on the political authority of the head of state (or on repressive state machinery, or on both at the same time). If the second is also possible in authoritative systems of governance (including in dictatorships), the first is characteristic only of the democratic social system. The second form is always temporary, while the first is long-term. Authoritative political stability may become a launching pad for creating systemic stability, but this requires that it be aimed at conducting intensive political reforms.

Consequently, for the states of the Central Caucasus, a fundamental condition of economic progress is not political stability as such, but as democratic development within the framework of this stability. Here they have serious problems, particularly with respect to forming (changing) power by peaceful and democratic means. Even the last change of power in Georgia, which the outside world perceived as the most democratic in the Caucasus, was in fact not a result of election, but only legitimized by it.

- **Second**, within the framework of systemic political stability (or in the process of its formation), an efficient system of economic motivations must be formed, the starting point of which is macroeconomic stability.¹⁶ Without it, it is impossible to optimize the correlation between the private and state sectors, lowering the tax burden and implementing social programs, free foreign trade and protection of the domestic market, and so on in each time segment. In this sense, that is, in the sphere of efficient state regulation of the market economy, serious problems exist in the region, which however are beyond the scope of this article.

Dependence of political stability on economic progress. We all know that the more dynamically the economy develops, the stronger the government will be, all other things being equal. The thing is that political stability, understood as stability of the government, is very much tied to most of society's perception of its own socioeconomic prosperity, particularly in poor countries. In this sense, Azerbaijan differs dramatically from the other Caucasian states, since petrodollars allow the government to raise social prosperity even without conducting reforms that are adequate to the demands of the economy and stimulate business activity.

A principled condition of the positive influence of economic progress on political stability is the fair distribution of social benefits. Otherwise, it not only fails to strengthen, but, on the contrary, threat-

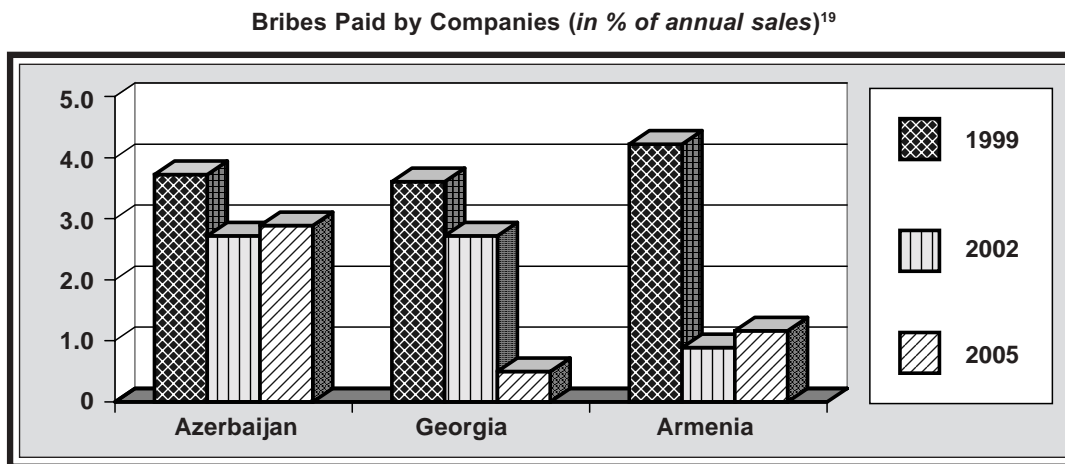
¹⁵ The normal economic growth rate for each stage of social development is determined by a large number of factors put into play by the political confrontation of supporters and adversaries of expanding (or reducing) state interference in the economy (see: N. Imanov, "Pravye i levye v ekonomike: Vsegda li seredina zolotaia?" in: *Ekonomicheskie etudy*. Baku, 1999).

¹⁶ For more details on the necessary and sufficient conditions of macroeconomic stability and degree to which they are satisfied by the Caucasian states, see: N. Imanov, "Political and Economic Development: Correlation in Southern Caucasus," in: *Towards Social Stability and Democratic Governance in Central Eurasia*, ed. by I. Morozova, IOS Press, Amsterdam, 2005, pp. 231-243.

ens political equilibrium. The societies of the Central Caucasian states must, first, “digest” and adopt a market conception of justice new to them; and second, believe in the possibility of getting rich by entirely legal means, without the protection of the power elite. It is extremely important to continue reform of the civil service, since anyone’s involvement in state governance is essentially tantamount now to his corruption, which is another form of unfair distribution of material and, partially, spiritual benefits.

At present, *the fight against corruption* is ultimately the best way for economic progress to have a positive impact on political stability. According to the studies of *Transparency International*, in 2005, Azerbaijan and Georgia improved their *Corruption Perceptions Index*, while in Armenia it dropped slightly, although there this index is still the lowest in the Caucasus.¹⁷ A joint EBRD and WB business environment and enterprise performance survey (*BEEPS*) showed that in the past few years, the frequency of bribes paid by companies in Azerbaijan and Armenia significantly decreased, while in Georgia, it grew slightly.¹⁸ Nevertheless, corruption is still one of the main (if not the main) factors hindering economic development of the region’s countries, which is shown in particular by the results of the latest business environment survey conducted by EBRD and WB (Fig. 5). In 2002-2005, the bribes paid by companies in Azerbaijan and Armenia in relative terms (as a percent of annual sales) even rose slightly, while Georgia managed to achieve impressive results in decreasing them.

Figure 5



Intra-Country Correlation Between Political Democracy and Economic Progress

The global trend is seen rather clearly. A comparison between the indices characterizing political rights and civil freedoms and macroeconomic indicators reveals a certain dependence between them (see Table 3). Most rich countries (79%), where per capita GNI is higher than 6,000 dollars, are among the free ones, and most poor countries (84%) are among the not free or partially free. Only 46% of all countries are considered free, whereby approximately 44% of the world population lives in them. However, they produce about 90% of the world GDP, while the other 54% produce only 10%.

¹⁷ See: *Corruption Perceptions Index 2004 and 2005*, available at [<http://www.transparency.org>].

¹⁸ See: *Recent Policies and Performance of the Low-Income CIS Countries*, April 2004, p. 26, available at [<http://www.imf.org/external/np/oth/042304.pdf>].

¹⁹ Compiled according to: *Azerbaijan (...Georgia, Armenia) BEEPS-at-a-Glance, The WB—2005*, available at [<http://siteresources.worldbank.org/INTECAREGTOPANTCOR/Resources/BAAGREV20060208Azerbaijan.pdf>].

Table 3

Democracy and Economic Development

Groups of countries	Category	Free	Partially free	Not free
<i>Poor countries</i> (per capita GNI less than 1,500 dollars)		15 (16%)	39 (43%)	37 (41%)
<i>Average countries</i> (per capita GNI between 1,500 and 6,000 dollars)		35 (66%)	11 (21%)	7 (13%)
<i>Rich countries</i> (per capita GNI more than 6,000 dollars)		38 (79%)	5 (10%)	5 (10%)
Source: <i>Freedom in the World 2004</i> (Freedom House's Annual Global Survey), available at [http://www.freedomhouse.org/template.cfm?page=130&year=2004].				

Individual level. Here the dependence is caused by the fact that economic freedom of the individual is the most important of individual freedoms and, in a certain sense, even forms their foundation. There were and are examples in world practice of individuals enjoying a certain level of economic freedom while their basic political freedoms were strictly limited. The best illustration of this is China during the last ten years. But individual political freedom is impossible by definition without economic freedom, since the second is perhaps the most important of political rights.

Applying this idea to the countries of the Central Caucasus gives rise to certain hopes: here the level of economic freedom surpasses the level of political development almost everywhere, but the distance from theoretical economic freedom to the actual thing is rather long. Along the way are all kinds of factors hindering the development of business, including informal monopolism, dishonest competition, inefficient courts, and insufficient information, etc.

Hypothesis on the economic corridor of political activity. Political freedoms, which in their totality form the democratic system, are some of the highest demands and acquire practical urgency (social value) only after so-called basic demands are satisfied. So social activity aimed at democratization as a rule comes into play after the country has achieved a certain level of economic development and, correspondingly, prosperity (meaning democratic movement initiated "from below" and not "from above"). Apparently, there is a certain limit to economic development, after which this movement loses its social urgency. This is because fundamental political and civil rights have already been acquired, without which this level of economic progress would have been impossible.

Thus it can be presumed that there is a certain segment (economic corridor) in the growth of economic prosperity, which best stimulates political activity. Political passivity is characteristic both of the time before a certain minimum is achieved, and after most of the population has passed a certain peak of prosperity. The periods of revolutionary activity aroused by social motives "before the corridor," just as outbursts in defense of democracy "after," are probably not the norm, but a deviation from it. The corridor of optimality depends on many different (primarily culturological) factors and, of course, is specific for each country.

Judging by the level and intensity of the democratic movement, the Caucasian states have already reached a stage of economic progress that effectively stimulates society's striving for political development.

Exception to the rule. The argument that economic development stimulates political reforms after a certain level is reached is general in nature. There are of course exceptions. And there are both political and economic factors causing these exceptions. War is the most serious political factor, while a surplus of natural resources is the most detrimental economic element.

Researchers have long noticed that there is a certain contradiction between surplus resources and democratic development. In most countries rich in natural resources, difficult problems arise in the field of democracy and human rights.²⁰ It can easily be seen that in the world rating almost all the resource-producing countries occupy higher places in terms of per capita GDP than in terms of quality-of-life index, that is, their relatively low social activity and political freedom indicators pull them down.²¹

In Azerbaijan, some signs of this contradiction have already appeared. The almost automatic rise in prosperity, which is intensified by the high price of oil on the world market (such a level was not forecast when the contracts were signed), is weakening society's striving for political and, to a certain extent, even economic reforms. This is apparently one of the reasons for the weakness of the political opposition, which today is not only failing to define the political agenda, but is not even capable of having any serious influence on it. In so doing, both local and foreign experts believe that society's internal readiness for a democratic system is quite high. Many democratic values and standards, such as religious or national-ethnic tolerance, for example, are internally inherent in present-day Azerbaijani society.

In Armenia and Georgia, this contradiction is manifested in a different way. The thing is that not only surplus natural riches hinder democratic development, but also any other financial resources, seeming windfalls. In Armenia, this takes the form of continuous financial assistance from the diaspora. Most of these funds are spent on social needs by the government and create an effect similar to that caused by petrodollars in Azerbaijan, only to a lesser extent. In Georgia, the same role is played by large-scale financial and material assistance rendered the country by Western state and international organizations.²² The difference is that these funds are being granted for specific purposes related, as a rule, to anti-corruption activity, increasing the efficiency of state administration, and developing democratic institutions. This gives Georgia an important advantage over its neighbors.

It can be concluded that factors hindering the stimulating influence of economic progress on the processes of democratic development are in effect in all the Central Caucasian countries. In the short term, Georgia will be the state with the most favorable conditions from this viewpoint, and Azerbaijan the least favorable.

Political conditions of the economic reforms. The global trend presented at the beginning of this section clearly shows that in the long term, democratic countries have immeasurably greater potential for economic development. This is because only a democratic political system makes it possible for the market stimulators of economic growth (the inviolability of private property, competition, and so on) to manifest their full creative force.

It is a well-known fact that authoritative regimes usually prefer to steer clear of liberal economic reforms, since a centralized economy is an important background prerequisite for preserving the regime. But when the carrying out of economic reforms becomes a goal, authoritative regimes, as world practice shows, have some advantages here. The thing is that they possess much greater resources for suppressing the social discontent caused by the consequences of liberal reforms, which are not always popular at first. Admittedly, these changes—after a certain critical level is eventually reached—also generate the need for political liberalization.

²⁰ See, for example: K. Terry, *The Paradox of Plenty: Oil Booms and Petro-States*, University of California Press, Berkeley, 1997.

²¹ See: *The EIU—Worldwide Quality-of-Life Index...*

²² Right before the Rose Revolution and immediately after it, the amount of financial aid granted Georgia grew in leaps and bounds. The U.S., Japan, Germany, Italy, and Switzerland rendered it tangible support, and in June several leading Western states and international organizations adopted a joint decision to grant Georgia financial aid totaling one billion dollars in the next two years, that is, we are talking about figures comparable to the size of the Georgian economy (see, for example: Electronic newspaper *Day Az*, 3 December, 2003, available at [<http://www.day.az/news/georgia/2455.html>]; 2 March, 2004, at [<http://www.day.az/news/georgia/4881.html>]; 13 May, 2004, at [<http://www.day.az/news/georgia/7549.html>]; 15 June, 2004, at [<http://www.day.az/news/georgia/8931.html>], etc.

Regional Political Stability and Regional Economic Integration

Joint interest in regional economic cooperation is obvious. This stems from the inviolable fact that not one of the Central Caucasian states is economically self-sufficient today, nor will be in the future, and this even without taking into account that, during globalization, the concept of economic self-sufficiency will apparently become totally obsolete in the next twenty-five years.

Azerbaijan is needed by its neighbors primarily as a supplier of energy resources. Oil “sells itself,” so no problems are anticipated with its sale. Nevertheless, it needs relatively free sales markets of non-petroleum products, the export of which the country must significantly expand in order to improve the branch structure of the economy as a whole, and of export in particular. What is more, in the next 15-20 years, the inevitable surplus of capital will prompt Azerbaijan to look for ways to efficiently spend it abroad (to ease the pressure of petrodollars on the domestic financial market). Georgia and Armenia, with their unsatisfied demand for investments, are the best places for this.

Georgia is just as interested as Azerbaijan in regional economic cooperation. First, this country could create an economic foundation for its territorial integrity in this way, and second, it could obtain good dividends by acting as a mediator between Azeri and Armenian business circles. This is particularly true, since after renewing their economic contacts, these two countries will find it difficult to cooperate with each other directly: it will take time to overcome their if not mutual hatred, at least psychological discomfort.

And, finally, Armenia is interested in regional economic cooperation, probably even more so than its neighbors. Azerbaijan is doing its best to exclude Armenia from major regional projects, particularly communication ones, which will have long-term negative consequences for its economy. The arms race requires a continuous increase in military spending. What is more, Armenia will find it impossible to realize the strategic economic goals it has set itself²³ without regional cooperation.

The current state of regional economic integration falls far behind the potential, primarily due to the existing political restrictions: there are simply no official economic relations between Azerbaijan and Armenia. As for Georgia, it engages in a certain amount of foreign trade cooperation with both neighbors, but it is still unable to ensure its own domestic economic unity.

The statistics of the Central Caucasian countries are unfortunately presenting slightly differing data on the volumes of export-import operations among these republics. Each of them artificially raises its export and lowers its import (see Table 4 on p. 124), whereby the difference in statistical indices is extremely large. For example, the Azerbaijani index of export to Georgia is higher than the Georgian import index from Azerbaijan by 16.5% of the first and 19.9% of the second. The difference between Georgia's export index to Azerbaijan and Azerbaijan's import index from Georgia is simply indecent—42.7% of the first and 74.5% of the second. The difference between Georgia's export index to Armenia and Armenia's import index from Georgia amounts to 11% of the first and 12.4% of the second. These discrepancies, which can in no way be written off as “statistical errors,” prompt disturbing thoughts about the dimensions of corruption.

It remains a fact that the volume of inter-Caucasian economic cooperation falls far short of the potential.

Can the Central Caucasus, under current political conditions, become a single economic space? Armenia continuously insists that economic cooperation is a prerequisite for resolving political conflicts. Azerbaijan believes that these statements are in fact aimed not at peaceful settlement, but are for propagandist purposes. Under the current circumstances, Armenia's calls for economic integration with Azerbaijan are essentially utopian. The cease-fire, which both countries are observing, a priori presumes that the war is not over. It is difficult to conceive of anything more illogical than economic cooperation between two fighting states, one of which is occupying a fifth of the other.

²³ See, for example: “Armenia 2020.” *Sbornik stsensariiev*, Erevan, 2004.

Table 4

**Export-Import Operations Among the Central Caucasian Countries
in 2004 with Deviations in Statistics (million USD)**

		to/from Azerbaijan		to/from Georgia		to/from Armenia	
			<i>difference</i>		<i>difference</i>		<i>difference</i>
Azerbaijan	Export			188.9	+ 31.2	0	0
	Import			14.5	- 10.8	0	0
Georgia	Export	25.3	+ 10.8			54.5	+ 6.0
	Import	157.7	- 31.2			25.4	- 3.7
Armenia	Export	0	0	29.1	+ 3.7		
	Export	0	0	48.5	- 6.0		

Compiled according to: *Statistical Yearbook of Azerbaijan—2005*, "Sada" PH, Baku, 2005, p. 716; *Statistical Yearbook of Georgia—2005*, p. 292, available at [http://www.statistics.ge/index_eng.htm]; *Statistical Yearbook of Armenia—2005*, p. 487, available at [http://www.armstat.am/StatData/taregirq_05/index.html].

This is one of the few questions on which complete consensus has been established in Azerbaijan: the government, and the opposition, and the country's public opinion as a whole believe that establishing economic ties with Armenia is not simply undesirable, it is also impermissible. Economic relations with Armenia would work toward freezing and even aggravating the conflict, rather than toward settling it. The question is simple: is Armenia willing to cease occupation of Azerbaijani territory and recognize its territorial integrity within the borders accepted by the world community, if economic cooperation between the two countries is restored? The answer is unequivocally in the negative.

As for Georgia, it is interested in expanding economic cooperation both with Azerbaijan and with Armenia. It hopes to use these bilateral relations to become the center of attraction in the Caucasus. It is even more interested in economic relations with Abkhazia and South Ossetia (although not as independent states), since economic integrity is the foundation of restoring the state's political sovereignty over all of its territory. But Abkhazia and South Ossetia are categorically against this, that is, establishing economic (or any other) relations with Georgia in keeping with the "region-center" principle.

Reverse correlation. There is definitely a correlation between regional political and economic progress, but it also works in reverse. The settlement of political conflicts comes first, with the Karabakh conflict being the primary one in terms of size and significance for economic integration of the Caucasus. It is utterly clear that settlement of political problems is the key to building a single economic space, and not vice versa.

Metamorphosis of the objectives of economic development. When talking about economic progress, the Caucasians, as a rule, do not mean regional integration, but economic development of their own country and, what is particularly important, mainly for political purposes.

The opinion prevails in Azerbaijan that the country should multiply its own economic might to restore its territorial integrity in the future and, as a priority task, strengthen its armed forces. Among the social and political objectives of economic growth, it is the second that is becoming the top priority, which cannot help but have an impact on the structure of economic development, in particular, government spending. In essentially all of his speeches on the Nagorno-Karabakh conflict, Azerbaijani President Ilham Aliyev confirms his adherence to intensive economic development as a prerequi-

site for strengthening the country's military, emphasizing in so doing, that in the near future, Azerbaijan's military spending will be higher than Armenia's entire state budget.²⁴

Identical approaches also prevail in Armenia and Georgia: in the first case, a strong economy is needed to create a strong army capable of "defending" Karabakh, and in the second, again to create a strong army capable of ensuring the country's territorial integrity. For example, shortly after becoming head of state, Georgian President Mikhail Saakashvili said that a strong economy is the main prerequisite for restoring the country's control over Abkhazia.²⁵

Thanks to its oil and gas resources, Azerbaijan has an indisputable starting advantage in this economic competition. Beginning in 1994, the country signed approximately 30 production and production sharing agreements with the largest world companies. Work on building oil and gas pipelines for delivering the raw materials to the world markets is close to completion. The currency reserves of the State Oil Fund of Azerbaijan currently (as of 1 January, 2006) reach \$1.4 billion²⁶ and, according to the forecasts, in 2010, they will be three-fold higher than the country's state budget. In 2006, spending from the Oil Fund, in correspondence with its budget approved at the end of last year, will be more than \$1 billion. Approximately 10% of this amount will be spent on forming the statutory capital of the new State Investment Company.²⁷ Azerbaijan views the revenues from energy resource exports only as a starting boost for the non-petroleum economy, the development of which will remain a priority.

From the viewpoint of our subject a noteworthy metamorphosis is that the Central Caucasian states do not so much consider an increase in social prosperity to be the objective of economic development, which would be normal, as the settlement of political problems by concentrating forces: economic on the whole, and military in particular. This is understandable. No one in the Caucasus is declaring that they are preparing for war. Technically, military-economic might is evaluated as an additional, and possibly the most efficient argument at the talks, although it is well known that *the concentration and demonstration of force have the habit of developing into the use of force after a certain level is reached.*

Prospects

The development of the Central Caucasus as an integral region has unfortunately not even begun yet, but this does not mean that even greater destruction of its political and economic integrity is inevitable: both positive and negative changes are possible. Positive changes are possible if the countries and autonomies of the region refuse to forcibly change the state borders. The settlement of the Karabakh problem within the framework of Azerbaijan's internationally recognized borders is the pivotal issue, after which restoration of Georgia's territorial integrity would largely be a technical matter.

Settlement of these political problems would open up greater prospects for regional economic development, since economic integration in the Caucasus is derived from political integration, and not vice versa.

The decisive role of the Caucasian people in overcoming their own political and economic problems in no way excludes external involvement. What is more, without it, as the practice of the past decade shows, it will be extremely difficult, if not impossible, to achieve major progress without renewing the hostilities.

²⁴ See, for example: *Speech by President Ilham Aliyev at the 2nd Congress of Azerbaijanis of the World, 16 March, 2006*, available at [http://www.president.az/s09_speeches/_speech_r.html].

²⁵ See: Electronic newspaper *Day.Az*, 8 March, 2004, available at [<http://www.day.az/news/georgia/5084.html>].

²⁶ See: *SOFAZ Revenue and Expenditure Statement for 2005*, available at [<http://www.oilfund.az/inside.php?nID=131>].

²⁷ See: *SOFAZ 2006 Budget Approved*, available at [<http://www.oilfund.az/inside.php?nID=122>].

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**ON THE METHODOLOGY
FOR IDENTIFYING
AN ARCHETYPICAL CAUCASUS****A b s t r a c t**

In order to identify the archetypical Caucasus, we must first formulate our ideas about the region's integrity. The author opposes those who assert without good reason that the Caucasus is an integral region. This, says he, has not yet been confirmed by any scientifically substantiated arguments, even though some of the Caucasians' mental traits are most likely universal in nature. He says in particular that the typ-

ical Caucasian lifestyle presupposes the indifferent attitude of the people toward uncertainty. After investigating the problem with the help of the latest philosophical methodologies, he concludes that to finally settle the question of whether there is a particular archetype of the Caucasus, we should study the mental specifics of each of the Caucasian nations separately to be able to make correlative and multilateral comparisons.

The end of the Soviet Union opened a new page in the Caucasus' recent history, which has been dominated by cultural and geopolitical factors as invariant parameters of the original Caucasian paradigm. It emerged and is surviving thanks to the region's geographical location, which made it part of all the civilizational and religious processes and, in turn, played an important role in creating a heterogeneous sociocultural Caucasian expanse. By the very fact of its existence, the latter has provoked a quest for an archetypically homogeneous Caucasus.

Its landscape and the two intertwining processes it gave rise to created a traditional idea of the Caucasus. The multidimensional landscape helped to create an ethnic and cultural patchwork, on the one hand, while this same factor created a "force field" that attracted all the civilizational and cultural

flows, on the other. As a result, the Caucasus became a very special cultural expanse best described as heterogeneous and multidimensional.

It is for this reason that efforts to identify and describe the core of what can be called a “whole and homogeneous Caucasus” and its archetypical features have never lost their urgency. Most authors begin by registering the local diversity as a very special phenomenon to be used a priori as a background for ideas about an integral Caucasus. This is done, for example, by K. Gajiev who, when writing about the Caucasian cultural and historical entity, the most typical feature of which is a multitude of interconnected and sometimes contradictory (conflicting) subcultures, says: “This has ensured the domination of elements of conflict, centrifugation, and disintegration over elements of consensus and integration” within the Caucasian culture.¹

At this stage I shall refrain from analyzing whether the term “Caucasian unity” belongs to the Caucasian studies’ conceptual apparatus at all. I shall limit myself to saying that the academic community was only too willing to accept the idea of the Caucasus as a region overburdened with negative terms (conflict, centrifugal, and disintegration trends). More likely than not, the region is taken as a synonym for crisis. Velichko, a prominent expert in Caucasian studies, described it, together with certain other regions, as “knowing no peace respites.”

Caucasian studies normally operate with illusory ideas invoked to describe the archetypical specificity of the Caucasian mentality. This created a picture of unique diversity (a “horn of plenty” of sorts) in the minds of the traditional Caucasian dwellers. We can go as far as saying that these ideas contribute to a special algorithm (paradigm) of Caucasian existence cursed by “excessiveness.” Nearly all typical Caucasian dwellers are victims of the myth about the “excessiveness complex” being part of the typical Caucasian fate. This is also part of their subconscious in an implicated archetypical form that forces them to think about the “genuinely Caucasian nature” as a manifestation of excessiveness; they demonstrate this excessiveness by producing myths—their mentality is omnivorous when it comes to illusions; they are excessively egocentric. Outside the Caucasus, complacency, a typical feature, is seen as Caucasian chauvinism. This is amply confirmed by the local people’s conviction that their culture is absolutely unique; this gives rise to the illusion that there is an integral Caucasian civilization.

The “excessiveness complex” is closely associated with the paradox of Caucasian self-awareness that “overlaps” two polar trends—the obvious domination of disintegration and diversion and the belief that a whole Caucasus does exist. Meanwhile, in real life these two trends are not equally meaningful. Belief in an integral Caucasus belongs to the category of illusions and cannot be placed alongside “expanding” reality: the former appeared during fragmentation of the Caucasian ethnic space into numerous self-identifying populations.

Permanent disintegration goes hand-in-hand with the emergence of excessive tribal relations that provoke absolutely real contradictions and conflicts. An excess of clan relations leads to the emergence of new “self-identification” forms. In this way, the region turns into a “collapsing” space with constantly emerging risk zones. They, in turn, make it hard to establish order in Caucasian existence within the paradigm of unity, while this paradigm (methodology) is badly needed to realize a strategy for identifying an archetypical Caucasus as a whole and integral phenomenon. In fact, the absence of such a paradigm is responsible for the ongoing vagueness when it comes to grasping the immanent essence of an authentic Caucasus: some scholars look at it as something “whole and integral,” while others prefer to describe it as an illusion.

It should be said that most experts in Caucasian studies normally prefer to ignore methodology when trying to justify their viewpoints—they limit themselves to unsubstantiated axiomatic statements. This is what Zurab Zhvania has to say in this respect: “Caucasian unity is not merely a political conception. The Caucasus is a variegated and yet homogenous world, a phenomenon which took

¹ K.S. Gajiev, *Geopolitika Kavkaza*, Mezhdunarodnye otnoshenia Publishers, Moscow, 2001, p. 41.

many centuries or even millennia to acquire its final shape. There are definite authentic social and cultural institutions in it... This suggests that there is the phenomenon of a single Caucasian civilization created by the Caucasian peoples. They are united by shared values and common mentality, despite the religious and ethnic diversity.”²

This leaves no room for academic discussion: all the main points have been so well defined that the illusion is created of a problem completely and finally resolved. In fact, “Caucasian wholeness” is not discussed—it is imposed on the reader.

This is typical of other supporters of the idea of an integral Caucasus. Here is an example from V. Asatiani: “We, the Caucasian peoples, form one historical and geopolitical entity. Our psycho-physical image, the so-called Caucasian nature, our physical appearance, temperament, and moral ideals make us kindred peoples.”³

Being aware of the incorrect nature of an axiomatic approach to the problem of wholeness, some members of the academic community, however, try to move away from this methodology by engaging themselves in creating and developing purely scientific procedures. They believe that on the strength of certain criteria, the Caucasus can be regarded as a very specific sociocultural phenomenon that calls for the concepts “unified culture and unified cultural space” and “homogeneous and heterogeneous cultures” to be used in order to adequately comprehend its integral nature. These concepts lead to new ideas of “whole” and “integral” that describe the specifics of the Caucasian “heterogeneous cultural expanse.” After analyzing in detail the pros and cons of the defenders of the idea of Caucasian wholeness, Nino Chikovani concluded: “The idea of Caucasian unity (or unity of one of its regions) is an ideal the Caucasian nations want to achieve. However, even the most superficial knowledge of the history of the past ten centuries shows there is no unity or harmony of interests. ...The idea about the Caucasus as a political or cultural entity belongs to the sphere of illusions rather than to historical or contemporary reality.”⁴

I agree with the above: a correct scholarly analysis of cognizant Caucasian history gives no grounds for using the semantically close terms “whole, integral, and indivisible” to adequately describe the Caucasus’ real state. The idea of an integral Caucasus cannot emerge from the clearly observable: more likely than not, it is postulated as theoretic fiction to satisfy personal ambitions. It has nothing to do with the real Caucasus, yet it is part and parcel of the popular illusions with which Caucasian studies are brimming. It should be said that the authors of the “whole Caucasus” conception tend to ignore the ideas of systemic approach. For this reason they are unable to create a productive methodology that helps to identify the archetypical Caucasus: it is the systems theory that provided an all-round analysis of the criterion of wholeness and that introduced a wide spectrum of tools to be used to analyze whole phenomena.

Ludwig von Bertalanffy, who created the general systems theory, looked at it as a “general science of wholeness,” thus indicating that the idea of wholeness should not be applied to individual objects of study. In fact, it is hard to imagine that a systems analysis can be carried out without all-round investigation of the problem of wholeness. In fact, the concepts “wholeness” and “system” are semantically close in the general systems theory; if described as systemic, an object can be considered as whole, and, vice versa, the object’s wholeness presupposes its belonging to a class of systems. This is what A. Bahm writes about: “The system presupposes unity and wholeness of a certain type; it is thanks to them that its parts are interconnected.”⁵

² N. Chikovani, “A United Caucasus: Reality Rooted in the Past or High-Flown Political Illusions?” *Central Asia and the Caucasus*, No. 5 (35), 2005, p. 48.

³ Ibidem.

⁴ Ibid., p. 54.

⁵ Quoted from: V.N. Sadovskiy, “Paradoksy sistemnogo myshlenia,” in: *Sistemnye issledovania. Ezhegodnik*, 1972, Nauka Publishers, Moscow, 1972, p. 134.

In other words, the systems theory recognizes the importance of an all-round analysis of the wholeness phenomenon by emphasizing the importance of creating special study procedures to be applied to an object that the study context places in a class of whole systems. When analyzing in detail the range of problems vitally important for the systems theory, V. Sadovskiy drew attention to the paradox of wholeness: "Any given system can be described as a certain wholeness only if the task of dividing the system, in its wholeness, into parts has been performed, and the task of dividing the system, in its wholeness, into parts can only be performed if the task of describing the system as a wholeness has been carried out."⁶ It should be added here that this paradox in its virtual form was present in the dialectical part/whole antinomy, on which Friedrich Schelling commented in his time: "Since the idea of a whole can be demonstrated only through its parts and, on the other hand, individual parts can exist thanks to the idea of a whole, we are confronted with a contradiction."⁷

The above suggests that to justify the use of the "whole and integral" as applied to the problem range of Caucasian studies, we should first investigate the phenomenon of "Caucasian-ism" within the systems theory, the effort that requires certain procedures: the object should be described as systemic and divided, in its "wholeness," into its systemic parts; as belonging to any of the systemic types and therefore wholeness, etc. This alone will identify the object's (the Caucasus) systemic status and, by the same token, its wholeness—otherwise we will run up against contradictions and paradoxes.

Karl Popper also pointed this out when he wrote that he criticized the holistic criterion of wholeness by demonstrating that even the holists' favorite examples of "not whole," such as "merely a heap of rocks," did not fit this criterion (the whole is much greater than the simple sum of its parts). He insisted that by saying this he did not deny the existence of wholes, but merely objected to the very superficial nature of the majority of holistic theories.⁸ This argument can be used against those who present the multi-dimensional and heterogeneous "heap of Caucasian ethnoses" as irrefutable evidence of a "whole integral Caucasus."

Researchers, however, are guided by the non-systemic methodology, which does not allow them to distinguish between "merely a heap of rocks" and an aesthetically whole phenomenon. Indeed, under certain conditions created by the study context or creative design even a "mere heap of rocks" can be presented as a whole object (in cases of aesthetic compositions using rocks such as the Buddhist dry rock garden or similar European conceptions). For this reason, while operating with concepts that belong to the "integral, unity, wholeness, indivisibility" semantic series as applied to efforts to understand the archetypical Caucasus, we should bear in mind at least some of the principles of systems analysis. This is important since contemporary Caucasian studies insist that the "whole Caucasus" subject is topical and important for dealing with serious scholarly issues.⁹

In recent years, Caucasian studies have manifested an interest in the typical features of the mentalities of the Caucasian nations as the foundation on which a single mentality for all of them can be based. No wonder, all the inconsistencies and delusions that existed in this sphere (such as the illusions about integrity and wholeness) might negatively affect the efforts to adequately interpret the Caucasian mentality. Most works dealing with the problem appeal, directly or indirectly, to the idea of Caucasian wholeness. Here is what A. Dashdamirov has to say on this score: mentality of "each of the Caucasian peoples is open to pluralistic alien influences, each of them has imbibed common cultural features, social and moral values rooted in hoary antiquity."¹⁰

⁶ Ibid., p. 136.

⁷ F. Schelling, *Sistema transtsendental'nogo idealizma*, Moscow, 1936, p. 388.

⁸ See: K. Popper, *Logika i rost nauchnogo znania*, Progress Publishers, Moscow, 1983, p. 500.

⁹ See: E. Khoshtaria-Brosse, "The Caucasian Political Tangle: Past and Present," *Central Asia and the Caucasus*, No. 5 (11), 2001, pp. 65-70.

¹⁰ A. Dashdamirov, "Ideological Contradictions of Ethnic Policies in the Caucasus," *Central Asia and the Caucasus*, No. 5 (11), 2001, pp. 48-49.

The above contains an easily discernable invariant ideological content (leitmotif), which presupposes a certain unified Caucasian culture localized by the author in the archaic, pre-historic past. By force of his imagination and being urged by the study context or creative design, he may create a Caucasian world of his own. We can say that he has admitted there are certain common invariant features of the archaic “proto- or great-culture of the Caucasus” present in folded, archetypical forms in the mentalities of the contemporary Caucasian peoples. In other words, the author’s opinion can be transformed into a much clearer statement that concentrates on mastering the immanent features of the Caucasian great-culture: mentality of “each of the Caucasian peoples has imbibed common cultural features rooted in hoary antiquity.” This clearly says that we should look for an archetypical Caucasus, but before we begin, we should visit the sphere of holographic methodology, which we might find useful.

The holographic methodology (world outlook) includes a synthesis of Pribram’s holographic brain theory and the memory mechanisms, as well as David Bohm’s ideas about the hierarchy of the levels of reality and the unity of implicative and explicative matrices of order. Their synthesis makes it possible to create a radically new picture of the world in which the human brain looks like a hologram, that is, a folded holographic Universe.¹¹

This approach interprets conscience (brain) as a storage place of objective reality in its implicative form; in turn, the material Universe is seen as a certain system analogous to Leibnitz’s monad or the anthropic theory. This is the nature of the deep-rooted connection among all things in the holographic Universe. An idea about holography introduces certain cognitive novelties into our ideas of the world born from our more profound understanding of the dialectics of the part and the whole as well as reality’s problematic nature. We should bear in mind, first of all, that the holographic object betrays its wholeness in a very specific way, being immune to the normal procedure of division into parts: any attempt to divide the hologram merely represents it all in all as a certain invariant entity.

To grasp the specific features of the hologram vitally important for our understanding of certain aspects of the archetypical Caucasus let us turn to Karl Pribram, who formulated the holographic brain hypothesis in the first place. He says that images are restored when ideas about them in the form of systems with distributed information are activated in a special way. Thinking as an objective brain process includes a holographic component. Holograms play the role of a catalyst for the thinking process; while remaining unchanged they nevertheless interfere with the process and facilitate it... Thought, after all, is an instrument used to reduce uncertainty with the help of distributed holographic memory, that is, the desire to acquire the necessary information.¹²

Unwilling to remain limited to an analysis of the general features of holographic thinking, Pribram offers an understanding of the hologram’s specific nature by describing it as a “specter” or a phantom image. This makes it possible to use the concept as a mechanism or a method of associational information storage. The hologram has another important feature: information about every point of the object is spread across the hologram, which makes information immune to destruction—any of the hologram’s parts, no matter how small, contains information about the whole object and can therefore restore it.¹³ In other words, the holographic object behaves within the “part as a whole” principle.

It should be said here that Ernst Cassirer pointed out that this principle became important when it was necessary to comprehend the specific features of symbolic (archaic totem) thinking. He stressed that the principle of equivalence of the part to the whole—*pars pro toto* (part instead of whole)—was heuristic. This means that any of the parts contains the whole and plays a very important role in comprehending the specific features of archaic thinking.¹⁴

¹¹ See: M. Talbot, *Golograficheskaja vselemaia*, Sophia Publishers, Moscow, 2004, p. 9.

¹² See: K. Pribram, *Iazyki mozga*, Progress Publishers, Moscow, 1975, p. 174.

¹³ *Ibid.*, p. 170.

¹⁴ See: E. Cassirer, *The Philosophy of Symbolic Forms*, Vol. 2, London, 1952, pp. 49-50.

The above suggests the presence of features shared by such seemingly unrelated phenomena as “totem,” “archetype,” and “hologram.” Indeed, both Freud and Jung looked at the archetype as “archaic remnants or primary samples of antiquity.”¹⁵ When analyzed, the specific features of holographic methodology turn out to be ideologically close to psychoanalysis. This promotes their mutual conceptual enrichment and extends the methodological cognitive potential.

The holographic approach also supplies a new (“ambivalent”) idea of reality; it introduced into scholarly circulation at least two cross-sections, or levels, of reality—“illusory and real.” David Bohm resolved the problem of duality in the following way: “Our tangible everyday reality is, in fact, merely an illusion, like a hologram. There is a deeper level of being under it—that boundless and primeval level of reality. It gives birth to all objects of which the illusion of our physical world is part.” David Bohm described the deeper level as an implicative (“folded”) order, while our own level of being is described as an explicative, or unfolded, order. It is said that the manifestations of all forms in the Universe are caused by never-ending alternation between the folding and unfolding orders.¹⁶

The Pribram hypothesis presents the hologram as a “specter” of the object, or its phantom image, thus adding special importance to the problems of reality within the holographic approach. Jung’s psychoanalysis stressed that reality is multi-dimensional; the identification of two levels of consciousness led to the idea of special psychic “filters” invoked to perceive various phenomenological aspects of reality. When discussing symbols of the subconscious, which are the archetypes, Jung pointed out that it was very important to formulate criteria that would place an object among “illusory” or “real” ones. In some cases, psychic processes and the phenomena of the subconscious played the role of a criterion used to register the type of reality; in other cases, this role was played by categorical and experimental scientific procedures. Jung believed that the “psychic reality” concept could be used as an important component of understanding true reality. He proceeded from the conviction that “nothing can be described as probable or improbable; what we call an illusion is real for the psyche. For this reason we cannot believe that psychic reality can be likened to conscious reality.”¹⁷

It is interesting to note that the holographic and psycho-analytical approaches to the problem of reality show their cognitive kinship; this gives impetus for expanding the mind’s horizons. Jung openly emphasized that the use of two ideas—“illusory and real (physical)” reality—was fruitful. The holographic methodology, likewise, recognizes that it is important to identify the parallels between the archetypes of the subconscious and the implicative micro-structures of the holographic brain. This brings the holographic approach up to the heuristic level of its relations with Jung’s theory—the methodological kinship thus becomes obvious.¹⁸

Before returning to an analysis of the “archetypal protoculture” of the Caucasus, I would like to present the most general features of the holographic and psychoanalytical approaches in an ambivalent propositional form to make it easier to understand the most important features of the investigated phenomenon. When writing about the cognitive content of his holographic hypothesis, Karl Pribram pointed out that different languages offer different descriptions of objects and that in this respect a holographic description has certain methodological advantages when it comes to grasping the essence of certain phenomena. Our knowledge of the holographic conception and of Jung’s archetypal theory has given us new verbal tools and cognitive means for creating an adequate description of the Caucasus’ archetypal nature. We have at least two language systems or two cognitive paradigms able to supply us with complementarity (Niels Bohr’s conception) ideas

¹⁵ K.G. Jung, *Arkhetip i simvol*, Moscow, 1991, pp. 64-65.

¹⁶ See: M. Talbot, op. cit., pp. 60-61.

¹⁷ Quoted from: R. Moakanin, *Psikhologija Iunga i buddizm*, Panglos Kolo (Katarsis series), Moscow, St. Petersburg, 2004, p. 79 (English edition: M. Radmila, *Jung’s Psychology and Tibetan Buddhism*, Wisdom Publication, 1986).

¹⁸ See: M. Talbot, op. cit., pp. 74-75.

that would greatly extend our knowledge about the real Caucasus and correct the illusory ideas about it.

Let us resume our quest for the “archetypical great-culture of the Caucasus” that, as the cognitive filters of holography and psychoanalysis have demonstrated, is localized in the depths of the subconscious in the form of a folded phenomenon, an archetypical hologram. Since according to the holographic hypothesis, “the past acts in the present in the form of an implicative order,” and since our subconscious may contain the Universe in its folded form, our memory can contain our past and the past of mankind ... the problem is unfolding the implicative phenomena into an explicative order.¹⁹

The holographic approach, coupled with the theory of archetypes, is being eased by the task of extending our understanding of the archetypical Caucasus, the diversity of the Caucasian ethnoses being its explicative manifestation. All explicative holograms (ethnoses) play the role of specters, or phantom images, of the implicatively folded original (the archetypical Caucasus). According to the *pars pro toto* principle, the hologram-specters contain (folded and stored in the subconscious) complete information about the Caucasian culture that in prehistoric times collapsed into hologram phenomena—heterogeneous ethnic diversity.

The contemporary Caucasian peoples are hologram-representatives; they resulted from the collapse of the archetypical Caucasus as the original object. For some unknown reason, information about the prehistoric culture had been inserted into the resultant implicative structures that later were pushed into the depths of the subconscious. From this it follows that in order to restore an adequate image of the archetypical Caucasus, we need new ways to identify and recover information from the depths of the subconscious of the contemporary Caucasian dwellers.

To achieve this we should, first of all, identify the mentalities of the Caucasian nations and use them to create a table of their similar and specific features. At a later stage, we should compare the results and identify information about the common features of the Caucasian great-culture (Caucasian mentality). To create an image of a whole Caucasus, we should painstakingly restore the mentalities of the Caucasian peoples, not an easy task per se and made even harder by the Caucasian “complexes and illusions,” as well as by the mentalities’ multi-dimensional nature.

The road each nation must hoe to master its mentality will inevitably be complicated by cognitive and, strange as it may seem, mental difficulties fraught with real threats. Jung was aware of this when he likened the physics of elementary particles to psychoanalysis: like the splitting of micro-objects, the process of grasping the essence of an archetype may cause a spontaneous outburst of very specific destructive energy.

In our case that would be the “implicative psychic energy” which so far remains folded in the archetypes. In the process of grasping their essence, we might open a Pandora’s box with true information about each of the nations detrimental to their well-being. The explicitly “realized” inhabitants of the Caucasus are not inclined, by force of their traditional culture, to accept certain novelties and “revelations” that scientific societies are prepared to accept. The local Caucasian people prefer a strategy that offers an illusory present and keeps them in a state of uncertainty about their past and future. It seems that the people of Caucasian origin have very specific mentalities that require an absolute minimum of rational (scientific) overcoming of uncertainty. Their life strategy presupposes illusion-producing rituals of all sorts, with which they coexist in a harmonious way. This calls for a special algorithm of adaptation to uncertainty.

This strategy might become a serious obstacle for the local people if they want to overcome uncertainty, an immanent essence of the archetypes of the subconscious. This reveals a certain connection between the local people’s indifference to uncertainty and their excessive love of illusions. It seems that the shortcomings of mastering uncertainty were compensated for by excessive utilization

¹⁹ M. Talbot, op. cit., p. 229.

of illusions. In this respect, the Caucasian peoples are obviously not part of the community of nations, the life strategy of which is covered by the formula “it is better to study uncertainty related to important problems than to be absolutely sure of trivial facts.”²⁰

The popular rituals of hospitality with toasts brimming with illusions to suit every taste are a fairly specific indicator of the Caucasian attitude toward illusions and uncertainty. Imagination wavers under the burden of illusory toasts to the extent that reality looks like an illusion stripped of uncertainty. This typical feature can be explained by the fact that the local peoples are fond of Nirvana forms of existence, when all uncertainty and the “horrors of history” are pushed, even for a short time, from their lives and minds into the depths of the subconscious. Feasts and toasts, their favorite pastime, betray their archetypical desire to plunge into the sterile atmosphere of illusions: this alone can protect their traditional lifestyle from the horrors of history and the pressure of uncertainty.

Since the typical Caucasian lifestyle presupposes an indifferent attitude toward uncertainty (able to block the effort of learning the truth), it creates a special feeling akin to an “illness”—a neurosis that does not encourage rational cognition. Quite often it takes the form of mystical fear, which plunges the Caucasian dwellers into an atmosphere of illusions and guards them against the neuroses of uncertainty. On the whole, the typical strategy of coexisting with uncertainty does not encourage scholarly culture of an adequate level or cognitive competence. This may further interfere with the efforts of each of the Caucasian peoples to master the immanent nature of their mentality.

The synergetic ideas about the ties between chaos and uncertainty may help understand the role of the uncertainty factor in creating the very specific features of the Caucasian life strategy. The fundamentally novel approach to chaos has recognized its special role in any system’s self-organization—its adaptation to a new order in the course of which the old order collapses into a bifurcational chaotic state incessantly producing new uncertainty. This fills the transition period with new neuroses, hopes, and illusions.

The synergetic concepts help us to describe the Caucasians’ contemporary chaotic existence, in which the local people show their indifference to uncertainty, as a specific state of the quest that moves them toward a new paradigm of self-organization clearly dominated by the components of a chaotic and illusory existence. It seems that this self-contained life strategy explains the inventiveness demonstrated by Caucasian dwellers when certain implicative innovations born in alien cultures (for instance science, democracy, and the market) are unfolded into and realized in such explicative realities, which make obvious their love of illusions and their indifference to chaos and uncertainty.

Since the axiological set of the typical Caucasian life strategy is full of mainly illusory phenomena, this affects the quest behavior and thus minimizes the chance of stumbling across effective constructive components suitable for building up a paradigm of Caucasian integration. The Caucasian lifestyle is aimed at accumulating illusory phenomena and does not encourage the efforts of comprehending the uncertainty with the aim of transforming them into stable components of new self-organization based on genuine integration.

This strategy is best described by the formula “it is much better to ignore uncertainty and be satisfied with illusions than to discover frightening truths about ourselves and our culture.” In their strategy the Caucasians are intuitively more consistent than the Western rationalists. They are justifiably convinced that if anything has been pushed into the subconscious it should remain there. Their treatment of uncertainty and illusions make their lifestyle very specific; it also sheds light on the specifics of their mentality.

G. Hofstede described the dependence between the life strategies of nations (cultures) and their treatment of uncertainty in his ethnometric model. He included this dependence among five

²⁰ M. Talbot, *op. cit.*, p. 349.

important criteria of “cultural dimensions” that determine societies’ specific features and allow him to classify national cultures. There is an “uncertainty rejection” factor that makes it possible to identify societies with strong or weak rejection of uncertainty.²¹ According to this model, the Caucasian societies (cultures) belong to the class of traditional paternalist societies with weak rejection of uncertainty. People are prepared to adapt themselves to uncertainty and “ignore” its negative impact on their lives. This strategy allows the Caucasian nations to adapt themselves without much trouble to the unexpected demands of cultural globalization—they are never bothered by the problems which other nations normally associate with uncertainty and the threats of post-globalization existence. The Caucasian peoples are eager to master the illusory surprises of “McDonald-ization.”

By way of summary, we should pay attention to contemporary realities. The Caucasian nations continue living—or try to do so—along the lines of an “expanding Universe.” They are resolved to radically transform their sociocultural expanse affected by disintegration, the original impulse of which was provided by the prehistoric collapse of the implicative order into explicative hologram diversity.

We may even suppose that the diversity of the Caucasian great-culture and its collapse genetically predetermined the appearance of a multitude of highly original ethnic cultures with virtual sub-cultures susceptible to further fragmentation and separation, disintegrating and divergent development, reproduction of contradictions and conflicts, etc. It is this super-dynamic situation that makes the scrutinized phenomena and our ideas relative. This makes it harder for the Caucasian nations to identify their mentalities. The specifics of the contemporary Caucasian culture allow us to talk about the need and advisability of including the idea of a multi-dimensional and multi-layered mentality into the conceptual apparatus. Kurt Hübner introduced it into scholarly circulation to achieve an adequate understanding of the specific features of European identity.²²

We can safely say that the identification by each Caucasian nation of the immanent essence of its mentality as an indispensable condition for creating a common matrix demands that the multi-dimensional nature of each mentality be taken into account. For example, a preliminary analysis of the specific features of the Azeri mentality shows that the *kharalytan* (where are you from?) archetype played an important role in organizing the traditional life-style in Azerbaijan as well as influenced thinking, social behavior, etc.²³

The energy of this archetype stirs up and activates ideas about communal origins in the minds of typical Azeris; it strongly influences their social behavior at critical moments. The archetype plays a very important mentality-forming role, which allows us to look at it as the key sub-system of mentality. This makes it possible to identify at least two aspects in the structure of mentality: the communal (clan) and ethnic-trans-communal (national). A similar structure can be observed in the Chechens’ traditional life (teyp and ethnic). The presence of sub-ethnic (communal) components in the social lifestyle is typical of most Caucasian nations.

Since it is vitally important for each of the Caucasian peoples to identify their mentality as a necessary preliminary condition for identifying the archetypical Caucasus, we should pay particular attention to the trans-ethnic level of organization of the contemporary Caucasian peoples’ mentality—a very specific, so far illusory identificatory index of “all persons of Caucasian nationality.” It is precisely this trans-ethnic aspect of mentality of our contemporaries in the Caucasus that may lead to certain associative ideas about the implicative great-culture of the archaic Caucasians. It probably unfolded into explicative ethnic diversity during the primary collapse to be later pushed into the depths of the subconscious by cultural transformation waves. This common Caucasian trans-ethnic mentality will probably emerge under the impact of transformation impulses created by globalization

²¹ G. Hofstede, *Cultures and Organizations (Software of the Mind)*, Harper Collins Publishers, 1994.

²² See: K. Hübner, *Natsia ot zabvenia k vozrozhdeniu*, Kanon+ Publishers, Moscow, 2001, pp. 381-395.

²³ See: H. Guliyev, *Arkhetipichnye Azeri: liki mentaliteta*, Eni nesil Publishers, Baku, 2000.

flows if only the contemporary Caucasian nations manage to curb the disintegration processes and harmoniously localize themselves in the emerging mega-society.

In this way, resolving the problem of identifying a “whole (archetypical) Caucasus” and restoring the Caucasians’ mentality has made pertinent the subject of looking for the three levels of its organization—communal, ethnic, and transnational—without which no complete and adequate idea of Caucasian wholeness is possible, at least in its sociocultural dimension.



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LOOKING FOR A CONTEMPORARY MOUNTAIN IDEOLOGY IN THE NORTHERN CAUCASUS

A b s t r a c t

The author attempts to identify the main features of the ideological crisis of the 1990s-early 2000s in the Northern Caucasus; she looks back into the history of the ideology of the mountain peoples based on their national self-awareness, interest in national culture, and respect for historical and ethnic roots, on Islam, the traditional North Caucasian religion revived through the efforts

of Russian and foreign Muslims who construe their ideology relying on Islamic rather than ethnic culture, and, finally, on the global mass culture, which attracts many of the local cultural figures who are in opposition to attempts to form a contemporary mountain ideology both by reanimating the rapidly disappearing national traditions and by introducing the Islamic culture.

The social, economic, and political changes that took place in Russia in the 1990s caused deep-cutting changes in the life of all its peoples, the Northern Caucasus being no exception in this respect. During the last two centuries, the North Caucasian mountain peoples have lived through several important modernization periods: the 1860s-1880s was a period of change imposed by the Russian Empire; in the 1920s-1930s they experienced Sovietization of the traditional lifestyle; and the 1950s-1980s were years of double standards when the Khrushchev thaw and its impact weakened the previ-

ously strict control over many aspects of local life and revived at least some of the national traditions. In the 1990s, Soviet ideology and the socialist way of life collapsed across the entire country. When the resultant chaos subsided, the Russian intelligentsia started the long and very slow process of creating the nation's new identity, laying a new foundation, and forming a new ideology on which a new order and new economy could be built. The quest produced numerous discussions of a so-called national idea by the capital's intelligentsia. In the Northern Caucasus too, the local intelligentsia (writers, artists, academics), together with local political figures, worked hard to grasp the meaning of the new reality, chart new paths for their peoples, and formulate new mountain ideologies. The process is far from complete.

National Culture

National feelings, nationalism, an interest in national culture, and respect of the local mountain peoples for their historical and ethnic roots served as the obvious and natural mechanism to be employed in creating a new mountain ideology. Early in the 1990s, local ideologists, who can provisionally be described as neo-nationalists, united into so-called national movements extremely popular at the time. There were two movements in Kabardino-Balkaria: the Kabardinian National Congress and the Adighe Khase (the National Council of the Balkar people); in North Ossetia there was first the Alan Nykhas, and later the Styr Nykhas; in Karachaevo-Cherkessia, the Jamagat, etc. On the whole, the problems of the national movements were reduced to efforts to organize state structures on the national-territorial principle. In the first half of the 1990s, so-called national-political self-identification became the call of the times and the main tool of political struggle in the Northern Caucasus. Nearly all the members of the local academic and creative intelligentsia sided with the North Caucasian national movements.

New ethnographic publications (by B. Bgazhnokov, S. Mafedzev, and others) offered mythologized and idealized views of the morals and behavior norms of the mountain-dwellers. Writers concentrated on the key periods in Caucasian history: the Caucasian War and the massive deportations of North Caucasian peoples to Central Asia in 1944 (works by A. Teppeev, *Most Siyrat* [The Bridge of Siyrat], and Z. Tolgurov, *Goluboy tipchak* [Blue Sheep's Fescue] are good examples). Artists, too, were fascinated by their peoples' past: well-known Balkar artist I. Jankishiev devoted the last 15 years of his creative work to deportation of the Balkars.¹

No matter how fascinated they are by the past, the local intelligentsia exert great efforts to reflect the specifics of national cultures, behavior norms, and morals. In his long stories, *Konokrat* and *Nakiakh*, S. Mafedzev, a Kabardinian writer and ethnographer, described in detail the traditions of the Adighes. According to culturologist G. Bazieva, the contemporary poetry of the mountain-dwellers of Kabardino-Balkaria concentrates on "creating an integral and harmonious ethnic image able to oppose standardization and uniformity." (The poetry of Balkar M. Mokaev and the poem *Nasynguesh* by Kabardin L. Gubzhokov confirm the above.) The ethnographic bias of contemporary lyrical poetry is shown in the very specific way in which folk poetry is used to describe all sorts of family, everyday, and public relations. The same applies to the numerous works by painters of Kabardino-Balkaria I. Jankishiev, R. Tsimov, A. Margushev, A. Javadov, M. Gorlov, L. Akhmatov, M. Aksirov, Kh. Teppeev, R. Shameev, Iu. Chechenov, and others.²

In the Northern Caucasus, the national movements of the 1990s, undoubtedly being political trends trying to solve primarily political tasks, in particular, modernization of the political system,

¹ Personal talk with I. Jankishiev in July 2002.

² See: G.F. Bazieva, *Razvitiie natsional'noy khudozhestvennoy kul'tury v Kabardino-Balkarii*, Nalchik, 2000; idem, *Izobrazitel'noe iskusstvo Kabardino-Balkarii: traditsii i sovremennost*, Nalchik, 2004.

could not help but make cultural, mainly national, revival of the peoples an integral part of their political programs and plans after obtaining powerful support from the scientific and creative intelligentsia.³ During the activity carried out in the 1990s, much of what they planned was actually put into practice.

One of the important aspects in forming a contemporary ideology of North Caucasian communities based on neo-nationalism was the *tradition of revering ancestors and kindred feelings among people*. Initiators appeared who strove to unite people according to the kindred principle. Kindred associations began to hold assemblies, meetings, and congresses to which they invited representatives of all the small kindred structures belonging to large families. Consequently, in the Northern Caucasus, so-called associations of people with the same name began to appear prompted by a search for common ancestors. For example, in Kabardino-Balkaria, there is a large association of Kushkhovs, to which more than 800 families (4,000 people) from Kabardino-Balkaria, 700 people from Turkey, and 700 people from Syria, Jordan, and the U.S. belonged.⁴ In Adigey, there is an association of Shkhakhovs (Skhaliakho), and in Karachaevo-Cherkessia, a large Balkar kindred association of Ulbashyevs appeared. Such gatherings of relatives and people with the same name are a powerful tool for forming a new ideology in the Northern Caucasus thanks to the attention the mass media of the North Caucasian republics give these undertakings. Let us emphasize that the contemporary clan structure naturally has historical roots in the traditional kindred community, on the one hand, but this phenomenon is partially new and contains elements of new ethnic self-awareness and new ethnic identity, on the other.

In the 1990s, local historians and regional experts were actively engaged in creating scientific genealogies. Historical-genealogical communities began to form. A. Musukaev, a Kabardino-Balkar historian, noted in an article entitled "Historical Roots and the Significance of Genealogical Memory" that "the tradition of going back to common ancestors has ascertained the real value of kindred ties and succession of the generations for centuries, which is manifested in collectivism, mutual assistance, family solidarity, and the influence of these sentiments on both the economic and everyday life of communities... Since the olden days, the ethical norms of interrelationships in human society have demanded that kinship be preserved, obligations to family members and parents as well as all other close relatives be fulfilled, the younger generation be properly brought up, and universal moral principles be formed and developed."⁵

Another characteristic of the neo-nationalism period was use by the local power structures of *the traditional system of communal self-government*. In some North Caucasian republics, for example, in Adigey, a Law on Khase (Adighe for "gathering") was adopted. (The Khase is a traditional communal council numbering up to 10-15 people, which acted at the rural level and was comprised of prestigious villagers.) The Khase, along with the local administration, was granted significant powers in resolving most village problems. It can be seen how the public system of power and selection of people from prestigious and well-known families to posts in the bodies of this system has significantly grown and gained in momentum in present-day North Caucasian society. Whereas at the end of the 19th-beginning of the 20th century, the role of kin and age factors when forming the hierarchy of social ranks perceptibly weakened and other values took their place, in particular, personal characteristics,⁶ by the end of the 20th-beginning of the 21st centuries, the reverse occurred. This metamorphosis can be explained by the years of Soviet power and ideology, which to a significant extent reduced the role of outstanding personal qualities to a mass platitude. Subse-

³ See: *Etnopoliticheskaia situatsiia v Kabardino-Balkarii*, Compiled and edited by I.L. Babich, Vol. 2, Moscow, 1994, pp. 55, 91, 104.

⁴ See: M.S. Kushkhov, "Rodovoe ob'edinenie Kushkhovykh," *Elbrus*, No. 1, 2000, p. 143.

⁵ *Materialy 2-go mezhdunarodnogo genealogicheskogo kollokviuma*, No. 1, 2000, pp. 20-22.

⁶ For more detail, see: I.L. Babich, *Narodnye traditsii v obshchestvennom bytu kabardintsev*, Moscow, 1995.

quently though, age and belonging to a strong family once more resumed a prevalent place in the social and public hierarchy.

Despite the fact that national movements obtained significant support from the creative intelligentsia, both the leaders and supporters of these movements were the only real political force at that time in the Northern Caucasus capable of reforming the socioeconomic and political situation in the region's republics. Nevertheless, they were unable to cope with this task: over time, they essentially left the political arena. Along with them, the creative intelligentsia, whose interests focused on the national cultures, lost their levers of influence.

Islamic Culture

Around the mid-1990s, the local leaders of the Northern Caucasus began looking for new ways both to engage in the political struggle, and to form a new ideology. They chose Islam for this, since it is the traditional religion in this region and was being gradually revived thanks to the efforts of Russian and foreign Muslims. According to the new leaders, "political" support of the national traditions proved inconsequential, due to which many local ideologies preferred to *rely not on the national, but on the Islamic culture*.

The young Islamic leaders of Adigey, Kabardino-Balkaria, and other republics of the Northern Caucasus, who, in contrast to the first group of "neo-nationalists," can provisionally be called "Islamists," viewed the region's cultural expansion from the viewpoint of contradiction or non-contradiction of the national Caucasian traditions to the Islamic canons and Islamic culture. They carried out a kind of *revision of the national components of the Caucasian cultures*. And the first thing that aroused their antagonism was the above-mentioned clan structure, since, according to Islamic canons, the kinship factor is not a priority in interrelations within the Islamic commune. The Islamists, on the other hand, focused more attention on family and burial traditions—weddings and funerals.

Bride-kidnapping as a way of entering matrimony is still popular in the Northern Caucasus. This is resorted to when parents are opposed to their children's choice of partner. Islam rejects this, permitting matrimony only by means of matchmaking. Imams have a negative attitude toward this, and if such couples come to them asking to perform *negiakh*, they might refuse to carry out the Islamic ritual of matrimony.⁷ It is interesting that Adighe repatriates who moved back to Adigey in the 1990s from Kosovo preserved the Adighe culture and Adighe morals—*adyge habze*—in other forms than those practiced among the present-day Adighes of Russia. For example, they do not practice the tradition of bride-kidnapping.⁸ Drinking alcohol has become an inherent part of everyday life and all celebrations in the Northern Caucasus. Young Muslims try to limit the intake of alcohol. Weddings of young Muslims are celebrated either without alcohol, or a separate table is set up for non-drinking Muslims.⁹ According to the laws of Caucasian hospitality, a toastmaster (tkhamada) is appointed for celebrations. He is the master of ceremony in charge of the feasting, but Islamic regulations do not require such a person.

Young Muslims are not in favor of the Caucasian traditions relating to funerals and wakes (distributing hand-outs, multiple memorial repasts, giving out clothing, and performing namaz at the cemetery, apart from janaza namaz). According to Adighe Muslims, wakes (feasting on the day of funeral and 7-day and 40-day memorial repasts), lamentation on the day of the funeral (only the dua prayer should be read), villagers wearing "Jewish" hats at funerals, as well as transformation of ablu-

⁷ The author's field data, Adigey, 2003 (hereinafter—AFD). Notebook 1, Inv. 4, F. 2.

⁸ AFD, Notebook 1, Inv. 2, F. 2.

⁹ AFD, Notebook 1, Inv. 1, F. 1.

tion of the deceased into a small business (today, certain people in the auls do this for money) should all be prohibited.¹⁰

At present, the mufti of the Spiritual Administration of Muslims of the Republic of Adigey and the Krasnodar Territory and the imam of the cathedral mosque in Maykop visit Adighe auls where they hold meetings of Muslims, at which the villagers are asked not to hold wakes (7-day and 40-day memorial repasts). The rural effendis and imams also promulgate this, striving to set an example. Recently the father of a young deputy imam of an Adighe aul died. During the funeral, the son performed all the appropriate rituals within three days, and then told the villagers there would be no more memorial repasts. The villagers took umbrage, and the mother had to kill a bull, prepare food, and pass it out to the villagers, so that they remembered her husband on the seventh and fortieth day, without her son knowing. The villagers did not take kindly to this innovation by the deceased man's son.

Young Muslims are trying to change the burial regulations at Adighe cemeteries established during the Soviet era. Until now, the Adighes have retained the practice of burying members of the same family in the same grave and setting up memorials and railings around grave sites. But the situation is gradually changing. For example, in the aul of Takhtamukai, the lineal practice of inhumation is no longer observed: the local effendi does not permit room to be left for burying relatives in the same grave.¹¹ In the aul of Mamkheg, all the railings in the local cemetery have been removed, and the same thing has been done at the Maykop Muslim graveyard.

The Islamic canons are also "violated" by the norms of the mountain adat still practiced. The practice of concealing (protecting) a person who has violated the law (particularly if it is relative) is retained in mountain communities, although harboring a felon is prohibited by Islam. In all North Caucasian communities, the adat tradition of blood feuds is still partially practiced, which can be carried out by any of the victim's close relatives. But, according to the Shari'a, a blood feud is only allowed with the permission of the kadi or Shura.

The dance culture is still preserved in the Northern Caucasus, which comprises a wide range of dances and musical instruments. According to the Islamic canons, men and women cannot dance together. For example, young Muslims of Kabardino-Balkaria only permit those dances in which just men participate, accompanied by drums and stunts on horseback. One young man, after he began attending the mosque, was forced to leave the national ensemble he worked in until then. In Adigey, women and men can dance together, but only providing the woman is dressed according to Islamic tradition, that is, in a long dress with long sleeves and wearing a head scarf, and the man dancing with her does not take her by the hand.¹² Young Muslims do not recognize national and contemporary national popular music, approving only of listening to Arabic songs (*anashids*).

Witchcraft and sorcery are still practiced in the Northern Caucasus. Young Muslims are against adults wearing dua amulets, only permitting children to wear them, since they are not yet able to independently perform ablution and namaz, which protect a person without dua. According to North Caucasian traditions, a widow should be in mourning for a year after her husband's death, whereas according to Islamic rules, she should remarry as soon as possible.

In Kabarda and Balkaria, the tradition of revering elders is still partially practiced, according to which an older man should be greeted first no matter where he is standing (to the right or to the left), and only then the other people. There are other ethical standards in Kabarda and Balkaria with respect to elders. There is no revering of elders in Islamic traditions. According to the tradition of revering elders, older people should be given seats in the front of the mosque, whereas according to Islamic rules, these best places are taken by the people who come to the mosque first. For example, the imam

¹⁰ AFD, Notebook 1, Inv. 8, F. 2.

¹¹ AFD, Notebook 1, Inv. 4, F. 2.

¹² AFD, Notebook 1, Inv. 1, F. 1.

of Adygeisk, Najmutdin Abaza, points out that inside the mosque, reverence of elders should not be practiced, whereas outside it, this tradition may be preserved.¹³

Young Muslims are not in favor of keeping the national (Kabardinian and Balkar) dress, preferring to spread the idea of wearing Islamic clothing.

In the Northern Caucasus, the tradition of giving children Islamic names has all but disappeared. In Soviet times, names customary throughout Russia became popular. Mullahs and effendis did not interfere with this. At present, citizens of Kabardino-Balkaria do not have a clear idea of which names are Muslim and which are Kabardinian or Balkar. Young Muslims are trying to revive the tradition of children and those adults who become Muslims being given Islamic names. As soon as a child is brought home from the maternity hospital, the local imam is invited to suggest Islamic names: the name of the Prophet, Abdullah—slave of Allah, Mariam—Jesus' mother, Asiat—pharaoh's wife, a Muslim woman, Fatima and Urkia—daughters of the Prophet, Ali—son-in-law of the Prophet, Hassan and Hussein—grandsons of the Prophet, Zainab—wife of the Prophet. Muslims advise young married couples to give their children Islamic names. In Soviet times, this tradition was partially lost.¹⁴

One of the main vectors of the Islamic culture was the development of theatrical art and sporting events. For example, in Kabardino-Balkaria, young Muslims have been performing plays on Islamic themes and holding zikir concerts for the parishioners of their mosques for many years now during the main Muslim holidays of Kurban-bairam and Uraza-bairam. For example, the Muslims of the village of Zolukokoazhe held an Id al-Fitr celebration (breaking the fast) at the stadium, where, in particular, traditional contests were held for schoolchildren, who played such traditional games as "Hanging Red Cheese." Equestrian contests were organized for adults on the same day. Young Muslims are in favor of certain types of sports (football), while they reject others (figure skating). Parishioners often form football teams and organize games with teams of young non-believers. In 2001-2002, the young Muslims of the Shalushka and Volny Aul villages organized processions during the Kurban-bairam celebration: dressed in felt cloaks and sheepskin hats and carrying Islamic and republic banners, they organized an equestrian and car procession on the main streets of the villages, during which they sang zikirs through loudspeakers. Such celebrations are also held in Adigey: during the Kurban-bairam celebration, a concert was organized in the Maykop Palace of Culture, during which the Islamei ensemble performed zikirs (zichirs) in Arabic and Adighe.¹⁵

Young Muslims, taking heed of the trends in cultural globalization, believe mass culture and television to be detrimental. They only accept educational programs about animals and news broadcasts, and are quite indifferent to the national professional culture (literature, and so on).

On the whole, in the Northwestern Caucasus, the local intelligentsia has a negative attitude toward the formation of a contemporary mountain ideology based exclusively on Islam and the Islamic culture. They have organized, particularly in Adigey, numerous debates *on the correlation between the Adighe and Islamic cultures, the adat and the Shari'a*. The debate between Muslims and the Adighe intelligentsia was manifested most glaringly in the mass media. It was initiated by the newspaper *Adighe Mak*, which published an article in September 2003 by M. Bejanov, a researcher at the Adighe Institute of Humanitarian Studies and former advisor of the Committee on Ethnic Issues of the Government of the Republic of Adigey entitled "Adighe Customs and Rituals." M. Bejanov was categorically against replacing Adighe traditions with Islamic. He was supported by historian Asker Sokht—leader of the republic's Adighe Khase and publisher of the regional organ *Nasha Respublika* (the Takhtamukaevskiy Region)—who published an article by R. Gusaruk entitled "Islamism or Adigheism, Which Comes First?" in his newspaper.¹⁶

¹³ AFD, Notebook 1, Inv. 8, F. 2.

¹⁴ AFD, Notebook 1, Inv. 7, F. 3.

¹⁵ AFD, Notebook 1, Inv. 2, F. 1.

¹⁶ R. Gusaruk, "Islamizm ili adygstvo, chto voz'miot verkh?" *Nasha Respublika*, No. 4, 2001.

There are also supporters of more well-balanced views in favor not of opposition, but of interaction between the Islamic and Adighe cultures. In particular, S. Muskhajiev, Ph.D. (Hist.), a Chechen and member of the Muslim community of Maykop, published an article in *Adighe Mak* called “Islam i adygstvo: vzaimodeistvie, a ne protivostoianie” (Islam and Adigheism: Interaction, Not Opposition).¹⁷ In it the author notes that at present a “chorus of anti-Islamic hysteria” is observed among the Adighe intelligentsia and manifested in the mass media. S. Muskhajiev writes the following: “It is highly erroneous to juxtapose Islam, as a religious teaching and theological precept, against Adigheism, as a traditional ethnic code. Not only are they not antagonistic, on the contrary, they have coexisted, interacted, intertwined, and proven their compatibility for many centuries in Adigey’s heroic and tragic history. The history of the Adighes does not know one instance of a clash or hostility on these grounds. A graphic example of this is the fate of the Kosovo Adighes, who wonderfully combine pure faith in Allah with excellent knowledge of their native tongue.”¹⁸

But this is not entirely true. When Islam was spreading throughout the Northwestern Caucasus, conflicts flared up repeatedly among Muslims on the grounds of certain “non-correlations” between the Adighe and Islamic cultures. Islam is constantly modernizing ethnic life. Of course, the Hanafi madhab is the most tolerant toward ethnic cultures, but throughout history there were also disputes between older Muslims, the more conservative generation, and the young reformers in Adighe society during the spread of Islam.¹⁹ In particular, the reverence of elders aroused antagonism in the latter even in the past. Krym-Girei, who visited one of the mosques in the Natukhai village of Kudako back in the 19th century, presents some interesting facts: “Believing that the Circassians do not observe reverence of rank as strictly during prayer as they do in everyday life, I stood to the left of some mountain-dweller. The mullah prayed, on his knees, and telling his rosary greeted the angels—Gabriel and Rakhmet—who protect, according to our teaching, from the encroachments of Satan. At this time, he noticed that I was not standing where I should be. The mullah turned to the person next to me with the words: “Sinner! Allah will not accept your prayer if you so brazenly betray the customs of your fathers, as you are betraying them this very minute: you are standing to the right of a person who is too condescending toward you and whom you should respect.”²⁰

The revision of national traditions and development of the Islamic culture are not the only ways to form a *new Islamic ideology*. It is based on the following aspects: 1) organization of a system of Islamic education, 2) organization of propaganda of Islam and Islamic values in general education and sports schools, 3) formation of a contingent of intelligent preachers, and creation of a *mythical history of the practice of Islam and Islamic values in the Northern Caucasus in the 17th-19th centuries*.

I would like to go into more detail about this last component of new Islamic ideology, since its role is closely linked to involvement of the local intelligentsia, mainly the humanitarian academic intelligentsia—academic historians. It is important to emphasize that the creative intelligentsia, writers, artists, etc., mainly the older and middle-aged ones, do not support the young Muslims in their striving to create and substantiate an Islamic ideology. But they found a sympathetic response among the academic intelligentsia, primarily the young people of Kabardino-Balkaria. Many young scientists became Muslims, performed hajj to Saudi Arabia, and began actively supporting the leaders of the radical Islamic center of Kabardino-Balkaria—Anzor Astemirov, Musa Mukozhev, and others. For example, with the support of V.Kh. Kazharov, D.Sc. (Hist.), head of the history department of the Institute of Humanitarian Studies of the Kabardino-Balkarian Republic,

¹⁷ AFD, Notebook 1, Inv. 6, F. 4.

¹⁸ “Islam i adygstvo: vzaimodeistvie, a ne protivostoianie,” *Golos Adyga*, 20 October, 2001.

¹⁹ For more detail, see: I.L. Babich, A.A. Iarlykapov, *Islamskoe vozrozhdenie v sovremennoi Kabardino-Balkarii: perspektivy i posledstviia*, Moscow, 2003, pp. 10–66.

²⁰ Krym-Girei, “Putevye zametki,” in: *Izbrannye proizvedeniia adygsikh prosvetitelei*, Nalchik, 1992, pp. 96–97.

his coworkers (A. Mukozhev and others) are drawing up a new history of Islam in the Northern Caucasus capable of justifying the radical views and substantiating the claims of today's young Muslims to power.²¹

According to culturologist G.D. Bazieva, "religion-art-culture-spirituality" form a single chain. The close interrelation among the components of this chain is more evident today. At the beginning of the 1990s, academician D.S. Likhachev wrote: "At present, something extremely important has happened in our spiritual life. No one is juxtaposing culture against religion any more. Culture was born in the womb of religion and has been connected to it for millennia. Culture never grows old and is always fashionable, fashionable in the broad sense of this word, just as beauty is always fashionable. And the culture that lives in religions is fashionable. This is true regardless of whether it is a believing or non-believing person who thinks he is a cultural person."²² As S.S. Averintsev emphasized, "...forms of culture have their logic. It is another matter that people's convictions also have an impact on forms of culture, whereby this impact may be related to the conscious efforts of the participants in a historical movement, or may happen in hidden, unexpected ways."²³

For example, the Christian culture has no intention of stimulating the aesthetics of a West-East synthesis. "Assimilation of the Middle Eastern literary experience did not ensue from the Christian doctrine as a subjectively cognitive requirement; it ensued precisely from the fact of Christianity as an objective consequence."²⁴ And whereas during the 1990s, an interrelationship and interdependence did indeed arise between Orthodoxy, culture, and spirituality—all the things that form the new ideology of the Russians (the activity of D.S. Likhachev and S.S. Averintsev²⁵ are a vivid example), it is essentially impossible to say this of Islam. *To what extent did the mountain writers or artists address the topic of Islamic revival in their creative work?* Based on the example of Kabardino-Balkaria, it can be seen that Islam and the Islamic theme are present in art works in isolated insignificant droplets, and in pictures in isolated symbols of Muslim mythology (the colors white and green, crescent moons, stars), for example, the paintings *Muslim Woman* and *Mythology* by I.Kh. Jankishiev, *Mystics. Sufi Painting* by S.S. Budaev, *Prometheus* by A.K. Kuliev, *Mythical God* and *Prophets* by R.N. Tsrinov, and others.²⁶ It is interesting that among the creative works presented at a literary contest for the best work on Islam and the Muslims of Russia for 2005-2006 held by Ummah publishers, there were very few works from the North Caucasian republics.

Cultural Globalization

The main problem encountered by both national and Islamic leaders during the 1990s was the rapidly encroaching globalization era, including the era of *cultural globalization*, which greatly hinders the formation of any contemporary mountain (national, religious) ideology. The local creative intelligentsia—writers and artists who can provisionally be called "globalists"—are playing an important role in this process. They are more insistent than other representatives of the Caucasian intelligentsia in their opposition to attempts to form a contemporary mountain ideology both by reanimating the rapidly disappearing national traditions and by introducing the Islamic culture.

We will note that official cultural and ideological policy, which is being created in the depths of the republican Ministries of Culture, is usually aimed at retaining and using historical-cultural herit-

²¹ See: *Istoricheskiy vestnik*, No. 1, 2005.

²² F.S. Likhachev, "Narod dolzhen imet svoi sviatyni," *Literaturnaia gazeta*, 11 April, 1990.

²³ S.S. Averintsev, *Poetika rannevizantiyskoy literatury*, Moscow, 1977, p. 244.

²⁴ *Ibid.*, p. 245.

²⁵ S.S. Averintsev's television programs can be mentioned, where he reads his own poems on the Orthodox theme.

²⁶ See: G.F. Bazieva, *Razvitie...*; G.F. Bazieva, *Izobrazitelnoe...*

age and developing both folk and professional national art. This is shown, for example, by the cultural development program of the Ministry of Culture of the Kabardino-Balkarian Republic for 2002-2006.²⁷ All the same, the cultural development programs drawn up by the republican Ministries of Culture do not include most of the components of the cultural expanse, since the mass media, creative unions, and so on are not subordinated to these departments.

One of the reasons for this situation is the separation in the 1990s (in particular in Kabardino-Balkaria) of creative Unions of Artists and Writers from the republican Ministry of Culture. They acquired both financial and political-ideological independence, which of course is a positive thing, on the one hand, keeping in mind the many years of Soviet ideological pressure, but the local creative intelligentsia have found themselves segregated from the formation of a contemporary mountain ideology, on the other. They have been left on the sidelines of contemporary life.²⁸ So in reality, the cultural expanse and formation of a contemporary mountain ideology in the North Caucasian republics largely remains beyond the attention of the republican departments and is occurring spontaneously.

The mass media in the Northern Caucasus are extremely conservative and mainly engage in propaganda in the spirit of the Soviet ideology of mountain traditions and national cultures. For example, there is republican TV in Kabardino-Balkaria, which was created in 1957 and has federal financial subordination. It has four hours and 12 minutes of air time a day (1,195 hours a year). Broadcasting is carried out in three languages and so there are three departments at the television station: Kabardian, Balkar, and Russian.²⁹ The television station has six editorial boards: for art, information, social-political, socioeconomic, interregional, and children's programs. Among the broadcasts are many programs on national topics: "Roots and Shoots"—on common ancestors of the Kabardians and Balkars, "The Warmth of the Home Hearth"—on national-cultural centers, as well as "The Creation of the Universe and Appearance of the First Beings as Seen by the Adighes" (author of the program is historian A.A. Tsipinov).³⁰

What is more, republican television deliberately pays very little attention to the Islamic revival processes. According to the report of the editor-in-chief of social-political programs, A. Kardanov, the first programs on Islam, which mainly told about the opening of new mosques in population settlements, started appearing on republican television at the beginning of the 1990s. Later the heads of the Spiritual Administration of Muslims of the Kabardino-Balkarian Republic initiated the creation of a series of educational programs about Islam in the Kabardian and Balkar languages, during which information about religious holidays was relayed and surahs from the Quran were read. Republican television, supporting the initiative of the SAM KBR, unsuccessfully tried to involve representatives of the local intelligentsia as well as of the Adighe and Turkic diaspora of the Middle East in this work.³¹ The North Caucasian mountain-dwellers, like all other Russians, generally prefer Russian national television—serials, films, thrillers. According to our information sources, this kind of television is having a serious impact on the behavior of the growing generation and canceling the role Caucasian traditions play in upbringing.³²

There is a variety of cultural foundations in the republics. For example, the Cultural Foundation of the Kabardino-Balkarian Republic headed by film producer Vladimir Vorokov is in active operation, which primarily focuses on reviving the traditional foundations of culture and on promulgating modern art. In this respect, a Center of Aesthetic Upbringing was formed, with the direct participation of which 95 game and theater studios functioning in different national languages were opened and

²⁷ Author's data (AD), 2002, Kabardino-Balkaria, Notebook 3, Inv. 1, F. 3.

²⁸ AD, Notebook 3, Inv. 1, F. 5.

²⁹ AD, Notebook 3, Inv. 1, F. 1.

³⁰ AD, Notebook 3, Inv. 1, F. 1; Notebook 1, Inv. 1, F. 10.

³¹ AD, Notebook 3, Inv. 1, F. 8.

³² AD, Notebook 1, Inv. 1, F. 10, 17, 20.

wind orchestras and decorative-applied art and national dance studios created in the republic's kindergartens and secondary schools. The cultural foundation organizes regional study expeditions, during which data is gathered about the art of the peoples of Kabardino-Balkaria. Based on the results of the expeditions, documental television films are made about disappearing monuments of culture, the performers of folk songs, and the masters of folk and professional art, which are successfully shown by the television and radio company of the NOTR cultural foundation. This television channel broadcasts such television programs as "Rakurs" (Special View), "Kunatskaia," "Look at the Face," and "Dubl-2" (Take-2), devoted to various issues of history, culture, and art of Kabardino-Balkaria.³³

Against this background, representatives of the local intelligentsia—"globalists"—*uphold the right of cultural globalization to exist and inevitably win*. For example, during personal conversations with the author of this article, Ruslan Tsrinov,³⁴ a prominent and major artist of the republic, emphasized that contemporary Kabardinian artists *should not engage in the revival of national cultures at all, and of the Kabardinian culture, in particular*. He related how he studied the Adighe Nart epos for a long time and "went through a period of interest" in the national culture, as a result of which he understood that the Adighe culture has long been in crisis and *its fall is an inevitable and natural process*. In his previous interviews, R. Tsrinov said: "I belong to the Kabardinian people, I am a Kabardin, and what I do is of course rooted in that culture, in those ideas of culture which exist in the Kabardinian world, but with my head I am connected to the whole world, beginning with Africa and ending with China and Japan."³⁵

On the other hand, R. Tsrinov pays too little attention to Islam. In his opinion, Islam and the Islamic culture can in no way have a strong enough influence on the formation of a contemporary mountain ideology, primarily due to their historical weakness in the Northwestern Caucasus.

Finally, in R. Tsrinov's opinion, professional culture is not capable at all of forming a contemporary mountain identity and contemporary mountain ideology. He believes that ethnic chaos is currently apparent not only in Kabardino-Balkaria, but also throughout the entire Northern Caucasus, and that the era of cultural and ideological globalization is essentially unavoidable.³⁶ The artist is also supported by Kabardinian writer Boris Kagermazov.³⁷ During personal conversations with the present author, he admitted that there has been a significant drop in readers' interest in professional culture (both Kabardinian, and Balkar) in general, and in literature, in particular. He also noted a weakening in the influence and role of the creative intelligentsia in forming a social ideology. The works of national writers are only read in school. Adult Kabardins and Balkars essentially do not read national fiction in their native languages; at best they read their translations in Russian.³⁸ At present, national literature really cannot compete with the mass literature that is popular throughout Russia, for example, the book *Kremlyovskie zhyony* (Kremlin Wives).³⁹ So the slump in local art culture, according to B. Kagermazov, should be accepted calmly as part of a natural and inevitable process.

* * *

An analysis of the three main components of the present cultural expanse—national, Islamic, and global—using the example of the life of the North Caucasian peoples shows that in the context given above, mountain cultures are essentially defenseless against the onslaught of cultural globaliza-

³³ See: G.F. Bazieva, Razvitie...

³⁴ See: A Kabardin, born in 1952, member of the Union of Artists of the Kabardino-Balkarian Republic.

³⁵ R.N. Tsrinov, "Popytka byt samim soboy," *Kultura*, 7 October, 1995.

³⁶ Personal conversation with Ruslan Tsrinov, July 2002.

³⁷ See: A Kabardin, born in 1940, member of the Union of Writers of the Kabardino-Balkarian Republic.

³⁸ AD, Notebook 1, Inv. 1, F. 7, 23.

³⁹ AD, Notebook 3, Inv. 1, F. 2.

tion and the formation of a consumer society if they do not have any sort of contemporary ideology. On the one hand, not only is it impossible to form a contemporary mountain ideology based on the national factor alone, but nor was this factor able to play a significant role in activating national movements during the first half of the 1990s. And on the other, Islamic values cannot be forcefully introduced into the mountain communities, no matter how much young people, the most radical leaders of the Northern Caucasus, would like this. The local creative and academic intelligentsia, who are mainly from the older and middle-aged generations, largely lost their high standing in society and reputation as legislators of public morals during the 1990s. And the younger generation has totally lost its reference points, some of whom have gone over to Islam. Nevertheless, we should not lose heart and be pessimistic about this process. The local creative and academic intelligentsia, despite all the contradictoriness of their interests, including political, are capable of becoming more actively involved in creating a present-day multi-cultural expanse in which a contemporary mountain ideology will also take shape as a tool in the successful search for national (and religious) self-preservation in the globalizing world.



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ISLAMIC EXTREMISM IN THE CAUCASUS: REAL THREAT AND HOW TO AVERT IT

A b s t r a c t

The author looks at the role and place of Islam in the contemporary socio-political processes in the Caucasus. He identifies the main factors responsible for the growth of religious extremism and criticizes some of the methods used to defeat it. The author is convinced that despite the socioeconomic roots of con-

temporary religious extremism, there are clear distinctions between the trends obvious in Azerbaijan and in the Northern Caucasus. He presupposes that radical ideas can be defused by efforts designed to socialize the religious communities with due account of certain Shari'a canonical rules.

The global changes have triggered complex and irreversible processes that have not only transformed the principles of interstate relationships, but also shaken the foundations of the international

security system. In an effort to translate its economic and military supremacy into cultural and spiritual domination, the West has touched the deepest layers of consciousness of other civilizations, thus disrupting its slow, yet consistent centuries-long evolution. The crude methods of interference could not conceal the global reformers' true intentions: they were not only unprepared, but also unwilling to start a dialog with the Third World. Certain Western academics, such as S. Huntington, F. Fukuyama, B. Lewis, R. Kaplan, A. Schlesinger, and others,¹ have already decided on the place the South is expected to fill in the new world system and scientifically substantiated it.

This raised a wave of religious and ethnic self-identification as a means of survival amid the chaos of social transformations and the unnatural division of societies into elites and the masses. The Muslim world was more open in its hostility to the new project: it interpreted the encroachments on Islam's superiority and universality as a threat to its continued existence.

Because of their economic and technical backwardness, low educational and cultural level, and absence of political and social conceptions of their own equally adjusted to the Muslim traditions' positive side and latest achievements, none of the Muslim countries (with the exception of Malaysia) proved able to respond to the globalization challenge. In the past, prominent Islamic scholars—ash-Shafii (767-820), Ibn Hanbal (780-855), al-Ghazali (1058-1111), Ibn Taymiyya (1263-1328), Ibn Haldun (1332-1406) and others—wrote a lot about political order and social relations. At the same time, according to Professor of the University of Wisconsin A.R. Abootalebi, they paid less attention to the political dimension of the Shari'a than to its theological aspect. Such prominent issues as the correlation between the rights of the individual and the ummah, the right to rule, the source of political legitimacy, and the right or the duty to oppose an unjust ruler remained poorly developed. The same can be said about the Islamic government's duties and functions. As a result, Shari'a-based political philosophy remained undeveloped, while Islamic political thinking continued to be purely speculative.²

The extremely negative attitude toward the West common among the Muslims is fed by their awareness of the widening gap between the North and the South, the political and military support the United States and the EU extend to the Jewish state, as well as the memory of the fairly recent colonial past of the Muslim countries and the European legacy in the shape of inadequate nationalist regimes. This created very real prerequisites for radical movements and political ideas rooted in religious dogmas.

It would be wrong, however, to concentrate on the Muslim world alone while looking for sources of Islamic extremism. The architects of the future world were very much concerned with Islam's transnational nature, the simplicity and rationalism of its postulates (a perfect monotheist tradition and the absence of church hierarchy), the Muslim countries' advantageous geopolitical situation, their huge hydrocarbon resources, the changing demographic makeup of the world, etc. Recently exploited to undermine the position of the main Eurasian rivals, Islam has been proclaimed a threat to the new "world order" even though its bellicose adherents can still be used in local conflicts and as instruments designed to check Islam's influence in the United States and Western Europe.

The Caucasus' complex ethnoconfessional composition has made the region a seat of local conflicts: since the 1990s, it has been involved in social transformation processes and statehood development. The clashing interests of several large powers developed into protracted armed conflicts. In the

¹ See: S.P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster, London, 1997; F. Fukuyama, *The End of History and the Last Man*, Free Press, 2006; B. Lewis, "The Roots of Muslim Rage," *The Atlantic Monthly*, Vol. 266, No. 3, September 1990; R. Kaplan, *The Ends of the Earth: A Journey at the Dawn of the 21st Century*, Random House, New York, 1996; idem, *Balkan Ghosts*, Vintage Books, New York, 1993; A. Schlesinger, *The Disuniting of America: Reflections on a Multicultural Society*, Norton, New York, 1992.

² See: A.R. Abootalebi, "Islam, Islamists, and Democracy," *Middle East Review of International Affairs*, Vol. 3, No.1, available at [<http://www.biu.ac.il/SOC/besa/meria/journal/1999/issue1/jv3n1a2.html>].

context of Islamic revival—one of the most prominent social-political phenomena in the post-Soviet Caucasus—religion did not dominate any of the local conflicts. Today, however, religious extremism is one of the region's serious destabilizing factors. It threatens the local states' sovereignty and territorial integrity by adding special overtones to the international relations there; more than that, it infringes on the rights of the faithful majority that rejects extreme ideas.

To correctly assess this threat we should identify the role and place of Islam in the sociopolitical processes in the Caucasus, and the factors behind mounting political extremism there, as well as critically analyze some of the methods employed to rebuff extremist ideas.

Islam came to the Caucasus in the 7th century, but it was not until the 18th century that the local peoples finally accepted it as their religion. From that time on, Islam has greatly affected spiritual culture, traditions, and everyday life in the Caucasus. The present wide-scale religious revival is explained, on the one hand, by the desire of the common people and the academic community to go back to the traditional values in search of mechanisms for overcoming the social and economic crisis and political disunity and to find spiritual resources to fight corruption and crime. On the other hand, those who rule these people want to channel public energy in the right direction so as to reap political dividends.

The attitude toward Islam among most of the Muslim nations of the Caucasus differs greatly from that of the Arab Muslim world and of some other traditionally Islamic regions. According to Brenda Shaffer, Research Director, Caspian Studies Program at Harvard University, most Caucasian Muslims look at Islam as a component of their ethnic and religious identity; it is not, however, their primary collective identity. Islamic-based solidarity with the Muslims outside the Caucasus is minimal, yet it can be found among small North Caucasian groups. Most of the local people think highly of their local traditions, but they are not prepared to identify themselves with the Muslim world in a broader sense.³

Certain researchers, however, tend to overestimate the Islamic impact on the local processes. According to Egyptian analyst K.M. Kamel of the American University in Cairo, the Russian troops and their cruelty united all the Islamic forces against their common enemy, despite serious enmity between the Sufi brotherhoods and more radical Islamists.⁴

The above sounds like a political statement, not a description of the real situation. The Caucasus is home to about 60 autochthonous nationalities that belong to various language groups and language families. According to the 2002 All-Russia Population Census, there were 6.9 million living in eight republics of the Northern Caucasus. The population size of the three Central Caucasian states is 15.8 million (see Table 1 on p. 148).

The above demonstrates that the share of the Muslim population is assessed as 59.5 percent, and of Christians as 39.5 percent. The centuries-long experience of cooperating with the Orthodox Christian civilization affected the local peoples' world outlook and enriched public conscience with the experience of living alongside a different faith. Their cultural and spiritual affinity with the Muslim world notwithstanding, the Caucasian nations belong to the Eurasian cultural and historical system.

This should not be taken to mean that the Caucasus is an area of specific Muslim culture: the local religious tradition is represented by numerous trends that do not agree among themselves. From this it follows that Islam cannot serve as the key to political affinity there.

What is behind the radicalization of some of the North Caucasian and Azeri Muslims? Is it part of the global trend obvious everywhere throughout the Muslim world, or does religious extremism in the Caucasus stem from other, purely local roots?

³ See: B. Shaffer, "It's not about Ancient Hatreds, It's about Current Policies: Islam and Stability in the Caucasus," available at [<http://poli.vub.ac.be/publi/crs/eng/Vol5/shaffer.htm>].

⁴ See: K.M. Kamel, "Islam in the Northern Caucasus: The Politics of Militancy and Revolt," available at [<http://islamonline.net/English/Views/2004/11/article03.shtml>].

Table 1

**Confessional Composition of the States and
Republics of the Central and Northern Caucasus**

Administrative unit	Population (million)	Muslims (%)	Christians (%)	Others (%)
Azerbaijan	8.3	95.6	4.2	0.2
Armenia	3.2	—	99.99	0.01
Georgia	4.3	11.0	88.0	1.0
Adigey	0.44	29.0	70.0	1.0
Daghestan	2.57	94.6	4.9	0.5
Ingushetia	0.47	95.5	4.5	—
Kabardino-Balkaria	0.90	72.0	27.8	0.2
Kalmykia	0.29	12.2	34.5	53.3
Karachaevo-Cherkessia	0.44	64.8	35.2	—
North Ossetia-Alania	0.71	8.7	91.2	0.1
Chechnia	1.10	96.32	3.68	—
TOTAL:	22.72	59.5	39.5	1.0

Russian academic K. Poliakov sees the roots of extremism in the post-Soviet expanse in the contradictions of so-called “catching up” modernization, the deforming role of “dependent development,” the demographic disproportions, the instigations of the Cold War rivals, the use of Islam as a mobilizing ideology, as well as the inner sources of Islamism contained in the doctrine itself. When writing about the special role of the foreign factor, he points out that it was fairly limited. It merely intensified the “deep-cutting sociocultural shifts inside the local societies and the inability of traditional Islam to satisfy the new intellectual, spiritual, social, and political interests.”⁵

I think that when talking about purely religious, but not ethnic, extremism we should admit that it is rooted in the non-traditional interpretation of the Quranic texts and the Sunnah, as well as the local people’s religious ignorance. Religious extremists turn to religious texts to justify their illegal acts against those who fail to share their views and ideas. Islam, like any other religion, offers broad opportunities for this. The fact that holy texts are abstract, the faithful and the unfaithful are mutually opposed at the level of religious teaching, there are religious rules related to warfare, and there is a history of far from peaceful coexistence of religions (especially obvious in the Middle Ages) allows anyone to interpret the holy texts contrary to what the religion itself teaches and expects from its followers.

Azerbaijan is not free from religious extremism: the first radical religious organizations appeared in the country in the late 1990s. The so-called Army of Allah (Jeysullah) was one of the first; it betrayed its presence late in 1996 (in October 2000, its leader Mubariz Aliev was sent to

⁵ K. Poliakov, “Vliianie vneshnego faktora na radikalizatsiiu islama v Rossii v 90-e gody XX veka (na primere arabskikh stran),” in: *Islam na postsovetskom prostranstve: vzgliad iznutry*, ed. by A. Malashenko and M.B. Olcott, Art-Biznes-Tsentr, Moscow, 2001, p. 268.

prison for the rest of his life; and 12 members were sentenced to various terms in prison—from 4 to 13 years).

On 19 April, 2006, 16 citizens of Azerbaijan, Russia, Turkey, and Yemen accused of terrorist activities were sentenced to 5 to 10 years in prison; the group's leader, Arif Gajiev, was sent to prison for life. So far this has been the latest case of this sort in Azerbaijan.

Most of the faithful in Azerbaijan were not tempted by extremist ideas. The efforts of foreign emissaries and their local supporters were defused by religious tolerance typical of Azerbaijan, effective work by the special services, loyalty of most local religious leaders to secular authorities, and an active propaganda campaign against religious violence. Even the Chechen refugees as the main proponents of radical ideas in Azerbaijan failed to push the Azeri Muslims to ultra-radical anti-state methods.

The situation in the Northern Caucasus, which is part of the Russian Federation, a country with a predominantly Christian population and where Christian Orthodoxy plays a special role, was different. There religious ideas blend with ethnic separatism and the idea of an Islamic state. Chechnia, which was the first to move in this direction, became the main seat of resistance to the federal Center. The religious youth, a large part of which was engaged in shady dealings, eagerly responded to the calls to a jihad against the unfaithful. The conflict in Chechnia unfolded rapidly under the pressure of the region's social and economic problems; the federal Center was obviously unable to stem the process, while foreign geopolitical actors increased the tension. The local peoples' ethnically determined features, coupled with the memory of the repressions against some of the Caucasian nations, made it even harder to put out the fire. Other North Caucasian republics and the Far Abroad states watched and waited. In August 1996, soon after the Khasaviurt peace agreement under which the federal troops were removed from Chechnia, it became obvious that the local radical orthodox believers known as the "Wahhabis" and the traditional Sufi Tariqahs could not agree among themselves. The efforts made to build up a Shari'a state in the Northern Caucasus were doomed from the very beginning; the end was prompt and tragic.

In a certain sense, the rest of the Muslims learned a lot from this bitter experience: separatism was put on a backburner; loyalty (even if superficial) to secular power and a willingness to talk were displayed. Today, however, no answer to the religious extremism problem has been devised—the use of force turned out to be the wrong one. No matter how many leaders of armed groups are exterminated, the factors behind the ultra-radical views and ideas remain in place. The cruelty of the law-enforcement bodies and corrupt bureaucrats are pushing the local people to the social margins and fanning ethnic strife.

To uproot these phenomena, public conscience in the Muslim regions should be reformed; ideas urging a synthesis of the Islamic values and liberal thinking should be supported, while the Muslims should be given the chance to become integrated into the academic and public elite. N. Kosukhin was quite right when he wrote that extremism should not be taken as a quest for a development model based on Islamic values and alternative to the liberal Christian model. "Extremists are, to some extent, a by-product of the government's unwillingness to let them take part in the democratization of public life."⁶ It would be wise to create a legal basis to allow religious associations to take part in addressing social problems. This will channel the creative energy of the faithful in the right, legal direction.

With this aim in view, the religious education system should be adjusted to the needs of those wishing to know more about the faith, in order to squeeze out foreign missionaries and incompetent preachers from this area. In fact, the entire region badly needs reform of the religious education system: the madrasahs train people unable to carry out state religious policy, their worldview and religious ideas are too specific for that. It would be wise to open full-fledged Islamic higher educational

⁶ N.D. Kosukhin, "Politizatsia islama i problema stolknovenia tsivilizatsiy v sovremennom mire," available at [<http://humanities.edu.ru/db/msg/44345>].

establishments to give students a chance to receive a compulsory secular education as well. So far, there is an acute shortage of those who can teach religious studies, the philosophy of religion, and theology at higher educational institutions. Success of the reforms depends on the time required to resolve the problem.

The existing Islamic higher educational establishments can be used to carry out the reform. There are two such institutes in the Northwestern Caucasus (in Nalchik and Cherkessk) that are functioning without proper documents; they offer no secular curricula either. In fact, A. Iarlykapov of the Institute of Ethnology and Anthropology, RAS, is not sure that they can be described as higher educational establishments in the true sense of the word.⁷

By August 2002, Dagestan had 16 Islamic higher educational establishments with 49 branches; they educated 5,730 students, 2,830 of whom attended branches. Even the Imam ash-Shafii Islamic University of Dagestan teaches no secular subjects. A. Bulatov has assessed its curriculum as “completely corresponding to the common madrasah level.”⁸

There is Baku Islamic University in Azerbaijan with three registered branches in other parts of the republic. Since 1992, the department of theology of Baku State University has been training experts in Islamic studies. In recent years the quality of teaching has improved; nevertheless, today graduates still cannot compete with people educated abroad.

To suppress the extremist trends, the state should pay more attention to socioeconomic problems. According to the Federal Service of State Statistics of Russia, in the first six months of 2004, the average wage in Russia was 6,411 rubles; the average wage in the Southern Federal Okrug was 4,402 rubles, while in the North Caucasian republics, it was 3,000-3,500 rubles. Average wage arrears in the country were 160 percent of the wage fund of the debtor enterprises; in the Southern Okrug, 210 percent; and, for instance, in Dagestan, 445 percent.⁹ The unemployment level in the Southern Federal Okrug (13.1 percent) is much higher than the country's average of 8.3 percent. In the Okrug's regions, it ranges from 10.1 percent in North Ossetia-Alania to 51.6 percent in Ingushetia.¹⁰

To socialize the isolated groups of faithful and improve their attitude toward the authorities, bureaucratic corruption and arbitrariness should be discontinued; they should no longer be allowed to interfere with small and medium businesses in the area; programs of interest-free (because of the Quranic ban on interest loans) micro-loans should be introduced.

Real rather than ambiguous amnesty of all those who although involved in illegal armed formation stayed away from the cruelest terrorist acts (such as seizure of the school in Beslan) may become another step toward curbing religious radicalism.

Today, the government has mastered several mechanisms for opposing the radical groups, such as stemming illegal money flows to the religious associations, strict control over grants and donations for religious purposes, import and propaganda of religious literature are likewise limited, etc.

Life has shown, however, that certain bureaucrats and clerics are abusing these measures. As soon as sale of Wahhabi books was limited in Dagestan, translations of the Quran by Academician I. Krachkovskiy and Prof. M.-N.O. Osmanov were removed from the shelves, along with absolutely harmless theological works. The Dagestani clerics even “blacklisted” prayer books.

⁷ See: A. Iarlykapov, “Islamskoe obrazovanie v Dagestane: evolutsia sodержania,” available at [<http://www.ethnonet.ru/lib/01-04-01.html>].

⁸ A. Bulatov, A. Iarlykapov, “Islam na Severnom Kavkaze: sovremennye problemy,” *Etnicheskaia situatsia i konflikt v gosudarstvakh SNG i Baltii. Ezhegodnyi doklad 2004*, ed. by V. Tishkov, E. Filippova, UOP IEA RAS, Moscow, 2005, 544 pp.

⁹ See: E. Gontmakher, “Bednost’—vzryvoopasnyi gruz,” *Rossiiskaia gazeta* (federal issue), No. 3579 of 16 September, 2004, available at [<http://www.rg.ru/2004/09/16/kavkaz.html>].

¹⁰ See: E. Shmeleva, T. Panina, “Biznes predlagaet GChP,” *Rossiiskaia gazeta* (central issue), No. 3582, 20 September, 2004, available at [<http://www.rg.ru/2004/09/20/ekonomika-metody.html>].

Society pays dearly for the wrong policies pursued by the authorities and the law-enforcement bodies. The “intimidation” policy and persecution of the faithful in Daghestan radicalized even the previously moderate Muslims and led to the deaths of dozens of militiamen and civilians. The faithful of Kabardino-Balkaria were enraged over the actual closure of mosques in the republic: in October 2005, the buildings of the security service structures in Nalchik were attacked. This does nothing to improve the situation; more than that, certain forces are exploiting this to protect their privileges.

By way of conclusion, we can say that religious extremism in the Caucasus was born by acute social, economic, and political contradictions, not by religious revival. This phenomenon cannot and should not be discussed in the clash of civilizations context, since this theory postulates that confrontation is inevitable and a dialog useless.

The present geopolitical realities and recent political achievements of the Islamist parties in Palestine and Egypt add urgency to the need to formulate a balanced and unbiased state policy regarding Islam. It would be useful to broaden regional and international cooperation in this sphere to use the positive experience of other states in the field of religious tolerance and dialog. The Islamic factor has been present in the region since ancient times; it can be used to preserve statehood and promote integration in Central Eurasia.



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TOLERANCE IN GEORGIA: RELIGIOUS AND ETHNIC ASPECTS

A b s t r a c t

Paper discusses topical problems of preserving and further strengthening tolerance in Georgia as an attribute of contemporary Georgian society. An interplay between religious and ethnic aspects of conflict is a primary focus of the

paper. It is argued that despite the rarity of religion-driven conflicts between different ethnic groups, there is an acute need for preventive measures to avert conflict in the future. Effective and coordinated efforts

on the part of international organizations and individual governments are seen as of increasing importance as they support Georgia's political stability and economic growth.

Ethnicity is closely correlated with religion in Georgia. However, Georgia is outstanding for the absence of cause-effect relation between religion and ethnic conflict. Cases that evidence religion-ridden confrontation between different ethnic groups are hardly detectable in Georgia's history. Paradoxically, however, Georgia's modern history is rich in conflicts both on religious and ethnic grounds. But this has not prevented politicians of modern times from speculating on Georgians' tolerance. Indeed, it is more than a decade that Georgian authorities have been promoting a thesis about extraordinary tolerance of the nation to alien ethnic groups and religions. The most frequently cited example that serves as one of the apt illustrations of the legacy of Georgians' tolerance is Maidani, a patch of land in the very downtown Tbilisi, where next to the Georgian Orthodox Church nobly stand Armenian Apostolic Church, a Synagogue and a Mosque. Although this in fact has made Maidani Georgia's important touristic destination, similar examples are common too elsewhere in the country. Still, some experts and media commentators tend to view the mentioned thesis about Georgians' tolerance as a major propagandistic trick of the central government aimed at molding the favorable international public opinion. This is partly true, since Georgia has lost two secessionist wars in Abkhazia and South Ossetia, mainly due to Russian involvement, and therefore securing international support in winning back peacefully these territories has been regarded as a primary policy issue. Nevertheless, the skeptics challenge the popular view about Georgians' tolerance by pointing at the mentioned cases in recent times of ultranationalistic policies and infringement upon freedom of religion.

Dangerous Convictions

Following the collapse of the communist ideology in Georgia on the threshold of the 1980s and 1990s a pressing need to fill the gap has been created. This was especially necessary since the national-independence movement, headed by Zviad Gamsakhurdia, in its efforts to lead the nation towards liberation from Soviet domination has sought for patterns of self-identification for Georgian nation. This quest for new identity has resulted in the emergence of two major convictions that later on largely foreordained the course of events. First, a discourse of civil or human rights that would express a right of national self-determination for its minorities had not been developed. Instead, the non-Georgians were constructed as "foreigners," recent arrivals living on authentically Georgian land, and as more loyal to the imperial Russian power than to Georgia.¹ Therefore, the new Georgian statehood should have been built based on 'ethnic purification'. Subsequently, as Z. Gamsakhurdia and his followers ascended the power, this conviction has become the new Georgian government's policy.

The other conviction that too had been nourished by nationalistic sentiments was Georgian Orthodoxy as the sole religious belief for 'genuine Georgians'. This outlook had much to do with the important role that the Georgian Orthodox Church had played as the major uniting factor in most critical times throughout the nation's history. Although internally the Georgians were not ready to go

¹ See: R.G. Suny, *The Making of the Georgian Nation*, Indiana University Press, 1994, pp. 324-325.

back instantly to the bosom of the Church after long years of infidelity under the Soviet system, for the masses the conversion into believers had been perceived as the spirit of the times. Being religious had become fashionable as it allowed for emulating the popular leaders of the time.²

The mentioned outlooks had quickly gained popularity. Not surprisingly, in due course both convictions have had significant impact on subsequent policy design process, which in most cases led to negative consequences.

From Ethnic Nationalism to Ethnic Conflict

It happened so that the ethnic nationalism as the official ideology had instantly resulted in hostile policies against ethnic minorities, and most notably against titular ethnic groups in Abkhazia and South Ossetia. Local separatists and their Russian patrons on their part too have added fuel to the fire in their efforts to pursue the goals predetermined by both history and geopolitics.³ First serious confrontation took place in South Ossetia. In January 1991 as several thousand Georgian troops entered Tskhinvali, an administrative center of South Ossetia, a year of chaos started with further escalation into urban warfare with sporadic Russian involvement. One year later an agreement was reached between the parties that had brought about the ceasefire, but the war's consequences were devastating: some 1,000 dead, 100 missing, extensive destruction of homes and infrastructure,⁴ and around 30,000 refugees and internally displaced persons (IDPs).⁵

In the meantime Gamsakhurdia was overthrown by a civil war within Georgia and the former Foreign Minister of the USSR, Eduard Shevardnadze, was invited back from Moscow to stabilize the situation. But little progress has been made since 1992 to bring Ossetians and Georgians closer together. President Saakashvili tried to break a twelve-year deadlock and take another step to restore Georgia's territorial integrity by undermining the regime in Tskhinvali, but seriously miscalculated.⁶ Later the approach has changed. Georgia has devised a peace plan implying three-stage strategy of conflict settlement.⁷ The onus is on Georgia, with help from its international partners, to increase the security and confidence of people living in the zone of conflict, promote economic rehabilitation and development, ensure the right of Ossetians to return to South Ossetia and Georgia proper, and create arrangements guaranteeing South Ossetia effective autonomy.⁸

² See: I. Khaindrava, "The Church in Georgia Today," *Central Asia and the Caucasus*, Vol. 5 (23), 2003, p. 25.

³ E.g.: prior to parliamentary elections in 1990 local leadership of South Ossetia initiated proclamation of full sovereignty within the U.S.S.R. on 20 September, 1990. Gamsakhurdia's government responded fiercely and abolished the autonomous oblast status of South Ossetia on 11 December, 1990. Soon after the direct military confrontation started.

⁴ International Crisis Group, *Georgia: Avoiding War in South Ossetia*, Europe Report # 159, Tbilisi-Brussels, 2004, pp. 3-4.

⁵ See: V. Priakhin, "Political and Geographic Rectangular 'Tbilisi-Tskhinvali-Vladikavkaz-Moscow': Prospects for a Georgian-South Ossetian Settlement," *Central Asia and the Caucasus*, Vol. 5 (23), 2003, p. 50.

⁶ The Georgian approach failed in large part because it was based on a limited analysis of the causes of the conflict. It was falsely considered that South Ossetia's de facto president, Eduard Kokoity, had little democratic legitimacy or popular support and that the people would rapidly switch loyalty from Tskhinvali to Tbilisi. Also, the Russian factor was underestimated, as it was naively believed that Russia would not be resisting Georgia's attempts of changing the *status quo*.

⁷ The peace plan was developed on the basis of President Saakashvili's initiative made public at 26 January, 2005 Parliamentary Assembly of Council of Europe. Later, the Plan was supported by the OSCE, EU, U.S. government, etc.

⁸ See: International Crisis Group, *Georgia: Avoiding War in South Ossetia*, Europe Report # 159, pp. 3-4.

According to general assessment the conflict in Abkhazia is more deep-rooted and has brought about incomparably more devastating results both in terms of Georgian nation building and inter-ethnic relations between Georgians and Abkhaz. During the war in 1992-1993 with Russian support, the Abkhaz were able to defeat the Georgian forces. About 300,000 people had lost their homes and deep resentments had been created. Many of the grievances and ambitions developed during the war remain tough obstacles to peace. Unless they are addressed, efforts to re-integrate Abkhazia into Georgia are almost certain to lead again to violence. The major hindrance to achieving peaceful settlement of the conflict is a lack of vision on how to settle the conflict. Over the past decade inconsistent policies that derived from mentioned absence of the vision have led to greater alienation of the Abkhaz and Georgians. Politically the sides in the conflict are nowhere closer to each other as their stances have become radically diverged compared to the years immediately after the cessation of hostilities in 1993.⁹

Another historical-geographic area in southern Georgia, Javakheti, is also deemed to be fraught with the potential for conflict. This stems from the dominance of the Armenian population in this part of Georgia characterized by widespread poverty and social insecurity, high level of corruption and organized crime, large-scale illegal storage and possession of firearms, and the weakness of national security mechanisms. First signs of potential conflict were registered in the early 1990s. At that time, Georgia witnessed two local conflicts in Abkhazia and South Ossetia and a civil war culminating in the capital Tbilisi. However, with the exception of several political demonstrations the situation in Javakheti did not erupt into large-scale violence or inter-ethnic conflict. These demonstrations were primarily motivated by demands for autonomy, which were supported by Armenian nationalist organizations. However, even during that period, the population of Javakheti did not support more extremist calls for secession from Georgia.¹⁰ Subsequently, since 1999, the situation in Javakheti has again started worsen. There was a new wave of public protests over deteriorating economic conditions, irregular electricity supplies, and growing speculation over the withdrawal of the Russian military base.¹¹ Currently, the central government is in control of the situation, however, the potential for conflict is still real.¹²

Over time, however, the radical nationalistic attitudes gave way to more liberal views. This tendency has become even more evident recently. Georgia's Rose Revolution has brought to power political forces that are increasingly aware of unavoidability of peaceful means of resolving the ethnic differences. High popular support enables the incumbent authorities to effectively advocate for seeking peaceful political solution and suppress the ultranationalistic sentiments in Georgian society. Yet some new economic policies of Georgia's new government have caused anxiety in certain peripheries such as Azeri-populated Kvemo Kartli. Azeris have always been and still are one of the most loyal ethnic minorities to the Georgian state. Apart from history and geopolitics, personal friendship of former presidents of Georgia and Azerbaijan has significantly contributed to this loyalty. Nonetheless, as the new government took active measures against smuggling practices, including in Kvemo

⁹ At that time the Abkhaz side willingly negotiated the federal status within Georgia, although there has been variant reading of this notion. These days, the Abkhaz side persistently opposes any effort to include the status issue in negotiations and insists on full independence.

¹⁰ See: O. Antonenko, *Assessment of the Potential Implications of Akhalkalaki Base Closure for the Stability in Southern Georgia—EU Response Capacities*, CPN Briefing Study, September 2001.

¹¹ Javakheti currently hosts one of the largest Russian military bases on the Georgian territory. Its closure is still under negotiation. The military base provides significant economic benefits to the residents of Javakheti including: employment, purchases of local agricultural products, assistance with transit of local goods to Russia and Armenia, illegal economic activity that benefits local political elites, etc. Moreover, due to historical factors, the local Armenian population associates its security guarantees vis-à-vis neighboring Turkey not with the Georgian state, but with the presence of the Russian armed forces.

¹² See: A. Gegeshidze, *Georgia's Regional Vulnerabilities and the Ajaria Crisis*, Insight Turkey, Vol. 6, No. 2, April-June 2004.

Kartli, local population has perceived this as an attempt of ethnic discrimination. Numerous cases of confiscation of smuggled goods have caused protests and clashes with law enforcement agencies. Apparently, Georgian government needs to make greater civil integration of Azeris in Kvemo Kartli a priority so as to avoid deterioration of existing inter-ethnic harmony.

Taming Religious Extremism

Despite a general tolerance toward minority religious groups citizens remained very apprehensive towards Protestants and other nontraditional religions, which were seen as taking advantage of the population's economic hardships by gaining membership by providing economic assistance to converts. These groups were viewed as a threat to the national Church and the country's cultural values and argued that foreign Christian missionaries should confine their activities to non-Christian areas. These views had gradually evolved into aggressive attitudes.

Unlike ultranationalistic attitudes the religious intolerance had become apparent in the late 1990s as violent attacks on adherents of non-traditional religious groups, such as Baptists, Jehovah's Witnesses, Evangelists, Pentecostals, and Hare Krishnas began to take place. These groups faced hate speech and violent attacks by organized groups of Orthodox Christian vigilantes. The state failed to respond adequately, and sometimes even cooperated in the attacks, which consequently became more frequent and pervasive, spreading from Tbilisi to many other regions throughout Georgia. The attacks and hate speech faded prior to the November 2003 elections, leading to speculation about how closely the government controlled the violence. In 2004, there were some reports of intimidation and violence against religious minorities, although at significantly reduced levels to previous years.

The President, the National Security Council Secretary, and the Government Ombudsman have been effective advocates for religious freedom and have made numerous public speeches and appearances in support of minority religious groups. The Ministry of Internal Affairs and Procuracy have become more active in the protection of religious freedom and have pursued criminal cases against Orthodox extremists for their continued attacks against religious minorities.

While less harassment was reported in recent times, the problems remain. There are no laws regarding the registration of religious organizations. The Georgian Orthodox Church remained the only religion with legal status in the country. The new Government has not addressed a previous draft law to allow for registration or proposed other changes. Unregistered religious groups are not officially permitted to rent office space, acquire construction rights, import literature, or represent the international church. Also, the Roman Catholic Church and the Armenian Apostolic Church were unable to secure the return of churches closed or given to the Georgian Orthodox Church during the Soviet period. Additionally, the Ministry of Education requires all 4th grade students to take a "Religion and Culture" class, which covers the history of major religions. Many parents complain of teachers focusing solely on the Georgian Orthodox Church. The Church has a consultative role in all curriculum development.¹³

Interestingly, however, there has been no evidence that any misunderstanding has ever taken place with traditional religions present in Georgia, including Islam. This suggests that attributing the abovementioned cases of religious intolerance to xenophobia and religious nationalism would be incorrect. Probably, one may assume that we have been witnessing the manifestation of the natural instinct of survival as the Georgian Orthodox Church had used both overt and implicit means to prevail over increasingly influential non-traditional religious denominations.

¹³ See: *Georgia—International Religious Freedom Report 2005*, Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, 2006.

What Next?

Georgia is at a unique and critically important moment in its history. Recent phenomenal changes in Georgia's political landscape have opened the window of opportunity for building a viable democracy and a rule of law state. Upgrading the standards of respecting the human rights, as well as peaceful solution of the existing ethnic differences emerge now as most urgent challenges. Success and/or failure to address these challenges will largely determine not only the fate of the Georgian state, but also the stability of current political regime and its durability. Georgia's problems, however, are so broad, deep, and encompassing that it will be hard for Georgia's new government to move forward without the energetic participation of the international community.

The fundamental problem that needs immediate and concerted efforts on the part of the international community is regional tensions and ethnic conflicts as they serve as major hindrances to political stability and economic development. This is particularly important because against the background of decreasing ethnic radicalism in Georgia the remaining obstructive policies of Russia limits Georgia's own resources to ensure peaceful settlement of conflicts.

Past experience of international involvement demonstrates that there is an acute need for more active participation in the settlement of ethnic disputes. This is prompted from the following lessons learned:

- There is a lack of coordination between international actors (both international organizations and individual governments) preventing from more effective utilization of diplomatic as well as financial resources;
- Multilateral settings of political settlement of conflicts, such as UN Security Council or Friends of Secretary General on Abkhazia/Georgia, proved to be ineffective because of Russian veto;
- UNOMIG and CIS-led Peacekeeping Operations did not bring tangible results due to either limited mandate or lack of motivation.

There is a need for closer collaboration between the West and Russia. Questions of Georgia's accession to the EU and NATO should not be allowed to undermine cooperation with Russia. More emphasis should be put on pushing Russia towards more constructive participation on bilateral basis (e.g. U.S.-Russia dialog, EU-Russia dialog, etc.).

Also, advocacy for and cultivation of Western liberal values in the separatist regions would help create an alternative to the existing 'Russian choice'. Increased injections of understanding that the Western community as an ultimate political destination would better ensure realization of national goals of Abkhaz and Ossets. This will contribute to constructive dialog with Georgian authorities provided that Georgia on its part will be making practical steps towards approaching the same destination.

In the realm of internal politics the international donors should address the issues of nationalism and minorities so as to rule out in future reemergence of religious intolerance and inter-ethnic frictions. For that reason a wide-ranging debate on the relationship between citizenship, nationalism and ethnic identity should be encouraged in all areas. The position of minorities, including non-traditional religious groups, should be considered in all assistance programs.

Finally, a care should be taken of those most affected by conflict. As these are the people representing the poorest sectors of society, chances raise for increased aggressiveness toward de facto seceded societies. Therefore their voice should be strengthened through civil society, through micro-finance programs and through developing the leadership of women.



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AZERBAIJANI DILEMMA IN THE GLOBALIZATION AGE: “ADVANCE” TO EUROPE OR “RETREAT” TO ASIA?

A b s t r a c t

The author investigates some of the sociocultural dilemmas Azerbaijan is coping with as a European-oriented country of Islamic cultural-historical heritage. The author formulates the central dilemma of the day as: will the country continue moving toward “Europeanization” or will it turn back to its “true,” “Asian” norms and values? This is discussed in the context of debates about the “modernization” and “Westernization” conceptions. The author is convinced that the present course

of borrowing individual institutions and carrying out reforms in individual social segments is leading nowhere. It will merely waste human, material, financial, and moral capital and time. The author argues that many of the Western institutions and values (democratic institutions in particular) cannot be imported to a different cultural environment. He points out that society needs systemic changes and that the state should carry out policies tailored to the educational and cultural spheres.

He never lost hope that the time would come when *our* people would find happiness without copying others.¹

Azerbaijan, which inherited the centuries-old culture of the Muslim East, on the one hand, and, being oriented toward Russia for the last two centuries, was exposed to the European cultural values as part of the Russian Empire and, later, of the Soviet Union, on the other, is grappling with fairly complicated sociocultural dilemmas.

At the turn of the 20th century, Azerbaijani society was living in a state of opposition or even clash between the local national identity and the czarist “Russification” policy, in the one

¹ O. Pamuk, *Chernaia kniga*, Amphora Publishers, St. Petersburg, 2005, p. 76.

hand, and the supra-national Muslim identity, on the other.² The Soviet “cultural revolution” of the 1920s-1930s created numerous dramatic social and cultural collisions, some of which were eventually and more or less successfully resolved. Azerbaijan’s newly found independence, however, did not deliver the nation from similar sociocultural problems—it gave rise to new, no less intense ones.

Today, in the age of globalization, Azerbaijan as an independent state must come to grips with a major sociocultural dilemma: either continue moving toward Europe and Europeanization, or go back to its “primordial,” “Asian,” so to speak, norms and values.

A superficial observer might not detect a dilemma: indeed, a dilemma is born by the “need to choose between two (normally equally unwelcome) options.”³ In our case, most of the nation and the country’s political elite hail the idea of adjusting Azeri society to Western norms and values. Azerbaijan is actively cooperating with numerous Western international organizations and is involved in various projects and reforms carried out, more or less successfully, under Western coaching. Still, the dilemma is a real one—it is related to the strategy according to which society will be reformed.

Like all other Soviet successor states, Azerbaijan must change its society. Practically all social groups have admitted this, yet the direction of these changes and their methods are giving rise to heated discussions.

All subtle differences aside, there are two extreme approaches to the issue that can conventionally be called “economic” and “humanitarian,” the poles attracting an entire range of opinions and ideas about reform.

Supporters of the former believe that economic reform should be treated as an absolute priority; they are convinced that other social spheres will develop under the impact of economic modernization. This approach, popular with all social groups, is likewise popular with the ruling political and economic elite.

Those who support the “humanitarian” approach believe that, to be successful, economic reform should be accompanied by deep-cutting social and democratic changes. They pin their hopes on introducing Western democratic institutions into the country to protect human rights and fundamental freedoms. This opinion comes from the opposition. It should be said that both groups treat the problem, or rather, dilemma, in a simplified way.

The “economists” tend to ignore the human factor. Meanwhile, economic reform cannot produce the desired results if it is not accompanied by efforts to change people’s mentality. Corruption, client-patron relations, and nepotism are but a few of the manifestations of the local mentality which seriously endanger society’s future development. It will not go on as “planned.”

The “humanitarian” position tends to treat the problem of planting the democratic institutions lightly; it tends to disregard its extremely complex nature. Indeed, the democratic institutions are a product of a very specific type of social development; they look well in the Western world and cannot be exported elsewhere. This is what has given rise to the dilemma discussed below.

Cultural “Predetermination” or Strategic Choice

The polemics outlined above suggest much broader discussions about “modernization” and “Westernization.” Some people insist that social modernization associated with economic growth and

² Works by Azerbaijanian writers and public figures of the period—M. Akhundov, J. Mamedkulizade, M. Sabir, Uz. Gajibekov, N. Narimanov, and others—provide an idea about the dilemma’s intensity.

³ *Slovar inostrannykh slov*, Russkiy iazyk Publishers, Moscow, 1988, p. 164.

prosperity, industrialization, urbanization, education for all, etc. will finally bring about cultural changes (“Westernization”). In this way society will be introduced to all the values of Western civilization, democratic institutions, rationality, pluralism, pragmatism, individualism, the rule of law, separation of secular and spiritual powers, etc.

Their opponents insist that modernization of traditional societies can be achieved without radical changes of society’s mental “matrix” formed by the “primordial” cultural values and norms.

In the final analysis, the discussions boil down to one key question: to what extent are traditional cultures and societies able to modernize themselves and effectively adjust themselves to new technologies and models while detached from the predominantly Western norms and values in the context of which these technologies and models took shape in the first place?

Opinions differ: some members of the academic community believe that modernization success depends on the type of culture any given society belongs to.⁴ Some countries and societies of South-east Asia in the first place (Japan, South Korea, Taiwan, and others), while moving ahead along the road of modernization, have preserved their cultural traditions practically intact. There are other, mainly Muslim, states that, for cultural reasons, have encountered numerous problems along the same road, therefore they should radically reform their societies, that is, “become Western” in a certain sense.⁵

This suggests another question: to what extent can traditional cultures and values change under the impact of innovations, ideas, and practices coming from the West? According to American political scientist Samuel Huntington,⁶ most cultures cannot change their inner essence; they resist alien influence and live for centuries without changing. Samuel Huntington illustrated this using the example of Muslim societies that stubbornly reject Western influences and democratic changes. He wrote: “Islamic culture explains in large part the failure of democracy to emerge in much of the Muslim world. Developments in the postcommunist societies of Eastern Europe ... are shaped by their civilizational identities. Those with Western Christian heritages are making progress toward economic development and democratic policies; the prospects for economic and political development in the Orthodox countries are uncertain; the prospects in the Muslim republics are bleak.”⁷ According to his logic, Azerbaijan “left to shift by itself” would inevitably regain its place among the states of Islamic civilization, the future of which is “bleak.”

It should be said that his conception was justly criticized for exaggerating the cultural factor at the expense of other (economic and political) factors. The American author was also criticized for his oversimplified interpretation of cultures and civilizations as “homogeneous” units unable to readjust themselves and to move ahead together with time. If they do change, they do this according to their patterns and their “soul.”⁸

No matter what we think about Mr. Huntington’s culturological constructs, his assessment of the development prospects of Muslim societies and countries deserves attention, to say the least. He

⁴ See: W.E. Naff, “Reflections on the Question of ‘East & West’ from the Point of View of Japan,” *Comparative Civilizations Review*, No. 13/14, Fall 1985 & Spring 1986, p. 222; S.N. Eisenstadt, “Transformation of Social, Political, & Cultural Orders in Modernization,” *American Sociological Review*, No. 30, 1965, pp. 659-673; D.E. Apter, “The Role of Traditionalism in the Political Modernization of Ghana and Uganda,” *World Politics*, No. 13, 1960, pp. 47-68.

⁵ See: D. Pipes, *In the Path of God: Islam & Political Power*, Basic Books, New York, 1983. D. Pipes identified the contradictions between the Islamic injunctions and certain economic issues—female labor, the right of possession, the law of descent, etc.—as the causes interfering with the Islamic countries’ modernization.

⁶ See: S.P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster, New York, 1997.

⁷ *Ibid.*, p. 29.

⁸ D. Senghaas, *The Clash within Civilizations*, Routledge, London, 2002.

has correctly written that certain Islamic cultural communities wishing to follow the road of Westernization find it hard to imbibe Western norms and values. His opinion of Turkish society, in particular, should be taken into account: among the societies that have embarked on the road of Europeanization, it is the closest to Azerbaijan. Its experience is very important for us. Without going into the details of this complicated process, let us dwell on the following.

In mid-19th century, Turkish society became actively involved in the European orbit and experienced several radical transformations caused by the country's adherence to Western values and institutions. The process acquired additional vigor when Kemal Atatürk, founder of the Turkish Republic, launched a purposeful process of modernization and Westernization. This was done resolutely and with a lot of determination. Samuel Huntington has the following to say about Kemal Atatürk's approach: "This response is based on the assumptions that modernization is desirable and necessary, that the indigenous culture is incompatible with modernization and must be abandoned or abolished, and that society must fully Westernize."⁹ He concluded that this strategy created a "torn country" and "cultural schizophrenia."¹⁰

"Cultural schizophrenia" is an apt metaphor best illustrated by Orhan Pamuk in his *Black Book*.¹¹ It tells the story of a Turkish handicraftsman, the first in the Ottoman Empire to make dummies only to become an object of rage of Sheikh ul Islam, who interpreted this as a sacrilege ("man is the creation of Allah; to perfectly imitate him means to emulate Allah Himself"). On his orders the dummies were removed from shop windows to reappear when the Turkish Republic replaced the Ottoman Empire and when another tide of Western influence created fashionable shops with windows dressed in Western style. The craftsman, who decided that his hour had finally come, very soon discovered that his dummies were not in demand. He made them to look like local people, but the clothes were designed for Europeans. The shop owners explained: "Our customers do not want coats they can see every day in the streets on mustachioed, bow-legged, and bony Turks. They want coats made in a far-away mysterious countries worn by new and handsome people. And when putting on such a coat, they expect to be transformed themselves. ... The Turks no longer want to be Turks—they want to be someone else. They revolutionized their clothes, shaved off their beards, and even changed the alphabet... Shoppers do not shop for clothes—they shop for dreams. They buy the dream of becoming like those who wear European fashions."¹² This is the best description of "schizophrenic" duality of individual lives; it illustrates an important issue of identity and identification, as well as the role played by borrowing and imitation in the process of mastering alien experience and alien cultures.

The issue is not new: in the 1920s-1930s, Gökalp, a prominent Turkish philosopher and thinker, criticized the method of formal borrowing of Western institutions typical of the newly formed Turkish Republic.¹³

I. Fadeeva interpreted Gökalp's ideas about Europeanization of Turkish society in the following way: "The Turks do not understand that traditions have their historic value; for this reason, they remain formalists and imitators. ... By pressing forward to achieve quick success, the Turks perceive European civilization as the sum total of certain theoretical and practical formulas. Formal institutional borrowing has no future; it is not creative since discrete imitation cannot be glued together on a common foundation. Each of the new elements remains isolated from the rest and exists all by itself. It has no future."¹⁴

⁹ S. Huntington, op. cit., p. 73.

¹⁰ Ibid., p. 154.

¹¹ O. Pamuk, op. cit.

¹² Ibid., p. 72.

¹³ See: Z. Gökalp, *Turkish Nationalism and Western Civilization*, New York, 1959.

¹⁴ I.L. Fadeeva, *Ot imperii k national'nomu gosudarstvu*, Vostochnaia literatura Publishers, RAS, Moscow, 2001, p. 127.

Gökalp believed that genuine social progress should rely on society's own traditions: "Tradition is the true force behind motivation, which creates new development trends and sets new landmarks for public consciousness and being. This is the force that creates and develops itself and that gives life to borrowing in such a way that the alien elements blend into the new context; they cannot be separated or distorted as happens with primitive imitation. The nation's memory is embodied in its traditions... Tradition creates continuity and adds harmony to the process of transformation of individual institutions. It binds them together."¹⁵ In some cases, tradition fails to be the starting point of development: indeed, there are no traditions corresponding to the Western institutions and values related to democracy and human rights.

This is what I. Fadeeva had to say about the Turkish reforms: "For over one-and-a-half centuries all attempts at Westernization were *spontaneous and unrelated either to each other or to what was done earlier. For this reason, the programs and principles proclaimed by the renovation movements were not systemic and rational enough...* (italics mine.—R.G.) Westernization in the 1920s-1930s in Turkey produced results that none of the Muslim countries could emulate at that time. The country received national laws in the sphere of state administration, politics, economics, and law. The population of large cities completely adapted itself to European clothes and some of the elements of the European lifestyle, yet *the nation failed to achieve one of the key elements of Western civilization—the priority of the individual in society* (italics mine.—R.G.). The most impressive changes lack stability and a future if not supported by the human factor. It is very important, however, that the Turkish academic community has identified the problem and is actively discussing it."¹⁶

The above singles out two main aspects typical of the Turkish reforms: their random and non-systemic nature and the failure to achieve "priority of the individual," which are vitally important for the choice of reform program. The former relates to the "level of methods," the latter to the "level of meaning" that identifies the reforms' main aims and tasks. This level answers the question: Why should reform be carried out at all? The above suggests a reformulation of Azerbaijan's dilemma.

The country has reached a bifurcation point: it can either go on with its mainly random borrowing of disjointed elements of Western models, norms, and values (something that is going on in the country), or it may prefer a development strategy based on a *well-substantiated* and detailed reform program with clear aims, tasks, and priorities.

The choice of road will send society either toward "Europeanization" or "back" to the large group of Asian communities with "bleak" (Huntington) development prospects. In other words, the prospects directly depend on the reformist strategy the state chooses. Random institutional borrowing and reform of individual social segments have no future—they will merely waste a lot of human, material, financial, moral, and time resources. The following will illustrate the above.

Non-Systemic Reform: Higher School is Put to the "Test"

In 1992, Azerbaijan made its first steps as a newly independent state eager to change: tests as a system of admission to higher educational institutions were one such early change. They replaced the

¹⁵ I.L. Fadeeva, *Ot imperii k national'nomu gosudarstvu*, Vostochnaia literatura Publishers, RAS, Moscow, 2001, p. 127.

¹⁶ *Ibid.*, p. 141.

Soviet system of student admission under which the higher educational establishments selected their students themselves; the state resolved to bury the old subjective and corrupt system based on personal ties and bring educational standards closer to Western ones. Since that time, the project has already consumed a lot of human and financial resources, as well as the efforts of all sorts of international foundations, organizations, and institutions.¹⁷

The time that elapsed since 1992 allows us to assess at least some of the results: the reform neither remedied negative corroding practices, nor checked the downhill slide of education quality. There are objective reasons for this: the educational system cannot be isolated from social ills; it is a “mirror” reflecting the society that created the system in the first place.¹⁸ We have discovered that the hopes pinned on entrance tests were unjustified: there are too many corruption-related scandals around entrance exams, half-term examinations, and transfers of students from one institute to another. This is not the main evil, however.

The tests failed to stop disintegration of the country’s educational system; they even contributed to the process of reducing secondary education to cramming for tests.

The same applies to higher schools of learning: society was deprived of higher education not in form, but in essence. The 2005/6 entrance tests to post-graduate institutions confirmed this: most bachelors of art and science failed the fairly primitive tests. This, in turn, confirmed the old truth obvious to any objective observer: the absolute majority of students do not study—they merely go through the motions. We all know this. Why does this happen? The answers range from corruption among the lecturers and professors and shortage of highly qualified people to the absence of scientific and methodological literature; inadequate material and technical bases, etc.

The all-embracing answer is: ***the absolute majority of students are not ready to study at higher educational institutions!*** Universities, which, in turn, cannot get rid of students unable to master the program (this is confirmed by the very low share of expelled students and instructions by university administrations not to give failing grades), have become part of the secondary school system. Those precious few who can and want to study cannot do this: there are too many of those who do not want and cannot study and who create a fairly discouraging atmosphere.

What about the entrance tests? Indeed, the idea was to select the best and most able.

The test results say little or nothing about the individual’s ability to continue studying at higher schools; at best they indicate the level of the school leavers’ knowledge. Meanwhile, the dependence between the level of knowledge obtained at school and the ability to study at a higher learning establishment has not yet been proved.¹⁹ Higher school is not *simply a continuation of secondary school*; it offers a qualitatively different educational level and requires special abilities unconnected, totally or partially, with the level of knowledge received in secondary school.

Today, the heated debates of the abilities indispensable for higher school students have not yet produced any clear and unambiguous criteria.²⁰ At the same time, there is a widely shared opinion that

¹⁷ For more information about the international structures involved in the project see: [URL: <http://www.tqdk.gov.az/>].

¹⁸ See: *Power and Ideology in Education*, ed. by A.H. Halsey, J. Karabel, New York, 1977.

¹⁹ Special studies carried out in 1978 showed that school grades say little about a graduate’s potential as a student (in Germany, $r = 0.30$; in the U.S. $r = 0.48$ on average) (see: M. Amelang, “Der Hochschulzugang,” in: K.J. Kaluer, *Handbuch der Pädagogischen Diagnostik*, Band 4, Schwann, Düsseldorf, 1978). For this reason, researchers conclude, school grades should not be taken as the only selection criterion (see: K. Ingenkamp, *Pedagogischeskaia diagnostika*, Pedagogika Publishers, Moscow, 1991). The dependence between the intellectual level and the ability to master higher school programs looks more reliable. The coefficients vary, yet it is commonly believed that only those with an IQ higher than 110 or 115 can study at any type of higher school (see: M. Ratter, *Pomoshch trudnym detiam*, Progress Publishers, Moscow, 1987, p. 43).

²⁰ What is obvious is that students need fairly developed intellects. It is commonly believed that only those with an IQ higher than 110 or 115 can study at any type of higher school (see: M. Ratter, op. cit.). To select the best of the best, it would be much wiser to test the school leavers’ intellectual level rather than their knowledge of the school program. It

higher school students should be able to study independently.²¹ Back in 1810, outstanding German scientist and teacher W. Humboldt wrote that a student could be considered ready for university if he had learned enough from others to be able to study independently.²²

In any case, the method that assesses the level of school knowledge (with the help of tests compiled by secondary school teachers based on the school curriculum) is practically useless for the purpose of selecting individuals ready and able to study at higher school. It is hard to find the predictors to be used to predict an individual's ability to master the higher school program; all sorts of specialized scientific centers and institutions in the West have been working on this for several decades now without much success. The task has not yet been resolved, therefore West European and American universities employ methods of their own.

Many of the European universities (in Germany, the Netherlands, and elsewhere) enroll all those willing to enter; they are expected to prove their ability to study by passing half-term examinations. In France, the complicated school program helps select the best at the secondary school level by spreading pupils among schools and colleges of different types. America employs a different method, even though the system of tests is widely used in this country together with the grades on school-leaving certificates.²³ The American educational system is very flexible. It consists of all types of colleges and universities for students with different levels of school knowledge; this gives poor school pupils the opportunity to continue their education at colleges.

To sum up, I can say that educational practices, on which the use of tests depends, vary from country to country. The tests, however, are but an element in the student selection system; their usefulness is limited to specific educational systems.

The above suggests several conclusions: first, tests as the only selection criterion unaccompanied by systemic changes in the educational system and society are useless, to say the least; they merely waste energy and money. Second, educational reforms should be based on a well-substantiated program of action that has specific aims and tasks in mind. They should start not "from below" (the testing procedure), but from identifying the key objectives. Which of them should be treated as such?

The answer is simple. An analysis of the Western educational models reveals that they share certain features obvious in the higher school, which make them different from Soviet and post-Soviet education practices. Higher school abroad is built around the teacher's (professor's or lecturer's) personality on whom the entire system and the teaching process depend. It is on him that the future of higher school depends—he is expected to help his students develop the ability to think independently.

The very idea that any technical innovation (tests in our case) can replace a human being is wrong. Man cannot be excluded from the educational process—this was a step in the wrong direction. Meanwhile, everything done so far is leading there. All efforts to improve the tests or upgrade the educational process at universities (written exams instead of oral ones, points instead of grades, etc.) look naive and fairly useless.

Man should be placed in the center of the educational process—this is what should be done to reform education—otherwise we shall remain bogged down in formalism, profanity, low quality, corruption, etc., in short, the old evils that have already come to the fore in the new educational system.

This is but one example that illustrates the futility of borrowing technologies and models and the urgent need for a complex system of reforms. This fully applies to all other spheres of social life. From this it follows: Western innovations can and should be borrowed only when

will turn out that the number of young men with an intellectual level high enough to study at higher school is much smaller than the number of offered places.

²¹ See: *Formirovanie uchebnoy deiatel'nosti studentov*, ed. by V.Ia. Liaudis, Moscow University Press, Moscow, 1989.

²² See: *Autorenkollektiv: Du und Dein Studium*, Berlin, 1970, p. 12.

²³ To enter American colleges and universities, school leavers should present the following information: (a) a list of subjects studied in secondary school; (b) school grades; (c) admission tests, that is, SAT and ACT. Both are fairly general and are used to identify the ability to study at any college and university (see: K. Ingenkamp, op. cit.).

their contexts are fully grasped and understood. They should be correlated with our social context; social priorities, prospects, and landmarks of future development should be identified to suggest a strategy of moving toward the goals set. This is what should be done if we want to reform our society.

Social reforms according to Western patterns are much more complicated than it seems, even if the strategy and aims have been correctly formulated. All attempts to appropriate and develop alien values and achievements will run into obstacles and limitations that can conventionally be described as “situational” and “instrumental.”

“Situational” and “Instrumental” Obstacles

By “situational” obstacles I mean the factors that create chains of interconnected events—situations—arising in society when it “meets” an innovation or a change. “Instrumental” factors can be described as instrumental resources and cultural instruments (language development level, conceptual apparatus, etc.) any given society has at its disposal as part of its culture. By way of illustration I shall present two stories here.

The former set of factors was brilliantly described in Orhan Pamuk’s *My Name is Red*,²⁴ which tells the story of a Turkish sultan who orders, through his confidential servant, an illustrated book of stories to mark the one thousandth anniversary of Hegira.²⁵

He wanted Western-style illustrations, in a manner that had already mastered perspective and the idea of portrait. The methods clashed with the canons of Oriental painting limited by Islamic injunctions or their interpretations by faithful theologians. For example, a dog could not be of the same size as the padishah; portraits of specific individuals were absolutely taboo. To avoid accusations of blasphemy several artists were invited to work separately: one of them was expected to draw a dog, another, trees, still another, a horse, etc. The process developed into a chain of intrigues and deaths; the book was never completed. This is an example of the fact that even the “most insignificant” things, such as the Western principles of painting, cannot be planted in the Muslim East without many problems, events, and situations that bury the project and discourage society’s interest in painting.

J.L. Borges’s *Averroes’ Search*²⁶ illustrates the instrumental factor by telling a story of how Ibn Rushd, a 12th-century Arabian thinker (known in Europe as Averroes), tried to translate Aristotle’s *Poetics* into Arabic. In the process, he discovered that two words—“tragedy” and “comedy”—remained unclear to him because the Arabic lacked the corresponding categories.²⁷ In other words, without an idea of theater, Averroes proved unable to grasp the meaning of these words. J.L. Borges said: “It came to my mind that Averroes, locked as he was within Islamic limits, was unable to understand the meaning of the words ‘tragedy’ and ‘comedy’.”²⁸

²⁴ See: O. Pamuk, *Menia zovut krasny*, Amphora Publishers, St. Petersburg, 2005.

²⁵ Hegira (Arab. flight)—the Prophet’s move from Mecca to Medina in 622. The Muhammadan era dates from this year (see: *Islam. Kratkiy spravochnik*, Nauka Publishers, Moscow, 1983).

²⁶ See: J.L. Borges, “Poiski Averroesa,” in: *Proza raznykh let*, Raduga Publishers, Moscow, 1989, pp. 155-160.

²⁷ By way of commenting on this phenomenon of Arabian culture, G.E. von Grünebaum pointed out: “The Arabian critics failed to add the concepts of plot and action to the fairly rich conceptual system of Arabian culture... Fiction is presented as piece of information; invention, as a real case. This disinclination to surrender to the imagination, the desire to stay within the limits of the factual and real is close to the treatment of man Islam has been inculcating from the very beginning. Completely devoted to the idea of God’s omnipotence, the new faith insisted that He and He alone was the only Creator, while man was denied any creative ability lest he formulate a wrong idea of inborn qualities by merely confusing the concepts and, therefore, find a wrong place for man in relation to Allah” (*Osnovnye cherty arabo-musul’ manskoy kul’tury*, Nauka Publishers, Moscow, 1981, pp. 180-181).

²⁸ J.L. Borges, op. cit., p. 160.

The story contains an episode in which Averroes, fatigued by his translation efforts, went up to the window, through which he saw semi-naked boys imitating a muezzin. Significantly, he failed to realize that the meaning of two Greek terms was being presented to him. The author tells us that it is not only very hard to comprehend the meaning of something that is not present in one's experience, but also that even if this experience exists, it is next to impossible to interpret it in the absence of ideas and corresponding concepts. In this case, the societies resolved to change themselves by making man their priority run against the problems created by an absence of traditions corresponding to the Western institutions and values related to democracy and human rights.

Understanding Man: the "Watershed" between the West and East

To illustrate the above let us discuss the problems created by human rights. This subject regularly surfaces at all discussions of the situation in Azerbaijan at all sorts of meetings between European and local politicians and observers. It has become clear that public opinion finds it hard to accept the "human rights" concept. The question is: why?

I would like to discuss the problem's cultural, or "instrumental" aspects. Today, our society, or at least a large part of it, has failed to recognize human rights as a fundamental value, not only because society lacks political will, but also because people have no corresponding values (value categories) at their disposal to allow them to accept and understand this key democratic principle of the West.

I have already written that we should first understand how categories created in one socio-cultural-historical context could be transferred and adjusted to different contexts (the Azerbaijani context in our case). It would be useful to outline the context that gave rise to the human rights concept.

It is closely connected with or, rather, is based on the idea of man and the way Western culture understands man. A "person" is one of the key notions that affected the development of man-related categories in the West.²⁹ This legal term borrowed from Roman law (cf. a legal person) looks at man as a vehicle of rights and obligations; this, in turn, made it possible to create and develop the human rights idea. This means that the idea of human rights that appeared in the West was created by two interacting factors—Roman law and Christianity.³⁰

Roman law and Christianity determined Western society's legal and moral practices, respectively. In fact, they are responsible for the emergence of the idea of man as a vehicle of rights and obligations and the related set of ideas: human rights-civil society-democracy. This idea of man is typical of Western culture.

Oriental Christianity (Orthodoxy) interprets the idea of man differently: there is no concept of "person" in its Western meaning. F. von Harlen has the following to say on this score: "By transferring the Occidental idea of person to the world outside the Occident, to the world of Christian Orthodoxy, for example, we shall receive the wrong results... Byzantium gave the world one 'person' only, namely, the emperor. Only he had rights."³¹

Islamic civilization has its own idea of man and a different interpretation of "person:" in Muslim society it relates to the Muslim ummah rather than the individual.³² I. Fadeeva has written: "Traditional

²⁹ See: R. Poole, *Nation and Identity*, Routledge, London, 1999.

³⁰ F. von Harlen, "Istoriko-pravovye aspekty problemy Vostok-Zapad," *Voprosy filosofii*, No. 7, 2002, pp. 27-51.

³¹ *Ibid.*, p. 35.

³² Significantly, the very term "person" (shaqs, in Arabic) has a different meaning free from legal connotations typical of the Western term. According to the large explanatory dictionary of Arabic, the word "shaqs" means "any object

ideology and Muslim law this ideology shaped were based on a conviction of religious universalism; that only a religious community, rather than a person or individual can be the subject of law (property, constitutional, etc.). It is membership in this community that was regarded as a guarantee of property, personal, political, etc. rights, which inevitably infringed on the rights of the individual...³³

Significantly, the legal system of Muslim society “has not preserved the ‘legal person’ concept that existed in Roman law.”³⁴ This created a chain of far-reaching effects. In particular, “embezzlement of public funds was not punished under the *khad* for stealing since the illegal action was aimed not against a legal agent independent of the embezzler: the latter, as any other Muslim, was a partial owner *mal Allah* and, on the strength of this, a partial owner of stolen property.”³⁵ It was even more important that Islam acquired specific judicial practice and an interpretation of man.

It is common knowledge that as distinct from judicial practices in the West, judicial practice in Muslim societies was not separated from religion. It was rooted in the Quran and Hadiths, which together form the basis of the Muslim religious law (Shar’ Shari’a).³⁶ This interfered with the development of the legal categories needed for judicial practices, which, in turn, produced far-reaching results. The absence of a legal institution in the form of courts of justice and judicial practices, in particular, undoubtedly curbed individual development and damaged individual chances of being a free and independent agent.

Moral practices in the West and in the Muslim world, imposed by the corresponding religions, likewise differed; this also affected the way man was understood: each of the religions posed its own tasks on man, which determined the moral practices in these extremely different societies.

As distinct from “the West, which subjugated God to human intellect, thus limiting His omnipotence in a certain sense” (F. von Harlen), Islam clearly and insistently hails God, thus making man subordinate to Him.

G.E. Grünebaum has the following to say on this score: “If we travel from Western Christianity to Greek Christianity and further on to Islam we shall discover more optimistic ideas about human nature. Roman and Protestant Christianity tried to save man tainted by original sin by showing him the road to purity and salvation through Divine sacrifice represented by Christ. Despite man’s sinful nature and his inadequacy, relations between God and man are lawful. Man should see his predestination as following the law and cleanse himself before God... Greek Orthodoxy was less prone to ponder over the Fall and its effects. God created man in his image and likeness, which inevitably makes him noble; sin may taint, defame, and deprave him, yet it cannot destroy him altogether. Sin is akin to illness or loss of inner self, while redemption restores the original fullness of existence. This happens not so much thanks to Divine justice, as due to His boundless and eternal love. The confidence in His mercy ... in His love of man knows no bounds; repentance, confession of sins, and church services, rather than deeds, will provide Divine forgiveness joyfully given... Finally, Islam does not see in man any original sin or filth at all. It discerns in man weakness and, to an even greater extent, ignorance.

that is higher than others or is elevated.” The word is used to describe a man or woman, meaning that man is higher than the earth. The word “shakhasa” means “rise.” It is used, for example, in the expressions “shakhasa sakhmuqa,” that is, “your arrow flew up;” “shakhasa-l-basar” is said to describe eyes that rolled like those of a dead person’s (see: Ibn Manzur, *Lisan al-Arab*, Vol. 7, DarIhyaalturath al-Arabi, Beirut, 1999, p. 51).

³³ I.L. Fadeeva, op. cit., p. 175.

³⁴ G.E. von Grünebaum, op. cit., p. 57.

³⁵ Ibid., pp. 57-58 (reference to J. Schacht, *Sociological Aspects of Islamic Law*, Berkeley, 1963).

³⁶ I.P. Petrushevskiy wrote in this respect: “The close connection between religion and law and the transfer of the judicial process into the hands of jurist-theologians are very specific features of the Muslim countries’ history. Even contracts of purchase, tenancy, lease of land, money borrowing, etc. were concluded with the help of qadi (Muslim judges). For this reason religion affected public and even everyday life in the Muslim countries to a much greater extent than in the Christian or Far Eastern countries, where public, criminal, and civil law was free of religious and Church influence and where law-making belonged to secular power. In Muslim countries, where law was rooted in the religious (eternal and immutable) principles, the faqihs (jurist-theologians.—R.K.) did their best to avoid changing the laws to keep them as close to the ideal of theocracy as possible” (*Islam v Irane v VII-XV vekakh*, Leningrad University Press, Leningrad, 1966, p. 147).

Since man is unable to choose the right path he should master and use the knowledge offered by the Revelation and the Holy Tradition to save himself. It is commonly believed that by entering into an agreement with God Adam gave Him rights over man; this predicts complete defeat of the recalcitrant. God may use His power to punish. At the same time, if an awareness of man's complete nothingness in the face of his Creator plants in him fear of his predetermined fate, he should trust himself to God and His prophet and join the community of the faithful to neutralize ill forebodings.³⁷

According to G.E. von Grünebaum, Western Christianity sees "man's main task in life as following laws and justifying himself before God," Eastern Christianity (Orthodoxy) believes that "repentance, confession of sins, and church services" are enough, while Islam believes that it is enough to join the community of the faithful and follow the Quranic rituals.

We can say that Muslim moral and judicial practices that insist on the priority of the collective (Muslim ummah) created a watershed between Muslim and Western societies. Von Grünebaum has said in this connection: "Protection of man's independence and freedom of his moral convictions had been a feature of 'Latin' humanism, which some time later forever separated Islam from the West. The East remained unwilling to adapt itself, even in the least obvious way, to Western patterns."³⁸ It should be added that the "watershed" has survived in various forms until our time. The question is: can the gap be bridged at all?

Bridging the Gap: Memory, Culture, Education

Being related to the fundamental change of ideas about man typical of a system cherishing traditional values, ideas, and customs, the task is much harder than merely carrying out economic, social, or political reforms.

I have already written that Islamic religion is intimately connected with many aspects of individual lives and tends to rigidly regiment man's everyday conduct. Islam treats the individual in a formal way through the prism of the ummah and thus affects all sides of his life—the education system, his relations with other people, his attitude to power—to form what I called collective experience patterns in one of my earlier works.³⁹

They are tenacious and stable and form an inalienable element, in our case, of the Muslim Azeri identity. There are certain Muslim Azeri identity patterns that may make it hard to accept some of the key Western ideas about man, viz. an obvious bias toward family values, loyalty to the authorities, devotion to traditions, formal and simplified ideas about human nature and motivations, etc. Such values as human independence and individuality and related human rights are perceived as secondary within these patterns, individuals do not regard them as a priority or even tend to ignore them.

Certain authors take these collective and individual patterns typical of Islamic societies as a sign that they are "unprepared" or "unable" to accept such values as democracy and human rights.⁴⁰ Irrespective of whether this opinion is shared or not, we must admit that it would be hard to change these and similar patterns to introduce an idea of man typical of Western culture, as a free and independent agent acting according to his own will.⁴¹ Here we should answer the question: to what extent and how can the Muslim Azeri identity pattern be changed to become closer to democracy and individualism?

³⁷ G.E. von Grünebaum, op. cit., pp. 101-102.

³⁸ Ibid., p. 109.

³⁹ See: R. Garagozov, *Metamorfozy kollektivnoy pamiati v Rossii i na Tsentral'nom Kavkaze*, Nurlan Publishers, Baku, 2005.

⁴⁰ See: S. Huntington's *Clash of Civilizations*, for example, abounds in similar statements.

⁴¹ There are authors who believe that the West arrived at this idea after a long, tortuous, and bloody historical journey (see: D. Senghaas, op. cit.)

It remains unclear whether the collective experience patterns can be changed and modified. It is important to point out here that even if it is possible to modify certain patterns, it depends on the choice (in its widest sense) society makes to meet the challenges of the contemporary world.⁴² The choice of an “identity project” is precisely such a choice; reforming Islam to adjust it to the contemporary social demands is also one such road.⁴³ In any case, this task calls for huge cultural and educational efforts to shape and develop an Azeri identity that, by bringing together Eastern tolerance and the Western values of individuality, will be able to discover new value dimensions and depths of human nature.

Globalization has extended the range of norms, values, technologies, ideas, etc. that reach the East from the West. Obviously, however, Coke, McDonald’s, and other attributes of the consumer society will be more enthusiastically embraced than the ideas of civil society and human rights, despite their vital importance for society’s future. In other words, the external attributes of Western civilization are much more “importable” than categories that demand certain mental efforts. This is in fact what gives rise to “cultural schizophrenia,” which, according to Samuel Huntington, betrays itself in the disparity between the “inner” content (Asian) and the “external shell” (Western). This explains why it is important to develop culture and education that can plant habits of mental work and understanding which alone can help develop “inner content.” Any dialog between cultures and civilizations as well as the ability to accept and adjust alien experience can be established and formed only by developing one’s own culture.⁴⁴ Development of collective memory should receive special attention: it preserves and passes on to successive generations the nation’s accumulated experience and traditions. To encourage national culture, the national elite should carry out adequate policies in the cultural and educational sphere.

In Azerbaijan the future of Europeanization will depend to the greatest extent on whether the country will “establish the priority of the individual in society,” and whether society will turn to man to make him the center of the reform. This cannot be achieved all by itself, yet the country’s future in the economic and other spheres depends on this achievement. What we need is a purposeful and systemic strategy of reform. This, in turn, gives rise to the question: to what extent society, the ruling circles, and international organizations are prepared to ponder over the dilemma and come to grips with it? Regrettably, Prof. Huntington’s forecasts seem to come true: Azerbaijan is rapidly moving toward the Third World as far as quality of life is concerned.⁴⁵ We should never forget, however, that we are not culturally doomed (even if culture does affect social development)—we lack the correct strategy of reform of society and are burdened by “situational” and “instrumental” factors that interfere with the efforts to develop and realize this strategy. This, however, is the subject of another article.

⁴² See: R. Garagozov, op. cit.

⁴³ See: R.R. Garagozov, “Azerbaijan and Islam in the Context of Globalization,” *CaucasUS Context*, No. 1, 2003, pp. 23-30.

⁴⁴ Azerbaijan’s national music culture can serve as an apt example of the above. Very developed, it allowed outstanding composer Useir Gajibekov in the early 20th century and, later, other talented Azeri composers to master the European forms of musical experience and, by blending European and national traditions, to create a tradition of opera, ballet, and jazz culture, and other modern musical genres, absolutely unknown before in Azerbaijan.

⁴⁵ According to the latest international ratings, Azerbaijan with 56 points according to the quality-of-life index is between 105th and 112th place out of 195 countries, next to Botswana, Ghana, Zambia, and others. Azerbaijan’s neighbors—Georgia with 60 points is between 80th and 83rd place, and Armenia with 62 points is between 67th and 71st place (see: [URL: <http://www.ilireland.com/il/qofl06/index.php#Azerbaijan>]).

GEOHISTORY



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GEOPOLITICAL RIVALRY IN THE CAUCASUS IN THE EARLY 20TH CENTURY *(a geohistorical essay)*

A b s t r a c t

The article looks at the geopolitical processes as they began in the Caucasian-region in the early 20th century. It points out the main geostrategic goals pursued by Russia (White and Red), Britain, Germany, and Turkey. It focuses particular attention on

explaining the reasons, conditions, and factors defining the geopolitical antagonism over the Caucasus during and after World War I. The author's conclusions may also help to understand the deep-seated reasons for the current geopolitical situation in the region.

The beginning of the 20th century saw the transformation of the Caucasian region into a major geostrategic center which had great influence on the march of World War I and the military political developments in the Middle East. It was no coincidence that classic of German geopolitics Karl Haushofer placed the Caucasus on the world map of "battlefields on the borders of continents."¹

During World War I, the Caucasus played a significant role in the designs of the conflicting military-political groups—the Entente and the Triple Alliance. In response to Russia's aspiration "to hoist the banner of Orthodoxy over Constantinople," the Ottoman Empire aspired to seize the Cauca-

¹ K. Haushofer, "Granitsy v ikh geograficheskom i politicheskom znachenii," in: *O geopolitike. Raboty raznykh let*, Mysl Publishers, Moscow, 2001, p. 127.

sus and Crimea, hoping to unite all the Muslim peoples, including “the Volga and Kama valleys” with their Turkic population, under its leadership.² In the meantime, Germany was reckoning on the Caucasus and its natural resources. A book entitled *The Caucasus in the World War* published in Weimar in 1916 said that “our [the German] politicians should think about establishing a Christian Georgia after Russia’s defeat to form a South Caucasian buffer state bordering on the neutral Caucasian Muslim state near the borders of Russia and Turkey.” In so doing, the Germans were hopeful that “Turkey, with Germany’s assistance, would be able to forcibly take the Caucasus out of Russia’s claws.”³ As a whole, the Caucasus played an essential role in the German-designed strategically important railway, Baghdad-Hamadan-Tehran, which was to operate as a branch of the Baghdad railway.⁴

Nevertheless, the Caucasian front played a minor role in World War I, for the fate of the combat operations was decided on the Western and Eastern European fronts.

As for the events in the Caucasian theatre of war, Turkey’s attempt to seize the initiative at the initial stage of the war failed. In late 1914-early 1915, the Russian Caucasian army was successful in the Sarykamysh military operation. What is more, at the end of January 1915, the Russian troops seized Tabriz, previously occupied by the Turks, and forced the Turks out of Southern Azerbaijan. The same year, the Russian expeditionary corps disembarked in Anzali, took Hamadan and Qom, and approached Esfahan. Note that a little earlier, British troops landed in the south of Iran.

In the spring of 1916, the Russian troops assumed the offensive all along the Caucasian front, occupied Erzurum and later Trapezund. In the summer of the same year, the Caucasian front advanced almost 250 km into Turkish territory.⁵

Meanwhile, the grandiose sociopolitical cataclysms in Russia right after the February Revolution of 1917 and subsequent October Bolshevik coup and civil war in the former gigantic Empire paved the way for powerful centrifugal forces which resulted in the separation of the country’s outlying districts, including the Transcaucasus. As for the political line of the White Guard leaders, who put forward the idea of restoring a “united and indivisible Russia,” this idea coincided with the policy of the leaders of the Bolshevik revolution, loyal to the slogans of “world revolution.” Note that the Bolshevik leaders tried at all costs to keep the Transcaucasus in the Russian geopolitical space.

Under the conditions of the continuing war, the geopolitical struggle between the Entente and the Triple Alliance, and the appearance of a new military-political factor hostile to both groups—Soviet Russia, the struggle for control over the entire Caucasian-Caspian region assumed top priority in the Middle East. The largest industrial center of the Caucasus—Baku—with 80% of all Russia’s and 15% of the world oil reserves on the eve of the war served as the key for attaining this geostrategic goal.⁶ Seizure of this largest industrial-financial center of the Caucasus and the Caspian port opened up good prospects for establishing complete control over the entire Caspian water area. Besides, there were dozens of oil-refining plants and other large industrial enterprises in Baku. The railways, highways, and unsurfaced roads that connected all the main regions of the Transcaucasus with the Northern Caucasus, as well as the Baku-Batum [now Batumi] oil pipeline, built in 1907, the seizure of which could seriously threaten the economic life of the Caucasus, were another important military strategic factor.

“Baku is a beautiful woman, and any foreign adventurer dreams of abducting her from her paternal home,” is how People’s Commissar for Foreign Affairs of the Russian Federation G.V. Chicherin figuratively characterized the international importance of Baku in the period under review.⁷ In turn, the White Guards considered Baku to be “the black pearl of the Caspian.” “Baku oil reigned over the hearts

² *Istoria Pervoy mirovoy voiny*, Vol. 1, Moscow, 1975, p. 385.

³ Quoted from: *Istoria Azerbaidzhana*, in three volumes, Vol. 2, Izd-vo AN Azerbaidzhanskoi SSR, Baku, 1960, p. 742.

⁴ See: *Ibid.*, p. 741.

⁵ See: *Istoria narodov Severnogo Kavkaza. XYIII vek—1917 g.*, Nauka Publishers, Moscow, 1988, p. 540.

⁶ See: Ie.A. Tokarjevskiy, *Iz istorii inostrannoy interventsii i grazhdanskoy voiny v Azerbaidzhane*, Izd-vo AN Azerbaidzhanskoi SSR, Baku, 1957, p. 33; *Azerbaycan tarihi* (The History of Azerbaijan), in seven volumes Vol. 5, Elm Publishers, Baku, 2001, p. 32.

⁷ *Zarya Vostoka*, Tiflis, 3 March, 1925.

and minds of European and Asian politicians,” wrote General A.I. Denikin in his *Ocherki russkoy smuty* (Essays on the Russian Disturbance). “In the spring (1918.—P.D.), competition and ‘chasing each other’ began between the British from Anzali, Nuri Pasha (Enver’s brother) via Azerbaijan, and the Germans via Georgia to their final destination—Baku.”⁸ The weakening of the Russian position in the Transcaucasus after the withdrawal of the Russian army units from the Caucasian front and particularly after the conclusion of the German-Soviet Peace Treaty of Brest-Litovsk (this “obscene” treaty, as Lenin put it) stepped up separatism, ethnic clashes, and sociopolitical conflicts in this region.

In turn, Winston Churchill was apprehensive “that from now on (i.e. after conclusion of the said treaty.—P.D.), the German armies could benefit from the granaries of Ukraine and Siberia, from the oil of the Caspian littoral, and from all the resources of the huge country.”⁹

Under such favorable conditions, conflicting Germany and Turkey, on the one hand, and England, on the other, applied supreme efforts to establish themselves in the Transcaucasus with their own far-sighted geopolitical objectives. Note that even Germany and Turkey, members of one and the same bloc, differed in opinion; even worse, their relations were characterized by signs of hidden rivalry, which, in turn, gave the British a huge advantage.

The plans of the Turkish command to occupy Vladikavkaz and Baku and thus gain access to the western Caspian littoral would, in many respects, have contributed to realization of the Pan-Turkic idea—unification of all Muslim peoples of the Caucasus and Turkestan and creation of a Great Turan under the aegis of the Turkish Sultan.

This line of Turkish foreign policy worried Turkey’s German allies, who tried to use the Turkish troops in their military operations against the British in North Persia, as the German General Staff planned. “In North Persia, the Turks could possess an advantage over the British,” General Ludendorff noted. “However, Enver and the Turkish government were more concerned about their Pan-Islamist goals in the Caucasus rather than the war against England.”¹⁰

One of the traditional priority directions of British policy in the Middle East, consistent with its major geopolitical concept of Eurasia as a whole, was England’s aspiration to seize control over the Transcaucasus and, particularly, Baku (Azerbaijan) and the Caspian.

Thus, former British military representative to Russia, General Knox, pointed out in his book *With the Russian Army: 1914-1917* that the political line of England “that used to think on a scale of centuries and continents” was, throughout the 19th-early 20th centuries, aimed at depriving Russia of its access to the high seas. This is not the first time that the Caspian and the routes leading to it have attracted the attention of the British, the London *Times* recalled.¹¹ “The future of Great Britain will not be decided in Europe,” Lord Curzon wrote, “but on the continent where our first migrants arrived and where their descendants returned as conquerors. Meanwhile, Turkestan, Afghanistan, the Caspian, and Persia are chessmen in a world championship match.”¹²

The so-called Eastern Committee chaired by Lord Curzon was set up in late March 1918 to coordinate England’s military-political activity in the huge geopolitical space that embraced the Near and Middle East, as well as the Caucasus and Central Asia. Foreign Minister Arthur Balfour, his deputy, Lord Cecil, Permanent Deputy Foreign Minister Lord Harding, Chief of Imperial General Staff Sir Henry Hughes Wilson, Minister for India Edric Montague, and Chief of Military Intelligence Major-General John MacDonne were permanent members of the Committee.¹³ It should be recalled

⁸ A.I. Denikin, *Ocherki russkoy smuty*, Mysl Publishers, Moscow, 1991, p. 139.

⁹ Quoted from: W. Churchill, *Mirovoy krizis*, Moscow, Leningrad, 1932, p. 50.

¹⁰ Quoted from: E. Ludendorff, *Moi vospominania o voine, 1914-1918 gg.*, Vol. 2, Moscow, 1924, p. 187.

¹¹ See: *Times*, 10 September, 1918.

¹² Quoted from: Ia.L. Mikhailov, “K voprosu o podgotovke angliiskoy interventsii v Azerbaidzhane v 1918 godu,” *Izvestia AN Azerb. SSR, Seria istorii, filosofii i prava* (Proceedings of the Azerbaijan Academy of Sciences. Historical, Philosophical and Law Series), No. 2, 1979, p. 31.

¹³ See: S.V. Lavrov, “Politika Anglii na Kavkaze i v Srednei Azii v 1917-1921 godakh,” *Voprosy istorii*, No. 5, 1979, p. 81 (see also: A.H. Ullman, *Anglo-Soviet Relations, 1917-1921*, Vol. I, Princeton, 1961, p. 307).

that throughout 1918-1919 there was no unity of views on the Caucasus and Iran in British government circles. Opposing Curzon's ambitious projects in this region in December 1918, Minister for India Liberal Montague noted: "As for the defense of India, I do not think it necessary to consider the Caucasus. To my thinking, this region is fully outside our interests."¹⁴ This was attributable to the fact that Montague represented the British circles which, in terms of the struggle for independence of the British colonies from Cairo to Calcutta, considered it necessary to pursue a more flexible policy in the East and seek allies among the local national movements.

The idea of creating a compact belt of lands under British control by combining the three "C's" (Cape Town-Cairo-Calcutta) with a fourth "C"—Canberra gave birth to a new motive in British policy in the Middle East, i.e. establishing its control over the Caspian and Transcaucasus, especially oil-rich Baku. "The allies arrived at their victory on waves of oil," Curzon inferred in late 1918.¹⁵ It was no coincidence that during the meeting of the Eastern Committee to discuss Transcaucasian policy, its chairman, Lord Curzon, under the pretext of protecting India, put forward a plan of long-term occupation of the key points and communication routes of the region. In so doing, he stressed the importance of Baku and its environs "with vast resources."¹⁶ Balfour was of the same view, saying that "Batum, Baku, and the railway and oil pipeline between them" cannot be missed. His deputy Cecil spoke plainly: "England should possess Baku because of its vast oil reserves."¹⁷ It should be kept in mind that during World War I, England's share in Baku's oilfields made up 60% of all investments.¹⁸ As viewed by French senator Beranger, England was eager to create a gigantic oil region stretching "from Egypt to Burma, from the Caucasus to the Persian Gulf" in counterbalance to the American oil empire.¹⁹ Of interest is the fact that the Americans also considered it the allies' top priority task to seize the major oil regions of the Caucasus. For this to happen, the *New York Times* stressed, it was essential to prepare large forces to be used in North Persia and the Caucasus. Perhaps this was the major direction of the allies.²⁰

On the whole, Curzon's geopolitical plan provided for the creation of a chain of buffer states stretching from the northern borders of India to the Mediterranean to serve as a shield against attacks on India and as a connecting link between Great Britain, Australia, and New Zealand.²¹ The Caucasian-Caspian region, which occupied a particular place in Britain's military-strategic plans in the period under review, formed the pivot. According to *The Times*, the Caspian was a center crossed by major trade routes, and Britain's recent interest in this inland sea did not mean that it had not known anything about the region's commercial and political significance before. As the paper put it, Britain had long been aware of it, since the Caspian was one of Britain's oldest interests.²² In June 1918, British Secretary of State for War A. Milner informed the command of the British troops in Mesopotamia that "His Majesty's government attaches great importance to seizing permanent control over the Caspian."²³ For this reason, the mission of the military expeditions of Generals L. Dunsterville and W. Malleon was to occupy the large Caspian ports of Anzali, Baku, and Krasnovodsk (now Turkmenbashi) and seize the entire Caspian fleet.²⁴

¹⁴ Quoted from: S.V. Lavrov, "Bor'ba v politicheskikh krugakh Velikobritanii vokrug anglo-sovetskikh peregovorov 1920-1921 godov," *Voprosy istorii*, No. 6, 1977, p. 74 (see also: A.H. Ullman, op. cit., Vol. II, Princeton-Oxford, 1968, p. 79).

¹⁵ Quoted from: A.A. Fursenko, *Neftianye tresty i mirovaia politika*, Moscow, Leningrad, 1965, p. 433.

¹⁶ Quoted from: N.K. Buzynina, K.B. Vinogradov, "Lord Curzon," *Novaia i noveishaia istoria*, No. 5, 1973, p. 119.

¹⁷ Ibidem.

¹⁸ See: R.G. Suny, *The Baku Commune, 1917-1918*, Princeton, 1972, p. 5.

¹⁹ Quoted from: N.K. Buzynina, K.B. Vinogradov, op. cit., p. 119.

²⁰ See: *The New York Times*, 14 July, 1918.

²¹ See: Ia.L. Mikhailov, op. cit., p. 32.

²² See: *Times*, 29 September, 1918.

²³ Quoted from: S.V. Lavrov, "Politika Anglii na Kavkaze i v Sredney Azii v 1917-1921 gg.," p. 83.

²⁴ See: L.I. Miroshnikov, *Angliiskaia ekspansia v Irane, 1914-1920 gg.*, Moscow, 1961, pp. 114-115.

First, this would make it possible to substantially weaken the position of irreconcilable rivals—Germany and Turkey—in the Near and Middle East, and prevent a possible Turkish-German attempt to outflank West Iran and further invade India via the Caspian Region and Khorasan.

Second, this would help to neutralize the revolutionary Bolshevik threat from Soviet Russia to its eastern colonial possessions.

Third, control over the Caspian would enable the British to secure the littoral flanks of their troops in the Transcaucasus and Turkestan and make direct contact with the White armies of General A. Denikin in the Northern Caucasus and of Admiral A. Kolchak in the Urals, unite them at the mouth of the Volga, and thus cut off the south of Russia from its central Red provinces.

The aforesaid blended with Britain's major geopolitical goals in the East—to establish itself in the Near and Middle East, separate the Caucasus and Turkestan from Russia, and seize the oil sources of Iran, Mesopotamia, and Azerbaijan. This policy was justified by the traditional allegation about the need to “protect the approaches” to British India against the attacks of German-Turkish troops via the Trans-Caspian, as well as “liquidation of Bolshevism to the east of the Black Sea,” a meeting of the Cabinet of Ministers said on 13 November, 1918.²⁵ In accordance with a secret British-French convention of 23 December, 1917 (Paris), under which Russia was divided into “zones of action,” Great Britain seized control over the Don, the Caucasus, and Turkestan, i.e. a greater part of the Caspian region.²⁶ In so doing, the British Cabinet attached particular importance to Baku and the Caspian as “having great military, political, and economic importance.”²⁷ In December 1917, the Cabinet decided to send intervention troops to Baku and the Transcaucasus. Under the instructions of 24 December, 1917, the military expedition formed by the British in Baghdad and composed of the comparatively small, but crack troops of General Dunsterville, should have made its way toward the Baghdad-Baku destination. Meanwhile, General Malleon's detachment was to go to Mashhad and further on to the East Caspian.

In the summer of 1918, the British occupied the northern Iranian port of Anzali in an attempt to disembark their troops in case of a successful anti-Bolshevik overturn in Baku arranged by the bloc of Socialist-Revolutionaries, Mensheviks and Dashnaks.

General Dunsterville's memoirs clearly defined Baku's geopolitical importance: “Seizure of Baku would result in cutting off access to the oil reserves and *closing the doors to Central Asia* (italics mine.— *P.D.*).”²⁸

It would be appropriate to recall that the government of Soviet Russia attached paramount importance to Baku. During a meeting in the Kremlin with Colonel R. Robins, head of the American Red Cross Mission in Russia, V.I. Lenin stressed: “What is the economic importance of Baku for the Russian Soviet Republic? It is oil, light, and energy.”²⁹ The loss of oil-rich Baku would inevitably lead to the collapse of the entire Soviet economy, to say nothing of the geopolitical losses for the entire Caucasian-Caspian region. By rendering all-round, including military, aid to the Baku Council of People's Commissars, which declared the Baku province an integral part of the R.S.F.S.R., the Bolshevik government tried to turn Baku into a springboard for further spreading its influence to the entire Transcaucasus. By placing special emphasis on the region, the Soviet government took drastic measures to strengthen the defensive capability of strategically important Astrakhan and the combat readiness of its navy in the Caspian.

In the spring of 1918, the military-political situation in the Transcaucasus became increasingly aggravated. Withdrawal of the Russian army units from the Caucasian front and occupation of

²⁵ S.V. Lavrov, “Bor'ba v politicheskikh krugakh Velikobritanii vokrug anglo-sovetskikh peregovorov 1920-1921 gg.,” p. 60.

²⁶ See: *Grazhdanskaia voina i voennaia interventsia v SSSR*, Sovetskaia Encyclopedia Publishers, Moscow, 1983, p. 38.

²⁷ See: F.D. Volkov, *Tainy Uaitholla i Dauning Strit*, Moscow, 1980, p. 50.

²⁸ *General-Major Densterville. Britanskiy imperiazim v Baku i Persii. 1914-1917*, Sovetskiy Kavkaz Publishers, Tiflis, 1925, p. 122.

²⁹ *Pravda*, 21 April, 1989.

Erzurum by the 36th Turkish division on 12 March, 1918 enabled the Turkish army to penetrate deep into the Transcaucasus. On 14 April, the Turks occupied Batum, then Kars, Ardahan, and Alexandropol.

On 14 May, 1918, the National Council of Georgia appealed to Germany and asked this country's leaders to draw their troops (which had occupied part of Ukraine, the Crimea, and Rostov) closer to the Northern Caucasus, approach the Georgian borders and thus protect Georgia from external threats. On 25 May, 3,000 German soldiers arrived in Poti, and on 30 May, a German diplomatic mission arrived in Tiflis. Soon after, all of Georgia's railways and water transport, including the Chiaturi manganese mines, fell under German control.³⁰

Bringing troops into Georgia, as witnessed by General Ludendorff, provided Germany "with the opportunity, regardless of Turkey, to possess Caucasian raw materials and have some control over operation of the railway that passed through Tiflis. This railway was of particular importance for the war in North Persia, so its operation under German control would be more effective than with Turkish assistance. Finally, we should try to secure our position with the help of Georgian troops to be used against England."³¹

The situation was rather peculiar, especially since Germany was jealous of Turkey's plans to occupy Baku. The point is that seizure of Baku was a part of the strategic plan of the German military command. It was exhaustion of their fuel supplies that compelled the Germans "to commission the Batum-Tiflis-Baku railway as soon as possible... However, the main issue was to attack Baku."³²

The point is that in late May 1918, the Germans planned to move their forces, after the occupation of Baku, to the north Iranian port of Anzali controlled by the British, with subsequent invasion of Iraq and access to the Persian Gulf in the region of Basra to thus destroy Britain's positions in the Middle East.³³ However, the lack of necessary forces in the Caucasus and aggravation of the situation on the Western front prevented the Germans from accomplishing their goals. They had no time to move their troops to the Transcaucasus to attack Baku (two divisions and several regiments). "Nuri occupied Baku before we finished transporting our troops," said Ludendorff regretfully, "in addition, subsequent developments in Bulgaria made us transfer these units to Rumania."³⁴

After the declaration of the Georgian Republic on 26 May, 1918, and the Azerbaijan and Armenian Republics on 28 May, a qualitatively new military-political situation arose in the Transcaucasus. The main efforts of F. Khoyskiy's government in Azerbaijan were directed toward establishing sovereignty over the entire territory of the country and, first of all, its capital—Baku, which was seized by the Bolsheviks in the period under review. The interests of Azerbaijan and Turkey coincided here, which was reflected in the Treaty on Peace and Friendship of 4 June, 1918 concluded in Batum. Under this document, Turkey committed itself to rendering all-round aid, including military (under clause IV of the Treaty), to the newly formed Republic. This mission was carried out by the United Turkish-Azerbaijani Caucasian Islamic Army, formed in June 1918 in Ganja and headed by Lieutenant-General Nuri Pasha. After occupation of Baku, the Turkish command planned to advance to the Northern Caucasus and further on to Turkestan via the Caspian.

The Germans, as the Turks' allies, suggested that they use their military units to secure the rear of the Turkish units attacking Baku in June-July 1918. If successful, the Germans intended to establish their control over the strategically important Batum-Baku main railway line. However, the Turks

³⁰ See: A.B. Kadishev, *Interventsia i grazhdanskaia voina v Zakavkaz'e*, Voenizdat Publishers, Moscow, 1960, pp. 65-68.

³¹ E. Ludendorff, *op. cit.*, p. 188.

³² *Ibidem*.

³³ See: N. Yüceer, *Birinci dünya savaşı'nda Osmanlı ordusu'nun Azerbaycan ve Dağıstan harekati*, Genelkurmay basım evi, Ankara, 1996, S. 59.

³⁴ Quoted from: G.V. Pipia, *Germanskiy imperializm v Zakavkaz'e v 1910-1918 gg.*, Nauka Publishers, Moscow, 1978, p. 130.

guessed what their ally was planning and rejected this suggestion, saying that they had enough soldiers at their disposal to occupy Baku.³⁵

So the Germans could only hope that the Caucasian Islamic Army would be defeated on the approaches to Baku. Count Friedrich von Schulenburg, Consul General to Tiflis, wrote in his report to Berlin of 4 July, 1918 that "it appears highly unlikely that the Turks will succeed in seizing Baku; it would be good if they were defeated there."³⁶ "If we come to an amicable agreement with the Bolsheviks," the German diplomat maintained, "Baku's oil sources will be in our hands, safe and sound. If, against our wishes, the Bolsheviks have to leave the city, they are sure to burn Baku, so neither the Turks, nor we will be able to benefit from the oil."³⁷ As further developments showed, Schulenburg's apprehensions proved groundless, since the Baku Bolsheviks did not resort to extreme measures.

Meanwhile, the failure on the front resulted in a change in power in Baku. On 31 July, 1918, the Bolshevik Council of People's Commissars headed by S.G. Shaumian resigned, and the coalition government made up of rightist Social-Revolutionaries, Mensheviks, and Dashnaks, called the Dictatorship of the Central Caspian and Presidium of the Provisional Executive Committee of the Soviet of Workers and Soldiers' Deputies, came to power in the city. As per a prior agreement, this government invited the British to defend the city against the Turkish army.

On 4 August, a British detachment arrived from Anzali and disembarked in Baku. By mid-August, other military units of the so-called Dunstervilleforce, numbering slightly over one thousand bayonets with 16 ordnance and several armored cars, were concentrated here.³⁸

However, due to insufficient numbers, the British troops failed to hold Baku. Only the high battle training and determination of the British military units enabled them to hold onto the front line for a month. However, it was evident that the British forces were not large enough to protect the city. The supreme British military circles realized what was going on. A telegram from the War Ministry of 6 July, 1918 instructed Dunsterville, if the enemy occupied Baku, to destroy all the oil pipelines, reservoirs, and refineries, but not the oil wells. In so doing, the British were keeping in mind the long-term interests of British oil companies.³⁹ Besides, the British also took into account the military-strategic factor that Turkey would inevitably be defeated soon in the world war, so they did not want to shed blood for their local "allies."

In the meantime, the Turkish military command concentrated huge groups (5th and 15th incomplete divisions with 10,000 bayonets and 40 ordnance) on the approaches to Baku.⁴⁰ After preliminary artillery preparation, the Turkish troops attacked Baku in the early morning of 14 September and within a day seized the city's suburbs. In the evening, the British evacuated from Baku and went to Anzali, and the Caucasian Islamic Army entered Baku on 15 September. On 17 September, the Azerbaijan National Government moved to Baku from Ganja.

At the same time, dramatic events of diplomatic nature broke out around Baku. As early as 27 August, 1918, the Soviet government signed an additional agreement with Germany to the Treaty of Brest-Litovsk, under which the Germans resolved, in exchange for one quarter of the oil and petroleum products produced in Baku, not to back any third power in the Caucasus and not to allow the Turks to enter the region.⁴¹ However, owing to the rapid developments on the World War I fronts, the treaty remained on paper. In turn, the occupation of Baku by the Turkish troops caused sharp protest in the Soviet government, which sent a note to Turkey on 20 September, 1918 saying that Turkey had

³⁵ See: G.V. Pipia, op cit., p. 125.

³⁶ Ibid., p. 126.

³⁷ Ibidem.

³⁸ See: [L.] Dunsterville, op. cit., p. 251.

³⁹ See: S.V. Lavrov, "Politika Anglii na Kavkaze i v Sredney Azii v 1917-1921 gg.," p. 82.

⁴⁰ See: Ie.F. Ludshuveit, *Turtsia v gody Pervoy mirovoy voyny. 1914-1918 gg.*, Moscow University Publishers, Moscow, 1966, pp. 254-255; N. Yüceer, op. cit., pp. 145-155.

⁴¹ See: Ie.A. Tokarjevskiy, op. cit., p. 152.

grossly violated the Treaty of Brest-Litovsk, which had essentially been denounced.⁴² On 21 September, an identical note was sent to the German government, which accused the latter of non-compliance with the Treaty of 27 August, 1918. Note that Article 14 of the Treaty said that the Germans would “take measures to compel the Turks retreat beyond the Kura River line.”⁴³

Following the occupation of Baku, the Turkish troops assumed the offensive along the western littoral of the Caspian Sea, invaded Daghestan, and, in October 1918, occupied, first, Derbent and, later, Port Petrovsk. In so doing, the Turkish troops dislodged a Cossack detachment headed by L. Bicherakhov from Port Petrovsk, who fled to the British in North Turkey.⁴⁴ However, Turkey as a loser in World War I had to withdraw its troops from the Caucasus, including from Baku and Batum, to comply with the provisions of the Armistice of Mudros concluded on 30 October, 1918 on board the British cruiser *Agamemnon*. Of interest is the fact that the Soviet government, as far back as early October 1918, was aware of the existence of a secret agreement between the Entente countries and Turkey “on transfer of Baku to it.”⁴⁵ On 16 November, 1918, the Anglo-French squadron entered the Black Sea, and on 17 November, units of the 39th infantry brigade from Anzali (1,000 British and 800 Indian soldiers and officers) headed by commander of the British troops in North Persia, Major-General W.M. Thomson, disembarked in Baku again. Before leaving for Baku, the British general voiced the position of the allied powers, declaring that “Baku with its oilfields will be occupied, while the rest of the country will remain under the control of the Azerbaijan government and related troops.”⁴⁶

It is significant that in his first statements, W.M. Thomson plainly stressed that the allied troops “are on Russian land” and arrived in the Caucasus “to ensure total security on this Russian territory located between the Black and Caspian seas.”⁴⁷ “A final decision,” the British general’s appeal said, “will be adopted by a peace conference to settle the problems of this territory.”⁴⁸ As for the local government, it was pointed out that “Azerbaijan will not be excluded from the debates over the principle of national self-determination at the Paris Peace Conference.”⁴⁹

After British troops occupied other towns of the Transcaucasus—Batum, Tiflis, Ganja, Nakhchivan, Shusha, etc., the British paid special attention to building up their military might in the region. Note that the British navy was concentrated in Batum, which was the principal base of the British troops in the Caucasus and the port through which Baku oil was transported to the West. In late 1918, England’s army in the Transcaucasus numbered 20,000. It was no mere coincidence that on 14 February, 1919, Churchill sent his first dispatch as Minister for War and Air to Chief of Imperial General Staff Henry Wilson, which demanded that Churchill be informed about “the actual role of the British Armed Forces keeping control over the Baku-Batum railway, as well as that of the British Navy in charge of the Caspian seacoast.”⁵⁰

On the whole, Churchill highly appreciated the military-strategic importance of the Transcaucasian occupation. “The British troops disembarked in Batum and quickly captured the Caucasian railway from the Black to the Caspian seas, in other words, to Baku. They set up a navy, which gave them priority in the Caspian Sea. The British troops possessed the world’s largest strategic lines.”⁵¹

After taking control of the Caspian navy and 150 trade ships, the British began urgently creating their own navy in the Caspian. After the occupation of Port Petrovsk on 13 January, 1919 on the island of Chechen (near the Daghestani seacoast), the British established their naval base there. As

⁴² See: *Dokumenty vneshney politiki SSSR*, Vol. 1, Moscow, 1957, pp. 491-492.

⁴³ *Ibid.*, pp. 492-493.

⁴⁴ See: N. Yüceer, *op. cit.*, pp. 144-145.

⁴⁵ V.I. Lenin, *Complete Works*, Vol. 50, Moscow, p. 372.

⁴⁶ Quoted from: A. Raevskiy, *Angliiskaia interventsia i musavatskoe pravitel'stvo*, Baku, 1927, p. 33.

⁴⁷ Quoted from: *Azerbaijan*, 19 November, 1918.

⁴⁸ *Azerbaijan*, 24 November, 1918.

⁴⁹ Quoted from: A. Raevskiy, *op. cit.*, p. 87.

⁵⁰ Quoted from: F.D. Volkov, *op. cit.*, p. 87.

⁵¹ Quoted from: W. Churchill, *op. cit.*, p. 105.

early as the spring of 1919, the British had 18 large battle units at their disposal in the Caspian Sea, including 5 auxiliary cruisers and 4 gunboats, according to Soviet intelligence data.⁵²

Thus, England ultimately succeeded in securing its naval presence in the Caspian on the third attempt (the first was in the 1730s-1740s; and the second in the early 19th century).

The establishment of British control over the Baku-Krasnovodsk-Anzali triangle afforded the British a real opportunity to take control over the Caspian water area with all the ensuing military-strategic advantages. This enabled the British to provide the White Guard armies of Denikin and Kolchak with weapons, ammunition, and petroleum products. Besides, "the presence of the British army also served the useful purpose of preventing combat operations between the Voluntary Army and the troops of the Caucasian Republics," Commander of the British Army to the Transcaucasus General J.M. Milne said.⁵³

The point is that in the end of 1918 appreciable changes occurred in Britain's policy with respect to the Transcaucasian republics. On 22 January, 1919, General Milne declared that "no interference in the domestic affairs of the Transcaucasian states will take place."⁵⁴

Such an essential change in British policy in the region could not help but arouse the suspicion of Denikin's supporters regarding the true intentions of the British with respect to Russia, and not without reason. For example, British Prime Minister Lloyd George, like Lord Curzon, believed that an undivided Russia "would pose a deadly threat" to the British Empire and even "the whole world." During a meeting of the Cabinet of Ministers on 25 July, 1919, he plainly declared that he was worried that a united Russia would pose a deadly threat to them in the East.⁵⁵ Besides, England intended to grant Iran some of the territory at the expense of Russia and Turkey "when identifying the borders of Armenia, Georgia, Azerbaijan, and Turkestan."⁵⁶ Meanwhile, conclusion of the Anglo-Persian Treaty of 9 August, 1919 increasingly consolidated Britain's position in the South Caspian. In turn, Denikin charged the British with "whipping up separatism among the ethnographic groups of the Transcaucasus," and as a result, "a real force (the Voluntary Army is meant.—P.D.) was the only way remaining to hoist the Russian flag in the Transcaucasus."⁵⁷

Meanwhile, the British backed the Dashnak rulers of Armenia in every possible way, who established allied relations with Denikin and were ready to grant their country's territory, as well as military and economic potential, to the Entente. As "a reward," Armenia received the Kars Region and a part of Erivan Province from England. What is more, in the spring of 1919, the allies gave every encouragement to Armenia's aggressive actions against Nakhchivan and Zangezur.

As viewed by heads of the French General Staff, England was pursuing two goals in the Caucasus: first, "to drive Russia back to the Northern Caucasus and thus encourage Georgia and Azerbaijan's independence trends; second, "to prevent the creation of a state in the region acting as an ally of revived Russia and thus endangering England's relations with the Muslim world."⁵⁸

As a whole, the Entente sought to create a sort of "safety belt" of South Caucasian states, which would be the major element of a gigantic "geopolitical arc" encompassing the Baltic states-Black Sea-Caucasus-Caspian-Central Asia.

As viewed by head of the Russian National Council in Baku, Constitutional Democrat B. Baykov, "Britain's attitude toward Russia, particularly toward Denikin and the Voluntary Army, lacked sincerity, and their policy with respect to Baku was ambivalent...The problem is that this political line was backed by the British military who had experience of service in the colonies and, particular-

⁵² See: *Direktivy Glavnogo komandovaniya Krasnoy Armii (1917-1920 gg.)*, *Sbornik dokumentov*, Voenizdat Publishers, Moscow, 1969, p.156.

⁵³ Quoted from: *Dialogue (Moscow)*, No. 2, 1993, p. 73.

⁵⁴ Quoted from: *Azerbaijan*, 25 January, 1919.

⁵⁵ See: S.V. Lavrov, "Politika Anglii na Kavkaze i v Sredney Azii v 1917-1921 gg.," p. 87.

⁵⁶ *Ibid.*, p. 89.

⁵⁷ *Azerbaiyan arxivi*, No. 1-2, 1988, p. 97.

⁵⁸ *Svobodnaia mysl*, No. 16, 1991, p. 37.

ly, in India, where hatred of the Russians and belief in the Russian threat to India formed the basis of General Thomson's activity."⁵⁹ Note that the fierce Russian-British confrontation in Central Asia in the second half of the 19th century, which nearly ended in open warfare between the two powers, was vividly engraved on our memory.

In the period under review, the oil factor occupied an important place in British policy in the Caucasian-Caspian region, though Curzon believed that England was not attaching the appropriate importance to the oil and oil pipeline (meaning the Baku-Batum oil pipeline). The oil strategy was an integral part of the efforts to establish British hegemony in the Near and Middle East, as well as of the competitive struggle with France and the U.S. In the period under consideration, the geopolitical odds were in favor of England. Chairman of the Bibi-Heybat Oil Company Herbert Allen pointed out late in 1918 that after the British troops appeared in the Caucasus from Batum in the Black Sea to Baku in the Caspian Sea and from Vladikavkaz to Tiflis ... the British government had an excellent opportunity to influence the situation involving oil production in Grozny, Baku, and the Caspian oilfields.⁶⁰

Meanwhile, in the summer of 1919, the British Cabinet of Ministers adopted a decision on withdrawal of the British troops from the Transcaucasus. This was, first of all, attributable to the changing military-political situation in Russia due to the achievements of Denikin's army, which made the Red Army go over to the strategic defense; second, to the growth of the national-liberation movements in the colonial countries of the East—Egypt, India, Afghanistan, Turkey, and Iran—which, in turn, called for mobilization of considerable military-material resources; and third, to the fact that the British government had to take account of the mass movement "Hands off Soviet Russia!" and the population's and army's complete exhaustion after the war. Also, there was England's fiasco war in Afghanistan in 1919, which resulted in the independence of the latter.

At the same time, England was not going to lose its position in the Transcaucasus. The government decided to leave some British troops in Batum, which served as its base in the Black Sea. By controlling the oil pipeline terminal from Baku, the British could control the export of Azerbaijani oil. Along with this, in May 1919 England suggested that Italy send its troops to replace the British ones. At first, Orlando's government gave its consent to send Italian troops to the Transcaucasus and even prepared the 12th army corps for that purpose, however, Nitti's government, which replaced it, only sent a mission to clarify the situation in the region.⁶¹

As for the extremely complicated relations between Denikin and the Azerbaijan Republic, the British command eased the tension by establishing a 5-mile demarcation line between the territory occupied by the White Guard troops and Azerbaijan and Georgia.

In mid-1919, the U.S. also began showing an interest in the Transcaucasus. Whereby, during their summer visits to the region, the special missions headed by King-Crane and General Harbord believed that only extending the U.S. mandate to Turkey and the entire Transcaucasus might justify all the money to be spent on dispatching large military contingents to the region⁶² (there were plans to send 70,000 American soldiers there).⁶³

During talks with Prime Minister of Armenia in the summer of 1919, Colonel V.H. Gaskel plainly stated that from now on the U.S. and its troops would be responsible for Transcaucasian affairs.⁶⁴ Late in September 1919, on the instructions of President Woodrow Wilson, an American mission arrived in Baku. The mission was headed by Chief of the U.S. General Staff in France General Harbord, who believed that "a strong hand is required to rule the Caucasus."⁶⁵

⁵⁹ B. Baykov, "Vospominania o revoliutsii v Zakavkaz'e (1917-1920 gg.)," in: *Arkhiv russkoy revoliutsii*, Vol. 9, Berlin, 1922, p. 164; S.V. Lavrov, "Bor'ba v politicheskikh krugakh Velikobritanii vokrug anglo-sovetskikh peregovorov 1920-1921 gg.," p. 74.

⁶⁰ See: *Financial News*, 24 December, 1918.

⁶¹ See: A.B. Kadishev, op. cit., p. 217.

⁶² *Ibid.*, p. 176.

⁶³ See: Ie.A. Tokarjevskiy, op. cit., p. 239.

⁶⁴ See: *Zashchita zavoevaniy sotsialisticheskikh revoliutsiy*, Nauka Publishers, Moscow, 1986, p. 188.

⁶⁵ Quoted from: *Azerbaijan*, 23 October, 1919.

On 1 November, 1919, a meeting of the council of delegation heads to the Paris Peace Conference adopted a decision on extending the powers of High Commissioner to Armenia, American Gaskel, to Azerbaijan and Georgia.⁶⁶ The participants in the conference put forward a project to create a U.S. General-Governorship in Nakhchivan headed by Colonel Daly.⁶⁷ Although the Americans failed to fully attain their goals in the Transcaucasus (England and France were jealous of the Americans), they rendered immense financial and military aid to Armenia. Note that in late 1920-early 1921, Armenia began active combat operations against Turkey in the Kars Region. However, Armenia experienced complete political and military collapse at this time.

Under the real threat of Bolshevik occupation of the entire space between the Black and Caspian seas and Turkestan by the spring of 1920, Caucasian expert Lord Curzon warned his colleagues in the Cabinet of Ministers that should control over the Caspian be lost, Britain would soon discover that the whole of its Eastern Empire had taken a turn for the worse.⁶⁸ A meeting of the British military elite was held on 17 February, 1920 in Paris. The meeting was attended by Minister for War and Air Winston Churchill, Field-Marshal Henry Wilson, First Lord of the Admiralty Walter Long, Admiral David Beatty, and members of the Transcaucasian states' delegations, who discussed issues relating to these states' military potential, as well as the organization of military naval defense of the Azerbaijani littoral of the Caspian and Batum.⁶⁹

Considering that the Red Army's access to the Transcaucasus threatened Britain's geopolitical interests in the Near and Middle East, Curzon offered to strengthen the British garrison in Batum, send additional troops, including aviation, to the Caucasus or Persia, secure "Baku's protection," and supply Georgia and Azerbaijan with weapons. Curzon was backed by Walter Long and Admiral Beatty, who also sought to retain British control over the oil of the Persian Gulf and Baku for the needs of the British Navy.⁷⁰

"The English," French radio reported in January 1920, "are feverishly completing their preparations to dispatch tens of thousands of soldiers to the Caucasus. The British and the Bolsheviks are chasing each other to reach the Batum-Tiflis-Baku railway... No one other than the British is showing such vital interest in closing access to the Caucasus... The reward for the English is Baku, a major oil center."⁷¹ However, they failed to accomplish their goal in full measure. They needed troops to suppress Ireland, they had to strengthen their position in Mesopotamia, India, and Egypt, and they had to render military aid to Poland, endangered by the Red Army. The English were successful only in deploying troops in the Tehran-Hamadan region and in stationing garrisons in Anzali and Ghilan.

Meanwhile, military-political events continued to develop impetuously in the spring of 1920. The defeat of Denikin's troops and the occupation of Stavropol, Piatigorsk, Armavir, and Novorossiisk by the Red Army in March radically changed the military-strategic situation in the region. In its efforts to seize control over oil-rich Baku—"seizure of Baku was of paramount importance," (*V.I. Lenin*)—and the entire Transcaucasus, Soviet Russia was unexpectedly backed by Kemalist Turkey, which, in turn, needed the support of its northern neighbor to combat the Entente countries. The first official appeal of the Ankara government to the R.S.F.S.R. government—a letter by Mustafa Kemal Atatürk to V.I. Lenin of 26 April, 1920—noted that "if the Soviet leaders plan to launch military operations against Georgia or make Georgia diplomatically join the alliance and banish the British from the territory of the Caucasus, the Turkish government is committed to combating imperialistic Armenia and compelling Azerbaijan to join the Soviet state."⁷² The successful Baku operation carried out on

⁶⁶ See: B. Stein, *Russkiy vopros na Parizhskoy mirnoy konferentsii (1919-1920 gg.)*, Moscow, 1949, p. 346.

⁶⁷ See: *Azerbaijan*, 23 October, 1919.

⁶⁸ See: A.H. Ullman, op. cit., Vol. II, p. 331.

⁶⁹ See: S.Z. Yusifzadeh, *Pervaia Azerbaidzhanskaia Respublika: istoria, sobytia, fakty anglo-azerbaidzhanskikh ot-nosheniy*, Baku, 1998, p. 184.

⁷⁰ See: S.V. Lavrov, "Bor'ba v politicheskikh krugakh Velikobritanii vokrug anglo-sovetskikh peregovorov 1920-1921 gg.," p. 67.

⁷¹ *Azerbaijan*, 25 January, 1919.

⁷² Quoted from: P.G. Darabadi, *Voennye problemy politicheskoy istorii Azerbaidzhana nachala XX veka*, Elm Publishers, Baku, 1991, p. 153.

27-28 April by the 11th Red Army and the Volga-Caspian Navy led to abolishment of the independence of the Azerbaijan Republic and to the establishment of Soviet control over the entire western littoral of the Caspian as far as Astara. The so-called Anzali operation of the Volga-Caspian Navy in May 1920 proved to be the spectacular finale to the struggle for the Caspian.

As a result of the successful landing operation on 18 May, 1920 carried out by the Volga-Caspian Navy and the Red Navy of Azerbaijan in the Anzali area, units of the 36th British infantry division had to retreat to Rasht. Note that 23 warships and trade ships, 50 ordnances, as well as a great quantity of military equipment were returned to Soviet Russia. On 26 May, Soviet warships left the territorial waters of Iran.⁷³ In early July 1920, the English left Batum.

Thus, the highly dramatic military-political struggle for the Transcaucasus and the Caspian ended in favor of Soviet Russia.

Echoes of the battles in the south of the Caucasus and the Caspian were heard in London causing a scare in governmental circles out of fear for the British colonial possessions in Asia. The military prestige of the British Empire in the Middle East was greatly damaged with far-reaching geopolitical consequences. "British prestige is at stake," the London *Times* wrote, "seizure of the Persian port of Anzali is a deadly danger capable of igniting the highly inflammable material scattered across the Middle East, from Anatolia to the northeastern borders of India."⁷⁴

Although Lloyd George's government took the path of establishing trade and economic relations with Soviet Russia (nevertheless with simultaneous support of Vrangel and Poland), Westminster's imperial ambitions, Whitehall's bellicose aspirations and London City's desire prompted British circles to prepare for new military adventures in the Caucasus.

In the fall of 1920, the Western powers hoped to set Kemalist Turkey against Soviet Russia. In November 1920, the British *Daily Herald* wrote that a plan to create a new front against Russia in the Caucasus was in full swing. Western capitalists did not want to abandon their hopes for Baku's oil riches. All anti-Russian newspapers were full of reports on the dangerous alliance between Soviet Russia and the Turks headed by Kemal. This was being done to conceal the true intentions of the reactionaries. A real danger, the paper went on, came from the secret alliance between Kemal and the Entente against Russia.⁷⁵

Failing to attain its major geopolitical aim in the Middle East—military consolidation in the Caucasian-Caspian region—England resorted in the early 1920s to complex diplomatic maneuvers to weaken the position of Soviet Russia in the region. Flirting with the new Kemalist leaders of Turkey, Lloyd George's government, during the February 1921 London talks with head of the Turkish delegation Bekir Samibey, declared that England was prepared to transfer the Transcaucasus, including the Baku oilfields, to the protectorate of Turkey.⁷⁶ However, in the period under consideration, British diplomacy experienced serious failures, while Soviet Russia succeeded in entering treaties with Turkey, Iran, and Afghanistan in February-March 1921, which secured its leading geopolitical status in the Caucasian-Caspian region. Of paramount geostrategic importance was Sovietization of the entire Transcaucasus and Turkestan by the spring of 1921, following which there was a military-political lull until the beginning of World War II.

⁷³ See: *Grazhdanskaia voina i voennaia interventsia v SSSR*, p. 670; N.A. Aliev, *Voenna-morskaia istoria Azerbaidzhana*, Elm Publishers, Baku, 2002, pp. 153-155.

⁷⁴ Quoted from: *Izvestia VTsIK*, 16 June, 1920.

⁷⁵ See: *Daily Herald*, 13 November, 1920.

⁷⁶ See: *Istoria vneshney politiki SSSR*, Vol. 1, Moscow, 1976, pp. 145-146.