

# AT THE HARRIMAN INSTITUTE

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## The Caucasus: An Introduction

Thomas De Waal Discusses His New book

“The South Caucasus is a region that is looked at from a bilateral perspective,” stated journalist Thomas De Waal, who discussed his new book, *The Caucasus: An Introduction*, at a Harriman Institute forum on September 23, 2010. The book examines the historical background and political climate of the South Caucasus. In it, De Waal argues that the West should reconsider its current policies and pay more attention to the complexity of the region. “We need to start using a holistic approach. I think that there are good objective reasons to think of this as an entire region,” he stated.

The South Caucasus is in bad shape. Two of the region’s longest borders—between Armenia and Azerbaijan, and between Russia and Georgia—are either completely or partially closed. Three territories are under dispute: Abkhazia, South Ossetia and Nagorno-Karabakh. “Over 5% of the population is made up of refugees,” and another chunk of the population consists of migrant workers who have temporarily left for Russia, Turkey or Europe. The economy is dismal, and corruption runs rampant.

“How much does the way we talk about and interpret this region contribute to the problem instead of resolving it?” De Waal asked rhetorically. He lamented that Western policy makers have “helped make bad local politics worse” by harboring three misperceptions. First, there is the perception of the South Caucasus as a “Great Chessboard,” where powers treat the locals as pawns. “This is not the case—locals manipulate the powers just as much as the powers manipulate them,” opined De Waal. While the region is weak, local forces have been able to resist assimilation, “they remain strong enough to withstand fading into their bigger neighbors.” In light of this, De Waal urged policy makers to pay attention to the local level. “There is still a load of entrepreneurial energy,” he pointed out, “a great deal of individual dynamism, which is suppressed a lot of the time.”

Second, De Waal stressed that Russia’s role in the region is greatly embellished. “Russia is much less powerful than it thinks it is, wants to be, and

than it appears to outsiders.” He admitted that Russia is still “the most powerful outside actor in the region,” but emphasized that Russia’s control is “more precarious than it looks.” De Waal attributes this to geography—the physical barrier of the Greater Caucasus Range isolates the South Caucasus from Russia, as a result very few ethnic Russians live there, and Russian leaders have always relied on local rulers to run the region. “Even Stalin used local elites to dominate policy.”

De Waal believes that Russia’s control in the South Caucasus is also inhibited by the North Caucasus—“The recognition policy has raised tensions with the North Caucasus because if Russia recognizes a region of 30,000, then why not Ingushetia, which is close to 500,000? I think that because of this, Russia will become more flexible with Abkhazia and South Ossetia.” He stressed that this would only occur after Saakashvili is no longer in office. “It is very personal between Putin and Saakashvili—they’ve traded insults and they can’t turn back. Once Saakashvili finishes his second term in 2013, that’s when things will start to change.”

Third, De Waal asserted that the West overestimates the strategic importance of the South Caucasus. “Unfortunately policy makers tend to treat the region in terms of oil and gas pipelines, and NATO enlargement.” He noted that there has been a revival of “old metaphors” in recent rhetoric. “The idea of Russia and Great Britain fighting over Central Asia, or that of a new Silk Road, casts a rather archaic character, as if these are a medieval people who deserve our help, rather than actual actors.”

Washington tailors its policies towards each country in the South Caucasus based on its strategic interests—Azerbaijan is seen primarily as an oil source and a transit route to Afghanistan, Georgia is seen “as some kind of model for pro-American democratization in the region,” and policies towards Armenia have been driven by Congress and the powerful Armenian Diaspora. “We deal with each country differently instead of

seeing that they are all interconnected,” De Waal stressed.

“We are now seeing the oil and gas boom fully underway in Azerbaijan, probably with another decade or so to run, but again the perception that Western governments are helping Azerbaijan is misleading, its trickledown benefits have been rather minimal—it hasn’t supplied many jobs, there isn’t much of a non-oil economy there. As oil revenues begin to diminish, I think one can predict a backlash against the West.” De Waal warned that within a decade, two at most, Azerbaijan’s oil production will start to decline. “Azerbaijan has its oil fund but has been using it heavily the past couple of years to fill holes in the budget—the elite are filling their pockets and Azerbaijan is headed for a big crisis in the next decade or so.”

De Waal commented on the consequences of “the second grand strategic effort,”—the encouragement of Georgia to join NATO. “An idea very much promoted by certain groups in Washington. This was misguided; Georgia is not Hungary or the Czech Republic. This is a country in a very sensitive region, with Russia and Iran looking in and two unresolved conflicts on its territory. Also, it is not very democratically developed and its institutions are weak.” De Waal

called the NATO effort a “recipe for trouble.” He speculated that the policy helped lead to the August 2008 war, with the West “ratcheting tensions,” and “antagonizing Russia.” In response, Moscow saw the proposed NATO enlargement as an excuse for its actions in Abkhazia and South Ossetia. “Now the war is over and Georgia is without a NATO membership action plan and also without Abkhazia and South Ossetia—the worst of both worlds.”

In conclusion, De Waal urged the West to find a “regional vision” instead of dealing with each country bilaterally. “Policy makers are not doing anything to mend regional divisions.” Instead of dealing with government elites, De Waal recommends that strategists “go and re-train small business consultants and work to empower the small businessmen of the region, who could be the most promising agents of change. They should look at the way that Turkey has changed in the past ten years, and look at Anatolia where this astonishing economic growth has been driven by a class of Anatolian small businessmen.”

*Reported by Masha Udensiva-Brenner*