

研究ノート

# Russia's Strategy toward the South Caucasus: A Mid-Term Assessment of the Post-2008 Russia-Georgia War

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## 1. Introduction

August 8, 2008 has become an important landmark in the study of international relations, particularly from the perspective of conflict prevention in the Caucasus where Russia historically holds the key to controlling the region. On this day, Russia sent strong signals to the leading political and military circles of the world that it was about to re-emerge as a superpower. With these signals, Russia implied that it could become violent and uncooperative if it deemed its interests were at stake. The message was delivered to the destination, allegedly the West, by a full-scale war against a small pro-western neighboring state, Georgia. For the first time after the break-up of the Soviet Union, Russia used armed forces against a sovereign state. Russian troops stationed in Vladikavkaz began penetrating into Georgia on the eve of the war, on August 6, 2008 (Saakashvili, 2008.)

The Russian army entered the Georgian territories with a large number of troops, tanks, and armored vehicles as covered by media reporters (Womack, Parfitt, and Black, 2008). This event was followed by Russian air and naval operations within hours after the first clash between the Georgians and South Ossetian separatists broke out. Russia achieved all of its military objectives and *immediate* strategic goals within a matter of days. No matter if the size of Russian military force deployed was proportionate to that of tiny Georgia, the result of the war was a *total* military victory for Russia. Yet a question remains here if the total military victory in retrospect really meant a long term victory for Russia in its relation to other states in the region. This is the issue the article tries to examine.

Historically, definitions and perceptions of war have been quite broad. For

instance, according to a dictionary, the term *war* derives from the Old High English noun *werra* and means “confusion.” The modern English noun *war* is explained in two ways: a state of hostile and armed conflict between such political units as states, countries, and nations; and a general state of conflict, opposition, and antagonism between “mental, physical, social, or other forces.”<sup>1</sup> Researchers have not always agreed which armed struggles deserve to be referred to as *war*. For instance, the prominent American political scientist Quincy Wright (1890–1970) considered a war to have taken place either when it was formally declared or when troops of 50,000 were involved (Wright, 1942). According to the British physicist Lewis Fry Richardson (1881–1953), “war is a particular case of a ‘deadly quarrel,’ defined as a violent encounter among human beings resulting in one or more deaths. He placed all such encounters on a scale of magnitude, ...[as] single murders appear on this scale as deadly quarrels of magnitude 0, small riots with some ten victims as deadly quarrels of magnitude 1, and so on. The two world wars appear on this scale as deadly quarrels of magnitude 7.”<sup>2</sup>

Although there is little doubt that World War I and II are the two biggest destructive and ruinous wars, there are also wars in history without a single shot such as the War of Bavarian Succession (1778-1779); “war was declared but no one died despite the fact that fully armed Prussian and Austrian troops marched to the battle fields.” By contrast, as one expert compares, “two million people were killed in the Korean War, yet war never was declared”. The Vietnam War (1959-1975) and Iran-Iraq War (1980-1988) can be extended examples for the latter category since no official state of war was acknowledged and no significant gains were achieved for the “winners” of both wars (Barash and Webel, 2008, p. 14-15).

As for the consequences of the Russia-Georgia War of 2008, what have now surfaced are the hidden and unexpressed concerns of a growing number of countries about Russia’s unreliability and unpredictability. The evolving consequences of the war mentioned throughout this study make Russia’s absolute victory in this war questionable and lead to the hypothesis of this study that *achieving a total armed victory in a battle does not necessarily translate into being the absolute victor given the nature of the contemporary system of international relations*. This study aims to make an evaluation on the outcomes of the war for Russia. It attempts to investigate how the war Russia

waged against Georgia impacted Russia's relationship with other states in the South Caucasus (SC).<sup>3</sup> (See the map in Appendix 1) Did Russia's military victory bring about a great deal of strategic gain for Russia? These questions will be answered in this article with the already surfaced facts and statistics as well as with some projections on how the war would affect Russia's strategic interests on and near its borders in the long-term. The explanations are based mostly on the indirect consequences of the war for Russia vis-à-vis its relations with the West and the SC. The reason for highlighting the indirect consequences more is due to the notion of *realpolitik*. In other words, most of the concerned parties and states prefer to articulate their concerns indirectly since direct expressions of such unapproved stances may threaten their own national interests vis-à-vis Russia.

## **Background of the Crisis**

### ***1.1. Direct and Inner factors***

#### *a) Ripe circumstances for ethnic war*

The tensions between the Georgians and Ossetians date back to the 1920s. During this period the Ossetians made a failed attempt to establish an independent state. Although the tensions were brought under control with the establishment of the Soviet Union, it eventually proved to be nothing more than a temporary halt lasting about seventy years. The bloody clashes started anew in the early 1990s with the breakup of the Soviet Union after which passionate Ossetian ambitions for independence resurfaced. During that time Georgia lost control over two regions adjacent to Russia, South Ossetia and Abkhazia. In spite of the Russian brokered cease-fire in 1992, there were regular small-scale skirmishes with high and low degrees of severities until the aforementioned war between Russia and Georgia. According to some estimates, by the time the war broke out, some 13,000 people had died in the two separate conflicts in South Ossetia and Abkhazia (Zurcher, 2007).

When the pro-American Saakashvili came to power in Georgia in 2003 following the so-called "Rose Revolution", he set forth the goal of restoring the country's territorial integrity by solving the decade-long ethno-territorial conflicts within Georgia's internationally recognized borders. In 2004, the Georgian government gained full control over one of the formerly separatist regions, Adjara, without firing a single shot. That the Georgian leadership

brought the region under the rule of the central government without necessarily using force laid out optimism for bringing the other two breakaway regions — South Ossetia and Abkhazia under central government control as well. A similar approach to the South Ossetia conflict, however, ended up with not only the loss of territories for the country but also a loss of hope among the Georgians that they would regain the two secessionist regions any time in the foreseeable future, if not forever. The failed attempt to enforce constitutional order by Georgia's "law enforcement agencies"<sup>4</sup> resulted in a full scale war between the armed forces of Georgia and the unified troops of Russia and South Ossetia.

*b) Georgia attempts to shed Russian influence*

The socialist by-product of *autonomous republic* and *autonomous oblast* within the republics of the former Soviet Union became a source of headaches for each independent state to control with the dissolution of the Union. Georgia unluckily had three of such regions within its boundaries — autonomous socialist Soviet republics of Adjara and Abkhazia, and the autonomous *oblast* of South Ossetia. The prospect for integrating these autonomous regions into a unified Georgia seemed thin as ethnic clashes broke out between the Georgians and the non-Georgian inhabitants of these regions on the eve of the country's independence in 1991. All the three regions within Georgia looked to Moscow for protection against the ethnic Georgians, which provided Moscow with a chance to enhance its influence in the region.

As the situation gained geopolitical importance through the increasing involvement of neighboring countries as well as global powers such as the EU and the US, the Georgian leadership leaned toward the West. Georgia expressed deep interests in gaining membership to Western institutions, particularly NATO. Georgia's joining the alliance had been initiated by Shevardnadze, who preceded Saakashvili as president of Georgia. The country was actively participating in NATO's Partnership for Peace (PfP) program since 2004. The process was accelerated after Saakashvili came to power in 2004 (Priego, 2008). Russia's relations with Georgia reached a new level of hostility after the Georgian administration made it clear that joining the EU and NATO was one of its priorities. Saakashvili ordered the display of the European Union flag next to the Georgian one, an open indication of the course

that the country planned to pursue. The Defense Ministry of the country went even further and began displaying the NATO flag (Toal, 2009).

Seeking membership in the Euro-Atlantic alliance was perhaps one of the shortest ways, if not the only way for the Saakashvili administration to protect the sovereignty of the state of Georgia and to assure the integrity of the country. However, such a strategy caused resentment in Moscow and further spoiled Russo-Georgian relations (Imnadze, 2010). Thus, Georgia became a suitable target for Moscow to attack. For the Russian strategists, such an attack would deter the foreign powers in the region and would create a balance between Russia and the West, particularly NATO, which was aggressively penetrating into what Russia considered to be its traditional sphere of influence (Medvedev, 2011). Last but not least, the war would serve as a warning to the rest of the former Soviet republics that might seek membership in Western institutions in the future.

## ***2.2. Indirect and External factors***

A majority of the experts share the perception that the full scale war in Georgia was not merely Russia's attempt to respond to "the aggression against Russian peacekeepers and the civilian population in South Ossetia" (Medvedev, 2008) as Moscow claimed. Rather, it is almost certain that this war was Moscow's response to a set of security and foreign policy related ventures by the West that were occurring in Russia's so-called backyard. Existence of such a "backyard" was formally declared in a new foreign policy doctrine by then Russian President Medvedev in the immediate aftermath of the Russia-Georgia war. In his speech, the Russian President of the time described the regions on and near the Russian borders as the "zone of privileged interests" (Moshes, 2009, No: 129). As Georgia happens to be located in this self-proclaimed zone, it appears more convincing that Russia went to war with Georgia as part of its strategic interests rather than as a result of the Georgian supposed aggression against civilian populations.

Although the internal circumstances concerning the long-lasting conflicts in the Georgian breakaway regions were ripe enough to evolve into a war, there are mainly three geopolitical factors that may have triggered the Russian attack on Georgia:

*a) Increased Western presence in Russia's so-called zone of privileged interests*

Many in the West took the collapse of the Soviet Union as an opportunity to develop political and economic ties with a part of the world that had been almost “solely Russian-dominated space since the Tsarist Russian Empire forced Persia to sign the Treaty of Turkmenchay in 1828” (Sadri and Burns, 2010). Russian influence over the former socialist republics waned, while the presence of Europeans and Americans subsequently grew for almost a decade after the dissolution of the Union. The Russian economy shrank significantly in the early 1990s, which was followed by an overall downturn in societal values, education, and domestic security. Despite the countless domestic problems, Russia seemed determined to keep some sort of control over the newly independent states by establishing the Commonwealth of Independent States (CIS), a revised copy of the Commonwealth of Nations once created by the Great Britain to maintain its contacts with the former colonies.

The transfer of power from the old and sick Boris Yeltsin to the young and aggressive Vladimir Putin as acting president in January of 2000 opened a new horizon for Russia. On March 26, 2000, Putin won an astonishing victory in the elections and became President of Russia. This power shift has proved to be a landmark in Russia's domestic and international affairs ever since. The new millennium started with tangible growth for Russia. The rising prices of energy resources became an incentive for increased fuel productions from the Russian fields. In 2003, Lukoil, a major oil company of Russia, made a surprising increase of 38 percent in profits. This led to \$4.8 billion (10%) rise in the Central Bank's currency levels within the interval of the first four months of that year (Goldman, 2007). Russia began to show the early signs of economic recovery. The economic revival was followed by rebounds in other fields as well.

Such rapid growth trends gave the Russian leadership more political confidence to re-establish its status as a “super power” at any cost, even through strategic exploitation of its oil and gas wealth (Goldman, 2007). Although the Russian government expressed alliance with the West against international terrorism in the aftermath of 9/11, Moscow soon became aware that the US establishment of military bases in Central Asia would undermine Russia's influence over this region. As one researcher claims, “Putin came to

see the United States as a global power determined to achieve 'unipolarity' in world affairs" (Toal, 2009). Simultaneously, on a different front, the EU enlargements of 2004 and 2007 were interpreted as new threats by Russian political circles as the moves significantly increased the former's borders with Russia and created a small EU-surrounded Russian enclave, Kaliningrad.

Kosovo's recognition as an independent state drove Moscow's patience to the breaking point. Moscow had warned that Kosovo's independence would set a precedent for the independence of Abkhazia and South Ossetia. This rhetoric was replaced with concrete actions by Moscow after the West supported and recognized Kosovo as an independent state in early 2008. Many experts believe that this historical case tempted Russia to accelerate its "creeping annexation" (Cooley, 2008) of Georgia's separatists regions. As part of this annexation Russia had already started providing Russian passports to the inhabitants of Abkhazia and South Ossetia, which was later used as one of the main justifications by Moscow for its full-scale war on Georgia. The war and the consequences of the recognition by Moscow of the separatist regions within a sovereign state were more proof of Russia's serious concerns with and intolerance of increased Western presence near its borders. Although the Western presence in the post-Soviet realm was further solidified through bilateral partnerships in the form of multi-billion projects until the war broke out, the tendency slowed down apparently as a result of Putin's deterrence policies and threatening rhetoric.

#### *b) Eastward expansion of NATO*

NATO's enlargement toward the east has been one of the most decisive triggering factors of the Russia-Georgia war (*See the map in Appendix 2*). Many experts believe that the war was the last resort for Moscow to stop NATO's eastward expansion. The Euro-Atlantic military bloc has always been regarded as a national threat to Russia by the country's political and military circles. This perception is reflected clearly in the newly adopted Russian military doctrine. The doctrine signed by the then President Dmitry Medvedev in February 2010 indicates manifestly that "one of the 'main external threats of war' comes from NATO's expansion east to Russia's borders" (Sweeney, 2010). NATO had absorbed as many as 11 countries<sup>5</sup> into the bloc within a short period, from 1990 until the breakout of the Russia-Georgia war. Russia

has repeatedly expressed its grave concerns over these expansionist programs.

Moscow claims that NATO's eastward expansion violates the terms of the legal documents Russia and the West have agreed upon. It has been urged by several high-ranking Russian officials that Russia agreed to the unification of the two Germanies on the condition that NATO would not "bring any former Communist states into the alliance," this "solemn 'pledge'" was "made by the governments of West Germany and the United States in 1990" (Kramer, 2009). In 1997, the then-Soviet deputy foreign minister Anatoly Adamishin claimed that "we were told during the German reunification process that NATO would not expand" (Gordon, 1997). Mikhail Gorbachev made similar assertions in 1996-1997. Presidents, Prime Ministers, and Foreign Ministers of Russia have claimed on numerous occasions that "...the United States had 'made a commitment not to expand NATO' and had 'repeatedly broken this commitment' in the years since" (Kramer, 2009).<sup>6</sup>

However, the mainstream in the West insist that during the talks in 1990, no mention to NATO expansion had been made by any of the parties. Philip Zelikow, a senior US official in 1990 who was responsible for German reunification issues, maintained this view during the heated debates between the former Soviet and American officials over the argument that the West promised Moscow that NATO would not expand to the east. In a 1995 article, Zelikow clarified that "... the option of adding new members to NATO was not foreclosed by the deal actually made in 1990" (Zelikow, 1995). In response to Adamshin, Zelikow asserted in 1997 that "...the United States made no commitment at all about the future shape of NATO... in the Treaty on the Final Settlement with Respect to Germany signed in September 1990" (Kramer, 2009).

The idea that the Russian attack on Georgia was an effort to deter the NATO expansion sounds more credible given the fact that the alliance had started a serious membership process with Ukraine and Georgia. Moscow's intolerance of the expansion had been very clear and open. High-ranking Russian officials have continued to verbally attack the West for such moves at every opportunity. In his Munich speech in February 2007, Putin described the intended eastward expansion of NATO as "a serious provocation". Hinting at the target of this expansion, he stated that "Russia has a right to ask 'against whom is this [NATO] expansion intended?'" (Putin, 2007).



Although NATO “welcome[d] Ukraine’s and Georgia’s Euro-Atlantic aspirations for membership” (NATO, Bucharest Summit Declaration) in the Bucharest Summit in April 2008, it failed to live up to the expectations of Ukraine and Georgia which were very hopeful about the NATO Membership Action Plan (MAP). Despite strong US backing, some European countries blocked the process. Dependent on Russian oil and gas, Germany and France withdrew their backing for the application in a move to calm Moscow. The MAP applications of Ukraine and Georgia were postponed to the end of the year. The clause in the final statement read “... We have asked Foreign Ministers to make a first assessment of progress at their December 2008 meeting. Foreign Ministers have the authority to decide on the MAP applications of Ukraine and Georgia” (NATO, Bucharest Summit Declaration). Experts believe that NATO’s undetermined stance on Georgia “opened the door for Russia to continue to dominate Georgia while also providing incentive to take action against Georgia’s NATO membership ...” (Sadri and Burns, 2010).

*c) Geopolitics of energy*

The complex geopolitics surrounding energy resource development in the Caspian Sea may have only accelerated Russia’s plan for a show of strength in the region, which occurred in the form of the Russia-Georgia war. Although the energy issue is secondary as a source of conflict, it is an important component of both Russian and Western interests in the region. As discussed above, Russia is willing to use the energy factor as a foreign policy tool, as it is the only soft power the country has vis-à-vis the Europeans. It is almost certain that the energy factor, namely the EU dependence on Russian oil and gas, slowed down, if not halted the accelerated membership process of Georgia and Ukraine to NATO in 2008.<sup>7</sup>

The South Caucasus region is a potential competitor to Russia in terms of energy transportation routes. With the extensive western investments in the energy sector and transportation infrastructures, the region has the potential to deliver the energy resources of the Caspian Sea and Central Asia to the Western markets while bypassing the existing Russian routes. Given the current politics in the region, Georgia plays the role of cork for the pipelines pumping the oil and gas west. This factor alone makes Georgia exceptionally

important for both the energy-dominant Russia and the energy-dependent West. Currently, the two biggest energy pipelines, Baku-Tbilisi-Ceyhan (BTC) and Baku-Tbilisi-Erzurum (BTE) deliver most of the Caspian Sea energy product to the markets. However, Russia appears to view them a serious threat to its energy transportation monopoly. Moscow is worried that the two ventures might be expanded by trans-Caspian pipelines to tap Central Asia's large deposits (Mir Ismail, 2009).

The BTC oil pipeline and the parallel BTE gas pipeline are central to the planned Nabucco gas pipeline (*See the map in Appendix 3*). The Nabucco gas pipeline is projected to have an annual delivery capacity of 31 billion cubic meters (bcm). It will carry the natural gas from the Caspian Sea and potentially from the Middle East region all the way to Austria where it will be distributed to other European countries (Nabucco Gas Pipeline Project, 2011). Its capacity would be comparable to the newly launched Russian pipeline system Nord Stream<sup>8</sup> whose recently completed pipeline, which is the first completed of two parallel lines under construction, will ship 27.5 bcm natural gas annually to European markets. Upon completion of the second parallel pipeline in 2012 it will be a major Russian gas pipeline with a potential annual shipment capacity of 55 bcm (Rian News Agency). Moscow sees Nabucco as an attempt to undermine Russia's bargaining power in international energy markets. Russia has its own proposed alternative route called the South Stream pipeline project that would deliver the Russian gas through the Black Sea bed to Romania, Bulgaria and eventually to western-European markets.

Although Russia keeps improving its energy export infrastructure, this system is not attractive to either the energy producing Caspian states or the potential European clients. The deep distrust of Russia over its repeated manipulation of energy as a tool of control in the past has forced the energy producers of the Caspian Sea region to bid for alternative routes. Lacking appropriate soft power to change the status quo, Russia may have opted for military leverage by attacking Georgia, the strategic checkpoint for regional energy projects. Georgia is also important for security reasons, as it is one of the shortest air corridors for the West to reach the hot spots in the neighboring regions. As analysts have argued, "[i]f Georgia could be brought in line, Moscow could use its political dominance to cut the NATO air corridor into Central Asia, the Western energy corridor, and reduce the

negative consequences of Russia's declining economic importance for Georgia and the former CIS" (Nuriyev, 2007). The Russia-Georgia war may have delayed certain aspects of the ongoing regional projects. However, the current constructive negotiations between Europe and the gas-producing nations of the Caspian region reflect the determination of the interested parties, backed with strong financial and political support by the West, to continue the effort to complete Nabucco as it is seen as a viable energy project despite its geopolitical obstacles.

## 2. Implications of the Russia-Georgia War to Russia-SC and Russia-West relations

The Russia-Georgia War can be considered as the benchmark in the relations between Russia and many other countries in the world. This section tries to highlight the changed nature of the relations between the West and the South Caucasus states vis-à-vis Russia.

### ***Russia and the West:***

Russia's partnership with the West can generally be classified as competitive-strategic with the US, while mostly economic with the EU. It goes without saying that any healthy and durable partnership is preconditioned with mutual trust and interests. However, the Russian attack on Georgia has rightly raised questions among the international community regarding Russia's trustworthiness as a partner. Russia's overwhelming use of force to solve a long-lasting and complex conflict cast a shadow on its reliability as a partner for not only for the West but also for a number of countries with which Russia has established relations.

The relations between Russia and the West before this war were not necessarily smooth. There were constant ups and downs. Despite such hurdles, there was still a room for cooperation on mutually important global and regional issues. Russia was cooperating with both the US and EU through various tools and channels in various spheres, though it was on better terms with Brussels than it was with Washington.

Although diplomatic relations between Russia and the EU were strained in the immediate aftermath of the war, economic relations continued as before.

Despite the harsh criticisms and condemnations from some EU countries towards Russia over the war, there seems to be no significant decline in the trade relations so far. The current nexus of energy cooperation is at the heart of the relations between Europe and Russia. The oil and gas trade is equally important to both sides given the volume of supply to Europe and the volume of profits to Russia.

According to the statistics of 2008, Russia supplied 33 percent of the oil and 40 percent of the natural gas to the EU (EU Energy Portal, 2008)<sup>9</sup>. Russia was fourth among the EU's export partners after the US, China and Switzerland, buying 6.4 percent of the EU's exported goods and services. Russia was also the third biggest import partner of the EU, after China and the US, with the EU buying 10.5 percent their total imports from Russia, although 74.6 percent of these imports were composed of mineral fuel-related materials and goods (EU official website, 2010). These are clear indications of high-level economic relations. The explanation for this is simple as Europe does not have any other major energy supplier to replace Russia yet. Moscow, on the other hand, uses this factor as a foreign policy instrument and puts pressure on the Europeans when there is something crucial to achieve in its geopolitical agenda.<sup>10</sup> The importance of the EU to the Russian economy is even greater. The EU is the largest trade partner of Russia with 44.8 percent of Russia's imports originating in the EU and 50.2 percent of Russia's exports going to EU-member countries (EU official website, 2010).

### ***Russia and the South Caucasus states after the War***

The Russia-Georgia war was a wake-up call for all the Central Asia and the South Caucasus (CASC) states. These states were caught unprepared, from a policy standpoint, to maneuver in such a situation. Russia's swift military operations in the territories of a sovereign state, more importantly a former Soviet Union member, were a great shock for them. In the course of the war, the Central Asian countries responded in two different ways. While Turkmenistan, Kyrgyzstan and Tajikistan did not react to what was happening in the region in any meaningful way, Kazakhstan and Uzbekistan shipped humanitarian assistance to North and South Ossetia (Nichol, 2009), supposedly to please Moscow.

There is also growing concerns over Russia's reliability among some of the

Russia-friendly former socialist states that would otherwise turn to Moscow for help or alliance. That Russia had acted as a negotiator, a peace-broker, and a peace-keeper between the Georgians and the separatists for a long time, its full-scale war on Georgia was seen as an extreme contradiction of such earlier missions. It obviously was a violation of all the norms and rules set forth internationally for a peace-keeper. In addition, it was an alarm for Azerbaijan and Armenia since Russia has imposed itself as an informal peace-broker for them since the early days of Nagorno-Karabakh conflict. Russia is also one of the formally recognized and accepted negotiators, along with the USA and France, of the Organization for Security and Cooperation in Europe (OSCE) Minsk Group.<sup>11</sup>

Therefore, the most alarmed countries during the war were the immediate neighbors of Georgia — Azerbaijan and Armenia. Nevertheless, they opted for being “silent” like some of the Central Asian countries. There were certain strategic reasons for both of these countries to distance themselves from both sides and to act neutrally, at least in public, which are discussed below.

### ***Azerbaijan:***

Azerbaijan has had a separatist movement in its Mountainous Karabakh province since 1988. The ethnic Armenians living in this region have proclaimed independence although no state, including Armenia, has recognized it. They receive all kinds of assistance from neighboring Armenia who is still in a *de-facto* war with Azerbaijan. For Azerbaijan, any signs of support for Russia would automatically translate into a justification for the Armenian support for the separatists in Azerbaijan. Besides, Azerbaijan's major oil and gas exports flow through the Georgian territories. Siding with Moscow puts the Azeri-Georgian relations and the country's pipeline and rail links passing through Georgia at risk.

About one-fifth of Azerbaijani territories are under occupation of the united forces of Armenia and the separatist Armenians in Nagorno-Karabakh. The unexpected full-scale war was almost a proof of Russia's willingness to use force to “solve” such ethno-territorial conflicts. Azerbaijan may face a similar attack if it were to attempt to gain back the lost lands by force to restore the unity of the country. The Azerbaijani fear is not baseless as a possibility of such a scenario has been repeatedly mentioned by high-ranking Russian

officials. In a recent interview to *Echo Moscow* radio and *Russia Today* TV (August 2011), Russian president openly stated that “...*Right after the war, presidents of both Azerbaijan and Armenia visited me. ...They said that they would prefer indefinite and endless negotiations over going through such a five-day military operation. ...[The Russia-Georgia war] was a serious lesson to Azerbaijan and Armenia*” (Radio Free Europe/Radio Liberty, 2011).

Paradoxically, under normal circumstances Azerbaijan should have backed Georgia to protect its own vital strategic interests as did some Western countries. With very few exceptions of humanitarian assistance Azerbaijan could do nothing for Georgia. Nevertheless, the Russia-Georgia war compelled the Azerbaijani policy-makers to reconsider the extent and nature of their relations with Russia. The war signaled clearly that there was an inevitable necessity for Azerbaijan (and also for other Central Asia and South Caucasus states) to make multiple alternative policies to deal with Russia (possibly including some defensive policies that remain secret to this day) and to be prepared for the worst if a similar scenario is played out within its own borders — in Nagorno-Karabakh.

### ***Armenia:***

Armenia also could not side publicly with its closest ally, Russia, throughout this war. Armenia would back Russia by all means if its physical location was not part of the current complex geopolitical setting. Armenia is sandwiched between Turkey and Azerbaijan along its western and eastern borders respectively. Its borders with Turkey have been closed since April 1993, after the Armenian troops occupied a sizeable territory of Azerbaijan, the closest ally of Turkey. Because of the war with Azerbaijan<sup>12</sup>, Armenia's eastern borders are non-functional as well. Therefore, any Armenian support for Russia in this war would seriously strain the Armenia-Georgia relations and would block one of only two lifelines and outlets to the world.<sup>13</sup>

In fact, Georgia is the point of clashing interests between Armenia and Russia. While the attack on Georgia could possibly pay off Russia's short-term geopolitical interests, this cut Armenia's only land route to Russia. Russia provides Armenia with not only energy, industrial products, and foodstuff, but also desperately needed military protection. The trade via the Georgian route alone makes up for about 70 percent of Armenia's trade. According

to the Armenian officials, the country lost 600 million USD during this war (Nalbandian, 2009), just one of the reasons why Armenia would prefer smooth relations and open borders between Russia and Georgia. However, the perspective for evened Russia-Georgia relations seems unrealistic, given the still fresh war between the two and the Russian recognition of the independence of the separatists within the Georgian territories. This jeopardizes Armenia's only northern supply route and forces it to find alternate access to essential supplies for its people and economy.

Under the given circumstances the only option left for Armenia was to turn to its southern neighbor, Iran for strategic partnership. In April 2009, Armenia signed a deal with Iran to build a rail link between the two countries that would connect the rail system of former to the Persian Gulf (Bishku, 2011). The Armenian gravitation towards Iran endangers Russia's own long-term strategic interests in the South Caucasus given the fact that Armenia is the only state in the region to allow the stationing of Russian troops. Russia would not be pleased to see Armenia significantly improve its relations with either Iran or the West; such a move could weaken the Armenian dependence on Russia. It could eventually cost Russia the loss of Armenia.

Recently, the ruling elite in Armenia appear more conscious of the seriousness of the situation after the war. There is a growing concern among some Armenian officials that the current security (and economic) deals with Russia could result in "infringement of Armenia's sovereignty" (Lobjakas, 2009), especially given Russia's unpredictable maneuvers in the region.

### 3. Gains vs. Losses for Russia

"Wars should always be the absolute last resort"<sup>14</sup> to handle inter-state issues, especially the ones of ethnic and territorial in nature. Every war assumingly generates certain gains for *winner* and losses for *loser*. However, complex interdependencies of globalization and the contemporary system of international relations make it difficult to precisely measure the gains and losses of wars of twenty-first century for parties involved. The Russia-Georgia war of 2008 is no exception in this regard. From a military perspective, Russia was supposed to be "winner". Russia's biggest tangible gain over the war must have been its acquisition of a sovereign state's two small provinces

which it later recognized as independent states. By doing so, Russia brought them under an exclusive Russian geopolitical control, if not under its informal constitutional jurisdiction. Another big gain for Moscow must have been the re-imposition its traditional “carrot and stick” approach on the so-called Russia’s near abroad. Through such a strategic use of force, Russia was able to scare, even if only temporarily, the republics of the former Soviet Union not to seek membership in the Western institutions. Nevertheless, the emerging realities over the war make Russia’s gains questionable, if not altogether in vain. Having assessed Russia’s gains against its supposed losses under three dimensions below —*international*, *regional* and *domestic*, this paper argues that Russia’s victory in the battle does not necessarily make it the absolute victor of the war.

*a) International*

The Russia-Georgia war has become a turning point in the approaches and perceptions of the West and Russia reciprocally. As one keen observer claims “... [The war] plunged Russia’s relations with the West to lows not seen since the end of the Cold War” (Feifer, 2010). After the war Europeans appear to have become more conscious of and worried about their energy dependency on Russia and about their energy security in general. The natural gas crises between Russia and Ukraine in 2009, which severely cut the supplies to Europe for a while, deepened these worries further. Russian unreliability has been reflected in publicly delivered speeches, articles, and documents of numerous European politicians, scholars, and organizations. A unified reflection of such concerns is seen in the EU President Jerzy Buzek’s call for Europe “to speak with one voice when negotiating with energy partners to enhance the EU’s economic stability and strength” (Buzek, 2009).

There are intensified efforts in Europe to boost alternative energy sources as well as to multiply the sources of traditional fuels— oil and gas, which can be clearly seen. One example of such trends is the EU’s Eastern Partnership (EaP) which started on May 7, 2009. This new multilateral approach envisages five major initiatives, two of which are directly related to cooperation on energy security.<sup>15</sup> In order to diversify their energy supplies, “Europeans are likely to turn to Turkmenistan, Azerbaijan, Algeria, Nigeria, Qatar, and Iran” (Cohen, 2006). The planned Nabucco gas pipeline is projected to have



the capacity to deliver natural gas to European countries. According to the official projections by the EU, “when fully operational, ...[the pipeline] could ... supply between 5-10 percent of the EU's projected gas consumption in 2020.” (Lobjakas, 2009). Currently Russia is the largest single gas supplier to the EU. Russian natural gas exports account for 25 to 30 percent of the European Union's gas needs, but constitute 90 percent of Russia's gas exports (Noël, 2008). Based on the analysis of the above figures, one can claim that by 2020, the supply via Nabucco will decrease the European dependency on Russian natural gas by some 20-30 percent while challenging one of Russia's biggest source of revenues.

The ambitious tendency among the biggest global energy consumers to obtain alternative energy and to multiply the sources of traditional fuels leads to excessive supplies and affects the demands in the global markets. Such a development means a considerable cut in the revenues generated from energy sales for Russia. According to the projections, Russia needs the price of oil to be at least \$100 per barrel to recover from the current budget deficits by 2015 (Kudrin, 2011). However, the fluctuating prices of oil (and gas) make such a recovery unlikely, especially in light of the current oil price, which is around 86 dollars per bbl.<sup>16</sup> In addition, the ongoing and projected economic stagnation in most of the EU countries (UN, 2012) affects the demand for oil and gas not only from Russia but from other sources as well. Frequent downward tendencies of energy prices seriously affects Russia's fuel-revenue-reliant economy, and may deprive it of its only soft power — the energy “weapon” which it has shown willingness to use “when confronted with international crises, such as those that occurred in Georgia and Ukraine” (Paillard, 2010). After the war in 2008, the Europeans have put a lot of efforts into decreasing their reliance on energy imports from Russia. Formal talks and signing of agreements at the highest level by the states involved in Nabucco pipeline seem to have intensified after the Russia-Georgia war of 2008. Although Russia claims that “there is no gas to fill in the pipe” (Chizhov, 2009), such discouraging (or sometimes threatening) statements did not make the committed Western countries any less enthusiastic. The strong Western support for this energy project is not only for the stability of energy flow to the EU, it is also to strengthen the small transit countries located in a strategically important geography. Such a protection shelter is provided by bringing the focus of multinational

interest onto such countries. The west-bound transit countries for Caspian Sea energy are highly vulnerable to political and military mistreatments. Georgia proved to be a good example with the 2008 war. Despite the intimidations by Russia, the Nabucco-committed countries went ahead with the project, which also became a full support for Georgia in terms of its energy security. This was acknowledged by the Georgian administration at the highest level: “All Georgia’s natural gas requirements will be covered by the fuel it is to receive for its role in the Nabucco gas pipeline project. ...Georgia will receive 5% of natural gas transported via the pipeline free of charge and another 5% at a concessional price...”(Khetaguri, 2009).

There is also an observed tendency among smaller nations in the vicinities of Russia that the nature of Russian-Western relations indirectly affects their foreign policy priorities, choices, and approaches when it comes to making a choice between these two power centers. The less antagonism between Russia and the West, the more impetus there is for the SC states to improve ties with both of them spontaneously. Escalated tensions in the Russia-West relations usually bring about a necessity for regional states to make careful adjustments to their foreign policies towards the two. It goes without saying that the worsened relations between Moscow and Western capitals over the war in 2008 have supposedly made a large number of countries less willing to choose Russia as a long-term partner unless they have no other option. Even Turkmenistan, a landlocked country which has long been dependent on Russian infrastructure and routes to export its gas to the world, showed some change in its stance and “launched a new, China-bound pipeline” in 2009 (Gurt, 2011). Turkmenistan has also pledged to supply natural gas for the Nabucco pipeline which will allow both sides – Turkmenistan and the EU countries to rely less on Russia on energy issue in the future. At an international energy conference in Ashgabat in November, 2010, Turkmen Deputy PM Baymyrad Hojamuhamedov reconfirmed his country’s commitment to Nabucco and stated that “European countries need not worry” since “delivering gas to Europe was part of Turkmenistan’s plan to diversify its export markets.” (BBC, November 19, 2010). The willingness of the regional countries to bypass Russia is not limited to energy export issue alone. It is observed in other fields, particularly in the regional politics. Such a trend can affect Russia’s might seriously if joined and followed increasingly by many other countries.

*b) Regional*

The biggest strategic gain in the aftermath of the Russia-Georgia war appears to be the pulling of Ukraine off its previous Western orientation. Although this did not happen as a direct result of the Russia-Georgia war, the war along with Russia's "energy card" frightened the general public and policy makers in Ukraine where about half of the population are ethnic Russian. As a result, the domestic political circumstances in Ukraine changed gradually in favor of Russia, culminating with the election of Moscow-backed Viktor Yanukovich in February 2010. Indeed, the Ukrainian disappointment over NATO's failure to promptly address the membership issue had a great impact on the shifted orientation. Unlike his pro-western predecessor Viktor Yushchenko, who had passed legislation to make the country's NATO accession a strategic goal, President Yanukovich did the opposite. He abolished the state commission that had been overseeing the country's preparations for eventual entry into the Western alliance (Weir, 2010). Although Yanukovich tries to keep the relations warm with EU, he is "categorically against Ukraine's accession to NATO" (EurActiv, 2010). Soon after assuming the presidency he urged the government to pass "the most needed law" (EurActiv, 2010), which would prevent Ukraine from joining any military alliances.

Unlike in Ukraine, Russia could not manage to change the pro-western administration in Tbilisi. Contrary to the Russian calculations, "Georgia... withdrew from the Moscow-dominated Commonwealth of Independent States, ...and signed the Charter on Strategic Partnership with the United States a few months later, in January 2009" (Kakachia, 2010). Georgia has also pushed forward to achieve its most important strategic goal— membership in Western political and military institutions. Obviously, the war and its consequences jeopardized Georgia's bid to join NATO. Nevertheless, NATO has repeatedly mentioned that Georgia will become a member of the alliance (NATO, Bucharest Summit Declaration, 2008; Strasbourg / Kehl Summit Declaration, 2009; Final Statement, Foreign Ministers' Meeting, Brussels, 2009; Lisbon Summit Declaration, 2010). The "tense relations [between Russia and Georgia]" (Khelashvili, 2011) seems incurable for the unforeseeable future while the desires from both NATO and Georgia to embrace each other have increased significantly. Ukraine's changed course of direction and distancing of itself from the alliance for an indefinite time, if not forever, must have been

the cost of the mistake NATO made by turning down its membership bid at the Bucharest Summit in 2008. Yet NATO does not want to lose another strategically important country, Georgia, which was similarly disappointed at the same summit.

Now that Georgia remains the only former Soviet republic with a strong aspiration for NATO membership it has gained more strategic significance in the eyes of the alliance than before. Georgia has become a key experiment whose result will certainly affect the might of the competing powers in the region. Failing to offer membership to such a keen country —Georgia, distances NATO from the potential future members which are crucial in terms of expansion. In other words, a disappointed Georgia becomes a “bad example” to other post-Soviet republics that may seek membership in the alliance in the future. In order to avoid such a strategically unacceptable scenario NATO has to facilitate Georgia’s integration to the alliance. Under such circumstances, Georgia’s membership has become more likely than ever.

Perceptions of Russia’s roles in the region have changed significantly for the SC countries over its war with Georgia. Russia will never again be considered as a truthful broker in the former Soviet realm. The current nature of the relations between Russia and the countries of the region can be described as “shaky” at best as it is shaped out of fear of Russia. Most of the regional states have become cautious in their dealings with Moscow after the infamous attack. Thanks to the long history of interactions between Moscow and the regional capitals of the former Union, these small and weak states have familiarized themselves with “*Russkie priyomy*” (Russian techniques), which implies that they all have a “Plan B” to deal with unexpected Russian mistreatments.

There is an unexpressed common perception of Russia among these small states that they must tolerate Russia’s bullying or pay the price. In retrospect, the costs of a rebellion against such wrongful treatments of Moscow have been quite high for some of the regional states. Russia has manipulated and reignited conflicts of some sort within or across the borders of such states. Even if there is no tangible reasons for a conflict, Russia is perceived as being capable of making one from scratch at any cost to achieve its strategic objectives. The ignition of ethnic conflicts in Azerbaijan and Georgia (Nagorno-Karabakh, South Ossetia, and Abkhazia) and overthrowing a democratically

elected president and his administration through a proxy in Azerbaijan (in 1993) are seen as outcome of the hard works of the Russian strategists in the Kremlin.

Russia's loss of faith as a peace-broker in Georgia has deepened the Azerbaijani and Moldovan concerns over its "mediation" and "peacekeeping" roles in these countries. Russia's impartiality over its representation in the OSCE Minsk Group, which aims to achieve a peaceful solution of Nagorno-Karabakh conflict, has become highly skeptical after the war. Russian peacekeeping missions in Transnistria, where almost all the residents hold Russian passports, is regarded as seriously problematic given the close similarities to the case of South Ossetia.<sup>17</sup> The perceived Russian threat to the sovereignties of these states would force them to distance themselves further from Russia and to establish closer ties with the political and military establishments of the West for better protection and security. The reason why these states do not bluntly announce their desire for such a course of direction in the future seems to be a fear of Russia. Although the politics of fear pays off the Russian interests in the short term, clandestine arms supplies to separatists and the muscle shows in the region trigger public anger within these nation-states against the bullying power of Russia. Escalated hatred toward the state of Russia and the flourishing of nationalistic sentiments in and near its borders by no means serve the broader Russian interests. Such a scenario bears a high risk for the integrity of the ethnically diverse Russian Federation, if not for its very existence.

### *c) Domestic*

There is little doubt that the Russian political elite in Moscow gained popularity as life savers during the short period of war. In its televised address, while Russian tanks were rolling into Georgia's northern provinces through the Rocky Tunnel, the then President Medvedev announced that "... *Civilians, women, children and old people, are dying today in South Ossetia, and the majority of them are citizens of the Russian Federation. ... [I]t is my duty to protect the lives and dignity of Russian citizens wherever they may be. ... We will not allow the deaths of our fellow citizens to go unpunished*" (Medvedev, 2008). Ironically, this message was being given at a time when the Russian authorities were being criticized by prominent international human

rights organizations for oppressing their own citizens. Despite the mixed voices among the ordinary Russians, the war surely added to the existing strength of the Russian leadership at home. The Russia-Georgia war enabled the Russian political elite to further solidify power in the hands of the executive branch.

However, given the multi-ethnic composition of the Russian Federation, recognizing the two regions as independent states have become a precedent for separatist movements within Russia itself. Such a precedent only encourages the long lasting ethnic and religious rebellions in the North Caucasus, which have been oppressed repeatedly by the Russian military. Ethnic intellectuals representing the minorities in the Russian *oblasty* (provinces) have pointed to the precedents of South Ossetia and Abkhazia to seek greater autonomy, if not independence from the Federation. As one keen expert asserts, “Russia took the risk of using the precedent excuse when it played the fragile balance between recognizing Abkhazia and avoiding its own disintegration. The trick, it seems, was to use the precedent to its fullest, while avoiding antagonizing domestic separatist forces.” (Martins, 2010).

Although the likelihood of organized separatist movements within the Russian borders is slim in the foreseeable future, especially given the currently improved standards of living, it is not beyond consideration. In fact, economic well-being itself is an essential factor to lead to ethnic self-esteem, which is, in theory, the core of demands for greater autonomy from federations. Five years after the Russia-Georgia war, it is not easy to foresee whether the minorities longing for independence will eventually be given such a status. Nevertheless, there is little doubt that by recognizing the independence to South Ossetia and Abkhazia, Russia has set a precedent that will make it difficult to deny similar claims among ethnic minorities within its own borders.

Apart from the problematic precedential nature of these recognitions for the Russian Federation, such an act has generated certain financial and administrative burdens for Moscow. Although the actual cost of taking care of these two regions may not be so huge given the size of the Russian economy, it will have to spend a lot more to assure their constant adherence to Moscow. As one expert says, “The Russian Federation has taken on two client states that may prove expensive and awkward to manage” (Toal, 2009). Both of them depend almost entirely on Russian aid. Russian aid for South Ossetia, for instance, makes up for 99 percent of the latter’s budget (Feifer, 2010). This

is very risky for these so-called states especially given the fact that Russia itself has been struggling with budget deficits since 2009. If the economic situation in Russia worsens, Moscow will have to cut the amount of subsidies it presently supplies to them. Given that “the revenue from the oil and gas sectors account [ed] for 47 percent of the total budget revenue in 2011” (Kudrin, 2011) on the one hand, and the unpredictable prices of energy on the other, one can claim that the fate of the separatist governments of South Ossetia and Abkhazia are at stake, at least in financial terms, unless Moscow continues its “generosity” at the present level.

#### 4. Conclusion

The surfacing regional politics in the South Caucasus resultant of the Russia-Georgia war implies that Moscow has lost a lot, if not all of its soft means to keep a tangible presence in its once so-called backyard. Russia's willingness to use force to change the current flow, which does not seem to be in line with its interests, is the logical result of lacking attractive and realistic strategies toward this region. The choice of using hard power against a tiny sovereign state can well be interpreted as an exhaustion of Moscow's foreign policy options to deal cooperatively with its former Union members.

In a way, Moscow's concerns are understandable. The newly independent states started to look to the West in the early 1990s to help in dealing with the wreckage of the Soviet legacy. This was a natural evolution, but one that played out against Russian interests. The pro-Western inclinations of the majority of the CIS were irritating to the political and military circles in Moscow who were not willing to release their long-standing hold on them. Despite using all available means to change the course of events to one more in its favor, Russia's influence through the use of its soft power on its so-called “near abroad” was rapidly fading away. In the face of increasing Western presence, Moscow was in search of a chance to change the status quo and to disrupt the growing multi-faceted cooperation between the West and former Soviet republics on its borders. The chance came with Georgia's miscalculated attempt to restore the country's territorial integrity by means of force. Russia took full advantage of the incident, tested its military might after many years of absence from a real battlefield, and healed its pride, though only partially

and only in the domestic sphere.

A careful analysis of the events of the last two decades reveals the poor and immature nature of the Russian strategies toward in the region. Since the dissolution of the Soviet Union, Russia has mostly followed two strategies to maintain its presence in the South Caucasus: (1) by reviving and propping up the ethnic conflicts through its dubious mediating and peacekeeping missions, and (2) by continuing to obstruct regional economic prosperity and multilateral partnerships, particularly the ones that embrace the West or Western support. Although both strategies prove to be outdated and non-functional in light of the diverse, multi-layered, and multi-sided interactions between the regional states and the rest of the world, Russia firmly clings to them even now. Moscow's current stances toward the region are counter-productive and cultivate anti-Russian sentiments and distrust among both the general public and the political elite in the regional states.

The first strategy is not new for Russia. It is a modernized version of the traditional "divide and rule" tactic of the Russian Empire. Russia has successfully used it multiple times in the Georgian-Abkhazian, Georgian-Ossetian, and Azeri-Armenian conflicts since the disintegration of the Soviet Union. Once the separatist conflicts in Georgia became hard for Moscow to manipulate amid intensified Georgian and international efforts to achieve their resolution, Russia "solved" them promptly by recognizing their independence unilaterally, yet irresponsibly. While such a "solution" for Nagorno-Karabakh could prove disastrous for Moscow, given the complex nature of the conflict and the balance of powers (especially, the fact that Turkey, a NATO member, is a kin ethnos and the closest ally of Azerbaijan), maintaining the current state of conflict serves Russian interests the best. Despite serious concerns over Russia's impartiality and reliability, particularly after its war with Georgia while being the peacekeeper and mediator, Russia still enjoys both peripheral (via Armenia) and international leverage (through its mediation mandate in the OSCE Minsk group) over the conflict. Moscow regards the conflict as the most influential factor to deter Azerbaijan and does so whenever it deems necessary.

The second strategy is relatively new for Moscow. Therefore, it seems Russian strategists still find it hard to effectively implement. Russia started to use the tactic against some of the newly independent republics once they



turned to the West for investment and new technology. Moscow instantly challenged every such initiative on political and legal grounds with an aim to halt them. Such a primitive and hostile stance on Moscow's part was clearly observed in the case of natural resource development in the Caspian Sea. When Azerbaijan announced plans to open its sector in the sea for exploration by the Western oil companies, high-ranking Russian officials repeatedly reacted with threatening statements that were based on the legal status of the Caspian Sea. They were sending a warning to not only the Azerbaijani government, but also "to the British FCO [British Foreign and Commonwealth Office] that the question of the Caspian resources cannot be examined without the determining of the Caspian's status" (Shorokhov, 1996). When Azerbaijan, with firm backing from the Western governments and financial institutions, finally signed the multi-billion product sharing agreements with foreign oil companies, the Russian Foreign Ministry hastily issued a statement that "Russia officially recognizes neither the contract nor the consequences proceeding from it" (Shorokhov, 1996). Russia kept obstructing various stages of the natural resource development in the region, from exploration to transport routes. Moscow consistently, yet unreasonably opposed the construction of BTC, a pipeline of regional cooperation and economic prosperity, whose realization has turned the region to one of the fastest developing spots in the world.

Russia still treats the SC republics as its peripheries with little or no respect to their sovereignties, which naturally leads to reciprocal mistrust and further confrontation, not to mention the scars to their pride. With the circumstantial exception of Armenia, these republics have received little tangible economic or political assistance from Russia to advance mutually beneficial relations. On the other hand, the West has been able to attract them with its value-based strategies, aid, and extensive investments. This has naturally cultivated pro-Western sympathies among the SC republics and has attracted them to the alliances and political institutions of the West, a tendency Russia does not favor at all. Instead of capitalizing on soft power to compete with and beat the West, Russia helplessly opts for punishing the small and weak states of former Soviet republics. The attack on Georgia has been the most extreme form of such Russian mistreatment in recent times.

The Kremlin seems to have come to realize, a little too late though, that

Russia lacks value-oriented policies and that the Russian strategies toward the former Soviet republics are counter-productive. It has been admitted at the highest level in Russia that "...a stronger integration on a new political and economic basis and a new system of values is an imperative of our era" (Putin, 2011; mentioned in Alexandrova, 2011). It is in this line that the then Russian Prime Minister Putin has proposed in his recently published article in *Izvestia* newspaper (October 3, 2011), to bring ex-Soviet states into "a powerful supranational union", a Eurasian Union, which would be capable of becoming "one of the poles of the modern world" (Putin, 2011; mentioned in Alexandrova, 2011). Although the chance of realizing such an ambitious Union seems thin, Putin has already taken the first initiative to solidify its economic basis. He gathered the leaders of the CIS in Saint Petersburg to sign an agreement for establishing a free trade zone. The accord abolishes the export and import duties on many goods, an incentive Russia hopes will lure the republics into its sphere of influence. As of right now, the initiative has already failed to attract some of the CIS members such as Azerbaijan, Turkmenistan, and Uzbekistan who have refrained from signing it for the time being.

Examining the cumulative consequences of the war for Russia in "international", "regional", and "domestic" spheres leads to the assertion that Russia has lost and is still losing over its war with Georgia, especially in the international arena. Whether the declining credibility of Russia among the international community will bounce back depends more on its own will and efforts rather than those of its neighbors and partners. Such a rebound will be possible only when Russia abides by international norms and standards, and only if it respects the sovereignty of other states. These are the two major cornerstones of the contemporary system of international relations to which all nations, regardless of size and power, must adhere. Nevertheless, one thing seems to be clear — that the beginning of long-term substantial gains and sincere regional embracement of Russia are preconditioned on the unconditional return of the occupied territories of sovereign nations on and near its borders; specifically, in this case, those of Georgia.

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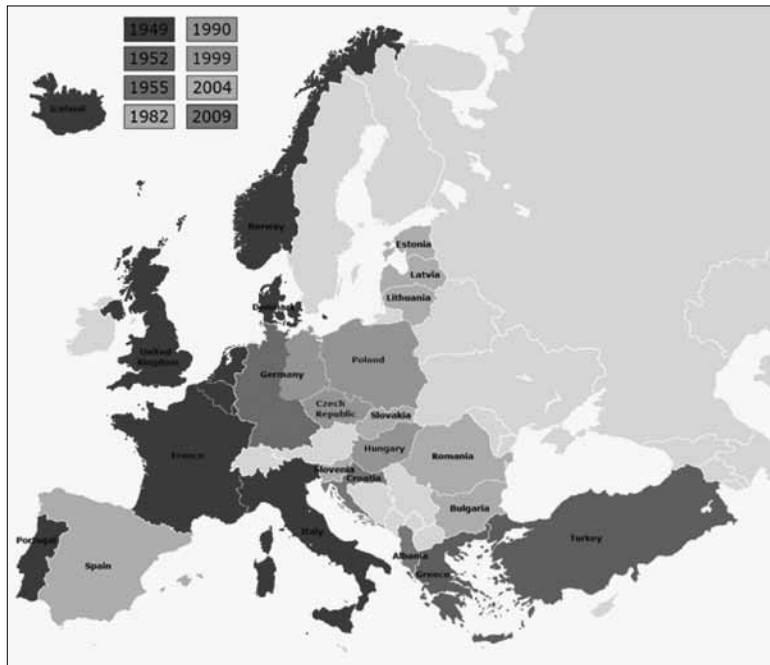
Appendices:

Appendix 1: Map of the South Caucasus states with the separatist regions



Source: Conciliation Resources (<http://www.c-r.org>)

Appendix 2: Map of the NATO expansion



Source: Wikimedia Commons (<http://commons.wikimedia.org>)

## Appendix 3: Map of the Nabucco Pipeline Project



Source: *European Dialogue* (<http://eurodialogue.org>)

## End notes:

- 1 Webster's Third New International Unabridged Dictionary, Merriam Webster, 2002.
- 2 The quotation is extracted from the International Encyclopedia of the Social Sciences, 1968. [http://www.encyclopedia.com/topic/Lewis\\_Fry\\_Richardson.aspx](http://www.encyclopedia.com/topic/Lewis_Fry_Richardson.aspx) (last accessed in December, 2012)
- 3 *The South Caucasus* abbreviated as *SC* throughout the paper (See the map in Appendix 1).
- 4 Georgian President Saakashvili repeatedly described the military attack on South Ossetia as the operations of "law enforcement agencies." Declaration of Universal Mobilization by Georgian President Mikheil Saakashvili, Tbilisi, 8 Aug, 2008, <http://www.president.gov.ge>
- 5 The joining of East Germany to the alliance did not change the number of the member states as it occurred naturally with the unification of the two Germany in 1990. The rest of the newly accepted members until the Russia-Georgia war are Czech Republic, Hungary, Poland (March 12, 1999); and Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia (March 29, 2004) The latest move of NATO expansion came with the acceptance of Albania and Croatia to the alliance in April 1, 2009.
- 6 "A Conversation with Sergei Lavrov, Russian Foreign Minister," Charlie Rose Show, PBS, September 25, 2008; mentioned in Mark Kramer, April 2009.
- 7 It is explained in the last paragraph of "Eastward expansion of NATO" sub-section of this paper.
- 8 Nord Stream is a huge pipeline system which brings Russian natural gas to Germany via the Baltic Sea bed. The shareholders of the \$12 billion, 765 mile long pipeline are Russia's state



owned Gazprom (51%), German BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG (15.5% each), and Dutch N.V. Nederlandse Gasunie and French GDF Suez S.A. (9% each).

- 9 Source IMF (DoTS), mentioned in "Russia—Trade Statistics", EU official website, <http://www.europa.eu> (2010). The figures are for the 27 member states of European Union.
- 10 Blockage from some key European countries to the Ukrainian and Georgian bids for MAP of NATO in 2008 should be regarded as the output of Russia's strategic use of energy as a foreign policy tool.
- 11 The OSCE Minsk Group was created in 1992 by the Conference on Security and Cooperation in Europe (CSCE) which is now Organization for Security and Co-operation in Europe (OSCE). The aim of the group is to encourage a peaceful, negotiated resolution to the conflict between Azerbaijan and Armenia over Nagorno-Karabakh.
- 12 Azerbaijan and Armenia have technically been at war since the late 1980s over the Armenian-populated enclave Nagorno-Karabakh. Although the parties signed a ceasefire brokered by Russia in 1994, no peace agreement has been achieved so far. Regular fire exchanges happen almost daily.
- 13 Armenia is a landlocked country. Besides Turkey, Azerbaijan and Georgia, it is bordered by Iran to the south. Iran and Georgia are the only two friendly windows to the world for Armenia.
- 14 In the vice-presidential debate between Vice President Joseph R. Biden Jr. and Representative Paul D. Ryan, talking about international affairs and national security J. Biden argued that war should always be the absolute last resort.
- 15 The five initiatives are (1) Integrated Border Management Programme, (2) SME facility, (3) regional electricity markets, improved energy efficiency and the increased use of renewable energy sources, (4) the southern energy corridor, (5) and response to disasters.
- 16 According to Bloomberg, crude oil (WTI) price is 86.45USD/bbl. <http://www.bloomberg.com/energy/>, last accessed on December 14, 2012.
- 17 One of the main arguments of Russia to justify its attack on Georgia was that it had the right to protect (R2P) its citizens, the South Ossetians who had been given Russian passports.

**Abstract**

Is a military victory in an armed battle necessarily an *absolute* victory given the nature of the contemporary system of international relations? This paper tries to prove that it is not, by shedding light on aftermath of the Russia-Georgia war of 2008. Although Russia indisputably defeated Georgia in the war, the war has jeopardized Russia's reputation globally, as well as its relations with the West and most of the post-Soviet realm. Such a result raises significant doubts over Russia's actual gains in the long-term.

This paper makes some evaluations for Russia on the result of the war, particularly on its strategic interests in the South Caucasus in the long-term. The skepticism about Russia's absolute victory in this war is further justified (1) by pointing out potential indirect and long-term consequences of the war for Russia vis-à-vis its relations with the West and the South Caucasus countries, and (2) by highlighting what have been surfacing as *actual* gains and losses for Moscow on three layers — international, regional, and domestic, several years after its attack on Georgia.

**Keywords:** *The Russia-Georgia War, South Ossetia, Abkhazia, Russia-South Caucasus relations, Russia-West relations, NATO expansion, EU enlargement, energy geopolitics, the South Caucasus, the Caspian Sea*