
Aspects Of The Caucasus Conflict - You May Not Be Aware Of...

By Armen Kouyoumdjian
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One has to pity the unfortunate timing of the US state of Georgia, for having chosen the very week of the Caucasus conflict to organise a seminar in Santiago about the attractions of the peanut state (considering the natives' weak hold on geography).

Based on my interest and activities in the region, I tried to interest the Chilean media in a more informed coverage of the South Ossetia conflict, but as usual with no response. "No necesitamos asesoras extranjeras", as Mexico's former president Lopez Portillo once declared. Here are some additional thoughts and facts, for anyone who is interested.

PROVOKING THE BEAR

For centuries, Russia has had a defensive fortress attitude, and is extremely touchy of any actual or potential hostility on its borders and "near abroad". The end of the USSR suddenly created a number of such risks, and a power struggle between actors as to which camp they would jump in. Having had to swallow the loss of influence upon such reluctant former allies as Hungary or Poland, things became more serious when the struggle moved onto more threatening ground. The Baltic villages with nationhood ambitions may be irrelevant as risks, but the Islamic republics of Central Asia are not, though its current Muslim battles are in Chechnya. It managed to keep a hold on Belarus, but the Ukraine has been the subject of a deep political struggle. In the Caucasus, Armenia is the only almost unconditional fan (notwithstanding foreign financed groups who try to push towards an alignment with the West). Azerbaijan appears to be firmly in the hands of a family dictatorship financed by energy resources, and backed by neighbouring Turkey and the countries from where the oil multinationals came. Georgia has been the plum prize over which the struggle has been the hottest.

One can discuss for hours as to who bears the blame for conflict, though remember that policing Southern Ossetia was handed over to Russia by the UN. The latest episode is obviously the result of a misplaced Georgian bravado, only comparable to the Argentine invasion of the Falklands/Malvinas, by thinking that there would be no reaction. Russia has now shown, if there was any need to prove it, that it will continue to be the mover and shaker in the area. The whole thing had been simmering for some time, and Russia accused Georgia of helping the Chechen rebels in the past.

GEORGIA

A nation with an old tradition and culture, independent Georgia has nevertheless failed to project itself internationally and modernise. It has no vibrant Diaspora like Armenia, and the only famous Georgian is Stalin, and that says a lot. It has become an uncouth and corrupt place (even by the non exacting standards of the region). It has at least two separatist regions (Abkhazia and South Ossetia), and a third potential one about which people outside the area know nothing. Its Southeast region of Akherkhalaki is mainly populated by Armenians, and was until recently the location of a huge Russian military base, which has had to be evacuated. For the anecdote, Charles Aznavour's family comes from that region. Though there is no formal separatist movement in what is a godforsaken place, becoming even poorer after the closure of the Russian base, the Georgian authorities are

sufficiently paranoid about it to encourage ethnic Georgians from other parts of the country to settle in recent years so as to modify the population mix.

Whereas most people, even youngsters and children, still learn and speak Russian in Armenia, where Moscow TV stations are accessible without cable connection and old street signs in Cyrillic on streets and shops have remained untouched, Georgia has actively pursued a "derussification" policy.

THE ISRAELI CONNECTION

Did Israel mistakenly empower Georgian aggression? The Israelis have been very active in the Caucasus region since the end of the USSR. This takes several forms. In the case of Azerbaijan, they have been the technical partners of the USA and Britain, countries backing their oil multinationals operating in the country, providing on the spot training and intelligence. They have the advantage of possessing a good supply of Russian speakers who emigrated from the region during and after the Cold War, and Russian is still the lingua franca round the place. With Armenia, they have shamefully cooperated with Turkey in Genocide negotiation, enlisting the sometimes reluctant help of Diaspora Jewish organisation. They shall have to atone for that disgraceful attitude one day.

However, the link with Georgia has been the closest. Within the effort to "turn around" the country towards the West and NATO, Israel's military-industrial complex found its niche. The effort gathered momentum from 2001, and has been helped by the close links of Georgian defence minister Davit Kezerashvili with Israeli. He is not only Jewish (as is the minister in charge of "re-integration", Temur Yakobashvili), but actually emigrated to Israel in his youth, and had part of his education there, before returning to Georgia and entering politics. He maintains close links with Israel, and is also very close to the Georgian president. Both he and Yakobashvili are fluent in Hebrew.

His presence and help encouraged Israeli firms such as IAI and Elbit to offer sophisticated equipment, as Georgia went on a shopping spree to modernise its armed forces to NATO standards. They delivered UAVs, upgraded armoured vehicles, and supplied AA systems, communication and other electronic equipment, rockets and ammunition.

The effort was not limited to hardware. Reserve Israeli generals Hirsh and Ziv provided instruction on intelligence, urban combat, etc..even setting up an elite deep penetration unit modelled on the Israeli Sayeret Matkal. Maybe Hirsh was not the most judicious choice as an adviser, as he had to leave the active list as one of the top officers responsible for the 2006 Lebanon debacle. As for Yisrael Ziv, he runs Global CST, a security firm which has been associated with the Ingrid Betancourt rescue operation, and is widely considered as a Mossad arm.

The military flirting between Georgia and Israel was not problem-free. As the planned sales got more sophisticated, the Russians pressured the Israelis and told them in no uncertain terms that they were not amused, and that it would have consequences in other areas of relations between the two countries. The Foreign ministry pressured its Defence colleagues, who had to clamp down on frustrated suppliers. It is also significant that all sales were suspended when the latest conflict started.

The human material they trained was also less than top. The corrupt and unmotivated Georgian military establishment was certainly not the top of the class (news footage of the recent conflict actually shows them looking like a ragtag guerrilla band rather than a disciplined army, not to mention pictures of abandoned military vehicles whose crews seemed to have fled without even

bothering to fight). Still, if it is true that they managed to bring down 19 Russian planes, they must have learned something.

Well apart from the military links, there is also reported to have been quite a bit of business investment from Israel into Georgia.

ENERGY ASPECTS

In my July 30 paper on oil I wrote, referring to the triumvirate of Iran, Russia and Venezuela, "They cannot afford either an interruption in supplies or a collapse in the oil price. They will do everything, and I mean anything, in order to avoid such a possibility". Though Russia did not start the current conflict, it might well have escalated it more than it needed to as a way of reversing the slide in the price of crude, which is off some 20 % from its record highs (Mrs. Bachelet seems to ignore that because on August 13, she said "the price of oil keeps going up"). So far, the price has failed to recover, but Russia may have achieved a more important longer-term objective: to discourage future projects through the Caucasus, competing with its own lucrative business which includes supplying the greater part of all the gas consumed in Europe. Already, BP has shut off two of its pipelines going through Georgia as a "safety measure". Some time ago, Armenia, which has no energy of its own beyond an elderly nuclear station, and whose conflict with Azerbaijan has meant that all the pipelines from the Caspian to the West bypass it, once discreetly reminded the world that several of the lines passed within reach of its long-range artillery, even if they were outside its territory.

The Caucasus has a very old oil tradition. The world's first oil well was drilled in what is today Azerbaijan as far ago as 1847, and by the turn of the century, the Nobels, the Rothschilds and my compatriot Calouste Gulbenkian were all active in the Baku oil fields. Gulbenkian subsequently moved West, and between he and his son Nubar, were instrumental in setting up not only the Iraq Petroleum Company, but also to finally persuade Shell to drill in Venezuela, despite its reluctant chairman who insisted that "my dear Gulbenkian, you know there is no oil in Venezuela". I wonder if comandante Chávez knows this story. Armenians, all ways creative.

Currently, only Azerbaijan has hydrocarbons among the three Caucasus republics, but the region had been planned to transport, in particular as, from Turkmenistan and Kazakhstan to European markets by-passing the Russian network.

THE NEIGHBOURS

I mentioned earlier that Azerbaijan appeared to be in firm hands. In fact, it is full of instabilities. The dictatorial Aliyev Jr. does not have the mettle of his father, though he is as corrupt, and despite the oil and gas wealth, the people are poorer than in Armenia. The mainly Shi'a-Muslim population is divided between a westernised capital dominated by Turkish investors and the oil industry expats, and a countryside where Iranian-financed Islamic Madrasas simmer against the sinners in the capital. A potential time bomb not made any easier by the appearance in recent years of the Salafi ultra-orthodox current of Islam.

Neighbouring Iran also has a large and restive Azeri minority, which Tehran does not want to get any more bright ideas. Despite the common brand of Islam, the Turko-Iranian competition in influence has meant that relations with Iran are somewhat subdued.

Last but not least is the Karabagh conflict, where Azerbaijan not only lost control of the Armenian populated territory given to Azerbaijan by Stalin in an attempt to ingratiate himself to Kemal Ataturk, whom he expected to head a

friendly Communist regime in Turkey (!). In the same war, Azerbaijan also lost 20 % of its territory proper, which is still occupied by Armenian troops, and has created a major refugee problem. Since a mid-90's ceasefire, and despite numerous negotiations, the situation is a stalemate.

For Armenia, the South Ossetia conflict is a good news/bad news situation. The presence of thousands of Russian troops and two bases on its territory, with additional materiel transferred from the closed base in Georgia and thus ready to equip more, is an additional guarantee against any Azeri adventure, now that the Russians have shown that they are ready to act.

On the negative side, the conflict has shown the vulnerability of Armenia to events in Georgia. Though disruptions were kept miraculously to a minimum so far, much of the gas supplies and trade in and out of landlocked Armenia, transit through Georgia. With the Turkish border closed, the only other alternative route is through Iran. It is longer and more expensive. Iran is also an alternative source of gas, with the onset of a pipeline from the south, though it is not clear whether this has yet been connected to the central Armenian network.

The psychological damage is also important. Foreign investors and tourists, already affected by corruption and poor governance in the first instance, and expensive air fares and a strong Armenian currency which has doubled against the dollar in recent years, may become more reluctant. One good move would be to achieve a *motus vivendi* with Turkey to re-open the border, and some progress had been reported in that direction prior to the Ossetian conflict.

THE GREAT POWERS

We Armenians know very well that in geopolitics, distance does not make the heart grow fonder, and when push comes to shove, you are on your own. The Georgians have now found it out at their expense, belatedly. Did they really think, or had someone had told them, as in the attempted Bay of Pigs invasion of Cuba, that they should take the lead in attacking and others would follow? In the event, even the unscrupulous Israelis let them down, and it took several days for the Americans to say tut tut to Russia, not very convincingly. They apparently offered transport to bring back the Georgian battalion from Iraq, and are to send humanitarian aid. Britain's Royal Navy cancelled a joint exercise with Russia. Big deal. The French sent in two planeloads of humanitarian aid, and their busybody president who happened to chair the EU and fancied himself as having brokered an agreement which the Russians planned to play to in any case, for the moment and as they wish. Sarkozy may yet turn out to have played Daladier in the show. At the time of writing, the ceasefire was already under stress.

Anyway, what could the foreign powers do? Attack Russia? The bottom line might be to convince those Eastern Europeans still pondering which side of the fence to jump, that in foreign politics, there are no friends, just interests. As British energy and security specialist John Roberts writes: "Frozen conflicts are simply ice-covered volcanoes".
