

# PIPELINE POLITICS IN SOUTH CAUCASUS: SECURITY IMPLICATIONS FOR RUSSIA

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## INTRODUCTION

Following the conclusion of the Cold War, the South Caucasus region has garnered substantial global interest, mainly due to its geopolitical importance as a gateway to one of the world's oldest and potentially most prosperous resource hubs. Starting in the late 20th century, the South Caucasus, labelled by Zbigniew Brzezinski, a prominent figure in American Foreign Policy, as the 'Eurasian Balkans,' has emerged as a pivotal player in global power dynamics and a focal point for international rivalry (Brzezinski, 1997: 124, 148). The outcome of competition in this arena will significantly shape the future global order. The determining factor lies in which nation attains predominant influence over the South Caucasus or its constituent regions. Zbigniew Brzezinski draws a parallel between this scenario and the concept of the Eurasian Heartland, as defined by H. Mackinder. Positioned on the northern leg of the 'silk road,' linking the East and West, the South Caucasus, alongside the Balkans, serves as a crucial pivot in the Eurasian landscape. Situated between the Caspian Sea and the Black Sea, the South Caucasus holds strategic importance in geopolitics due to its position as a crossroads for Southern-Northern and Western-Eastern energy and transport routes. Additionally, it is a region abundant with the energy resources of the Caspian basin (Jabbarly, August 28, 2012). The strategic significance of the South Caucasus is heightened by its location at the convergence point of Russia, Turkey, and Iran. The abundant hydrocarbon reserves in Azerbaijan and the Caspian Sea significantly contribute to the region's global importance, capturing the attention of major powers. The geopolitical and geostrategic value of the entire region increased notably after the sudden disintegration of the Soviet Union, leading to intense political and commercial competition for control over energy resources. This heightened significance is further accentuated by the global shift of the economic centre to Eurasia. Consequently, the South Caucasus remains a focal point in global geopolitics. The geostrategic position of the South Caucasus, situated at the crossroads of Europe and Asia, has been a central factor in post-Cold War geopolitical rivalries, particularly as a crucial transport corridor, especially in terms of energy. The substantial oil and gas reservoirs in the Caspian Sea, particularly in the Azerbaijani sector, have exacerbated regional rivalries for both political and economic influence. This dynamic has turned the South Caucasus into a key arena for a second "great game," with numerous global powers recognizing the strategic importance of the region's resources (Kakachia, 2011). The South Caucasus emerges as a region of growing importance in today's security landscape, especially considering the instability within

the region and the potential risk to Western economic interests due to its energy resources and transportation infrastructure (German, 2009: 346).

The South Caucasus stands at the intersection of diverse economic, political, and energy concerns, currently grappling with some of the world's most intricate and violent challenges. The region is marked by instability, the presence of fragile states, both direct and proxy conflicts, and a convergence of major power interests. It serves as a prism reflecting fundamental tests to the global system, encompassing issues such as separatism, security, energy transit, and infrastructure. Positioned strategically, the South Caucasus is a meeting point for dynamic global markets: to the east lie Central Asia and China, to the west are Turkey and Europe, to the north is Russia, and to the south are Iran and the Middle East. Nevertheless, the absence of regional integration and unresolved 'frozen conflicts' pose significant obstacles to establishing a functional regional security framework (Kakachia, Stefan Meister, Benjamin Fricke, 2018: 6). As stated by Peter Semneby, former EU Special Representative for the South Caucasus, 'with its ill-defined borders, weak economic links, absence of realization of the region's potential and lack of the 'us' feeling of a shared identity, the South Caucasus could not yet be called a coherent region' (Sammut, 2008). The South Caucasus is a tangible region solely in the eyes of external actors, and the lack of a shared identity undermines both regional development and security (German, 2012). The South Caucasus region serves as a crucial intersection for oil and gas pipelines that enhance energy supply diversification to numerous European states, thereby diminishing their reliance on Russia and inevitably leading to complexities in their relations with Russia. Since the disintegration of the USSR, the South Caucasus has emerged prominently in the competition among major powers at the crossroads of Eurasia. The geopolitical, geo-economic, and geostrategic positioning of the region, situated between the East and the West, along with its abundant energy resources, has attracted the attention of key geopolitical players. Geographically, the South Caucasus lies on ancient trade routes connecting Asia and Europe, serving as a convergence point for Turkic, Slavic, Persian, Christian, Islamic civilizations, and local Caucasian cultures. This region is a focal point for geopolitical rivalry, notably evident in the politics surrounding its pipelines.

The South Caucasus is intersected by four strategic pipelines primarily directed towards Europe, including three oil pipelines and one gas pipeline. While Russia's presence in the South Caucasus through this infrastructure provides leverage over the West, it is noteworthy that the gas pipeline and two of the three oil pipelines are owned and operated by Western companies, bypassing Russian territory. This setup enables the export of Azerbaijani resources and allows Georgia to mitigate its energy dependence on Russia. This situation has, to some extent, revived Cold War dynamics as major powers once again find themselves in a face-off to protect and advance their national interests. The increased involvement of the United States in Russia's 'strategic backyard' directly challenges Russian supremacy in the South Caucasus. Consequently, Russia is keen on maintaining and strengthening its influence in the South Caucasus, particularly in Georgia, and opposes the construction of offshore pipelines through the Caspian Sea.

Russia has an extensive history of utilizing its influence in the South Caucasus. Over centuries, Russia has been engaged in competition with Turkey and Iran for dominance in the region. Following the Soviet Union's dissolution, the South Caucasus became embroiled in an escalating power struggle between Russia and the West. In its contemporary geopolitical aspirations, Russia aims to reassert control over spheres of influence in its neighbouring regions (Gvelesiani & Holger Mölder, 2018: 138).

The term "South Caucasus" is politically neutral and more accurately reflects the region's geography compared to "Transcaucasia." Throughout history, the South Caucasus has held significant importance for Russian national interests. Georgia, Azerbaijan, and Armenia were part of the Tsarist Empire and later the USSR for two centuries. Russia's post-Soviet relations with the South Caucasus have been notably shaped by its geo-energy interests and involvement in unresolved secessionist conflicts, such as those in South Ossetia and Abkhazia (Georgia) and Nagorno-Karabakh (Armenia/Azerbaijan). These conflicts are commonly referred to as "frozen conflicts," involving territorial and ethnic disputes that emerged following the USSR's dissolution, posing various risks and threats. The 2008 Russian-Georgian war underscored the vulnerability of the security system in the South Caucasus region and neighbouring states (Novikova 2012, 550–51). The persistent "frozen conflicts" and ongoing instability in the region act as assurance for Russia that the countries in the South Caucasus will never be granted membership in Western institutions such as NATO and the European Union.

Mackinder (1962 [1919]: 150), an early modern geopolitical thinker, in his Heartland theory noted that who controlled East Europe could control the extensive resources of the Heartland and could therefore dominate the world. A later rewording of Mackinder declared: 'Who controls the export routes, controls the oil and gas; who controls the oil and gas, controls the Heartland' (O'Hara, 2004: 148).

Situated in a geo-strategically distinct location, the countries in the South Caucasus region serve as a vital crossroads between Europe and Asia. They function as a crucial transit hub, presenting significant opportunities for their economic growth. This strategic gateway links Europe with the economically promising regions abundant in oil and gas in Central Asia and the Middle East, utilizing the Black Sea, the Azov Sea, and the Caspian Sea. Consequently, gaining control over the South Caucasus has consistently ranked high among the priorities of Russian foreign and security policy (Nation, 2015:1-11). Russia exerts supremacy through its energy and military capabilities, actively seeking to strengthen its influence in Armenia, Georgia, and Azerbaijan whenever opportunities arise. This involves maintaining interstate relations marked by perpetual tension, strategically utilizing this corridor to control the Caspian region's hydrocarbon resources (Nuriyev, 2015:51-63). Russia views the South Caucasus as a crucially important transportation corridor, presenting substantial economic advantages (Ibid).

Since the 1990s, Russia has been systematically shaping a new framework for its association with the former Soviet Union republics, frequently invoking the influence of its imperial history (Mankoff, 2009). As the rightful successor to the USSR, Russia asserts its claim over the post-Soviet space, considering it as its legitimate sphere of influence and consistently insisting on special rights in the "near abroad." The Kremlin views the dissolution of the Soviet Union as a severe geopolitical setback, disrupting the established world order from a stable bipolarity to an unstable multipolarity.

According to Stephen Cohen (2012), Russia's foreign policy has consistently adhered to the narrative that acknowledges its parity with the United States as a sovereign nation and a legitimate superpower, an assertion that should be beyond dispute. Such conflicts over status can easily arise as states naturally seek higher standing, leading to tensions between those pursuing status and those granting it, with the interests of other actors also influencing the dynamics of status conflicts (Forsberg, 2014:325).

Following the dissolution of the Soviet Union, certain former republics like Azerbaijan, Turkmenistan, and Kazakhstan found themselves possessing substantial energy resources. However, their ability to export these resources globally was hampered by both the lack of infrastructure and their landlocked status. The sole feasible transit route was through Russian territory. To address the economic and infrastructural challenges, foreign investments played a crucial role. Politically, it was evident that the development and global export of these resources held significant importance for the overall progress of these successor states. The choices made regarding the export routes for these energy reserves were pivotal in determining whether these relatively small states, surrounded by major powers, could achieve full sovereignty and independence on the global stage (Svante, 2009).

#### **THE FOUR STRATEGIC PIPELINES ARE:**

Pipelines represent a tangible expression of the deepening connections between the Caucasus region and Europe, but their geopolitical implications are significant. The completion of the Baku-Novorossiysk Oil Pipeline in 1996, also known as the Northern Corridor, stands out as a noteworthy example. This pipeline, spanning 1,330 kilometres, has the capacity to transport up to 105,000 barrels per day from Azerbaijan to the Russian oil terminal in Novorossiysk on the Black Sea. In the aftermath of the second Chechnya war, Transneft, the Russian oil company, re-routed the pipeline to bypass Chechnya.

Another key project is the Caspian Pipeline Consortium (CPC), an extensive international crude oil transportation endeavour stretching 1,700 kilometres. This pipeline plays a crucial role in transporting Caspian oil from the Tengiz and Karachaganak fields in Kazakhstan to Novorossiysk on Russia's Black Sea coast. Notably, this project is considered a national priority for Kazakhstan. In June 2002, during the SCO summit,

the presidents of Kazakhstan, Nursultan Nazarbayev, and Russia, Vladimir Putin, signed a 15-year contract outlining the export of Kazakh oil via Russia (Nygren, B. 2007:173).

#### **WESTERN ROUTE PIPELINES:**

a) The Baku-Tbilisi-Ceyhan Main Export Oil Pipeline (BTC oil pipeline) was constructed as a competitor to the Baku-Novorossiysk pipeline, capitalizing on Russia's weakened state during the 1990s. Completed in 2006, this pipeline has the capacity to transport up to one million barrels per day of crude oil from the Caspian Sea to the Mediterranean, facilitating further transport to Europe via oil tankers. Described by an observer as a crucial link, the BTC firmly aligns Azerbaijan and Georgia with the European perspective. Additionally, it provides Europe with direct access to Central Asia (German, 2009: 251). The Baku-Tbilisi-Ceyhan (BTC) pipeline constitutes a central element in Clinton's foreign policy approach to the Caspian region. It stands out as one of the most extensive and carries significant political and economic costs for Turkey, the U.S, EU, and the Caspian states (Misiagiewicz, J.:2012:71). Stretching over 1,768 kilometers and traversing through Azerbaijan, Georgia, and Turkey, the BTC pipeline faced considerations for alternative, potentially more efficient routes during its construction. However, Azerbaijan, Georgia, Turkey, and notably the United States emphasized domestic interests in favor of choosing the final route. The BTC pipeline faces risks due to the Nagorno-Karabakh conflict, internal challenges in Georgia involving separatist groups, and the presence of a significant Kurdish population in Turkey seeking independence, thereby posing threats to the pipeline (Rudaw; 2017).

b) The Western Route Export Pipeline (WREP), also known as the Baku-Supsa pipeline, was completed in 1999 to transport crude oil from the Caspian Sea to the Black Sea and onward to Europe via oil tankers. Spanning 829 kilometres, the route originates in Azerbaijan, passes through Georgia, and concludes at the Supsa Terminal in Georgia.

In August 2008, the pipeline faced closure due to military activities in Georgia, but it resumed operations in November 2008. However, a section of the Baku-Supsa pipeline is currently under the control of pro-Russian separatists in South Ossetia (Meena, 2018:4).

c) The Baku-Tbilisi-Erzurum Gas Pipeline (BTE gas pipeline), finalized in 2007, has the capacity to convey up to 20,000 million cubic meters of gas annually, covering a distance of 980 kilometres from the Caspian Sea to Erzurum, Turkey, along the same route as the BTC oil pipeline. There is a potential for the BTE gas pipeline to eventually link with Turkmenistan through the Trans-Caspian Gas Pipeline (TCGP) project, which is offshore. The objective of these initiatives is to diminish reliance on Russian transit routes. Regarding this matter, Putin clarified the legal considerations pertaining to the Caspian Sea. He emphasized that any decision made by the European Union concerning the Trans-Caspian pipeline and the Caspian Sea must have the consensus of the Caspian five; otherwise, it would be deemed illegitimate (Center for economic and social development, 2012).

In 2011, Russian Prime Minister Medvedev warned that “any construction of pipeline planned by Turkmenistan and Azerbaijan, supported by EU, will not be acceptable until the legal status of the Sea is resolved by the five littoral states of the Caspian” (German, T. 2014: 22).

Russia and the United States emerge as primary contenders in the Caspian region, each vying to assert dominance over transportation routes. The Russian-backed "Blue Stream gas pipeline" is viewed as a setback for the American pipeline strategy in the Caucasus and Central Asia. The Blue Stream pipeline is designed to transport natural gas from Russia to Turkey through the Black Sea, bypassing intermediary nations. In this regard, Sergei Lavrov, Russian Foreign Minister in 2008 stated that ‘the Blue Stream project is already operational and economically more effective’ while Nabucco pipeline is connecting Turkey and Austria as an ‘artificial project’ (German, T. 2014: 21).

In this context, the South Caucasus, particularly Azerbaijan, serves as a potential route to Central Asia and East Asia. The Western nations advocate for the South Caucasus to host pipeline projects, envisioning a Fourth Corridor that aims to reduce reliance on Russian gas. This involves importing Azerbaijani gas, as well as gas from Turkmenistan and Kazakhstan, through pipelines crossing the Caspian Sea and traversing Azerbaijan and Georgia towards Europe.

The oldest and most ambitious proposal is the Nabucco project, initially connecting Erzurum to Austria and potentially linking with the BTE gas pipeline, facilitating the transport of Turkmenistan and Iranian gas. Russia, however, prefers Azerbaijan and Turkmenistan to sell gas directly to Russia, a stance underscored by President Medvedev in his early foreign policy endeavours. The operationalization of the Baku-Tbilisi-Ceyhan oil pipeline and the signing of the Nabucco gas pipeline construction agreement in 2006, enabling the transportation of Turkmenistan and Azerbaijan gas through Georgia and Turkey to Europe, altered the Russian Federation's monopoly status as the primary energy supplier to Europe. Some experts emphasize that constructing the pipeline via Georgian territory, bypassing Russia, posed a challenge to the geopolitical ambitions of the Russian Federation (Svante, 2009). Presently, the viability of the Nabucco project is questionable, primarily due to uncertainties surrounding the availability of sufficient Azerbaijani gas. This condition indicates that only smaller initiatives linked to Azerbaijan are realistic within the framework of the Fourth Corridor, such as TAP and potentially SEEP, a scaled-down version of Nabucco. The plan faces impracticality at this time due to geopolitical considerations, a lack of robust EU backing, the presence of the advanced and competitive Russian South Stream project in the Black Sea, the substantial costs associated with the project, and the absence of a prominent Western company in upstream Turkmenistan to advocate for the agreement.



## Exporting Hydrocarbon Resources from Caspian Basin



Source: Azerbaijan International

Resource geopolitics is marked by the imperative to access energy resources and the insatiable desire to accumulate an increasing share of these resources. Scarcity of resources has historically driven geopolitical dynamics, with the strategic location of resources playing a pivotal role in shaping global affairs. The demand for resources necessitates their securitization, commonly referred to as energy security. This concept is evident in historical instances like Hitler's emphasis on controlling energy resources globally.

In contemporary times, energy security, especially the challenge of efficiently transporting resources to global markets, has become a critically important issue. With countries increasingly relying on hydrocarbon imports rather than domestic resources, the security of energy supply has broader implications for state security. Disruptions in the supply chain can significantly undermine a country's economy (German, 2009: 345).

The issue of energy security is a significant driving factor in global politics. As highlighted earlier, it encompasses the interdependence of national security, economic security, and environmental security. Energy holds a crucial role in a country's national security, serving as the fuel to drive its economic engine. In many instances, energy security is synonymous with a nation's overall security and stands as a pivotal element in security concepts. Recognizing the political influences on the economic aspects related to energy is crucial, especially in times when there are concerns about achieving sustainable economic development and ensuring energy security.

The dynamics of international politics can impact bilateral oil trade, and recent instances of political upheaval and regime changes in oil-producing nations, such as Egypt and Libya, can significantly alter the global oil

trade patterns (Mityakov, Heiwai Tang and Kevin K. Tsui, 2011:4). Since the early 1990s, when the initial wave of "Caspian fever" emerged, new discoveries of oil, such as the Kashagan fields in Kazakhstan, and gas, like the Shah Deniz field off the coast of Azerbaijan, have significantly increased the total of "proven" reserves. It's important to note that, in comparison, the proven oil reserves for the entire Caspian region are less than one-third of those for Iran or Iraq, and the proven gas reserves are approximately half of Qatar's. However, when considering potential reserves, especially given the unsettled legal status of the Caspian, much of the region remains unexplored, making the totals much more impressive. At the upper end, these potential reserves could rival the proven reserves of Saudi Arabia or the combined proven reserves of Iran and Iraq.

In terms of gas, Turkmenistan's total possible reserves match the proven reserves of Saudi Arabia, and when considering the entire region, the possible reserves equal the combined proven reserves of Saudi Arabia, Iraq, and the United Arab Emirates. While earlier assertions of a "new Persian Gulf" may have been overstated, the potential oil reserves alone exceed the proven reserves of Venezuela, Nigeria, Libya, and Norway combined, marking a substantial addition to the world's energy markets (Kubicek, 2013:172).

Furthermore, as the region's energy production is anticipated to experience significant growth, its global economic importance is poised to escalate. According to Rosemarie Forsythe, a current U.S. diplomat serving at the U.S. Mission to the EU in Brussels, the Caspian region stands as one of the largest untapped energy sources globally, holding estimated reserves of 200 billion barrels of oil and 7.89 trillion cubic meters of natural gas. Both offshore and onshore deposits contribute to substantial volumes of oil and natural gas resources in the Caspian region. In 2012, the EIA (U.S. Energy Information Administration) estimated the Caspian's holdings at 48 billion barrels of oil and 292 trillion cubic feet of natural gas. Consequently, it was projected to produce an average of 2.6 million barrels per day of crude oil and lease condensate in 2012, constituting approximately 3.4% of the total global supply.

Offshore fields account for about 41% of the total Caspian crude oil and lease condensate (19.6 billion barrels) and 36% of natural gas (106 trillion cubic feet). The majority of offshore oil fields are situated in the northern part of the Caspian, while offshore natural gas reserves are located in the southern part of the Caspian Sea. As of December 2014, the Caspian's proven oil reserves stood at 298.6 billion barrels, representing over 17% of the world's total proven oil reserves.

	Oil		Natural Gas		Coal	
	Billion Barrels	R/P Ratio	Trillion Cubic metres	R/P Ratio	Billion Tonnes	R/P Ratio
Azerbaijan	7.0	22.6	1.2	68.8	-	-
Iran	157.8	>100	34.0	>100	-	-
Kazakhstan	30.0	48.3	1.5	78.2	33600	309
Russia	103.2	26.1	32.6	56.4	157010	441
Turkmenistan	0.6	6.9	17.5	>100	-	-
<b>Region Total</b>	<b>298.6</b>		<b>86.8</b>		<b>190.6</b>	
<b>(% of World)</b>	<b>(17.6%)</b>		<b>(46.4%)</b>		<b>(21.4%)</b>	
<b>World</b>	<b>1700.1</b>	<b>52.5</b>	<b>187.1</b>	<b>54.1</b>	<b>891.5</b>	<b>110</b>



[Source:http://www.iaee.org/baku2016/submissions/OnlineProceedings/Baku%20](http://www.iaee.org/baku2016/submissions/OnlineProceedings/Baku%20Conference%20Proceeding%20Paper_Nathaniel%20Babajide.pdf)

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The Caspian basin's hydrocarbon resources have become a focal point for international political and economic competition for three primary reasons. Firstly, the post-Soviet states in the region, which endured years of neglect during Soviet rule, faced a pressing need for technology and capital to harness their resource wealth. Secondly, the Caspian basin, being landlocked, relies on pipelines or shipping agreements through neighbouring states to transport oil and gas to global consumers. At the time of the Soviet Union's dissolution, the only pipelines from Soviet lands directed north to Russia: an oil pipeline from Baku to the Russian port of Novorossiysk on the Black Sea; an oil pipeline from Kazakhstan connected to the Russian pipeline network; and the Central Asia Centre gas pipeline that transported gas from Turkmenistan, Uzbekistan, and Kazakhstan to Russia.

Thirdly, the Caspian states are newly independent with uncertain sources of domestic legitimacy, weak military capabilities, poorly functioning economies, and the potential for civil or external conflicts. These conditions create opportunities for outside powers to exert influence in geopolitical competition, leveraging the vulnerabilities of these states (Kubicek, 2013:172-173).

The American approach to the post-Soviet territory was shaped by the idea, advocated by Brzezinski, of establishing "geopolitical pluralism" in that region (Torosyan, Tigran and Arax Vardanyan, 2015: 560). US President Ronald Reagan stated that "the first historical dimension of the American strategy . . . is the conviction that the United States' most basic national security interests would be endangered if a hostile state or group of states were to dominate the Eurasian landmass –which area of the globe often referred to as the world's heartland" (National Security Strategy of the United States, 1988).

The increasing commercial engagement of the United States in Caspian oil production and its efforts to strengthen its presence in the South Caucasus region have multiple objectives: a) to diminish Russia's influence in the region; b) to constrain Iran and regulate the interactions of Armenia, Azerbaijan, and to a lesser extent, Georgia, with Iran; c) to foster shared interests in the Middle East, particularly with Turkey as a strategic partner and ally. Simultaneously, escalating tensions between regional powers and the U.S. are anticipated to exacerbate security challenges in the South Caucasus; d) to decrease future reliance on Persian Gulf oil by facilitating the diversification of global oil supplies. Zbigniew Brzezinski highlights a significant distinction between the Eurasian Balkans and the outer zone—the former being a power vacuum. While political entities in the Persian Gulf and the Middle East are also unstable, American power serves as the ultimate arbiter in that region. Not

only are these political entities unstable, but they also invite the intrusion of more powerful neighbors, each determined to resist domination by another in the region (Brzezinski, 1997: 74).

The concept of frozen conflicts is linked to a perpetual peace process, stemming from the conflicting interests of numerous actors engaged in the dispute. A defining aspect of a frozen conflict is the establishment of a "quasi-state," possessing its own administration, territory, and population, yet lacking complete international recognition (Kosienkowski, 2008). As per Pal Kolsto, a political entity qualifies as a quasi-state when it fulfils three criteria. Initially, its authorities must exert control over (a majority of) the territory they assert. Secondly, they must actively seek, even if without success, international recognition as a state. Lastly, they must have been in existence for a minimum of two years (Kolsto, 2006:725). The question of international recognition stands out as a defining characteristic in discerning these geopolitical entities. Essential external factors ensuring the persistence of quasi-states involve neighbouring powers that derive benefits from the existence of these geopolitical entities. Quasi-states generally struggle to operate independently and depend heavily on a more robust protector. In essence, a frozen conflict denotes a situation where active armed hostilities have ceased, yet there is no viable resolution to the underlying issues. Concurrently, a quasi-state emerges in the contested territory, backed by a more influential external power and wielded as leverage in the foreign policy of that external actor (Legucka, 2017:82). From an analytical perspective, the term "frozen conflict" is an apparent contradiction, forming a gap between a state of suspension and a potential eruption. This phenomenon creates a blind spot, where situations labelled as frozen may unexpectedly exhibit dynamism. In Ronald Asmus's characterization, these smaller conflicts have the capacity to "shock the world" precisely because global observers have failed to acknowledge the potential for change in situations they perceive as static (Asmus, 2010).

Over the past three decades, the South Caucasus has primarily been characterized by unresolved conflicts, commonly referred to as frozen conflicts. Nagorno-Karabakh, Ossetia, and Abkhazia continue to experience the lingering effects of war. Despite the endeavours of international entities such as the Organization for Security and Cooperation in Europe (OSCE), the United Nations, the European Union, and various non-governmental organizations to address the situation through peaceful means, Armenia, Azerbaijan, and Georgia have yet to establish a security framework that can meet the satisfaction of all three states (Arakelyan, 2017).

The Caspian Sea region is witnessing an escalation in militarization, primarily led by key players like Russia, acknowledged as the frontrunner in this trend. Simultaneously, the United States has also entered the arms race by supporting the naval development of Azerbaijan, Kazakhstan, and Turkmenistan. The presence of undemocratic, corrupt, and unstable governments in the area, the potential establishment of the Russian-led Eurasian Union, the utilization of Caspian oil as an alternative to OPEC and AOPEC oil, NATO's eastward

expansion, enduring historical tensions among local ethnic groups, three tumultuous wars in the South Caucasus, and unresolved territorial conflicts collectively pose current and future threats to the security of the region (Diba, 2010; Kakachia, 2010; Kaleji, 2014).

### **IN FACT, THERE ARE THREE MAIN VERSIONS OF THE CONFLICT'S REASONS:**

The Russian Federation's motivation includes the aspiration to impede NATO's eastward expansion and maintain influence over the post-Soviet space. Additionally, Russia seeks to tarnish Georgia's reputation as a transit state for oil and gas transportation from the Caspian region, aiming to thwart alternative energy routes to Europe such as the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Supsa oil pipelines, the Baku-Tbilisi-Erzurum gas pipeline, and the "White Stream" project. If successful, Russia would effectively be the sole entity controlling energy supply to Europe.

On the other hand, Georgia aims to draw international attention, particularly from NATO and the EU, to the unresolved conflicts within its borders and Russia's perceived inadequate actions. This strategic move is designed to expedite Georgia's NATO membership aspirations (Shelest, 2009:145-146).

The Russian military intervention in Georgia in 2008 not only prompted concerns about Moscow's intentions in its 'Near Abroad' and the future trajectory of its foreign policy but also underscored that seemingly local separatist conflicts can have significant implications for regional relations and the broader international community. Sensationalist headlines suggesting a 'pipeline war' and allegations that Russian forces intentionally targeted the Baku-Supsa and Western-backed Baku-Tbilisi-Ceyhan (BTC) oil pipelines, both of which circumvent Russian territory, supported the argument that Russia's military intervention in Georgia was more focused on controlling strategic energy infrastructure and influencing exports to Europe than the stated goal of 'protecting its citizens' in South Ossetia (referred to as the Putin-Medvedev doctrine) (German, 2009: 344). The Russian invasion of Georgia in August 2008 and the subsequent unilateral recognition of Abkhazia and South Ossetia's independence marked a significant shift in the regional landscape, causing widespread concern among other newly independent nations about Russia's future intentions. Central to Russia's foreign policy objectives is the transformation of the post-Soviet space, and the invasion was, in part, a response to NATO's expansion toward Russia's borders. This strategic move aimed to establish control over its borders, restricting Western access to crucial energy supplies and undermining the Southern Energy Corridor.

The Russian-Georgian conflict has notable implications for energy security in the Black Sea region. Military operations by the Russian army, including the bombing of the oil terminal in Poti and Azerbaijan's oil cisterns on the Baku-Tbilisi-Kars railway line, along with attacks around the Baku-Tbilisi-Ceyhan pipeline, revealed the vulnerability of infrastructure and transportation routes. Beyond physical damage, the conflict had a psychological impact, leading some investors to withdraw from projects related to alternative energy resource

transportation from the Caspian region. This included a slowdown in the realization of the Nabucco project (Shelest, 2009:146).

Russia emerged victorious in its conflict with Georgia, expelling Georgian forces from South Ossetia and Abkhazia. Following this, Russia promptly established diplomatic relations with these regions, recognizing them as sovereign states. Russia currently maintains military bases with a substantial troop presence in both territories. The justification provided by Russia for these actions includes the necessity for peace operations, adherence to the Russian legal system's requirement to defend Russian citizens wherever they are, and agreements signed with South Ossetia and Abkhazia for mutual assistance in the face of external aggression. These territories, in effect, function as de facto protectorates, with the possibility that Russia could annex them at any time. This conflict solidified Russia's influential role in the South Caucasus (Ramos, 2017:7).

Georgia plays a crucial role in the strategic positioning of South Caucasus energy corridors and stands as the primary alternative to the Russian pipeline system for transporting oil and gas from the Caspian Sea and Central Asia. Notably, due to strained Armenian-Azerbaijani relations arising from the Nagorno-Karabakh conflict, no regional strategic pipeline passes through Armenia. Even the Russian gas reaching Armenia relies on a pipeline that traverses Georgia. Russia has actively impeded the establishment of new pipelines through the South Caucasus and Georgia that would bypass Russian territory. In the 2008 war, Russia significantly damaged the Georgian army, responsible for safeguarding oil pipelines, and targeted the main commercial port, Poti, which housed a crucial oil terminal vital to the East-West corridor. Throughout the conflict, only the Baku-Novorossiysk Oil Pipeline remained fully operational, with Russia refraining from attacking any pipeline to avoid upsetting Azerbaijan and Turkey. Consequently, Russia has solidified its position as the primary transit corridor for existing and potential pipelines, thwarting efforts by the United States and Europe to establish alternative import routes from Central Asia that bypass Russian territory and reduce dependency on Russia.

### **RUSSIAN STRATEGY TOWARDS PRESERVING ITS INTERESTS IN SOUTH CAUCASUS REGION:**

According to Zbigniew Brzezinski (2009), “Nor should one ignore the reality that there are serious though not war-threatening – geopolitical conflicts of interests between the US and the Russian Federation”.

Russian achievements in the region, including the implementation of the subsea Blue Stream gas pipeline, are interpreted as outcomes stemming from the perceived shortcomings of the American pipeline strategy in the Caucasus and Central Asia. This observation aligns with the broader trend in Russian foreign policy, which seems, to some degree, to be shaped by the Soviet tradition of viewing relations with the West as a 'zero-sum' game (German, 2009: 355).

Putin's strongly critical address at the Munich Security Conference in 2007 clearly conveyed Russia's increasingly negative stance towards the United States and its global role. The speech included a vehement critique of U.S. foreign policy and its impact on international security. Russia's endeavors to shape events in Georgia and promote the country's autonomy on the world stage can be viewed as part of a broader effort to counterbalance U.S. dominance. In a bid to offset Western influence in the post-Soviet space and maintain its strategic position, the Kremlin has embraced a strategy of coercive diplomacy, particularly towards more resistant countries in the 'Near Abroad.' According to Socor, this approach constitutes a Russian policy paradigm of 'controlled instability' in the Caucasus region, with the ultimate goal of hindering the integration of the South Caucasus into European and Euro-Atlantic institutions (German, 2009: 355-56).

After the dissolution of the Union of Soviet Socialist Republics (USSR), the Russian Federation retained its status as an energy superpower. Nevertheless, in the 1990s, the nation underwent a period of instability and downturn, during which both its international and, more concerningly for Russia, regional influence dwindled. Two decades later, it is claimed that “the Russian foreign and security policy framework is characterized by a regional power that is striving to reacquire the global power it enjoyed during the Soviet era” (translated from Marquina 2012, 6).

In the context of the conflicts in the South Caucasus, Russia has displayed a willingness to exploit cultural differences and the region's multi-ethnic composition to advance its policy agenda. Kornely Kakachia (2010) asserts that Russia has consistently pursued a "Divide and Rule" strategy to undermine the South Caucasus states and achieve its strategic goals. Furthermore, by maintaining the conflicts in Nagorno-Karabakh, South Ossetia, and Abkhazia in a 'frozen' state, Russia has successfully cast uncertainties over the development of the Trans Adriatic Pipeline and other pipelines traversing or planned for the South Caucasus, which align with military objectives. It's worth noting that currently, no pipeline passes through Armenia due to strained Armenian-Azerbaijani relations, providing an additional advantage to Russian geo-energy interests (Ramos, 2017:10). Russia appears poised to take further actions in collaboration with Iran and Turkey to safeguard its presence and influence in the greater Caucasus, countering potential challenges from U.S. and EU-led initiatives like NABUCCO, Georgia and Ukraine joining NATO, and the redirection of Central Asian hydrocarbon resources to Europe while bypassing Russia. While Russia conveys openness to engaging the West on issues like Iran's nuclear program, its primary focus is on bolstering control over the South Caucasus amid growing contradictions between the West, China, and Middle East actors. Notably, Russia's strategic moves, such as extending the lease of its military base in Armenia for an additional 34 years and potentially supplying anti-aircraft missile launchers S-300 to Azerbaijan, underscore its long-term cooperation strategy.

The enduring Soviet legacy and the region's geostrategic importance compel Russia to maintain its regional dominance in the "near abroad." As a result, Russia employs various tools, including the perpetuation of frozen conflicts, to impede Euro-Atlantic integration in the post-Soviet space. Additionally, the pursuit of a hard power policy serves as a supportive mechanism for Russia to uphold its status-seeking ambitions in the ongoing status conflict with the West, a strategy it has actively pursued in recent decades. In response to these dynamics, Russia established the Eurasian Economic Union to counterbalance the EU's interests in the post-Soviet space and establish a mechanism for regional control. The potential loss of control over the South Caucasus energy infrastructure would entail significant economic and political setbacks for Russia (Gvelesiani & Holger Mölder, 2018:154).

Hence, it is reasonable to infer that Russia's initiatives in the South Caucasus and other regions are not motivated by a spirit of partnership or friendship. Instead, these policies are grounded in a strategic approach with the goal of positioning Russia as an ascending rather than declining power. The prospect of a cold peace seems imminent.

*Our hypothesis is that Russia's intervention in the three post-Soviet secessionist conflicts in the South Caucasus has greatly benefited its geo-energy interests.*

## **CONCLUSION:**

In cases where states are driven by the desire to enhance the well-being of their citizens, they may choose to prioritize non-security objectives over engaging in an arms race. Conversely, if security considerations take precedence over non-security goals, it can become a compelling factor leading to potential confrontations (Mearsheimer, 2014:30-52). This rationale underscores the significant interplay between the security and non-security objectives of any state. Specifically, Russia's primary aim is to uphold its strategic dominance as a regional power in the South Caucasus, particularly in light of the increasing Western alignment of regional states and the impediment it poses to their Euro-Atlantic integration. To secure its geo-energy interests, Russia has actively fueled frozen conflicts within its declared 'sphere of privileged interest' following the dissolution of the Soviet Union. This geopolitical strategy aligns with the principles of the Eurasianist ideology, which positions Russia as an alternative power to the West. By sustaining interstate tensions and fostering security dilemmas, Russia aims to impede both regional and Euro-Atlantic integration, hindering progress toward peace and reconciliation in the region. Consequently, the South Caucasus remains characterized by an anarchical security order marked by multiple security dilemmas, serving as a strategic tool for Russia to maintain influence. The geopolitical competition, regional instability, and ethnic conflicts in the Caspian basin have further complicated the situation, attracting the involvement of extra-regional powers in the region (Alam, 2002:23).

Nevertheless, Russia's strategy faces its greatest vulnerability in the South Caucasus, notably in Georgia. The ongoing regional conflicts have acted as obstacles to both regional development and the establishment of



effective international security governance. The Eurasian ideology proposes a resolution to the Caucasus problem through the creation of a multiethnic and multi-religious federation, as outlined by the European Stability Initiative. Instead of adhering to a policy of coercive hegemony, Russia has the potential to adopt a cooperative hegemony approach in the region, working towards fostering unity with the countries of the South Caucasus (Abushov, 2009: 210). Unlocking the Caspian energy resources for global access and the establishment of the Baku-Tbilisi-Ceyhan main oil export pipeline played a pivotal role in shaping the new geopolitical and geo-economic landscape of the Southern Caucasus. Future significant projects, such as the development of the Southern Gas Corridor, the inauguration of the Baku-Tbilisi-Kars railway, and the implementation of the Trans-Eurasian Information Super Highway (TASIM), are set to reinforce the Southern Caucasus region's position as a vital Eurasian nexus. Consequently, the extraction and transportation of oil and gas from the region have evolved into a substantial geopolitical competition involving both regional and external actors. Nevertheless, Russia, given its territorial proximity, historical legacy, and military, economic, or political strength, maintains the leverage necessary to safeguard its interests in the post-Soviet space.

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