

Russia's Evolving South Caucasus Policy **Security Concerns amid Ethno-political Conflicts**

Sergey Markedonov

Summary The South Caucasus continues to be critically important to Eurasian security. The outbreak of fighting in April 2016 between Armenia and Azerbaijan over the breakaway republic of Nagorno-Karabakh introduced new uncertainty and confrontation to the region. Russia's policies here are crucial, as they are in the region's other ethno-political conflicts, in Abkhazia and South Ossetia. Sergey Markedonov offers an insider's perspective on the Kremlin's involvement in the region, highlighting its security concerns and stressing that Russia is not taking a universal approach to all of the post-Soviet conflict zones. While the "Western" political and expert community often assumes that territorial revisionism is a kind of *idée fixe* within Russia, this is far from the case. Each situation demands an individual response from Moscow, as it weighs and pursues its own interests. This in turn explains the improbability of "Crimean situations" multiplying in the South Caucasus. The region undoubtedly harbors risks of confrontation – not only between Russia and the countries of the immediate region but also with such large powers as the US, the EU, Turkey, and Iran – but it also holds several opportunities for cooperation.

Contents

Russia's Evolving South Caucasus Policy **Security Concerns amid Ethno-political Conflicts**

Sergey Markedonov

3	Introduction
3	A Turbulent Region
4	Eurasian Integration versus European Integration
5	The Special Significance of Russian Policy
6	Russia and Georgia: Viewing Strategic Differences against the Background of Tactical Shifts
6	Nagorno-Karabakh: Menacing Escalation
7	The Gains and Costs of Armenia's Eurasian Integration
8	Azerbaijan: Partnership without Overrated Expectations
8	The Partly Recognized Republics: Strengthening Russian Influence and Recognizing Factors of Hidden Dissatisfaction
9	Conclusion
11	Notes

Russia's Evolving South Caucasus Policy

Security Concerns amid Ethno-political Conflicts

Sergey Markedonov

Introduction

The tenuous political situation in the South Caucasus has been pushed off the news agenda by the crises in Syria and eastern Ukraine. But despite the shift of attention of diplomats, this region is still of strategic importance. As American scholar Daniel Treisman noted of the fast evolving crisis in Ukraine, by “annexing a neighboring country’s territory by force, [Russian President Vladimir] Putin overturned in a single stroke the assumptions on which the post-Cold-War European order had rested.”¹ Many are now asking whether the Kremlin is open to taking a similar approach in the South Caucasus, a region full of ethno-political conflicts and contradictions.

The renewal of fighting in early April 2016 between Armenians and Azerbaijanis in Nagorno-Karabakh ushered in a new period of uncertainty and confrontation for the South Caucasus. A challenge to the status quo was not completely unexpected. There had been more frequent violent incidents along the Nagorno-Karabakh Line of Contact as well as at the internationally recognized Armenia-Azerbaijan border, but April saw the worst fighting since the cease-fire of May 12, 1994.

The violence we saw in Nagorno-Karabakh in 2016 may recur at any time. The conflict zone has no peacekeepers and only a small number of OSCE observers, and the 1994 cease-fire has lasted thus far thanks only to a tenuous balance of forces, which may change in the future.² Both the Armenian and Azerbaijani governments still insist that their maximum demands for resolving the conflict be met, while the three OSCE Minsk Group (OSCE MG) co-chairs mediating the conflict – France, Russia, and the United States – lack instruments to coerce the parties into making concessions.³

A Turbulent Region

The Caucasus is home to six of the nine armed conflicts currently found in the post-Soviet region, and none of them can be considered “settled.” To be sure, there are different interpretations of what the settlement of an ethno-

political conflict consists of. For example, Russia considers the recognition of the independence from Georgia of the breakaway regions of Abkhazia and South Ossetia to be a solution to the conflict, whereas Georgia considers its occupation by Russia, an interpretation that the US and some EU member states (Lithuania, Romania) also support. Other EU and NATO members insist on Georgia’s territorial integrity, considering the two regions to be part of Georgia. Regarding the standoff between Azerbaijan and Armenia in Nagorno-Karabakh, Armenia considers the self-determination of the Armenian community there to be the only way of resolving the standoff with Azerbaijan, while the latter assumes that the only solution consists of reintegrating the breakaway area into its territory.⁴

Several general points should be kept in mind. First, the situations in Abkhazia and South Ossetia are relatively quiet compared to Nagorno-Karabakh. These two partly recognized republics currently enjoy Russia’s political-military guarantees and military support as well as its socioeconomic assistance. Georgia, despite official rhetoric stating that restoring its territorial integrity is its utmost priority, is making no effort to establish its jurisdiction over the cities of Sukhumi (Abkhazia) and Tskhinvali (South Ossetia), which serve as the capitals of the respective breakaway republics. Certainly, the Abkhazian and South Ossetian decisions to assert independence from Georgia – undertaken with Moscow’s full support – have had the effect of strengthening Georgia’s ties with the US, NATO, and the EU. Georgia’s current government, led by the political party Georgian Dream, has not called into question the pro-Western vector pursued during Mikheil Saakashvili’s presidency (2004–13). Indeed, it has developed it further. At the same time, actions taken in South Ossetia with Moscow’s support to delimit the border (the process is also known as “borderization”) cause suspicions in Georgia and the West that Russia is advancing into Georgian territory proper.

Second, although the South Caucasus has less importance for US interests than for Russian, Russia and the US both still consider it to be an area of geopolitical competi-

tion. Events in Ukraine have perhaps obscured this, but competition has not faded away entirely. For Washington, this region is interesting in the context of “energy pluralism” as an alternative supplier of gas and oil to Europe. It is also a potential source of leverage for containing Iranian and Russian ambitions. For the Russian Federation, which includes the seven republics of the troubled North Caucasus, the developments across the Caucasus mountain range as a continuation of its domestic political agenda. This is particularly the case in the security sphere but also relates to Russia’s more general geopolitical ambitions to control post-Soviet states by maintaining Russian influence, which is currently assured through energy dependence, and by preventing them from integrating with Western and other institutions.

Third, the region is also influenced by the threat coming from the so-called Islamic State (ISIS). Middle Eastern jihadist structures such as Al Qaeda had never before declared the Caucasus to be a sphere of their interests or a priority region, but in the summer of 2014, ISIS representatives stated that a significant number of its leaders are of Caucasian origin.⁵ The North Caucasian republics of the Russian Federation, in particular, are an important source of Islamic fighters in the Middle East.

Eurasian Integration versus European Integration

Certainly, the Ukrainian crisis has heightened the general competition between European and Eurasian integration projects for post-Soviet states. Moldova, Georgia, and Ukraine chose to sign Association Agreements (including Deep and Comprehensive Free Trade Agreements) with the European Union. Others – Armenia, Belarus, and Kazakhstan – joined the Russia-led Eurasian Economic Union (EAEU). Finally, some of these states (for example, Azerbaijan) decided to balance between the EU and EAEU integration projects. At the same time Armenia, Georgia, Moldova, and Ukraine are caught up in ethnic and political conflicts and consider the possibilities of integrating either with Russia or the EU to be one tool among others.

Where Georgia is concerned, the crisis in Ukraine has led to the intensification of contacts between Georgia and NATO. Although the government has not obtained a NATO Membership Action Plan, and although a membership perspective for the country is highly unlikely, NATO has already granted it a package of “enhanced cooperation.” In August 2015, a joint training center was opened in Krtsanisi, near Tbilisi, to train Georgian officers and the military of both NATO members and partner states.

Armenia’s Eurasian integration, though more aligned with Russian interests, also faces some problems against the current background of socioeconomic crisis, Western sanctions against Russia, and the suboptimal (if not to say inadequate) management of large Russian companies operating in the republic.⁶ Inside Armenia, moreover, the authorities’ stake in pursuing the Eurasian vector is viewed quite ambiguously. The opposition to President Serzh Sargsyan (and the bureaucratic “Fronde” within governmental structures) insists that he sacrificed the principle of complementarity in foreign policy under Russian pressure and questions Russia’s security support for Armenia.⁷

The two partly recognized republics of Abkhazia and South Ossetia are decidedly less ambiguous in their positions on integration with Russia. When Georgia solidified its pro-Western stance, the appetite within the two state entities grew considerably for increasing cooperation with Russia and, in fact, handing over to Russia the functions of security, border protection, and defense. In Abkhazia, however, this has been accompanied by concerns about the loss of its own sovereignty. South Ossetia, on the other hand, is displeased with the unwillingness of Russian authorities to repeat the actions undertaken in Crimea, which would allow the breakaway republic to unite with North Ossetia within the Russian Federation.⁸

As far as other regional stakeholders are concerned, it is important to remember that the South Caucasus region is also of enormous importance in relations involving the West, Russia, Turkey, and Iran. The Iranian government remains extremely sensitive about the influence of non-regional actors in the neighborhood. It has long considered the affairs of the Caucasus to be the legitimate domain of Georgia, Azerbaijan, and Armenia, together with the three primary regional stakeholders Iran, Turkey, and Russia. This deeply felt position helps explain the Iranian position on the Nagorno-Karabakh conflict. Iran has developed a number of proposals that might be considered an alternative to the Updated Madrid Principles on Karabakh. (Though these have not yet been published, Tehran considers them an integral part of its foreign policy discourse.) Certainly, Iran is not interested in seeing a conflict settlement involve the placement of international peacekeeping forces in the region, no matter the flag under which might be deployed.

Although Turkey considers the Middle East to be its top priority region, there are several fundamental factors behind its interest in the Caucasus. It has strong ties with Azerbaijan as well as Georgia, being involved

in various energy, infrastructure, security, and military projects in both countries. Armenia is the most challenging issue for Turkey's foreign policy in the post-Soviet sphere.⁹

The Special Significance of Russian Policy

Since the dissolution of the Soviet Union, Russia has identified the South Caucasus as an area of crucial importance for its core strategic interests. Many Western experts, however, are perplexed by its persistent efforts to preserve its domination over this part of the post-Soviet neighborhood. It is not just because it is the successor to the USSR, however, that the Russian Federation has claimed a special role in the geopolitics of the Caucasus.

Unlike the USSR, present-day Russia does not pretend to play a global political role. Rather, its ambitions and influence in the international arena depend on and are limited by its status as a nuclear power and as a permanent member of the UN Security Council. Russia, alongside China, is in a long-running dispute with the West over the latter's position on intervening in domestic political processes in times of conflict. This was demonstrated in the period of NATO intervention in Bosnia and Kosovo as well as the US intervention in Iraq. Russia generally considers this damaging to state sovereignty. (In practice, it has not always been consistent on this point. Examples are the August War with Georgia of 2008, its recognition of both Abkhazia and South Ossetia, and the annexation of – or reunification with – the Crimean Peninsula.)

Stepping back from this larger debate, the Russian approach is to treat its “near abroad” as territory crucial to its own interests.¹⁰ By this token, Russian leaders consider any activities in this part of the world by external actors like NATO or the EU as a challenge to its dominant role. While the Kremlin has not issued any relevant official policy formulations for the South Caucasus (or, for that matter, for its own constituencies in the North Caucasus), Russia's policy clearly reflects its desire to assert regional leadership. To this end, it has demonstrated its readiness to adjust borders (in the cases of Abkhazia and South Ossetia), to prevent outside penetration in the region (in the case of its opposition to NATO, the US, and the EU), and to maintain a central role in managing the Nagorno-Karabakh conflict.

In this way, the Kremlin follows a policy of “selective revisionism.” While it has recognized the independence of Abkhazia and South Ossetia, it has chosen not to recognize the Armenian-run Nagorno-Karabakh Republic (NKR) and even blames any electoral campaigns held

there on the de facto authorities in NKR. Russia actively cooperates with the West within the framework of the OSCE MG, as this strengthens its position as a regional leader. Unlike Georgia, Russia and the US have found more common ground on this issue. Moreover, Russia's mediating role undertaken in the context of the OSCE MG is strongly backed by France (representing the EU) and the US. Although Armenia remains a strategic partner of Russia due to its CSTO and Eurasian Union membership, Russia is also interested in pursuing a constructive relationship with Azerbaijan. So, too, is it interested in normalizing its bilateral relationship with Georgia, while remaining careful about not crossing “red lines” – such as broaching the status of the two breakaway republics. While Russian authorities changed the status of Crimea through annexation, they have shown no interest in bringing Abkhazia and South Ossetia under its jurisdiction, despite numerous requests from the South Ossetian side.

It should be stressed that the Kremlin's geopolitical ambitions in the South Caucasus are not intended to produce some sort of imperial resurgence.¹¹ Rather, the Kremlin considers ensuring stability in the former Soviet republics there to be a prerequisite for its own peaceful domestic development and for the preservation of its territorial integrity. It is not an exaggeration to say that Russia is a Caucasian state. Seven of its constituencies – Adygeya, Ingushetia, Dagestan, Kabardino-Balkaria, Karachay-Cherkessia, North Ossetia and Chechnya – are immediately situated in the North Caucasus, a territory larger than the three South Caucasus independent states combined. Four more Russian federal subjects – the territories of Krasnodar and Stavropol, the Rostov region, and Kalmykia – are located in the steppe foothills of the Caucasus. The Caucasus region includes the Black Sea shore of the Krasnodar territory and the popular group of spa resorts in the Stavropol territory known as the Caucasian Mineral Waters.

The ethno-political tensions that have arisen in these regions of Russia, particularly in the North Caucasus, are closely connected with conflicts underway in the South Caucasus. The dynamics of the Georgian-Ossetian conflict, for example, have had a serious impact on the Ossetian-Ingush conflict in North Ossetia, while the Georgian-Abkhaz situation has influenced developments within Russia's Circassian population. The security environment in Chechnya and Dagestan has also been connected with developments in the Pankisi Gorge (Georgia's Akhmet region). Russia and Azerbaijan face the issue of ethnic groups divided by the common border (the Lezgins and Avars). It is in Russia's interest to have a positive

relationship with Azerbaijan regardless of its strategic military partnership with Armenia. Ensuring stability in the Russian Caucasus is thus inseparable from achieving stability in Georgia, Armenia, and Azerbaijan.

During the whole post-Soviet period, Russia has not however developed a comprehensive model for the South Caucasus region, instead limiting itself to serving in a stabilizing capacity. Such a role could be justified in the “hotspots,” but by concentrating solely on “freezing” these conflicts, it has failed to address persistent socioeconomic and socio-cultural issues, including the need for modernization. It is worth noting, moreover, that it has taken practically the same approach in its domestic policy toward the North Caucasus. Here, too, stability has a higher priority than modernization.

Russia and Georgia: Viewing Strategic Differences against the Background of Tactical Shifts

The Georgian parliamentary and presidential elections of October 2012 and October 2013, respectively, significantly changed the country's internal political landscape and brought Mikheil Saakashvili's ten-year presidency to an end. Under Saakashvili's tenure, Russian-Georgian relations had reached their lowest point since the collapse of the Soviet Union. Georgia broke diplomatic relations with Russia, and the two countries lived through a five-day open military conflict in August 2008. Russia's recognition that month of the independence of Abkhazia and South Ossetia created a precedent – the first since 1991 – for revising borders between two former Soviet republics.

When President Saakashvili and his United National Movement left power, some changes occurred in the Russian-Georgian relationship, but these were tactical and selective, and still are. The new Georgian authorities, representing the Georgian Dream party, have maintained their predecessor's strategic approaches of continuing and strengthening integration with NATO and the EU. The new leaders initialed the Association Agreement with the EU in November 2013 and then ratified it in the summer of 2014. It also extended the participation of the Georgian military in NATO operations in Afghanistan and expressed its readiness to take part in an operation in Central Africa under the aegis of the EU. These decisions were made even in the absence of progress on the liberalization of EU visas for Georgian citizens.

Georgia's new leaders made some serious departures from the Saakashvili administration's tactics, however. They saw a better way of meeting their strategic goals –

membership in NATO and the EU – not through a head-on confrontation with Russia but through a pragmatic approach to relations. This policy resulted in:

- a halt to the rhetoric of confrontation and the use of Russia as a factor for domestic political mobilization;
- a refusal to support nationalist movements in the North Caucasus, to engage in political alliances with them, or to position Georgia as a “Caucasian alternative” to Russia;
- a declaration of readiness to cooperate on security during the 2014 Sochi Winter Olympics;
- the establishment of direct dialog between Georgian and Russian representatives (excluding the discussion of status debates on Abkhazia and South Ossetia) within the format of meetings between Russian Deputy Minister of Foreign Affairs Grigory Karasin and Zurab Abashidze, the Georgian prime minister's special representative for relations with Russia;
- and an opening of the Georgian economy to Russian investments.

Russia for its part opened a market for Georgian goods (alcohol, mineral water, citrus fruits) and eased the visa regime for Georgian carriers (drivers).

Despite public support in Georgia for the territorial integrity of Ukraine and condemnation of Russia's annexation of Crimea, Georgia's leaders have refused to “tie” Georgian policy to the Ukrainian crisis.

The agenda of normalizing Russian-Georgian relations has exhausted itself, however, when confronted with the two major “red lines”: the status of the two partly recognized republics and the two countries' different approaches to the engagement of NATO and the EU in Caucasian affairs. In fact, the only current issue of possible cooperation between the two states remains anti-terrorist activity, particularly considering the increasing radicalization of the population in Georgia's Akhmet region (Pankisi Gorge), which borders the Russian Federation, and the participation of many people from this area in Islamist movements in the Middle East – above all, in ISIS.¹²

Nagorno-Karabakh: Menacing Escalation

In the past two years, the Nagorno-Karabakh conflict has intensified seriously. Incidents have been registered both along the belligerent parties' Line of Contact as well as on the internationally recognized Armenian-Azerbaijani border outside Karabakh – in areas that the official documents of the peace process (the Updated Madrid Principles) do not consider part of the ethno-political conflict.

Together, these incidents have been the most numerous since the truce was established in 1994.

The escalation brings with it several major threats. The first is that military actions will resume, including possible foreign engagement in the conflict. (Here the strategic nature of the military and political partnership between Azerbaijan and Turkey must be taken into account.) Second, although the Azerbaijani military's attack on the infrastructure of the unrecognized Nagorno-Karabakh Republic may formally be considered an action by a sovereign state against separatists, the spillover of hostilities into Armenian territory would force an activation of the mechanisms of the Collective Security Treaty Organization (CSTO), of which Armenia and Russia are both members. Such a decision is unlikely to find unanimous support within the CSTO, however. Stable cooperation exists between Azerbaijan and the CSTO members Kazakhstan and Belarus, and the presidents of both countries have taken special positions on Eurasian integration.¹³ Furthermore, it could have a negative impact on the dynamic of Eurasian integration, which potentially might pose an additional risk for Russian foreign policy.

The outbreak of violence in Nagorno-Karabakh and on the Armenian-Azerbaijani border largely became possible due to heightened confrontation between Russia and the Western states. Unlike in the "Georgian" conflicts, Western states have worked for many years for a settlement of the Nagorno-Karabakh conflict. It could be argued that the belligerent parties are testing the readiness of the three OSCE MG co-chairs France, Russia, and the US to react jointly to armed incidents, maintain a unified approach to negotiations, and ensure the peace process as a whole.

Since the outbreak of the crisis in Ukraine, it appears increasingly likely that each member of the OSCE MG intends to pursue peacemaking in Nagorno-Karabakh independently. The US diplomat James Warlick's statement of May 2014 referring to "settlement elements" was presented as a US government plan rather than a coordinated line on the part of all three mediators. So were the concurrent debates in the US Congress on the Act on Prevention of Russian Aggression (which also covered Azerbaijan). In September 2014, the leaders of Armenia and Azerbaijan held talks with the US Secretary of State John Kerry on the margins of the NATO summit in Newport, Wales. For its part, Russia had initiated a three-party meeting of the Russian, Armenian, and Azerbaijani presidents in Sochi in August 2014; while France organized another meeting that November. To date, however, the Russian government has not principally changed its previous approaches to the settlement of

the conflict (the status of NKR, the role of the OSCE MG, and Russia's participation in it). It has only made a minor correction: offering a three-party meeting with the participation of the Russian president as an additional format for negotiations – an action that does not directly call the institutional framework of the OSCE MG into question. Certainly, the problem remains very topical of how the three co-chair states will cooperate if incidents similar to those of April 2016 are repeated.

The Gains and Costs of Armenia's Eurasian Integration

In January 2015, Armenia officially joined the Eurasian Economic Union (EAEU). While Armenia is traditionally considered Russia's key political and military ally in the region, this understanding reflects only the external contours of the complex dynamics of the choices now being made in the South Caucasus between the Euro-Atlantic and Eurasian integration. There are in fact substantial nuances involved.

Up to September 2013, Armenia's leaders could not decide which integration vector to choose. Some high-ranking officials voiced skepticism about the Customs Union and Eurasian integration, in particular former Prime Minister Tigran Sargsyan, who resigned in early April 2015, and such diplomats as Shavarsh Kocharyan, the deputy minister of foreign affairs. These pointed to a number of concerns, including the absence of common border with Russia, dependence on the "Georgian window" (through which two thirds of Armenian exports and imports have been moving) for access to the outside world, and the need to diversify its foreign policy to prevent Azerbaijan from unilaterally strengthening its positions in the West.¹⁴

Some "technical problems" are still topical and are indeed very important for Armenia's domestic policy. The issue of customs tariffs is one example, to say nothing of the fear of losses incurred by Western sanctions against Russia, although their impact is in fact quite marginal. Opponents of President Serzh Sargsyan's current administration, including the Civil Contract party, the Free Democrats, and the national liberal party Heritage, have also extended their criticism to the Kremlin for supporting him. Doubts about Russia as a reliable and equal partner are extremely important when seen against the background of the constitutional reforms that were passed in 2015, which have been controversial both in political circles and in Armenian society at large.

Armenia's choice for Eurasian integration was also accompanied by skepticism on the part of some of Russia's

other strategic partners. Although Kazakhstan's President Nursultan Nazarbayev has since withdrawn concerns he voiced about Armenia's EAEU membership, one cannot rule out the continuation of latent discontent. If the Nagorno-Karabakh conflict escalates in any way, or if hostilities resume between Armenia and Azerbaijan, Kazakhstan's position will surely be articulated precisely.

Azerbaijan: Partnership without Overrated Expectations

Relations between Russia and Azerbaijan suffered a decline after the countries failed to agree on prolonging Russia's lease on the Gabala Radar Station in 2012. Since 2013, however, they have begun to improve again.

Unlike Georgia, Azerbaijan does not seek NATO membership. It has been a member of the Non-Aligned Movement since 2011. As a Muslim country, Azerbaijan is extremely watchful of the Western policy of supporting the democratization of the "broader Middle East" (and above all, of the West's engagement with, or possible confrontation with, neighboring Iran). As a consequence, the country's leaders are interested in maintaining cooperation with Russia.

Azerbaijan highly values the trans-border cooperation with Russia in the fight against terrorism. (The two states share a common border at the Dagestani area.) Azerbaijan and Russia also take common approaches to the Caspian Sea. They have developed a very active military-technical cooperation.¹⁵ Azerbaijan's intensive purchases of Russian arms are, moreover, compensating Moscow for the pro-Western elements of Azerbaijani energy policy. They also demonstrate that Russia is not a potential adversary of Azerbaijan in the Nagorno-Karabakh conflict despite Russian security guarantees for the territory of Armenia proper, both at the bilateral Russian-Armenian level and within the CSTO framework. It should be noted that this arms trade created displeasure in Armenian political circles and public opinion. If violence in Nagorno-Karabakh escalates, the topic will certainly be very relevant for Russian-Armenian relations.

Russia, unlike the Western states, does not criticize Azerbaijani domestic political standards. It is especially *supportive* of Azerbaijani parliamentary and presidential elections. This is an important factor legitimizing Azerbaijan's political reality on an international level, which the government in Baku highly appreciates.

Despite this, the Russian-Azerbaijani partnership also has limitations. First, Azerbaijan seeks to play its own role in regional energy projects, presenting itself as a

partner of the West. Second, its government firmly and consistently supports the territorial integrity of both Georgia and Ukraine. (On March 27, 2014, Azerbaijan voted at the UN General Assembly for the resolution supporting Ukraine's territorial integrity and calling the referendum in Crimea invalid.¹⁶) Third, it has no intention of joining Eurasian integration projects under Russian patronage because it considers that Russia does not do enough to promote the resolution of the Nagorno-Karabakh conflict. For its part, Moscow itself tries to implement a new, more effective form of regional integration that would not resemble the Commonwealth of Independent States based predominantly on a shared USSR background.

Unless the Nagorno-Karabakh conflict is settled, the joint presence of Armenia and Azerbaijan in a single integration structure – the CIS – would reduce that structure's efficiency to zero.

The Partly Recognized Republics: Strengthening Russian Influence and Recognizing the Factors of Hidden Dissatisfaction

Georgia's stronger pro-Western foreign policy vector has led to political radicalization in Abkhazia and South Ossetia. The United Ossetia Party, which consistently supports the breakaway republic's unification with North Ossetia within the Russian Federation, won parliamentary elections in South Ossetia on June 8, 2014. Its leader, Anatoly Bibilov, became speaker of parliament.

In Abkhazia, an extraordinary presidential election was held on August 24, 2014 as a result of mass protests that May by the opposition, which led to the resignation of the head of the de facto republic, Alexandr Ankvab. The winner, Raul Hajinba, is leader of the Forum of People's Unity of Abkhazia and supports intensifying military and political cooperation with Russia and freezing contacts with Georgia almost completely.

For both of these partly recognized republics, the signing of bilateral treaties with Russia was a key foreign policy event. The Russian-Abkhazian treaty on cooperation and strategic partnership was signed on November 24, 2014, and the Russian-South Ossetian treaty on alliance and integration was signed on March 18, 2015. While these documents strengthened Russian military and political presence in the two breakaway republics, however, they cannot be described as true milestones in their relationships with Russia. Rather, they formalized configurations that had already come about in August 2008, when Russia changed its status from peacemaker

to that of a patron and guarantor of Abkhazian and South Ossetian security.

In addition to their common features, the two treaties also have their differences. In the Abkhazian case, a contradiction soon became apparent between the breakaway republic's intent to build its own nation state and its increasing dependence on Russian military and financial assistance. The Abkhazian side revised the document to preserve some advantages. For example, Russians do not have the right to obtain Abkhazian citizenship, and the word "integration" was excluded from the document's title. South Ossetians were, in contrast, interested in maximum integration with Russia – up to becoming part of it (a repetition of the Crimea scenario). The differences can be summed up thus: while Abkhazia tries to preserve its independence (under Russian military and political guarantees), South Ossetia considers its independence to be a transitional stage on its path toward unification with North Ossetia within the Russian Federation.

What the two republics currently share is that neither will consider the option of returning to Georgian jurisdiction. Indeed, the Georgian topic is no longer on either country's political agenda. More pressing are the questions of the quality of independence to be had under Russia's aegis and the price of Russian influence. This issue is more topical in Abkhazia as it seeks to maintain a certain freedom from the Russian presence (at least, to protect itself from the coming of Russian big business). In South Ossetia by contrast, there is an interest in more direct Russian engagement, especially in the process of its economic and infrastructural rehabilitation after the 2008 war.

Conclusion

Because of its geographic proximity and its long history of engagement, Russia still has vital security interests in the South Caucasus, and other interests as well. Even after the Soviet Union's disintegration, Russia therefore did not dissociate itself from the region. If its interests in the region have remained largely constant, however, its policies and strategies to safeguard them have changed with internal developments, with its evolving foreign policy perspectives, and with the changing nature of its international relations, especially with the West.

Certainly, the steady deterioration of Russian-Western relations since the Russia-Georgia war of 2008 has complicated Russia's choices in the South Caucasus. The Russian annexation of Crimea in particular has given new life

to Western fears about the stability of the Post-Cold-War European order.

The risk of more conflict between Russia and the West cannot be ruled out. However, Russia's broader interests require that it avoid taking risks in the Caucasus. Instead, it should focus on Ukraine, where the future shape of European security could be determined. It should also focus on establishing its position as an active participant in anti-terrorism efforts on an equal footing with West. By not moving too fast to integrate the breakaway republics of Abkhazia and South Ossetia, Russia has indicated that it is unlikely to repeat the actions it undertook in Crimea.

The Kremlin has no universal approach to the South Caucasus in general, nor to its particular conflicts. All its approaches are determined by concrete dynamics. If it can avoid changing the status quo, it is not interested in breaking the "rules of the game." However, if it sees a favorable status quo coming under threat, it can react in a tough way, be it by recognizing a *de facto* state or through annexation. At the same time, the Russian leadership has neither the intention of restoring the USSR nor ideas of pursuing "imperial revenge." Its political behavior is determined not by ideological program or even a clear strategy but by reactions to security challenges as well as by the conflict dynamics.

Russia is trying to prevent the collapse of the available negotiation frameworks such as the Geneva consultations on the situation in Georgia, Abkhazia, and South Ossetia and the negotiations on the settlement of the Nagorno-Karabakh conflict. These formats are channels of communication between the parties to the conflicts and all actors engaged in the peace process.

In the Nagorno-Karabakh conflict, alongside the current format of the OSCE MG, Russia is interested in intensifying the three-party negotiation process at the presidential level (Russia, Armenia and Azerbaijan), not in opposing the existing framework for negotiations. This format already proved itself in 2008–12, when it helped hold back Armenia and Azerbaijan from repeating the South Ossetian scenario and even reach mutual agreements on humanitarian issues. In addition to increasing Russian participation, this presidential-level format would help block the efforts of other members of the OSCE MG, especially the US.

While promoting Armenia's integration into the EAEU, it is important for Russia to build relations with the country's entire political spectrum to forestall a sharp polarization over Armenia's relations with Russia and over Eurasian integration. Constructive relations between Russia and the Armenian opposition would prevent the country from

moving closer to the US and the EU before parliamentary elections in April 2017 and presidential elections in 2018.

Russia must also differentiate its policies toward Abkhazia and South Ossetia, whose respective elites have different goals for their republics. Coordinating integration actions with them should be undertaken with a precise understanding that Russia has its own interests to pursue and cannot merely fulfill these republics' wishes. The South Ossetians should refrain from calling on Russia to repeat the Crimean scenario.

Without ignoring the competitive aspects of its relations with the West, Russia should try to improve them. Building a partnership with the US and its allies to counter radical jihadism in the Middle East (considering its impact on the North Caucasus) could be a first step in this direction and could bear positively on the region's security environment. Russo-Western cooperation could also restrain various regional players from yielding to the temptation to "unfreeze" existing conflicts. Russian-Western disagreements and competition both in the Eurasian sphere – including the South Caucasus – and elsewhere have negatively influenced the development of countries in the region and made it more difficult to resolve existing conflicts. They have also incurred costs for the main players.

Cooperation between Russia and the EU in the South Caucasus is made problematic by the different approaches to Georgian territorial integrity and differences over the recognition of Abkhaz and South Ossetian independence. However, both sides can provide more effective coordination within the framework of Geneva talks, especially resolving humanitarian issues in the disputed areas. The EU and Russia have also room to cooperate in resolving the Nagorno-Karabakh conflict, especially under the OSCE, which Berlin's closest partner, Austria, will chair in 2017. Anti-terrorism has already been proclaimed a potential area of common interest in spite of existing contradictions, but up until now there have been no concrete steps to realize those ideas. As the Caucasus becomes ever more influenced by dynamics in the Middle East, such cooperation requires practical steps.

Sergey Markedonov is an associate professor in the department of regional studies and foreign policy at the Russian State University for the Humanities. He was visiting fellow at the DGAP's Robert Bosch Center in August–September 2016.

Notes

- 1 Daniel Treisman "Why Putin Took Crimea: The Gambler in the Kremlin," *Foreign Affairs* (May–June 2016) <<https://www.foreignaffairs.com/articles/ukraine/2016-04-18/why-putin-took-crimea>> (accessed December 19, 2016).
- 2 The full text of the document is available online in Russian <<http://vn.kazimirov.ru/doc10.htm>> (accessed December 19, 2016).
- 3 The OSCE's Minsk Group (OSCE MG) was created in 1992 to encourage a peaceful, negotiated resolution to the Nagorno-Karabakh conflict. It is headed by co-chairs France, Russia, and the United States. The following states also participate: Belarus, Germany, Italy, Portugal, the Netherlands, Sweden, Finland, and Turkey, as well as Armenia and Azerbaijan.
- 4 See Thomas De Waal, *The Caucasus: An Introduction* (New York, 2010) and, by the same author, "Prisoners of the Caucasus: Resolving the Karabakh Security Dilemma," *Carnegie Europe*, June 16, 2016 <<http://carnegieeurope.eu/2016/06/16/prisoners-of-caucasus-resolving-karabakh-security-dilemma/jlyq>> (accessed December 20, 2016).
- 5 Sergey Markedonov, "The Islamic State: A Threat to the Big Caucasus," *Russian International Affairs Council*, November 9, 2015 <http://russian-council.ru/en/inner/?id_4=6823#top-content> (accessed December 20, 2016).
- 6 For more detailed observation, see Sergey Markedonov, "Russia: Learning from Armenia," *Russian International Affairs Council*, October 26, 2015 <http://russiancouncil.ru/en/inner/?id_4=6753#top-content> (accessed December 20, 2016).
- 7 Sergey Markedonov, "The Lessons of Armenia for Russia," *Russian International Affairs Council*, October 25, 2015 <http://russiancouncil.ru/en/inner/?id_4=6753#top-content> (accessed December 20, 2016).
- 8 Sergey Markedonov, Evgeniy Minchenko, and Kirill Petrov, "Assessment of Political Risks in the South Caucasus Region," *Michenko Consulting Group Report*, August 2015 <http://www.minchenko.ru/netcat_files/File/Political%20risks%20in%20the%20South%20Caucasus%20region%20Eng.pdf> (accessed December 20, 2016).
- 9 Sergey Markedonov, "Russia-Turkey Relations and Security Issues in the Caucasus," *Valdai Papers* 45 (April 2016); Kerim Has, "Turkey-Azerbaijan: Not Only Energy Affair," *Russian International Affairs Council*, March 9, 2016 <http://russiancouncil.ru/en/inner/?id_4=7357#top-content> (accessed December 20, 2016).
- 10 Most of the conflicts in Russia's North Caucasus, both open and latent, are related to tensions within the former Soviet republics and vice versa. The Georgia-Ossetian clashes had a significant impact on the Ossetian-Ingush dispute, while tensions between Georgia and Abkhazia have influenced ethno-political processes in the western part of the Russian Caucasus, i.e., in Adygea, Kabardino-Balkaria, and Karachay-Circassia. Security in Dagestan and Chechnya depends heavily on the situation in Georgia's Pankisi Gorge, and the problem of peoples separated by borders – for example, the Lezgin and Avar, whose ethnic communities are divided by the Azerbaijan–Russia border – has an impact both on regional dynamics and on the Russia-Azerbaijan relationship.
- 11 See Sergey Markedonov, "How Russia Dealt with Post-Soviet Protracted Conflicts in 2016," *Russia Direct*, December 29, 2016 <<http://www.russia-direct.org/opinion/how-kremlin-dealt-post-soviet-protracted-conflicts-2016>> (accessed January 18, 2017).
- 12 David Gamtsemlidze, "How Georgia has become [one] of the leading suppliers of militants to ISIS" [in Russian], *Carnegie Russia Center*, June 17, 2015 <<http://carnegie.ru/2015/06/17/ru-60430/ikq4>> (accessed December 20, 2016).
- 13 Both Nursultan Nazarbayev and Aleksandr Lukashenko objected to Armenia joining the Customs Union and, later, the Eurasian Economic Union because of the unresolved Nagorno-Karabakh conflict. Armenia now effectively controls its border with the unrecognized NKR as well as the territory currently occupied by Armenian forces but internationally recognized as an integral part of Azerbaijan.
- 14 Mikko Palonkorpi and Alexander Iskandaryan, eds., "Armenia's Foreign and Domestic Politics: Development Trends," *Caucasus Institute and Aleksanteri Institute Report*, 2013 <http://www.helsinki.fi/aleksanteri/english/publications/files/armenias_politics2013.pdf> (accessed December 20, 2016).
- 15 In 2010–12 a number of contract packages were signed on arms supply from Russia to Azerbaijan, and agreements made in 2011–12 were implemented in 2013. During Vladimir Putin's 2013 visit to Baku, this sphere was announced as one of the bilateral cooperation's future priorities. In the course of Russian Defense Minister Sergey Shoygu's October 2014 visit, an agreement was reached on joint Russian-Azerbaijani military exercises in the Caspian Sea.
- 16 UN press release, "General Assembly Adopts Resolution Calling upon States Not to Recognize Changes in Status of Crimea Region," March 27, 2014 <<http://www.un.org/press/en/2014/ga11493.doc.htm>> (accessed December 20, 2016).

