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Contacts:

Eppsteiner Str. 2,
60323 Frankfurt am Main, Germany
Tel: +49 69 138 76 684
E-mail: contact@cria-online.org
Web: www.cria-online.org

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EU DEMOCRACY PROMOTION THROUGH CONDITIONALITY IN ITS NEIGHBOURHOOD: THE TEMPTATION OF MEMBERSHIP PERSPECTIVE OR FLEXIBLE INTEGRATION?

Janine Reinhard*

Abstract

This paper examines the EU's usage of conditionality for democracy promotion within the European Neighbourhood Policy and its conditions, possibilities and limitations. In doing so, I will first develop a theoretical framework for analysing mechanisms of democracy promotion in general and conditionality as a state-centred, rational-choice mechanism in particular. I will show that, apart from the attractiveness of the incentives, there are other variables crucial for a successful use of conditionality. Furthermore, conditionality might be used as a promising strategy for the formal implementation of democratic institutions. However, in completing the consolidation of democracy, conditionality is highly limited. The empirical part of the paper will focus on EU democracy promotion in Ukraine and the incentives the EU offers to Ukraine instead of a membership perspective. With the help of this case study it will be discussed whether these elements of flexible integration are suitable for promoting democracy. Examples of such incentives are a visa-free regime, a new enhanced agreement, or a free trade area.

Keywords: *Democracy promotion; democratization; EU External Action; Ukraine; European Neighbourhood Policy*

Introduction

The prospect of European Union (EU) membership is often considered the most successful instrument for the promotion of democracy in post-communist countries. We can observe that all post-communist members of the EU are now more or less consolidated democracies, whilst all post-communist countries outside the EU are still on a path between open authoritarianism and hybrid regimes. As the democratisation of non-Member States is both a normative and strategic aim of the EU, democracy promotion is a main element of its foreign policy. It is reflected in its relations with third countries in general,¹ particularly through the European Neighbourhood Policy.² The

* **Janine Reinhard** is a Research Fellow and PhD-Candidate at the Department for Politics and Management at Konstanz University, Germany. She graduated from Hamburg University, Germany, with a degree in Political Sciences, Eastern European Studies and Public Law. During her research activities she spent time as a Visiting Fellow at Charles University Prague, Czech Republic; International Centre for Policy Studies in Kyiv, Ukraine; and the Taras Shevchenko National University of Kyiv, Ukraine.

¹ European Commission, *Communication from the Commission: The European Union's Role in Promoting Human Rights and Democratisation in Third Countries, COM(2001) 252 final* (8 May 2001), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2001:0252:FIN:EN:PDF> (accessed 10 April 2010).

European Neighbourhood Policy (ENP) was designed in 2003 to “prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation.”³ At the same time, the prospect of membership for countries is restricted by the EU’s limited capacity for further enlargement due to its fear of internal efficiency problems in an enlarged Union. Thus, policymakers have to think about alternative integration models, keeping in mind the normative and strategic aim of the EU to promote democracy and ensure stability, peace and prosperity in third countries, especially as countries like Ukraine, Georgia or Moldova demand a membership perspective and have, according to Art. 49 TEU, a formal right to apply for membership.

Conditionality serves in this context both as a promising tool of the EU to promote democracy and a theoretical framework to explain causalities between the prospect of EU membership and a successful democratisation process in the target country.⁴ As conditionality is based on a “carrot and stick” mechanism, the membership perspective is assumed to be the only attractive “stick”. Following this assumption, critics argue that the European Neighbourhood Policy cannot provide attractive incentives without offering a membership perspective. Thus, the ENP fails to exert a real influence on the democratisation process through conditionality.⁵ Even though the membership prospect might be a promising instrument to promote democracy in external countries, the underlying causal mechanisms have to be identified. Questioning this causality assumption this study seeks to discuss the following question: is conditionality a promising strategy of the European Union to promote democracy in post-communist neighbouring countries without prospects for membership?

In doing so, this paper has two basic lines of argumentation: First, it will show that, apart from the attractiveness of the incentives, there are other variables crucial for a successful use of conditionality. As Schimmelfennig argues, the effectiveness of political conditionality depends on three core conditions: the attractiveness of the incentives, the size of domestic adoption costs, and the credibility of political conditionality⁶. Following this theoretical approach, it will be argued that

² European Commission, *Communication from the Commission: Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, COM(2003) 104 final (11 March 2003), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0104:FIN:EN:PDF> (accessed 10 April 2010); and European Commission, *Communication from the Commission: European Neighbourhood Policy Strategy*, COM(2004) 373 final (12 May 2004), available at http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf (accessed 10 April 2010).

³ European Commission, *Communication from the Commission: European Neighbourhood Policy Strategy*, COM(2004) 373 final. The European Neighbourhood Policy applies to the EU's immediate neighbours (by land or sea): Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine.

⁴ Paul J. Kubicek, *The European Union and Democratization* (London: Routledge, 2003); Marianne Kneuer, *Demokratisierung durch die EU: Süd- und Ostmitteleuropa im Vergleich* [Democratization and the EU: Comparing South- and Eastern Europe] (Wiesbaden: Verlag für Sozialwissenschaften, 2007); Geoffrey Pridham, ed., *Building Democracy? The International Dimension of Democratization in Eastern Europe*, 2. ed. (London: Leicester University Press, 1997); and Frank Schimmelfennig and Ulrich Sedelmeier, eds., *The Europeanization of Central and Eastern Europe* (Ithaca, NY: Cornell University Press, 2005).

⁵ Iris Kempe, “Zwischen Anspruch und Realität: Die Europäische Nachbarschaftspolitik” [Between Vision and Reality: The European Neighbourhood Policy], *Osteuropa* 57:2-3 (2007): 57-68; and Clara M. O’Donnell and Richard G. Whitman, “Das Phantom Zuckerbrot. Die Konstruktionsfehler der ENP” [The phantom of “carrots and sticks”. Structural Deficits of the ENP], *Osteuropa* 57: 2-3(2007): 95-104.

⁶ Frank Schimmelfennig, “The EU: Promoting Liberal-Democracy through Membership Conditionality”, In Trine Flockhart, ed., *Socializing Democratic Norms: The Role of International Organizations for the Construction of Europe* (Basingstoke: Palgrave Macmillan, 2005), 106-126.

that there might be attractive incentives other than the prospect of membership. These alternative incentives are trade agreements (possibly leading to a free trade area), visa-free regimes, special modes of cooperation in certain policy areas or security cooperation enhanced in association or partnership agreements. These elements of cooperation might lead to a high level of integration between the EU and third countries, but do not need to result in full membership. Therefore, these elements can be named as “modes of flexible integration”. Following this, the study will further sketch out this terminology and concept and posit, for the case of Ukraine, its chances and limitations.

The second line of argumentation relates to the mode of action of conditionality itself. In this respect, this study will employ transitions theory to elaborate further conditions under which conditionality might work to promote democracy, which has not been taken into consideration so far. Conditionality might be used as a promising strategy regarding the formal implementation of democratic institutions, but not to complete the consolidation of democracy.

The paper is structured along these lines of argumentation. First, it will provide a theoretical approach regarding conditionality as a tool for EU democracy promotion and discuss the action mode of conditionality. In the empirical part, a case study on Ukraine will outline the limits and chances of conditionality without the incentive of a membership perspective. On this basis, a concept of flexible integration will be suggested, instead of a membership perspective to offer neighbouring countries real, attractive and credible incentives.

A Theoretical Approach towards EU Democracy Promotion and Conditionality

Theorizing External Factors of Democratisation

To assess whether conditionality is a promising strategy to promote democracy, one first has to identify possible causal mechanisms between EU policy to promote democracy and the democratisation process in target countries. Second, one has to give evidence for the EU’s influence. EU democracy promotion in its external relations is a growing research area and the impact of EU enlargement on the democratisation process in new member states was extensively analysed.⁷ More recent studies focus on EU democracy promotion within the European Neighbourhood Policy, a policy explicitly withholding membership perspective. However, a generally accepted explanatory concept for the analysis of democracy promotion giving evidence for the influence of external actors is still missing.

The possible tools and instruments of democracy promotion are various: consultancy, political dialogue and moral support, financial aid, loans or economic cooperation, peace keeping interventions, election observation, and the threat of financial or moral sanctions in case of non-compliance, to name a few.⁸ According to the used instrument, the “sender-recipient relationship”

⁷ Antoaneta Dimitrova and Geoffrey Pridham, “International Actors and Democracy Promotion in Central and Eastern Europe: The Integration Model and its Limits”, *Democratization* 11:5 (2004): 91-112; Schimmelfennig and Sedelmeier, *The Europeanization of Central and Eastern Europe*; Ulrich Sedelmeier, “Europeanization in new member and candidate states”, *Living Reviews in European Governance* 1:3(2006), available at <http://europeangovernance.livingreviews.org/Articles/lreg-2006-3/download/lreg-2006-3BW.pdf> (accessed 10 April 2010).

⁸ Eberhard Sandschneider, *Externe Demokratieförderung: Theoretische und praktische Aspekte der Außenunterstützung von Transformationsprozessen* [Theoretical and Practical Aspects of External Support of Transition Processes], (2003), available at http://www.cap.lmu.de/download/2003/2003_sandschneider.pdf (accessed 10 February 2010).

in democracy promotion differs: on the side of the recipient, it is the democratisation process, which can be divided into actors and phases of the democratisation process. On the side of the sender are external actors, which undertake certain actions to promote democracy.⁹ These actors can be divided into governmental or state actors (national governments, international or regional organisations like the EU, the Council of Europe, the OSCE or the UN) and non-state actors (e.g. non-governmental organisations (NGOs, foundations, interest groups). Depending on the actors involved and actor constellations (state-to-state, society-to-society, state-to-society) different mechanisms of democracy promotion are in place. Every instrument depends on different modes of action, reaches different actors and stages of the democratisation process and, consequently, needs different theoretical basis and analytical tools on which to conduct research.

The mere coincidence between EU policy and the democratisation process in a country does not provide evidence for influence. The causal links and mechanisms between the external EU policy and the domestic democratisation process have to be identified. To deepen the insight of these mechanisms and its interaction with the democratisation process, we can learn much from theories of international relations (IR), which have to be cross-fertilized with theories of democratisation and transition. Results from the field of democratisation and transitional studies can be used to disaggregate the democratisation process and split it into different stages, to operationalize the term “democratisation” (see part 0). Theories of international relations give us insight into possible interactions between external influences and internal development, in general. Regarding democracy promotion, they seek to answer the question of how external influences can exert leverage on the democratisation process. Two main schools of thought in IR theory, the realist and the constructivist models, also serve as the two main theoretical models behind studies of democracy promotion: the realist model conceptualized democracy promotion as a state-centred, rational process of inter-state bargaining about interests and power on the basis of cost-benefit calculations of the involved actors. The influence on the democratisation process can be top-down. The constructivist strand views international or transnational cooperation on the basis of socialisation processes, mutual learning and convergence of democratic ideas and norms. This model sees the role of an external actor in offering social exchange and bottom-up initiatives, for example, by supporting civil society or local administration. In the literature on democracy promotion, conditionality and convergence are named as the main causal mechanisms¹⁰. The first is related to the realist school and an external incentive model, whereas convergence is based on social, indirect processes of social learning and diffusion. This paper focuses on the membership prospect as an incentive for democracy promotion through conditionality. Thus, the consequences of a missing membership prospect for democracy promotion through convergence are not taken into consideration in this incentive-based analysis.

However, in the ongoing debate a link to transitional theory is missing. It should be argued – building on the second line of argumentation in this study – that the promise of conditionality as a strategy to promote democracy does not depend only on the conditions derived from a cost-benefit analysis. One has to take into consideration the stage and actors of the democratisation process to estimate the chances of success of a certain strategy, which asks for combining insights from IR and transitions theory.

⁹ The external context as an additional external influence on democratisation is not taken into account in this paper. The external context concerns the international scenery like power constellations, geographical circumstances or political “events” like wars, revolutions etc.

¹⁰ Schimmelfennig, “The EU: Promoting Liberal-Democracy through Membership Conditionality”; and Laurence Whitehead, *The International Dimension of Democratization: Europe and the Americas*, 2. ed. (Oxford: Oxford University Press, 2001).

How Does Conditionality Work?

Conditionality can be defined as an agreement between two actors, in which actor 1 offers a reward to actor 2.¹¹ This reward is granted if actor 2 fulfils certain conditions. In the case the conditions are not met by actor 2 the reward is simply withheld (*positive conditionality*) or punishment follows (*negative conditionality*). To exert conditionality as a reward-based policy between two actors, asymmetric negotiation power has to be in place: actor 1 has to be able to offer attractive incentives which actor 2 wants to have and cannot achieve easily otherwise.

When analysing social interaction from an incentives- and interest-based position, conditionality is first of all understood as a mode of action. Additionally, it can be used purposely as a political strategy to exert a reward-based policy between two political actors and to institutionalize asymmetric interaction. Conditionality can be used to promote democracy by combining attractive rewards with certain conditions of democratic development. In this case, this study will adopt the term “democratic conditionality”.

Hence, conditionality as a political strategy depends on a number of basic conditions. Two actors have to be in place with certain interests. These actors are state governments or governmental international/regional organisations. They have to be capable of acting in general, plus acting rationally on a reliable cost-benefit calculation. The incentives offered by one actor can be either social (national and international prestige and appreciation) or material (financial aid or trade liberalisation), but they have to be of certain attractiveness for actor 2. Following, the main characteristics of conditionality are outlined:

- Conditionality is a top-down approach acting in a state-to-state constellation.
- Conditionality works on a formal, direct, short-term level.
- Conditionality depends on clear conditions; compliance with these conditions can be observed and measured.

Under Which Conditions is Conditionality a Promising Strategy for Democracy Promotion?

Apart from the attractiveness of the incentives, there are other variables that are crucial for a successful use of conditionality as a political strategy. These conditions will be derived from IR-theory and from transitional theory. Following the first line of argumentation, the tested hypotheses of Schimmelfennig/Sedelmeier and Kubicek will be presented, who assume a cost-benefit calculation of the actors involved.¹² In this context, six conditions have to be taken into account when assessing the promise of conditionality to promote democracy:

1. ***Attractive incentive.*** The incentives offered by the external actor have to be attractive for the target country or, as Kubicek stated, “carrots must constitute a sizeable stick”.¹³ These

¹¹ Jeffrey T. Checkel, “Compliance and Conditionality,” *ARENA Working Paper Series* 18 (2000), available at http://www.arena.uio.no/publications/wp00_18.htm (accessed 10 February 2010).

¹² Schimmelfennig and Sedelmeier, *The Europeanization of Central and Eastern Europe*; and Kubicek, *The European Union and Democratization*.

¹³ Kubicek, *The European Union and Democratization*, 17.

rewards can be material (trade liberalisation, financial assistance, military protection) or social, such as international recognition or public praise.¹⁴

2. **Credibility.** The “carrots and sticks” offered must be real.¹⁵ The external promoter must be able and willing to realise and withhold the incentive in accordance to democratic performance of the target country. Credibility needs clear, measurable criteria and evaluation mechanisms including time-frames to provide a credible, comprehensible procedure¹⁶.
3. **Low adoption costs.** The merit gained from the incentives has to be higher than the adoption costs of fulfilling the conditions. The adoption costs for a country increase with alternative incentives (see condition 4) and interests of important stakeholders (see condition 6).
4. **Lack of alternatives.** The lack of alternatives for the target country relates to the attractiveness of the incentives offered. When the target country has no alternative possibility to gain the desired incentive, then the attractiveness of cooperation or integration increases.¹⁷ EU conditionality would not be effective if the target government had other sources offering comparable benefits at lower adjustment costs.¹⁸
5. **Asymmetry in negotiations in favour of the EU.** Asymmetry between the EU and the target country results from a lack of alternatives for the target country. But at the same time it demands from EU side no serious interests in the target country. Economic and political power between the target country and the EU should be asymmetric in favour of the latter, meaning that target is more dependent on the EU than the EU on the target.¹⁹
6. **Interests of important stakeholders and veto players should not be harmed.** If the incentives offered by the EU can benefit important stakeholders, the adoption costs for the government decrease. If the EU “can find domestic allies, who in turn can apply pressure to the existing authorities”,²⁰ EU conditionality is likely to be successful; the other way around, if democratisation is against the favour of important veto players, the likelihood of compliance is weakened due to the higher adoption costs for the target government.

These assumptions are based on a rational-choice model of action and an actor-orientated analysis. From this perspective, actors take their decision to comply with the norms set by the EU following a cost-benefit analysis. The above conditions developed and tested by Schimmelfennig / Sedelmaier and additionally by Kubicek, provide us with useful insights into the possible impact of conditionality in democracy promotion. Unfortunately, a link to transitional theory is still missing.

¹⁴ Schimmelfennig, “Europeanization beyond Europe”, *Living Reviews in European Governance* 4:3(2009), available at http://www.astrid-online.it/Riforma-de/Studi-e-ri/Archivio-25/Shommelfenning_LivRev-Eur-Gov_3_2009.pdf (accessed 10 April 2010).

¹⁵ Kubicek, *The European Union and Democratization*, 18.

¹⁶ Schimmelfennig and Sedelmeier, *The Europeanization of Central and Eastern Europe*, 15.

¹⁷ Kubicek, *The European Union and Democratization*, 18.

¹⁸ Schimmelfennig and Sedelmeier, *The Europeanization of Central and Eastern Europe*.

¹⁹ Jünemann and Knodt, *European External Democracy Promotion* (Baden-Baden: Nomos Verlag, 2007); and Andrew Moravcsik and Milada A. Vachudova, “National Interest, State Power, and EU Enlargement”, *East European Politics & Societies* 17:1(2003): 42-57.

²⁰ Kubicek, *The European Union and Democratization*, 18.

Conditionality and Transitional Theory

The second line of argumentation posts that one has to include the stage of the democratisation process as a condition to estimate the promise of conditionality. The question to address is: at which stage of the democratisation process is conditionality applied best and which democratic deficits can be best aimed at by conditionality?

Pridham noted that the qualitative difference between transition phase and consolidation phase “points to different kinds of external impacts, which these being longer-term and conceivably deeper in the latter case.”²¹ However, he does not provide a systematic theoretical model to analyse these differences. Results from the field of democratisation and transitional studies can be used to disaggregate the democratisation process and split it into different stages, to operationalize the term “democratisation”. From transitions studies we learn that the democratisation process can be divided into three stages: liberalisation, transition and consolidation.²² More concretely, five “arenas of democratisation” can be defined, each dominated by different actors and processes – they identify the area of political society, civil society, bureaucracy, rule of law/functioning judiciary and economic society.²³

As conditionality is a top-down approach in state-to-state constellations (see p. 4) it can only cause changes at the governmental level; the democratisation process can only be influenced top-down, by governmental elites. Important actors of a democratisation process, namely civil society, economic elites, political parties, the administration or judiciary on local or regional levels, cannot be reached through conditionality. In contrast to convergence, conditionality works on formal procedures and negotiations: conditionality depends on clear conditions where compliance can be controlled and measured; the conditions and rewards have to be formulated clearly in intergovernmental agreements and they have to be measurable to evaluate compliance transparently. From these logical assumptions, consequences for democracy promotion through conditionality can be derived: the institutionalisation of formal democratic procedures, of a democratic constitution or the codification of human rights or free and fair election procedures can be formulated as clear conditions. Accordingly, to promote these elements of democracy, conditionality can be a promising strategy. In contrast, elements of democratic consolidation as the spread of democratic norms, a civil society, the establishment of a party system and its root in society or a functioning judiciary accompanied by a judiciary culture can only be marginally influenced through conditionality: the legal framework can be established through the threat of conditionality but not compliance and real implementation. The promises of conditionality for the arenas of democratisation by Linz and Stepan will be discussed in the following:²⁴

- **Civil society.** The EU as an external actor can demand to establish the legal framework for a functioning civil society. But civil society itself lies beyond the scope of governmental

²¹ Geoffrey Pridham, *The Dynamics of Democratization: A Comparative Approach* (London: Continuum, 2000), 296.

²² Guillermo O'Donnell, Philippe C. Schmitter and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore and London: John Hopkins University Press, 1986); Juan Linz and Alfred Stepan, *Problems of democratic transition and consolidation: Southern Europe, South America and post-communist Europe* (Baltimore and London: John Hopkins University Press, 1996); Geoffrey Pridham, ed., *Prospects for democratic consolidation in East-Central Europe* (Manchester: Manchester University Press, 2001), 16-17; and Wolfgang Merkel, “Embedded and Defective Democracy”, *Democratization* 11:5(2004): 33-58.

²³ Linz and Stepan, *Problems of democratic transition and consolidation: Southern Europe, South America and post-communist Europe*.

²⁴ Ibid.

influence as a civil society is per definition non-governmental. The legal framework is crucial for the establishment of a civil society, but more important is the real constitution which can hardly be measured and thus cannot be formulated as a clear condition.

- **Political society.** The same applies for the “political society” (party system, opposition); an external actor like the EU can only demand to establish a supporting, positive legal framework.
- **Free and fair elections.** In contrast, the performance of free and fair elections can be influenced through conditionality. Election procedures are first and foremost based on an election law which is a formal process. The democratic conduct of free and fair elections is measurable as the reports of the Organisation for Security and Cooperation (OSCE) in Europe show.²⁵
- **Rule of law and bureaucracy.** Through conditionality an external actor can demand formal implementation of certain norms but a culture of rule of law and the compliance on local level can hardly be influenced through conditionality. The same applies for bureaucracy or the fight against corruption. A mentality change of state officials cannot be reached by a state-centred top-down approach as conditionality.

As the analysis shows, not all elements relevant for democratic development can be tackled at with a state-centred action mode such as conditionality. In the field of institution-building conditionality seems to be a quite suitable instrument, but in the field of consolidation and in the entrenchment of democratic culture and behaviour, including a civil society, conditionality fails to enjoy certain influence, simply due to its mode of action. Regarding the leading question whether conditionality is a promising strategy to promote democracy it is clear that on a theoretical level, conditionality is a promising strategy to promote the formal institutionalisation of democracy. However, conditionality is not a promising strategy to complete the consolidation of democracy. Following from this, if certain criteria of democracy are not met, other mechanisms than conditionality might be more effective in promoting democracy – regardless of whether the EU offers a membership perspective or not.

Case Study on Ukraine: The Temptation of Membership Perspective or Flexible Integration

This paper will now focus on the incentives the EU offers to Ukraine instead of a membership perspective. It will be discussed whether these incentives are suitable for a successful promotion of democracy. Ukraine is an appropriate case study for the following reasons: after the eastward enlargement of the European Union, Ukraine became a neighbouring state of the EU of geographical, geo-strategic and economic importance. While democracy is far from being fully realized, Ukraine represents a comparatively hopeful development towards democratic standards in some areas. Furthermore, a EU membership perspective for Ukraine is – at least theoretically – far from being absurd, taking into account that countries like Turkey, Serbia or Albania have a concrete

²⁵ OSCE/ODIHR, *Election Observation Mission Report: Ukraine Parliamentary Election of 26 March 2006* (23 June 2006), available at http://www.osce.org/documents/odihr/2006/06/19631_en.pdf (accessed 10 April 2010); and OSCE/ODIHR (2005), *Election Observation Mission Final Report: Ukraine Presidential Election of 31 October, 21 November and 26 December 2004* (11 May 2005), available at http://www.osce.org/documents/odihr/2005/05/14224_en.pdf (accessed 10 April 2010).

membership perspective and that Art. 49 TEU provides every European state a formal right for application. Additionally, Ukraine has made demands for membership and exerts constant pressure on the EU.²⁶

Nevertheless, Ukraine is only a target country within the European Neighbourhood Policy and bilateral relations are based on a Partnership and Cooperation Agreement (PCA).²⁷ As the EU is not willing to offer membership yet, it is a main challenge to design a suitable alternative policy towards Ukraine. After a short overview about the democratic development and EU-Ukraine relations the conditions derived in part 0 will be employed to discuss the prospect of the mechanism of conditionality for EU democracy promotion in Ukraine.

The Democratic Development in Ukraine

Ukraine cannot be classified as a consolidated democracy. Independence from the Soviet Union and the comparatively late adoption of a post-Soviet, formal-democratic constitution were the first steps to democracy. But the continuity of old elites and formal and informal institutions hampered Ukraine's democratic development from the very beginning of the transformation process.²⁸ The reports of "Nations in Transit" indicate continuing shortcomings in the fields of electoral procedures, civil society, the independence of the media, democratic governance, an independent judiciary, and combating corruption.²⁹

The Orange Revolution after the presidential elections in the winter of 2004/05 was a signal of the Ukrainian citizens' and civil society's movements towards democracy.³⁰ After serious shortcomings in the election process, in favour of candidate Viktor Yanukovich, citizens demonstrated persistently for the elections to be repeated. In the rerun, the reform-oriented candidate, Viktor Yushchenko, won and was elected as president. The following parliamentary elections in March 2006 were framed as a positive litmus test for the prospect of democratic reform in Ukraine after the Orange Revolution. The elections were conducted in a democratic way, but the coalition-building that followed led to Viktor Yanukovich's election as prime minister. Only a few months later, at the beginning of 2007, the coalition failed to work effectively. President Yushchenko dissolved parliament in a democratically and legally dubious manner and new elections took place in September 2007. Again, the elections were conducted democratically and a new government under Yulia Tymoshenko came to power. Recent political developments demonstrate that the consolidation of genuine democracy is far from being realized. However, the country's liberalisation continues at a constant level. Freedom House indicators show that the main democratic improvements in Ukraine after the Orange Revolution are in the fields of democratic elections, freedom of the media, and civil society; slight improvements can be identified in the area of national government. However, areas like corruption, local government or rule of law failed to improve after the Orange Revolution.³¹ In the next section it remains to discuss whether the outlined democratic improvements from 2004 onwards can be traced back to the influence of the EU.

²⁶ Georgia is the only country among the ENP providing a similar case design as Ukraine.

²⁷ European Communities and Ukraine, Partnership and Cooperation Agreement (1998), available at <http://www.delukr.ec.europa.eu/en/Data/pca-eng.pdf> (accessed 10 April 2010).

²⁸ Paul D'Anieri, *Understanding Ukrainian Politics: Power, Politics, and Institutional Design* (Armonk, NY: Sharpe, 2007).

²⁹ Freedom House, *Nations in Transit: Country Report Ukraine* (2006), available at <http://www.freedomhouse.org/template.cfm?page=47&nit=409&year=2006> (accessed 5 April 2010).

³⁰ Anders Aslund and Michael McFaul, eds., *Revolution in Orange: The Origins of Ukraine's Democratic Breakthrough* (Washington D.C.: Carnegie Endowment for International Peace, 2006).

³¹ Freedom House, *Nations in Transit: Country Report Ukraine, 2006*.

EU-Ukraine Relations and the Use of Democratic Conditionality

Official relations between the EU and Ukraine are based on bilateral agreements which could potentially exert conditionality. The main bilateral agreement and legal basis for cooperation is the Partnership and Cooperation Agreement (PCA), which came into force in 1998. The Action Plan (AP), which came into force after the Orange Revolution in February 2005, is the most relevant document to identify possible incentives and conditions for recent times. The PCA will be replaced by a New Enhanced Agreement, on which the EU started negotiations with Ukraine in March 2007.

Can democratic changes from 2004 up to now be traced back to EU policy? Does the EU apply democratic conditionality in EU-Ukrainian relations? Evidence shows that after the Orange Revolution, the EU used conditionality to promote democracy in Ukraine: before the Orange Revolution, incentives and conditions were formulated very vaguely and were not clearly related to each other, as an analysis of the Action Plan shows.³² Some incentives are mentioned, as participation in the EU's internal market, possible negotiations for a Free Trade Agreement, financial assistance, security cooperation, support in the implementation of the *acquis* or participation in EU's cultural, academic and social exchange programmes.³³ In return, the EU prioritizes a democratic conduct of the presidential and parliamentary elections (2004, 2006), the settlement of the Transdnistriean conflict, an improvement of the conditions for foreign investments, and the preparation for WTO membership, an agreement on readmission and the use of nuclear energy.³⁴ However, in the Action Plan, the conditions were defined so broadly and vaguely that Ukrainian governments might not know precisely which changes are required of them and which measures would satisfy EU conditions.

Directly after the Orange Revolution, the EU (precisely the General Affairs and External Relations Council) clarified the incentives and conditions and linked them to each other in the *ad hoc* offered 10-point-plan to Ukraine.³⁵ In this document, the democratic improvements are explicitly named as the motivation to "enhance and concretise the incentives: "[the] new commitment to democracy and reforms opened new prospects for EU-Ukraine relationship."³⁶ Further: "As Ukraine makes genuine progress in carrying out internal reforms and adopting European standards, relation between the EU and Ukraine will become deeper and stronger." Thus, an ex-post democratic conditionality is in place, albeit a membership perspective was not under consideration.

The second important step towards democracy was the democratic conduct of the parliamentary elections in March 2006. After the elections the EU realized some of the announced incentives. Following this pattern of democratic conditionality, the EU enhanced the incentives after the third important step, the forming of a government (August 2006). Negotiations on a New Enhanced Agreement were launched in October 2006, while in March 2007 the negotiations officially started. The establishment of a free trade area and the negotiation on a Free Trade Agreement will be launched, too. Additionally, an agreement for visa facilitation was signed in October 2006, further

³² EU-Ukraine Cooperation Council, *EU-Ukraine Action Plan* (2005), 1, available at <http://www.delukr.ec.europa.eu/files/Action%20Plan%20Text-final-website.pdf> (accessed 10 April 2010).

³³ *Ibid.*

³⁴ *Ibid.*

³⁵ Council of Ministers, *General Affairs and External Relations Council Meeting: Conclusions on Ukraine, Press Release 6420/05* (21 February 2005), available at http://ec.europa.eu/comm/external_relations/gac/date/2005/02_210205_er.pdf#ukraine (accessed 10 April 2010).

³⁶ *Ibid.*

negotiations on visa facilitation will take place.³⁷ As this study has clearly identified by process-tracing and analysing the relevant documents (agreements, EU statements and press releases), there was a set of incentives offered by the EU which became more attractive with an improvement of democracy. The incentives were already on the table before the Orange Revolution. After the Orange Revolution significant changes can be observed in the speed and the political will of realization. Every EU statement maintains that the democratic conduct of the parliamentary elections (in March 2006 and September 2007) was a basic pre-condition for any further cooperation. The rhetoric provides consistency in real EU action – after the democratic conduct of the parliamentary elections in 2006 the main incentives were realized. If the election had suffered serious shortcomings, the EU would not have started negotiations on a New Enhanced Agreement or visa facilitation.³⁸

Despite granting some incentives until the end of 2006, Ukraine's ultimate aims still remain open. It is not clear to which mode of integration the launched negotiations will lead – the negotiations on a New Enhanced Agreement might lead to an Association Agreement (Ukraine's ultimate aim) but might also bring only slight changes in bilateral cooperation. The same applies for the launched negotiations on a Free Trade Agreement: it might lead to a free trade area between the EU and Ukraine but could also be on a much lower level of cooperation. The visa facilitations are an improvement for Ukraine, but at the same time far from the ultimate aim: a visa free regime, like Ukraine offers to EU-citizens. The open question is whether these incentives are suitable to support democratic development through conditionality. Are the granted incentives – named *elements of flexible integration* here – really less attractive to Ukraine than membership prospects?

Elements of Flexible Integration vs. Membership Perspective – the Ukrainian Case

It now remains to conduct an assessment of the granted incentives and to distinguish it from the missing incentive of a membership perspective. The conditions about the use of conditionality have to be in place, to identify a potential influence of the EU by these incentives: the more conditions in place for a certain incentive to be successful, the higher the potential leverage of conditionality. An analytical assessment of the *potential* influence cannot give valid information in the *real* influence the EU has or had on Ukraine. As the assessment of *real* influence is a methodological challenge in social sciences, it may help to provide an analytical framework that allows the assessment of the existence of conducive context conditions. The following table (1) shows the results of an examination of relevant EU incentives and conditions about its potential efficiency. A condition is given (+), not given (-) or the assessment is mixed (+/-).

³⁷ Jakub Boratynski et al., *Questionable Achievement: EC-Ukraine Visa Facilitation Agreement* (Warsaw and Kiev: Stefan Batory Foundation, 2006), available at <http://www.batory.org.pl/doc/ec-ukraine-visa-facilitation-agreement.pdf> (accessed 10 April 2010).

³⁸ This confirms a high representative of the Delegation of the European Commission in Kiev in a personal interview (conducted on 05.09.06).

Table 1– Possible Interplay of Incentives and Conditions EU-Ukraine

<i>Conditions</i> <i>Incentives</i>	Attractive Incentive	Low Costs to fulfil the Conditions	Lack of Alternatives for Target Country	Asymmetric Negotiations in favour of the EU	Interest of Stakeholder	Credibility
Free Trade Agreement/ Free Trade Area	+	-	-/+	-/+	+	+
New Enhanced Agreement	+	-/+	-/+	+	(?)	+
Visa Facilitation/ Visa Free Regime	+	-/+	+	+	-/+	+
Membership Perspective	+	-	-/+	-/+	-	-

Note: (+) = condition given; (-) = condition not given; (-/+) = mixed; (?) = no estimation available

As the table shows, a granted membership prospect does not provide a guarantee for successful democratisation in the target country. Taking the rational-choice base of conditionality seriously, one has to state that the membership perspective is not a panacea for successful democracy promotion through conditionality, as the stated conditions are by the majority not in place, respectively the result is mixed.

Free trade agreement/Free trade area. A free trade agreement might lead to a free trade area between the EU and Ukraine. As a free trade area opens the EU internal market for Ukrainian export products, this can be assessed as an attractive incentive.³⁹ At the same time, the costs to fulfil the relevant conditions are high: legal approximation in the field of quality standards, consumer protection, intellectual property rights and environmental standards, to name only a few, have to be undertaken, which is costly for Ukraine.⁴⁰ In this respect, a prerequisite for a free trade area is accession to the WTO, which demands further reforms and legal adjustment. A free trade area with the EU is in the interest of the oligarchs, as they hope for better trading conditions. They are the most important stakeholders and at the same time possibly the greatest beneficiaries of a free trade area. This reduces the costs to comply with European conditions. The results regarding alternatives for Ukraine and asymmetric negotiations are mixed. Russia offers an alternative integration space, and with the Single Economic Space (SES), an alternative area for economic cooperation. This reduces the asymmetry in negotiations between the EU and Ukraine in favour of the latter. Even though economic integration with the EU is financially more attractive than integration with Russia, Ukraine has with the SES an alternative and thus a better negotiation position towards the EU. The existence of these both conditions is mixed.

³⁹ Olga Shumylo, “The Debate on the EU Membership Prospect of Ukraine,” *Europeum Working Paper* (2007), available at <http://www.europeum.org/doc/pdf/859.pdf> (accessed 10 April 2010); and Olga Shumylo, “Ukraine and the European Neighbourhood Policy: Ensuring the Free Movement of Goods and Services”, *CEPS Working Document* 240(2006), available at http://shop.ceps.eu/BookDetail.php?item_id=1315 (accessed 10 April 2010).

⁴⁰ Shumylo, “Ukraine and the European Neighbourhood Policy: Ensuring the Free Movement of Goods and Services”, 7.

New Enhanced Agreement. To assess the attractiveness and costs of a new enhanced agreement between the EU and Ukraine is difficult, as the scope of this currently negotiated agreement is very broad. It could preserve the status quo, but might also lead to a substantive association of Ukraine with the EU. To evaluate the possibilities of real alternatives to a membership prospect we presume here a maximum of possible integration areas within the new enhanced agreement. This would be an attractive incentive for Ukraine, as it enhances the level of cooperation. The costs are hard to estimate as they vary among policy fields. In general they should be lower as for a full membership in the EU, which requires the implementation of the whole *acquis communautaire*; this is only partially necessary in the framework of an association agreement. Russia might be an important integration space not only in economic issues but in various policy fields, such as energy or security policy and thus an alternative for Ukraine. Nevertheless, the possible degree of integration with the EU contains more incentives than with Russia.⁴¹ Hence, an alternative exists, but the European option is more attractive for Ukraine, which leads to a mixed assessment. Ukraine has a great interest in negotiating a new enhanced agreement with the EU and is in the weaker negotiation position. The interest of stakeholders is hard to evaluate by this rough estimation, as it is highly dependent on the respective policy field.

Visa facilitation for Ukrainian citizens/Visa-free regime. Visa facilitation or even a visa-free regime, the maximum aim, might be a part of a new agreement. Due to its importance it is evaluated separately. Definitely, a visa-free regime is a very attractive incentive for Ukraine. The EU did not state any conditions so far. They produce rather low implementation costs, as Ukraine already established a visa-free regime for European citizens. On the other hand, a visa-free regime with the EU might imply the establishment of a visa regime with Russia,⁴² which raises the political and social costs for Ukraine. A visa-free-regime with Russia does not constitute a serious alternative incentive to visa facilitations with the EU. Even though there are many social ties with Russia, especially young people and businessmen who would like to travel and work in Europe. From this it follows that negotiations on visa facilitation are quite asymmetric in favour of the EU. Interests of stakeholders/oligarchs are not harmed by visa facilitation, provided that the visa-free regime with Russia will not be changed.

Prospect of membership. In general, EU membership is an attractive incentive. Ukraine has stated a few times its interest in joining the European Union and a majority of the political elite shares this aim, at least officially.⁴³ In any case, the prospect of membership would have a positive symbolic meaning for the population and the international business and foreign investors and, thus, is an attractive incentive. The oligarchs as important stakeholders wish for, first of all, integration into the internal market of the EU, independence from the Russian market and accession to the European Single Market. As EU membership would enhance participation in the internal market, they do not oppose membership. But the political conditions of EU membership would marginalize their influence: in a democratic system, economic elites should not determine the political process, as they do in Ukraine.⁴⁴ All in all, the oligarchs as important stakeholders are not in favour of EU membership, as they can gain the same benefits from a less costly free trade area.

⁴¹ Elena Kropacheva, "Ukraine as a Bone of Contention between Russia and the West" (Paper presented at the ECPR Graduate Conference, Colchester, Essex, 7-9 September, 2006), available at <http://www.essex.ac.uk/ecpr/events/graduateconference/papers/9/74/kropacheva.pdf> (accessed 10 April 2010).

⁴² However, one has to keep in mind that the EU might demand a stricter visa regime or immigration policy to protect the EU's external borders and the Schengen Area.

⁴³ Shumylo, "The Debate on the EU Membership Prospect of Ukraine".

⁴⁴ Heiko Pleines, "Informelle Einflussnahme und Demokratie: Wirtschaftsakteure in Russland und der Ukraine" [Informal Influence and Democracy: Economic Actors in Russia and Ukraine], *Osteuropa* 55:1 (2005), 99-108.

Despite the likely support of oligarchs, an EU membership perspective might lead to high internal and external costs. First, costs of adjustment due to the adoption of the *acquis communautaire* and extensive political and economic reforms. Additionally, only 43 per cent of the Ukrainian population support integration into the EU without reservations,⁴⁵ which raises the political costs for an EU-friendly government. The costs related to Ukraine's external relations can be named as the "Russian factor": on the one hand, the benefits from an EU-membership are attractive and unique, like financial aid from EU funds and participation in the European decision-making process, plus the benefits related to the internal market and visa-free regime outlined above. However, these advantages exclude benefits Ukraine currently enjoys from Russia, such as a visa-free regime, participation in the Single Economic Space (SES) and energy supplies.⁴⁶ Additionally, the EU has a certain interest in integrating Ukraine. The EU depends on energy supplies from Russia that are transferred through Ukraine. A Russian-friendly Ukrainian government might hamper the supplies. It follows that the "Russian factor" provides Ukraine an alternative to the negotiated agreement with the EU and thereby reduces asymmetries between the EU and Ukraine in favour of Ukraine. One might argue correctly that full integration with the EU is more attractive than with Russia. However, in the short term, Ukraine has to burden many costs arising from the accession process itself and additionally from the costs arising from the "Russian factor".

The Russian Factor. The main burdens for the attractiveness of the incentive "membership perspective" are the high costs Ukraine has to carry. The so called "Russian factor" raises the costs for Ukraine to comply with European standards and conditions.⁴⁷ Three central aspects have to be considered:

- *Social Relations with Russia.* First, the costs resulting from integration into the EU are comparatively higher for Ukraine than for the Central European accession countries: politically and economically these countries were not as closely related to Russia as is Ukraine,⁴⁸ second, their populations were unambiguously pro-European.⁴⁹ Due to the large number of Russian people living in Ukraine and the close historic, cultural and social ties, the social costs of EU integration are much higher for Ukraine than for CEECs.
- *Economic Relations with Russia.* The second aspect of the "Russian factor" is advantageous for Ukraine, but at the same time lowers the effectiveness of EU conditionality. Russia and the Commonwealth of Independent States (CIS) as an alternative integration space for Ukraine lessens the asymmetry in negotiations. The Central and Eastern European countries did not have such an alternative integration space. Taking into account that the EU has a certain interest having Ukraine in its sphere of influence, Ukraine can assert pressure to lower the adoption costs. At the same time, the adoption costs for integration with Russia are lower: from a material point of view, participation in the Single Economic Space may not be as attractive as

⁴⁵ This number is from 2006, compare Shumylo, "Ukraine and the European Neighbourhood Policy: Ensuring the Free Movement of Goods and Services".

⁴⁶ The basement of the Black Sea Fleet on the Crimea offers Ukraine a possibility to negotiate further gains, like cheaper energy supplies.

⁴⁷ Shumylo, "Ukraine and the European Neighborhood Policy: Ensuring the Free Movement of Goods and Services".

⁴⁸ Margot Light, John Löwenhardt and Stephen White, "Russia and the Dual Expansion of Europe", *ESCR Policy Paper* 02(2000), available at <http://www.one-europe.ac.uk/pdf/LightP2.PDF> (accessed 10 April 2010).

⁴⁹ The Baltic States fit only partly in this pattern: They had quite close economic and social ties with Russia, but the majority of the population was pro-European. Despite a high number of Russian people living in these states and former membership in the USSR, identification with Soviet rule was not as strong as in most regions of Ukraine. Thus, it is appropriate to suggest that the costs for the Baltic States were also comparatively small.

participation in the European market. On the other hand, the costs are lower: there is no implementation of technical standards or strict consumer protection laws or even the entire *acquis communautaire*. Additionally, language and cultural ties causing lower transaction costs for political and economic actors might lead to an orientation towards Russia.

- “*Carrots*” from Russia. In addition to the factors described above, Ukraine gains further benefits from Russia. Ukraine hosts the Black Sea Fleet on the Crimea Island. This allows Ukraine to exert pressure on Russia and improves its bargaining posture for commodities such as energy supplies. In the long term, EU integration also implies NATO membership. This leads to conflictive situation with Russia and the withdrawal of the Black Sea Fleet. This implies tension between those countries and the withdrawal of the benefits offered in turn. Both issues – the hosting of the Black Sea Fleet and NATO membership – are highly divisive among the population.

The raising costs make it even more difficult for Ukraine to achieve a favourable cost-benefit calculation regarding the offered incentives including a membership perspective. The “Russian factor” raises the costs for Ukraine and thus the attractiveness of the incentives is reduced.

At the same time, the EU might fear losing its influence in Ukraine. The EU needs cooperation with Ukraine as a transit country for energy supplies but also to secure EU frontiers and to fight drug trafficking and migration. As a reaction the EU can and offer certain benefits (like technical assistance, visa facilitation, economic integration) to Ukraine. This demonstrates that Ukraine can pick and choose the benefits and gains offered by both, Russia and the EU: this is a beneficial situation and there is less incentive for Ukraine to change it.

Generalizing the Findings

Presuming that state actor’s behaviour in the target country is based on a strict cost-benefit analysis, EU membership prospective offers under certain conditions fewer real incentives than commonly assumed. This is evident for the case of Ukraine. A free trade agreement with the EU might bring full participation in the common market, including the “four freedoms” (free movements of goods, services, persons and capital); a visa-free regime would bring much facilitation for the population, especially free movement of people, possibly including workers; technical assistance programmes like TACIS already include financial assistance, which could be easily increased. As demonstrated, many interests of Ukraine can be satisfied without an offer of EU membership. Additionally, by staying apart from the EU, Ukraine can avoid high costs of legal adjustment towards the *acquis communautaire* and the threat of a tough and constant monitoring process. Solely, participation in the European decision-making process and a certain prestige of being an EU member state is not included.

All in all, Russia has a negative impact on EU democracy promotion through conditionality. Integration into the EU is costly for Ukraine – both social and material costs are higher that they were for the Central and Eastern European accession countries. This has to be taken into consideration when demanding EU membership for a certain post-communist country in order to support the democratisation process. Conditionality and the prospect of membership are not panacea, but have to be applied carefully to be credible. Under the conditions identified, alternative, rather indirect mechanisms of democracy promotion by the EU like technical assistance or support and training at the society-/NGO-level might be more effective than the simple granting of the prospect of EU membership.

Indeed, granting the membership prospect randomly to several countries will lead to disappointment and decreasing credibility of the EU and, flowingly, the prospect of membership might lose its attraction and credibility in general.⁵⁰ Alternative areas of cooperation might be attractive incentives, have lower adoption costs for Ukraine and increase the credibility of the EU. Depending on the scope and design of these cooperation areas, these incentives can be named and designed as elements of flexible integration.

A Concept of Flexible Integration with the EU for Neighbouring Countries

In principle, the concept of flexible integration is designed to enable member states to establish alternative modes of integration and cooperation within and without the European treaties. Based on this assumption, concepts of flexible integration might be used to handle certain modes of cooperation with non-Member States, going deeper than bilateral cooperation, but concomitantly not resulting in membership of the European Union. These aspects might be incorporated into the design of the “Eastern Partnership”, the current policy towards the EU’s eastern neighbours.

The concept and terminology of *flexible integration* or *differentiated integration* means basically the general mode of integration strategies which try to reconcile heterogeneity *within* the European Union.⁵¹ The concept includes models of differentiated integration *among* member states according to the main models like multi-speed, variable geometry and a so called *à la carte* –integration: *multi-speed* relates, for example, to the European Monetary Union or accession agreements with new member states including temporary transitional periods for certain policy areas. Member States decide to pursue the same policies and actions, but at different times.⁵² *Variable geometry* can be defined as a mode of flexible integration “which admits to irreconcilable differences within the main integrative structure by allowing permanent separation between a core of countries”.⁵³ Third, a mode of flexible integration is *à la carte*, whereby respective member states are able to pick and choose, as from a menu, in which policy areas they would like to participate, while at the same time holding only to a minimum number of common objectives. For example, the United Kingdom and Ireland do not participate in the Social Chapter or the Schengen Agreement, whereas Norway and Iceland do fully participate, albeit being non-EU Member States.

Based on these already existing various models of integration, the EU should establish modes of cooperation with neighbouring countries which differ from the current existing models. In this context a more differentiated graduation of possible integration levels should be pursued. Between the extreme points of a loose partnership and full integration one can identify graduations which can be differentiated in cooperation and integration without membership. Cooperation is about going deeper than a partnership while not reaching the level of integration without membership.

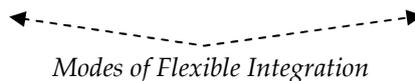
⁵⁰ Turkey is a good example for these consequences.

⁵¹ Alexander Stubb, “A Categorization of Differentiated Integration”, *Journal of Common Market Studies* 34:2(1996): 283; Alexander Stubb, *Negotiating Flexibility in the European Union: Amsterdam, Nice and Beyond* (Basingstoke: Palgrave, 2002); and Katharina Holzinger, “Optimale Regulierungsräume für Europa: Flexible Kooperation territorialer und funktionaler Jurisdiktion” [Optimal Regulation in Europe: Flexible cooperation in territorial and functional jurisdiction], In Christine Landfried, ed., *Politik in einer entgrenzten Welt: 21. wissenschaftlicher Kongress der Deutschen Vereinigung für Politische Wissenschaft* (Köln: Verlag Wissenschaft und Politik, 2001), 153-180.

⁵² See Stubb, *Negotiating Flexibility in the European Union: Amsterdam, Nice and Beyond*, 45-46.

⁵³ *Ibid.*, 48.

Partnership – Cooperation – Integration without membership – Integration with membership



Norway and Switzerland provide some forms of cooperation and elements of “integration without membership” with the EU, albeit being non-Member States. Admittedly, flexible integration with post-communist neighbouring countries differs from flexible integration with Norway and Switzerland regarding the economic capacity of the country, state power and asymmetry in negotiations between the EU and the target country. And democracy promotion, which is the focus of this paper, is redundant in these cases. Nevertheless, derived incentives such as association agreements, a free trade area or a visa-free regime show possible areas of intensive cooperation, possibly even “integration without membership”.

Within the use of conditionality, concepts of flexible integration might be a possibility to face future challenges of the European Union in its cooperation with neighbouring countries and offer attractive modes of cooperation and integration for both sides. One might argue that “flexible integration” is simply a term, which sounds better than “non-membership” but, in fact, does not provide anything more than non-membership and an empty promise. As shown above in the cost-benefit analysis, elements of flexible integration, namely a free trade area or a visa-free regime, can bring advantages for both the EU and the neighbouring country. Both sides gain benefits from each other but at the same time they do not have to carry the costs of rule adoption (target country) or full integration (EU). How to achieve such an absolute-gain distribution for both parties depends highly on the conditions in the neighbouring country and on the design of the flexible integration scheme.

Research on Europeanization can provide information about possible interplays between the EU and member countries. The analytical concept of Europeanization research can be used to analyse interplays between the EU and non-member countries based on modes of flexible integration. Concepts of a “Europeanization beyond Europe”⁵⁴ or EU democracy promotion via “sector-specific co-operation”⁵⁵ might serve in this context as a theoretical grounding for practical implications on how these modes of flexible integration can be designed. Two aspects are central for the establishment of an appropriate policy:

- **Differentiation of policy-areas.** In the context of Ukraine, the incentives like a Free Trade Agreement or a New Enhanced Agreement expand the scope of cooperation or even integration in many policy areas, such as consumer protection policy, environmental policy, migration policy or nuclear policy, to name only a few. Each of them can be designed differently according to the specific difficulties, incentives and costs for both the EU and Ukraine.
- **Credible promises.** A differentiation into specific policy areas would allow the EU to establish credible promises and at the same time credible conditions. The EU has to be willing to offer something and concomitantly to invest resources to control and follow up the progress made in the fulfilment of the conditions. This approach takes the mechanism of conditionality seriously but demands from the EU willingness to realize the promises and at the same time withhold them if conditions are not met.

⁵⁴ Schimmelfennig, “Europeanization beyond Europe”.

⁵⁵ Tina Freyburg, Tatiana Skripka and Anne Wetzel, “Democracy between the lines? EU Promotion of Democratic Governance via Sector-specific Co-operation”, *NCCR Working Paper 5*(2007), available at <http://www.nccr-democracy.uzh.ch/nccr/publications/workingpaper/pdf/WP5.pdf> (accessed 5 April 2010).

Conclusion

This article discussed whether conditionality is a promising strategy for the EU to promote democracy in post-communist neighbouring countries without promising membership. Two lines of argumentation were employed to answer this question. First, the promise of conditionality depends on the stage of the democratisation process and on the democratic deficit at which the EU wants to aim. This allows a generation of prepositions about possible influence of an external democratisation strategy. First, the stages of democratisation in a target country and democratic deficits have to be identified. These deficits can be subordinated due to the criteria developed in transformation theory. Following this, the second step allows to determine which strategy of democracy promotion might be suitable. Regarding conditionality one has to ask if the stated deficit can be reached by conditionality. Second, other variables in addition to the attractiveness of the incentives have to be in place for a successful use of conditionality. As this study demonstrated with the case of Ukraine, alternative incentives are attractive and at the same time less costly than membership. Within the usage of conditionality, concepts of flexible integration might help create attractive incentives and, thus, ameliorate future challenges of the European Union in its cooperation with neighbouring countries⁵⁶. Additionally, the applied set of conditions might be used to analyse the promise of democracy promotion through conditionality without membership perspective for other countries.

⁵⁶ Nevertheless, this article and the derived conclusion are based on a rational-actor model and do not take into account the influence of the prospect of membership if the strict rational-actor model is put into question and modes of social learning or diffusion are exerted to promote democracy.

EU ENGAGEMENT IN CONFLICT RESOLUTION IN GEORGIA: TOWARDS A MORE PROACTIVE ROLE

Mehmet Bardakçı*

Abstract

The EU's role in conflict resolution and peace building has evolved in response to the changes in the international system, the EU's own internal political dynamics, and the EU's capacity and willingness to play a major role in regional and international conflicts. During the 1990s, the EU approached the South Caucasian region the same way it approached the other former Soviet republics. In spite of the enhanced profile of Georgia in EU foreign policy after the Rose Revolution in 2003, the EU was content with providing technical and economic aid to Tbilisi and supporting the negotiations between Tbilisi and its breakaway regions, South Ossetia and Abkhazia. Despite its failure to preclude the outbreak of the conflict, the EU's role in conflict resolution in Georgia has paradoxically been enhanced in the aftermath of the August 2008 Russian-Georgian War. It is, however, important to note that in spite of these positive developments in the EU's role in conflict resolution, Brussels' efforts to promote its visibility in the region is to some extent constrained by the lack of a coherent conflict resolution strategy for the Eastern Neighbourhood, the "capacity-expectations" gap, and an increasingly self-confident Russia.

Keywords: EU Conflict Resolution, ENP, Georgia, Russia, Abkhazia, South Ossetia

Introduction

With the accession of Romania and Bulgaria to the European Union (EU) in 2007, the boundaries of the Union extended to the Black Sea. Thus, stability in Georgia and its neighbourhood became more important for the EU, prompting it to be more attentive to the issue of resolving conflicts in that region. Having previously opted for a complimentary role in the resolution of conflicts in the region, the EU started to become a weightier political actor in Georgia subsequent to the Russo-Georgian Conflict in August 2008.

Georgia is significant for Europe not only due to its position as the transit route for energy originating from the Caspian Sea, but also because of the risks its disputed territoriality could pose to European security. Ensuring the security of the Baku-Tbilisi-Ceyhan oil pipeline (BTC), which carries Azeri oil from the Caspian Basin to the Mediterranean coast in Turkey and the Baku-Tbilisi-Erzurum gas pipeline (BTE), which carries Caspian natural gas to Turkey through Georgia, is important for the security of energy supply for European countries. EU countries are extremely dependent on Russian energy resources, in particular natural gas. Therefore, the safe transportation of oil and natural gas from the Caspian basin to the European countries contributes considerably to the diversification of the EU's energy resources and thus to the reduction of over-dependency on a single source.

* **Dr. Mehmet Bardakçı** is an Assistant Professor in the Department of International Relations at İzmir Gediz University, Turkey.

The security risks posed by the two separatist regions of Georgia, Abkhazia and South Ossetia; the security problems stemming from Georgia's weak-state status following the dissolution of the Soviet Union; and the problems associated with its being a fledgling democracy present non-negligible challenges for EU security and stability. Furthermore, Georgia is located in an area through which illegal transnational activities such as weapons and drugs smuggling, human trafficking, and money laundering are practiced.

Signs of a positive change in the EU's outlook on Georgia were observed in the European Security Strategy (ESS), adopted by the EU in December 2003.¹ One of the notions emphasized in the ESS was that security is of an interdependent nature. Because of the intertwined nature of the internal and external dimensions of security in the post-Cold War era, EU security starts outside of the European borders. The objectives of the ESS include conflict prevention in tough neighbourhoods, the protection of international security on the basis of international law, and bringing stability and security to the countries situated in the European periphery. In the words of the ESS, "our task is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations... It is not in our interest that enlargement should create new dividing lines in Europe. We need to extend the benefits of economic and political cooperation to our neighbours in the East while tackling political problems there. We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region."² In other words, upon the adoption of the ESS, ensuring the security of the countries to the east and south of Europe, which includes the South Caucasus region, became a concern for the EU.

As for the formulation and implementation of conflict resolution policies, institutions within the EU have different roles and functions in this area. The Council of the EU and the European Commission stand out as the two most important bodies of the EU for the formation and implementation of conflict resolution policies. The EU President, the Political and Security Committee, and the High Commissioner for Foreign and Security Policy in the Council of the EU, which enjoys a more political role compared to the European Commission, each give shape to the conflict resolution policies of the EU. The Directorate General of External Relations and the other Directorates General associated with external relations and the EU representatives on the ground are also involved in the conflict resolution activities of the EU. The European Parliament does not have much of an institutional role in conflict resolution issues.

The EU's role in conflict resolution/peace building evolved in response to the changes in the international system, the EU's own internal political dynamics, the EU's capacity and willingness to play a major role in regional and international conflicts. In this study, the role of the EU in conflict resolution in Georgia from the 1990s to the present is examined in a case study to elucidate the EU's conflict resolution policies. The EU's approach to the South Caucasian region in general and Georgia in particular can be roughly divided in three phases: a) the era from the 1990s to the Rose Revolution in 2003; b) the period from 2003 to the Russia-Georgian War in August 2008; and c) the post-August 2008 era.

During the 1990s the EU approached the South Caucasian region the same way it approached the other ex-Soviet republics. It concluded partnership and cooperation agreements (PCA) with these states and supported them technically through the Technical Aid to the Commonwealth of Independent States programme (TACIS). The PCAs signed with Georgia were of economic and

¹ European Council, "A Secure Europe in a Better World: European Security Strategy", (European Council, Brussels, December 12, 2003).

² *Ibid.*, 8.

technical nature; they did not concern political issues until the Rose Revolution of 2003. In addition to the creation of the European Neighbourhood Policy (ENP) and the European Security Strategy (ESS) in 2003, the process following the Rose Revolution in 2003, which accelerated the transition of Georgia from an authoritarian regime to a democratic one on the basis of the European model, helped Tbilisi come to the forefront of Brussels' policy priorities. As a result of the Rose Revolution, the South Caucasian states were included in the ENP in 2004. In this period, EU financial and technical assistance to Georgia significantly increased. In spite of the enhanced profile of Georgia in EU foreign policy, the EU was content with providing technical and economic aid to Tbilisi and supporting the negotiations between Tbilisi and its breakaway regions, South Ossetia and Abkhazia, which took place under the auspices of the UN and OSCE. It was not willing to be actively and directly involved in the conflict resolution negotiations. Rather, its conflict resolution and peace building policies were of long-term nature.

In the aftermath of the conflict between Georgia and Russia in August 2008, Brussels' role in conflict resolution acquired a novel aspect. Despite its failure to preclude the outbreak of the conflict, the EU's role in conflict resolution in Georgia has been paradoxically enhanced following the August 2008 Russian-Georgian War. The pullout of the OSCE monitors from South Ossetia on December 31, 2008, and the UN Observation Mission (UNOMIG) from Abkhazia on July 15, 2009, due to the veto exercised by Russia on the grounds of the refusal of these organisations to recognize the breakaway regions, resulted in the EU becoming the only international body with observers in Georgia. Moreover, the EU started to lead the negotiations held between the conflicting parties in Geneva. This was a significant achievement for the EU which hitherto had taken a timid stance on conflict resolution issues. It is, however, important to note that in spite of these positive developments in EU's role in the field of conflict resolution, Brussels' efforts to promote its visibility in the region is to some extent constrained by its lack of a coherent conflict resolution strategy for the Eastern Neighbourhood, the "capacity-expectations" gap, and an increasingly self-confident Russia.

The study first deals with the conflicts between Georgia and its secessionist areas, South Ossetia and Abkhazia, from the 1990s to the present. The next part of the article focuses on the evolution of the EU's Neighbourhood Policy (ENP) into the Eastern Neighbourhood (EaP). Then the instruments used by the EU to implement its policies in the separatist regions and Georgia are discussed. The following section draws attention to the changing policies of Brussels toward Georgia in the aftermath of August 2008. The final part of the piece is dedicated to factors which prevent the EU from taking an active role in Georgia and its neighbourhood. These factors include the implications of the relations between Russia and the West (EU-Russia relations and US-Russia relations) and the obstacles linked to the internal dynamics of the EU.

Georgia and Conflicts in the Secessionist Regions

Georgia

The surfacing of tension between Abkhazia and South Ossetia and Georgia emerged due to the existence of an environment conducive to ethnic nationalism following the dissolution of the Soviet Union. Abkhazia and South Ossetia, which enjoyed an extensive degree of autonomy during the Soviet era, were faced with Georgian nationalism after the collapse of the Soviet Union. After the Soviet authorities cracked down on a demonstration in April 1989, nationalism in Georgia gained strength, paving the way for the declaration of independence. In August 1991, Georgian was declared as the sole official language. The trend of nationalism was further empowered by the referendum for independence in May 1991 and by the election of nationalist leader Zviad

Gamsakhurdia as president. On the other hand, these developments were a cause for concern for the Ossetians and Abkhazians, who were anxious that they would not be able to persist within Georgia.

Georgian President Michael Saakashvili, who came to power following the elections held after the Rose Revolution, sought, first of all, to ensure the territorial integrity of the country and bring the secessionist regions under Tbilisi's control. Saakashvili's first task was to peacefully put an end to the regime in the autonomous region of Adjara and to make it part of Georgia. While Georgia had obtained vast powers over the region, Adjara had constitutionally maintained its autonomous status. After the success in Adjara, Saakashvili turned to Abkhazia and South Ossetia in an attempt to further consolidate the power of the central administration.

On the other hand, after the nationalist Saakashvili came to power, the tension between Georgia and the separatist administrations in the regions and Russia dramatically peaked. The fact that Tbilisi strove again to seize Abkhazia and Georgia through military means provoked violent conflicts between the parties. For Tbilisi, the underlying obstacle to the resolution of the conflicts was the support lent to the separatist regions by Moscow. Efforts by Tbilisi to isolate the secessionist regions from the world and to single-handedly bring up resolution plans at international fora such as the UN, OSCE and the Council of Europe not only helped reinforce the sense of encirclement among the secessionist regions, but also contributed to the evaporation of what little confidence, if any, had existed between the parties.³

Starting when Moscow imposed an embargo on Georgian wines and continuing until the conflict between Russia and Georgia broke out in August 2008, relations between Russia and Georgia drastically deteriorated. Six months after Russia declared a partial embargo in March 2006, Georgia arrested four Russian officers on the grounds of spying for Russia. Russian authorities retaliated by withdrawing the majority of their diplomatic mission in Tbilisi, by deporting hundreds of Georgian citizens from Russia, by closing air and land traffic, and by suspending postal communication with Georgia.⁴ In the meantime, a few unarmed Georgian drones were shot down in Georgian air space. Moreover, Moscow strengthened its ties with the separatist regions in Georgia.

The Russo-Georgian Conflict started on August 7, 2008, after Georgian forces entered South Ossetia, "to restore the constitutional order," in the words of Saakashvili, and began bombarding Tskhinvali.⁵ Thirty thousand Ossetians fled from South Ossetia to Russia. Russia responded immediately and effectively, launching an attack with a large number of troops. They repelled the Georgian forces from South Ossetia and from the east of the region with the assistance of the Abkhazians and advanced into Georgia proper.⁶ The EU was quick to respond to the conflict. On the initiative of the then head of the EU French President Nicolas Sarkozy, a ceasefire agreement was signed on August 12, 2008. When the war ended, the warring parties accused each other of being responsible for the conflict. While the ceasefire presided over by Sarkozy successfully ended the conflict, and Moscow formally withdrew from Georgia in October 2009, Russia stationed 3,700 troops each in South Ossetia and Abkhazia and declared that it would keep war ships in Abkhazia permanently. Moreover, Russia stated that it would spend \$400 million on the military bases that it

³ Michael Merlingen and Rasa Ostrauskaite, "EU Peacebuilding in Georgia: Limits and Achievements" (working paper, 2009/6, Centre for the Law of EU External Relations, The Hague, 2009), 6.

⁴ Molly Corso, "From Deportations to Wine Embargo, Saakashvili-Putin Chat Changes Little," *Eurasia Insight*, November 30, 2006, <http://dev.eurasianet.org/departments/insight/articles/eav113006.shtml> (accessed March 17, 2010).

⁵ *BBC*, "Heavy Fighting in South Ossetia," August 8, 2008, <http://news.bbc.co.uk/2/hi/europe/7546639.stm> (accessed January 24, 2010).

⁶ For more information regarding the developments during and preceding the war, see for instance: Svante E. Cornell, Johanna Popjanevski, and Niklas Nilsson, "Russia's War in Georgia," Policy Paper, Central Asia-Caucasus Institute, August 2008, <http://www.isdp.eu/files/publications/pp/08/0808Georgia-PP2.pdf> (accessed January 24, 2010).

planned to open in both South Ossetia and Abkhazia.⁷ Military cooperation between Moscow and the separatist regions was further consolidated through an agreement on the joint protection of the borders. In addition, Moscow recognized the independence of Abkhazia and South Ossetia on August 26, 2010.

Following the war, Tbilisi suspended its relations with Moscow, and announced its withdrawal from the Commonwealth of Independent States (CIS). Georgia stated that it no longer recognized the Moscow Ceasefire Agreement signed with Sukhumi in 1994 and the Sochi Agreement of 1992. At the same time, it declared the Russian troops stationed in its territory as “illegal occupation troops”. As for Moscow, the Russian Foreign Minister, Sergei Lavrov, stated that, “Russian forces are on the territory of South Ossetia and Abkhazia at the request of the presidents and parliaments of those republics and on the instructions of the Russian president,” and would stay there for a long time “in order not to allow for the repetition of the Georgian aggression.”⁸ Perhaps one of the most important implications of the conflict with Russia is that it strengthened Georgian aspirations to integrate with the West and join NATO. A few hundred Georgians died in the conflict and 137,000 people were displaced within Georgia. Although most of them managed to return home, some 30,000 Georgians have been unable to return home yet.⁹

The war had negative economic and political ramifications in Georgia. In the aftermath of the conflict, Georgia had to grapple with economic difficulties. A significant portion of the budget was allocated for the reconstruction of civilian and military infrastructure which had been devastated in the war, the inflow of foreign direct investment decreased and inflation rose drastically. In response to the criticism that the regime became authoritarian under Saakashvili, reform efforts were instigated under a banner of a new democratization wave. However, these reforms, which aimed at expanding the freedom of press and increasing the control of the parliament over the government, remained incomplete after the outbreak of the war.¹⁰

On the other hand, one year after the August 2008 War ended, there were signs of a thaw in the relations between Georgia and Russia. In December 2009, Tbilisi accepted an offer made by Moscow to reopen a mountain crossing on the border between Georgia and Russia, which had remained closed since 2006.¹¹ Furthermore, while Russian President Medvedev insisted that relations with Georgia would not officially resume as long as he was in office, he gave the green light that visa-free travel could restart and air traffic could resume.

Abkhazia

The “Georgianization” policy toward the Abkhazians, who were under pressure during Stalin’s rule, continued after Stalin died. When the Soviet Union collapsed, the struggle of the Abkhazians continued, this time against rising nationalism in Georgia.

⁷ *Russia Today*, “Russia to Spend 400 Million U.S. Dollars on Military Bases in Abkhazia and South Ossetia,” November 28, 2008, <http://www.russiatoday.com/ossetianwar/news/33969> (accessed January 24, 2010).

⁸ *Radio Free Europe Radio Liberty*, “Russia Says its Troops to Stay in Georgia for Long Time,” September 9, 2008, http://www.rferl.org/content/Russia_Says_Its_Troops_To_Stay_In_Georgia_For_Long_Time/1197480.html (accessed January 26, 2010).

⁹ Merlingen ve Ostrauskaite, op.cit., 9.

¹⁰ For further details concerning the implications of the war in Georgia and in the wider South Caucasian region see: Nona Mikhelidze, *After the 2008 Russia-Georgia War: Implications for the Wider Caucasus and Prospects for Western Involvement in Conflict Resolution*, IAI0901, Istituto Affari Internazionali, February 2009.

¹¹ *Radio Free Europe Radio Liberty*, “Russia, Georgia Agree To Reopen Border,” December 24, 2009, http://www.rferl.org/content/Russia_Georgia_Agree_To_Reopen_Border/1913157.html (accessed January 26, 2010).

Georgia declared independence from the Soviet Union in 1991 and at the same time put an end to the autonomous status of Abkhazia. In turn, Abkhazia moved to secede from Tbilisi in 1992 and reinstated the 1925 Constitution, which had granted it federal state status during the Soviet era. It also declared that it would secede from Georgia and join the Russian Federation. Georgian troops moved quickly in response and occupied the Gali region of Abkhazia, cutting it off from Russia.¹² The Abkhazians, who were forced to withdraw from the capital Sukhumi, managed to assemble and drive the Georgian forces – except in the Gali and Kodori Gorge regions – out of Abkhazia. They were assisted by Caucasian volunteers and aerial support from Moscow. As a result of the clashes, more than 250,000 Georgians were forced to flee from Abkhazia to Georgia and 10,000 people died.

The clashes were halted after an agreement arranged by Russia in July 1993. Under this agreement the United Nations (UN) set up an observation commission (UNOMIG) to monitor whether the conflicts in the region had stopped or not. Nevertheless, clashes resumed. The ceasefire agreement signed in May 1994 in Moscow between Tbilisi and Sukhumi and the Moscow Agreement on the separation of forces put an end to the bloody clashes. According to the agreement, in addition to UNOMIG, a separate peacekeeping force composed of CIS troops was created. Although an overwhelming majority of Abkhazians voted for independence in a referendum held in 1999, the referendum was not recognized by Tbilisi. The Geneva talks, which began in 1994 to end the clashes, were reinvigorated under the auspices of the UN in 1997. Moreover, the Sochi process continued with the support of Moscow. No significant results came out of these negotiations.

Immediately after the August 2008 war between Georgia and Russia, Abkhazia declared independence. This allowed Abkhazia to apply to be a member of the CIS. Russia recognized the independence of Abkhazia on August 26, 2008. In the aftermath of the war, Russia terminated the CIS peacekeeping force in Abkhazia and froze Georgian membership in the CIS at the CIS Summit in Bishkek in October 2008. A Russian peacekeeping force replaced that of the CIS. The mandate of the UN observers in the region (UNOMIG) ended on July 15, 2008 due to the refusal of Moscow to extend its mandate. After it became independent, Abkhazia granted Moscow the right to station troops in the region under agreements signed with Moscow. The Abkhazian Parliament allowed Moscow to establish a military base in 2009. Moreover, Russia announced that it planned to build a naval base in Abkhazia.¹³

South Ossetia

While the Soviet Union was dissolving, the first clash between the Georgians and the Ossetians broke out between November 1989 and January 1990, when the Georgian nationalists moved to protect their citizens in the South Ossetian capital of Tskhinvali. Then, South Ossetia boycotted the elections in Georgia in September 1990 and declared its independence from Tbilisi. These developments culminated in an extensive conflict between the Georgian troops and the Ossetians in 1991.¹⁴ At the end of this conflict, many Georgians were forced from South Ossetia to Georgia, while the Ossetians took refuge in North Ossetia. The number of the casualties in the war was 1000;

¹² For more details on the clashes between Abkhazia and Georgia, see: Giorgi Zhorzholiani, Solomon Lekishvili, Levan Toidze and Edisher Khoshtaria-Brossset, *Historic, Political and Legal Aspects of the Conflict in Abkhazia* (Tbilisi: Samshoblo Publishers, 1995) and Svetlana Chervonnaya, *Conflict in the Caucasus: Georgia, Abkhazia and the Russian Shadow* (London: Gothic Image, 1994).

¹³ CNN, "Report: Russia to Build Naval Base in Rebel Region," January 26, 2009, <http://edition.cnn.com/2009/WORLD/europe/01/26/russia.abkhazia.naval.base/index.html> (accessed January 24, 2010).

¹⁴ For detailed information about the conflict between Georgia and South Ossetia, see for instance: International Crisis Group, *Georgia's South Ossetia Conflict: Make Haste Slowly*, Europe Report No: 183, Brussels, June 7, 2007.

the number of displaced people was between 60,000 and 100,000. The well-organized Ossetians, who were supported by Moscow, managed to repel the Georgian troops that occupied Tskhinvali.

The Joint Control Commission (JCC), consisting of North and South Ossetian, Russian and Georgian representatives, was tasked with monitoring the June 1992 ceasefire (the Sochi Agreement). The JCC was financially supported by the EU, and the EU Commission enjoyed observer status in the JCC meetings. At the same time, a 1,500-strong peacekeeping force was formed from Georgian, South Ossetian and Russian troops. In December 1992, the Conference on Security and Cooperation in Europe (CSCE) appointed a mission to resolve the clashes in Georgia through negotiations. In the second half of the 1990s, the JCC achieved partial progress in terms of the demilitarization of the conflict zone and the restoration of confidence. In the Expert group meetings, which began in 1997 under the auspices of the CSCE, a temporary agreement was reached in 1999 on the Baden Document, which lays down the fundamental elements to a political solution. Nevertheless, after the hardliner Eduard Kokoity was elected president in South Ossetia and the moderate Eduard Shevardnadze lost the election for president to nationalist Mikhail Saakashvili in 2003 in Georgia, the status quo, which was relatively stable, was overturned.

After 2004, negotiations in the JCC came to a deadlock. The most important reason for this was the disagreement between the parties over the fundamental causes of the war. According to Tbilisi, the conflict was a political one and a struggle for territory between Russia and Georgia, rather than an ethnic conflict between the Ossetians and Georgians. Moreover, Tbilisi maintained that Russia could not act as a mediator since it had tried to annex Georgian territory.¹⁵

In 2004 the ceasefire between the parties was broken after Georgia dispatched police units to South Ossetia. However, Tbilisi was forced to pull its troops out due to pressure from the USA and Russia. In 2005 the Ossetians turned down a peace plan offered by the Georgian President Saakashvili which ensured the autonomous status of the region to a certain extent.

After the Kremlin recognized the independence of the separatist regions in Georgia following the Russo-Georgian War in the summer of 2008, the de facto President of South Ossetia, Eduard Kokoity, expressed his plans to unite with North Ossetia under the umbrella of the Russian Federation.¹⁶ Russia signed agreements of friendship, cooperation and mutual support both with South Ossetia and Abkhazia. Moscow was granted the right to protect the borders of South Ossetia and Abkhazia in a five-year agreement signed in April 2009.¹⁷ Furthermore, Moscow obtained the right to establish military bases in both of the secessionist regions through defense agreements signed in September 2009. According to these agreements, Russia will deploy 1,700 troops in each of these regions for 49 years and this period may be extended for periods of five years after the agreement concludes. In addition, Russia will protect what is claimed by Abkhazia to be its own territorial waters, but belongs to Georgia under international law.

¹⁵ International Crisis Group, "Georgia's South Ossetia Conflict: Make Haste Slowly," *International Crisis Group*, Europe Report No: 183, Brussels, June 7, 2007, http://www.crisisgroup.org/~media/Files/europe/183_georgia_s_south_ossetia_conflict_make_haste_slowly.ashx (accessed January 26, 2010), 9.

¹⁶ Nona Mikhelidze, "After the 2008 Russia-Georgia War: Implications for the Wider Caucasus and Prospects for Western Involvement in Conflict Resolution," *Istituto Affari Internazionali*, IAI0901, February 2009, <http://www.iai.it/pdf/DocIAI/iai0901.pdf> (accessed January 26, 2010), 6.

¹⁷ Oleg Shchedrov, "Russia takes control of Rebel Borders with Georgia," *Reuters*, April 30, 2009, <http://www.reuters.com/article/idUSTRE53T29H20090430> (accessed February 1, 2010).

The Evolution of the EU's Neighbourhood Policy

The Eastern Partnership Instead of the EU Neighbourhood Policy

The EU's Eastern Partnership (EaP) is a new initiative which started with a joint declaration at the Prague Summit on May 7, 2009. The EaP aims at strengthening the eastern dimension of the ENP through a more structured mechanism. However, one of the most important flaws of the EaP is the continuation of the EU's low profile. Like the ENP, the EaP does not offer the prospect of membership to the six countries to the east of the EU.¹⁸ The EaP has been criticized for being "a typical EU solution - a long-term, technocratic instrument for a region full of short-term crises."¹⁹

The EaP came into existence mainly as a result of the efforts of Member States in the east and north of the EU, namely Poland, Sweden and Czech Republic, who want to strengthen the eastern dimension of the Union in response to the "Mediterranean Project", initiated by France in March 2008 and supported by the Council of the EU. The August 2008 conflict between Russia and Georgia and the natural gas crisis between Russia and Ukraine in January 2009 accelerated the moves by Brussels to intensify its ties with neighbours in the east. As pointed out by the Director General of External Relations of the European Commission, Russia's aggressive policies towards its neighbours make it unavoidable for the EU to strengthen its relations with its neighbours in the east.²⁰

One of the novelties introduced by the EaP is that in addition to the existing bilateral mechanisms, Brussels now also offers its eastern neighbours a multilateral platform in which presidents, prime ministers, ministers of foreign affairs, and senior officials come together on a regular basis. The EU Commission aims to enhance the impact of this new multilateral approach through five major initiatives. These include the Integrated Border Management Programme; SME facility; regional electricity markets, improved energy efficiency and the increased use of renewable energy sources; the southern energy corridor; and response to disasters. Another novelty is the introduction of Association Agreements (AAs), which reinforce the legal dimension of Brussels' integration with its eastern neighbours. With the help of these new mechanisms, the EaP paves the way for the conclusion of comprehensive free-trade agreements. Furthermore, Brussels plans to ease visa restrictions for those countries that fulfill the commitments outlined in the agreements. Comprehensive Institution-Building Programmes (CIBs) constitute another practice that aims to improve the administrative capacity of EaP countries through technical aid and training. Moreover, in addition to multilateral structures, the EaP foresees the utilization of bilateral mechanisms in order to advance cooperation in energy security.

Russia views the EaP as a deleterious initiative aiming to expand the EU's sphere of influence.²¹ But, as the EaP is in its initial phase, Moscow has been left out of it. EU officials were concerned that if Moscow had been included in the initiative from the beginning, there would have been

¹⁸ These countries are Armenia, Georgia, Belarus, Azerbaijan, the Ukraine and Moldova.

¹⁹ Andrew Wilson (ECFR), quoted in Andrew Rettman, "EU Summit Text Loaded with Eastern Tension," *EUObserver*, May 7, 2009, <http://euobserver.com/9/28081> (accessed February 1, 2010).

²⁰ Ahto Lobjakas, "Citing Russian "Aggression," EU Steps Up Neighborhood Plans," *Radio Free Europe Radio Liberty*, January 21, 2009, http://www.rferl.org/content/Citing_Russian_Aggression_EU_Steps_Up_Neighborhood_Plans/1372874.html (accessed February 1, 2010).

²¹ Valentina Pop, "EU expanding its "sphere of influence", Russia says," *EUObserver*, March 21, 2009, <http://euobserver.com/9/27827> (accessed February 1, 2010).

difficulties in terms of its further development.²² However, the EU plans to include Moscow in the initiative over time.

EU Policies in Georgia

1990-2003

During the 1990s, the EU approached the South Caucasus in the same way it approached the other former Soviet republics. It signed Partnership and Cooperation Agreements (PCAs) in 1999 and supported these states within the framework of the TACIS (Technical Aid to the Commonwealth of Independent States) programme. The PCAs concluded with Georgia were essentially economic and technical and did not concern political issues until the Rose Revolution in 2003. The EU assisted Georgia through such programmes and instruments as the European Instrument for Democracy and Human Rights (EIDHR), the European Agricultural Guidance and Guarantee Fund (EAGGF), the Food Security Programme (FSP), Macro Financial Aid (MFA), and the Rapid Reaction Mechanism (RRM). Furthermore, Georgia became a member of Transport Corridor Europe-Caucasus-Asia (TRACECA) and made use of the international energy co-operation programme between the EU, Turkey and countries of the NIS (INOGATE), which facilitates cooperation in oil and natural gas. In addition, the EU took some decisions at the end of the 1990s in order to rehabilitate the conflict region in South Ossetia under the framework of the Common Foreign and Security Policy (CFSP). Overall, however, the EU did not play a high-profile political role: it did not participate in the negotiations held for the resolution of the conflicts and did not directly act as a mediator between the conflicting parties.

It became possible for the European Commission to periodically monitor the three South Caucasian countries, including Georgia, through country strategy papers which were adopted in 2001 and covered the 2002-2006 period.

After Brussels decided to play an active role in the South Caucasus in 2001, the Council of the EU appointed a Special Representative for the South Caucasus (EUSR). In spite of this move, the role of the EUSR was low profile; the Representative did not participate in the negotiations for conflict resolution and was merely entrusted with helping the negotiations.

Because of the financial difficulties and the problems between Armenia and Azerbaijan, the first mission of the European Commission in South Caucasia in 1998 chose Tbilisi as the most suitable place to work. Yet, during the 1990s the EU failed to pursue a coherent policy towards the South Caucasus and Georgia since it was going through an intense reform process and had been preparing for “big bang” enlargement in the 2000s (the Maastricht Treaty in 1993, the Amsterdam Treaty in 1997, and the Nice Treaty in 2000). Moreover, the EU did not devise appropriate foreign policy mechanisms that could make it an influential actor in the region.

Besides, during the 1990s, the EU was preoccupied with the question of how to overcome the implications resulting from the dissolution of Yugoslavia. In addition, many countries such as Russia, Iran, the US and Turkey and international organizations such as the OSCE and the UN were already active in the region and in Georgia. So, as the region was already crowded with international organizations and states, and as Brussels was late to express interest in the region,

²² DGAPaktuell, “The EU-Russia relationship at a turning point,” *Deutsche Gesellschaft für Auswärtige Politik Aktuell*, No: 1, February 2009, http://en.dgap.org/midcom/serveattachmentguid-1ddf8414ba265b6f84111ddbe5ddf162a5f7f417f41/2009_01_dgapaktuell_engl_www.pdf (accessed February 2, 2010).

there was the possibility of clashing interests among the actors. Additionally, the region's geographic distance from the European continent helps explain EU disinterest in the region. As expressed by Popescu, an expert of the region, "overall, Georgia is perceived as being too far from the EU to be really important, while being too close to the EU to be ignored. This resulted in an EU involvement in the conflicts that is gradual, shy and hesitant but still increasing."²³

One of the factors shaping the EU's approach towards the South Caucasus and Georgia is the "Russia first" principle. To put it differently, Brussels was cautious not to offend and lose Moscow through its policies toward the region.

2003-2008

After 2003, Georgia and the South Caucasus started to attract more attention from Brussels. As noted by one observer, "the South Caucasus was promoted from a footnote in the Commission's Wider Europe Communication of March 2003 to an example of a region in which the EU should play a more active role in the European Security Strategy several months later."²⁴ In the meantime, it is important to note that the initiative taken by Finland, Sweden and the Baltic states played a more important role in the increasing interest of the EU in the region than any coherent EU strategy focused on the region.²⁵ Moreover, in the first half of the 2000s the EU had completed its enlargement process and had begun to develop the instruments for ESDP, and thus formed the European Neighbourhood Policy (ENP) and European Security Strategy (ESS) in 2003. The process, which began with the Rose Revolution in 2003, helped Tbilisi to come to the forefront of Brussels and Washington's foreign policy agenda. The belief that, due to the Rose Revolution, Georgia was undergoing a transition from an authoritarian system to a democratic one under pro-Western President Saakashvili increased the sympathy of Brussels towards Tbilisi.

The inclusion of the Caucasian countries in the European Neighbourhood Policy (ENP) only happened after the EU adopted the European Security Strategy (ESS) in December 2003. A major reason for the inclusion of the South Caucasian countries in the ENP was the Rose Revolution in 2003, which resulted in President Shevardnadze resigning in response to a civil society movement and Saakashvili being elected President. The South Caucasian countries were included in the ENP in 2004. The objective of the ENP is "to share the benefits of the EU's 2004 enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned."²⁶ In this way, Brussels seeks to prevent the emergence of new divisions in the European continent and in its neighbourhood.

The EU mainly tried to achieve its objectives in the region through Action Plans. Action Plans, which cover a period of five years, signify a mutual commitment to common values and represent a point of reference for the steps to be taken in future, in particular within the framework of the European Neighbourhood and Partnership Instrument (ENPI). The EU started to negotiate the Action Plan for Georgia in 2005 and negotiations ended in 2006. The Action Plan was approved

²³ Nicu Popescu, "Europe's Unrecognized Neighbours: The EU in Abkhazia and South Ossetia" (CEPS Working Document, No: 260, Centre for European Policy Studies, Brussels, March 2007), 21.

²⁴ Emma J. Stewart, "EU Conflict Management in the South Caucasus: A Preliminary Analysis," (paper presented at the Conference "The EU and the Promotion and Stabilisation of Conflict Settlements" at the University of Nottingham, November 22-23, 2007), http://www.nottingham.ac.uk/shared/shared_icmcr/Docs/stewart.pdf (accessed February 1, 2010), 6.

²⁵ Ibid.

²⁶ European Commission, "European Neighbourhood Policy: Strategy Paper, European Commission Communication," (European Commission, Brussels, 2004), 3.

officially during the EU-Georgia Council for Partnership in Brussels on November 14, 2006.²⁷ The EU foresees the conclusion of the European Neighbourhood Agreements if the Action Plan is successful.

A brief examination of the Action Plan for Georgia demonstrates that Brussels did not pay special attention to the resolution of conflicts, which is vital for Georgia and the region. Rather, the Action Plan emphasizes trade relations and economic and political change in the region.²⁸ The EU disinterest can be largely attributed to the overall EU strategy not to get directly involved in conflicts that have already been crowded by other actors such as the UN and the OSCE. Additionally, the EU's involvement in the conflicts could potentially damage its long-term, soft conflict resolution strategy. It could also be argued that Brussels might have considered that its active engagement in the conflicts could damage its respectability by the other actors in the region and might lead to divisions about CFSP within the EU.

In the Action Plan for Georgia, the EU gives priority to such long-term objectives as the strengthening of democracy, the protection of human rights, the implementation of the rule of law, the introduction of local administrative reforms, and rehabilitation in the field of justice and security.²⁹ The Commission released the first country paper for Georgia along with those of Armenia and Azerbaijan in March 2005. As in the other country reports, the references made to the conflicts in the region in the Country Report for Georgia are vague and not emphasized.

In the meantime, following the Rose Revolution, within the framework of the European Security and Defense Policy (ESDP), the EU made its first civilian appointment to Georgia through the EU Rule of Law Mission to Georgia (EUJUST Themis) in July 2004. EUJUST Themis helped the Georgian government in its efforts to rehabilitate the penal code system.

One of the institutions whose status significantly evolved as a result of the Rose Revolution was that of the EUSR. Although its mandate did not officially change, in practice it became more powerful in Georgia. During the crises in Adjara and South Ossetia in 2004, he paid many visits to the relevant parties and institutions. Due to the Russian veto in 2004, which resulted in the closing down of the OSCE Border Monitoring Mission (BMO), in operation since 1999, a EUSR Office was opened in Tbilisi on September 1, 2005 as a compromise. The tasks of the EUSR Office in Tbilisi were to help rehabilitate the Border Monitoring Mission (BMO) in Georgia and to act as a base for the EUJUST Themis officials, who were entrusted with contributing to the modernization of the penal code system of Georgia. In January 2006, the powers of the EUSR were further expanded. In its new mandate the EUSR acquired a more political role in South Caucasia. Within the framework of this political role, some of the tasks of the EUSR included facilitating the EU's participation in the post-conflict rehabilitation and reconstruction process and helping resolve the conflicts in the region. In the original description of his tasks, he was expected to "assist in conflict resolution, in particular to enable the EU to better support the United Nations [and]...the OSCE." The new mandate required him to "contribute to the settlement of conflicts and... facilitate the implementation of such settlement in close coordination with the United Nations [and]...the

²⁷ *Civil Georgia Daily News*, "EU, Georgia Sign ENP Action Plan," October 3, 2006, <http://www.civil.ge/eng/article.php?id=13747> (accessed February 2, 2010).

²⁸ ENP European Union-Georgia Action Plan, Delegation of the European Union to Georgia, http://ec.europa.eu/delegations/georgia/documents/eu_georgia/booklet_a4_2_en.pdf (accessed April 27, 2010).

²⁹ International Crisis Group, "Conflict Resolution in the South Caucasus: The EU's Role," *International Crisis Group*, Europe Report No: 173, Brussels, March 20, 2006, http://www.crisisgroup.org/~media/Files/europe/173_conflict_resolution_south_caucasus.ashx (accessed April 27, 2010), 12.

[OSCE].”³⁰ In other words, through the EUSR’s new mandate, the EU assumed a more active role in the resolution of the conflicts in the region.

In general, the EU’s policy towards Georgia was designed to provide technical and economic aid to the region and to support the already existing negotiations under the auspices of the UN and OSCE, rather than to resolve the conflicts directly and actively. Brussels preferred long-term and indirect policies regarding the resolution of the conflicts in the region. Despite the increasing profile of the region in the EU after 2003, Brussels deliberately preferred not to exploit the potential of the Action Plans to promote conflict resolution, mainly as a result of the intergovernmental status of the CFSP/ESDP within the EU, which prompted the EU to keep a low profile on controversial policy areas involving conflicts. The EU disinterest was further exacerbated by the rejection of the EU Constitution in French and Dutch referenda in 2005.

Brussels perhaps needed an external shock to expose the flaws of its conflict resolution and peace-building strategy in the region. Regarding the long-term perspective of EU strategies concerning conflict resolution in the region, International Crisis Group stated in its report that “[the EU] believes its main contribution to conflict resolution should be assisting Georgia create a state based on European values and standards, which ultimately could be more attractive to South Ossetia and Abkhazia than independence or closer integration with Russia.”³¹ This strategy became more meaningful after the Russian-Georgian war in August 2008. After the war, South Ossetia and Abkhazia declared their independence from Georgia. From the European perspective, it was necessary to turn Georgia into a rich and democratic European state in order to restore the confidence between Tbilisi, Tskhinvali and Sukhumi and achieve rapprochement among them. However, the war in August 2008 also taught Brussels that it had to be more proactive when it comes to the resolution of conflicts and peace-building if it were to preserve its credibility.

The Post-August 2008 Era

The period following the Russian-Georgian war is a milestone in terms of the role of the EU in the resolution of the conflicts in Georgia. It is a fact that Brussels’ conflict resolution policy failed as the EU was unable to prevent the outbreak of the conflict between Moscow and Tbilisi in August 2008. Yet paradoxically, in the post-conflict era, the EU, under the leadership of France, succeeded in ensuring a ceasefire and increased its visibility in the region by sending observers. In addition, the EU was promoted from “observer” to “co-chairman” in the negotiations between the parties.

The Council of the EU began to be influential in the restoration of peace in the region due to the EU Monitoring Mission in Georgia (EUMM Georgia), the EU’s enhanced role in the Geneva talks, and the sizeable donations pledged during the International Donors’ Conference in Brussels on October 22, 2008. The EU announced that it would donate up to €500 million in aid to Georgia for the 2008-2010 period in order to undo the negative effects of the August 2008 conflict.³²

Since the OSCE withdrew from South Ossetia on December 31, 2008, and the UN Observer Mission (UNOMIG) from Abkhazia on July 15, 2009, due to the Russian veto, the EU Observer Mission became the only international body on the ground in Georgia. This state of affairs rendered more important the role of the EU in peace building. Nevertheless, the EU is walking a tightrope between the regional states and separatist regions in order to not complicate its status in the region. One of the priorities of the EU in the region is to open it to the outside world. In that context,

³⁰ Ibid., 23.

³¹ Ibid., 11.

³² Op.cit. ENP European Union-Georgia Action Plan.

implementing rehabilitation projects and developing dialogue between Tbilisi and the secessionist regions is vital for Brussels to achieve its objectives. While seeking to fulfill these goals, the EU should respect the sensitivities of the Tbilisi administration and keep its relations with the separatist regions within certain boundaries, pursuing a balanced and cautious policy.

Another problem that the EU is faced with is that it has to deal with an unpopular government in Georgia, which to a significant extent lost its political capital due to the war against Russia and the harsh policies it adopted towards opposition movements. This is why question marks arose in EU circles as to whether it was worth taking the risk of satisfying the EU aspirations toward Tbilisi. According to a thousand-page report commissioned by the Council of the EU which was headed by Heidi Tagliavini, the former EU Special Representative to the South Caucasus, it was Georgia that triggered the war in August 2008, even though it was acknowledged that Russia used a disproportional amount of force to repel the attacks of the Georgian troops from South Ossetia.³³

The improvement of relations between the Saakashvili government and the opposition parties is a precondition for ensuring stability in the country. Otherwise, instability will undoubtedly undermine the EU's efforts for peace building. The drift of the Saakashvili administration toward authoritarianism and his restrictions on freedom of expression by pressuring the opposition and the press not only cast doubts over the democratic credentials of the Tbilisi government; crucially, these developments also raise question marks in Brussels as to whether it could do business with Saakashvili.

France brokered a 6-point ceasefire agreement on August 12, 2008. Accordingly, 200 EU observers, who were sent to the region by French President Nicolas Sarkozy, were placed in Georgian territory outside of Abkhazia and South Ossetia. The main mission of these observers is to monitor the situation in the region: to observe whether human rights and the right of return are respected or not.

In the talks taking place in Geneva, supported by the US and under the joint chairmanship of the EU/UN/OSCE, little progress has been achieved. But the parties were able to make some progress at the meeting on February 17-18, 2009. They reached an agreement, albeit limited, on the establishment of a mechanism for preventing possible incidents.³⁴ In the seventh session of the Russo-Georgian negotiations on September 17, 2009, the parties came together in Geneva and signed an agreement which made it impossible to resort to force in resolving disagreements.³⁵ On the other hand, after the eleventh round of talks in June 2010, Abkhazia announced that it had withdrawn from the negotiations on the grounds that no tangible progress has been achieved in the talks.³⁶

There is considerable distance between the positions of Tbilisi and Moscow which is not possible to bridge in the short-term. On the one hand, Georgia maintains that its territorial integrity before the war should be restored. On the other, Russia has stated that it will not pull out from the separatist regions in the short-term and that it deployed its troops there with a long-term perspective. Thus, it

³³ Independent International Fact Finding Mission on the Conflict in Georgia, <http://www.ceiig.ch/Index.html> (accessed April 28, 2010).

³⁴ *Radio Free Europe Radio Liberty*, "Russia, Georgia Reach Deal On Incident Prevention," February 18, 2009, http://www.rferl.org/content/Russia_Georgia_Reach_Deal_On_Incident_Prevention/1495442.html (accessed April 28, 2010).

³⁵ *Radio Free Europe Radio Liberty*, "Russia, Georgia to Seek Deal on Non Use of Force," September 18, 2009, http://www.rferl.org/content/Russia_Georgia_To_Seek_Deal_On_NonUse_Of_Force/1825565.html (accessed April 28, 2010).

³⁶ *Abkhazworld*, "Abkhazia Pulls out of Geneva Talks", June 23, 2010, <http://www.abkhazworld.com/headlines/496-abkhazia-pulls-out-of-geneva-talks.html> (accessed July 26, 2010).

will not be easy to reach a solution between the parties. Although the fact that Russia and Georgia came together to discuss the situation represents progress, it seems that “the links between the separatist regions and Russia will only deepen and intensify as the Geneva Talks continue without measurable progress.”³⁷

The EU and South Ossetia

Brussels plays a much larger role in South Ossetia than in Abkhazia. Because of the perception that the resolution of the South Ossetian problem is easier than the one in Abkhazia, and due to the fact that the South Ossetian problem constitutes a major threat to the security of Georgia and to the functioning of the Georgian state, the EU gave priority to South Ossetia over Abkhazia. Moreover, the fact that EU Member States were not individually and institutionally active for the resolution of the conflict in South Ossetia gave Brussels more room institutionally to maneuver to pursue its own policies in the region. The EU can work comfortably without the concern of a clash between the national policies of the individual EU member states and the institutional policies of Brussels. As for Abkhazia, EU states such as France, Germany and Great Britain are part of the solution process through the UN.³⁸

Since 1998 the EU Commission has had an economic rehabilitation programme in the conflict region in South Ossetia. From 2006, the EU became the biggest donor to South Ossetia and Abkhazia. The EU supported the activities of the Joint Control Commission (JCC) financially. The difference of the EU’s projects in Abkhazia from those in South Ossetia is that EU aid to South Ossetia is linked to political dialogue within the JCC.³⁹ To put it differently, the approval of the four members of the JCC is necessary for the implementation of the EU projects in the region.

Since 1998 Brussels has put into practice a three-staged rehabilitation programme regarding the conflict in South Ossetia. The initial phase of this rehabilitation programme concerns the rehabilitation of drinking water and electric network, and rehabilitation of the schools and Gori-Tskhinvali railway and the final phase involves renovation of the fundamental infrastructure. Brussels sought to rebuild confidence through infrastructure projects in towns in Georgia and Ossetia. The EU aims to create new interdependencies between the communities by encouraging the parties to find common solutions for common problems.⁴⁰

Since 1997 the EU post-conflict rehabilitation programme in South Ossetia has given priority to such infrastructure projects as electric and gas projects and reconstruction of the schools. The total amount of this budget is \$10 million, of which \$2 million was spent for the period between 2006 and 2008. However, following the August 2008 conflict these projects had to be suspended.

The EU and Abkhazia

During the 1990s, with respect to the resolution of the conflicts between Georgia and Abkhazia, Brussels did not do much more than call on the parties to resolve their disputes through peaceful

³⁷ Amanda Akçakoca, Thomas Vanhauwaert, Richard Whitman and Stefan Wolff, “After Georgia: Conflict Resolution in the EU’s Eastern Neighbourhood” (EPC Issue Paper, No: 57, European Policy Center, Brussels, April 2007), http://www.epc.eu/documents/uploads/961937412_EPC%20Issue%20Paper%2057%20-%20After%20Georgia.pdf (accessed July 26, 2010), 19.

³⁸ Op.cit., Europe’s Unrecognized Neighbours, 17.

³⁹ Georgi Kamov, “EU’s role in conflict resolution: the case of the Eastern enlargement and neighbourhood policy areas” (Institute Européen des Hautes Etudes Internationales, Nice, June 2006), <http://www.iehei.org/bibliotheque/memoires/2006/KAMOV.pdf> (accessed May 2, 2010), 62.

⁴⁰ Op.cit., Conflict Resolution in the South Caucasus, 20.

means. However, in time, the EU began to assist the UN with the provision of humanitarian aid and aid for rehabilitation. From 1998 to 2004 it scaled down the volume of its activities in the region because of the deterioration of conditions in the Gali region. During this period, the EU limited its activity in the region to the provision of help to Abkhazia. The EUSR in South Caucasia did not join the Geneva process.

The EU carried out seven projects in Abkhazia. These projects include the economic rehabilitation programme, mine clearance activities, the rehabilitation of the Enguri hydroelectric power plant, humanitarian aid programmes, support of confidence building activities of international non-governmental organizations, and support of the rehabilitation work in Sukhumi and West Abkhazia.

The EU is the biggest donor in Abkhazia. The total amount of aid given to projects such as the rehabilitation of the homes of the IDPs in Abkhazia who returned to Gali, revenue generating projects, social and community support projects and civil society projects is €3.57 million. The EU's contribution to the completed projects, the ECHO humanitarian aid programme, and the Economic Rehabilitation Programme for Abkhazia amount to €5.96 million.⁴¹

Constraints on the EU's Role in Georgia

The Relationship between Russia and the West and its Impact on Georgia

One of the most important obstacles to a larger role for the West in general and for the EU in particular in Georgia is, without a doubt, the strong presence of Russia in the region. Geographically, South Caucasia is closer to Russia and is more important to Russia than it is to the EU. As aptly put by a regional expert, "Russia's higher 'intensity of preferences' in the region makes it readier to commit more political and economic resources to achieve its foreign policy goals in the South Caucasus."⁴² Conversely, even if the EU had more foreign policy instruments at its disposal, as the EU's 'intensity of preferences' is lower, it would be less interested in the region than Russia.

The war in August 2008 revealed that the Kremlin is willing to use force to achieve its objectives in South Caucasia. In addition, Russia's confrontation with Georgia exposed the limitations of the US and NATO and Europe in the region. This war represents an important milestone for Brussels and Washington which requires them to reconsider their current policies and, perhaps, to adopt new policies towards Georgia.

The EU and the US condemned Russia for using disproportional amounts of force in its conflict with Georgia in the summer of 2008 and for extending recognition to Georgia's secessionist regions Abkhazia and South Ossetia. The fact that the response of Europe and the US remained at rhetorical level, that they did not apply any substantive sanctions, and that Russia is not concerned about using force in the region result from the fact that Georgia and South Caucasia are not on the list of priorities of the West and the EU. That the West acquiesced to the composition of a peace corps solely comprising of Russian troops is but one indication of the acknowledgment by the West and the EU that the major player in the region is Russia.

⁴¹ Delegation of the European Union to Georgia "Overview of EC Assistance to People Affected by Conflict in Georgia," Delegation of the European Union to Georgia, http://ec.europa.eu/delegations/georgia/documents/eu_georgia/booklet_a4_2_en.pdf (accessed April 27, 2010).

⁴² Op.cit., Europe's Unrecognized Neighbours, 6.

One of the most important reasons why Russia resorted to hard-power instruments in the Georgian crisis and quickly recognized the separatist areas of Georgia was as a reaction to the West's recognition of Kosovo's independence from Serbia, one Russia's traditional allies. Moreover, many believe that since NATO did not offer a Membership Action Plan (MAP) to Georgia at the NATO Summit in April 2008, the Kremlin chose to take an aggressive posture towards Tbilisi.⁴³

The fact that Russia is a nuclear power and that it has veto power at the Security Council leaves little room to maneuver by Washington and Brussels over the issue of Georgia and the South Caucasus. To oppose Russia would undermine their capacity to pursue more pro-active and influential policies regarding the resolution of the conflicts in the region.

Even if the EU countries are the largest trading and economic partners for Russia, the over-dependence of the EU states on Russia for natural gas constitutes a significant impediment for Brussels to apply tough sanctions towards Moscow. On many occasions Russia proved that it has no problem using energy as an instrument of foreign policy. In the most recent manifestation of this tendency, Russia, in 2009, turned off gas supplies to Ukraine when a pro-Western government was in office. Similarly, Washington also has close collaboration with Russia in the fight against international terrorism, the nuclear disarmament of Iran and North Korea, and the prevention of nuclear proliferation.

EU-Russia Relations and Georgia

In 1999 Brussels and the Kremlin stated that they would form a strategic partnership. At the EU-Russia Summit in May 2005 the parties agreed on the preparation of road maps for the creation of four common spaces. The Common Space on External Security foresees cooperation in securing stability in the regions adjacent to Russian and EU borders (the "frozen conflicts" in Transdniestria, Abkhazia, South Ossetia, and Nagorno-Karabakh).

Some recent developments demonstrate how difficult it has been to achieve the ideal of a "strategic partnership" between Moscow and Brussels. These developments will be decisive in terms of the role Brussels will play in the future in Georgia and in the South Caucasian region. First, the conflict between Georgia and Russia in August 2008 is the first occasion on which Moscow resorted to using force outside its own territory since the dissolution of the Soviet Union. In the period following the conflict, Russian President Medvedev declared a new foreign policy doctrine, which includes the principle of a "zone of privileged interests."⁴⁴ The second important development is that despite the objections from Russia, the US and most EU states recognized the independence of Kosovo; in response, Russia recognized the independence of South Ossetia and Abkhazia. As for the third development, the Russia-Ukraine natural gas crisis caused deep concern in many EU countries about the reliability and security of their energy supply. Moreover, the fact that power is increasingly concentrated in the hands of the executive authority in Russia will undoubtedly continue to affect relations between Russia and the EU. In other words, there is a "clash of norms" between the EU's liberal democratic values and Russia's authoritarian tendencies that is difficult to reconcile in the short-term.

⁴³ Jim Nichol, "Russia-Georgia Conflict in South Ossetia: Context and Implications for U.S. Interests," *CRS Report for Congress* (Publication No: RL34618), 28 October 2008, <http://fpc.state.gov/documents/organization/110841.pdf> (accessed April 28, 2010).

⁴⁴ Arkady Moshes, "EU-Russia Relations: Unfortunate Continuity," *Robert Schuman Foundation*, (European Issues, No: 129), February 24, 2009, http://www.robert-schuman.eu/doc/questions_europe/qe-129-en.pdf (accessed April 28, 2010), 1.

It is possible to identify the current increasing confidence evident in Russian foreign policy and in its dealings with Brussels when compared to the foreign policy concept of 2000. While Russia's foreign policy doctrine in 2000 emphasized that Russia-EU relations are of key importance, the new Russian foreign policy doctrine in 2008 depicts the EU as "one of the major commercial, economic and foreign policy partners."⁴⁵ The relegation of the EU in the new Russian foreign policy concept is but one sign of the increasing self-confidence on the part of Russia. As a result, Russia claimed that the European security architecture needs to be renegotiated. Undoubtedly, the underlying reason for Russia's overconfidence is its dramatic increase in prosperity in the last decade thanks to increases in energy revenues. The EU, for its part, began to take a more prudent line towards Russia given its growing political power. For instance, in April 2008, some EU countries did not accept the accession of the Ukraine and Georgia to the Membership Action Plan at the NATO Summit held in Bucharest. Similarly, even though Brussels condemned the Russian attack on Georgia in August 2008, the bilateral summit between the two was not cancelled and relations continued normally after a short period.

In addition to the Russia factor, another issue which constrains the role of the EU in the region is competition with the other international organizations. Both the UN, which is active in Abkhazia, and the OSCE, which is influential in South Ossetia, pursued somewhat protectionist approaches in the resolution of the conflicts in their own regions and prevented the other actors from becoming influential in the region.⁴⁶ Thus, the EU had to accept a secondary and complimentary role there.

Russian-American Relations under President Obama and the EU Role in Georgia

Another factor that affects the role of the EU in Georgia and in the South Caucasus region is how the US-Russia and NATO-Russia relations proceed. Improvement in Russia's relations with the US would help alleviate the perception of Moscow as a threat in the West and thus facilitate the EU institutions' activities in the region. Indeed, Russia's true source of concern is the US military presence in the Caucasus. Moscow has warmer ties with Brussels than with Washington.

However, the deterioration of Russia's relations with the US and the intensification of geostrategic rivalry in the region do not bode well for the role of Brussels in the region in the intermediate- and long-term. In the short-term, the EU may be in an advantageous position in its relations with Russia given its political edge *vis-à-vis* Washington, stemming from its soft-power status. This makes it different from the hard military power of the US in the eyes of the Kremlin. However, after all, the EU and the US are allies in NATO and their relations are marked by deep-rooted common values such as democracy and free-market economic principles. If Russia-US relations deteriorated the role of the EU, as part of the Western alliance in South Caucasia, would also be affected negatively.

After Barack Obama assumed the American presidency in 2009, the poor relations characteristic of the Bush era were replaced by the beginnings of rapprochement. Obama's new approach of paying particular attention to multilateralism in diplomacy appeared to bear fruit in relations with Moscow. Talks over nuclear weapons between Moscow and Washington were finally concluded successfully and on April 8, 2010 the parties signed a new agreement to replace the 1991 Strategic Arms Reduction Treaty (START), which expired in December 2009. After the agreement is approved by the US Senate and the Russian Parliament, the number of operationally deployed strategic nuclear warheads owned by each side will be reduced to below 1,550 within the next seven years and the

⁴⁵ Ibid., 2.

⁴⁶ Op.cit., After Georgia: Conflict Resolution in the EU's Eastern Neighbourhood, 24.

number of intercontinental delivery systems will be 800 for each.⁴⁷ Closer ties between the US and Russia are surely a development which will positively affect the strategic environment of the EU activities in the region.

Difficulties Associated with the EU Itself

One of the most important factors to negatively impact a more active role for the EU in South Caucasus and Georgia is the ambiguity over what role the EU will assume globally and regionally in the field of security in the next decade. The Common Foreign and Security Policy (CFSP) is not unequivocally supported by all EU Member States. While EU members can more easily cooperate on issues of low politics such as the economy, they still experience difficulties in forging common EU policies in strategic policy areas such as foreign and security policy. Foreign and security policy is, by and large, an area dominated by individual nation-states, despite the encouraging progress made in the CFSP in the recent years. Closely associated with this issue is one Brussels' biggest challenges: "the formation of a coherent and comprehensive 'Eastern Neighbourhood Conflict Prevention and Resolution Strategy' that all the EU institutions and Member States embrace, which is integrated and mainstreamed into all aspects of external relations' policy."⁴⁸ It seems that the EU will need some more time to devise such a conflict resolution and prevention strategy.

Furthermore, the EU's institutional problems limit its influence as an actor in the resolution of conflicts. Every six months the presidency of the Council of the EU changes which often leads to problems of prioritization. As the presidency changes, the policy priorities of the EU change too. Every country gives weight to the problems and security issues in its neighbourhood.⁴⁹ In institutional terms, another significant problem is the lack of coordination between the EU officials in Brussels, the representatives of these institutions in the field, and the representatives of the individual EU member states.

Besides, as the EU, which saw the largest enlargement in its history in 2004, has been experiencing enlargement *fatigue*, it seems unwilling to take bolder steps in the field of foreign and security policy.⁵⁰ The EU has been trying to cope with the issue of adapting its administrative structure to its new boundaries. The integration of the new members into the Union assumed new urgency. The averseness of the European public to further enlargement and to the extension of EU's mandate at the expense of national policies came to a head when the European Constitution, which aimed at turning the EU into an ambitious project, was rejected by the French and Dutch referenda held respectively in May and June 2005. Consensus on the Reform Agreement, a watered down form of the European Constitution, took more than two years. The recent economic downturn, which started in Greece and is expected to continue to Portugal, Spain and Hungary could bring about another round of setbacks in EU integration and empower the isolationist and protectionist tendencies within the EU.

⁴⁷ Pavel Felgenhauer, "Moscow Signs the Nuclear Arms Treaty: Raising Hope for Additional Progress," *Eurasia Daily Monitor* 7(68), April 8, 2010,

http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Bbackpid%5D=169&tx_ttnews%5Btt_news%5D=36245&tx_ttnews%5BbackPid%5D=7&cHash=554e2f082c (accessed April 28, 2010).

⁴⁸ Op.cit., After Georgia: Conflict Resolution in the EU's Eastern Neighbourhood, 37.

⁴⁹ Ibid., 35.

⁵⁰ For a comprehensive analysis of the EU's enlargement fatigue, see: Deniz Devrim and Evelina Schulz, "Enlargement Fatigue in the European Union: from Enlargement to Many Unions," (working paper, Real Instituto Elcano, 13/2009), http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/europe/dt13-2009 (accessed May 2, 2010).

Moreover, another significant issue constituting an obstacle for the EU to play an active role in the resolution of the conflicts in Georgia is the EU's lack of credibility in the region. While the EU offers the South Caucasian countries an opportunity to establish privileged ties with Brussels within the framework of the ENP (now the Eastern Neighbourhood [EaP]), the EU's EaP is far from giving the promise of membership to these states. Therefore, the EU falls short of meeting the expectations of the masses in Georgia, where the overwhelming majority want to see their country as a member of the EU. To put it in the words of one observer, the EU is faced with the deficit of "capacity-expectations" in the region.⁵¹ This undermines the EU's leverage over Tbilisi regarding the resolution of the conflicts. In addition, people have little information about the EU even in Georgia, the most pro-EU country in the South Caucasus. Another significant problem concerning the action plans of the ENP is that the EU could not clearly establish the "conditions-incentives" connection. The action plans are not specific regarding the incentives that are only conditionally available to partner countries.⁵²

Intimately linked with the EU's problem of credibility is another issue besetting the EU's conflict resolution policy in the region: its image problem in Georgia and in the wider South Caucasian region. From the perspective of the Tbilisi administration, the US is a more influential actor in the region when compared to the EU, and more important for the economic development of the country, the empowerment of the Georgian army, and the resolution of conflicts. By contrast, "the EU is seen as being more expert at providing technical assistance, launching capacity building projects, and reading sermons of good behavior than really acting in Georgia's favour."⁵³ Nevertheless, in the post-August 2008 environment, given Brussels' proactive diplomatic stance, the EU's image in relation to the US can be expected to change in a positive direction in the eyes of the Georgians.

The Lisbon Treaty and ESDP

The Lisbon Treaty, which amended the Treaty on the European Union and the Treaty establishing the European Community, was signed by the 27 Member States of the EU on December 18, 2007.⁵⁴ The Lisbon Treaty consists of two treaties: the Treaty on the European Union (the EU Treaty or TEU) and the Treaty on the Function of the European Union (TFEU), which replaces the EC Treaty. One of the primary objectives of the Lisbon Treaty is to upgrade the EU's role in global affairs by rectifying the problem of coherence in the EU's external affairs, which stems from the division of external competences and procedures among the three pillars. With the introduction of the Lisbon Treaty, the EC is integrated into the EU and the EU assumed a legal personality in global affairs.

The Common Foreign, Security and Defence Policy (CFSDP) remains part of the Treaty on the European Union (TEU); all the other EU policies are part of the reformed EC Treaty, the new TFEU. Therefore, even after the introduction of the Lisbon Treaty, it is still rather difficult to harmonize the CFSP with the other EU policies. Except for the so-called "constructive abstention" provision, the Lisbon Treaty keeps intact the unanimity principle for decision-making concerning CFSP/ESDP. Nevertheless, there are a number of improvements in the CFSDP. The role of the High Representative of the Union for Foreign Affairs and Security Policy (HR) was enhanced. He is

⁵¹ Op.cit., EU's role in conflict resolution: the case of the Eastern enlargement and neighbourhood policy areas, 49.

⁵² Op.cit., After Georgia: Conflict Resolution in the EU's Eastern Neighbourhood, 35.

⁵³ Dov Lynch, "Why Georgia matters?" *Paris: Institute for Security Studies*, (Chaillot Paper, No. 89), February 2006, 15.

⁵⁴ For detailed information regarding the Treaty of Lisbon, see: http://europa.eu/lisbon_treaty/index_en.htm (accessed June 20, 2010).

not only the major representative of the EU in all foreign affairs, his task can also potentially overcome the current divide between Community and CFSP external relations. The position of the High Representative for the CFSP was changed to the High Representative of the Union for Foreign Affairs and Security Policy, indicating that the HR represents the Union as a whole and not the collective member states.

Despite this positive development, the fact that the EU is externally represented by different institutions (the HR, the rotating Presidency of the Council, and the President of the Commission) remains an obstacle. As suggested by Blockmans and Wessel, “[the] introduction of a High Representative may improve leadership (of the Union). Much will depend on the HR’s *rapport* with the newly created President of the European Council, who will also be responsible for the external representation of the EU on issues concerning the CFSP.”⁵⁵

Another improvement concerns the extension of possibilities in Common Security and Defence Policy (CSDP). The Lisbon Treaty upgrades the powers of the Union in CSDP by extending, among others, the so-called Petersberg tasks and introduces a novel concept of a collective defence obligation. As a result, the Union can boost its capacity as a military actor through the establishment of Permanent Structured Cooperation and the European Defence Agency, which is currently operational. Furthermore, the so-called “group of the willing clause” removes the possibility of a veto by a small minority of EU states, because, according to this clause, if some Member States are willing to participate in an operation, they may be tasked by the Council with the protection of the Union’s values and interests.

With respect to the peace building aspect of the EU’s external affairs, the lack of a clearly defined peace building strategy remains a problem for Brussels. The formation of a peace building strategy is essential for the EU to play an effective role in this area at the global level. While changes in institutional settings and administrative procedures at the level of the HR or the European External Action Service (EEAS) are steps to be applauded, they may not suffice for a broader EU role in peace building. As Claudia Major and Christian Molling aptly maintain, “[such] a strategy (for peace building) would seek to overcome both the conceptual diversity and the institutional fragmentation in view of coordinating diverse instruments, providing for the appropriate resources and capabilities and assuring their implementation.”⁵⁶

The Link between the Georgia Crisis and ESDP

The ESDP is the EU’s major reservoir of conflict management tools. What, then, is the link between the EU’s involvement in Georgia and the ESDP? To put it precisely, what does the Georgia case tell us about the factors leading to EU engagement in external crises? Three distinct explanations are made on the driving forces behind the ESDP. Some scholars maintain that it was the European states’ aspirations to forge a shared European political identity that led to the formation of the Union’s Common Foreign and Security Policy (CFSP), of which the ESDP is a part.⁵⁷ The second group of explanations attributes the emergence and development of the ESDP to

⁵⁵ Steven Blockmans and Ramses A. Wessel, “The European Union and Crisis Management: Will the Lisbon Treaty Make the EU More Effective?” *Journal of Conflict and Security Law*, vol. 14 (2009): 307.

⁵⁶ Claudia Major and Christian Molling, “Towards an EU Peacebuilding Strategy”, *European Parliament Directorate-General for External Policies*, 2010, http://www.europarl.europa.eu/meetdocs/2009_2014/documents/sede/dv/sede260410peacebuildingstrategy_/sede260410peacebuildingstrategy_en.pdf, (accessed July 23, 2010), 1.

⁵⁷ Stephanie Anderson and Thomas R. Seitz, “European Security and Defense Policy Demystified: Nation-Building and Identity in the European Union”, *Armed Forces and Society*, vol. 33 (2006): 24-42; Frederic Merand, *European*

the European states' desire to balance global US hegemony in the post-Cold War era.⁵⁸ According to some other scholars, the ESDP was formed as a pragmatic response from the European states to emerging crisis management needs.⁵⁹

Regarding the balance of power theory of realists, they are right to say that the shift of the international system from bipolarity to unipolarity when the Cold War ended created the conditions conducive to the emergence of ESDP. However, one could easily put forward a counter-argument: why should the EU today seek to balance a power such as the US which does not pose a threat to it, but rather closely cooperates with it in many international fora to contribute to stability and peace around the globe? In particular, after Barack Obama came to office as the new US president, he paid particular attention to the conduct of international relations on a multilateral basis, in stark contrast to unilateralism of the Bush era. Obama garnered not only the sympathy of the European political elite, but also of the European public. Given the fact that Europe and the US came closer under Obama, it seems inappropriate to speak about a rivalry between Washington and Brussels and, for that matter, of the balancing act of the EU against the US as the underlying reason for its involvement in the Georgia crisis. On the other hand, one should keep in mind that during the French presidency of the EU Sarkozy, who brokered the ceasefire in the Georgian conflict, as an Atlanticist, sought to improve the relations of Paris with Washington. He explicitly expressed a preference for the close cooperation of the EU with NATO, saying that “the Alliance (NATO) must remain the *cadre privilégié* for Europe’s strategic partnership and dialogue with the US.”⁶⁰ Sarkozy has also repeatedly stated that European defence and NATO are more complementary than replaceable.

Constructivist analyses focusing on the European integration process as the main driver behind the emergence of ESDP are not very convincing either, given the difficulty of constructing a common European identity from 27 individual member states with national identities of their own. With respect to the specific case of the Georgia crisis, the EU’s response was a result of the initiative of France, not as a result of collective action of the EU as a whole. In other words, the EU’s involvement in the Georgian crisis was intergovernmental in nature. After all, the Lisbon Treaty, which was signed almost one year before the eruption of the Georgia conflict, keeps the unanimity principle for decision-making concerning CFSP/ESDP. Thus, the EU intervention in the Georgia crisis cannot be viewed as the product of the decision taken in Brussels.

As for liberal argument regarding the ESDP, European public opinion is supportive of national governments’ efforts to promote of liberal and democratic values, to eradicate poverty and to ensure stability in conflict-ridden zones. Brussels seeks to further these values and aims through passive and indirect means with a long-term perspective. The European Security Strategy (ESS) states that “the best protection for our security is a world of well-governed democratic states. Spreading good

Defence Policy: Beyond the Nation State, (Oxford: Oxford University Press, 2008); Ben Tonra, “Constructing the CFSP: The Utility of a Cognitive Approach”, *Journal of Common Market Studies*, vol. 41 (2003): 731-756.

⁵⁸ Robert J. Art, “Striking the Balance”, *International Security*, vol. 30 (2005): 177-185; Robert A. Pape, “Soft Balancing against the United States”, *International Security*, vol. 30 (2005): 7-45; Barry R. Posen, “ESDP and the Structure of World Power”, *International Spectator*, vol. 39 (2004): 5-17; Stephen M. Walt, *Taming American Power: The Global Response to US Primacy*, (New York: Norton, 2005).

⁵⁹ Tuomas Forsberg, “Explaining the Emergence of the ESDP: Setting the Research Agenda”, *Draft Paper prepared for the British International Studies Association Meeting, Cork, December 18-20, 2006*; Jolyon Howorth, *Security and Defence Policy in the European Union*, (Houndmills: Palgrave, 2007); Ana E. Juncos and Christopher Reynolds, “The Political and Security Committee: Governing in the Shadow”, *European Foreign Affairs Review*, vol. 12 (2007): 127-147.

⁶⁰ Antonio Ortiz, “Sarkozy’s Defence Policy: An Early Look”, *Real Instituto Elcano*, ARI 69/2007, June 21, 2007, http://www.realinstitutoelcano.org/analisis/ARI2007/ARI69-2007_Ortiz_Sarkozy_Defence_Policy.pdf, (accessed July 26, 2010), 2.

governance, supporting social and political platform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order.”⁶¹ The reality on the ground is congruent with these ideals, too. The objective of most ESDP operations was to assist in achieving stability and peace in the developing world on the basis of liberal values. As aptly noted by Pohl, “[this] is done both to gain legitimacy domestically by exporting domestic values as well as to appear competent, because the projection of liberal values is believed to contribute to security in the longer run.”⁶² Moreover, as in the case of the Georgian crisis, the development of the ESDP was achieved through various “exogenous shocks.”⁶³ Following the failure of Brussels to thwart the outbreak of war between Georgia and Russia, the EU was forced to respond to this crisis swiftly and effectively. Otherwise, the nascent CFSP of the Union would significantly lose its credibility. In other words, the EU did not want to experience a setback in its backyard that would be similar to its failure to act during the Balkan conflicts of the early 1990s.

Further evidence for the argument attributing the emergence and development of the ESDP to the practical needs of crisis management can be found in the European Security Strategy: “This is a world of new dangers but also of new opportunities. The European Union has the potential to make a major contribution, both in dealing with the threats and in helping realize the opportunities. An active and capable European Union would make an impact on a global scale.”⁶⁴ As a result, the Georgia case seems to confirm that the factors related to the individual EU member states (the third explanation) and the practical need counter emerging threats are the driving force behind the EU's activities within the framework of the ESDP.

Conclusion

Concerning the resolution of conflicts, while the EU has been more active in the field of post-conflict peace building activities, it has shied away from being actively and directly involved in conflict resolution. Instead, the UN led the negotiations in Abkhazia and the OSCE was the main actor in the talks in South Ossetia. The EU took on a more complementary role in the efforts of these organizations. The EU approach to the region for conflict resolution has been to aid the region financially, technically and in humanitarian terms, helping the fledgling democracy in Georgia to take root and thus ensuring the stability of the region. In short, the EU has taken a long-term perspective towards Georgia, aiming at transforming the country in its social, political and cultural dimensions.

Paradoxically, however, the fact that, unlike Russia and the US, the EU has avoided being a geopolitical actor in the region and instead chose such to use soft-power instruments such as economic and technical aid with a long-term perspective, has helped the EU to be respected by the other players in the region: the US, Russia, Georgia and the separatist regions. Indeed, the fact that the EU is not perceived as a geopolitical actor that imposes its economic and political interests on the region, and that in fact it sets a model for living together in peace and welfare contributes significantly to the soft-power status and influence of Brussels in the region.

⁶¹ Op.cit. “A Secure Europe in a Better World: European Security Strategy”, 10.

⁶² Benjamin Pohl, “Explaining ESDP: A Liberal Approach”, *Paper Presented at the Fourth Pan-European Conference on EU Politics*, Latvia, September 25-27, 2008, 15.

⁶³ Adrian Treacher, “From Civilian Power to Military Actor: The EU’s Resistable Transformation”, *European Foreign Affairs Review*, vol. 9:1 (2004): 49-66.

⁶⁴ Op.cit. “A Secure Europe in a Better World: European Security Strategy”, 14.

The conflict in August 2008 between Russia and Georgia ushered in a new period where Brussels now plays a part in the areas of conflict resolution and peace building. As noted by a keen observer, “the breakout of the war demonstrated the inadequacy of EU conflict prevention and management policies in the region. [...] The EU’s long-term approach to conflict resolution simply did not keep pace and was overturned by a rapid deterioration of the security situation on the ground, led by an ever more assertive Russia and a new government in Georgia that sought to unfreeze the conflict resolution processes.”⁶⁵ Despite this, in the post-conflict period the EU has paradoxically taken the lead under the leadership of France and has been promoted from a sidelined actor to playing a major role in Georgia. These developments are the herald of a new EU that will play a more and more important role in the resolution of international conflicts in future.

⁶⁵ Nicu Popescu, “EU’s Conflict Prevention Failure in Georgia,” *Central Asia-Caucasus Institute Analyst*, October 14, 2009, <http://www.cacianalyst.org/?q=node/5198> (accessed May 2, 2010).

RELIGION AND ITS IMPORTANCE IN INTERNATIONAL POLITICS: A CASE STUDY OF 2008 RUSSIAN-GEORGIAN WAR

Ines-Jacqueline Werkner*

Abstract

War is "contrary to the will of God", according to a 1948 statement from the World Council of Churches in Amsterdam. However, are religious communities able to prevent wars? Despite the lack of importance placed on religion, partially due to the secularisation thesis,¹ religions' potential for violence has become increasingly important in the social sciences since the end of the Cold War and particularly since the attacks of September 11, 2001. However, a question about the peace-making potential of religions increasingly arises in international politics and peace and conflict studies. In this contribution, the role of the Orthodox Churches in the 2008 Russian-Georgian war will be empirically examined. My findings show that the Russian and Georgian Orthodox Churches acted as "double players" during this military conflict whereby they could not release their peace-making potential. I argue that the churches were perceived not only as religious players with a religious peace message but also as political players that supported national claims. As a consequence, the status of religion as an intervening variable – such as assumed in the constructivist approach – is called into question.

Keywords: Russian–Georgian war, Russian Orthodox Church, Georgian Orthodox Church, peace-making potential of religions

Introduction

War is "contrary to the will of God", according to a 1948 statement from the World Council of Churches (WCC) in Amsterdam.² The declared goal of the WCC's religious communities is therefore to oppose war, or at least to refrain from promoting it. The WCC's demand is a consequence of World War II, and overcoming violence is an essential part of the official WCC programmatic structure.³ But are religious communities able and willing to meet this requirement? There has been an increasing tendency by politicians as well as social scientists to view religions as

* *Dr. Ines-Jacqueline Werkner* is acting professor for International Politics and Society at the University of Kiel, Germany.

¹ The secularisation thesis assumes a set of tensions between modernity and religion. In this context, the processes of the rationalisation, individualisation and differentiation of society are seen as responsible for these tensions. Proponents of this thesis include Steve Bruce, *Religion in the Modern World: From Cathedrals to Cults*, (Oxford: Oxford University Press, 1996); Bryan Wilson, *Religion in Secular Society. A Sociological Comment*, (London: Pelican, 1966); and Detlef Pollack, *Säkularisierung – ein moderner Mythos?* [Secularization: A Modern Myth?] (Tübingen: Mohr Siebeck Verlag, 2003).

² World Council of Churches, 1st WCC Assembly, Amsterdam 1948, <http://archives.oikoumene.org/query/Detail.aspx?D=40913> (accessed August 03, 2010).

³ See the International Ecumenical Peace Convocation of the WCC, <http://www.oikoumene.org/programmes/public-witness-addressing-power-affirming-peace/overcoming-violence/international-ecumenical-peace-convocation.html> (accessed August 01, 2010); <http://www.oikoumene.org/news/news-management/eng/a/article/1634/youth-at-the-international.html> (accessed August 1, 2010).

a perpetual source of hatred and conflict, especially since the end of the Cold War and the emergence of identity conflicts,⁴ in particular since the attacks on September 11, 2001.⁵

Despite the lack of importance placed on religion, partially due to the secularisation thesis, religions' potential for violence has become increasingly important in the social sciences. Samuel Huntington's *Clash of Civilizations* has essentially contributed to this point of view, as have other recent publications that contemplate the subjects of *Terror in the Name of God*,⁶ *Religious Conflicts in World Politics*,⁷ *Unpeaceful Religions*,⁸ and *Religious Wars in the Age of Globalisation*.⁹ However, in international politics and peace and conflict studies, the question about the peace-making potential of religions increasingly arises. For example, the Catholic Church in Poland and the Protestant Church in Germany placed a critical amount of importance on peaceful regime change at the end of the 1980s. Markus Weingardt's *Religion Macht Frieden* (Religion Makes Peace)¹⁰ lists over 40 positive case studies to provide an eloquent testimony for the peace-building role of religion.

An empirical study of the role of the Orthodox Church in the Russian-Georgian war of 2008 is conducted below in the form of a current case study. My findings show that the Russian and Georgian Orthodox Churches acted as "double players" during this military conflict whereby they could not release their peace-making potential. I argue that the churches were perceived not only as religious players with a religious peace message but also as political players who supported national claims. As a consequence, the status of religion as an intervening variable, such as assumed in the constructivist approach, is called into question.

The Return of Religion to the International System

Repression of Religion in the Westphalian System

Europe has been the scene of great wars fought over denomination and religion with the Thirty Years' War, in particular, claiming a huge number of victims. In the Peace of Westphalia (1648), when the system of sovereign nation-states was also formed, warring parties agreed to leave the decision on the denominational affiliation of their dominions to individual ruling princes. The principle of *cuius regio eius religio*, agreed upon in the Peace of Augsburg in 1555, introduced the

⁴ Identity conflicts can be seen as conflicts where "the opponents [...] assign an identity to themselves and their adversaries, each side believing the fight is between 'us' and 'them'." See Cate Malek, "Identity (Inter-Group) Conflicts", http://crinfo.org/CK_Essays/ck_identity_issues.jsp (accessed August 01, 2010). One main characteristic of conflicts after the end of the Cold War such as the latest conflicts on the Balkans is that in place of ideological reference points ethnic and religious incentives occur. See Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Stanford: Stanford University Press, 1999), as described herein, sect. 2.2.

⁵ See Madeleine Albright, *The Mighty and the Almighty: Reflections on America, God, and World Affairs* (Norwalk, Connecticut: Easton Press, 2006).

⁶ Mark Juergensmeyer, *Terror im Namen Gottes. Ein Blick hinter die Kulissen des gewalttätigen Fundamentalismus* [Terror in the Name of God. A Look behind the Scenes of Violent Fundamentalism] (Freiburg: Herder, 2004).

⁷ Wilfried Röhrich, *Die Macht der Religionen: Glaubenskonflikte in der Weltpolitik* [The Power of Religions: Religious Conflicts in World Politics] (Munich: C. H. Beck, 2004).

⁸ Mathias Hildebrandt and Manfred Brocker, eds., *Unfriedliche Religionen? Das politische Gewalt- und Konfliktpotenzial von Religionen* [Unpeaceful Religions? The Political Potential of Religions for Generating Violence and Conflict] (Wiesbaden: VS Verlag für Sozialwissenschaften, 2005).

⁹ Hans G. Kippenberg, *Gewalt als Gottesdienst. Religionskriege im Zeitalter der Globalisierung* [Violence as Worship. Religious Wars in the Age of Globalization] (Munich: C. H. Beck, 2008).

¹⁰ Markus A. Weingardt, *Religion Macht Frieden. Das Friedenspotenzial von Religionen in politischen Gewaltkonflikten* [Religion Makes Peace. The Potential of Religion for Peace-making during Violent Political Conflicts] (Stuttgart: Kohlhammer, 2007).

primacy of politics over religion. With the introduction of the reason of State by means of which the ruling princes also decided on religious issues themselves, religion finally lost its significance as a basis for foreign policy. For the first time, a system of sovereign territorial states was developed in Europe. This was based on three cornerstones: (1) the balance of power as a basis for international stability; (2) institutionalisation of the international order and the development of international diplomacy; and (3) international law. Here, the international law included substantial parts of the just war theory which were also liberated from their original religious context. States were now considered the only legitimate players in the international system and replaced the cross-border authority of the Catholic Church. Religion and politics therefore had to be disentangled and religious wars overcome. Accordingly, Pope Innocent X also adamantly rejected the Peace of Westphalia, declaring it "null, void, invalid, iniquitous, unjust, damnable, reprobate, inane and devoid of meaning for all time".¹¹

The separation of religion and politics and the establishment of politics as a separate, independent sphere continued to develop with the enlightenment and civil revolution, even within States. The functional differentiation of society in the 19th and 20th centuries therefore became one of the core elements of theories of the modern age and a central component of secularisation. The social function of religion became independent with regard to institutions and administration, alongside other functions, such as politics, economics, law and science. Religion in the modern age had therefore lost its role as a basis for the legitimation of the social and political order both in the international system and within the nation-state. Religion lost its importance in wars, and from then on the interests of nation-states dictated and legitimised the fighting of wars.

Revitalisation of Religion after the End of the Cold War

The discussion has now turned to a renaissance and/or revitalisation of religion. This denotes the increasing significance of religious convictions, actions and discourses in private and public life, as well as the growing role in domestic policy of religious or religion-based individuals, non-governmental groups, political parties, communities and organisations, associated with substantial implications for international policy.¹² In social terms, the reappraisal of the role of religion is explained by a crisis of the modern age.¹³ In this context, Jürgen Habermas speaks of the dangers of "derailing modernisation".¹⁴ He claimed that new dimensions of uncertainty and powerlessness had opened up, such as nuclear technology, gene technology or even politically unrestrained dynamics in global economy and global community, which add fuel to concerns about losing livelihoods and about the future.

¹¹ As cited in Michael F. Feldkamp, "Breve "Zelo domus Dei" from 26th of November 1648," in *Archivum Historiae Pontificiae* 31 (1993), 293-305. See too Scott M. Thomas, *The Global Resurgence of Religion and the Transformation of International Relations. The Struggle for the Soul of the Twenty-First Century* (New York: Palgrave, 2005), 54-55; Jonathan Fox and Shmuel Sandler, *Bringing Religion into International Relations* (New York: Palgrave, 2006), 22-26; Jeffrey Haynes, *An Introduction to International Relations and Religion* (London: Pearson, 2007), 31-32 & 100-107; Claudia Baumgart-Ochse, *Religion in den Internationalen Beziehungen* [Religion in International Relations], *epd-Dokumentation*, vol. 5 (2009): 18.

¹² Scott M. Thomas, *The Global Resurgence of Religion and the Transformation of International Relations. The Struggle for the Soul of the Twenty-First Century* (New York: Palgrave, 2005), 26.

¹³ See, among others, Martin Riesebrodt, *Die Rückkehr der Religionen Fundamentalismus und der 'Kampf der Kulturen'* [The Return of Religions. Fundamentalism and the "Clash of Civilizations"] (Munich: C. H. Beck, 2000), 35-57; Jonathan Fox and Shmuel Sandler, *Bringing Religion into International Relations* (New York: Palgrave, 2006), 12.

¹⁴ Jürgen Habermas, „Vorpolitische Grundlagen des demokratischen Rechtsstaates?“ [Pre-political Foundations of the Democratic Constitutional State?], in *Dialektik der Säkularisierung. Über Vernunft und Religion* [The Dialectics of Secularization. On Reason and Religion], Jürgen Habermas and Joseph Ratzinger (Freiburg, Basel & Wien: Herder, 2005), 26.

In the area of international politics, the renaissance of religion is closely associated with the change in the international system and the decline of statehood. Two moments characterise this development: (1) globalisation with the increasing emergence of international, transnational and private players, and (2) the end of the Cold War with the abolition of rigid, bipolar structures and the eruption of previously concealed ethnic and identity conflicts.¹⁵ One expression of this change is the emergence of so-called new wars.¹⁶ While modern warfare was traced to the nation-state and resulted in an internal pacification of the State, the new wars are essentially characterized by the emergence of private non-governmental players. Wars between regular armies are being replaced by a variety of violent players, who primarily target the civilian population.¹⁷ The State is thereby losing its monopoly when it comes to fighting wars. The interests of the State no longer constitute the primary reference frameworks, thereby freeing the way to a cultural restructuring of war. Many of these new wars follow the logic of an "ethnicization" of social relationships, and in many cases this is equivalent to "religicization".¹⁸ Mark Duffield speaks of a "neo-medieval situation" in this context.¹⁹

Religion and religious identities are increasingly gaining significance. In this, their capacity to mobilise people is frequently utilised. Violent players and protagonists of the new wars may exploit this religious impetus in order to reach their goals or mobilise members of their respective religious group, especially if economic and political sources are no longer sufficient. In particular, the group's sense of belonging is addressed here, the claim of truth made by religion enters their consciousness, and a distinction is made between good and evil, as well as between an in-group and an out-group.²⁰

Religion in Current Conflict Theories

How do conflict theories assess the influence of religion in violent conflicts? To what extent is there a differentiated view on religion? Three positions can be distinguished within the social science literature: primordialism, instrumentalism and constructivism, each with its own specific praxeological recommendations.²¹ The primordialists include, in particular, representatives such as Samuel P. Huntington who regard religions as independent forces in international politics and thereby as a cause of conflict and an independent variable in violent conflicts.²² With the end of the

¹⁵ See Jeffrey Haynes, *An Introduction to International Relations and Religion* (London: Pearson, 2007), 117.

¹⁶ See Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Stanford: Stanford University Press, 1999); Herfried Münkler, *Die neuen Kriege [The New Wars]* (Reinbek bei Hamburg: Rowohlt, 2002).

¹⁷ Ibid.

¹⁸ Heinrich Schäfer, "The Janus Face of Religion: On the Religious Factor in 'New Wars'," *NUMEN*, vol. 51:4 (2004): 414. According to Schäfer, the most important distinction between new and classically modern wars is that in "new wars" ethnic and religious identities play a major role in mobilising the conflict parties.

¹⁹ Mark Duffield, *Global Governance and the New Wars: The Merging of Development and Security* (London: Zed Books, 2001). Against the background of new wars, Duffield reveals a neo-medieval situation in which fragmented sovereignties confront a weakened or absent central authority. Consequently, religious actors are potentially able to exert a great deal of influence over people.

²⁰ Heinrich Schäfer, "The Janus Face of Religion: On the Religious Factor in 'New Wars'," *NUMEN*, vol. 51:4 (2004): 407-431.

²¹ This chapter refers to Volker Rittberger and Andreas Hasenclever's "*Religionen in Konflikten – Religiöser Glaube als Quelle von Gewalt und Frieden*" [Religions in Conflicts: Religious Faith as a Source of Violence and Peace], in *Politisches Denken: Jahrbuch 2000 [Political Thinking: Yearbook 2000]* (Stuttgart: Metzler, 2000), 35-60; see further Jonathan Fox and Shmuel Sandler, *Bringing Religion into International Relations* (New York: Palgrave, 2006), 50; Markus A. Weingardt, *Religion Macht Frieden. Das Friedenspotenzial von Religionen in politischen Gewaltkonflikten [Religion Makes Peace. The Potential of Religion for Peace-making during Violent Political Conflicts]* (Stuttgart: Kohlhammer, 2007), 23-28.

²² See Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996); see further Bassam Tibi, *Krieg der Zivilisationen. Politik und Religion zwischen Vernunft und*

Cold War, alliances were allegedly no longer developed primarily on the basis of political, ideological or economic interests, but along cultural and religious conflict lines, which according to Huntington may result in a culture clash – a "clash of civilisations". In order to repel the threat of war between civilisations, the classical instruments of power politics used during the Cold War (e.g. a balance of power) may be considered. This type of intimidation would increase the cost of violent rebellions. Military supremacy should therefore particularly restrict the political capacity to act and counterbalance the willingness to make sacrifices. An example is the US anti-terror policy of the Bush administration.²³

This is opposed to the group of instrumentalists, to which Dieter Senghaas is attributed.²⁴ In their view, religions only represent a genuine cause of conflict in a very rare number of cases. Rather, they allege, there is a spurious correlation between religion and violent conflict. Religion is consciously being exploited by elites for political purposes as a consequence of economic and social crises. In praxeological terms, instrumentalists rely primarily on development and democratisation with the goal of an equal distribution of life opportunities. This is intended to weaken the willingness to mobilise and support violent strategies. In empirical terms, this position may be based on two findings. First, that no block-formation processes can be identified along religiously or culturally defined lines of conflict. Many wars would therefore be fought in relatively homogeneous areas as far as culture and religion are concerned. Secondly, there would be a series of inter-civilizational alliances.²⁵

A third perspective on the role of religion in violent conflicts is generated by constructivism.²⁶ Under this approach, the players involved are incorporated into inter-subjective structures. Ideas, standards, values, ideologies, as well as nationalism, ethnicity and religion would thus largely characterise the self-perception and external image of those involved. Based on the constructivist version, the way in which opposing parties perceive each other makes a significant difference in the progress of a conflict. In this context, religion is assigned a completely independent role. It allegedly determines the identity and behaviour of the players involved and thereby assumes the role of an intervening variable. Representatives of this line of thought rely, in praxeological terms, on dialogue, enlightenment and conviction in order to facilitate cooperation by means of increased mutual trust.²⁷

Fundamentalismus [War of Civilizations. Politics and Religion between Reason and Fundamentalism] (Hamburg: Hoffmann und Campe, 1995).

²³ See Volker Rittberger and Andreas Hasenclever, "Religionen in Konflikten – Religiöser Glaube als Quelle von Gewalt und Frieden" [Religions in Conflicts: Religious Faith as a Source of Violence and Peace], in *Politisches Denken: Jahrbuch 2000* [Political Thinking: Yearbook 2000] (Stuttgart: Metzler, 2000), 36-37 and 50-51.

²⁴ Dieter Senghaas, "Die Wirklichkeiten der Kulturkämpfe [The Realities of the Cultural Clashes]", *Leviathan*, vol. 23:1 (1995): 197-212; Dieter Senghaas, "Schluß mit der Fundamentalismus-Debatte! Plädoyer für eine Reorientierung des interkulturellen Dialogs" [Enough of the Debate about Fundamentalism! A Plea for Reorientation of Intercultural Dialogue], *Blätter für deutsche und internationale Politik*, vol. 40:2 (1995): 180-191; Dieter Senghaas, *Zivilisierung wider Willen: der Konflikt der Kulturen mit sich selbst* [Reluctant Civilization: The conflict cultures have with themselves] (Frankfurt a. M.: Suhrkamp, 1998).

²⁵ See Volker Rittberger and Andreas Hasenclever, "Religionen in Konflikten – Religiöser Glaube als Quelle von Gewalt und Frieden" [Religions in Conflicts: Religious Faith as a Source of Violence and Peace], in *Politisches Denken: Jahrbuch 2000* [Political Thinking: Yearbook 2000] (Stuttgart: Metzler, 2000), 36-39 & 49-50.

²⁶ See among others Valery Tishkov, *Ethnicity, Nationalism and Conflicts in and after the Soviet Union: The Mind Aflame* (London: Sage Publications, 1997); Ted Hopf, "The Promise of Constructivism in International Relations Theory," *International Security*, vol. 23:1 (1998): 171-200.

²⁷ See Volker Rittberger and Andreas Hasenclever, "Religionen in Konflikten – Religiöser Glaube als Quelle von Gewalt und Frieden" [Religions in Conflicts: Religious Faith as a Source of Violence and Peace], in *Politisches Denken: Jahrbuch 2000* [Political Thinking: Yearbook 2000] (Stuttgart: Metzler, 2000), 39-40 & 51-56.

One thing that all three theoretical approaches have in common is the recognition of the relevance of religion to life and conflict. In their empirical forms, they differ analytically in respect to their assumptions on the escalating and deescalating effect of religion. While both primordialists and instrumentalists focus on the violence factor, the constructivist approach creates an opportunity to examine religion in part from the viewpoint of its peace-making potential.

The constructivist approach is used because this study focuses on the peace-making potential of the Orthodox Churches during the Russian–Georgian war. In particular, the perceptions of the religious actions during this war will be investigated. In this context, the assumed status of religion as an intervening variable will be analysed.

Requirements for the Release of Religious Peace-Making Potential

With regard to the release of such religious peace-making potential,²⁸ various levels of its influence must be distinguished. Research usually includes approaches on the micro- and meso-level (i.e. approaches that focus on the religious players and/or the internal character of the religious community). For example, Markus Weingardt examines common characteristics of religion-based players on the micro-level. In order to allow for the development of religious peace-making potential, the players would have to combine attributes such as expertise, credibility, connectivity and confidence.²⁹ According to Weingardt, religious players have a good knowledge of the conflict due to their nearness (expertise). Generally, they are impartial, unselfish and can arbitrate between different societal and hostile groups (credibility). Religious players have not only a regional nearness to the conflict but also an emotional nearness to the population (connectivity). Finally, they embody confidence concerning their moral and ethical competence. Andreas Hasenclever and Alexander De Juan have conducted studies on the meso-level and defined features of anti-violent religious communities, such as religious enlightenment, structural tolerance, potential for autonomy, and openness within the religious community.³⁰

On the other hand, research often neglects the macro-level where the peace ethics positions of religious communities play an essential role as a benchmark for evaluating action and political action in particular. The specific peace ethics and thereby questions on the ethical legitimacy of military force rarely tend to be handled within the context of the peace-making and violence potential of religions. Yet it is precisely this perspective that provides an overview of the principles for methods used by religious communities to adopt positions with regard to issues of war and peace and in positioning themselves on social and political concepts of order irrespective of the specific individual case. Given that the peace ethics principles of religious communities have a much wider scope than the specific and current actions of players involved in religion, they may also serve to raise awareness of religious peace-making potential. Based on religious writings and doctrines, the existing concepts in current social discourse are of central importance. An examination shall be conducted of the religious doctrines and concepts referred to by religious communities and their members in current conflicts and wars, as well as the extent to which these doctrines and concepts contain an ethical legitimacy of military force. The discussion will show which peaceful strategies they have at their disposal.

²⁸ This article focuses on the peace-making potential of religious communities. In general, religions can be extremely ambivalent. They can be considered both as accelerants and as trouble-shooters and peacemakers.

²⁹ Markus A. Weingardt, *Religion Macht Frieden. Das Friedenspotenzial von Religionen in politischen Gewaltkonflikten* [Religion Makes Peace. The Potential of Religion for Peace-making during Violent Political Conflicts] (Stuttgart: Kohlhammer, 2007), 394-404.

³⁰ Andreas Hasenclever and Alexander De Juan, "Religionen in Konflikten – eine Herausforderung für die Friedenspolitik [Religions in Conflicts: A Challenge for the Peace Policy]," *Aus Politik und Zeitgeschichte*, vol. 6 (2007): 10-16.

The Orthodox Churches in the 2008 Russian-Georgian War: An Empirical Analysis

In order to illustrate the factors discussed above, the Russian-Georgian war of August 2008 is used as a case study. The military conflict between Georgia and Russia, which ended with the recognition of South Ossetia and Abkhazia by Russia, clearly worsened the political situation in Georgia. The unresolved conflicts surrounding the two separatist provinces prove not only to be a significant obstacle to development in Georgia but also resonate beyond the region. The Russian-Georgian war is considered an example where both political sides allowed the conflict to escalate, but at the same time both religious communities advocated peace and an end to the war.

The Position of the Churches in Russia and Georgia

There is separation between Church and State in both countries. Traditionally, however, closer relations exist between Church and State in Orthodox Christianity, as expressed in the term *Symphonia*. *Symphonia* means "harmony" of Church and State; both realities are different manifestations of one and the same truth, but both institutions are independent and equally important.³¹ State and Church therefore have their own autonomy and they cooperate with each other in certain cases. Cooperation is also regarded as necessary in some respects. This relationship is legally expressed in the accentuated position of the Orthodox Church as opposed to other religious communities, such as through the 1997 Russian Religion Law or the 2001 Concordat between the Georgian State and the Georgian Orthodox Church.

A high value is also placed on the Russian and Georgian Orthodox Church in each society. Following the collapse of the Soviet Union the Orthodox Churches experienced an enormous upturn in support. Many churches were reopened, congregations re-formed and many people publicly professed their Orthodox faith. In the meantime, around 71 per cent of the population in Russia³² and around 84 per cent of the population in Georgia³³ refer to themselves as Orthodox. According to the fifth wave of the World Values Survey carried out from 2005 to 2007, as many as 74 per cent of the Russian and 97 per cent of the Georgian populations see themselves as religious persons.³⁴ Both churches are held in high public esteem.³⁵ Sixty-eight per cent of the Russian and 94 per cent of the Georgian respondents have a lot of confidence in the church.³⁶ This confidence also includes the religious elites. Thus, the census in Georgia also reveals a high popularity rating for the

³¹ See, among others, Thomas Bremer, *Kreuz und Kreml: Kleine Geschichte der orthodoxen Kirche in Russland* [Cross and Kremlin: A Short History of the Orthodox Church in Russia] (Freiburg: Herder, 2007); Jelena W. Beljakowa, "Der Begriff "symphonia" in der russischen Geschichte" [The Term "Symphonia" in Russian History], *Ost-West. Europäische Perspektiven*, vol. 1 (2010): 16-22; Jennifer Wasmuth, "Politisches und soziales Engagement der orthodoxen Kirche in Russland" [Political and Social Engagement of the Orthodox Church in Russia], *Ost-West. Europäische Perspektiven*, vol. 1 (2010): 23-31.

³² See the Public Opinion Foundation's poll carried out from the 19th to 20th of April 2008, <http://bd.fom.ru/report/map/dominant/dam08116/d081623> (accessed January 2, 2010).

³³ See *Der Fischer Weltalmanach 2010. Zahlen – Daten – Fakten* [Fischer World Almanac 2010. Figures, Data & Facts] (Frankfurt a. M.: Fischer Taschenbuch Verlag, 2009).

³⁴ See World Values Survey, *5th Wave* (data for Russia from 2006 and for Georgia from 2008), <http://www.worldvaluessurvey.org> (accessed July 04, 2010). Nevertheless, according to the same survey, there is a difference in religious practice. This is especially the case in Russia. For example, only 13 per cent of the Russian and 39 per cent of the Georgian populations attend religious services at least once a month. By contrast, 64 per cent of the Russian and 29 per cent of the Georgian populations attend religious services only once a year, less often or never.

³⁵ Interview of the author with Rudolf Prokschi, Vice-President of Pro Oriente Vienna, from the 7th of July 2009.

³⁶ See World Values Survey, *5th Wave* (data for Russia from 2006 and for Georgia from 2008), <http://www.worldvaluessurvey.org> (accessed July 04, 2010).

Georgian Patriarch Ilia II. Ninety-seven per cent of respondents assess his social activity as positive.³⁷ Moreover, 47 per cent of the Russian and 85 per cent of the Georgian populations agree that it would be better if more people with strong religious beliefs were in public office.³⁸ In the light of this situation, the prerequisite of releasing religious peace-making potential, according to Weingardt (2007), is definitely present.

The Role of Religious Players in the Russian-Georgian War

How did the religious players (i.e. the religious elites), in particular the two Patriarchs Alexei II on the Russian side and Ilia II on the Georgian side, act during the conflict and how did they influence it? To what extent can we refer to a peace-building effect here in the sense of the ability to de-escalate violence and use peace-promoting initiatives?

Throughout the duration of the military conflict, both churches called for peace, for an end to violence and for a peaceful resolution to the problems. Both Church dignitaries addressed the population in prayers and sermons, but also called on their governments to settle the conflict by peaceful means. Both patriarchs emphasized the dramatic nature of the military confrontation in which people of the same Orthodox faith fought one another. These efforts culminated in a joint call from both Church dignitaries to support a ceasefire and negotiations between the opposing parties. They also appealed for respect for the peoples involved.³⁹

Furthermore, both Churches provided humanitarian assistance. Patriarch Alexei II arranged for a circular to be sent to all bishops in the Russian Orthodox Church with regard to the organisation of humanitarian aid for South Ossetia. In parallel, the Georgian Patriarch conducted relief operations for refugees from South Ossetia. Moreover, by virtue of the mediation of the Russian Orthodox Church, a humanitarian corridor was also set up between Georgia and South Ossetia in order to evacuate the dead and injured.

The potential for autonomy of the Churches, as demanded by Hasenclever (2000), is revealed in the actions of the Russian and Georgian Orthodox Church. Not only did this include the call for policy makers to resolve problems by peaceful means. The Russian Orthodox Church also adhered to the position to recognize the unity of the autocephalous canonical area of the Georgian Orthodox Church, thereby recognizing the regions of South Ossetia and Abkhazia as officially belonging to the sphere of influence of the Georgian Orthodox Church – a clear demarcation from the policy of the Russian State.

On the other hand, the Churches consciously relied on an internal and inter-religious dialogue in the conflict. For example, the Moscow Patriarch asked the World Council of Churches (WCC) to send

³⁷ See the Konrad-Adenauer-Foundation's poll about "*Religion und Politik in Georgien. Eine Umfrage unter der Stadtbevölkerung*" [Religion and Politics in Georgia. A Survey of the Urban Population] carried out in June 2008, <http://www.kas.de/kaukasus> (accessed January 25, 2010).

³⁸ See World Values Survey, *4th Wave* (data for Russia from 1999) and *5th Wave* (data for Georgia from 2008), <http://www.worldvaluessurvey.org> (accessed July 04, 2010). Tim Müller states that lower degrees of modernization and higher levels of income inequality increase individual religiosity and the preferences for a stronger connection of religion and politics. According to the Human Development Index, Russia belongs to the group of countries with high human development (0.817), whereas Georgia belongs to the group of countries with medium human development (0.778). See Tim Müller, "Religiosity and Attitudes towards the Involvement of Religious Leaders in Politics: A Multilevel-Analysis of 55 Societies", *World Values Research*, vol. 1 (2009): 1-29; Human Development Report 2009, <http://hdr.undp.org/en/statistics/> (accessed July 04, 2010).

³⁹ Statement from August 15, 2008, <http://www.interfax-religion.ru/gry/?act=news&div=26037> (accessed January 28, 2010).

an ecumenical delegation to the conflict zone. In this context, numerous discussions were held with leading clergy, local archbishops and representatives of other Churches in Georgia, South Ossetia and Russia. Finally, the Russian and Georgian Orthodox Church each dispatched one "Church ambassador" to the other country in order to resurrect frozen diplomatic relations between the two countries.

These efforts seem to suggest that religion played a positive and peace-building role. External assessments, on the other hand, provide a different picture. As the President of the World Conference of Religions for Peace/Europe, Hans Ucko explains, "I don't think the churches were much involved either as trouble-shooters or peacemakers. [...] Apart from statements I don't think that there were any religiously inspired initiatives to end the conflict."⁴⁰

What is the explanation for such a view? Why were the peace messages of the churches not perceived as peace-making activities? Another factor here is that only the specific conduct of the religious players was taken into consideration without incorporating this conduct into the social and regulatory concepts of the religious communities. In concrete terms, it can be shown that the religious players have an impressive awareness of peace and peaceful conflict resolution, but, at the same time, they left no doubt about the injustice of the opposing party. Thus, in the view of the Russian Orthodox Church, the only solution to be found would be in granting autonomy to South Ossetia.⁴¹ In this context, the former Metropolitan of Smolensk and Kaliningrad and current Patriarch, Cyril stated in a sermon, "We bow our heads before the fallen Russian soldiers. Russia is confronted with the risk of war and with the new risk of a new wave of defamation against our fatherland."⁴² The Georgian Orthodox Church also placed the main cause of the war with the opposing party. Thus, Patriarch Ilia explicitly spoke out against the independence of South Ossetia and Abkhazia. In a letter to the General Secretary of the United Nations Ban Ki-moon, the Patriarch stated that autonomy of the two provinces was a product of the Soviet regime and should not be used for the purpose of separatism.⁴³

Peace Ethics Positions of the Orthodox Churches in the Russian-Georgian War

From a peace ethics perspective, the positions of the religious players in the Russian-Georgian war allow for two opposing lines of argument. On the one hand, the comments "in the light of the injustice experienced" could be perceived as a religious call to resolve the conflict solely by peaceful means. This point of view would comply with the specific conduct of the players. However, the absence of any attempt to provide conflict resolution proved counterproductive, and the calls for peace were bound to go unheeded in the end.

On the other hand, the injustices could be construed as a legitimisation of military force, pursuant to a just war. Just cause (an essential criterion in relation to this doctrine) may include the restoration and preservation of territorial order on the Georgian side. On the Russian side it may include the restoration of justice in the face of Georgian aggression against South Ossetia. This view would comply with the 2000 document *The Basis of the Social Concept* produced by the Russian Orthodox Church.⁴⁴ Chapter VIII of this document is devoted to the subject of "War and Peace". A clear

⁴⁰ Interview with Hans Ucko, President of the World Conference of Religions for Peace/Europe, on June 7, 2009.

⁴¹ Interview with Archbishop Mark, Russian Orthodox Church in Germany, on June 18, 2009.

⁴² Statement on August 11, 2008, <http://interfax-religion.ru/gry/?act=news&div=25978> (accessed January 28, 2010).

⁴³ See letter of Ilia II, Patriarch of the Georgian Orthodox Church, to the Secretary-General of the United Nations, Ban Ki-moon, on June 12, 2009; interview with Archpriest Tamaz Lomidze, Georgian Orthodox Church in Germany, on September 15, 2009; statement on August 26, 2008, <http://www.interfax-religion.ru/gry/?act=news&div=26178> (accessed January 28, 2010).

⁴⁴ Russian Orthodox Church, *The Basis of the Social Concept* (Moscow, 2000).

rejection of the war is issued here: "War is evil. Just as the evil in man in general, war is caused by the sinful abuse of the God-given freedom."⁴⁵ However, the referred to criteria of the just war theory, dating back to Augustine also states, "While recognising war as evil, the Church does not prohibit her children from participating in hostilities if at stake is the security of their neighbours and the restoration of trampled justice. Then war is considered to be a necessary though undesirable means."⁴⁶ A parallel reference can also be found in the Georgian Orthodox Church. Patriarch Ilia also points out that "peace is not possible without justice".⁴⁷ The problem resulting from this point of view was already addressed by the late scholastic philosopher Francisco de Vitoria with his question, "Can a war be just on both sides?"⁴⁸

The peace ethics positions of the two Orthodox Churches thereby produce a variety of interpretative options which make the role of religion seem ambivalent. The importance of peaceful conflict resolution remains vague in the face of dilemmas resulting from the criteria for the just war, and the constant adjustment thereof to current political concepts of social order. Thus, the criterion of *iusta causa* has assumed various forms in the course of History: from Plato's call to fight the barbarians to Augustine's and Thomas Aquinas' calls to avenge the violation of a system created by God; and from Vitoria's idea of the right to self-defence and the obligation to defend your fellow man to the protection of human rights in contemporary debate.

Conclusion

What are the conclusions that can now be drawn in light of this ambivalence towards the theoretical assumption of religion as an intervening variable in wars and conflicts? It has been shown that a Christian-based peace ethic combines two viewpoints as described in the social doctrine of the Russian Orthodox Church. The document states that, "Bringing to people the good news of reconciliation (Rom, 10:15), but being in 'this world' lying in evil (1 Jn. 5:19) and filled with violence, Christians involuntarily come to face the vital need to take part in various battles."⁴⁹ On the one hand, the Christian message forms the basis for peace ethics positions with the commandment on peacefulness and loving thy neighbour. A religiously motivated ethic is characterised by the requirement for ethical action and is defined by the divine gift and the prospect of the Kingdom of God. On the other hand, actions in the here and now (i.e. in the worldly kingdom) are focused on world social and political orders and on the goal of peace on Earth. Against this background, the theologian Helmut Thielicke sees an eschatological challenge to Christian acts. He states, "It is an impossible enterprise inasmuch as it lies under the disruptive fire of the coming world. Yet it is also a necessary enterprise inasmuch as we live in that field of tension between the two aeons and must find a *modus Vivendi*."⁵⁰

So much for the theoretical findings. From a political science perspective, this means that on their path to eschatological peace, Christian churches always take "worldly concepts" of order into account. This is typical for religions focused on the changing of the secular world towards their religious dogma. In contrast, Hinduism and Buddhism accept the world as it is and concentrate on

⁴⁵ Ibid., section VIII.1.

⁴⁶ Ibid., section VIII.2.

⁴⁷ Interview with Archpriest Tamaz Lomidze, Georgian Orthodox Church in Germany, on September 15, 2009.

⁴⁸ Francisco de Vitoria, *De Indis Recenter Inventis Et De Jure Belli Hispanoru In Barbaros* (Tübingen: Mohr Siebeck, 1952 [1532]), 147.

⁴⁹ Russian Orthodox Church, *The Basis of the Social Concept* (Moscow, 2000), section VIII.2.

⁵⁰ Helmut Thielicke, *Theologische Ethik, Vol. 1: Prinzipienlehre. Dogmatische, philosophische und kontrovers theologische Grundlegung* [Theological Ethics, vol. 1: Foundations. Doctrinal, Philosophical and Controversial Theological Foundation] (Tübingen: Mohr Siebeck, 1958), 75.

the individual soul and the individual convergence towards the dogma.⁵¹ Thus, the Christian religion always sees itself as being integrated in the real world. This interwoven nature, with its political and frequently national aspects, makes it difficult for all parties involved to disentangle religious and worldly motives and to isolate the religious factor even when viewed from an external perspective. As a consequence, the peace-making potential inherent in religion is often not enforced in the specific conflict event. The current challenge consists in avoiding the role of religious players as "double players". In this context, it would be useful to focus intensively on transnational and international religious councils and associations. A strengthening of such global organisations could be an answer to current worldwide developments such as the decline of nation-states, as well as a way to avoid the double role of religious players, especially in times of globalisation.

⁵¹ See Michael Minkenberg, "*Staat und Kirche in westlichen Demokratien*" [Church and State in Western Democracies], in *Politik und Religion* [Politics and Religion], ed. Michael Minkenberg and Ulrich Willems (Wiesbaden: Westdeutscher Verlag, 2003), 116.

FROM RACKETEER TO EMIR: A POLITICAL PORTRAIT OF DOKU UMAROV, RUSSIA'S MOST WANTED MAN

Kevin Daniel Leahy*

Abstract

On March 29, 2010, two female suicide assailants blew themselves up at two separate locations along Moscow's underground network, killing at least 39 people. Two days later, the leader of the rebel movement in the Northern Caucasus, Doku Umarov, claimed responsibility for the attacks. For those monitoring the political situation in the Northern Caucasus, Umarov's claim of responsibility came as no surprise. Even so, few analysts have been able to shed any meaningful light on Umarov's core political beliefs. This is not surprising considering that so much of Umarov's background remains shrouded in uncertainty. The following paper represents a tentative attempt to sketch Umarov's private and political background, from his early adulthood in the early 1980s up to his portentous proclamation of the Caucasus Emirate in 2007.

Keywords: Umarov, criminality, Russo-Chechen war, kidnapping, Caucasus Emirate

Introduction: Formative experiences and accusations of criminality

Emil Souleimanov, a Chechen political scientist, perhaps put it best when he described Doku Umarov as a man with a "rather unclear past".¹ We know that he was born in the town of Kharsenoi in Chechnya's Shatoisky district in April 1964.² Practically nothing is known about Umarov's childhood experiences. By Umarov's own account, his family were members of Chechnya's intelligentsia.³ The first substantial information relating to his formative experiences concerns his graduation from the construction faculty of the Oil Institute in Grozny, Chechnya's capital city, where he reportedly secured a degree in engineering.⁴

Assuming that Umarov was approximately twenty-one years of age on graduating from the Oil Institute, this would suggest that his studies were completed in either 1984 or 1985. This was a difficult time for any young Chechen graduate to make a gainful, honest living. Chechnya's economy

* **Kevin Daniel Leahy** is an independent analyst specializing in the affairs of the Northern Caucasus. His work appears regularly in the *Central Asia-Caucasus Analyst*.

¹ Emil Souleimanov, *An Endless War: The Russian-Chechen Conflict in Perspective (With a Preface by Anatol Lieven)*, (Peter Lang: Frankfurt am Main, 2007), 263.

² Ruslan Isayev, "Dokka Umarov: A Hawk Flies to the Ichkerian Throne", *Prague Watchdog*, June 20, 2006.

³ Andrei Babitsky, "Russia: RFE/RL Interviews Chechen Field Commander Umarov", *Radio Free Europe/Radio Liberty*, July 28, 2005, <http://www.rferl.org/content/article/1060266.html>.

⁴ Charles W. Blandy, "Chechnya: Continued Violence", *Conflict Studies Research Centre*, (December 2006), [www.da.mod.uk/colleges/arag/document-listings/.../06\(54\)CWB.pdf](http://www.da.mod.uk/colleges/arag/document-listings/.../06(54)CWB.pdf) (last accessed July 21, 2010).

became evermore dichotomised during the Brezhnev era. The republic's highly profitable oil industry, centred on Grozny and its surrounds, was dominated by ethnic Russians and the recruitment of Chechens and Ingush into this sector was actively discouraged.⁵ With job opportunities scarce in the republic's most lucrative economic sector, a majority of Chechens found themselves confined to their overpopulated home villages.⁶ The options facing this unwanted labour force were threefold: seek low-wage employment in Chechnya's agricultural sector; emigrate to another part of the USSR in search of seasonal, or permanent, work; or try to carve out a niche in Chechnya's shadow economy.

Not long after graduating, Umarov chose to emigrate and fetched up in central Russia. It is not certain whether the motivation behind this decision was economic or something altogether more untoward. According to certain sources, Umarov became involved in criminality during the early nineteen-eighties. One account holds that he was arrested in 1982 on charges of "hooliganism" and sentenced to three years imprisonment.⁷ A second account details how Umarov was charged and convicted of "reckless homicide" in 1980, when he would have been just sixteen.⁸ While a third account claims that he was convicted of "manslaughter" in 1981.⁹ If we are to read anything into these accounts then Umarov must have spent a considerable amount of time in prison between the years 1980 and 1984 – in other words the approximate period during which he is supposed to have attended the Oil Institute in Grozny.

Regardless of whether he spent these years in college or in prison, Umarov certainly left Chechnya sometime in the mid-1980s. By the early 1990s he had established himself as a businessman in Siberia, in the city of Tyumen to be exact. Here, Umarov reportedly worked as the commercial director of the so-called Tyumen-Agda F4 enterprise.¹⁰ Umarov secured this job by virtue of certain family connections. The managing director of the company was another Chechen, one Musa Atayev, Umarov's cousin.

Sources close to Russia's security establishment claim that Umarov's time in Tyumen was cut short by a violent episode he became embroiled in during the summer of 1992.¹¹ Following an altercation with a group of local teenagers, the exact details of which are unclear, Umarov and Atayev gained forcible entry to a house in the Patrushayevo district of Tyumen. The house belonged to a Mr. Alexander Subotin, whose son was one of the youths who had somehow aggravated the Chechen cousins. Umarov and Atayev conducted themselves belligerently and demanded of Mr. Subotin that he turn over his son immediately. When Subotin asked for an explanation as to the two intruders' interest in his son, he was shot and left for dead (Subotin survived his wounds). The Chechen duo then allegedly

⁵ John B. Dunlop, *Russia confronts Chechnya: roots of a separatist conflict*, (Cambridge University Press: Great Britain, 1998), 87.

⁶ *Ibid.*, pp. 85-88.

⁷ Nikolai Vavarin, "Doku Umarov – Nepriznanny lider ili marionetka?" [Doku Umarov – Unrecognised leader or puppet?], *Grozny-inform.ru*, September 21, 2007, <http://www.grozny-inform.ru/main.mhtml?Part=17&PubID=3054> (last accessed July 21, 2010).

⁸ "Tretiy posle Maskhadova i Basayeva. Kto takoi Doku Umarov?" [Third after Maskhadov and Basayev. Who is Doku Umarov?], *Rian.ru*, October 31, 2007 <http://www.rian.ru/spravka/20071031/86077954.html>.

⁹ Vadim Rechkalov, "Gelayev bylez iz peshchery i natknulsya na pogranchny naryad ..." [Gelayev climbed out of a cave and encountered a border detail ...], *Izvestiya*, March 1, 2004, <http://www.izvestia.ru/incident/article44813/>.

¹⁰ Nikolai Vavarin, "Doku Umarov – Nepriznanny lider ili marionetka?"

¹¹ Vavarin's source material would seem to have originated with Russia's Interior Ministry, <http://www.mvd.ru/news/12646/>.

executed a second family member, as well as a visitor to the household, before helping themselves to some of the Subotins' belongings and making good their escape. By the time murder charges were brought against them in July 1992,¹² Umarov and Atayev had returned to Chechnya, which by this time had declared its independence from the Russian Federation. Chechnya thus represented a safe haven for fugitives from Russian justice such as Umarov and Atayev.

Naturally, a degree of circumspection is required when dealing with source material furnished by Russia's military-security complex. It is possible that the Subotin affair, as well as the other accusations that have been made against Umarov, are parts of an "active measure" by Russia's Federal Security Service designed to discredit him. However, even one of Umarov's intimates, the Islamic theologian Sheikh Said Buryatsky, has acknowledged that Umarov was involved in racketeering during an earlier stage of his life.¹³

A celebrated Islamic scholar, Buryatsky was inspired by Umarov's establishment of the Caucasus Emirate and travelled to the region in 2008 to take part in the insurgency.¹⁴ Buryatsky became personally acquainted with several of the Emirate's leaders, including Umarov, and documented his experiences on rebel websites such as Kavkazcenter.com and Hunafa.com. In a series entitled "An inside view of Jihad", Buryatsky detailed the exploits of the Caucasus mujahedin in their battles against pro-Russian forces.¹⁵

Before his death at the hands of Russian security forces in March 2010, Buryatsky stated forthrightly that Umarov had been a racketeer in Moscow prior to the outbreak of the first Russo-Chechen war in 1994. "That's no secret", Buryatsky noted rather dismissively, as though this were a matter of fact long in the public domain.¹⁶ Buryatsky's candid references to Umarov's background would seem to confirm suspicions that the latter was involved in organised crime prior to his return to Chechnya, probably sometime in mid-1992. "He, like everyone else, has made mistakes, from which nobody is safe, but such is their insignificance when compared to his positive qualities that I ask Allah to forgive him," wrote Buryatsky.¹⁷ Whether Buryatsky is referring here to Umarov's involvement in racketeering, or something more sinister, such as the Subotin affair, we cannot be certain. It is also possible, though unlikely, that Buryatsky may be alluding to Umarov's involvement in the hostage-taking industry that flourished in Chechnya during the inter-war years, 1997–1999. This period in Umarov's career will be covered in more detail later.

It is difficult to conceive of a reason why Sheikh Buryatsky would misrepresent Umarov's past life. It should also be noted that nobody in the Emirate's leadership, least of all Umarov, has sought to refute

¹² Alexander Shvarev, "Doku Umarova "nakryli" v Internetye" [Doku Umarov "covered" on the internet], *Rosbalt.ru*, March 31, 2008, <http://www.rosbalt.ru/2008/03/31/469981.html>.

¹³ Sheikh Abu Saad, "Vzglyad na dzhikhad iznutri: po proshestii goda" [Looking for jihad within: one year on], *Hunafa.com*, May 18, 2009, <http://hunafa.com/?p=1407>.

¹⁴ "Tikhomirov Alexander (Sheikh Said Abu Saad al-Buryati – Said Buryatsky)", *Kavkaz-uzel.ru*, August 27, 2009, <http://www.kavkaz-uzel.ru/articles/158565> (last accessed July 21, 2010).

¹⁵ Kevin Daniel Leahy, "Sheikh Said Buryatsky and the Fresh Cult of the Suicide Bomber in the North Caucasus", *Central Asia-Caucasus Analyst*, vol. 11:17, (September 16, 2009), <http://www.cacianalyst.org/?q=node/5177> (last accessed July 21, 2010).

¹⁶ Abu Saad, "Vzglyad na dzhikhad iznutri: po proshestii goda".

¹⁷ *Ibid.*

Buryatsky's assertions. This, of itself, would seem to confirm the veracity of Buryatsky's reportage. Nor should it necessarily surprise one that someone with Umarov's social profile might have participated in organised crime in the early 1990s. The sociologist Georgi Derluguian has described vividly the challenges facing young Chechen males such as Umarov who emigrated to Russia in search of work during the 1980s:¹⁸

Some village lads [...] proved ill prepared for the university and flunked out. Or they could not find the desired jobs because the construction industry and agriculture, which were the traditional Chechen occupations for previous generations, had grown highly competitive with the mass influx of newly impoverished migrant workers from republics such as the Ukraine and Moldova. Instead of sinking into penury or returning home as miserable failures, these Chechen youths found or fought their way into the dangerous but fabulously lucrative and romanticized arena of violent entrepreneurship. The traditions of clan solidarity, Chechen masculinity, and ritualized violence surely played a big role in enabling them to do this, providing a ready set of skills that were advantageous in the criminal underworld.¹⁹

In these labour market conditions, Umarov's engineering degree would have counted for little. Racketeering in Tyumen, and later in Moscow, may have seemed the only option available to him. Possibly he could have eschewed the criminal lifestyle and returned to Chechnya, but the tradition of "Chechen masculinity", referred to by Derluguian above, would have militated against his choosing such a course of action. As Emil Souleimanov explains:²⁰

Since the Chechens have almost never in their history struggled with a priori fixed statutes, nor with class or economy-based social hierarchies, a constant battle for prestige and a higher position in the flexible social scale has been underway within their society. At the same time, the primary stimulator and indicator of the struggle for a higher position in this informal social hierarchy has been the community; that is, public opinion – how one is "viewed in the eyes of the people".

Had he returned to Chechnya penniless, having failed to procure gainful employment in the Russian heartland, Umarov would have been painfully self-conscious of his own status as a "failure" in the eyes of many of his contemporaries. Quite possibly, it was this consideration that led him to go into business with Musa Atayev in Tyumen.

This fear of failure may also have contributed to the career paths of other young Chechens seeking to make a living in Russian cities during this period. Shamil Basayev, later to be Umarov's vice-president, was resident in Moscow during the late-1980s and early-1990s.²¹ Basayev had initially arrived in the Russian capital in pursuit of a third-level education but finished up dabbling in the black market, trading in foreign computers.²² Ruslan Gelayev, an important influence in the early portion of

¹⁸ Georgi Derluguian, *Bourdieu's Secret Admirer in the Caucasus: A World-System Biography*, (University of Chicago Press: Chicago & London, 2005), 246-247.

¹⁹ *Ibid.*, pp. 246-247.

²⁰ Souleimanov, "An Endless War", p. 31.

²¹ "Biografiya Shamilya Basayeva: Poklonnik Ruzvelta i Che Gevary" [A biography of Shamil Basayev: Admirer of Roosevelt and Che Guevara], *Temadnya.ru*, September 29, 2004, <http://www.temadnya.ru/spravka/29sep2004/4345.html>.

²² *Ibid.*

Umarov's political-military career (as will be explained below), left Chechnya as an uneducated young man in the late 1970s before reportedly taking up residence in Omsk Oblast, Siberia. Contemporaries remember Gelayev as an "odd-jobber" who married a local Russian woman.²³ It has also been reported that Gelayev spent time in prison during this part of his life.²⁴

The preponderance of young Chechens, as well as migrants from other parts of the Caucasus, presented a recruitment bonanza for Russia's organised crime networks during these years. Indeed, according to the late Paul Klebnikov, an American journalist who specialised in reporting on organised crime in Russia, criminals of Chechen nationality were at the forefront of the racketeering industry in Moscow from the late 1980s onwards.²⁵

Participation in the First Russo-Chechen Conflict

While Umarov was to some extent a party to this broad sociological trend, he was but a footnote in the annals of Chechen organised crime during this period and had seemingly yet to amass any great wealth by the time he returned to his homeland. Buryatsky, who makes no direct references to the Subotin affair, tells us how on returning to Chechnya, Umarov went directly to his relative, Ruslan Gelayev, an influential Chechen paramilitary leader. For many years, certain in the knowledge that Umarov fought under Gelayev's command during the first Russo-Chechen war, observers believed that Umarov was absorbed seamlessly into Gelayev's paramilitary structures shortly after his return to Chechnya. Recent evidence suggests that this was not the case. Again, it is Sheikh Said Buryatsky who casts fresh light on the embryonic relationship between Gelayev and Umarov. Buryatsky quotes directly from a conversation he had with Umarov, wherein the latter related the following sequence of events:²⁶

When war began I arrived in Chechnya after heeding Dudayev's call [Djokhar Dudayev, the first president of the Chechen Republic of Ichkeria]. Khamzat Gelayev was my distant relative and so I immediately went to him. I arrived in a Mercedes, wearing shoes, with a cigarette in my mouth and offered my assistance, to participate in the Jihad with him. Gelayev looked at me and asked did I perform namaz [ritual prayer]? I answered that I did not, but that if I must do I would learn. He did not immediately want to take me on himself and directed me to another Emir. But he later made inquiries about me and drafted me into his force.

Firstly, it should be pointed out that Umarov did not return to Chechnya "when war began". As we have established, Umarov returned to his homeland in the summer of 1992, almost two and a half years prior to the commencement of military hostilities between Dudayev's regime in Chechnya and the Russian state. Regardless of the correct chronology involved, it seems credible that Umarov would have presented himself to Gelayev as described by Buryatsky. This meeting may not have taken place until 1993, however, at which time Gelayev had returned to Chechnya from Abkhazia.²⁷ The two men

²³ "Zhena Gelayeva zhyvet v Sibirskoy derevne na 800 rubley v mesyats" [Gelayev's wife lives in a Siberian village on 800 rubles a month], *Ntv.ru*, October 20, 2003, <http://www.ntv.ru/novosti/30786/>.

²⁴ Dmitri Ivanov, "Ruslan Gelayev i dva boytsa" [Ruslan Gelayev and two soldiers], *Lenta.ru*, March 1, 2004 <http://lenta.ru/articles/2004/03/01/gelayev/>.

²⁵ Paul Klebnikov, *Godfather of the Kremlin: Boris Berezovsky and the looting of Russia*, (Harcourt Inc.: USA, 2000), 13-14.

²⁶ Abu Saad, "Vzglyad na dzhikhad iznutri: po proshestii goda".

²⁷ The conflict in Abkhazia ended in mid-1993: Ivanov, "Ruslan Gelayev i dva boytsa".

were related and it would have made sense for Umarov to waylay relatives in search of employment, just as he had done with Musa Atayev in Tyumen.²⁸

By mid-1992, Ruslan Gelayev was allied with Chechnya's nationalist leader, Dzhokhar Dudayev, a former General in the Soviet airforce. Following his election as president, Dudayev proceeded to declare Chechnya's independence from the Russian Federation. This decision ushered in a period of Cold War between Grozny and Moscow which lasted until December 1994 when Russian tanks finally moved into the rebellious republic as part of an attempt to "restore constitutional order".²⁹

Men like Gelayev, as well as the aforementioned Shamil Basayev, functioned as the military backbone of the Dudayev regime. Abetted by Russia's military and intelligence services, Gelayev and Basayev had fought against Georgian nationalist forces in Abkhazia in 1992–93.³⁰ Basayev had come a long way from the aspiring student who spent the latter half of the 1980s peddling foreign computers and flirting with the world of organised crime. It was in Abkhazia, that he discovered a talent for war-making, as well as a certain flair for cruelty that would continue to manifest itself throughout his long career. Gelayev also found his niche in Abkhazia. In addition to honing his military talents, some reports suggest that Gelayev's involvement in the Georgian-Abkhaz conflict was notable for the cruelty he showed towards captured Georgian soldiers.³¹ Similar reports abound in relation to Basayev's treatment of Georgian prisoners of war.³²

Their exploits in Abkhazia bestowed a certain prestige on these two men. On returning to Chechnya they were feted as war heroes; Basayev's "Abkhaz Battalion", in particular, caught the public's imagination.³³ Both Basayev and Gelayev positioned themselves as supporters of Dudayev and his nationalist agenda, although neither seemed to feel any great personal enthusiasm for the General. It was against this political backdrop that Doku Umarov appeared on Gelayev's doorstep seeking his relative's patronage.

One can readily speculate as to why Gelayev might have snubbed his plaintive kinsman so perfunctorily. For one thing, Gelayev had just returned from a particularly exacting, not to mention austere, period of existence on the battlefields of Abkhazia and may have taken umbrage at Umarov arriving at his home looking like a dilettante. Gelayev was also (re)discovering his Islamic faith at this stage of his life and would not have been impressed by Umarov's candid admission that he did not know how to perform certain basic religious rites.

The poor first impression he made on Gelayev was not to the detriment of Umarov's career in the long-term. The commander Umarov was directed to by Gelayev was Daud Akhmadov, an important

²⁸ Mark Galeotti, "'Brotherhoods' and 'Associates': Chechen Networks of Crime and Resistance", *Low Intensity Conflict and Law Enforcement*, vol. 11:2 & 3 (Winter 2002), 342.

²⁹ John Russell, *Chechnya – Russia's 'War on Terror'*, (Routledge: London, 2007), 43.

³⁰ Derluguian, "Bourdieu's Secret Admirer in the Caucasus", p. 269.

³¹ Ivanov, "Ruslan Gelayev i dva boytsa".

³² Yuri Zarakhovich, "Why Putin Can't Claim Victory in His War on Terror", *Time*, July 10, 2006,

<http://www.time.com/time/world/article/0,8599,1212052,00.html>.

³³ Thomas Goltz, *Chechnya diary: a war correspondents story of surviving the war in Chechnya*, (Thomas Dunne Books/St. Martin's Press: USA, 2003), 54.

figure within President Dudayev's notoriously corrupt inner circle.³⁴ Akhmadov seems to have been the natural point of contact between Dudayev and Gelayev for he had the distinction of being on good terms with both men. This responsibility was more challenging than it might have seemed at first glance, for Gelayev and Dudayev were never on the greatest of terms. Indeed, in March 1994, scarcely eight months before the commencement of hostilities with Russia, Gelayev and Basayev were allegedly contemplating a coup d'état to unseat Dudayev.³⁵

As a member of Akhmadov's network Umarov's reputation began to flourish. By way of cementing his relationship with his new patron, Umarov married Akhmadov's daughter.³⁶ His career prospered under wartime conditions and at some point during the hostilities he was drafted into Gelayev's paramilitary outfit. As a member of Gelayev's "Borz" battalion, Umarov would likely have participated in the defence of Bamut, a village in south-western Chechnya. Bamut became a symbol of resistance for the Chechen rebels and Gelayev would later be decorated with the "Order of Ichkeria" for his participation in these events.³⁷ Many of the villagers hailed from the same clan as Umarov, the *Mulkoi*,³⁸ and these bonds, as well as his membership of the Borz battalion, mean that it is likely that he participated in the defence of Bamut.

Post-War Responsibilities

Umarov emerged from the war in a position of some political influence, with a military rank of "Brigadier-General",³⁹ as well as two prestigious commendations for bravery in combat.⁴⁰ In August 1996, the so-called Khasavyurt accords were signed between Russian and Chechen representatives giving Chechnya the status of a de facto independent state.⁴¹ In January 1997 presidential elections were held and Aslan Maskhadov, a well-known wartime field-commander, was returned as president, replacing Dudayev who had been killed during the war.⁴²

Sources indicate that Umarov left Gelayev's unit sometime between September 1996 and January 1997. It is unclear whether this decision was prompted by a falling out between the two men.⁴³ Regardless, Umarov sought out and received the patronage of another paramilitary leader, Akhmed

³⁴ "Novym presidentom tak nazyvaemoy respubliki Ichkeriya ofitsial'no stal Doku Umarov" [Doku Umarov officially becomes the new president of the so-called Republic of Ichkeria], *Newsru.com*, June 21, 2006, <http://www.newsru.com/russia/21jun2006/presi.html>.

³⁵ John B. Dunlop, 'Russia confronts Chechnya', p. 152.

³⁶ "Tretiy posle Maskhadova ee Basayeva. Kto takoi Doku Umarov", *Rian.ru*, October 31, 2007 <http://www.rian.ru/spravka/20071031/86077954.html>.

³⁷ Ivanov, "Ruslan Gelayev i dva boytsa".

³⁸ Sebastian Smith, *Allah's Mountains: The Battle for Chechnya*, (Tauris Parke Paperbacks: London, 2006), 193.

³⁹ Timur Aliev, "New Chechen Leader To Push Nationalist Agenda", *Institute of War and Peace Reporting*, no. 345, June 23, 2006.

⁴⁰ Liz Fuller, "Chechnya: A Look At Slain Leader's Legacy And Successor", *RFE/RL*, June 21, 2006, <http://www.rferl.org/content/Article/1069356.html>.

⁴¹ Gall & de Waal, "A Small Victorious War", pp. 359-360.

⁴² Tony Wood, *Chechnya: The Case for Independence*, (Verso: London/ New York, 2007), 81.

⁴³ Charles W. Blandy, "Chechnya: Continued Violence", *Conflict Studies Research Centre*, (December 2006), [www.da.mod.uk/colleges/arag/document-listings/.../06\(54\)CWB.pdf](http://www.da.mod.uk/colleges/arag/document-listings/.../06(54)CWB.pdf).

Zakayev.⁴⁴ It may well have been Zakayev who recommended Umarov to Maskhadov as a candidate for the chairmanship of Chechnya's new Security Council. Maskhadov duly confirmed Umarov's growing political influence by appointing him to this post in June 1997.⁴⁵

Perhaps the most serious challenge facing Umarov in his new capacity as secretary of Chechnya's Security Council was the increased political and social instability engendered by the increasingly widespread practice of hostage-taking within the new state. In June 2008, Umarov explained the situation he found himself in as follows⁴⁶:

[...] we know that after the first war there was no unity among the Mujahideen like in the old days, and [that] the Mujahideen were organizing into groups. Since I had my group under my command, and since I had a military training base, it was impossible to remain outside politics back at that time, so even if you wanted to remain outside politics, they wouldn't let you do that, and the President of that time, Aslan Maskhadov, may Allah have mercy on him, appointed me Secretary of Security.

Paramilitary groups independent of government authority now emerged, as Umarov would later put it, "like mushrooms after rain".⁴⁷ In hindsight, the calculations behind Maskhadov's appointment are easy to discern: Umarov was known to be on good terms with many of the major players in Chechnya's hostage-taking industry, among them Arbi Barayev, Balaudi Tekilov and the Akhmadov brothers. Barayev, a field-commander of some renown during the first Russo-Chechen conflict, hailed from the same clan and geographical location as Umarov.⁴⁸ It has since been claimed that Umarov used his new role as secretary of the Security Council as cover for entering into a freelance hostage-taking enterprise with Barayev, but this speculation has never been confirmed.⁴⁹

Umarov was also on good terms with Baludi Tekilov, an opportunistic former racketeer and pimp who emerged as one of the main point-men in Chechnya's hostage-taking industry during the late 1990s.⁵⁰ Like Umarov, Tekilov returned to Chechnya in the early 1990s as a fugitive from Russian justice; he too sought to advance his political career through courtship, eventually marrying the sister of Salman Raduyev, a famous Chechen field-commander.⁵¹ Raduyev's resourceful new brother-in-law quickly

⁴⁴ Liz Fuller, "Chechnya: A Look At Slain Leader's Legacy And Successor", *RFE/RL*, June 21, 2006, <http://www.rferl.org/content/Article/1069356.html>.

⁴⁵ "Tretiy posle Maskhadova i Basayeva. Kto takoi Doku Umarov".

⁴⁶ "Dokka Umarov: 'A great deal of purification of the ranks of the Mujahideen is going on'", *Kavkazcenter.com*, June 15, 2008, <http://www.kavkazcenter.com/eng/content/2008/06/15/9814.shtml>.

⁴⁷ 'Interview with Dokka Umarov', *Kavkazcenter.com*, March 8, 2007, <http://www.kavkazcenter.com/eng/content/2007/03/08/7655.shtml>.

⁴⁸ Ruslan Isayev, "Dokka Umarov: A Hawk Flies to the Ichkerian Throne", *Prague Watchdog*, June 20, 2006, <http://www.watchdog.cz/?show=000000-000004-000001-000188&lang=1>.

⁴⁹ Laurent Vinatier, "Nord-Caucase: les guerres inachevées" [The North Caucasus : the unfinished wars], *Institut Thomas More*, (April 12, 2010).

⁵⁰ Vyacheslav Izmailov, "V podpol'noy Ichkerii smenilos' podpol'noe rukovodstvo" [In underground Ichkeria there are changes in the underground leadership], *Novaya Gazeta*, no. 46, July 22, 2006, <http://2006.novayagazeta.ru/nomer/2006/46n/n46n-s21.shtml>; see also "Berezovskovo posadyat za tsementnyi zavod" [Berezovsky will be planted in the cement works], *Gazeta.ru*, January 25, 2002, <http://www.gazeta.ru/2002/01/25/berezovskogo.shtml>.

⁵¹ Alexander Shvarev, "Pechatnyy stanok terroristov" [Terrorists' printing press], *Vremya Novosti*, no. 229, December 16, 2004, <http://www.vremya.ru/print/114638.html>.

caught his eye and he soon appointed Tekilov as his chief-of-staff. Tekilov used this influential position to carve out a niche for himself in Chechnya's thriving hostage-taking industry.⁵² Under Chechnya's post-war government, Tekilov was appointed head of the so-called Commission for the Liberation of Missing or Detained Persons.⁵³

Umarov has since claimed that it was his necessary association with the likes of Barayev, Tekilov and Akhmadov that led to him being accused of participation in the hostage-taking trade. In an interview with Andrei Babitsky in 2005, Umarov flatly denied any involvement in such activities:⁵⁴

Because of these contacts, I began to be accused of this [hostage-taking]. But I always – when these accusations reached this level, when Maskhadov said at the Security Council that I had been accused – I said, "Here is my statement, but a person's guilt can only be established in court. If I am guilty, I will not lift a finger to defend myself. Prove it and that's all. But what people say – that is slander, and it isn't for me. Just give me a fact. Without facts, a person can say, looking at a horse, "there is a goat".

Umarov is correct in stating that there is no concrete evidence of his direct involvement in the hostage-taking industry. However, in 2007, Umarov did little to enhance the case for his defence by posthumously honouring Barayev, a well-known hostage-taker, promoting him to the rank of "Brigadier-General".⁵⁵ Indeed, this decision was especially strange given Barayev's known collaboration with Russia's intelligence agencies.⁵⁶ Barayev had been stripped of this rank by President Maskhadov in July 1998 following a violent altercation in Gudermes, Chechnya's second largest city.⁵⁷

It is difficult to ascertain the extent to which Umarov was involved in Chechnya's inter-war hostage-taking business.⁵⁸ It can be said with certainty, however, that from the end of the first war, Umarov was consorting openly with several known participants in the hostage trade. Barayev, for example, is described by Souleimanov as "the nation's most notorious ruffian and kidnapper".⁵⁹ The Akhmadov brothers, meanwhile, were an influential presence in the Urus-Martan District of Chechnya during the inter-war years⁶⁰ and must have been known to Umarov.

⁵² Izmailov, "V podpol'noy Ichkerii smenilos' podpol'noe rukovodstvo".

⁵³ Alexander Shvarev, "Pechatnyy stanok terroristov".

⁵⁴ Andrei Babitsky, "Russia: RFE/RL Interviews Chechen Field Commander Umarov".

⁵⁵ Mairbek Vatchagaev, "Political and Militant Leadership Changes in Dagestan", *Chechnya Weekly*, volume 8, issue 40, October 18, 2007,

http://www.jamestown.org/programs/ncw/single/?tx_ttnews%5Btt_news%5D=4490&tx_ttnews%5BbackPid%5D=189&no_cache=1.

⁵⁶ Sanobar Shermatova, "Moscow Tragedy: More Questions Than Answers", *Caucasus Reporting Service: Institute for War and Peace Reporting*, no. 153, February 21, 2005, <http://www.iwpr.net/report-news/moscow-tragedy-more-questions-answers>.

⁵⁷ Vakhit Akaev, "Religious-political Conflict in the Chechen Republic of Ichkeria", *Central Asia and The Caucasus*, <http://www.ca-c.org/dataeng/05.akaev.shtml>.

⁵⁸ This has not prevented certain observers – in some cases even parties who are generally well disposed toward the rebel movement – from forthrightly accusing Umarov of complicity in the hostage trade: Alexander Litvinenko & Yuri Felshtinsky, *Blowing up Russia, The Secret Plot to Bring Back KGB Terror*, (Gibson Square: Great Britain, 2007), 90.

⁵⁹ Souleimanov, "An Endless War", p. 129.

⁶⁰ Anna Politkovskaya (with an introduction by Thomas de Waal), *A Dirty War: A Russian Reporter in Chechnya*, (Butler & Tanner Ltd.: Great Britain, 2001), xxiv.

Umarov's association with such individuals does not, of course, prove his direct involvement in the hostage-taking industry. It should be noted, however, that one need not have personally kicked down doors and hauled innocent people off into captivity to have been an active participant in the hostage trade. Referencing a conversation he had with Alexander Mukomolov, a member of General Alexander Lebed's "peacemaking mission" to Chechnya, Valeri Tishkov, a leading Russian ethnologist, has explained how kidnappings were usually the work not of individuals but rather of loosely formed groups of field-commanders who would haggle with one another over their share of the ransom, sometimes even trading hostages with one another.⁶¹ As secretary of the Security Council, therefore, Umarov need not have involved himself directly in the act of abducting ordinary Chechens, ethnic Russians, foreigners, journalists and other targets. Instead, he could have used this office as a means of offering protection and legal validation to associates who were involved precisely in these activities. Incidentally, these were the very grounds on which Maskhadov relieved Umarov of his official duties in mid-1998.⁶²

While the hostage-taking phenomenon represented the most immediate challenge to Umarov in his capacity as Security Council secretary, the refusal of so many field-commanders to recognize Maskhadov's lawful authority was another trend that demanded his attention. Many of these dissidents were war-heroes who had distinguished themselves during the conflict with the Russians. Most of them were receptive to the ideology of radical Islam and took a dim view of President Maskhadov's policies, above all his efforts to establish a normative relationship with Moscow. Well-known field-commanders like Basayev, Raduyev and Barayev openly presented themselves as paragons of Islamic virtue.

Barayev renamed his paramilitary unit the "Special Purpose Islamic Brigade". Regarded throughout Chechnya as a "Wahhabi", the colloquial designation for a follower of radical Islam, Barayev was collaborating closely with like-minded field-commanders such as Abdul-Malik Mezhidov, head of the so-called Sharia Guard movement.⁶³ He was also known to enjoy the patronage of Zelimkhan Yandarbiyev, a leading figure among the radicals.⁶⁴ In July 1998, paramilitary forces belonging to Barayev and Mezhidov clashed in Gudermes with forces loyal to the Yamadayev family, the de facto custodians of the city. In his capacity as Security Council Chairman, Umarov was obliged to intercede in this conflict. Umarov would later describe his role in these events as that of a "referee", explaining that he had felt little enthusiasm for his official duties as Security Council chief.⁶⁵ After a two-day-long melee that claimed scores of lives, Barayev and Mezhidov were forced to abandon their positions in Gudermes. Maskhadov announced that both Barayev's and Mezhidov's forces were to be disbanded and forbade members of these bodies from bearing arms.⁶⁶

⁶¹ Valery Tishkov, *Chechnya: life in a war-torn society*, (University of California Press: USA), 2004, p. 111.

⁶² Isayev, "Dokka Umarov: A Hawk Flies To The Ichkerian Throne".

⁶³ Miriam Lansky, *Chechnya's Internal Fragmentation, 1996-1999*, Fletcher Forum of World Affairs, vol. 27:2, Summer/Fall (2003): 194.

⁶⁴ Tishkov, "Chechnya: Life in a war-torn society", p. 121.

⁶⁵ "Dokka Umarov: 'A great deal of purification of the ranks of the Mujahideen is going on'", June 15, 2008, *Kavkazcenter.com*, <http://www.kavkazcenter.com/eng/content/2008/06/15/9814.shtml>.

⁶⁶ Miriam Lansky, "Chechnya's Internal Fragmentation, 1996-1999", p. 194.

This was a particularly difficult period for Maskhadov and his supporters. The events in Gudermes represented merely the latest in an increasingly long line of violent clashes between Wahhabi forces and government militiamen. Against this backdrop, and in the light of Umarov's close relationship with Barayev and other known Wahhabis, Maskhadov might have deemed it politically prudent to dismiss his Security Council secretary. Apart from his compromising ties to Barayev, in any case Umarov had failed to stabilise the security situation throughout Chechnya during his tenure as Security Council chief. Therefore, while we cannot satisfactorily answer the question of whether Umarov abetted the worsening security situation by partaking in Chechnya's lucrative hostage-taking industry, we can conclude that he failed to fulfil his official mandate of providing a favourable security environment in the new state.

Toward A Renewed Russo-Chechen Conflict

Scant information is available about Umarov's activities between mid-1998 and September 1999, when a fresh bout of military hostilities broke out between the Russian state and the regime in Grozny. This renewal of hostilities was precipitated by an ill-advised military adventure undertaken by Maskhadov's opponents in the radical Islamic camp. In August 1999, Shamil Basayev, in tandem with a well-known Arab Islamist, Khattab, led a large party of guerrillas across Chechnya's eastern border, occupying several villages in neighbouring Dagestan.⁶⁷ This localised occupation of Dagestani territory was received with hostility by many Dagestanis and militia groups were hurriedly assembled to assist federal forces in repelling the invaders from Chechnya.⁶⁸ Although Buryatsky has claimed that Umarov took part in diversionary operations in Dagestan's Novolaksk District to cover Basayev's eventual retreat from the occupied villages, Umarov himself has made no mention of his participation in these events, nor have any other independent commentators.⁶⁹

If ordinary Russians were shaken by Basayev's operation in western Dagestan, they were outraged by a series of apartment house bombings in Russian cities during September 1999, which claimed the lives of over 200 people.⁷⁰ Russia's security agencies were quick to uncover a "Chechen trail" behind these attacks, with the country's new Prime Minister, Vladimir Putin, promising instant results against the perpetrators.⁷¹ A new war between the Russian state and Chechnya now seemed inevitable. Maskhadov vainly attempted to establish a dialogue with his counterparts in Moscow, but Basayev's adventurism in Dagestan had made him appear weak, a president who was incapable of exercising control over those nominally under his remit.

The Russian administration showed no interest in negotiating with Maskhadov. With war now seemingly inevitable, the majority of Chechnya's disparate field-commanders resolved to put their many differences to one side in order to participate in counter-measures against the coming Russian

⁶⁷ Emil Souleimanov, "Chechnya, Wahhabism and the Invasion of Dagestan", *Middle East Review of International Affairs*, vol. 9, no. 4 (December 2005): 62-65.

⁶⁸ Souleimanov, "An Endless War", p. 148.

⁶⁹ Abu Saad, "Vzglyad na dzhikhad iznutri: po proshestii goda"; Certain pro-Russian sources have also reported Umarov's involvement in the Dagestan campaign: Nikolai Vavarin, "Doku Umarov – Nepriznanny lider ili marionetka?"

⁷⁰ Robert Bruce Ware, "Revisiting Russia's Apartment Block Blasts", *The Journal of Slavic Military Studies*, 18:4, (2005): 599.

⁷¹ Mathew Evangelista, *The Chechen Wars: will Russia go the way of the Soviet Union?*, (R.R. Donnelley & Sons: USA, 2002), 67.

invasion. In preparing for the Russian attack, Umarov resumed his collaboration with his kinsman, Ruslan Gelayev, aiding in the preparation of siege defenses in and around Grozny.⁷² Although they still showed a willingness to collaborate on occasion, relations between Umarov and Gelayev were at best equivocal and would remain so until the latter's death in 2004.⁷³ Gelayev had prospered politically in the inter-war period, receiving the posts of prime minister and later defense minister in Maskhadov's government. He also began to show a keen interest in Islam, garnishing his credentials in this field by performing the Hajj and by attending the World Muslim Congress in Pakistan in early 1998.⁷⁴

The Chechen defenders held their positions in Grozny until January 2000, when they were finally forced to begin an evacuation of the city. During their chaotic flight from Grozny that winter, the rebels sustained heavy casualties. Basayev's detachment blundered into a minefield, with Basayev himself stepping on a mine and losing a foot.⁷⁵ Gelayev withdrew amid controversial circumstances, with Maskhadov angrily denouncing him for abandoning his positions in Grozny without explicit orders.⁷⁶ Umarov retreated also, sustaining a serious head injury in the process (a bullet wound to the jaw-bone).⁷⁷

It is unclear whether or not Umarov was in the company of Gelayev during this retreat but the subsequent fate of Gelayev's outfit would suggest that he was not. At the height of his controversial departure from Grozny, Gelayev was reportedly contacted by Barayev who promised him and his men safe passage out of the conflict zone.⁷⁸ However, as Gelayev approached the meeting place he had prearranged with Barayev, his party came under attack by Russian forces. Gelayev repaired to Komsomolskoye, his native village, where he and his men clashed with Russian forces. This engagement resulted in the deaths of hundreds of his fighters.⁷⁹ Although Gelayev managed to escape from this siege with his life, he was reportedly outraged by Barayev's conduct, accusing him of treachery and reportedly declaring a vendetta against him.⁸⁰ It is unlikely that Umarov would have used his offices to posthumously honour Barayev (as he did in 2007) had he been numbered personally among Gelayev's beleaguered party in Komsomolskoye.

It seems more probable, indeed, that Umarov was already sequestered in a safe house elsewhere in Chechnya by the time the operation in Komsomolskoye was underway. The injury he incurred during the flight from Grozny gave rise to one of the most controversial episodes in Umarov's career. One source claims that the extent of this injury led Umarov to make contact with Russia's security services. Vyacheslav Izmailov has claimed that in return for specialist treatment at a medical facility in southern Russia, Umarov provided information that led to the capture of Salautdin Temirbulatov, a particularly

⁷² Andrew McGregor, "Dokka Umarov: the next in line", *Chechnya Weekly*, volume 7, issue 1, December 31, 2006, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=3114.

⁷³ Alexander, Shvarev "Spetssluzhby spasli Gelayeva" [Special Services saved Gelayev], *Vremya Novosti*, no. 33, February 28, 2005, <http://www.vremya.ru/2005/33/51/119510.html>.

⁷⁴ Tishkov, "Chechnya: Life in a War-Torn Society", p. 182.

⁷⁵ Khassan Baiev & Ruth Daniloff, *The Oath: A Surgeon Under Fire*, (Simon & Schuster: Great Britain, 2004), 285.

⁷⁶ Cerwyn Moore, "The Tale of Ruslan Gelayev: Understanding the International Dimensions of the Chechen Wars", *Central Asia-Caucasus Analyst*, May 28, 2008, <http://www.cacianalyst.org/?q=node/4868>.

⁷⁷ Izmailov, "V podpol'noy Ichkerii smenilos' podpol'noe rukovodstvo".

⁷⁸ Ivanov, "Ruslan Gelayev i dva boytsa".

⁷⁹ "Chechen rebels besieged", *BBC News*, March 6, 2000, <http://news.bbc.co.uk/2/hi/europe/667984.stm>.

⁸⁰ Shermatova, "Russian anti-terrorist operation".

savage field-commander with a penchant for videotaping the executions of captured Russian soldiers.⁸¹ Umarov is also said to have furnished information as to the final resting place of Gennady Shpigun, a General in Russia's interior ministry abducted from Grozny airport in March 1999.⁸²

Umarov's reported willingness to surrender Temirbulatov to the Russians is one of the first examples of his political ruthlessness, in particular his readiness to break with former comrades in the interests of political expediency. It is certain that Temirbulatov and Umarov were known to one another for they moved in the same circles, at least during the mid-nineties. Like Umarov, Temirbulatov was a protégé of Daud Akhmadov.⁸³ He was also on terms with Gelayev⁸⁴ and is said to have commanded a group of up to 200 men based in Urus-Martan.⁸⁵ In March 2000, approximately one month after Umarov supposedly made contact with Russian security forces, Temirbulatov was arrested by Russian security forces in the village of Duba-Yurt.⁸⁶ Russian prosecutors, who had been investigating Temirbulatov's activities since 1996, quickly filed charges of kidnapping and terrorism against him. It should be noted that the remains of General Shpigun were also discovered that March.⁸⁷ The chronological proximity between these two developments and Umarov's reported contact with Russian intelligence agencies lends credence to Izmailov's account.

Izmailov claims that Umarov made contact with Russia's security agencies through "intermediaries". If so, then Umarov would have had a choice of human conduits through which to get a message through to this quarter. Barayev, Tekilov and the Akhmadov family all had well-documented links with Russia's special services. In May 2000, for example, an officer in Russia's military intelligence division (GRU) leaked information to a journalist detailing Barayev's relationship with Russia's domestic intelligence service (FSB).⁸⁸ Even after the renewed outbreak of hostilities between Grozny and Moscow in 1999, Barayev continued to reside in his home village, quite unmolested by Russian forces. If Umarov had no pre-existing channels of communication with Russia's security agencies at this time, then he might easily have used any of these parties as a go-between.

According to Izmailov, Russia's special services were on the verge of renegeing on the agreement and arresting Umarov, when the latter was somehow made aware of their intentions and fled to Georgia.⁸⁹ Umarov sought further medical treatment in Georgia and spent a period of convalescence alongside another recuperating Chechen partisan – Akhmed Zakayev.⁹⁰ Zakayev had also been injured during the

⁸¹ Izmailov, "V podpol'noy Ichkerii smenilos' podpol'noe rukovodstvo".

⁸² Ibid.

⁸³ Vladimir Yanchenko, "Traktorist' seyal smert'" ["Traktorist" sows death], *Trud*, no. 53, March 23, 2000, http://www.trud.ru/article/23-03-2000/3700_traktorist_sejal_smert.html.

⁸⁴ Temirbulatov was reportedly in Komsomolskoye with Gelayev in March 2000: Lyudmila Karamysheva, "Vysokoe nebo" [Sky high], *Trud*, no. 239, December 27, 2001, http://www.trud.ru/article/27-12-2001/34742_vysokoe_nebo.html.

⁸⁵ Sergei Dupin, "Mekhanizator shirokovo profilya" [Machine operator with a wide profile], *Reuters*, March 21, 2000, <http://www.memo.ru/hr/hotpoints/n-caucas/ch99/000321/k0321c.htm>.

⁸⁶ Yuri Akbashev, "Chechen Commander in War Crimes Trial", *Caucasus Reporting Service: Institute for War and Peace Reporting*, no. 66, January 19, 2001, http://www.iwpr.net/?apc_state=hruicrs2001&l=en&s=f&o=161950.

⁸⁷ Michael Wines, "Russia Says Remains Are Those Of Envoy Abducted in Chechnya", *New York Times*, June 15, 2000, <http://www.nytimes.com/2000/06/15/world/russia-says-remains-are-those-of-envoy-abducted-in-chechnya.html>.

⁸⁸ Vyacheslav Izmailov, "The Drama Behind Nord-Ost", *Perspective*, vol. 8:2, November-December 2002, <http://www.bu.edu/iscip/vol13/Izmailov.html>.

⁸⁹ Izmailov, "V podpol'noy Ichkerii smenilos' podpol'noe rukovodstvo".

⁹⁰ Liz Fuller, "Chechnya: A Look At Slain Leader's Legacy And Successor".

rebels' retreat from Grozny. As mentioned previously, Umarov and Zakayev were old acquaintances. Zakayev, too, had served under Gelayev during the first war before branching out on his own and establishing his own command.⁹¹ Umarov reportedly joined Zakayev's unit for a period after parting ways with Gelayev in 1996.⁹² The nature of the relationship that evolved between Umarov and Zakayev was such that when Umarov renounced the goal of an independent Chechnya in 2007, announcing the establishment of a Caucasus Emirate in its stead, Zakayev at first could not believe that his former friend and ally might be responsible for such an act.

Soon after his period of convalescence was completed, Umarov is believed to have made his way to the Pankisi Gorge, a mountainous part of eastern Georgia that borders Chechnya.⁹³ This region plays host to a sizable community of ethnic Chechens, known as Kists, and was chosen by several Chechen rebel leaders as an ideal location for recovery and reorganisation following the devastating events of early 2000. Large numbers of refugees from Chechnya also began to arrive in the region during this period. The infiltration of Chechen paramilitary groups into Pankisi continued over a period of eighteen months. Indeed, in May 2002 a minister in Georgia's government stated that there were 800 Chechen paramilitaries active in Pankisi (along with 100 further guerrillas "of Arab origin").⁹⁴ Among the better-known personalities that sought refuge in Pankisi during this period were the Akhmadov brothers,⁹⁵ Ruslan Gelayev,⁹⁶ Abdul-Malik Mezhidov⁹⁷ and Doku Umarov. By 2002 Gelayev had established himself as the local strongman in Pankisi, acquiring corrupt, albeit well-placed, officials in Georgia's interior ministry as patrons, while using his paramilitary unit to intimidate would-be rivals in the local trade in narcotics.⁹⁸

Existing together in such an enclosed geographical and social space for a period of eighteen months, it is fair to assume that Umarov and Gelayev, whatever their past differences, established some kind of *modus vivendi*. The bulk of Gelayev's once impressive fighting force had been decimated by the battle of Komsomolskoye and his subsequent retreat southwards toward the Georgian border.⁹⁹ The scantiness of Gelayev's paramilitary outfit was especially marked by the time he reached Pankisi in mid-2001. As a result, Gelayev would hardly have been in a position to dismiss an overture from somebody of Umarov's military experience, whatever the nature of their previous disagreement. Gelayev would remain bivouacked in Pankisi for some considerable time more, launching guerrilla

⁹¹ Cerwyn Moore, "The Tale of Ruslan Gelayev: Understanding the International Dimensions of the Chechen Wars".

⁹² Fuller, "Chechnya: A Look At Slain Leader's Legacy And Successor".

⁹³ McGregor, "Dokka Umarov: the next in line".

⁹⁴ Glenn E. Curtis, *Involvement of Russian organized crime syndicates, criminal elements in the Russian military, and regional terrorist groups in narcotics trafficking in Central Asia, the Caucasus, and Chechnya*, (A Report Prepared by the Federal Research Division, Library of Congress under an Interagency Agreement with the United States Government, October 2002), <http://www.loc.gov/rr/frd/pdf-files/RussianOrgCrime.pdf>.

⁹⁵ Svante Cornell, "Is Russia's pressure on Georgia backfiring in Chechnya?", *Central Asia-Caucasus Analyst*, October 9, 2002, <http://www.cacianalyst.org/?q=node/115>.

⁹⁶ Mikhail Timofeev, "Bitva pri Galashkakh" [The battle for Galashki], *Nezavisimoe*, October 4, 2002, http://nvo.ng.ru/wars/2002-10-04/2_galashki.html.

⁹⁷ "Chechenskie seperatisty perenesli svoy shtab v Pankisi" [Chechen separatists move their headquarters to Pankisi], *Lenta.ru*, October 3, 2002, <http://www.lenta.ru/vojna/2002/10/03/abdulmalik/>.

⁹⁸ Curtis, "Involvement of Russian organized crime syndicates, criminal elements in the Russian military".

⁹⁹ Moore, "The tale of Ruslan Gelayev: understanding the international dimensions of the Chechen wars".

attacks in southern Chechnya, Ingushetia, and even as far abroad as Abkhazia.¹⁰⁰ Umarov, by contrast, endeavoured to return to Chechnya at the earliest possible opportunity. In August 2002 he returned to his homeland and was quickly appointed to a key position as commander of the “South-Western front”.¹⁰¹

Chechnya’s political scene had undergone significant changes since Umarov’s enforced departure in early 2000. The Kremlin had installed Akhmed Kadyrov as its indigenous political-military representative in Chechnya. Formerly Chechnya’s chief mufti, Kadyrov had reportedly been an active participant in the first separatist campaign and had even invoked a holy war against the Russians.¹⁰² Citing disillusionment at the growing influence of Islamic radicals within Chechen society during the inter-war period, Kadyrov reached an agreement with representatives of the Kremlin in late 1999 as a fresh invasion became imminent. Kadyrov employed a mixture of cajolement and coercion to dissuade his countrymen from resisting Russian rule, offering to amnesty leading rebels such as Gelayev, while simultaneously deploying his own militia, headed by his son Ramzan, to harass the families of suspected militants by means of assault, abduction, torture and even murder.¹⁰³

Few specific details are available relating to Umarov’s activities from mid-2002 to mid-2004. Perhaps his most noteworthy achievement was simply staying alive. Gelayev was killed in February 2004 while attempting to cross the border from Dagestan into Georgia.¹⁰⁴ Umarov acted quickly, absorbing the rump of Gelayev’s fighting force into his own command, thereby positioning himself as Gelayev’s natural successor. Often described as a “maverick”, Gelayev had always manifested a pronounced independent streak. His curious decision to abandon his assigned positions during the defense of Grozny, a decision he neglected to coordinate with Maskhadov, is often cited as an example of this independent mindset. Umarov’s relationship with Maskhadov had apparently survived his dismissal as Security Council chairman in 1998. As we have seen, Maskhadov suspected Umarov of dabbling in the hostage-taking trade during the inter-war years, but Umarov’s activities were never deemed treasonous by Maskhadov, merely inappropriate and unacceptable. Maskhadov’s decision to promote Umarov in 2002 indicates that he had no concerns regarding his fealty and courage, concerns he evidently continued to harbour with respect to Gelayev.

With Gelayev’s death, Umarov was able to strengthen his position in Chechnya’s south-western districts: Achkoi-Martanovsky District, Shatoisky District, Itum-Kalinsky District and Urus-Martanovsky District. As Umarov consolidated his influence in these districts he began to forge a closer relationship with another leading field commander, Shamil Basayev. While Umarov and Basayev were known to one another prior to 2004, they are not believed to have been on close terms. The similarities between Umarov and Basayev have already been alluded to: both hailed from distinguished families and both had spent time in Russia during the perestroika era where they flirted

¹⁰⁰ Miriam Lansky, “Kodori Gorge goes nuts”, *The NIS Observed: An Analytical Review*, vol. 6:17, October 24, 2001, <http://www.bu.edu/iscip/digest/vol6/ed0617.html>.

¹⁰¹ Emil Souleimanov, “With Sadulaev and Basaev killed, generation change in the Chechen leadership nears”, *Central Asia-Caucasus Analyst*, July 12, 2006, <http://www.cacianalyst.org/?q=node/4048>.

¹⁰² John Russell, “Ramzan Kadyrov: The Indigenous Key to Success in Putin’s Chechenization Strategy?”, *Nationalities Papers*, vol. 36:4, September 2008.

¹⁰³ Svante Cornell & Frederick Starr, *The Caucasus: A Challenge For Europe*, Silk Road Paper, June 2006, 60-61.

¹⁰⁴ “Gelayeva pokhoronyat za kolyuchey provolokhoy” [Gelayev to be buried behind barbed wire], *Lenta.ru*, June 18, 2004, <http://lenta.ru/vojna/2004/06/18/gelaev/>.

with organised crime. Both men also enjoyed a somewhat equivocal relationship with Russia's security services. In 1995 Basayev stated forthrightly that he had maintained contacts with high-ranking Russian military officials during his time in Abkhazia.¹⁰⁵ Umarov's interaction with these agencies has been detailed earlier.

Yet the differences between the two were equally as fascinating. Ideologically, Umarov and Basayev, while certainly not at variance, were definitely at different stages of development. In terms of ideology, Umarov was very much a creation of the first Russo-Chechen conflict. He returned to Chechnya in 1992 seeking patronage and protection, with no set ideological outlook. Basayev, while in a sense also a product of the first war, was already familiar with the guerrilla lifestyle; he had seen war in person and was already committed to the cause of an independent Chechnya. Unlike Umarov, he had returned to Chechnya by choice, not because he was sought after by Russian prosecutors. Regardless, in 2004 the two men embarked on a lasting collaboration when Umarov helped Basayev to organise a raid on government targets in Nazran, Ingushetia's largest city. It was to prove a hectic summer for Umarov: in August he was named Maskhadov's minister for state security (essentially a shadow reincarnation of his former Security Council portfolio) before later leading a large-scale rebel raid on Grozny.¹⁰⁶

The precipitant for the next stage in the advancement of Umarov's political career occurred in March 2005 when Russian Special Forces assassinated Maskhadov in the village of Tolstoy-Yurt, in northern Chechnya.¹⁰⁷ The previous month, Maskhadov had announced a unilateral ceasefire and called on the Russian authorities to enter into peace talks with his government.¹⁰⁸ Maskhadov was replaced by his agreed successor, Abdul-Khalim Sadulayev, an Islamic theologian from Argun, Chechnya. In June, Sadulayev confirmed the appointment of Doku Umarov as his vice-president, thereby thrusting the veteran field-commander into the national and international political limelight.

Knowledge of Umarov's latest promotion was made public only days before he conducted his first major interview with a non-Chechen journalist, Andrei Babitsky of Radio Free Europe/Radio Liberty. Babitsky's interview with Umarov was the first occasion that the new vice-president was subjected to real journalistic scrutiny and he conducted himself adroitly.¹⁰⁹ In the light of Maskhadov's death, Umarov told Babitsky that he was sceptical about his movement's chances of reaching a political settlement with the Kremlin. He also criticized the Beslan school siege of September 2004, when hundreds of school children were taken hostage by guerrillas loyal to Basayev.¹¹⁰ Umarov's remarks were widely interpreted as a negative appraisal of the tactics employed by Basayev's men at Beslan: "If we were to use those methods, then I think not one of us would be able to return as normal humans". Umarov also stated forthrightly that "in the eyes of the resistance such operations have no legitimacy". In hindsight, Umarov's objections to Basayev's tactics at Beslan are remarkable given his

¹⁰⁵ Dunlop, "The roots of a separatist conflict", p. 145; Oleg Lukin, "Chechen role in the 1992-3 Georgian-Abkhazian war", *Prague Watchdog*, August 15, 2007, <http://www.watchdog.cz/?show=000000-000005-000004-000151&lang=1>.

¹⁰⁶ "Tretiy posle Maskhadova i Basayeva. Kto takoi Doku Umarov".

¹⁰⁷ Musa Muradov & Sergei Mashkin, "Ubit Aslan Maskhadov" [Aslan Maskhadov killed], *Kommersant*, no. 40, March 9, 2005, <http://www.kommersant.ru/doc.aspx?DocsID=552963>.

¹⁰⁸ Charles W. Blandy, "The End of Ichkeria?", *Conflict Studies Research Centre*, April 2005, <http://www.da.mod.uk/colleges/arag/document-listings/caucasus/>.

¹⁰⁹ Andrei Babitsky, "Russia: RFE/RL Interviews Chechen Field Commander Umarov".

¹¹⁰ Timothy Phillips, *Beslan: The Tragedy of School No. 1*, (Granta Books: Great Britain, 2007).

recent claim of responsibility for attacks obviously intended to injure and kill civilians, such as the suicide attacks on the Moscow metro in March 2010.¹¹¹

Another aspect of this interview that would be scrutinized closely in the light of later developments in Umarov's political career was his analysis of the phenomenon of radical Islam, or Salafism, within the ranks of the rebel movement. Babitsky, for his part, stated that Umarov was known throughout his homeland as a follower of Sufi Islam who eschewed the radical Islamic agenda championed by the foreign fighters and their indigenous allies. While Umarov dismissed the notion that the rebel movement had been completely infiltrated by "Wahhabis", the colloquial term used by Russian sources when referring to Salafists, he did acknowledge a certain utility to the Sharia (Islamic law), which constitutes the central tenet of the Salafist agenda: "A Muslim, any Muslim, any person must live according to some law. And if a Muslim lives according to Sharia, then Sharia forbids him from goofing around or smoking or doing such things, then I consider that good." Umarov nevertheless described suggestions that he personally was a Wahhabi as "laughable".

Declaring the Caucasus Emirate

Umarov did not have to wait long for the next opportunity for political advancement to arrive. In June 2006 Sadulayev was killed in a battle with pro-Russian forces.¹¹² Umarov automatically assumed Sadulayev's duties, naming Basayev as his new vice-president.¹¹³ However, two weeks after his appointment to the vice-presidency, Basayev himself lost his life in obscure circumstances in Ingushetia.¹¹⁴ Basayev had emerged as the rebels' chief military strategist and his loss was greatly felt. Umarov paid tribute to his erstwhile collaborator, eulogizing him as "the motor of jihad".¹¹⁵

At this point, there was a consensus among observers that Umarov would continue to uphold the broad political line established by his predecessors by continuing to fight for an independent Chechnya.¹¹⁶ Umarov's 2005 interview with Babitsky had persuaded most observers that the new president was essentially a Chechen nationalist, who felt no great enthusiasm for radical Islam. The fact that Umarov had publicly criticized the Beslan school siege in this interview was noted appreciatively by analysts.¹¹⁷ Umarov's first public statement as president appeared to confirm these widely held impressions:¹¹⁸

¹¹¹ "Dokku Abu Usman: Ataka v Moskovskom metro – eto vozmezdnie za reznuyu v Arshtakh" [Dokka Abu Usman: Attack on the Moscow metro was revenge for the massacre in Arshty], *Kavkazcenter.com*, March 31, 2010, <http://www.kavkazcenter.com/russ/content/2010/03/31/71502.shtml>.

¹¹² Carl Schreck, "Rebel leader Sadulayev shot dead", *The Moscow Times*, June 19, 2006, <http://www.themoscowtimes.com/news/article/rebel-leader-sadulayev-shot-dead/204345.html>.

¹¹³ Liz Fuller, "Radical Field Commander Named Chechen Vice President", *RFE/RL Caucasus Report*, vol. 9:23, June 23, 2006.

¹¹⁴ Nabi Abdullaev, "Basayev Killed in Ingushetia Explosion", *The Moscow Times*, July 11, 2006.

¹¹⁵ "No Peace Talks With the Russians, Chechen President Says", *Kavkazcenter.com*, September 12, 2006 (last accessed September 13, 2006), <http://www.kavkazcenter.com/eng/content/2006/09/12/5552.shtml>.

¹¹⁶ Isayev, "Dokka Umarov: A Hawk Flies to the Ichkerian Throne".

¹¹⁷ McGregor, "Dokka Umarov: The Next in Line".

¹¹⁸ "The Address to the Nation by Dokka Umarov, President of the Chechen Republic of Ichkeria", June 27, 2006, <http://chechenpress.co.uk/english/news/2006/06/27/01.shtml> (last accessed June 27, 2006).

I have never wanted this job, but I must fulfill my duty, not my wishes. I have made my free choice in 1994, when I decided it was my duty to join those who raised, with weapons in their hands, to defend the freedom and honour of our nation [...]. My vision of finishing the Russian-Chechen war is that Russia should leave us alone, recognizing our legitimate right of self-determination [sic] [...]. I responsibly state that only military and punitive objects will be targets of our strikes [...] [The] Chechen Republic's representatives must dispel the Russian propagandas myth about [the] extremism of our leadership [...].

These consensual sentiments might have been expressed by any of Umarov's predecessors. Umarov emphasized that the 1997 Khasavyurt Treaty should define future relations between Moscow and Grozny. "According to this treaty," wrote Umarov, "Russia and the Chechen Republic must base their relations on the commonly accepted principals and provisions of international law."¹¹⁹ The only point of controversy in this inaugural statement centred on Umarov's stated intention to extend the rebels' military activities beyond Chechnya into neighbouring republics (Maskhadov had opposed this strategic departure). Even so, this strategy was pioneered not by Umarov, but by Sadulayev, who had established a region-wide "Caucasus Front" in 2005.¹²⁰ Umarov also stated that his government would not actively pursue peace talks with the Russians.¹²¹ As yet, there was no mention of a "Caucasus Emirate"; although Umarov did note that "national traitors" and "war criminals from occupational troops" would be dealt with by the Sharia Court of the Chechen Republic of Ichkeria (ChRI).¹²²

In less than eighteen months, however, Umarov's political outlook had undergone a radical change. Before going any further, it would be prudent to quote, at length, portions of the statement issued by Umarov in October 2007, wherein he announced the creation of the Caucasus Emirate¹²³:

I am announcing to all Muslims that I am at war against the infidels under the banner of Allah. This means that I, Emir of the Caucasian Mujahideen, reject all infidel laws that have been established in this world. I reject all laws and systems that the infidels have established on the land of the Caucasus. I reject and outlaw all names that the infidels use to split the Muslims. I outlaw all ethnic, territorial and colonial zones named 'North-Caucasian republics', etc. [...]. Today our brothers are fighting in Afghanistan, Iraq, Somalia and Palestine [...]. Those who attack Muslims are our common enemies; our enemy is not only Russia, but also America, England, and Israel – all those who conduct war against Islam and Muslims.

It is no easy challenge to determine exactly how Doku Umarov's worldview was so drastically altered between June 2006 and the autumn of 2007. By proclaiming the Caucasus Emirate, Umarov effectively abrogated the Chechen Republic of Ichkeria, reducing Chechnya's status to that of a

¹¹⁹ Ibid.

¹²⁰ "Caucasian Front established by decree of ChRI President Sadulayev", *Kavkazcenter.com*, May 20, 2005, <http://www.kavkazcenter.com/eng/content/2005/05/20/3812.shtml>.

¹²¹ "No Peace Talks With the Russians, Chechen President Says".

¹²² "The Address to the Nation by Dokka Umarov, President of the Chechen Republic of Ichkeria", June 27, 2006, <http://chechenpress.co.uk/english/news/2006/06/27/01.shtml> (last accessed June 27, 2006).

¹²³ Andrei Smirnov, "Will the Rebels Declare the 'Caucasian Emirate'", *Chechnya Weekly*, vol. 8:42, November 1, 2007; for an abridged English-language version of the declaration see "The official version of Amir Dokka's statement of declaration of the Caucasian Emirate", *Kavkazcenter.com*, November 22, 2007, <http://www.kavkazcenter.com/eng/content/2007/11/22/9107.shtml>.

province, or *Vilayat*, in the new Emirate. The pre-existing consensus that Umarov was a Chechen nationalist and a practitioner of a brand of Sufi Islam native to the North-East Caucasus was automatically called into question. The proclamation also challenged the concept of international law and was viewed in some quarters as being tantamount to a declaration of war on several Western countries.

For orthodox Chechen nationalists, who still cherished the vision of an independent, democratic Chechnya, Umarov's announcement was, in the first instance, a betrayal. The leading voice in the chorus of criticism that followed the declaration of the Emirate belonged to Akhmed Zakayev, by this time a senior minister in the ChRI government. For Zakayev, a secular democrat, the declaration of the Caucasus Emirate challenged the legitimacy of the Chechen Republic of Ichkeria. Also, by making common cause with the Afghan Taliban (who engage British forces on a near-daily basis in Helmand Province, Afghanistan), Umarov greatly embarrassed his colleague Zakayev, who had been living in the United Kingdom under political asylum since 2003.

The nature of the prior association between these two men made it difficult for Zakayev to accept Umarov's new ideological departure and at first he declined to blame Umarov directly for the controversy, preferring instead to point the finger at certain Islamic ideologues who were advising him.¹²⁴ These persons, Zakayev claimed, were simply masquerading as revolutionaries and were in fact agents of Russia's Federal Security Service, the FSB.¹²⁵ It would seem that Zakayev got wind of Umarov's declaration sometime in early October, shortly before its contents became common knowledge beyond Chechnya and the Northern Caucasus. Using his various media outlets, Zakayev suggested that Umarov had been gulled by the FSB into proclaiming the Emirate as part of a grand manoeuvre by the Kremlin to connote the Chechen resistance with al Qaeda.¹²⁶ Zakayev rallied the ChRI parliament-in-exile, which issued a statement criticising Umarov's declaration as an attempt to "convert our struggle for national liberation into the category of so-called 'international terrorism'".¹²⁷

Yet there had been indications for some time that Umarov's political outlook was no longer entirely in accordance with Zakayev's. During an interview in April 2006, only months before he became president of the ChRI, Umarov told a Chechen journalist of his ambition to create "a free Muslim state".¹²⁸ From the context, it is likely that Umarov was referring to a free Islamic Chechnya, but we can extrapolate from these remarks, as well as certain comments he made in his interview with Babitsky, that Umarov regarded Islam – specifically the Sharia – as a strong foundation for independent statehood. Later that year, in September, Umarov asserted publicly that policy decisions pertaining to the strategic direction of the rebel movement would be subject to the deliberations of the rebels' *majlisi al-shura*, a consultative body including representatives from every rebel front in the

¹²⁴ Liz Fuller, "Chechen Leadership In Exile Seeks To Salvage Legitimacy", *RFE/RL Caucasus Report*, vol. 10;27, <http://www.rferl.org/content/article/1347686.html>.

¹²⁵ Dmitry Shlapentokh, "The Rise of the Chechen Emirate?", *Middle East Quarterly*, Summer 2008, <http://www.meforum.org/article/1931>.

¹²⁶ Ibid.

¹²⁷ "ChRI Parliament Condemns 'Caucasian Emirate' Proclamation", *Chechnya Weekly*, volume 8:44, November 15, 2007.

¹²⁸ 'D. Umarov: "My bol'she ne predlozhim Rossii mira"' [D. Umarov: "We will not offer Russia peace"] *Kavkazcenter.com*, April 18, 2006, <http://www.kavkazcenter.com/russ/content/2006/04/18/43822.shtml>.

Northern Caucasus.¹²⁹ This meant that as a decision-making forum, the government of the ChRI had been effectively replaced by the *majlisi al-shura*.

After nearly being captured in south-east Chechnya by Russian security forces in November 2006, Umarov decided to winter in the republic of Kabardino-Balkaria. Whilst in Kabardino-Balkaria, Umarov met with the leader of the local insurgency, Anzor Astemirov.¹³⁰ Although he was a willing participant in the continuing war against the Russians, Astemirov had concerns about the political direction of the rebel movement. In particular, he disagreed with the rebels' avowed strategic goal of establishing an independent, presidential republic in Chechnya. Possessing a background in Islamic theology, Astemirov believed that the establishment of a Sharia-based Islamic state, be it in Chechnya or elsewhere in the Northern Caucasus, should be the movement's main strategic goal.¹³¹

In terms of his political ideology, Astemirov had much in common with certain other ideologues in the rebel community, in particular Movladi Udugov, editor of the influential Kavkazcenter.com website, and his half-brother, Isa Umarov. By one account, Isa Umarov was in Nalchik, Kabardino-Balkaria, around this time, where he made direct contact with Astemirov.¹³² Soon thereafter, he could be viewed on an internet clip sitting alongside Doku Umarov in a camp somewhere in the Caucasus range.¹³³ Zakayev has since claimed that it was Isa Umarov who persuaded Umarov to announce the creation of the Caucasus Emirate.¹³⁴ This assertion is contradicted by Astemirov, however, who came close to claiming sole credit for the establishment of the Emirate in an article published on Kavkazcenter.com in January 2008.

In this lengthy piece, Astemirov explains to his readership how he had long taken issue with the pre-existing political veneer of the rebel movement.¹³⁵ In his view, concepts like republicanism, democracy and universal suffrage are anathema, "disgraceful things". Astemirov tells how he had argued with Basayev about the impropriety of these phenomena being included as part of the rebels' political platform on the grounds that they have no basis in the Sharia. At Basayev's urging, however, Astemirov says that he temporarily set aside these grievances and swore allegiance to Abdul-Khalim Sadulayev, who at that time was president of the ChRI.

When Sadulayev and Basayev were killed in the summer of 2006, Astemirov decided to raise these grievances once more, writing to Umarov directly. According to Astemirov, Umarov responded sympathetically to his litany of complaints:¹³⁶

¹²⁹ "No Peace Talks With the Russians, Chechen President Says".

¹³⁰ Andrei Smirnov, "In the Footsteps of Dokka Umarov: Kadyrov's Trip to Kabardino-Balkaria", *Chechnya Weekly*, May 17, 2007, vol. 8, issue 20, http://www.jamestown.org/programs/ncw/single/?tx_ttnews%5Btt_news%5D=4173&tx_ttnews%5BbackPid%5D=189&no_cache=1.

¹³¹ Kevin Daniel Leahy, "Anzor Astemirov: From Military Dilettante to Leading Political Strategist", *Central Asia-Caucasus Analyst*, February 11, 2009, <http://www.cacianalyst.org/?q=node/5033>.

¹³² Vinatier, "Nord-Caucase: les guerres inachevées".

¹³³ Mairbek Vatchagaev, "Zakaev's Attempts to Persuade Dokka Umarov are in Vain", *Chechnya Weekly*, volume 9, issue 24, June 19, 2008, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=5007](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=5007).

¹³⁴ Fuller, "Russia: Is North Caucasus Resistance Still Serious Threat?"

¹³⁵ "Amir Sayfullah: 'How we prepared the declaration of the Caucasus Emirate'", *Kavkazcenter.com*, January 1, 2008, <http://www.kavkazcenter.com/eng/content/2008/01/01/9264.shtml>.

¹³⁶ *Ibid.*

[...] Amir Dokka wrote in response that he understood all this, that he realized all this and he himself wanted to renounce all this, he just needed to put it into shape correctly from the Sharia point of view [...], and he said that he would issue a strong statement on this topic, and that he did not recognize any law except the Law of Allah, and that he did not seek anybody's pleasure except the pleasure of Allah, so he said it was just a matter of time.

This initial correspondence between Astemirov and Umarov seems to have taken place in the summer of 2006, shortly after the latter's accession to the presidency. In this context, and given Astemirov's claim that Umarov was receptive to his agenda, Umarov's decision to spend that winter in Kabardino-Balkaria is of real significance. Clearly, Astemirov's correspondence had piqued the new president's interest. Umarov's interest in Astemirov's political agenda was quickly noted by Movladi Udugov and Isa Umarov. While Udugov continued to reside abroad, his half-brother maintained a presence at Doku Umarov's side.¹³⁷ Using their political influence and considerable media savvy, these two individuals waged a propaganda campaign throughout 2007, agitating for the establishment of the type of Islamic state envisaged by Astemirov.¹³⁸

It has been established that indications suggesting a favourable attitude on Doku Umarov's part toward the idea of a Sharia-based state were in evidence from as early as 2005. After his communion with Astemirov, however, Umarov considered more seriously the potential utility of a Sharia as the bedrock of future statehood. During an interview in March 2007, Umarov suggested that the Sharia might serve as a useful foundation for a more ambitious political project than an independent Chechnya.¹³⁹

I will remind you that the peoples of North Caucasus have experience of joint statehood. During the time of Sheikh Mansur, Imam Shamil and The Mountain Republic, as well as the North Caucasian Emirate of Sheikh Uzun-Hadji[...]. The basis of this association was always Islam, and in the case of the Mountain republic – the idea of all Caucasus unity and decolonization.

Later that March, Umarov gave another indication of his newfound political affinities by appointing Supyan Abdullayev as his vice-president.¹⁴⁰ In terms of his ideological and political outlook, Abdullayev was identical to Astemirov. It was also reported that Abdullayev was on good terms with Udugov and Isa Umarov,¹⁴¹ and his appointment can be regarded as another sign of their growing

¹³⁷ Bukhari Barayev: "Istinnye Chechenty podderzhivayut reshenie Dokki Umarova i Modzhakhedov" [True Chechens supported the decision of Doku Umarov and the mujahedin] *kavkazanhaamash.com*, January 21, 2008, <http://kavkazanhaamash.com/content/view/102/31/>.

¹³⁸ Vinatier, "Nord-Caucase: les guerres inachevées".

¹³⁹ "Interview with Dokka Umarov", March 8, 2007.

¹⁴⁰ Gordon M. Hahn, "The Jihadi Insurgency and the Russian Counterinsurgency in the North Caucasus", *Post-Soviet Affairs*, 24:1 (2008): 19.

¹⁴¹ Ruslan Isayev, "Views of Chechen residents on the declaration of a 'Caucasus Emirate'", *Prague Watchdog*, November 1, 2007, <http://www.watchdog.cz/?show=000000-000004-000001-000214&lang=1> (last accessed July 20, 2010); Isa Umarov and Supyan Abdullayev were reportedly active in the Chechen branch of the Islamic Renaissance Party in the late 1980s, early 1990s, see Musa Muradov, "Sevodnya Moskva nakhoditsya pod Chechney" [Today Moscow is under Chechnya] *Kommersant "Vlast"*, no 42, October 26, 2009, <http://www.kommersant.ru/doc.aspx?DocsID=1258916>.

influence over the president. Umarov again visited Kabardino-Balkaria that March as part of a tour of the Caucasus Front.¹⁴² He is likely to have met with Astemirov once more sometime during this visit.

In April, Umarov provided further evidence of his growing faith in the utility of Sharia law by establishing a “Sharia Guard” in Chechnya. He appointed Abdul-Malik Mezhidov, a one-time ally of Arbi Barayev and a well-known Wahhabi,¹⁴³ to head this new body.¹⁴⁴ In September, Umarov appointed Astemirov to the post of Chairman of the Sharia Court of the ChRI. Probably sensing that a seminal declaration from Umarov was close at hand, Astemirov chose to ignore the disagreeable appellation of the office in question and accepted the appointment. The next month, an audio cassette began circulating in Chechnya on which Doku Umarov announced the establishment of a “Caucasus Emirate” that would incorporate all the republics of the Northern Caucasus. Umarov was to be the Emir of this new institutional structure, thus completing his transition from racketeer to Emir.

Conclusion

Unravelling Doku Umarov’s life and career is a serious challenge due to the dearth of objective information at hand. There are periods of his life, indeed, about which we know practically nothing; his childhood, for example. Seminal events in his life are invariably subject to contradictory reports. However, with what little information we possess about his background and his military-political career, it is possible to make some general deductions about Umarov’s character.

Throughout his political career, and before that even, Umarov has shown himself to be a skilled courtier. Early on in his career, as he cultivated the likes of Musa Atayev,¹⁴⁵ Ruslan Gelayev and Daud Akhmadov, Umarov used the bonds of kinship, and even marriage, to advance his prospects. Later, when his military prestige had grown, Umarov was able to use his status as a paramilitary leader, as well as his extensive political contacts, to commend himself to Chechnya’s besieged inter-war leader, Aslan Maskhadov. At a later stage, these attributes would also commend him to Movladi Udugov, Isa Umarov and Anzor Astemirov. As we have seen, at the same time that he was chairing Maskhadov’s Security Council, Umarov managed to maintain strong working relationships with some of the Maskhadov regime’s staunchest critics. During the period 1997–1999, there were very few Chechen politicians who could lay claim to being on fair terms simultaneously with Maskhadov, Gelayev, Barayev and Raduyev. This fact alone is proof of Umarov’s adeptness at political networking.

Apart from his rejection of Russian suzerainty in Chechnya, it is difficult to ascribe a specific political program to Umarov during the period, 1992–2007. It is possible that the image of Umarov as a politically ambiguous individual was self-cultivated, so as to enable him to make contacts more easily among Chechnya’s competing factions. His perceived political neutrality was definitely an advantage to him in dealing with the stand-off in Gudermes in July 1998, for example.

¹⁴² See internet clip of Umarov’s journey to Kabardino-Balkaria:

<http://il.youtube.com/watch?v=ip7KMehI6l8&feature=related>.

¹⁴³ “Komandir Shariatskoy Gvardii otstrelivalsya do poslednevo patrona” [Commander of the Sharia Guard fired until the last bullet], *Kommersant*, no. 48, March 31, 2001, <http://www.kommersant.ru/doc-rss.aspx?DocsID=250725>.

¹⁴⁴ “Ukaz prezidenta ChRI “O Shariatskoy Gvardii” [Decree of the president of ChRI “About the Sharia Guard”],

Kavkazcenter.com, April 28, 2007, <http://www.kavkazcenter.com/russ/content/2007/04/28/50733.shtml>.

¹⁴⁵ Atayev functioned as one of Umarov’s foreign representatives until he was shot dead in Istanbul in February 2009.

Umarov's career is also remarkable for the political ruthlessness he has shown when the needs of the moment have demanded it. His decision to proclaim the Caucasus Emirate is perhaps the primary example of this ruthlessness. Umarov's political instinct has always driven him to make alliances with people of influence. By proclaiming the Emirate, Umarov sought to court favour with the increasingly powerful non-Chechen elements of the resistance, and possibly to invite additional funding from Middle Eastern sources. The political influence once exercised by Zakayev and his supporters had dwindled in the years preceding the announcement of the Emirate. As a result, severing his fellowship with Zakayev was an acceptable price for Umarov to pay in order to gain the support of more influential parties elsewhere in the rebel community.

For much of his political career Umarov has been a conciliatory presence, careful to avoid making enemies needlessly, always positioning himself to attract support from influential people, whatever their political background. Umarov's talent for making political contacts, allied with his political elusiveness, have served him well so far in his career. When examining Umarov's newfound enthusiasm for the rule of Islamic law, one must be mindful of these qualities, while also bearing in mind the growing power of the non-Chechen elements of the resistance movement.

THE CRISIS OF GAZPROM AS THE CRISIS OF RUSSIA'S "ENERGY SUPER-STATE" POLICY TOWARDS EUROPE AND THE FORMER SOVIET UNION

Andrey Kazantsev*

Abstract

The deep and multidimensional crisis of Gazprom in 2009-2010 is analyzed in this paper as a crisis of the specific geopolitical model of the "energy super-state" that was especially important for Russian foreign policy towards Europe and the Former Soviet Union. Russia's attempts to monopolize the sphere of gas production and gas transportation in this part of the world, institutionally represented by the state-controlled monopoly Gazprom, was a key element for sustaining this geopolitical model. It is argued that this policy was based on a configuration of Russian geopolitical and economic interests that could be economically sustained only in the period of high energy prices. After the start of the global gas market crisis and, specifically, Gazprom's crisis, this configuration has started to disappear. This may have a profound influence on Russian foreign policy towards Europe and the Former Soviet Union.

Keywords: *Energy security, Gazprom, Russian foreign policy, gas pipelines, EU, Central Asia and South Caucasus*

Introduction

Revolution in Kyrgyzstan and the results of the presidential elections in Ukraine have both produced results which have been welcomed by the Kremlin. This has caused many comments about growing Russian influence in what it sees as its "near abroad". However, there is one factor that may very seriously affect Russian ambitions in both the Former Soviet Union (FSU) and in Europe. 2009, especially its first half, was a year of acute crisis for Gazprom. This multidimensional crisis still continues in less acute form in 2010. This crisis has not been yet consistently analyzed from the perspective of its potential consequences for Russian foreign policy and international politics. Below, I will analyze the crisis of Gazprom as a crisis of the specific geopolitical model adopted by Russia (a model of "energy super-state"), the influence of which was most clearly manifested in Russian relations with the FSU and Europe. Gazprom, in many respects, represented the economic basis of such geopolitical model. Therefore, the crisis of this model will undoubtedly have some complex consequences for Russian policy towards these parts of the world.

In order to analyze these potentially complex strategic changes which are under way I will, first, study the link between Gazprom and the Russian policy of "energy super-state", especially, in the context of

* **Dr. Andrey Kazantsev** is a Jean Monnet Fellow at the European University Institute, Florence, Italy. His research concentrates on Russian foreign policy and international relations in the Caspian Sea region.

Moscow's "revisionist" foreign policy¹ in the context of the FSU and in the European context. Then I will turn to an analysis of Gazprom's crisis in order to reveal the complex and profound character of these events. Finally, I will analyze strategic consequences of the crisis of Gazprom for the FSU and for Europe.

The Link between Gazprom and the "Energy Super-State" Geopolitical Concept in Russian Policy towards the FSU and Europe

As Peter Rutland has shown, the oil and gas boom in Russia caused by the period of high global energy prices that coincided with Vladimir Putin's two presidential terms (2000 – 2008) increased the fusion of state and oligarchic power², although this time the state, rather than the oligarchs, was leading in this fusion. When Vladimir Putin came to power in 2000, he initiated a campaign directed at diminishing the influence of oligarchs and establishing state control in strategic companies³. Gazprom was the focus of his attention from the beginning of his presidency⁴ and he could use the fact that the previous leadership was stripping it of the assets transferred to such intermediary firms as Itera.

So the founder of Gazprom Victor Chernomyrdin, a chairman of the company's board of directors, and Rem Vyakhirev the CEO were both fired from their positions. They were replaced by Dmitry Medvedev and Alexei Miller, who had worked together with Putin in Saint-Petersburg's mayoral office. In 2005 different subsidiaries of Gazprom agreed to sell a 10.73% share of Gazprom to the state-owned company Rosneftgaz. Since the State Property Committee had a 38% share, this meant that the state became a key shareholder of this corporation. This created a new interpretation of Russia's interests as coinciding with the interests of Gazprom, according to the formula "what is good for Gazprom is good for Russia" (a rephrase of the well-known American saying about the equality of interests of General Motors and America). There is also a viewpoint that there was a coincidence of these two interests with the personal (often corrupt) interests of key representatives of Russia's political elite. For example, the link between Gazprom and corrupt interests of the representatives of Russian leadership was analyzed in an independent expert report by former vice premier Boris Nemtsov and former deputy energy minister Vladimir Milov⁵.

This new configuration of interests immediately caused specific international consequences. On 20 July 2006, the law "On Gas Export" came into force. It granted Gazprom an exclusive right to export natural gas. This was something that Gazprom de facto had possessed since the early 1990's, but at that time it was challenged by Russia's independent gas producers (vertically integrated oil companies that had their own gas fields) and by the pressure from Europe directed at adopting the Energy Charter Treaty. The establishment of direct or indirect state control over different energy assets was going on in Russia in different forms at that time⁶, from the period of the arrest of Mikhail Khodorkovsky (the former boss

¹ Pierre Noël, "European gas security after the crisis (paper written for the European Council on Foreign Relations (ECFR), submitted to the EU Policy Seminar on "EU Policy on Russia: The Way Forward in 2009" European Commission, DG Relex & Czech Presidency of the Council, Brussels 23 April 2009).

² Peter Rutland, Putin's economic record: Is the oil boom sustainable?, *Europe-Asia Studies*, Vol. 60: 6 (2008): 1051-1072.

³ Marshall I. Goldman, *Petrostate: Putin, Power and the New Russia* (Oxford: Oxford University Press, 2008), 104-105.

⁴ Boris Nemtsov, Vladimir Milov. *Independent expert report. "Putin i Gazprom"* (Moscow, 2008), 3 – 4.

⁵ Boris Nemtsov, Vladimir Milov. *Independent expert report. "Putin i Gazprom"* (Moscow, 2008).

⁶ Heinrich Andreas, Under the Kremlin's thumb: does increased state control in the Russian gas sector endanger European energy security?, *Europe-Asia Studies* 60: 9 (2008): 1539-1574.

of Yukos)⁷, however, only in the gas sector was monopolization so significant. This had very deep roots in the specific character of privatization in Russia, since all state-owned gas assets were transferred to Gazprom, whilst to control oil assets, vertically integrated companies were created⁸. There was also a very important peculiar feature of the gas sector in Russia: only in this sector of the economy there was such a strong link between Russia's domestic economic and foreign policies. One of the reasons of this link between economics and foreign policy in this particular industry was that subsidized gas prices could be regularly used in Russia's relations with other former Soviet republics as a political instrument, which was very rarely the case with oil⁹.

This link was, for example, manifested in Russia's decision not to ratify the Energy Charter Treaty. In Europe this refusal, combined with such events as the energy crises in Ukrainian-Russian gas trade in 2006 and in 2009, made energy security concerns associated with Russian gas supplies a key political priority. In Russia this refusal to ratify promoted the perception of gas supplies as a new strategic instrument of influence in foreign policy. Russia signed the Energy Charter Treaty in 1994, but never ratified it. In December 2006 Putin said that the ratification of the treaty was unlikely. One of the reasons why Russia did not support it was due to the provisions requiring third-party access to Russia's pipelines.¹⁰ It could mean that Gazprom would lose control over gas transportation from Central Asia. So, it is no wonder that Gazprom was the main lobbyist behind the decision not to ratify the ECT, while all other key Russian energy companies (oil corporations also having gas fields and interested in independent access to gas pipelines) and official bodies, in principle, agreed to its ratification¹¹. See, for example, the position of deputy chairman of Gazprom Alexander Medvedev, expressed at an economic forum in London in 2006, where he declared that the Energy Charter Treaty and the transition protocol to it were "born dead" and "not reflecting the conditions of real market"¹².

A leading expert in energy security, Pierre Noël of Cambridge University's energy policy research group, has described the political and international aspects of European energy security problems with Russia which subsequently developed by observing that "...under the leadership of Vladimir Putin, Moscow has merged its gas export policy with its resurgent and largely 'revisionist' foreign policy towards Europe"¹³. Russia tried to fuse Gazprom's dominant position in East European markets with attempts to return, at least, elements of its political influence and strategic control over this part of Europe (that was manifested, for example, in Russian opposition to American anti-missile shield plans in this part of Europe or with the attempts to increase gas leverage by constructing the North Stream

⁷ Richard Sakwa, *The quality of freedom: Khodorkovsky, Putin and UKOS affair* (Oxford: Oxford University press, 2009); David Hoffman, *The Oligarchs. Wealth and Power in the New Russia* (New York: Public Affairs, 2003).

⁸ Stephen Fortescue, *Russia's Oil Barons and Metal Magnates. Oligarchs and the State in Transition* (Basingstoke: Palgrave Macmillan, 2006).

⁹ Ogorodnikov Yevgeny, "Truba mechty". *Expert*, №4 : 91 (2010), http://www.expert.ru/printissues/d/2010/04/truba_mechty?esr=4 (accessed 14 March 2010).

¹⁰ Dempsey Judy, "Russia gets tough on energy sales to Europe: No foreign access to pipelines, official says", *International Herald Tribune*, December 12, 2006.

¹¹ Alexey Grivach, Andrey Denisov, "Neudachi "energeticheskoy sverhderzhavy", *Rossia v globalnoy politike*, № 2 (2008), <http://www.globalaffairs.ru/numbers/31/9478.html> Accessed 6 March 2010 (accessed 10 April 2010).

¹² Ies-holding, "Medvedev: Mezhdunarodnaya energeticheskaya hartia – document mertvorozhdenny i neadekvatny rynku, 26 April 2006". Ies-holding, http://www.ies-holding.com/industry_id1755.html (accessed February 10, 2010).

¹³ Pierre Noël, "European gas security after the crisis (paper written for the European Council on Foreign Relations (ECFR), submitted to the EU Policy Seminar on "EU Policy on Russia: The Way Forward in 2009" European Commission, DG Relex & Czech Presidency of the Council, Brussels 23 April 2009).

and the South Stream pipelines). It has caused deep energy security concerns in these countries¹⁴, especially given their traumatic experiences of Soviet dominance. These concerns became an important subject of discussions both in the EU and NATO.

There appeared energy security problems with Russia not only for the European countries, but also for the FSU. Moreover, these problems were tightly interconnected, as in the case with the crises in Russian-Ukrainian gas trade that interrupted gas supplies for the European market in 2006 and 2009. “Many European officials viewed the Russian action as an attempt to use gas as a political weapon to blackmail a neighboring consumer state that depends heavily on Russian supplies of natural gas”¹⁵. The Russian leadership and Gazprom were accused by the Europeans of artificially linking political issues to economic disputes and using the dependence of Europe and the FSU on Russian gas for achieving political purposes.

The main idea of merging Russia’s energy with foreign policy came, in fact, from Russia’s weakness: a structurally weak economy based on the export of raw materials as the main source of revenues. However, there was a desire amongst the Russian political elite, supported by broad layers of society which were tired of failed liberal reforms, to return to, at least, some elements of Russia’s superpower status of the Soviet period. A return to this superpower status could be, from an economic point of view, supported only by Russia’s role in the energy markets, especially its near-monopoly in gas supplies to some Eastern European countries and the FSU.

President Putin’s speech at the meeting of the Russian Security Council at the end of 2005 gave rise to discussion of a new foreign policy idea – Russia as an ‘energy super-state’¹⁶. Russia also put energy security at the center of the Saint-Petersburg G8 Summit in 2006. For Russia’s political leadership this energy discourse played the role of a bridge, a trade-off between political and strategic considerations, on the one hand, and economic rationality, on the other hand. So, now Russia, according to this logic, could simply use some of its existing advantages (big energy deposits and control over energy transportation routes in the FSU) in order to become richer, and, at the same time, raise its international status, at least in relations with Europe and the FSU. However, as illustrated below, this logic worked well only in the period of high energy prices.

Simultaneously, the discourse of using energy as a “new armament”, an instrument of political influence became widespread in Russia’s officially controlled mass-media, mostly due to the works of Konstantin Simonov¹⁷, who developed very cautious official formulations¹⁸ into the discourse of “a new Russian strategic armament”¹⁹.

In the case of Russian policy towards the FSU, this new officially supported discourse of Russia as an “energy superstate” relocated the trade-off between economic and political considerations within

¹⁴ Tomas Valasek. NATO, Russia and European security (London: Centre for European Reform, 2009), 37 - 38.

¹⁵ Gawdat Bahgat. Europe’s energy security: challenges and opportunities. *International Affairs*, vol. 82: 5 (2006): 962.

¹⁶ Vladimir Putin, “Opening Address to the Meeting of Security Counsel of Russia on the Role of Russia in Guaranteeing International Energy Security”, 22 December 2005, Official site Kremlin.ru, <http://www.kremlin.ru> (accessed December 15, 2007).

¹⁷ Konstantin Simonov, *Energeticheskaya sverkhderzhava* (Moscow, Eksmo-Press, 2006); Konstantin Simonov. *Globalnaya energeticheskaya voyna. Tayny sovremennoy politiki* (Moscow: Algorithm, 2007).

¹⁸ Andrey Kokoshin. *Mezhdunarodnaya energeticheskaya bezopasnost*. (Moscow: Evropa, 2006).

¹⁹ Marshall I. Goldman, *Petrostate: Putin, Power and the New Russia* (Oxford: Oxford University Press, 2008).

another strategic dilemma. On the one hand, the Russian leadership wanted to optimize its foreign policy in terms of diminishing subsidies to the FSU, which was especially clear in the case of gas trade. This economically rational type of Putin's reasoning was most famously expressed in his phrase that one should not mix "flies and cutlets" that so deeply insulted President Lukashenko of Belarus in 2002 and heralded the start of Russia's new campaign to diminish the costs of its involvement with the FSU. This campaign turned later into attempts to make gas prices for former Soviet republics equal to European prices. On the other hand, Russia's leadership still kept and even increased the rhetoric which defined the FSU as a "near abroad" of Russia, a territory where Russia had specific influence and interests. That was very useful for domestic propaganda through state-controlled media. It was also considered as a guarantee of saving, at least, some of the elements of Russia's privileged status in international affairs as a kind of regional power.

As a result of this combination, the geopolitical combination of Russian power and Gazprom in the FSU was built in the period of high energy prices according to the following formula. Russia was interested in control over the European FSU, especially Ukraine, because the lion's share of Russian gas to Europe went through this country. Also, Gazprom had to supply its cheap gas (or redirect Central Asian gas) to Ukraine and Belarus because they controlled Russian energy and automobile transportation routes to Europe. Russia was interested in Central Asia because it gave cheap gas for the Ukrainian market (or to some other FSU markets) or to compensate for the deficit of gas on Russia's domestic market.

The business of re-selling Turkmen gas (or redirecting it to Ukrainian market) was very profitable for Gazprom in the 1990s. However, from 2002 to 2008 the costs of Gazprom associated with the purchases of Central Asian gas grew more than 20 times²⁰. According to the assessments of some experts Gazprom's trade in Central Asian gas was only marginally profitable already in 2007²¹. Since the beginning of 2008 Gazprom agreed to buy Turkmen, Uzbek and Kazakh gas at the European price (300 dollars per 1000 cubic metres) which made it totally unprofitable. Nevertheless, in 2006–2008 Gazprom every year purchased more than 60 billion cubic meters (bcm) of Central Asian gas, of which more than 40bcm came from Turkmenistan.

Russia was, and still is, alarmed by the possibility of cheap Central Asian gas appearing on European markets because it would compete with Gazprom's gas. A related fear was the danger of the South Caucasus being used for the transportation of Central Asian gas (through a Transcaspian gas pipeline and the Nabucco project) to Europe. As a result of this, Russian geopolitical power in the CIS serves the commercial purpose of keeping Gazprom's position in European gas markets. So power considerations were mixed with the aspiration for profits, as it was in the case of European trade companies of the Early Modern period (like the European East- and West-Indian Trading Companies of the seventeenth–nineteenth centuries).

As a result of this combination of Russian power and Gazprom's gas both in the EU and in the FSU "...Mr Putin had overseen a period of empire-building by Gazprom that saw it lock in supplies at market prices from Central Asian producers to head off potential competition from the European Union, while also attempting to increase its hold over European markets – where it has traditionally

²⁰ Kirill Martynov. "Zatraty na pokupku gaza za granizey lozhatsya tyazhelym bremenem na bydjet Gazproma, stav uzhe osnovnoy statyey rashodov", *Kommersant*, June 24, 2008.

²¹ Ibid.

supplied about 25 per cent of the continent's imports – via the building of North Stream and South Stream pipelines. Not all of these costly politically driven projects, however, appear to have had a strong economic foundation.²² Moreover, as demonstrated below, this house was built on sand. The whole combination of energy economics and politics was based on high energy prices. It therefore started to collapse at the beginning of the world economic crisis, when Gazprom's long-term problems, as well as the structural weaknesses of Russia's "energy super-state" policy, became apparent super-state.

Gazprom's crisis in 2009-2010

In 2009 due to a combination of reasons that included a gas dispute with Ukraine, the influence of the global economic crisis, the competition from liquefied natural gas from the Persian Gulf, increased volume of gas production in the USA due to the changes in technologies, and so on, the volume of Russian gas export to Europe, the main export market for Gazprom, fell by 12.3%²³. The biggest drop was in the first half of the year. This was accompanied by quickly falling income from gas sales; as a result, net income fell 19%. According to the Deputy Director of "Gazprom export" (one of the subdivisions of Gazprom) Sergey Chelpanov,²⁴ the Russian gas export monopoly managed to sell in Europe and other non-FSU' and non-Baltic states' markets 140 billion cubic meters (bcm) of gas in 2009, which is 20bcm less than in 2008²⁵. Due to the improving global economic situation Gazprom managed to somewhat recover sales in the first quarter of 2010. According to Alexei Miller, the Gazprom, CEO, sales to some European states increased 40% in the first quarter of 2010 compared with the first quarter of 2009²⁶. However, even in the first quarter of 2010 Gazprom's income from gas sales in Europe was more than 20% lower than in the same period of 2009, when there was the most acute crisis in the European gas market. Gas sales to the FSU countries and Baltic states continued to fall even in 2010, and are 10 % lower than in the first quarter of 2009.

Gazprom still has positive plans about the volume of gas sales in Europe in 2010 and it expects price growth. However, according to the assessment of Jonathan Stern, director of gas research at the Oxford Institute for Energy Studies, these hopes are not justified. "The situation is not easing. We are going into summer when demand will go down. For the next 2 to 3 years it is going to be very very difficult for anyone trying to sell into Europe on oil-linked prices."²⁷ Long-term perspectives for the global gas market are also not good; there is a prognosis that global gas production may exceed demand by up to 200bcm a year by 2015.²⁸ One of the reasons of this is technological change, especially, associated with shale gas (a natural gas produced from shale, one of "unconventional" sources of natural gas). This technology has existed in the USA for a long time, however, only recently that new technologies such as hydraulic fracturing have made it profitable. Shale gas has in 2009 significantly boosted American gas production. As a result, new LNG facilities in the Middle East originally aimed at supplying the United States have reoriented to the European market. Big investments into LNG

²² Belton Catherine, "Sweeping market changes leave Gazprom in an unenviable position", *Financial Times*, May 25, 2010.

²³ "Poteryali liderstvo". *Expert* # 4: 91 (2010), http://www.expert.ru/printissues/expert/2010/04/news_poteryali_liderstvo/ (accessed 13 April 2010).

²⁴ *Vremya Novostey*, "Gazprom hochet povysit zeny. Kompania provela "Den investora posle provalnogo goda", February 08, 2010.

²⁵ Ibid.

²⁶ Belton Catherine, "Sweeping market changes leave Gazprom in an unenviable position", *Financial Times*, May 25, 2010.

²⁷ Ibid.

²⁸ IEA/OECD. *World Energy Outlook* (Paris, 2009), 363 – 507.

infrastructure in the Middle East and in Europe are a guarantee that liquefied natural gas will continue to push Russian pipeline gas out of European markets²⁹.

According to the assessment of one expert, shale gas will constitute half of the natural gas production in North America by 2020³⁰. There are also some assessments that shale gas will also significantly expand worldwide energy supply³¹. Some analysts “said they believed that gas reserves in many countries could increase over the next two decades, comparable with the 40 percent increase in the United States in recent years”.³² Most strategically important for Gazprom and the Russian economy are the plans to develop shale gas production in Europe, especially in Hungary³³ and Poland³⁴, i.e. in Eastern Europe where European dependency on Russian gas is mostly concentrated³⁵: “... energy analysts are already predicting that shale could reduce Europe’s dependence on Russian natural gas”³⁶. In a recent study by James A. Baker’s Institute for Public Policy in Rice University it is underlined that shale gas resources in the United States can play an important role in containing Russia’s leverage over the global natural gas market³⁷.

During 2009 Gazprom’s representatives tried to be as optimistic about the competition from shale gas as possible. They used different economic considerations to prove that Europe could not afford using shale gas technology. However, at present the cost of shale gas in the USA is lower than the price of imported gas. It is less than \$90 per 1000 cubic meters. At the same time, Gazprom’s gas sales in the domestic Russian market stopped bringing financial losses only in 2009, when the price for gas on the domestic market approached \$80 per 1000 cubic meters. So some Russian experts think that the cost of shale gas is, in fact, not much higher than the cost of Gazprom’s conventional gas³⁸. Gazprom was therefore made to recognize the importance of the new technology. In October 2009 it announced that it may buy a US shale-gas producing company to gain expertise which it could then apply to Russian shale gas prospects³⁹.

If the assessments of long-term excess gas supply on the world markets (due to the new technologies and the continuation of short-term shortage of demand in Europe due to the financial crisis) are true, then Gazprom will have to completely rethink its export strategy.

²⁹ “Poteryali liderstvo”. *Expert* # 4: 91 (2010), http://www.expert.ru/printissues/expert/2010/04/news_poteryali_liderstvo/ (accessed 13 April 2010).

³⁰ Shaun Polczer, “Shale expected to supply half of North America's gas”, *Calgary Herald*, April 9, 2009.

³¹ Clifford Krauss, “New way to tap gas may expand global supplies”, *New York Times*, October 9

³² *Ibid.*

³³ Jack Z. Smith, “Barnett Shale seen as model for drillers worldwide,” Fort Worth Star-Telegram, 29 September 2009, <http://www.star-telegram.com/business/story/1645247.html> (accessed 11 October 2009).

³⁴ Reuters, Conoco sees promise in Polish shale gas-exec, 9 September 2009, Reuters, <http://uk.reuters.com/article/idUKN0935751320090909> (accessed 12 September 2009); Louise S. Durham, “Poland Silurian shale ready for action”, (AAPG Explorer, February 2010), p.14-18.

³⁵ Pierre Noël, “A Market Between us: Reducing the Political Cost of Europe’s Dependence on Russian Gas” (EPRG Working Paper 0916, Cambridge, 2009), p. 2.

³⁶ Clifford Krauss, “New way to tap gas may expand global supplies,” *New York Times*, October 9, 2009.

³⁷ James A. Baker’s Institute for Public Policy in Rice University, “Russia and the Caspian States in the global energy balance” (Executive summary by Amy Myers Jaffe, 2009), 29.

³⁸ Ogorodnikov Yevgeny, “Truba mechty”, *Expert*, №4 : 91 (2010), http://www.expert.ru/printissues/d/2010/04/truba_mechty?esr=4 (accessed 14 March 2010).

³⁹ Bloomberg, “Gazprom takes a look at U.S. shale-gas producer,” *Moscow Times*, 22 October 2009, available: <http://www.themoscowtimes.com/business/article/gazprom-takes-a-look-at-us-shale-gas-producer/387930.html>

The crisis of demand for Russian gas has coincided with the crisis of supply caused by internal Russian and Central Asian developments. In 2009 Russia lost the position of top global gas producer because of the growth of shale gas production in the USA and diminished gas production in Russia. In 2009 Gazprom's gas production fell to 462.16bcm, which is 16% less than the level of production in 2008⁴⁰. The situation with gas production in Russia started to improve in the first quarter of 2010 due to the improving world economic situation. 181.65bcm of gas was produced in Russia in this period, which is 18.3% more than the results for the first quarter of 2009⁴¹. However, different long-term problems with supply, demand, management, technology, organization, and so on have remained and this means that the crisis of Gazprom continues, although a general improvement of economic situation in Russia and in the world can alleviate this crisis and even make it latent, in some respects.

Russian experts are underlining the fact that the Russian oil companies that are not so monopolized, not so tightly controlled by the state and are not linked with Russian foreign policy ambitions, did very well in 2009 irrespective of the global crisis. In 2009 Russia produced more oil than Saudi Arabia. In 2009 oil production in Russia increased 1.25 % and reached 494,228 million tons⁴². Every day Russia pumped out 9.925 million barrels of oil, while Saudi Arabia, due to OPEC's production-cutting decisions, diminished oil production to 8 million barrels per day⁴³. Russian oil exports to non-FSU and non-Baltic states' markets in 2009 have increased 467%⁴⁴. In the first quarter of 2010 oil production in Russia grew 3.2% compared to the same period of the previous year⁴⁵. This good performance of Russian oil companies poses many questions about the nature of Gazprom's crisis and, according to many experts, indicates a necessity of deep structural reforms.

The most important thing is that the crisis of Gazprom's production is long-term. The crisis of production of 2009 was not only a result of falling gas consumption in Europe and the FSU. It was also a logical result of the long-term tendency of falling productivity in Gazprom's older gas fields. And from this point of view it, in its present form, does not already fulfill the function that it was created for – to supply the Russian economy with large amounts of cheap gas. This was underlined in the independent report by former Russian deputy prime premier Boris Nemtsov and former deputy energy minister Vladimir Milov published in 2008, where this crisis of production was predicted: "...Gazprom's gas production all these years was not increasing, in 2007 it lowered to the level of 1999. Taking into account depletion of old gas deposits in the nearest time stagnation of gas production will turn into deep decline of production"⁴⁶.

The problems with Gazprom's gas production inside Russia are amplified by the crisis with Central Asian (especially Turkmen) gas which has become especially acute since 2009. The business of re-selling Turkmen gas was very profitable in the 1990s. However, from 2002 to 2008 the costs of

⁴⁰ V 2009 godu RF dobyla bolshe nefi, 11 January, 2010, Reuters, <http://ru.reuters.com/article/businessNews/idRUMSE60A0AR20100111> (accessed 20 January 2010).

⁴¹ Rosbizneskonsulting, "Rossia v 1 kvartale 2010 uvelichila dobychu nefi, gaza i uglja", 02 April, 2010, Rosbizneskonsulting, <http://top.rbc.ru/economics/02/04/2010/388094.shtml> (accessed 20 April 2010).

⁴² Lenta.ru, "Rossia v 2009 gody uvelichila dobychu nefi", 11 January, 2010, Lenta.ru, <http://www.lenta.ru/news/2010/01/11/oil/> (accessed 20 January 2010).

⁴³ V 2009 godu RF dobyla bolshe nefi, 11 January, 2010, Reuters, <http://ru.reuters.com/article/businessNews/idRUMSE60A0AR20100111> (accessed 20 January 2010).

⁴⁴ Ibid.

⁴⁵ Rosbizneskonsulting, "Rossia v 1 kvartale 2010 uvelichila dobychu nefi, gaza i uglja", 02 April, 2010, Rosbizneskonsulting, <http://top.rbc.ru/economics/02/04/2010/388094.shtml> (accessed 20 April 2010).

⁴⁶ Boris Nemtsov, Vladimir Milov. *Independent expert report. "Putin i Gazprom"* (Moscow, 2008), 5.

Gazprom associated with the purchases of gas (mostly Central Asian) grew more than 20 times⁴⁷. According to the assessments of some experts Gazprom's trade in Central Asian gas was only marginally profitable already in 2007⁴⁸. In 2008 the costs of purchasing Central Asian gas became the main article of Gazprom's operational costs. From the beginning of 2008 Gazprom, due to growing Chinese competition (a new pipeline project to Turkmenistan was started) had to agree to buy Turkmen, Uzbek and Kazakh gas at the European price (\$300 per 1000 cubic metres).

When the crisis of demand for Russian gas in Europe became especially acute Gazprom unilaterally stopped purchasing Turkmen gas because its losses from this operation became unbearable. On 8 April 2009 the pipeline blew up due to a pressure imbalance caused by Gazprom's unilateral decision to stop receiving Turkmen gas: the Turkmen leadership directly blamed Gazprom for this catastrophe⁴⁹. Gazprom became even less important for Turkmenistan when, on 14 December 2009, the Turkmenistan-China pipeline was inaugurated. Simultaneously, one more pipeline to Iran from Turkmenistan has been added to the country's existing pipeline network.

So, although Turkmenistan has lowered prices somewhat (to \$222 per 1000 cubic meters) and although Gazprom is still trying to save, at least, an illusion of its former omnipotence in Central Asia, in 2010 Gazprom has contracted only 10bcm (which is even less than in 2009, when for the most part of the year Gazprom did not receive Turkmen gas at all due to the accident on the Dawletabad-Darialyk pipeline)⁵⁰.

Since China as well as Iran usually refuses to pay European prices for the raw materials that it buys, Central Asians will try to rebuild their energy relationship with Russia because they do not want to fall into complete dependency on these Asian energy purchasers. But Gazprom can return only if the European market provides the company with financial stability. In the short-term and, probably, if the prognoses about the excessive gas supplies are correct, in the medium-term perspective this is impossible.

Because of Gazprom's crisis of production it will have to concentrate on its projects in Russia. According to the opinion of chief analyst of Moscow bank "Uralsib" Chris Weafer, "the primary task of Gazprom will be to develop the deposits on Yamal peninsula, in particular, because this is the only source of gas that can compensate for expected depletion of existing deposits"⁵¹. Since Gazprom will have to concentrate on its Yamal mega-project, as it still wants to construct both the North and the South Stream pipelines and entered a severe debt crisis in 2009 (its debts approached a level of \$60 billion dollars⁵²), Gazprom will simply not have the interest and resources to pay for expensive Central Asian gas.

⁴⁷ Kirill Martynov. "Zatraty na pokupku gaza za granizyey lozhatsya tyazhelym bremenem na bydjet Gazproma, stav uzhe osnovnoy statyey rashodov", *Kommersant*, June 24, 2008.

⁴⁸ Ibid.

⁴⁹ Deutsche welle, "Turkmenia obvinyaet Gazprom vo vzryve na gazoprovode", Deutsche Welle, 10 April 2009, <http://www.deutschewellemusik.de/dw/article/0,,4168252,00.html> (accessed 20 April 2009).

⁵⁰ Rossbiznesskonsulting-Ukraine, "Gazprom snizil zeny na gas dlya loyalnyh Rossii stran", RBC-Ukraine, 03 June 2010, Rossbiznesskonsulting-Ukraine, <http://www.rbc.ua/rus/top/show/-gazprom-snizil-tseny-na-gaz-dlya-loyalnyh-rossii-stran-03062010102400> (accessed June 10, 2010).

⁵¹ Inosmi.ru, "Gazprom menyaet plany: Zdravstvuy, Yamal, do svidanya, Shtockman", <http://www.inosmi.ru/politic/20100201/157917477.html> (accessed 1 June 2010).

⁵² *Vremya Novostey*, "Gazprom hochet povysit zeny. Kompania provela "Den investora posle provalnogo goda", February 08, 2010.

In principle, Gazprom's alternative since 1991 was always the same: to produce gas in Siberia, or to buy it in Central Asia. If the cost of producing gas in Siberia is lower than there is no economic reason to buy gas in Central Asia. And especially, after Yamal project is realized, Gazprom, in a long-term perspective, will have even less incentives to go to Central Asia.

Potential Consequences of Gazprom's Crisis for Europe and the FSU

Below, I will divide the international consequences of the crisis of Gazprom into three respective groups: the Kremlin's abandonment "energy super-state" concept, and the foreign policy consequences for Europe and for the FSU.

The concept of "energy super-state" is abandoned. Gazprom's bad performance, especially as compared to Russian oil companies, has caused widespread criticism in the Russian press⁵³ that reflects dissatisfaction of many representatives of the Russian political elite. Many external observers, for example, Anders Aslund, a senior fellow at the Peterson Institute for International Economics, also think that the crisis of Gazprom may cause some reforms in Russian gas sector⁵⁴. Stacy Closson, a fellow at the Woodrow Wilson Center in Washington, D.C., believes however that one should be cautious in predicting the actual degree of change within Gazprom, although, the changes may spread out of Gazprom to other political and economic spheres⁵⁵. Since Gazprom is a backbone not only of Russian foreign policy, but also of the domestic political system, Closson argues that its crisis may have deep political consequences⁵⁶. One may doubt that the Russian leadership will conduct real reforms as a result of the crisis of Gazprom. However, there is a real conceptual change that may have a significant influence on foreign policy. From the start of the global economic crisis the rhetoric of an "energy super-state" in Russia has been completely forgotten by official mass-media, and the problems of Russia's modernization and excessive reliance on oil and gas exports are extensively discussed⁵⁷.

One can guess that Gazprom's problems are very important from this point of view. It is important to mention in this respect that Russian President Dmitry Medvedev, who initiated this conceptual change, was a chairman of Gazprom's board of directors in 2000-2001 and, after a short interruption, in 2002-2008. Medvedev, in his annual address to the Federal Assembly on 5 November 2009, called for an

⁵³ Alexey Grivach, Andrey Denisov, "Neudachi "energeticheskoy sverhderzhavy", *Rossia v globalnoy politike*, № 2 (2008), <http://www.globalaffairs.ru/numbers/31/9478.html> Accessed 6 March 2010 (accessed 10 April 2010); Poteryali liderstvo. *Expert* # 4: 91 (2010), available: http://www.expert.ru/printissues/expert/2010/04/news_poteryali_liderstvo/ (accessed 13 April 2010); Ogorodnikov Yevgeny, "Truba mechty". *Expert*, №4 : 91 (2010), http://www.expert.ru/printissues/d/2010/04/truba_mechty?esr=4 (accessed 14 March 2010).

⁵⁴ Anders Aslund. Gazprom's new weakness offers opportunity, European dialogue, <http://eurodialogue.org/energy-security/Gazprom-new-weakness-offers-opportunity> (accessed 14 March 2010)

⁵⁵ Stacy Closson, The End Of Gazprom's Reign? *Radio Free Europe*, January 05, 2010, http://www.rferl.org/content/The_End_Of_Gazproms_Reign_/1921463.html (accessed 1 June 2010)

⁵⁶ Ibid.

⁵⁷ Oleg Maslov, Novaya rossiyskaya energeticheskaya doktrina: ot anklavno-arhaicheskoy "energeticheskoy sverhderzhavy" k globalnoy Energeticheskoy Hartii, *Nezavisimoe analiticheskoe obozrenie*, May 24, 2009, <http://www.polit.nnov.ru/2009/05/24/energoconcept8/> (accessed April 10, 2010); Oleg Maslov. Konkurentnaya strategiya prezidenta Medvedeva: kompleksny plan razvitiya energetiki Rossii i novaya rossiyskaya energeticheskaya doktrina. *Nezavisimoe analiticheskoe obozrenie*, February 20, 2009, <http://www.polit.nnov.ru/2009/02/20/rosenergdocr5/> (accessed April 10, 2010).

end to the Russian economy's heavily reliance on oil and gas⁵⁸. This address was preceded by Medvedev's widely discussed article "Forward, Russia", where it was proclaimed that Russia should modernize and decrease its concentration on the raw material sector of its economy⁵⁹.

Aside from Medvedev's own texts there was a report, "Russia of the Twenty-First Century: The Image Of The Desired Future" published by the Institute of Modern Development, a think-tank close to Medvedev, which was released on 3 February 2010. According to this report, Russia's future includes a return to democratic practices, the abolition of the FSB, and acquiring membership of the EU and NATO⁶⁰. However, it is underlined that it is only a passive "vision" of Russia's future, not a project to be actively realized. This may reflect the specificity of Medvedev's position within the "tandem" with prime minister Vladimir Putin.

International consequences for Europe. Although Gazprom's crisis is not a solution to all of Europe's energy security problems posed by Russian gas, it opens many new opportunities. First of all, since Gazprom's position in European gas markets is threatened, especially if there is a long-term tendency of excessive gas supply, Russian ability to transform European dependence on its gas into political leverage is significantly diminished. So European problems with energy security posed by dependence on Russian gas will be diminished.

Second, taking into account the need to develop new gas fields due to Gazprom's production crisis, there will be some improved investment opportunities for European companies in Russia. Third, "Gazprom's acute crisis offers the best opportunity for Russian and European energy reform"⁶¹. Since Russia has to abandon its "energy super-state policy", it may be more interested to find a long-term institutional solution to European-Russian energy security problems that would diminish uncertainty and improve investment opportunities and Gazprom's capitalization. In this respect, one can consider, for example, Medvedev's proposal about a new global energy charter⁶². However, the road to finding agreement in this direction may be quite long, especially taking into account Russia's final refusal to sign the Energy Charter Treaty in 2009.

International consequences for the Former Soviet Union. Since Central Asian gas is too expensive for Gazprom at present, and since Gazprom's main competition will now come from LNG from the Persian Gulf and shale gas projects in Europe, the South Caucasus and Central Asia are disappearing from the Kremlin's geopolitical scheme of attaching gas interests to foreign policy priorities. This is a key change, because now Russia will have no significant economic interest in its political and military presence in both the South Caucasus and Central Asia. So, in these two regions the political and security logic of the Russian state, on the one hand, and its economic interests, on the other hand, will totally disengage. Taking into account the tendency of the current Russian leadership to trade off between security and economic interests, this could have a profound, although perhaps ambiguous

⁵⁸ Dmitry Medvedev. Poslanie Federalnomu Sobraniyu Rossiyskoy Federacii, November 12, 2009, official site Kremlin.ru, <http://www.kremlin.ru/transcripts/5979> (accessed November 10, 2009).

⁵⁹ Dmitry Medvedev. Rossiya, vpered, September 10, 2009, official site Kremlin.ru, <http://news.kremlin.ru/news/5413> (accessed October 9, 2009).

⁶⁰ Institut sovremennogo razvitiya, *Rossia XXI veka: obraz zhelaemogo zavtra* (Moscow: Ekon-Inform, 2010).

⁶¹ Anders Aslund. "Gazprom's new weakness offers opportunity", European dialogue, <http://eurodialogue.org/energy-security/Gazprom-new-weakness-offers-opportunity> (accessed 14 March 2010).

⁶² Konceptualny podhod k novoy pravovoy baze mezhdunarodnogo sotrudnichestva v sfere energetiki (zeli i principy), April 21, 2009, official site Kremlin.ru, <http://archive.kremlin.ru/text/docs/2009/04/215303.shtml> (accessed 19 May 2009).

effect on Russian foreign policy. However, these changes can differently affect Russian policy in different FSU states. In general, I would argue that the significance of these changes should be higher in the more eastern FSU states and lower in the more western ones. So, it will be very important in Central Asia and in the eastern part of the South Caucasus (i.e. Azerbaijan), and less important for Georgia, Ukraine and Belarus.

Ukraine and Belarus still control Russian key oil, gas and highway transportation routes to Europe. Because of this Gazprom still has an important responsibility to supply gas to Ukraine and Belarus at lower prices than to Europe. The degree of Russian economic interdependency with Ukraine and Belarus, even outside of energy, is also much higher than with the countries of South Caucasus and Central Asia. There is also a great deal of interest amongst the Russian public towards these two Slavic countries which are very close to the Russians by their language, culture and religion. So it is highly unlikely that Russia will abandon its strategic interest towards these two FSU states simply because of the current crisis of Gazprom. The plans to unify Gazprom and Ukraine's Naftogaz, and the growth of Russian pressure on Belarus' leadership, are indicative of this.

Russia may start gradually diminishing its interest towards Belarus and Ukraine only after its dependence on these transit countries (and Gazprom's responsibility to supply them with cheap gas) diminishes, after the realization of alternative pipeline projects such as North Stream and South Stream. But even this process will be very complex and contradictory, since other transportation interests, the deep degree of economic interdependency and identity considerations will still be important.

With the South Caucasus and Central Asia the situation seems to be much clearer. After the realization of the Central Asia-China pipeline project (and even due to the expectation of this before its physical realization) Central Asian gas has become too expensive for Gazprom because now it can compete with China only by giving a better price. Two events (China's entrance into the Central Asian market and Gazprom's crisis in European markets) mutually increase the influence of each other. Gazprom still can compete with the Chinese in Central Asia, but in this case it has to give to the Central Asians a price according to the European formula. This is possible only when everything is fine with Gazprom's business in Europe.

Russian goods have, in general, lost economic competitiveness to European, Turkish and Chinese goods in the South Caucasus and Central Asia. Supporting trade which is based on quickly-disappearing residual elements of the huge interdependency created during the Soviet period does not demand a continuation of military presence or political control. As a result of this, there is now no significant economic interest to support Russia's presence in these two regions.

Therefore if Russia chooses to support the elements of its lost Soviet empire in the South Caucasus and Central Asia, it would have no economic compensation for it. Russian corporations may still continue to purchase strategic elements of infrastructure in some FSU countries like Armenia; however, these acquisitions will not generate such profits as the gas trade in the period of high energy prices did. Russia's presence in these regions basically has no appeal to the Russian public, so it does not pay domestically either. This is underlined by growing racist and xenophobic attitudes in Russia towards migrants from the South Caucasus and Central Asia. In this case identity is even playing the role of a negative factor, diminishing Russian interest in these regions.

Taking into account the fact that both Putin and Medvedev always keep in mind economic rationality, taking it into consideration in any trade-offs between economic and political considerations, one can assume that they will continue to use some elements of the old rhetoric of the “privileged Russian interests” in “the near abroad”; however, they will try to minimize the real costs of involvement into Caucasian and Central Asian affairs. It could mean that the Kremlin will try to cautiously withdraw from areas where it has less economic interests.

Of course, the security and political considerations of Russia’s elite which defined the Kremlin’s policy in Central Asia and South Caucasus in Putin’s era would remain. However, the long-term character of Gazprom’s crisis indicates that Russia will have objectively far fewer resources for active foreign policy in these regions, even after the end of the global financial crisis. And the idea that Russia can combine its political influence in its “near abroad” with economic prosperity derived from the energy trade, which was an essence of the “energy super-state” concept, will disappear. If Russia wants to still control the FSU, it will have to spend a lot on it, and this contradicts the interests of the Russian economy itself. Of course, since a trade-off between political and economic considerations will be involved, the future policy of Russian withdrawal from these two regions will not become apparent very quickly, since there will be a struggle between different considerations and groups of interests inside Russia.

Most probably, the withdrawal would be accompanied by different symbolic gestures that would conceal the real course of events from the Russian population, because the nationalist discourse of having a “privileged sphere of interest” is still very important for domestic propaganda supporting the existing regime. This is especially important in cases where the most acute recent crises have taken place. Therefore one cannot expect a quick Russian withdrawal, for example, from Abkhazia and South Ossetia, especially if Georgian President Mikheil Saakashvili, such a symbolically important figure for Russian propaganda, remains in power. Withdrawal will continue from the places that do not appear so often in Russia’s mass-media, such as Azerbaijan and Armenia in the South Caucasus, or the Central Asian FSU states.

There is one more factor that will predetermine the continuation of Russia’s economically motivated interest in the South Caucasus, even after the end of Gazprom’s reign in Central Asia. The Chinese presence on Central Asian gas markets harms Gazprom’s interests; however, it is not so dangerous as the potential construction of the Nabucco and Trans-Caspian pipelines, simply because if Central Asian gas goes to China, it is diverted from the European market. The same can be said of the planned Trans-Afghan pipeline diverting Central Asian gas to Pakistan and India. Unlike these projects, Nabucco and the Trans-Caspian pipeline would circumvent Russia’s hold of export routes to Europe.

From this point of view one also can make a prognosis about the continuation of Russian interest in Georgia, since destabilization of this bottle-neck will harm any transportation projects for Central Asian gas to Europe. For example, according to the opinion of John Roberts, an expert at Platts on energy security, the Russian-Georgian war of 2008 harmed the reputation of the South Caucasus as a secure route of oil and gas transportation and, therefore, it was not conducive to the construction of Nabucco and other alternative pipelines⁶³. At the same time, Azerbaijan and Armenia (which has still not normalized relations with Turkey) are not so important from the point of view of the construction

⁶³ John Roberts, *Gruzia kak zhertva politiki truboprovodov*, August 13, 2008, Russian service of BBC, http://news.bbc.co.uk/go/pr/ft/-/hi/russian/business/newsid_7558000/7558832.stm (accessed August 20, 2008)

of alternative pipelines (although, of course, in the case of all-out war in Nagorno-Karabakh, the political risks of constructing alternative pipelines would also significantly rise). This is one more argument that Russia may be less interested in these states in the future due to Gazprom's crisis.

Conclusion

The concept of the "energy super-state" helped the Russian leadership to solve two different strategic dilemmas connected to the trade-offs between political and security considerations, on the one hand, and economic rationality, on the other hand. First, there was the tension between the weak Russian economy based on raw materials and the desire to raise Moscow's international status by retaining, at least, the status of a great regional power. Second, Russia's leadership wanted to diminish the subsidies to the FSU and, simultaneously, to keep the FSU as a "near abroad", a territory where Russia had specific influence and interests. The geopolitical combination of Russian power and Gazprom in the FSU and Europe was based on the idea of keeping control over the gas deposits in Central Asia and the transportation routes in the South Caucasus, Ukraine and Belarus in order to support Gazprom's privileged position on the European markets. This formula was based on the combination of high energy prices and high gas demand in Europe, on the one hand, and low prices for Central Asian gas, on the other hand.

The crisis of demand on European markets caused by a combination of the global economic crisis and the development of new technologies has significantly affected Gazprom's volume of sales and profits. Simultaneously, Central Asian states (especially after the construction of new pipelines to Turkmenistan) no longer sell gas cheaply. This combination is deadly for Gazprom, since in order to buy Central Asian gas it needs a good situation on the European markets. At the same time, the crisis of production in Russia may make Gazprom concentrate on its Yamal project and not waste resources in the FSU.

This may have a profound influence on Russian foreign policy. First of all, the discourse of "energy-super-state" has been officially abandoned. Second, Russia's ability to transform European dependence on its gas into some kind of political leverage is significantly diminished and new opportunities for investment in Russia may emerge for European energy corporations. Third, economic incentives to keep Russia's "privileged zone of interests" in the FSU have disappeared. So if the Kremlin still wants to control the FSU, it will have to pay the costs for this. From the point of view of economic rationality, it may mean that a Russian withdrawal from some of the FSU will follow. Taking into account political, security and identity considerations one can assume that the degree of Russian withdrawal will be higher in Central Asia, Azerbaijan and Armenia and lower in Georgia, Ukraine and Belarus.

The crisis of Gazprom still creates some uncertainties. For example, it is unknown if the Kremlin will finally abandon its interpretation of Russia's interests which coincided with the interests of Gazprom according to the formula "what is good for Gazprom is good for Russia". I personally think that the probability of this is very low. Furthermore the objective importance of hydrocarbons for the world economy still exists, and energy prices may significantly increase once again. In principle, this may once again change the present-day configuration of Russian power and Gazprom's interests, including the return to some elements of the now-abandoned "energy super-state" concept.

EURASIAN BARGAINING, AGRICULTURE, AND THE DOHA ROUND

Sarita D. Jackson*

Abstract

This article explores the participation of the Eurasian countries that have recently joined the World Trade Organization and are thus a part of the Recently Acceded Members (RAMs) coalition. The author argues that the active participation of these countries with small economies deserves attention in the WTO agricultural talks. Most studies focus on the leverage of the larger economies among the developing nations such as Brazil, China, India and South Africa. The article goes further to highlight that Eurasian countries have the ability to continue to push for flexibility provisions and can benefit from China's classification as a RAMs country. On the other hand, these same countries face the challenge of becoming more competitive in the international agricultural market. However, those challenges can be addressed through developing infrastructure, technology and skills to allow for smaller Eurasian WTO members to become efficient producers and competitive exporters.

Keywords: *Agriculture, WTO, Doha Round, RAMs, Bargaining, Development, Coalitions*

Introduction

Members of the World Trade Organization (WTO) discussed bringing the Doha Round of negotiations to a close by the end of 2010. The Doha Round, which began in 2001, was supposed to have been completed in Hong Kong in December 2005. However, the negotiations stalled due to the strong developing country resistance on the issue of agriculture. The ability of developing country bargaining coalitions (DCBCs) to counter the weight of the much larger economies of the United States and the European Union demonstrates their increasingly proactive and effective role in multilateral trade negotiations in ways that did not exist before.

DCBC refers to the strategic alignments of certain developing countries seeking to increase their collective bargaining power in the global economy. For instance, the G-20 was created in 1999 out of concern "that key emerging-market countries were not adequately included in the core of global economic discussion and governance."¹ Although it formed prior to the Doha Round, the G-20, led by

***Dr. Sarita Jackson** is an assistant professor in the Department of Political Science and Criminal Justice at North Carolina A&T State University, U.S. She is currently a Fulbright Scholar in Santo Domingo, Dominican Republic. Dr. Jackson specializes in political economy and researches the role of developing countries and business associations in free trade negotiations.

¹ G-20, "About G-20," G-20, http://www.g20.org/about_faz.aspx (accessed May 17, 2010). The United States and the European Union as well as other developed nations are a part of the G-20. However, this particular coalition provides an equal voice for countries that are in the process of development.

Brazil, India, China and South Africa, exhibited its organizational strength during the Doha Round. The political weight of these developing countries with relatively large economies has been well documented.²

However, it is not only large economies in developing countries that are forming similar strategic alliances; developing countries with much smaller economies have also stepped onto the playing field. Nevertheless, their role has been marginalized in existing studies on DCBCs. For example, Constanti et al. highlight the bargaining coalitions such as the Cairns Group and the G-20, both of which consist mainly of the larger developing economies. One coalition consisting of much smaller economies is the Recently Acceded Members (RAMs), which draws membership from countries in Europe, Asia, Africa, the Middle East, and Latin America. The RAMs countries that are heavily involved in the agriculture negotiations and speak as one voice are the Eurasian countries of Albania, Croatia, Georgia, Jordan, Moldova, and the Middle Eastern country of Oman. China, which has carried significant political weight, is also a member of the RAMs coalition. This article explores the role of RAMs countries in pursuing their particular agricultural interests within the multilateral trading system. Additionally, the piece discusses what China's membership in the RAMs coalition could mean for the other RAMs countries, particularly those from Eurasia.

From Uruguay to Doha: The Evolution of DCBCs

Earlier agricultural trade talks often were a platform mainly for negotiations between Europe and the United States. As Dr. Robert Wolfe points out, "In the 1960s and 1970s, the Europeans and Americans skirmished over agriculture within GATT [General Agreement on Tariffs and Trade] while other countries stood on the sidelines, hoping that there would be a transatlantic bargain, and that it would be beneficial for them."³ In other words, developing countries played a passive role in the multilateral trading systems surrounding the issue of agriculture.

This trend continued throughout the Uruguay Round (1986-1994) of multilateral trade negotiations under the framework of GATT, designed to minimize trade distortion caused by agricultural support. Although the developed economies of the West have traditionally dominated multilateral trading systems in agriculture, they do not always have consensual viewpoints on these issues. For instance, the European Commission and the United States clashed over agricultural tariffs and subsidies, which was eventually resolved with the two countries signing the 1992 Blair House accord. This agreement encouraged reduction in agricultural subsidies and import tariffs in order to promote fair trade and encourage less trade distortion. Ministers from the remaining 123 GATT countries signed the accord in

²Diana Tussie and Miguel F. Lengyel, "Developing Countries: Turning Participation into Influence," in *Development, Trade, and the WTO*, ed. Bernard Hoekman, Aaditya Mattoo, and Philip English (Washington, D.C.: World Bank, 2002), 485-492; Ravi Kanth, "WTO: Advantage, G-20," *Economic and Political Weekly*, vol. 39:34 (Aug. 21-217, 2004): 3795-3797; Sandra Polaski, "Agricultural Negotiations at the WTO: First, Do No Harm" (policy brief, Policy Outlook, Carnegie Endowment for International Peace, Washington, D.C., June 2005); Jennifer Clapp, "WTO Agriculture Negotiations: Implications for the Global South," *Third World Quarterly*, vol. 27:4 (2006): 563-577; Costantini et al., "Bargaining Coalitions in the WTO Agricultural Negotiations," *The World Economy*, vol. 30:5 (2007): 863-891.

³Robert Wolfe, "New Groups in the WTO Agricultural Trade Negotiations: Power, Learning and Institutional Design," (commissioned paper, Canadian Agricultural Trade Policy Research Network, Ontario, Canada 2006).

1994. Nevertheless, developing countries viewed the agreement as “the collusion between the two agricultural superpowers” that failed to satisfy their particular interests.⁴

Inspired by their collective disenchantment with global agricultural trade talks, developing countries began forming organizations to promote fair agricultural trade during the Uruguay Round. Although agriculture constitutes less than 10 percent of the global merchandise trade, it nonetheless, still remains an important component of the economies of developing countries, since many of these countries have a comparative advantage in this sector and stand to gain the most if agricultural trade rules were fair and just. Additionally, a large portion of the populations in countries around the world depend on agriculture for their livelihood.

One of the trade alliances that emerged from the Uruguay Round in 1986 was a group of agricultural exporters from developed and developing countries called the Cairns Groups. Other coalitions that emerged during the Uruguay Round include the De la Paix Group and the G-10, in which Brazil and India played a powerful role. Simultaneously, developing country membership in the GATT increased from 66 percent in 1983 to 74 percent by the late 1990s.⁵ Overall, however, developing countries carried minimal influence.

During this period, the RAMs countries definitely were not organized at all due to the fact that they were not yet even members of the GATT. As a result, they lacked the kind of access and representation that was needed to shape multilateral agricultural trade policies.

The Uruguay Round concluded with GATT transforming into the World Trade Organization (WTO), which now administers the Uruguay Round Agreement on Agriculture. The next round of multilateral negotiations took place with the Doha Round.

By the start of the Doha Round in 2001 under the WTO framework, developing countries unarguably became far more organized and proactive than before. The goal of the Doha Round was to continue efforts to limit trade distortion. Additional bargaining coalitions formed in response to EU and US proposals on agriculture such as those presented at the 2003 Cancun Ministerial. Developing countries expressed frustration with these EU and US proposals that they said failed to address their main concerns—the reduction of subsidies and the lowering of tariffs on agricultural goods. These controversial proposals spawned the growth of a number of coalitions in 2003 such as the G-20, which pursued agricultural policy reform and flexibility for developing countries. At this time, developing countries accounted for 43 percent of total world agricultural trade.⁶ Some have argued that the DCBCs offer smaller countries an opportunity to carry more weight and gain access to additional resources in order to promote their own agenda alongside that of developed countries.⁷

Debates have focused on the influence of these DCBCs on the Doha Round of agriculture negotiations. The developing and agriculture exporting countries pushed for the developed countries to remove

⁴ Amrita Narlikar and Diana Tussie, "Multiple Access Points: Knowledge generation for the Group of 20," in *The Politics of Trade: The Role of Research in Trade Policy and Negotiation*, ed. Diana Tussie (Buenos Aires: Republic of Letters/Brill/IDRC, 2009).

⁵ Tussie and Lengyel 2002, 486.

⁶ Christian Bjornskov and Kim Martin Lind, "Where Do Developing Countries Go After Doha? An analysis of WTO positions and potential alliances," *Journal of World Trade*, vol. 36:3 (2002): 543-562.

⁷ Wolfe 2006; Narlikar and Tussie 2009.

export subsidies and liberalize their agricultural markets. The bargaining coalitions successfully stalled negotiations at the Cancun Ministerial resulting in an impasse. Brazil, India, China, and South Africa led the demands for fair agricultural trade. “Since Cancún, the old certainties about the structure and players in agriculture negotiations have been undermined,” writes Wolfe.⁸ Developing countries are no longer passive players in the process. The bargaining coalitions allow developing countries to demonstrate their political muscle by collectively refusing to sign onto agreements that may harm their particular interests.

Again, the controversy surrounding agriculture plagued the 2005 Hong Kong Ministerial. The developing countries expressed opposition to the EU and US proposals, which eventually resulted in the collapse of the negotiations. Nevertheless, DCBCs can be said to have utilized their collective bargaining resources effectively to ensure that they, too, shape the multilateral trading system.

The RAMs, another group of new players, have combined their collective resources to push for a defensive stance on agricultural trade. This newly formed coalition has also played a role in the multilateral trade negotiations pertaining to agriculture.

Small Economies of Europe and Eurasia and Agricultural Trade

Agriculture trade remains important for Eurasian countries. In 1999, earnings from self-employment accounted for a large share of household incomes, according to a World Bank report titled, “Social Protection Developments: Eurasian vs. European Approach.” The majority of that self-employment income came from the agricultural sector as well as from trade, as indicated in the same report.

The RAMs countries undertook serious commitments in order to become members of the WTO. This piece looks specifically at those countries that have become members since 2000 (Table 1). Some argue that those commitments in the areas of subsidies, tariffs, and quotas were more extensive than those taken on by members who joined the WTO during the Uruguay Round, as acknowledged in a May 2006 reference paper prepared for the Special Session on RAMs held by the Committee on Agriculture.

Table 1: Recently Acceded Members Since 2000

Country	Year of Accession
Albania	2000
Croatia	2000
Georgia	2000
Jordan	2000
Oman	2000
Moldova	2001
Lithuania	2001
China	2001
Taiwan	2002

⁸ See Costantini et al. 2007 for more on the distinctions between the Uruguay and Doha Rounds in terms of the active participation and effectiveness of coalitions composed of developing countries.

Armenia	2003
FYR Macedonia	2003
Nepal	2004
Cambodia	2004
Ukraine	2008

Note: Armenia and Georgia are also a part of the low-income economies in transition.

Many of the Eurasian countries are net importers of food, which already poses a challenge to the expansion of domestic agricultural production. Similarly, many of the countries have faced challenges adjusting to the open market and becoming competitive in the international export market. For example, Albanian agriculture only comprised 8.1 percent of its total export volume in 2003, and Macedonia's was 14 percent in 2006. Agriculture accounts for about 50 percent of Moldova's export. This means that agriculture is the country's most valuable export.

For Ukraine, another country in the RAMs coalition, the outlook is a little mixed. Ukraine's agricultural output has declined sharply from close to US\$45 billion in 1990 to less than US\$20 billion in 1998. However, in spite of this considerable decline, the agricultural sector contributes greatly to the gross domestic product and provides employment. Agriculture's GDP contribution among countries that make up the RAMs alliance ranged from 13 percent (Macedonia) to 24.7 percent (Albania) between 2003 and 2006. In some countries, these figures dropped dramatically. In the cases of Albania and Georgia, for instance, the figures dropped from approximately 50 percent of the GDP in the early 1990s to 24.7 percent and 16 percent respectively. The range of employment from this sector is 20 percent (Macedonia) to 60 percent (Albania) during the same time frame.⁹

The RAMs coalition has understandably adopted a defensive stance during trade negotiations. In other words, the countries seek to protect their domestic agricultural markets unlike the offensive coalitions that have an interest in increasing their market share. Because agriculture remains their most sensitive sector, RAMs' proposals before the WTO reflect their desire for more flexibility in terms of the tariff reduction schedule and time to adjust to the global economic trade. Croatia's former deputy minister, Damir Polančec, stated:

Therefore, taking into account the level of commitments made during the accession process Croatia believes that modalities in the area of agricultural market access should include specific flexibility provisions for RAMs, providing for a grace period after entry into force of these round results, exemption of low tariffs from further reduction, lower tariff reductions and a longer transitional period for implementation of the new commitments.¹⁰

This position was presented at the plenary session of the Sixth WTO Ministerial Conference in 2005.

⁹ These figures come from the Albanian Ministry of Economy, World Trade Organization, Eurostat, International Fund for Agricultural Development, Embassy of Moldova (Belgium), and the World Bank.

¹⁰ "Croatia supports multilateral trade negotiations: deputy PM," Xinhua General News Service, in the Lexis Nexis Database (accessed March 1, 2010).

The only result from the Hong Kong ministerial was an agreement to phase out all farm export subsidies by the end of 2013. However, an agreement on what to do about domestic farm support remained inconclusive.

Since the collapse of the Doha Round, the RAMs countries have continued to demonstrate their efforts to actively protect their interests during multilateral trade negotiations. In 2008, RAMs continued to push for flexibility for their members, meaning that they can choose products for which they could apply smaller tariff cuts as opposed to undertaking the deep cuts encouraged by the WTO (Table 2). RAMs are allowed to cut tariffs by only 5 to 10 percent. Any tariffs that are less than 10 percent are not eliminated. Very Recently Acceded Members (VRAMs) do not have to make any cuts at all (Table 3).

Table 2: Tiered formula for agricultural tariff cuts

	Developed		Developing	
Band	Range	Cut (%)	Range	Cut (%)
A	0-20	50	0-30	33.3
B	20-50	57	30-80	38
C	50-75	64	80-130	42.7
D	>75	66-73	>130	44-48.6
Average cut	Min	54%	Max	36%

Source: (Laborde, Martin, and Mensbrugge 2008)¹¹

Table 3: Special Formula for RAMs for Agricultural Tariff Cuts

	RAMs	
Band	Range	Cut (%)
A	0-20	5
B	20-50	5
C	50-75	10
D	>75	10

Notes: The countries that receive RAM treatment in agriculture are as follows: China, Croatia, Ecuador, Jordan, Mongolia, Oman, Panama, and Taiwan. The Very Recently Acceded Member (VRAM) countries in agriculture include: Albania, Armenia, Georgia, Kyrgyz Republic, Moldova, Macedonia, Saudi Arabia, Tonga, Ukraine and Vietnam.

Source: (Laborde, Martin, and Mensbrugge 2008)

As a result, the 2008 drafts incorporated their interests as is reflected in the following statement made on behalf of the RAMs countries: “We thank the membership for having recognized our special situation. The most recent draft texts...are helpful in addressing some of our legitimate concerns.”¹²

¹¹ David Laborde, Will Martin, and Dominique van der Mensbrugge, “Implications of the 2008 Doha Draft Agricultural and NAMA Market Access Modalities for Developing Countries,” <http://www2.ihis.aau.dk/simulation/docs/WTO-formula-impact-Laborde-et-al-2008.pdf> (accessed May 20, 2010).

¹² Statement on behalf of the Recently Acceded Members by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. 2008. Paper read at Informal Trade Negotiations Committee (TNC) Meeting, June 21, 2010, in Geneva, Switzerland.

RAMs and 2010 Agricultural Talks: Opportunities and Challenges

Thus far, the prospects for concluding the Doha Round appear dim. WTO Director General Pascal Lamy discussed the chances that the deal would be finalized but did not state definitively that the talks would be concluded by the end of 2010. “While a deal is ‘doable technically’ this year, Lamy said he ‘would not venture into a probability that this would be done politically,’” according to a Feb. 26th Wall Street Journal report. Nevertheless, the efforts to finalize the round and draw the agricultural talks to a close present a number of opportunities and challenges for the RAMs countries, specifically those from Eurasia.

Opportunities:

Minimize Trade Distortion. If the Doha Round talks on agriculture continue throughout 2010, it presents an opportunity for the smaller Eurasian economies to exert pressure on the multilateral trading system to protect their interests. For example, to ensure that trade distortion is reduced to minimal levels, RAMs will have the opportunity to continue to defend their interests and push for the reduction of EU and US subsidies for domestic farmers.

Strength of China. As pointed out earlier, China is both a member of the G20 and the RAMs groups. The presence of a country such as China that has demonstrated its political weight alongside other large emerging market economies--Brazil, India and South Africa--may prove beneficial to the other RAMs countries, including the smaller economies of Eurasia. China represents the fourth largest economy in the world behind the European Union, United States and Japan. Part of China’s agenda has followed a defensive strategy, which aligns with the positions of the Eurasian RAMs countries. For example, former Chinese commerce minister, Bo Xilai, and former agricultural minister, Sun Zhengcai, sent a joint letter to WTO officials signed on May 18, 2007, which stated:

For many years, due to the huge amount of trade-distorting domestic support provided by the developed members, the world price for agricultural products has been artificially depressed, adversely affecting the livelihood of farmers in developing countries....As the tariff structure of the developing members is quite different from that of the developed, they should be entitled to have different thresholds as well as different proportionate cuts....We strongly appeal to the Chair [Falconer] to spell out clearly in the text that RAMs are entitled to have less cuts and exemptions for some of their SPs [strategic products] so that the concerns of the RAMs will be effectively addressed and those imbalances between the RAMs and other members reduced.¹³

China has been politically influential in terms of stalling a deal that would allow the European Union and the United States to continue the use of trade-distorting domestic subsidies. Its status as a RAMs country may possibly offer weight to the smaller Eurasian countries on these same issues.

¹³ “China Makes Clear Positions on WTO’s Agriculture Trade Talks,” Business Daily Update, in the Lexis Nexis Database (accessed March 1, 2010). Brackets added by author.

Challenges:

Competitive Exports. A major challenge that the Eurasian countries face, regardless of whether or not the Doha Round comes to an end and a deal is struck, is the ability to compete. If the proposed 2008 formula described earlier is implemented and the European Union and the United States remove trade barriers, these countries may technically have guaranteed access. But so will a number of other countries. As long as these countries are net importers of food products, they will face the challenge of developing their agricultural industries to compete in export markets.

Conclusion and Recommendations

As I have shown here, the larger developing countries are not the only active challengers to the United States and the European Union regarding agricultural trade. Rather, smaller economies have also sought access and representation to such negotiations and have been effective. Their collective organization through RAMs is one such case.

These countries are new to the WTO but have already caught the wave of pro-active participation, which could either stall the negotiations or move the negotiations forward once again, albeit China has expressed views that it does not foresee the Doha Round talks on agriculture ending in 2010.

Regardless of the outcome in 2010, several approaches may assist the Eurasian countries in global agricultural trade. The flexibility provisions that allow for these countries to maintain many of their tariffs should not be used to support protectionism. Rather, these same countries should focus on mechanisms to improve competitiveness. Countries such as Albania and Moldova have improved their business environments by reducing trade barriers, according to World Bank reports. At the same time, these countries still face the challenge of creating an environment conducive for trade. Domestic efforts must be utilized to train farmers, support export-oriented products and develop the necessary transportation, technological, customs and legal infrastructure to allow producers to export products more efficiently in US and EU markets.

WAS KOSOVO'S SPLIT-OFF LEGITIMATE? BACKGROUND, MEANING AND IMPLICATIONS OF THE ICJ'S ADVISORY OPINION

COMMENTARY BY

Heiko Krueger*

Abstract

On 22 July 2010 the International Court of Justice (ICJ) reached a final decision in one of its most momentous cases: Kosovo. The media response was huge and many headlines were plain in pointing out that "Kosovo's independence is legal".¹ But what sounds so clear at first sight arguably becomes an erroneous assumption upon closer examination. Indeed, the ICJ explicitly avoided deciding upon the legality of Kosovo's independence. Finally, there are sound reasons to question the legal significance of the Court's findings.

Keywords: Kosovo, International Court of Justice, secession, international law

Introduction

In February 2008 Serbia was confronted with Kosovo's Declaration of Independence. The Community of States was split on how to react on this unilateral act. In all, 69 of 192 UN member-states recognized the declaration. Other countries either refused to acknowledge it, or adopted a neutral position.² Faced with the broad recognition of Kosovo, Serbia initiated a request for a non-binding advisory opinion with the ICJ, asking whether the unilateral declaration of independence was in accordance with international law. But this apparently substantial question would turn out to be a quite insubstantial request.

The Explosive Nature of the Request

Serbia presented the ICJ with a dilemma. The judges were indirectly asked to clarify one of the most disputed and politically charged issues in international law today: secession. The ICJ

* **Dr. Heiko Krueger** is attorney at law and commentator on international and European legal affairs in Berlin, Germany.

¹ See, for instance, "Kosovo's independence is legal, UN court rules," *Guardian*, 22 July 2010; "World court: Kosovo's independence was legal," *AP*, 22 July 2010; "Kosovo independence declaration deemed legal," *Reuters*, 22 July 2010, which concludes, "Kosovo's unilateral secession from Serbia in 2008 did not violate international law."

² See also Krueger, "Implications of Kosovo, Abkhazia and South Ossetia for International Law," *Caucasian Review of International Affairs*, vol. 3:2 (2009): 121-142.

was about to deal with an issue which the Community of States had for decades explicitly avoided settling. On the one hand, the difficulty lies in how to create clear rules that are suitable for the variety of current and possible future secession conflicts. On the other hand, third countries use secession conflicts as leverage to pursue their own goals, which has always been a crucial obstacle to the general solutions to such conflicts.

In addition to these difficulties, the ICJ was confronted with the tense political peculiarities of the Kosovo case. A rejection of Kosovo's independence would have exposed many western countries that recognized and eagerly fought for the breakaway region (e.g. the US, Great Britain, France and Germany). By contrast, the clear acknowledgement of Kosovo's statehood could have affected many other regions in the world, causing damage difficult to calculate.

The Advisory Opinion

Caught in this dilemma, the ICJ's judges nevertheless found an easy way to close the case. They adopted a narrow interpretation of Serbia's request by considering only its literal wording. The ICJ was literally only asked whether the declaration of independence is in accordance with international law. Since general international law contains no prohibition of declarations of independence and the authors of the given declaration were obviously not bound by Security Council resolution 1244 (1999), the request could quite quickly be answered. The ICJ found that Kosovo's declaration of independence did not violate international law.

The Remains of the Trial

Does that mean that the ICJ recognized the legality of Kosovo's independence? No. Unlike many press reports suggest, the ICJ explicitly made clear that it did not handle the question of the legal consequences of the declaration of independence. But this would have been the crucial question. Without an answer to that question, the ICJ could not clear up Kosovo's legal status.

In fact, declarations of independence may actually be voiced by any group of the population using any kind of procedure. This is not prohibited under international law. The crucial issue is instead whether a certain declaration, or any other reason, changes the given legal status and creates certain rights and obligations under international law. In terms of the Kosovo case this includes the questions: Has Kosovo achieved statehood? Had the Kosovo Albanians the right to secession? Did Serbia indeed lose a part of its territory? And most importantly: Was Kosovo lawfully recognized by numerous states?

The ICJ answered none of these questions and so it did not clarify Kosovo's legal status. Indeed, it left more uncertainty than it brought light to the case. This outcome does not affect just the Kosovo case, but also many other cases of separatist movements around the world, e.g. in Abkhazia, Nagorno-Karabakh and South Ossetia. In view of the remaining uncertainty, conflict parties and third countries are now also enabled to square their interpretation of the ICJ's Kosovo opinion with their own political ends.

Was the ICJ's Decision Inevitable?

It is important to note that the ICJ did not arrive at a legally wrong decision when interpreting the original request narrowly. It is safe to assume that Serbia cautiously chose the wording, so that there might have been no reason to derogate from the literal request and to answer any additional question. A clear statement of Serbia's Minister for Foreign Affairs underlines this perspective. When introducing the request in the UN General Assembly he announced that there is no need for any changes or additions in respect of the request.³

Of course, the choice of the request remains a mystery. Apparently Serbian officials hoped that the ICJ would identify the crucial questions anyway. In that case Serbia would not have had to point a finger at many states, which had already assumed Kosovo's statehood and had recognized the region. Such a challenge could have been the knockout blow in the UN's General Assembly, which had to adopt the request before it could be forwarded to the ICJ. As became obvious, even the original request with its less confrontational wording had big problems to pass the Assembly. The above-mentioned statement from Serbia's Minister for Foreign Affairs also emphasizes this perspective.⁴ Accordingly, Serbian officials tried to formulate a non-controversial request representing the lowest common denominator of the positions of the UN Member States on the Kosovo question. They supposed that this was the only way to bring the request through the General Assembly.

However, the ICJ must have noticed that the choice of the wording did not really reflect the legal questions in issue. Moreover, the controversial subject was evident in view of both Serbia losing a part of its territory and of the international quarrel over Kosovo's legal status and the possibility to recognize it, which ultimately also influenced the procedure in the UN General Assembly. It could not be excluded that Serbia and the countries which backed the request in the General Assembly (which did not include many of Kosovo's proponents) had these facts still in mind when calling on the ICJ. In the light of these circumstances, the ICJ should have given a broad interpretation to the request, as it did in a previous case⁵ and as was even suggested by some of its judges.

Conclusion

Finally, the ICJ's opinion has not provided a better understanding from a legal perspective. This applies to Kosovo's status in particular, and to the issue of secession in general. For this reason the decision has no implications for the normative substance of international law. The legal issue of secession and the questions related to it remain disputable, even though persuasive arguments imply that there is no right to unilateral secession outside the context of decolonization.⁶

What remains is the sad confirmation that international law is a weak means by which to solve secession conflicts. As many other cases indicate, secession conflicts are frequently in the arena of third countries' interests. Legal considerations are quite flexible here, and coincide

³ See General Assembly, 8 October 2008, A/63/PV.22, p. 2.

⁴ See General Assembly, 8 October 2008, A/63/PV.22, p. 2.

⁵ See the interpretation of the agreement of 25 March 1951 between the WHO and Egypt, Advisory Opinion, I.C.J. Reports 1980, p. 89, para. 35.

⁶ For details see Krueger, "Implications of Kosovo, Abkhazia and South Ossetia for International Law," *Caucasian Review of International Affairs*, vol. 3:2 (2009): 121-142.

with the given interests of foreign affairs, which concern particularly the maintenance or extension of influence in regions of strategic importance. This is shown in the cases of Abkhazia, Nagorno-Karabakh and South Ossetia, but also in the Kosovo case. In the end, a solution is heavily dependent upon the weight of the involved third countries and their interests. With regard to the Kosovo case, several countries tried to maintain this interest-oriented policy by preventing the ICJ from conducting a deeper legal analysis. Remarkable in this regard was particularly the negative attitude of the USA, France and Germany.⁷

Overall, the conduct of a number of states questions not only the significance of international law in the context of conflict resolution but also the current procedure to call on the ICJ for an advisory opinion. At least in highly disputed cases, where even the conduct of a number of powerful countries is challenged, the General Assembly does not appear as an appropriate body to formulate and pass conclusive requests to the ICJ. However, the ICJ had the chance to carry out a deeper analysis and to recapture ground for international law in the context of secession. But it missed the chance, which means a setback for the resolvability of secession conflicts and for the rule of law in general.

In sum, the modest result of Serbia's request is due to a conjunction of several circumstances, which include the conflicting interests of third countries in the Kosovo conflict and a procedure at the UN General Assembly open to interference by these opposing positions. Of course, there was also the misjudgement by Serbia's officials when formulating the request, and the ICJ's constraints in dealing with a matter that is extremely politically charged. Both reasons were also decisively responsible for the outcome of the trial.

In the end, the Kosovo case seems to remain unsettled. Currently, the proponents of Kosovo's independence benefit from a broad misinterpretation of the ICJ's opinion in the press. The misunderstanding is primarily due to the difficulties in understanding the nuances of the ICJ's opinion and the court's insufficient communication policy. Though it tried to avoid a legal substantiation, the ICJ accordingly plays a crucial role in establishing Kosovo's independence.

⁷ The USA opposed Serbia's request, while France and Germany abstained from voting. For details about the French and German position during the proceeding, see both countries' written statements at <http://www.icj-cij.org/docket/index.php?p1=3&p2=4&k=21&case=141&code=kos&p3=1> (retrieved 08 August 2010).

UKRAINE: A CHALLENGE FOR U.S., EU & NATO REGIONAL POLICY

COMMENTARY BY

Tamerlan Vahabov*

Abstract

President Barack Obama's current strategy of engagement with former adversaries is right on track. Russia stands out as a major short-term success story of this strategy. The signing of the Strategic Arms Reduction Treaty (START) Agreement, achieving Russia's approval to use its territory as an alternative supply route for the International Security Assistance Force's (ISAF) operations in Afghanistan, and Russia's increased activity to pressure Iran on nuclear issues are remarkable. In the long run, Obama's main challenge will be to turn these concessions into sustained cooperation. Among all these questions of potential contention between the United States and Russia, this research paper will specifically center on Ukraine. Its key objective is to assess whether Ukraine's current institutional neutrality and its so far unreformed energy sector will negatively affect Ukrainian democracy and make Kiev increasingly lean toward Moscow's political orbit.

Keywords: *Ukraine, U.S. foreign policy, EU, security, energy sector*

Introduction

President Barack Obama's current strategy of engagement with former adversaries is right on track. Increased talks with Burma, the Cuban leadership's readiness to talk to the United States and normalize bilateral trade, rapprochement with Russia, and attempts to engage Iran and North Korea are examples of this strategy. Russia stands out as a major short-term success story of this strategy. The signing of the Strategic Arms Reduction Treaty (START) Agreement, achieving Russia's approval to use its territory as an alternative supply route for ISAF operations in Afghanistan, and Russia's increased activity to pressure Iran on nuclear issues are remarkable. In the long run, Obama's main challenge will be to turn these concessions into sustained cooperation. While it is a right strategy to seek steady cooperation with Russia there are difficult tasks ahead of U.S.–Russian relations. Such issues as Georgia's breakaway territories of South Ossetia and Abkhazia, Ukraine's security, and a U.S. missile defense shield in Europe still loom large on the horizon.

Among these questions of potential contention between the United States and Russia, this research paper will specifically focus on Ukraine. Its key objective is to assess whether Ukraine's current

***Tamerlan Vahabov** is currently political consultant in Kyiv, Ukraine. He holds a MA from School of Foreign Service of the Georgetown University, U.S., and MS from the U.S. Naval Postgraduate School, U.S. He worked previously as an analyst at the Interpol General Secretariat in Lyon, France, and as a U.S. desk officer at the Ministry of Foreign Affairs of Azerbaijan. His research interests include energy, security and domestic politics in Ukraine, Russia and the Caucasus.

institutional neutrality and so far unreformed Ukrainian energy sector will negatively affect Ukrainian democracy and make Kiev increasingly lean toward Moscow's political orbit.

The importance of this question is twofold. Firstly, Obama's Russia policy runs a risk of being overshadowed by the U.S.–Russian political divide with regard to Ukraine's geo-strategic place in the broader European political context. Given Ukraine's past political competitive track record which has polarized the country in the past, Obama's strategy could provide the right momentum to engage Ukraine concerning its security guarantees. Secondly, a lack of the U.S. and EU investment into Ukraine's economy and its energy sector may result in increased rapprochement with Russia which can threaten Ukrainian democracy.

This question involves understanding Obama's engagement strategy toward Russia, the latest political implications of Ukraine's stated neutrality with regard to joining regional security organizations (e.g. the Collective Security Treaty Organization or NATO),¹ reform problems in Ukraine's energy sector and its impact on democracy in Ukraine.

Arms control, Afghanistan, and missile defense have been the main pillars of Obama's "reset" engagement policy with regard to Russia. However, Russia is a major power with the capability to project its influence abroad where U.S. interests lie, including the EU and its neighborhood. This is especially evident in EU energy security issues and the division in the EU over energy supply routes, between Germany and Poland over Nabucco pipeline, for instance, the former for the project, the latter against it.² Another example of the divide within European members of NATO is the recent debate on removing tactical nuclear weapons from Eastern Europe.³ Newer members of NATO, such as Poland, insist on keeping these weapons as a deterrent against Russia. Although these disagreements occur, Russia has limited means in its arsenal to orchestrate the outcome of these tensions within NATO or the EU. But Ukraine is a different case. It is situated between NATO and the Collective Security Treaty Organisation (CSTO) members, but not being a member itself has led to strategic confusion as regards its foreign policy orientation – both on political and societal levels. If not engaged now, there is a risk that its sense of insecurity will bring another cycle of destabilization in Ukraine. Thus, when engaging Russia, the U.S. administration will also have to ease Ukraine's strategic insecurity. There are two important issues for the United States to take into account when engaging Ukraine: Ukrainian security guarantees and democracy in Ukraine.

Engaging Ukraine

There are two key issues that the United States will have to face when considering the strategic context around Ukraine: 1) Ukrainian security guarantees and 2) energy security. A lack of U.S. attention paid to these two issues can endanger democracy in Ukraine and cement Ukraine's pro-Russian orientation. This means that the current tilt toward authoritarian rule by the Yanukovich government will not be greatly challenged without active American and European engagement with Ukraine. Active European and American involvement in Kiev's economic and political spheres will allow them to monitor

¹ Fred Weir, "Yanukovich kills Ukraine's bid for NATO", *Christian Science Monitor*, <http://www.csmonitor.com/World/Europe/2010/0406/Yanukovich-kills-Ukraine-s-bid-to-join-NATO>.

² "Nabucco' Struggle Escalates", *European Dialogue*, 2009, <http://eurodialogue.org/energy-security/35>.

³ Rolph Mutzenich, "Time to remove nuclear weapons from Europe?", *Global Security Institute*, http://www.gs institute.org/pnnd/pubs/Tactical_nukes.pdf.

Ukraine's democratic development. If the United States does not address Ukraine's security guarantee, it will result in Ukraine's drifting toward Russia's orbit, especially in the vital energy sphere, which in turn threatens to weaken democracy development in Ukraine.

Security Guarantees

On June 6, 2010, the Ukrainian Parliament adopted a resolution entitled "Real Guarantees to Ukraine's Nuclear-free Status". A key proposal of this resolution was to develop the 1994 Budapest Memorandum on Security Assurances to Ukraine.⁴ On April 24, 2010, the Council for Foreign and Security Policy, a Ukraine-based nongovernmental organization, organized a conference titled "International Security Forum: From Ukrainian Security to European Security: 21st Century Challenges" in Lviv, Ukraine. The forum comprised well-known intellectuals, parliament members of Ukraine, and philanthropists. The main topic discussed during the conference was Ukraine's non-alignment policy. The majority of experts agreed that as Ukraine would not become a NATO member any time soon, it needed to formulate a new national security concept.⁵ Participants pledged that a new concept would be prepared and submitted to President Yanukovich. After he was elected president in 2010, Ukraine announced its neutrality with regard to regional security institutions, such as NATO and CSTO. Yanukovich is seemingly trying to strike a delicate balance between Russia and the U.S. During the April 2010 nuclear energy summit in Washington, Ukraine announced that it would relinquish its nuclear stockpile, namely its highly enriched uranium. His first official visit was to Brussels as opposed to expectations that he would first travel to Moscow. However, Ukraine also signed a new agreement with Russia to extend a lease until 2042 for the Russian Black Sea Fleet that is stationed in Sevastopol.⁶ This agreement was later ratified by the Ukrainian parliament with serious violation of procedural rules: members of parliament, who were in fact absent during the ratification, were counted as having voted in favor of the deal.⁷

According to the former Minister of Foreign Affairs Boris Tarasyuk, Ukraine is still experiencing a political polarization and its external orientation continues to strongly depend on who is in power. Volodymyr Ohryzko, another former minister for foreign affairs, stated that non-alignment will be a big financial burden for Ukraine. According to Ohryzko, Ukraine will not be able to sustain the financial costs of being non-aligned and provide for its own security independently.⁸ The point about sustainability of financial burdens for Kiev's non-alignment policy is valid, given Ukraine's current economic challenges.

Discussions around Ukraine's strategic policy orientation have usually been about debates on whether it will come into Russia's political orbit or pursue pro-NATO policies, but the issue is not that black and white. NATO's enlargement issue is a classic example of how politics and its challenges come into play in an alliance. There are two main challenges within alliance politics: entrapment and

⁴ *Kyiv Post*, "Parliament proposes drafting international document to strengthen security assurances to Ukraine", Interfax, <http://www.kyivpost.com/news/politics/detail/72242/>.

⁵ "International Security Forum Resolution Adopted", *Council for Foreign and Security Policy*, <http://www.cfsp.org.ua/en/about-cfsp/91-2010-05-06-09-34-01>.

⁶ Edward Chow, "Neighborly corporate raid", *Kyiv Post*, http://www.kyivpost.com/news/opinion/op_ed/detail/66079/.

⁷ "Dead Souls voted for Yanukovich/Medvedev pact" (За ратифікацію пакту Януковича-Медведєва голосували "мертві душі"), *Pravda*, <http://www.pravda.com.ua/news/2010/04/27/4977472/>

⁸ "Ukraine will be vulnerable if left out of military blocks", *RosBalt*, <http://www.rosbalt.ru/2010/04/15/728871.html>.

abandonment.⁹ In NATO's case, with regard to its Eastern enlargement, entrapment is more likely. This brings with it the issue of NATO's new post-Cold War identity. The former Warsaw Pact members who are now NATO members tend to see it as a security guarantee against their former patron, i.e. Russia. On the contrary, older Western European members of the Alliance do not share this concern. Russia was very successful at bilateralizing its relations with such countries as France and Germany. Ukraine's internal divisions over NATO and current U.S. policy toward Russia can provoke a sense of insecurity in those Eastern Europe countries that are for Ukrainian membership. Division over such key issues on European affairs is an important fault line between the alliance members that could bring unnecessary entrapment into one another's external problems.

Ukraine's security policy orientation changes dramatically after each administration. As recent experience showed, it went through the period of multi-vector foreign policy under Leonid Kuchma, uncompromising anti-Russian and pro-NATO policies of Yushchenko, and, presently, the non-alignment strategy of Yanukovich. During all these administrations in power, most new NATO members were actively lobbying for Ukrainian membership into the alliance, and the schisms within NATO over this issue increased as the number of its members grew. Every new member or a group of members try to pursue their own security policies. Put another way, they are promoting their own vision of European security, which usually includes having Ukraine in NATO. Therefore, leaving Ukraine without security guarantees that would be acceptable to both NATO members and Russia generates a risk of entrapping NATO members into political confrontation with Russia.

Given the extent of the traditional polarization in Ukraine over foreign policy issues the chances for such a confrontation have increased. Taking into account Ukraine's ultra-competitive political environment, Ukraine might face another crisis that could leave the country in a crisis. In this case, countries like Poland would most likely support pro-NATO opposition and this will entrap the United States in another cycle of tensions with Russia. Current president of Poland Bronislaw Komorowski has been vocal over his support for Ukraine's NATO membership. In his 2008 visit to Kiev, Komorowski criticized anti-NATO protests in Ukraine and stated that NATO members that oppose Ukraine's membership could exploit such protests.¹⁰ However, his stance highlights yet another division over Ukraine's membership within NATO. This is important because despite the fact that Yanukovich curtailed Ukrainian government's NATO ambitions, but there are still certain opposition and intelligentsia members that advocate pro-NATO policies.

Poland is one of the key countries whose relations with Russia and Ukraine are very important. There is an interesting relationship here: Ukraine is important for Washington to preserve the U.S. engagement policy's achievements with Russia, and Poland is important for Russia to preserve the achievements of the Russian rapprochement policies with Ukraine and to strengthen its relations with Europe. Zbigniew Brzezinski once mentioned that the United States is concerned with Ukraine's independence because it is very concerned with Russia. According to Brzezinski, bolstering Ukraine's independence would tame Russia's imperial temptations.¹¹ Using the same rhetoric, it is possible to say that Russia is concerned with Poland because it is concerned with Europe and Ukraine. Poland has long been a strong advocate of Ukraine's admission to NATO and the EU. Russia seems to be quicker to realize the importance of Poland than the United States is to grasp the importance of Ukraine. Russia has already

⁹ Glenn H. Snyder, "The security dilemma in alliance politics", *World Politics*, (1984), 461-495.

¹⁰ "Anti-NATO opposition harming Ukraine, says Polish Speaker," *Polskie Radio*, July 3, http://thenews.pl/international/artykul77471_anti-nato-opposition-harming-ukraine--says-polish-speaker.html.

¹¹ Zbigniew Brzezinski, "An agenda for NATO", *Foreign Affairs*, (2009).

started to apply pragmatism to its relations with Poland. In September 2009, Putin visited Gdansk to commemorate the start of World War II. He also recently participated in a ceremony at Katyn to commemorate 20000 Poles that were killed by the Soviet NKVD.

Russo–Polish rapprochement can have both negative and positive implications for the overall U.S. strategy in Europe and particularly with regard to Russia. Negative consequences, such as further political and social polarization, could arise if the Ukrainian security question is not addressed in order to formulate a commonly acceptable term and if Ukraine continues to become increasingly interdependent with Russia without equally strong ties to the U.S. and EU. In this case, easing tensions and strengthening bilateral relations with Poland, in the same way as with Germany and France, can cement Ukraine’s links to Russia. Such a scenario threatens to reduce the legitimacy of democratic forces in Ukraine.

However, the current changing strategic context in Europe will likely bring additional dimensions and flavors to the debate on Ukraine’s fate. Along with its challenges, Obama’s engagement policy and rapprochement with Russia, Russo–Polish rapprochement as well as Yanukovich’s stated neutrality can provide a fertile ground for transatlantic and pan-European cooperation if Ukraine’s security status is addressed. In this case, improved Russo–Polish relations will be an added value to Obama’s strategy of engaging Russia. In sum, among key elements to sustain and promote U.S. interests are Ukraine’s appropriate security guarantees acceptable to all stakeholders and Western investments into Ukraine’s energy system.

Energy Sector and its Security

On April 22, 2010, the Russian and Ukrainian presidents signed the so-called Kharkiv pact. The pact includes the agreement on extending the lease on the Russia–operated naval base in Sevastopol and a reciprocal agreement to reduce the price of Russian gas for Ukraine. Ukraine agreed to extend the lease for the Russian Black Sea Fleet until 2042 and, in turn, Russia discounted by 30 percent the price of gas sold to Ukraine.

Insufficient Western investment into the economically vital energy sector and predominance of Russia–related energy deals could polarize the country once more. According to the president of Kiev International Energy Club, Olexander Todiyshuk, there is still not a guarantee in this agreement that Ukraine’s gas transportation system will be fully loaded with gas. However, on April 27, 2010, Putin announced that there might be a possibility that Russia would determine concrete volumes of gas to be transported to the EU through Ukraine, though he did add that there is no discussion on this issue yet.¹² The recent gas agreement with Russia is still expensive, both in terms of the price and the concession such as extending the Russian Black Sea Fleet lease, which Ukraine has made. For instance, EU members did not have to make such concessions to get nearly the same price. According to the new deal, the price for Russian gas would be \$230 per cubic meter. This, however, nears European prices if the transportation cost differential between the EU’s and Ukraine’s distances is taken into account.

Ukraine is in desperate need of energy sector reform and exploration of domestic deposits of gas, including shale gas. Deputy Prime Minister of Ukraine Sergiy Tigipko stated that Ukraine would need

¹² “Putin doesn’t rule out the possibility of fixed volumes of gas to be transported through Ukraine”, *Korrespondent*, <http://korrespondent.net/business/economics/1070985>.

additional investment for the exploration of Ukrainian gas deposits in order to lessen its energy dependency.¹³ This is crucial, especially considering the fact that Ukraine has one of the most energy inefficient economies among the industrial nations.¹⁴ In order to alleviate some of these problems, the United States and the EU need to invest into the modernization of gas transportation system in Ukraine. In other words, Ukraine's energy sector has to become more competitive, efficient, and transparent for investments.

Currently Ukraine's energy system, gas distribution, and gas export is chiefly regulated by a state-owned company, Naftohaz Ukrainy. This company comprises departments for dealing with both gas and oil. It is also responsible for the production, transportation, and distribution of energy resources.¹⁵ In a way, the transportation of the Russian gas through Ukraine to the EU is managed by Naftohaz Ukrainy. According to a March 23, 2009, Brussels declaration on the modernization of the Ukrainian gas transportation, the system must be divided into several sections.¹⁶ There have been numerous requests by the EU to break the company into several autonomous departments, each responsible for its area of specialization. The EU's vision was that restructured and compartmentalized Naftohaz would be easier to monitor, would become more efficient, and would make its transactions more transparent.

Naftohaz Ukrainy was the main entity during the Kharkiv gas agreement between Ukraine and Russia. According to U.S. energy expert Edward Chow, the deal did not favor Ukraine, due to the fact that the 30 percent discount on Russian gas is linked to Russia's exempting export duty deliveries. This, according to Chow, leaves Ukraine to rely upon Russia's benevolence, considering that in the past Moscow reneged on its obligation and removed the oil export duty exemption for Belarus.¹⁷ Another aspect of this agreement vulnerable to criticism is the discount itself. In 2010, Ukraine intends to buy 36 billion cubic meters (bcm) of gas, of which only 30 bcm will be sold at the discounted price.

Restructuring Naftohaz Ukrainy and dividing it into more autonomous production, distribution, and transportation departments would make it easier to monitor and scrutinize its activities. That will also make it easier to monitor such agreements as the Kharkiv deal between Russia and Ukraine. According to Alexander Chaliy, former deputy head of the president's secretariat, restructuring Naftohaz Ukrainy is the first thing on the way toward attracting EU investments.¹⁸ According to the Brussels declaration, Ukraine has several commitments, such as transparency and openness for investors into Ukraine's gas transportation system. Ukraine is also responsible for disclosing technical and financial information to all stakeholders.¹⁹ This is a good framework for starting reforms and investment into this strategically important sector in Ukraine.

¹³ Sergiy Tigipko, "Gas prices won't rise if prices for gas remain USD 240", *RBK Ukraine*, http://www.rbc.ua/rus/top/show/s_tigipko_stoimost_gaza_dlya_naseleniya_ne_budet_rasti_pri_ego_tsene_nizhe_240_doll_tys_kub_m_21042010.

¹⁴ "Ukraine: lynchpin for European energy security", Democracy Backgrounder, *FRIDE*

¹⁵ "About the company", Naftohaz Ukrainy, <http://www.naftogaz.com/www/2/nakweben.nsf/0/865211060B3C193AC225710F0042CC97?OpenDocument>.

¹⁶ European Commission, "EU-Ukraine: partners for securing gas to Europe", European Commission External Relations, http://ec.europa.eu/external_relations/energy/eu_ukraine_en.htm.

¹⁷ Edward C. Chow, "Bad deal all around," *Kyiv Post*, http://www.kyivpost.com/news/opinion/op_ed/detail/64766/.

¹⁸ "Experts about Naftohaz reforms and Brussels declaration", March 31, 2010, *Unian*, <http://www.unian.net/rus/news/news-370177.html>.

¹⁹ *Ibid.*

Such a division of powers in Naftohaz Ukrainy is paramount for two reasons. First, it will demonstrate the government's willingness to conduct reforms and make foreign investment more likely because of increased transparency, and second, it will increase efficiency. At the same time, reforming Ukraine's energy sector and bringing in American and European investment would serve other purposes. The United States should encourage the Ukrainian government to start conducting such reforms. The U.S. investment could balance Russia in Ukraine's energy market and would make it less likely that Ukraine would trade in gas in the presence of such dubious discounts. Such a balance would help ease tensions between the opposition and the government and contribute to more energy efficiency as well as stimulate the Ukrainian economy.

All of the above, however, does not imply that Ukraine should temper its relations with Russia. The EU and Russia are becoming increasingly interdependent economically. Therefore, for Ukraine to be better integrated in the EU, it needs to maintain stable and cooperative relations with Russia. This would bolster their image of a reliable energy and trading partner. The importance of Russia is very well understood in Ukraine. Russia is a large trading partner and the biggest energy provider to the EU. Warmer relations between Russia on the one hand and Ukraine on the other would ease some tension in the region. All these, with the right conditions, such as security guarantees and equally balanced energy relations, could bolster the sovereignty of Ukrainian foreign policy. It will give Kiev an opportunity to benefit from trade with the largest player in the region, Russia, as well as pursue independent energy projects aimed at providing energy security for the EU. Such stabilization would also create a strong interdependency between Russia and Ukraine that would allow for more maneuverability of Kiev in the region.

Energy supply diversification is as important a component for Ukraine's political situation as it is for its energy security. Ukraine's participation in new energy projects such as the Odessa–Brody–Plotsk–Gdansk oil pipeline (OBPG) and its favorable location between the EU and Russia would help it achieve sustainable levels of economic development. Economic development, regional cooperation, and deeper regional interdependency will have a positive effect on political stability in Ukraine. So far there have been five business plans on the OBPG pipeline initiated by Azerbaijan, Georgia, Lithuania, Poland, and Ukraine. All five business plans concluded that the pipeline project is feasible both economically and technically.²⁰

From the U.S. standpoint, investment, diversification of investment into the Ukrainian energy sector, and support for energy supply diversification is also crucial for several reasons. First of all, investment and reform of the energy sector will help the government to sustain its unity and avoid a potential paralyzing crisis in Ukraine. Second, diversification of investment, meaning from the US, EU as well as Russia, is important to prevent the domination by either side. It is also important to provide for the unity in the country, which means that neither the opposition can legitimize its claims that Yanukovich is giving away Ukraine's assets to Russia nor will it cement the government's image as a sole provider of goods and favorable deals, such as potential Russian investments that could potentially contribute to the economy.

Ukraine's energy sector reform and energy security have grown from simply being a domestic issue for Ukraine to becoming a regional matter of strategic significance. U.S. investment is necessary for

²⁰ Yuriy Onishkiv, "Odessa – Brody project politics or economics?" *Glavred*, <http://glavred.info/archive/2009/05/07/133202-2.html>.

preventing another crisis in strategically located Ukraine, and supporting Ukraine's democratic traditions.

Democracy

Ukraine's increasing dependence on Russian energy and its effects on Ukrainian democracy is an important issue to consider. Despite all its shortcomings, the Orange Revolution and the democratically elected Orange government left an enduring legacy of political openness. The 2010 presidential elections, its uncertainty and ultra-competitive nature confirmed this once more. Yanukovich was elected after the second round with a slight margin in what international organizations called a free election. However, there is a great risk that this legacy will not be sustained if Ukraine's security aspirations are not addressed in time. Former prime minister and Yanukovich's rival in 2010 presidential elections, Yulia Tymoshenko, stated that Ukrainian democracy is being tested under the current government.²¹

It is important to note that U.S.–Russian engagement and Obama's moderate tone about Russian democracy has far-reaching implications for Ukraine's democratic development. Thus, in current U.S.–Russian and Russian–Ukrainian rapprochement there is a great chance that Ukrainian democracy will be threatened. This is because Russian and Ukrainian democratic credentials differ starkly. Easing its criticism toward the democracy problems in Russia and engaging Moscow could only help foster a better dialogue between the U.S. and Russian governments without significantly affecting Russia's almost non-existent democratic forces. However, the legacy of the Orange Revolution allows one to label Ukraine as a more or less functioning democracy... To preserve its democratic credentials, Ukraine needs to balance its current interdependence with Russia with equally strong ties with the EU and the U.S. Otherwise, Ukraine's democracy and relative openness of its political system could be in jeopardy. In short, this situation favors U.S.–Russian dialogue and gives it an opportunity to develop. However, it does not much favor Ukraine because democratic culture and political openness is more developed there; and if the United States treats Ukraine in the same way it views Russia, then the democratic legacy of the Orange Revolution will be threatened at best. For the United States, this is an important issue to bear in mind given the complexities of democracy-building in the former Soviet space.

Among many anti-democratic moves by the current Ukrainian government, two issues stand out as more salient: first, the recent decision by Ukraine's Constitutional Court on parliamentary coalition formation and approving a new coalition in the parliament, and second, Ukrainian Parliament's decision to abolish local elections. Ukraine's Constitutional Court's decision favored a new pro-Yanukovich coalition comprised of parliamentarians (MPs) that joined it from the opposition as well as allowed any individual MPs to join the coalition. According to Yuri Klyuchkovski, an MP from the opposition party Our Ukraine–People's Self Defense, the court's decision contradicts the constitution. According to Klyuchkovski, any political party in the parliament must have a right to abolish a mandate of any parliamentarian that had been elected in its ranks but this decision precludes parties from exercising this right.²² Leader of the United Center party Viktor Baloha stated that the decision of the constitutional court favored the current government and it would likely make the opposition

²¹ Yuliya Tymoshenko, "Difficult times for Ukraine's democracy", *TSN*, <http://ru.tsn.ua/ukrayina/timoshenko-v-ukraine-nastupilo-samoe-tyazheloe-vremya-ispytaniy-dlya-demokratii.html>.

²² Alexander Razumnyi, "Coalition acquitted?", *Dnepr Vecherniy*, <http://dv-gazeta.info/politic/koalitsiju-opravdali.html>.

become better coordinated to challenge this government.²³ This trend is likely to continue and become more resilient if there is no credible opposition challenging the current ruling administration. The declared neutrality status of Ukraine with regard to regional military blocks, increased sense for the need of security guarantees and increased interdependence with Russia, including in energy field, will bring disillusionment to the pro-Euro-Atlantic camp in Ukraine. Solidifying ties with Russia without equal ties to the West will further reduce the legitimacy and appeal of Western-leaning politicians in Ukraine.

Conclusion

Engaging Russia without tackling Ukraine's security guarantees and solidifying its energy and economic ties to the U.S. and EU could make Ukraine a new ground-zero of the U.S.–Russian political confrontation in Europe. This can tarnish the momentum gained in the current U.S.–Russian “reset” policy. If not tackled, these issues might arguably bring a new wave of domestic destabilization and strong disapproval of the government, and even weaken democracy's development in Ukraine.

Ukraine is a democracy with fairly open and competitive political system. In such an open political system with the recent history of fierce political competition, such sensitive issues as Ukraine's foreign policy orientation will constantly be the matter of contention. Energy security and Ukraine's place in European security architecture are currently key problems in Kiev's agenda. The United States will need to target these issues in order to prevent cataclysmic polarization in strategically located Ukraine and to preserve its currently unraveling democratic legacies.

²³ “According to Baloga, Constitutional Court is responsible for Yanukovich's actions”, *Vsesmi*, <http://www.vsesmi.ru/news/3999863/>.

“IT’S IN GEORGIA’S INTEREST TO BE FRIENDLY WITH RUSSIA”

Interview with Dr. Alexander Rondeli*

Conducted by Jesse Tatum, Associate Editor of CRIA

***CRIA:** Considering the expected removal of the EU’s special representative to the South Caucasus and the recent visit of the EU’s High Commissioner for Foreign Affairs to Georgia, what sort of changes would you say are on the horizon for the EU–Georgia relationship?*



Rondeli: From Georgia’s point of view the complicated process of integration with European structures and the Europeanization of Georgia is a long one. It’s not easy to go through not only because of weaknesses in and problems with our own development, but also because of the EU’s policy, that is, the policy of certain leading countries in the EU, and EU–Russia relations. It’s not only a process whereby you get ready, then you are ready [and the EU says], “please be our guest, be our member.”

On both fronts we have serious problems, because for any post-Soviet country, meeting the EU’s requirements is not easy. The Baltic [countries] are the exception for many reasons, for many good reasons, and we are happy that at least they are there. They are also a fantastic example and a role model for us. But meeting these criteria is not easy.

Everyone understands that there is a long way to go.

The second dimension of this is just as complicated because the EU is not united, especially from the point of view of foreign policy and military strategy. There’s often a general, common way of thinking about certain issues within the EU. But when it comes to expansion, admitting new members and relations with Russia, there are many contradictions and many uncertainties. One cannot accuse the EU alone for this, because the EU is also a new entity. It’s not a newborn child but it’s a very young organization, a very young entity which has failed to develop a common foreign policy, and is just learning to do so. So, they have their own problems as well.

If you look at it from this angle, then we can say that not everything depends on us, unfortunately. Sometimes it’s an excuse for our not performing well, but we know that even if we perform perfectly well, the serious problem of EU–Russia relations remains. This is something no one can escape, no one can say that it doesn’t exist. It’s absolutely clear that Russia doesn’t want to see any of its neighbors in the EU. If you in the West ask Russia [about Georgia’s EU aspirations], they

* **Dr. Alexander Rondeli** is President of the Georgian Foundation for Strategic and International Studies (GFSIS). He holds a Ph.D. in Geography from Tbilisi State University. From 1997 to 2001 he served as Director of the Foreign Policy Research and Analysis Center at the Ministry of Foreign Affairs of Georgia. Prior to that, he was Chair of the International Relations Department at Tbilisi State University, a research fellow at London School of Economics and Political Science (1976-77), a mid-career fellow at the Woodrow Wilson School, Princeton University (1993-94), a visiting professor at Emory University (1991), Mount Holyoke College (1995) and Williams College (1992, 1995 and 1997). Dr. Rondeli holds a diplomatic rank of an Ambassador Extraordinary and Plenipotentiary.

immediately say, “We do not care if someone wants to go and join the EU. It’s wonderful.” But this is a lie. In bilateral relations and conversations Russia always tells us, “We won’t let you go to the EU.” The country that joins the EU is lost to Russia forever. So this is a very complicated question, and most of the population still doesn’t understand how complicated the situation is. They see everything in a more simplified way.

CRIA: Does the Georgian public, in your view, generally agree with the government’s pro-Western agenda?

Rondeli: We all ask ourselves this question, that is, people who agree with trying to move our country towards the West. We sometimes ask ourselves, “Are we sure of what we are doing and is it really necessary to do it?” For Georgians who understand, or at least who pretend to understand, why we have to join the EU, the formula is very clear: to make Georgia a viable state, a viable, inclusive, modern nation, you have to be a democratic state. So, the drive to make Georgia democratic is not just a passing fancy. No! It’s a strategic necessity, because Georgia has different ethnic and confessional groups, and their interests can be vast but accommodated only within a democratic system. It’s why Georgia sees itself as part of Europe, as part of Euro-Atlantic structures, because, in that way, Georgia can survive and proceed with the democratization process.

We also want to escape Russia’s grip. Not because we don’t like Russia or we hate Russia. That’s not the point at all. The problem is one of national perspective. We don’t want to see Georgia under Russian control or under Russian protection, because then Georgia cannot become a democracy since the Russians are not interested in that. And even if they were very interested, they don’t know how to do it.

I think it’s absolutely clear why we want to join. But another question is, is Europe ready? Is the EU ready, or is NATO ready to accept us? Even if they are one day – and it looks like it could happen one day – they believe that they have to ask Russia’s permission, and these contradictions start immediately. If these western European leaders say, “we don’t care what Russia thinks; you [Georgians] are free, and whenever you’re ready we’ll accept you,” well, it is not true. We know it pretty well.

CRIA: Do the recent developments – the opening of the Upper Lars border, the resumption of direct Tbilisi–Moscow flights – signal any shift in Georgia–Russia relations? Should Georgia try to rekindle full economic ties with Russia?

Rondeli: Everyone, in any region of the world, has to develop in cooperation with others. They have to have normal, even very friendly relations. Geography dictates this, and it cannot be escaped. We know from international relations theory that the biggest disaster for small countries is to be a neighbor of a giant, and it’s worse if that giant is your former master. It’s in Georgia’s interest to be friendly with Russia, to have it as a healthy and wealthy neighbor. This means that Russia can be a good market, a source of investments, even a protector, if it becomes democratic – a stabilizing factor in the whole region. For example, if Russia is wealthy and healthy, tourists come, investment flows in. No one is against this. Georgians like Russians, maybe even more than Russians like Georgians, because we have lived together for centuries. And we should capitalize on these long-standing ties.

But unfortunately, Russia’s approach to Georgia was blackmail and bullying, as seen in the August 2008 war. Georgia’s only sin was that it wanted to be independent, and to be a democracy and a possible EU member some day. Georgia was punished for this, from the beginning of

independence. Russia chose to make an example of Georgia for other post-Soviet states under Russian influence to see, lest they get same ideas. This is why the stalemate exists, and why Russia occupies our territories. And the fact that the international community does not accept this occupation as a *fait accompli* or as an action within international law shows that Georgia is right.

How do we get out of this situation? Well, the international community has to help us; in fact they have to help both sides. Because both sides have problems: there are millions of people who need to have mobility between the countries, so the humanitarian aspect is relevant.

They opened the border at Lars because of Armenia, which was in desperate economic straits. We neighbors in the region have to help each other despite our pride. But the fact is that Russia closed it, and Russia opened it. Russia introduced the visa regime with Georgia, imposed an economic embargo on us, stopped flights... All these things were done so that Russia could show Georgia it cannot live without them. We cannot influence them. We did survive, though, and now Russia understands that it's better to deal with us by using more soft power.

“RUSSIA PUTS COMPARATIVELY LITTLE EFFORT INTO USING SOFT POWER IN THE SOUTH CAUCASUS”

Interview with Dr. Timothy Blauvelt*

Conducted by Jesse Tatum, Associate Editor of CRIA



CRIA: *What do you think are some of the biggest challenges left to be tackled in higher education in Georgia? What can the government do to improve quality?*

Blauvelt: Our organization was directly involved in the program of developing the unified national university entrance exams, under contract to the World Bank as the coordinator for technical assistance, and we were working on that from 2002–2006. So I really got to see that process from the inside, and it is a reform that has been very successful. At the start, before the Rose Revolution, corruption in university admissions was one of the central problems. Education in general was one of the

institutions in society worst hit by corruption. Education then was a sort of black hole of corruption, and one of the key points of that was on the entrance end. People were paying 10 to 20,000 dollar bribes to get in to certain prestigious faculties. So the entrance exam reform was able to eradicate that entirely. What is particularly important in the approach to that reform was that the real goal was to build capacity. We didn't come in and say “We're going to make an exam for you.” The idea was to help create a function *Georgian* center that would develop the expertise to make exams itself, and that has really been so successful that Georgian specialists from the National Examination Center have become sort of regional experts. We've been involved in other projects, in Ukraine for example, where we have invited Georgians to come from the Center to provide technical assistance themselves. So the reform has been even more successful than people realize.

But by now this reform is sort of an old achievement. The question remains about what should come afterwards. From early on it had several effects: it has more or less eliminated low and mid-level corruption from the universities, which seems to have been a lasting outcome. The other effect was on secondary education, which is a rather controversial thing in the world of test development. The important thing from our point of view is that it made school matter to a degree that it didn't before. Before that there was simply no point to school, and work with tutors simply involved lots of rote

* **Dr. Timothy Blauvelt** has served as Country Director in Georgia for American Councils for International Education: ACTR/ACCELS since 2003, and has also worked and studied extensively in Russia and Ukraine. He holds a PhD from the State University of New York at Buffalo, US. He currently teaches a graduate course on Political History of the USSR at the Center for Social Sciences of Tbilisi State University, and has published articles on Soviet and Caucasus political history in *Europe-Asia Studies*, *Kritika*, *Nationalities Papers*, *Communist and Post-Communist Studies* and *War & Society*.

memorization. Now I understand that they are trying to switch over to a system of mandatory school leaving exams that everybody will have to take in order to graduate. The entrance examination reform in Georgia was extremely radical: so radical that all university acceptance decisions were taken away from the universities themselves and given to the National Examination Center, based solely on the results of the examinations. Gradually the autonomy is being given back to the universities and faculties, and the test becomes just one component of the selection process.

My point in discussing this is that the reform of the entrance examinations was a crucial first step, and that if this had not been accomplished then nothing else could be successful. But again, what happens after this is the big question at the university level, and it has been the big question for the past five years. It's probably something that is going to take generations to solve. I think it's part of a more general problem in Georgian society: people don't like rules and requirements when they affect them; they don't like abstract standards. Examples of this come up very often, and it frustrates our local employees at American Councils here: people come in and say to them "Why do we have to follow all these rules? We're Georgians. Aren't you one of us? Why can't we do this the Georgian way?" And that's been a problem in both secondary and higher education. In secondary education, for such a long time, at least since the end of the Soviet system, the main goal of the teachers has been to maintain control in the classroom. The things that the Ministry is doing – the teacher certifications, the training opportunities and the requirements placed on teachers – these things will, I think, have an effect. But it's going to take a long time. And the same goes for the situation in the universities. The reform of the university faculties was a much harder thing than the exams. The reform of the tests and the university accreditation reforms were basically technical reforms, while the reform of the faculty has been a very painful one, and one that became politicized. But it seems that ultimately that has been successful. University teachers and professors can make a decent wage now, whereas before that they would get 25 USD a month.

But there is still the issue of quality and standards. The idea that someone could fail out of university is virtually unheard of, and even more so in the private universities. People think that since "we're paying for a product, so we should get that product. We should get the degree, even if we don't actually feel like working for it." So the standards, even at the best universities, are really quite low. There is tremendous plagiarism that goes on among college students, lots of "cut and paste." Professors in many departments are amazed when they see even small indications of originality and initiative, and often give inflated grades.

CRIA: Are there sufficient opportunities for Georgian university students in terms of mobility toward Europe & the U.S.? And for the kids going abroad, speaking of the plagiarism issue, for instance, do they work well when they get there?

Blauvelt: This is the rub: Georgian students, in my experience, do very well when they go to foreign universities. They adapt to that system and they come out on top of it. So it's not about being Georgian. Georgians are more than capable students. There's something more in the general culture. Perhaps we have to be optimistic: maybe it simply will take a generation until the system in Georgia becomes able to adopt international standards, or until international standards force their way into Georgia. But individually Georgians have the capability to do this. They do fantastic work when they get accepted to study-abroad opportunities. In universities all over America you will find at least one Georgian, and they prove that they are able to handle the requirements.

CRIA: *A 2007 NY Times [article](#) cited the decline of the Russian language across its historical sphere of influence. How do you see its status in Georgia today? How will it be used (or fall into disuse), in your view?*

Blauvelt: This is an issue that is of great interest to me. Obviously there is a decrease in Russian language skills in Georgia, especially among young people. I think it's largely seen in the generation of people who were schooled in the difficult period of the 1990s, when the education system as a whole suffered great difficulties. I think there are gaps in people's knowledge more generally, not just in language, but in biology, chemistry and other subjects. It was hard to learn in the days when there was no electricity or heating in the schools. Some young people of this generation were able to learn Russian well, sometimes through watching TV or having Russian-speaking relatives, friends or neighbors. But on the whole their Russian skills are weaker than those of other generations.

This also has to do with other factors, such as a separation from Russian culture over the past two decades. There is less and less Russian heard on TV or in films, for example. And much of people's language learning efforts have been devoted to English and other Western European languages. But I think there is a shift taking place with children. Parents are now thinking about the advantages of having their children learn Russian, and are helping to renew the focus on that in the preschool and primary school levels. There seems to be a tremendous demand for Russian-speaking nannies, for example, and for Russian-language kindergartens. People have started to realize, I think, that fluency in Russian is going to be an important thing in the future, and that they should not allow the gift of possessing Russian fluency that remained as holdover from the Soviet experience to slip away.

CRIA: *So more practical thinking on the Georgians' part?*

Blauvelt: Yes, it's pragmatic, and also Georgians will often emphasize that there is a connection with Russian literature and culture, even if the political and personal situation between Georgians and Russians has been better.

CRIA: *Does Russia have any Goethe Institute or Alliance Française equivalents, for example? If so, what are the current levels of enrollment/interest they enjoy, as far as you know?*

Blauvelt: There is an international organization of teachers of Russian, [MAPRIAL](#), that is quite active, and our organization cooperates with it on the institutional level. They held a conference in Georgia several years ago, and the President of our organization, Dan Davidson, who is also a Vice-President of MAPRIAL, came to Tbilisi for that. It has always been surprising for me, though, that Russia puts comparatively little effort into using soft power in this part of the world, that they don't do the sort of things that we, the Americans, or other Western countries are doing in terms of offering scholarships and educational opportunities, and outreach for language teaching, like Peace Corps. Part of it perhaps has to do with the Russian government's Realist worldview, and they assume that we do all of these things actually for political advantage. But if they were to offer large scale programs like the Muskie Fellowships – I think there are or were such things on a smaller scale, like several slots in MGU [M. V. Lomonosov Moscow State University] per year for Georgian students – but if they had bigger programs, scholarships, high school exchanges, Georgians would respond very favorably.

CRIA: A [paper](#) in our current issue – the questionnaire for which you helped to develop – looked at foreigners venturing to learn Russian and/or Georgian in Georgia. Generally speaking, perhaps from your own experience, how do you think Georgians feel about “outsiders” choosing to learn either one or the other while in Georgia? Which language would the average Georgian recommend an engaged expat learn, and why?

Blauvelt: That's a good question, actually. No Georgian has ever said to me that learning Georgian is a waste of time, although some might question the utility. There are two mutually contradictory myths that Georgians have in their heads, I think. The first is that the Georgian language is of special interest to all foreign academics and linguists. It's an important language in the world and it should be an important thing to study, and so foreigners are supposed to come here to study the language, and they should learn the language. The second myth is that, unlike Georgians, foreigners are really not very good at learning foreign languages, and that the Georgian language is really too difficult to actually be learned by outsiders. They are even surprised when foreigners can speak Russian well, which creates yet another contradiction: while they expect all foreigners to speak Russian, and yet they're surprised when foreigners can actually speak Russian fluently. In fairness, that's probably because many foreigners with whom people most often interact, especially tourists, tend to patch together minimal scraps from both Georgian and Russian in order to communicate. Georgians also are not sure about whether Russian is actually a “foreign” language.

And it is true that Georgian is a very difficult language to learn, which adds a barrier to the level of investment in terms of time, effort and energy required to achieve fluency (or even functional proficiency), which then has to be calculated against the expected returns. Basic necessity of needing to survive in a language obviously affects that calculation, so as with learning any language, immersion in a Georgian-only environment adds to both the incentive and the results. I think that explains why Peace Corps volunteers in the villages tend to learn much more Georgian than most other foreigners, especially in terms of spoken language. But it's difficult to find oneself in such an immersion environment in Tbilisi, especially for those who speak Russian well. At American Councils we've been experimenting with organizing short-term immersion courses outside of Tbilisi. So far we did a ten-day beginning level workshop in Borjomi this summer. The results have been mixed so far, but I would like to pursue this idea further next summer.

So even for most foreigners such as me who live and work here for long periods, the meager expected returns on investment in learning the language beyond minimal levels mean that few are ultimately successful. For example, you could probably count on the fingers of one hand the number of foreigners in the world who know Georgian as well or better than I know Russian. As the CRIA article demonstrates, many foreigners who are successful in Georgian also know Russian, so knowledge of Russian is not necessarily a hindrance to learning Georgian. But for me personally, in most unofficial situations I'd rather say something well in Russian than say it poorly in Georgian, as long as whomever I'm talking to understands more or less. And again, those immersion situations where the other person cannot understand Russian at all are very rare in Tbilisi (although I actually usually enjoy it when I'm forced to speak Georgian, like in certain cafés where the waitresses can't speak Russian at all). I've studied Georgian with varying degrees of intensity over the past twelve years, and aside from café vocabulary my success has been modest. Despite everything I said above, I have always felt very limited by that, and I think it really is ultimately a disadvantage and a hindrance to make connections with people, even though I can communicate with most people just fine in Russian or in English.