

# The Caucasus: Small War, Big Damage

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Articles & Testimony

Georgia's attempt to take South Ossetia has backfired. In a blitzkrieg, Russia drove the Georgian military completely out of South Ossetia. Moscow also made forays into Georgian territory. Many people in Turkey and across the transatlantic community have interpreted the war as a by-product of Georgia's aggressive attitude, and then propagated a neutral position toward the conflict. Whatever is the cause of the war, Russia's foray into Georgia cannot be dismissed as nuisance. The war has immense negative ramifications for the transatlantic community, including Turkey and the United States, as well as the European Union, or EU.

### Russia's motives

The major impact of the war has been in the realm of energy and pipeline politics. Russia may not be a global superpower anymore, but it is certainly an "energy power." Moscow's strength lies in immense oil and natural gas reserves. Such that, even though Russia's population of 145 million is twice as big as the Turkish population, the Russian economy is smaller than its Turkish counterpart if the energy sector's contribution is subtracted.

Energy sector's behemoth dominance in the Russian economy shapes Russia's foreign policy motives. Russian gas giant Gazprom's policies and Russian foreign policy serve each other's mutual interests. Russia takes advantage of exorbitant energy prices to increase its political and military power -- the arms industry is the second largest sector of the Russian economy after energy. Energy politics is key to Russia's military and political ascent especially in the former USSR. In order to grow further, Russia wants to achieve monopoly over the global distribution of oil and natural gas from the former USSR countries.

This rationale seems to be the driving factor vision of Georgia. When the Cold War ended and the USSR was dissolved, the United States allied with Turkey to create a blue print to bring the newly explored oil and natural gas from the Caspian basin to the global markets. The shared U.S.-Turkish vision aimed to market Azeri, Kazakh, and Turkmen oil and gas to the world, not via Russia, but through the East-West corridor spanning the Caspian Sea and Turkey.

### Georgia and Armenia

The U.S.-Turkish vision worked well in the pre-9/11 era when Russia was under the politically incompetent rule of Boris Yeltsin and Moscow was economically weak due to low oil and natural gas prices. As a first step along the East-West corridor, the U.S. and Turkey backed the building of Baku-Tiflis-Ceyhan oil and Baku-Tbilisi-Erzurum gas pipelines. The second phase of the U.S.-Turkish vision envisaged extending these pipelines; east to Kazakhstan and Turkmenistan, and west to Europe. A big part of that vision was the Nabucco pipeline between Turkey and Austria, the poster child for EU's energy policy that would have for the first time allowed Europeans to buy Caspian gas without Russian intermediary.

Russia's occupation of Georgia has dealt a blow to such plans. Georgia and Armenia are two countries along the East-West corridor that lie between the Caspian basin and Turkey. Since Turkey's border with Armenia is closed, this

leaves Georgia as a key country along the corridor. Georgia is mutilated by Russia and unstable. It is hard to imagine today how any energy company would invest in extensions to the East-West corridor, along which Georgia has become the weak link. By occupying Georgia, Russia has exhausted the U.S-Turkish plans to boost the East-West corridor and make Turkey an entrepot of Caspian energy. Moscow has also preemptively blocked the EU's plans to buy energy from the Caspian basin without having to go through Russia.

Back in the USSR

A second transatlantic casualty of Russia's invasion of Georgia is the West's political influence in the former USSR. Since the 1990s, Turkey and the U.S. have managed to wield influence over countries in the former USSR, especially Azerbaijan, Georgia, and Ukraine, building military and political ties with these states. Now that Russia has taught Georgia a lesson about its pro-Western stance, Ukraine and Azerbaijan will think twice next time they have a chance to take cue from the United States or Turkey, respectively. Russia's foray into Georgia has demonstrated to the countries of the former USSR that Russia is the regional hegemon and that they better listen to it.

As long as oil and natural gas prices remain high, Russia will project further political and military influence over the Caucasus and the Black Sea basin, and such influence will come at the expense of the transatlantic community. Russia's invasion of Georgia is a milestone that marks the dawn of a new era. A small war has indeed produced big results.

Soner Cagaptay, a senior fellow at the Washington Institute for Near East Policy and a visiting professor at Bahcesehir University, would like to thank Melis Evcimik for her assistance with this article. ❖

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