Russia’s Stony Path in the South Caucasus

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Summary

“We have been through a time of casting away stones. Now is a time to gather stones together.”
—Senior Russian Federation Official, Chechnya, 1995

Since shortly after the Soviet Union’s collapse, Russia’s aims and policies in the South Caucasus have been constant, but its capabilities to project power and influence have fluctuated.¹ Russia’s engagement with the entire Caucasus region is best characterized as a tide. Its power and influence began to ebb at the start of the Karabakh conflict—with the February 1988 massacre of Armenians in the Azerbaijani city of Sumqayit being the key galvanizing event.² After that, the tide receded rapidly, leaving even Russian possessions in the North Caucasus without effective central control. The First Chechen War marked low tide, which only began to rise with the Second Chechen War, beginning in 1999. Until about 2004, Russia was too weak and internally divided to project power and influence in the wider Caucasus region in a meaningful way.

To be sure, Russian influence was never gone completely, even during the lowest ebb of the tide. Russia still marshaled greater resources than the new states of the Caucasus could muster, and it threw its weight around. But in the 1990s, Russia did not have a unified governing apparatus, but rather a mass of competing clans among which regional actors could maneuver. For example, after the Soviet collapse, Moscow left the Russian military units in the Caucasus to their own devices. Those units served as mercenaries, arms suppliers, and logistics providers to both sides in the Karabakh conflict. It took a decade for Moscow to reassert its so-called power vertical in the Caucasus, symbolized by President Vladimir Putin’s success in 2004 in finally ousting chief of the general staff Anatoliy Kvashnin.³ Russia’s assertiveness in the region grew steadily thereafter, with sharp upticks after the 2008 war with Georgia and Putin’s return to the presidency in 2012.

But while Moscow has gained the capacity to project more power and influence, the regional landscape has changed. The surge in fighting over Nagornyy Karabakh that began in late September 2020 has demonstrated that Russia is struggling to contend with a vastly more complicated landscape. More external actors are on the scene, most notably Turkey, and all three South Caucasus states—Armenia, Azerbaijan, and Georgia—have adapted their strategies to deal with the new environment. Russia’s increased efforts have had decidedly mixed results.
The Baseline

Three factors were evident when the Soviet Union collapsed and continue today, narrowing Russian policy options in the region.

Very Different Populations . . .

Armenia, Azerbaijan, and Georgia are all radically different, with varying attitudes toward Russia and Moscow’s rule throughout the Imperial and Soviet eras. For centuries, Armenia has sought Russia’s protection against Turkey and Iran, which ruled most of the Armenian historic homelands. This security concern was paramount in the immediate aftermath of the Soviet collapse: the Soviet army had disappeared, leaving the Turkish Third Army as the most potent military force in the wider region. For its part, post-Soviet Russia views Armenia as its closest friend in the region. A large and influential Armenian diaspora in Russia has maintained those positive feelings.

Azerbaijani elites, russified by the oil boom of the late nineteenth century, have largely been friendly to Russia. Thanks to former president Heydar Aliyev—who rose through the ranks of the Soviet KGB and neither feared nor hated the post-Soviet rulers of Russia—a generally positive attitude toward Russia survived the nationalisms of the years immediately following the Soviet collapse. Though post-Soviet Russia was initially suspicious of the expansion of Turkish and Western influence in Azerbaijan, Russia has since forged close energy relations with Turkey. In the early period, these commercial relations took precedence in the Russia-Turkey relationship. More recently, as detailed later in the paper, the increasing ambiguity of Russian-Turkish relations has complicated Russia’s relations with Azerbaijan.

Armenia and Azerbaijan have incorporated friendly relations with Russia into a wider strategy: former Armenian foreign minister Vartan Oskanian described it as a multivectoral approach, in which “foreign policy vectors point in different directions.” It entails seeking close relations with and assistance from powers other than Russia, primarily the United States and the European Union (EU). Large Armenian diasporas in the United States and France have aided this endeavor. In contrast, a poor record on democracy and human rights, as well as the Armenian diaspora’s efforts in the United States, have hobbled Azerbaijan. In the United States, congressional legislation blocked most assistance to Azerbaijan until waiver authority was granted in 2001 in the wake of the September 11 terrorist attacks and Azerbaijan’s subsequent role in assisting U.S. antiterrorism efforts elsewhere.
In Georgia, nationalism remains centered on the rejection of Russia. Since the massacre of unarmed civilians by Soviet troops in the capital, Tbilisi, in 1989 and the post-independence presidency of former Soviet dissident—and extreme nationalist—Zviad Gamsakhurdia, Georgian society has generally come to view Russia as a usurping occupier. February 25—the day the Red Army invaded Tbilisi in 1921—is still observed annually as Soviet Occupation Day. Georgians explain away decades of fawning over the “occupiers” as one ambassador did: “For all those years that the Russians ruled us, we told them we loved them. And they actually believed us.” Georgian warlords deposed Gamsakhurdia in January 1992 and installed former Soviet foreign minister Eduard Shevardnadze as a weak figurehead. His tenure as president involved a constant renegotiation of his powers to gain ascendancy over those warlords. In the early 1990s, still at his weakest vis-à-vis the warlords and pressured by Russian support for Abkhaz and Ossetian separatism, he tried to harness, not reverse, the extreme nationalism of his predecessor’s supporters, especially those displaced from Abkhazia by Russian-backed separatists.

For their part, Russians have acted as emotionally as the Georgians, seeing Georgia’s aspirations toward the North Atlantic Treaty Organization (NATO) and the EU as the betrayal of its once advantageous position within Moscow’s empire. During one regularly occurring period of heightened tensions, a normally calm senior Russian diplomat asked, “When the Soviet Union was ruled by people named Jughashvili, Orjonikidze, and Beria, just who was occupying whom?” After the September 11, 2001, attacks, as U.S. troops were arriving in Georgia to train Georgians in counterterrorism, an embittered Russian general, recalling the old times of Russian officers’ warm reception in Georgia over countless song-and-wine-filled supra banquets, said, “The Americans think they will teach the Georgians to fight. In reality, the Georgians will teach the Americans to sing.”

. . But Very Much Intertwined . .

Russia cannot deal with Armenia, Azerbaijan, and Georgia in isolation because the countries’ own relations with one another are dense and fraught with tension and conflict. Most salient is the Karabakh conflict, over which Armenians and Azerbaijanis have shed so much blood since 1987. Both sides appeal to Russia for support and view Russian amity toward the other side as a betrayal. In the early years, Russia tried to profit from the conflict, clandestinely providing weaponry and mercenaries to both sides. In 1992 and 1993, Russians backed two coups to install puppets in Azerbaijan, but both backfired. In 1992, former Azerbaijani president Ayaz Mutalibov’s attempt to return from Moscow was thwarted by the nationalist Azerbaijan Popular Front. And in 1993, Surat Huseynov’s revolt against the Popular Front was hijacked by Aliyev, who took power for himself.
alone. Thereafter, Russia stepped back in the region. Since brokering a ceasefire in the Karabakh conflict in 1994, Moscow has limited its interventions to trying (unsuccessfully) to get the sides to agree to a Russia-led peacekeeping force of the sort Moscow installed to control the Abkhazia, South Ossetia, and Transdniestria separatist conflicts. Russia remains a supplier of weaponry to both sides, and every major arms sale to one provokes protests from the other. Because Azerbaijan’s oil revenues expanded, it has been able to diversify its defense procurements, but Armenia remains dependent on Russia for arms and security guarantees.

Georgia is closely intertwined with both Armenia and Azerbaijan. There are large Armenian and Azerbaijani minorities in Georgia (in separatist Abkhazia, Armenians actually outnumber the Abkhaz). Despite initial nationalist difficulties in Borchaly, an Azerbaijani-inhabited section of Georgia, Georgian-Azerbaijani relations have been good almost since Georgia’s independence—largely thanks to a reconciliation of convenience between two Soviet-era rivals, Eduard Shevardnadze and Heydar Aliyev. Aliyev needed Georgia to enable the western transit of Azerbaijan’s hydrocarbon exports and the import of western goods from Turkey. Shevardnadze needed Azerbaijan to secure oil and gas pipelines to provide both transit royalties and strategic importance to the West. He also needed Aliyev to help ensure that the large Azerbaijani population of Georgia reliably voted for Shevardnadze’s political grouping, the Citizens Union.

Georgian-Armenian relations have been trickier. A portion of the Armenian population in Georgia is concentrated in Javakheti, near a large Soviet (later Russian) military base that fueled the region’s economy until it was closed in 2007. From 1992 to 1993, the Javakhk Armenians sought independence, apparently with Russian encouragement. But Armenia’s only transit routes to Russia and the West lay through Georgia, as the Karabakh conflict had closed Armenia’s borders with Turkey and Azerbaijan, so the government of then Armenian president Levon Ter-Petrosyan tamped down Javakhk separatism. Relations between the two countries grew closer after Mikheil Saakashvili came to the presidency in Georgia in 2004, and they have remained friendly under subsequent leaders.

. . . And Vital for Russia’s Internal Security

To this day, Russian policy in the South Caucasus is intertwined with the North Caucasus—to which Russia has devoted the blood and treasure of generations and which post-Soviet Russia sees as key to the integrity of the Russian state. Russia’s domestic security concerns have intruded on the South Caucasus in a number of areas.
As Russian power ebbed away at the end of the Soviet era, the Russian army—for the first time in centuries—no longer wielded the decisive force in the region. The Turkish Third Army was the most powerful military in the region, and locals adapted to the strategic effects. Russia threw its diminished resources into the Caucasus to suppress the first Chechen rebellion—and met defeat. Russia’s subsequent remilitarization of the region, and its demands to adapt the Conventional Armed Forces in Europe Treaty to allow for greater freedom of movement in the Flank, stemmed from its perceived need to redress the military imbalance and reassert power and influence in the region. To address Russia’s moves to adapt the treaty, Azerbaijan and Georgia allied with Moldova and Ukraine to form what later solidified into the Organization for Democracy and Economic Development (known simply as the GUAM).

Ossetians, ethno-linguistically and religiously different from their neighbors, have been Russia’s principal allies in the North Caucasus for two centuries. As Russia dealt with a host of ethnic nationalisms in the first years after the Soviet collapse, including Chechen separatism and later an armed Islamist movement, North Ossetia gained strategic importance to, and leverage with, Russian leadership. It has used that leverage to ensure robust Russian support for South Ossetian separatism from Georgia.

Likewise, other ethnic groups in the mountains of the North Caucasus (for example, the Chechens, Kabardians, and Cherkes) saw in Abkhaz separatism from Georgia the validation of their own ethnic nationalisms. With Russian facilitation, many so-called volunteers made their way to Abkhazia to join the separatist war against Georgia from 1992 to 1993. Among the most effective of these was the Chechen Shamil Basayev, who was later an archnemesis of the Russians but their ally in that struggle.

During the Second Chechen War, fighters and their families took refuge in Georgia’s Pankisi Gorge, which was effectively outside the Georgian government’s control. Russian president Boris Yeltsin called Shevardnadze in November 1999 to demand the reinstatement of Russian border troops in Georgia and passage for Russian military units through Georgia to attack Pankisi from the south. Shevardnadze stalled and then called on the Americans to dissuade Yeltsin. Later, after the September 11, 2001, terrorist attacks, the United States sent troops to train the Georgians to restore security in Pankisi, forestalling Russian actions there. Even worse, from the Russian point of view, Shevardnadze made a deal with Ruslan Gelayev, a Chechen commander sheltering in the Pankisi Gorge, to launch an attack on Abkhaz-held territory in 2001. The attack failed, but the Russian authorities viewed this series of events as proof that Georgia was treacherous and untrustworthy.
Lastly, Azerbaijan shares a long border and considerable ethnic overlap with Russia’s Dagestan Autonomous Republic, where Salafist proselytizing made extensive inroads in the 1990s. After some years, a full-fledged Islamist guerrilla movement formed and linked up with the remains of the armed Chechen nationalist movement, which also fell under Salafist influence. When attacks began on authorities in Dagestan, security cooperation with Azerbaijan gained importance for Russian internal security.

**Developments From Independence to 2012**

The stage was thus set early on for a consistent—even static—Russian policy toward the South Caucasus: an economy-of-force balancing act to preserve Russia’s traditional friendship and strategic alliance with Armenia without harming Russia’s economic and security relationship with Azerbaijan; and a constant, emotional, and ever-deepening hostility toward Georgia.

Russia views the international arena as a series of camps, each centered by a power whose greatness is confirmed by possessing a camp. Russia has been keen to ensure that the new nations forged out of former Soviet republics remain in its camp and has formed multinational institutions to cement those relations.

Initially, Russia had hopes that the Commonwealth of Independent States (CIS), formed when the Soviet Union broke up, might fill the bill. Azerbaijan and Armenia joined the CIS at its inception in 1991. But it was not until 1993 that Georgia’s president Shevardnadze—under Russian military pressure in support of Abkhaz separatism and facing a rebellion by ousted former president Gamsakhurdia—reluctantly acceded. In 2008, Georgia withdrew from the CIS after the country’s defeat in the Russo-Georgian War. With the CIS having little influence, Russia put forward two other institutions to accomplish the task.

The Collective Security Treaty, originally signed in 1992, became the Collective Security Treaty Organization (CSTO) in 2002, designed as a counterweight to NATO. Armenia joined to relieve its security concerns with regard to Turkey; Azerbaijan and Georgia did not.

The Eurasian Customs Union, officially formed in 2000 but active from 2010 onward, also included Armenia but not Azerbaijan or Georgia. In 2014, Russia turned the Customs Union into the Eurasian Economic Union (EAEU), intended as a mirror image of the EU. Moscow’s ongoing attempts to equate the two organizations on the international stage has had significant effects on the Caucasus, as noted later in this paper.
Azerbaijan was able to avoid joining Russia’s so-called camp thanks to its independent oil revenues, which have grown for both Azerbaijan and other post-Soviet Caspian littoral states. In the early 1990s, Moscow’s ability to project power was low and Russia could only protest ineffectually when littoral countries signed hydrocarbon extraction contracts in the absence of an international agreement to define national rights in the Caspian. Azerbaijan, Kazakhstan, and Turkmenistan brought in Western energy majors without fearing Russia’s reaction (Azerbaijan signed its first major contract in 1993). The status of the Caspian was not codified even preliminarily until 2018, and to this day, no treaty covers exploitation of the seabed. Russia could not fight ‘em, so it joined ‘em, settling for sharing in the profits from hydrocarbon development and transit.

For a time in the mid-1990s, the United States and Russia maneuvered against one another through their respective support of pipelines. The United States heavily promoted the Baku-Tbilisi-Ceyhan (BTC) pipeline as an alternative to a Russian monopoly on hydrocarbon transit to the West. However, U.S. doctrine demanded that the pipeline be commercially viable in its own right, and the United States refused to put resources into boosting that viability. Recognizing this, Russia banked on the oil majors’ desire to save money by transporting the oil by tanker across the Black Sea and through the Turkish Straits. But when then BP chair John Browne visited Istanbul and inspected the narrow Bosphorus passage, he decided the route was too risky and threw the weight of the oil majors behind BTC.

Russia’s closest relationship in the South Caucasus remains with Armenia, the country most firmly entrenched in Russia’s camp. It is frequently called a strategic alliance, and for Armenia this is certainly the case as 3,000 Russian troops based in its second-largest city, Gyumri, form a trip wire against Turkish military action.

While Azerbaijan generally deals with other countries transactionally, another criterion takes precedence: their stance on Armenia and the Karabakh conflict. This is the trickiest situation for Russia to manage: Azerbaijan is Russia’s largest trading partner in the Caucasus, the two countries have important common issues regarding hydrocarbons, and Russia sees a strategic aim in keeping Azerbaijan out of what it calls the Western camp. Therefore, while supporting Armenia, Russia has tried to avoid alienating Azerbaijan, including during the recent surge in fighting. Until 2010, Russia was discreet about its arms sales to Armenia to avoid provoking Azerbaijan, denying reports of large arms transfers when they surfaced in 2009. More recently, Russia has started transferring increasingly sophisticated weaponry to both sides and has been more open about its balancing. For example, in 2010, Russia signed a new lease on its military base in Gyumri (extending it to 2044) and agreed to sell S-300 surface-to-air missiles to Azerbaijan.
As part of this balancing, Russia is involved in attempts to mediate between Azerbaijan and Armenia to resolve the Karabakh conflict. Since 1995, Russia has been a co-chair of the Minsk Group, a body under the aegis of the Organization for Security and Co-operation in Europe (OSCE) and composed of a number of countries interested in brokering peace. In 1997, the United States and France joined Russia as co-chairs, and the three countries have conducted all negotiations thereafter without significant input from the other group members. This structure has facilitated Russia-West cooperation to keep a politically insoluble problem from flaring into war and metastasizing beyond the actual frontline states. When Dmitry Medvedev was president of Russia (2008–2012), he poured great efforts into Russian peace initiatives, and with French and U.S. assent Russia came to dominate the process. As part of this campaign, Medvedev also supported the 2008 opening between Armenia and Turkey, Azerbaijan’s closest ally. That rapprochement failed, however, due to opposition from key constituencies on both sides. Ultimately, Azerbaijan and Armenia were not interested in a negotiated solution, and Medvedev’s initiative foundered.18

Russia’s relations with Georgia quickly went into a downward spiral after the Soviet collapse. Russia used substantial military force to ensure the survival and then victory of the separatist rebellion in Abkhazia and leveraged that and a revolt by Gamsakhurdia to force Shevardnadze to accept a Russian peacekeeping force in western Georgia. Still hostile, Russia backed two attempts, in 1995 and 1998, to assassinate Shevardnadze. Until the latter attempt, Shevardnadze had been trying to play Russia and the United States off against each other, but these actions drove Shevardnadze squarely into the arms of the United States.19

The Russians loathed Shevardnadze for his role in the collapse of the Soviet bloc—on one television program, he was reviled as “the Ostap Bender of the Soviet Union,” after the con-man protagonist of the classic Soviet comic novel Twelve Chairs. But that feeling paled beside the emotions stoked in the Russian leadership by the flamboyant and mercurial Mikheil Saakashvili, who ousted Shevardnadze at the end of 2003 and became president in 2004. In that year, Saakashvili also ousted the quasi-independent Aslan Abashidze from his rule over the autonomous Batumi region, which housed a Russian military base. Also in 2004, tensions flared in South Ossetia. Russia retaliated over the next few years, banning the import of Georgian products, banning flights between Russia and Georgia, closing the land border between the two countries, and launching an aggressive campaign against ethnic Georgians in Russia, including Russian citizens, their businesses, and their families. In 2007, Russia closed off most of North Ossetia to foreigners, allowing preparations for war to proceed unseen by the outside world. And in 2008, as tensions flared again in South Ossetia, Russian troops invaded, defeating Georgia’s forces in short order, occupying parts of Georgia outside Abkhazia and South Ossetia, and incorporating these conquests into the separatist statelets, which Russia shortly
thererafter recognized as independent. But the war also brought the expansion of a new competitor’s presence: the small, neutral OSCE mission was scrapped, and a large new EU Monitoring Mission was put in its place. Despite the limitations placed on that mission, the overall EU presence and commitment sharply increased.

Since Putin’s Return

Putin’s return to the presidency in 2012 came with a more assertive foreign policy. New leaders wholly dependent on Russia were installed in the separatist entities Russia supported, including South Ossetia and Abkhazia, replacing long-established leaders who were pro-Russian but possessed their own independent power bases. More importantly, Russia began to treat the European Union—not just NATO—as a strategic rival intent on taking over parts of what Medvedev had called Russia’s sphere of “privileged interests.” Five years earlier, that view had been restricted to the siloviki, or senior officers of the hard power ministries (primarily the military, internal affairs, and security services); after Putin’s return to the presidency, it became Russia’s official policy.

Armenia

The Ukrainian crisis of 2013–2014 began with Putin pressuring both Ukrainian president Viktor Yanukovych and Armenian president Serzh Sargsyan into repudiating the EU Association Agreements they had signed and instead joining the nascent Russia-centric EAEU. The pressure on Sargsyan included a Putin visit to Azerbaijan’s capital, Baku, to discuss arms sales. Yanukovych’s caving to Putin’s pressure triggered the Revolution of Dignity in Ukraine and his eventual downfall. Sargsyan did not immediately face the same consequences. He explained to the nation that security concerns necessitated joining the Russian-led organization—that only Russia could safeguard Armenia from its neighbors. However, after rejecting the EU, Sargsyan immediately tried to placate it. Negotiations eventually restarted on a trade agreement, and in 2017, Armenia signed a Comprehensive and Enhanced Partnership Agreement with the EU.

After a few protests, Armenians fell in line with Sargsyan’s capitulation to Putin’s wishes: they assumed their security expectations would be met and that this change was worth the economic disadvantages of giving up the association with the EU. Indeed, when a few months later Russia occupied Crimea and annexed it after the fig leaf of a controlled referendum, Armenians saw this as a model and justification for future annexation of Nagorny Karabakh and the surrounding territories. Russia’s actions had called into question all territorial dispositions after the Soviet collapse, which had
been agreed among the union republics, codified in the CIS Treaty, and endorsed by the international community. With borders now questioned and Russia more capable of projecting power, it was better to be a close ally of Russia than a potential victim.

But in April 2016, Armenians suffered a rude awakening. On April 1, Azerbaijan began a military operation along the line of contact in Karabakh and, over the next four days, managed to regain a few strategic points occupied by the Karabakh Armenians years before. Russia’s reaction was to maintain its balancing act. Russian Foreign Minister Sergey Lavrov went to the region explicitly to be a neutral mediator. He brought a ceasefire plan and proposed the Russian peacekeeping force that had been rejected so many years earlier. That approach did not go over well with the Armenian populace. In their view, Armenia was a treaty ally of Russia and had given up European aspirations to stay in Russia’s camp—and, therefore, Russia should be on Armenia’s side. However, as far as Russia was concerned, legally, the combat had nothing to do with Armenia but was between Nagornyy Karabakh and Azerbaijan. The Armenian people did not see it that way, after being convinced by their leaders over a generation that Karabakh and Armenia had become a single polity. Sargsyan, who initially supported the idea of a Russian peacekeeping force, was seen as having sold out Armenian interests. He then had to backtrack, putting fatal cracks in his prestige and authority.

Almost immediately, mutinies and demonstrations broke out, occasionally with a subtle anti-Russian flavor. In July 2016, a group of gunmen calling themselves Sasna Tsrer (“Daredevils of Sassoun,” from an Armenian epic poem) violently took over a police station and held out against government forces for two weeks, demanding Sargsyan’s resignation. Even after they surrendered, they retained widespread support, which translated into a people fed up with the ruling elite and with Russia.

Other factors—such as a notorious murder by a Russian soldier, price hikes by the Russian-owned electricity supplier, and continued arms sales to Azerbaijan—further exacerbated popular discontent.

In 2017, faced with term limits when his presidency was to expire in 2018, Sargsyan chose one of the standard post-Soviet autocratic solutions to staying in power: establishing a parliamentary system, turning the presidency into a figurehead, and becoming prime minister. Sargsyan and his Dashnak nationalist allies duly won parliamentary elections in 2017, and a figurehead president was in due course elected in 2018. Then the play went off script: the aggrieved populace rose up in demonstrations, and in just over a month, Sargsyan was ousted. Opposition leader Nikol Pashinyan was installed as acting prime minister, and new elections affirmed his position later in the year.

So far, this scenario resembles one of the “color revolutions” that Putin had railed against for the previous fifteen years and had tried to reverse through military force in Georgia, Syria, and Ukraine. But instead of condemning Pashinyan (who had sharply criticized Russia during the demonstrations)
and lending full support to Sargsyan (one of Putin’s most loyal supporters), Putin was remarkably restrained throughout and had a friendly and supportive meeting with Pashinyan just days after the latter took power, publicly offering him his congratulations and best wishes.

It is possible that Russia blamed Sargsyan for the anti-Russian sentiment following the clashes of April 2016. But it is also clear that Pashinyan made efforts to reassure Putin, as he—like the entire Armenian electorate—understood that Russia remained the guarantor of Armenia’s security vis-à-vis its much larger neighbors. He also understood that any rift with Russia would create a vulnerability that Azerbaijan could exploit with regard to Karabakh; Pashinyan knew he could not afford any daylight between Armenia and Russia. He left Armenia in the EAEU and CSTO. He made clear that he would pursue a democratic system, but he “also said that he viewed democracy as a firm belief, rather than a geopolitical orientation, making clear the distinction.” Perhaps the fact that Putin knew this as well, implying no major changes in Armenia’s strategic orientation, occasioned his restraint: if there is no threat that Armenia will leave its camp, Russia can continue balancing its policy toward Azerbaijan and Armenia.

Azerbaijan

Azerbaijan is the type of country with which Putin seems to feel comfortable—a stable autocracy whose cautious ruler pursues consistent and predictable policies. Azerbaijan causes few headaches for Russia and demands only that its transactional approach be reciprocated. President Ilham Aliyev began his rule only three years after Putin took over Russia; his father Heydar Aliyev had ruled Azerbaijan for a decade before that, not counting the Soviet period, when he also ruled the country as his own fiefdom. Heydar Aliyev’s time in the senior-most ranks of the Soviet state, Communist Party, and security services nomenklatura made his attitude very different from other post-Soviet rulers, some of whom had been minor provincial apparatchiki in Soviet times and saw Moscow as the source of all power. Heydar Aliyev treated Russia’s post-Soviet rulers without the fealty or fear that some of his contemporaries showed.

Ilham Aliyev does not have the experience or ability of his father, but he has inherited that legacy of autonomous sovereignty. If Pashinyan intends to show that democracy is a belief, not a geopolitical choice, the Aliyevs have long since shown that the same is true of autocracy. Azerbaijan and Russia have enjoyed a functional, transactional relationship that is cordial, neighborly, and devoid of emotion. To some extent, Azerbaijan grew ideologically closer to Russia in the wake of the Ukraine crisis, as both countries saw themselves as attacked and undermined by a fifth column of Western-supported civil society and nongovernmental organizations. In 2014, the chief of Azerbaijan’s presidential
apparatus—usually considered closest to Russia in the Azerbaijani leadership—published a long, scathing article outlining that worldview. He even implied that charges of human rights violations against a country only proved that its leadership was defending its sovereignty.25

But ideological sympathy never overcame Azerbaijan's transactional approach to relations with Russia. In 2012, Azerbaijan demanded a sharp increase in the rent Russia was paying for the Soviet-era Qabala radar station. The station was part of the Soviet and Russian strategic early warning system, and therefore the United States favored its continued functioning to help reduce uncertainty about potential missile launches. Nonetheless, Azerbaijan stuck to its price demands, and the Russians eventually closed the station at the end of 2012.26

Apart from its transactional approach, the Azerbaijani leadership has a single prism for judging the actions of all other countries: the Karabakh conflict. Since independence, Azerbaijan has rejected virtually all forms of multilateral cooperation involving Armenia. That has imposed a durable limit on the extent of rapprochement with Russia. For example, Azerbaijan has not joined the CSTO, of which Armenia is a member; to do so, it would have to renounce any military solution to the Karabakh conflict, and it has been a tenet of faith in Azerbaijan that only the credible threat of a military solution can pressure Armenia to negotiate seriously. Nor has Azerbaijan joined the EAEU, as Armenia did. Joining it could limit Azerbaijan’s ability to use its economic leverage to marshal international support on Karabakh and counter Armenian diaspora influence in the West, particularly in the United States and France.

Indeed, because Russia’s annexation of Crimea calls into question the borders of the former Soviet republics—which the republics recognize as state borders under the Alma-Ata Declaration of December 21, 1991—it also calls into question the basis for Azerbaijani claims to sovereignty over Nagorny Karabakh. Moreover, for the last fifteen years, proposed principles for a negotiated peace in the Karabakh conflict have included a “binding expression of the popular will” as part of the ultimate disposition of the territory.27 The Russia-staged referendum in Crimea drove home to the Azerbaijani—is how easy it is for the power with boots on the ground to ensure its desired outcome in such a vote.

All in all, since 2014, Azerbaijan has become, if anything, even more transactional in its approach to Russia. The 2016 offensive in Karabakh, which might earlier have been deterred by reluctance to antagonize Russia, can be seen as one example. The fighting Azerbaijan initiated on September 27, 2020, can also be seen as a transaction with Russia— one made possible by Turkish intervention. To be sure, one aim of the offensive is to regain territory and therefore remove bargaining chips from Armenia’s side of the board. But perhaps the larger aim is to threaten Putin with instability and possibly a region-wide war if he does not force deep concessions on Armenia. Aliyev ignored Lavrov’s
initial offer: the return of two provinces, in exchange for Russia being allowed to deploy a peacekeeping force. Whatever the outcome, it is clear that to Azerbaijan, Russia is now less of a partner and more of a problem to be solved.

Azerbaijan tries to solve its Russia problem through closer relations with, in particular, Turkey and China. Turkey has long been Azerbaijan's main advocate in the international sphere. Aside from ethnic kinship (a significant Azeri population lives in Eastern Turkey) and deep historical links before the Soviet takeover, Turkey is quick to cite certain protectorate rights granted under the Treaties of Moscow and Kars (1921). Since independence, Azerbaijan has seen Turkey as a counterweight to Russian power. At present, however, Turkey has its own complex relations with Russia. Turkey enjoys the positive effects of continued close energy and pipeline relations, as well as personal interactions between Putin and Turkish President Recep Tayyip Erdoğan; but offsetting these effects are sharp differences between Turkey and Russia on the conflicts in Syria and Libya. Azerbaijan seeks to ensure that Turkey’s support vis-à-vis Russia is unwavering. Turkey’s support of Azerbaijan and reported direct military involvement in the autumn 2020 fighting have granted Azerbaijan unprecedented room for maneuver vis-à-vis Russia—both on the battlefield and with regard to Russian mediation efforts. It took the Kremlin almost two weeks to arrange a Putin-Aliyev phone call; a humanitarian truce brokered by Lavrov fell apart almost immediately.

China has increased its engagement with the Caucasus as part of its Belt and Road Initiative, though neither its trade nor investment in the region compare with its far more massive engagement in Central Asia. Its main partner in the region is Azerbaijan, which has the largest population, economy, and reserves of natural resources. The partnership makes sense geopolitically as well: although China is now a major trading partner for Armenia and Georgia, Armenia is too dependent on Russia to be pried loose and China is probably wary of Russian sensitivities on Georgia. China has now become the third largest source of imports for Azerbaijan, after Russia and Turkey. Azerbaijan presents the most potential for future political rapprochement, and China, unlike the West, is not burdened with concerns over Azerbaijan’s human rights record. Azerbaijan hopes that as the Belt and Road Initiative progresses, China will increase its use of Azerbaijan for the transit of cargo to Europe—floating cargo across the Caspian and loading it onto the railroad link opened in 2017 between Baku and Kars, in Turkey, via Georgia.

Georgia

Putin once famously declared that he would hang Saakashvili by his testicles. That promise remains unfulfilled, but not for want of trying. Saakashvili lost his parliamentary majority in 2012 and was voted out of office in 2013. If Putin thought Saakashvili’s ouster by the billionaire (and, until shortly
before then, Russian citizen) Bidzina Ivanishvili and his Georgian Dream Party would liberate a
wellspring of affection for Russia, he was in for disappointment. The Georgian populace remains
deeply suspicious of Russia. In late 2014, NATO initiated a major assistance program, the
Substantial NATO-Georgia Package, sharply ramping up security cooperation with the Georgian
Dream government.31

Russia’s hostile and aggressive policy toward Georgia, too, remains unchanged. As always, the pres-
sure point between Russia and Georgia has been separatism, namely the Russia-backed polities in
Abkhazia and South Ossetia. In the run-up to Putin’s return to the presidency, long-serving local
officials in many areas controlled by Russia, especially in the Russia-supported South Ossetia and
Abkhazia (and Transdniestria, outside the region), were ousted, with Moscow backing newcomers
who had little local support and who would owe loyalty and obedience to Putin alone. At the end of
2011, Edmund Kokoity, who had ruled South Ossetia since 2001, was forced to resign from the
leadership and was ultimately replaced by Leonid Tibilov, a veteran of the KGB.32 In Abkhazia, the
death of Sergei Bagapsh in May 2011 triggered a premature power struggle that threw the plans off
track; in the elections that followed, Moscow’s chosen candidate, Raul Khajimba, was defeated.
However, with the intervention of Putin’s fixer Vladislav Surkov, president Alexander Ankvab was
ousted in June 2014 and Khajimba was installed.33

By then, Russia had occupied and annexed Crimea and had instigated and supported armed separatist
uprisings in Donbass, as well as Kharkiv and Odessa; in response, the West had imposed sanc-
tions. Perhaps this left Putin and his regime less concerned with placating Western opinion, and he
moved to annex the separatists in all but name. As early as October 13, 2014—the month after
Khajimba’s inauguration—Russia presented Abkhazia with a draft Treaty of Alliance, Integration and
Partnership, whose main points were the takeover of key executive departments of the Abkhaz “state”
by their Russian homologues, with, at best, nominal Abkhazian security institutions serving as a fig
leaf. Russia presented South Ossetia with a draft comprising identical terms at about the same time,
though the first public announcement came in November. In the treaties that were eventually signed,
the Abkhaz won face-saving concessions from the Russians;34 it took four drafts before the South
Ossetians signed, but their version was closer to the Russian original.35 (The close informal relations
between South Ossetia and North Ossetia made the words on paper less important.) The stifling
embrace of Moscow—and the suspected poisoning of Khajimba’s electoral rival36—led to the ouster
of Khajimba in early 2020 and his replacement by Aslan Bzhania, himself a veteran of the KGB.37 In
South Ossetia, Anatoliy Bibilov, who had floated between the North and South Ossetian militaries,
defeated Tibilov.38
Russian actions have continued to ensure that Georgian resentment over the *terra irredenta* remains an open wound. The process of borderization continues in South Ossetia: Russian border troops periodically erect new border fences that enclose bits of land hitherto under Georgian control. In July 2015, new border fences cut off part of the strategic Baku-Supsa oil pipeline, the line that carried Azerbaijani “early oil” to market in the West before the main Baku-Tbilisi-Ceyhan pipeline was completed. Russia has not interfered with the oil flow, but the implied threat is clear.  

For its part, it appears that Georgia under Saakashvili tried to return this threat by reopening links with Chechen and Islamist rebel groups in the North Caucasus, as Shevardnadze had done with the Chechen commander Gelayev in 2001. Russia charged in 2009—and again in 2012 after a murky incident in the Lopota Gorge (between the Pankisi Gorge and Dagestan)—that Georgia was arming and training Chechen militants to fight inside Russia. In 2017, several years after Saakashvili was replaced by the less anti-Russian Georgian Dream Party, the Chechen commander involved in the Lopota incident was killed by Georgian security forces in Tbilisi.  

Thus, a cycle of perceived provocations followed by emotional reactions and retaliations continues today. Most recently, a Russian’s mere choice of seating at a meeting led to crisis between the two countries. From June 19 to 23, 2019, the Interparliamentary Assembly on Orthodoxy met in the parliament in Tbilisi with Orthodox parliamentarians from many countries in attendance. This was presumably intended as a gesture at reconciliation between the Orthodox majorities of Russia and Georgia. On June 20, a member of the Russian State Duma presided over the session and sat in the Georgian parliament chair’s seat. Violent street protests immediately broke out in Tbilisi, disrupting the meeting and forcing the resignation of Georgia’s parliament chair the following day. Amid continuing protests against Russia in Tbilisi, Putin ordered the cessation of direct flights between Georgia and Russia—as he had in the run-up to the 2008 war. The incident highlights that symbols of power relations evoke both charged emotions and material retaliations and that the pattern of events will be repeated for the foreseeable future.

**Conclusion**

It is hard not to conclude that Putin’s personal overreach in Ukraine has led to suboptimal results for Russia in the South Caucasus. When he resumed the presidency of Russia, Putin increased engagement with the South Caucasus, perhaps hoping to gather some castaway stones closer into the Russian camp. By autumn, 2013, everything seemed to be going his way: Armenia (and Ukraine)
had bowed to his demands to reject association agreements with the EU and to sign on instead with the EAEU that Putin had singlehandedly created, promoted, and dominated. Relations with Azerbaijan were on an even keel without much expenditure of effort. And Georgia’s despised Saakashvili had been replaced by a Russian billionaire whose government was floating trial balloons about normalizing relations with Moscow despite Russia’s recognition of the independence of Abkhazia and South Ossetia.

But relations with all three South Caucasus countries reverted to type after Russia’s intervention in Ukraine. Moscow’s stifling embrace of rulers such as Sargsyan and Khajimba led to popular discontent and their forcible ousters. The precedents set on Ukrainian territory led Azerbaijan to proceed with extreme caution in its relations with Russia. And Russia’s expansionist policies with regard to Abkhazia and South Ossetia have guaranteed the hostility of the Georgian populace and repudiation by what might have been a friendlier government. As observers have noted, major outside powers such as China, Turkey, and the EU have capitalized on local suspicions of Russia. They have developed strong interests in all three South Caucasus countries and have the wherewithal to defend those interests against Russian maneuvering, while also providing the locals with greater room for maneuver. Turkey’s willingness to take a major military role in support of Azerbaijan in the fighting that began September 27 shows that Russian power no longer has the deterrent effect it once did against intervention by outside powers. Russian interests themselves are not yet seriously threatened, but expansion of those interests has been blunted. One can say, then, that Russia’s policies in the South Caucasus and in the wider post-Soviet space have forced it back on the stony path it had been treading for a generation and will probably tread for some time to come.

**About the Author**

Notes

1. Unless otherwise indicated, the research in this paper draws on firsthand experience in Armenia, Azerbaijan, Georgia, and Russia and personal conversations held with a variety of politicians, decisionmakers, and others.


7. De Waal, Black Garden.

8. See, for example, S. Frederick Starr & Svante E. Cornell (eds), The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West (Central Asia-Caucasus Institute & Silk Road Studies Program, 2005).


10. For example, the main Russian military base for Chechnya war operations was in Mozdok, North Ossetia.


The facility was rumored to house a signals intelligence facility aimed at Iran, and if true, a desire not to antagonize Iran could have played a role in Azerbaijan’s decision to maintain a hard line.

Remler, Chained to the Caucasus.


