

RUSSIAN STRATEGIES OF INFLUENCE IN THE SOUTH CAUCASUS REGION

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ABSTRACT

Russia uses a variety of methods to influence its former Soviet republics of Armenia, Azerbaijan, and Georgia. Since its conquest of the region in the 19th Century, Russia considers Transcaucasia particularly important for its geopolitical standing. No longer able to persuade or attract South Caucasus populations, Russia's strategy of influence is largely based on military power (hard power). It struggles to develop its soft power in this region, resorting finally to more coercive methods like exploiting: conflicts in the secessionist regions of Nagorno-Karabakh, Abkhazia, and South Ossetia; Kremlin-affiliated oligarchs; and energy prices. This traps Russia in a vicious cycle: to retain its influence in the South Caucasus, it becomes increasingly coercive and aggressive, appearing malevolent to local populations. The Kremlin relies on well-known and established strategies in the South Caucasus, making it an important case study in the analysis of Russian foreign policy in general.

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INTRODUCTION

Since the Ukrainian crisis in late 2013, and the Russian intervention in Syria in September 2015, Moscow interest in the South Caucasus region has apparently gradually decreased. Russian leaders seem engrossed by these two conflicts, which allow them to reinforce their status as a global power, as well as mold the security landscape to best fit Russian interests. Moscow's diverted attention has not gone unnoticed. Political leaders and analysts from Armenia, Azerbaijan, and Georgia all fear the moment when the Kremlin turns its attention back towards their region.

Their apprehension stems from the knowledge that Russia has perceived their region as particularly strategic for the past two centuries, notably since the beginning of the conquest of the Pontic-Caspian isthmus in the late XVII century. After the fall of the USSR, Moscow considered Armenia, Azerbaijan and Georgia its "near abroad," claiming a kind of "right to oversee" any decisions made by these newly independent republics.¹ Since then, Russia continuously deployed its political, diplomatic, and security arsenal in the region, at times resorting to military force. In fact, it was in the South Caucasus that post-Soviet Russia first intervened in a foreign conflict: the summer 2008 war in Georgia. This intervention occurred several months after the NATO summit in Bucharest where member states declared that Georgia and Ukraine would become NATO members.²

The future of Russian relations with Transcaucasia is all the more concerning for these countries as the involvement of Western partners is shrinking, especially that of the United States. Despite the US's long standing presence in the region (in 1991 Washington began pushing American and European companies to invest in Azerbaijani oil, all the while NATO was forging the Partnership for Peace program)³, 2008 events marked a shift in US policy. The Russo-Georgian war was perceived by many Western countries as a sign not to provoke the Kremlin, desperate to stop the EU and NATO from gaining a foothold at its borders.⁴ In particular, the Eastern Partnership between Europe and six former Soviet republics (including the three Transcaucasian ones), conceived as an alternative to integrating the EU,⁵ was perceived by Russia as a Western encroachment on the region. Yet, the

1. Elias Götz, "[Putin, the State, and War: The Causes of Russia's Near Abroad Assertion Revisited](#)," *International Studies Review*, 19:2, June 2017, p. 228-253.

2. https://www.nato.int/cps/fr/natohq/official_texts_8443.htm?mode=pressrelease - Also important to remember, on November 21, 2011, in Tskhinvali (the "capital" of South Ossetia"), Dmitry Medvedev (who was at the time president of the Russian Federation) said "Had we hesitated in 2008, the geopolitical situation would be different today and many countries that were artificially courted by the North Atlantic Treaty Organization would be member states today."

3. The cooperation program that all three South Caucasus countries, as well as Russia, joined in 1994.

4. Asmus Ronald, *A Little War That Shook the World: Georgia, Russia, and the Future of the West*, Palgrave Macmillan, 2009, 272 p.

5. When Francois Hollande visited the South Caucasus in May 2014 he explained to Baku, Yerevan, and Tbilisi that this "partnership" was not created to "resist against" anyone (Russia being the implied counterpart), but was designed to help them maintain sovereign power and freedom in their decisions. The press focused less on the French president's instance that the Eastern Partnership was an alternative to joining the EU. In July 2016, [a report](#) from the French Senat confirmed this was in fact Paris's intent "The political objective of the Eastern Partnership is not to expand the EU, nor can it substitute membership to the EU, but it can in certain cases constitute a first step towards candidacy" ("Informational report by the commission of European Affairs on the Eastern Partnership," No 797, July 2016).

resumption of relations between Washington and Moscow by president Obama implied a fall back of the US, concurrent with the country's "Pivot to Asia." Furthermore, the global economic crisis of that period pushed global powers to focus on their own domestic issues. Since then, Putin has accumulated geopolitical wins, like Russia's growing influence in the Middle East, ability to align its world vision with other foreign leaders (as Turkey for example), and intervention in Ukraine (Crimea's annexation and the Donbass conflict). Confronted by Russia's expanding global power, South Caucasus countries feel abandoned and alone in the face of their northern neighbor.

This sentiment is key to understanding how Russia exercises, or has to exercise, its influence in the South Caucasus. The belief in a "national destiny", from Armenians, Azerbaijanis and Georgians, and strong local defiance towards the former colonizer deprive Russia of traditional soft power tools. Political leaders and analysts in the region consider Russia's behavior as the result of imperial arrogance, developed during the conquest of Transcaucasia in the early XIX century, and a political culture that values the use of force.

This article explores the various strategies Moscow currently uses to exert its influence in the South Caucasus. Given the lack of objective criteria available to measure the importance of a strategy, we will rely on the analysis of our regional informants, including government actors and well-informed civilians. We will also rely on official documents, such as economic data, annual security service reports, and legal records.

RUSSIA'S TRADITIONAL STRATEGIES OF INFLUENCE

The South Caucasus is an excellent case study for analyzing Russian political strategies. Moscow involvement in the region varies greatly, as it has very different relations with the Transcaucasia republics, from its "strategic partnership" with Armenia to its absence of diplomatic relations with Georgia. A core practice of Putin's Russia is visible there: pitting various actors against one another to ensure the state and regime achieve their objectives. In order to do so, a variety of entities and actors are mobilized inside Russia: the presidential administration, ministry of Foreign Affairs, Ministry of Defense, FSB,⁶ GRU,⁷ various governmental agencies (Culture, Health, etc), media, oligarchs affiliated to the Kremlin, public sector, etc.

Russian leaders have a multitude of methods they use in the South Caucasus. The first, and most influential, is encouraging secessionism and exploiting its political consequences. When the Soviet Union imploded, numerous conflicts erupted, in the context of heightened ethnic nationalism which started in the late 1970s. The first was the Nagorno-Karabakh war between Armenia and Azerbaijan (1991-1994), followed by the conflicts in Georgia, in south Ossetia (January 1991-June 1992) and in Abkhazia (August 1992-September 1993). In the latter two cases, Moscow appears to have acted directly as a catalyst. These events occurred

6. *Federalnaia Sloujba Bezopasnosti*: Federal Security Service of the Russian Federation.

7. *Glavnoye Razvedyvatel'noye Upravleniye*: The Main Directorate of the General Staff of the Armed Forces of the Russian Federation.

during the two Chechen wars (1994-1996 and 1999-2009). In the last decade, despite regular threats of hard power, Russian troops restricted themselves to setting up barbed wire around the secessionist region of south Ossetia and publicized military manoeuvres in the North Caucasus.

Russia's soft power in the region remains inefficient. soft power, as conceptualized by Joseph Nye, is defined as a state's ability to attract and persuade another without the use of force or coercion.⁸ Nye specifies that "soft power is not merely the same as influence"⁹ as the latter "can also rest on the power of threats or financial transactions."¹⁰

Russia prefers indirect mechanisms of influence: it relies on oligarchs who acquired their fortunes in Russia, exert pressure on governments by increasing or decreasing the price of natural gas, enact embargos on agricultural products, diffuse information and misinformation in local and regional media, limit the access of Caucasian migrants to their labor market, etc.

Russia also relies on the relationship between the Moscow Patriarchate and local Churches, in particular with the Georgian Orthodox Church. This mechanism of influence has the potential to be destabilizing, as exemplified by the massive June 2019 protests in Georgia. Sergey Gavrilov, a communist Russian deputy, gave a speech from the parliament speaker's seat during a session of the Inter-Parliamentary Assembly on Orthodoxy. Gavrilov, representative of the former colonial power, crossed a line according to critics. For them, his behavior revealed the real political use that Moscow is doing of the christian faith.

Russia's behavior in the South Caucasus region is relevant to countries outside of the former Soviet Union. While Russia's strategies rely on people, entities, and Soviet networks, they are deployed beyond the former Soviet Union. The support of Kremlin-affiliated oligarchs,¹¹ the Russian diaspora, and ideologically sympathetic actors are used to undermine regimes beyond the post-Soviet region. These pre-existing tactics date back to the Soviet era. "Hybrid war" tactics, often described as "novel," in reality often predate their current use. For example, the methods used in the Donbass are remarkably similar to those employed during the secessionist conflicts in the Caucasus thirty years ago.¹²

8. Joseph S. Nye, *Bound to Lead*, Basic Books, 1990, 336 p.

9. Joseph S. Nye, *Soft Power: The Means To Success In World Politics*, Public Affairs, 2005, p. 6.

10. Ibid.

11. Support evidenced by numerous investigations into Oleg Deripaska, the "King" of aluminium. He declared in 2007 to the *Financial Times*: "I don't separate myself from the state. I have no other interests."

12. In 2014-2015, when we were investigating the methods used in Donbass to create the secessionist groups Donetsk and Lougansk, we were shocked to find that these tactics are a century old. Regis Gente, "[Donbass: le Kremlin à la manœuvre](#)," *Politique Internationale*, No 150, Winter 2016.

ARMENIA, ONCE CONQUERED BUT SLIPPING AWAY

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|--------------------------|--|
| Population | 2.9 million people. |
| GDP | -12.4 billion. -4 212 per capita per year. |
| Relationship with Russia | -Diplomatic relations: embassies, consulates. -Member of the Eurasian Economic Union, CIS, CSTO. -Military: Russian 102 nd division in Gyumri (3,500 men); aviation squadron in Erebuni; 4 500 Russian border guards stationed at the borders with Iran and Turkey. |
| Trade with Russia | 26% of Armenia trade is made with Russia (1.9 billion), or 27.6% of exports and 25.3% of imports. |
| Energy | -85% of natural gases consumed in Armenia are from Russia. -Russia controls the Metsamor nuclear power plant, the thermal power plant in Harzdan, and the hydroelectric waterfall in Sevan-Hrazdan. |
| Migration | -Labor migrants in 2019: 210 000 registered in Russia (634 000 entered Russia). -2010 Russian census: 1.1 million ethnic Armenians. -2019 remittances: 1.4 billion from Russia (45% of total remittances) - 11.6% of Armenia's GDP. |

Armenia is the only Transcaucasian country to have a “strategic partnership” with Moscow. It is also the only one to host a Russian military base, have its borders with Turkey and Iran guarded by Russia, and be a member of the Eurasian Economic Union (EEU),¹³ CIS,¹⁴ and CSTO.¹⁵ Armenian leaders believe that their country faces existential threats from Turkey, who has yet to recognize the 1915 genocide, and Azerbaijan, with whom they are still fighting over Nagorno-Karabakh. They consider that only Russia can ensure their security. In exchange, Armenia provides them with strategic geographic access, allowing them to station their troops in the Pontic-Caspian isthmus and at the Middle East's doorstep.

Armenia's vulnerability and tense relations with its neighbors drives Moscow and Yerevan's relationship. Consequently, the Kremlin never felt the need to deploy its various means of influence in the country, especially considering that close to 12% of Armenia's GDP comes from migrant workers' remittances in Russia. Moscow believed Armenia was its pocket, so much so that they provided weapons to Azerbaijan and invited them to join the EEU, as well as blocked the Armenia justice system from prosecuting a Russian soldier who killed an entire family in Gyumri (2015), angering the Armenian population.

13. The Eurasian Economic Union went into effect on January 1, 2015. It is comprised of Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan. It has been one of Putin's key projects since returning as president in 2012.

14. Commonwealth of Independent States, created on December 8, 1991 to maintain ties between former Soviet republics. It is made up of nine of the fifteen former republics.

15. Collective Security Treaty Organization: politico-military organization created in 2002, members include: Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan.

In this context, in the last decade, a “crisis of confidence” emerged.¹⁶ A polling institute determined that support for Russia in Armenia is steadily decreasing. In response to the question “Who is Armenia’s best friend,” Russia received 93% of votes in 2009, 81% in 2011, 83% in 2013, 75% in 2015, and 63% in 2017.¹⁷ Having failed to develop soft power mechanisms in Armenia, Russia was forced to resort to new, more constraining methods. The first is the Nagorno-Karabakh conflict, where Russia wielded considerable influence in maintaining the balance in favor of Armenia since the 1994 cease fire. Tensions around Nagorno-Karabakh re-emerged after the 2018 “Velvet Revolution,” following the rise of a new political class. Without being overtly anti-Russian, these political actors were resistant to Russian influences and ideology. A number of these Armenian “revolutionaries” evolved in the international NGO community, for example, Armen Grigorian. Currently the secretary of the Security Council, he formerly headed Counterpart International Inc. in Armenia, and Transparency International’s anti-corruption center in Yerevan, between 2012 and 2018.

Moscow’s cautious approach to the “Velvet Revolution”

The 2018 spring “Revolution” was alarming for the Kremlin, especially considering its leader, Nikol Pashinyan, advocated for Armenia to leave the EEU a few years prior. Yet, Moscow reacted with restraint, possibly learning from recent history in Ukraine where its behavior alienated the majority of the population. Correspondingly, the “revolutionaries” sought to focus their movement on domestic issues, such as corruption and poverty, rather than against Moscow.

It was within this uncertain context that Samvel Karapetyan, a Russian Armenian oligarch, sought to enter the political stage. Likely with his own company’s interest in mind, Tashir, he suggested that Karen Karapetyan (no family ties) be re-elected as prime minister. Karen previously held the position from 2016 to 2018 and was CEO of Gazprom’s subsidiary in Armenia. Samvel’s effort were too late. On April 26th, three days after the resignation of Serge Sarkisyan from the position of prime minister.¹⁸ Karen Karapetyan announced that he had talk with president Putin and made public some of his remarks. This was the Kremlin’s way of drawing a red line, all political matters were to be conducted according to the constitution and fraudulently elected parliament of 2017, revealed Karen Karapetyan.¹⁹ In short, the government could be controlled by the Republican Party, despite it was massively rejected now by the Armenian people.

16. Richard Giragosian, “[Soft power in Armenia: Neither soft, nor powerful](#),” European Council of Foreign Relations, August 12, 2015.

17. “Caucasus barometer” ([online datasets](#)).

18. After two presidential mandates, and unable to run again, he had the constitution amended to shift the regime to a parliamentary system. This allowed him to maintain power as Prime Minister.

19. The OSCE’s [final report from the election observation mission](#) points out that: “The campaign was tainted by credible and widespread allegations of vote-buying, pressure on public servants including in schools and hospitals, and of intimidation of voters to vote for certain parties. This contributed to an overall lack of public confidence in the electoral process and raised concerns about voters’ ability to cast their votes free of fear of retribution.”

Such requirements made Pashinyan's rise to power improbable, but massive popular support enabled his political ascension. Prior to his election as prime minister, he explicitly sought to reassure Moscow by stating "if I am elected, Armenia will remain a member of the Eurasian Economic Union and the Collective Security Treaty Organization." Since then, Mr. Pashinyan has pledged, on multiple occasions, to keep Yerevan's existing geopolitical and security policies.

Instrumentalizing the Nagorno-Karabakh conflict

According to the majority of Armenian analysts, "the Nagorno-Karabakh conflict remains the Russian most powerful tool to exert pressure on both Armenia and Azerbaijan."²⁰ Moscow is conscious that there is no issue more important to Armenians than ensuring their security and territorial control over this region, taken from Azerbaijan after the 1991-1994 war.

Yerevan knows that it can only maintain control over Nagorno-Karabakh with Moscow's support. While Russia alone cannot easily determine who controls the province, it can tip the balance of power by providing more weapons and political support to one side. This conflict is particularly imperative for Armenians, as it represents a sort of historical justice, taking land back from the "Turks." Moscow needs only to mention this conflict to convince Armenia to negotiate or compromise. Here, Russian support goes beyond the use of hard power.

By providing support in this conflict, the Kremlin does not have to rely on other mechanisms of influence. As explained by Laurence Broers, an expert on the south Caucasus region, Armenia's goal is to "lessen the existing asymmetry between itself and Azerbaijan,"²¹ a country with three times its population and four times its GDP. The alliance with Moscow increases its dependency on Russia, militarily and economically. According to Broers "Russia has a quasi-monopoly on Armenia's arms import, who [in return] has special access to the Russian arms market and is offered discounted prices. [...] The preferential treatment Armenia receives, combined with a defensive and dissuasive position, compensate for Azerbaijan's superior purchasing power."²²

These bilateral agreements align Yerevan with a "greater power," all the while providing Moscow with a tool of dissuasion. Nonetheless, Moscow's relationship with Yerevan evened out as its weapon sales to Azerbaijan grew. In 2019, Azerbaijan's defense budget amounted 60% of Armenia's national budget. This trade gives Russia political leverage over the two belligerents; but weakened its relationship with Yerevan. Many Armenians questioned the idea of a "strategic partnership" with an ally that provides weapons to the enemy. This sentiment grew after the "four-day war" in 2016 when it was discovered that a number of the 77 Armenian deaths were caused by Russian weapons.

20. Richard Giragosian, "[Soft power in Armenia: Neither soft, nor powerful](#)," European Council of Foreign Relations, August 12, 2015.

21. Laurence Broers, *Armenia and Azerbaijan: Anatomy of a rivalry*, Edinburgh University Press, 2019, p. 202.

22. *Ibid.*, p. 202-204.

Economic pressure points

Russia's lack of soft power, coupled with its false sense of control over Armenia, led the Kremlin to rely on economic pressure points to influence Yerevan. Over the last twenty years, Russia took control of strategic Armenian capital in various sectors, like energy, rail roads, and telecommunications.

Russia's control over the natural gas trade is its strongest means of economic influence. It is no coincidence that Karen Karapetyan, the former CEO of Gazprom's Armenian subsidiary, became prime minister in September 2016. In fact, it is not uncommon for gas prices to be renegotiated when tensions emerge between the two capitals. Despite being disadvantageous for Gazprom (weak volumes, 2.1 m³ in 2019, and subsidized prices),²³ Russia has always retained a quasi-monopoly over the trade.

After the 2018 "Velvet Revolution," tensions multiplied between the Kremlin and the new Armenian leadership. These frictions were largely due to the arrest of former president Robert Kocharyan (1998-2008)²⁴ and the indictment of Yuri Khachaturov (he was at the time secretary general of the CSTO), for their roles in the death of ten protestors on May 1st 2008. There was also some investigation for corruption in Gazprom's Armenian subsidiary. A member of Mr. Pashinyan's inner circle confirmed that, in late 2018, Moscow "intended to raise gas prices to send a message: stop the judicial proceedings." Indeed, in early 2019, the price of 1000 m³ of gas went from 150 to 165 dollars. In early 2020, another increase in prices occurred. On April 21st 2020, Sergey Lavrov, the Russian minister of Foreign Affairs, reiterated that "gas prices two to three times below market value is not a due, but a political policy."²⁵

AZERBAIJAN, A REGIME IN SEARCH FOR PROTECTION

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| Population | 9.9 million people. |
| GDP | -46.9 billion. -4 721 per capita per year. |
| Relationship with Russia | -Diplomatic relations: embassies, consulates. -Member of CIS. |
| Trade with Russia | -8.2% of trade is with Russia (2.5 billion), or 3.3% of exports and 16.4% of imports. |
| Energy | -Almost nonexistent trade as Azerbaijan has large amounts of natural resources. |
| Migration | -Labor migrants in 2019: 195 000 registered in Russia (694 000 entered Russia). -2010 Russian census: 603 000 million ethnic Azerbaijanis. -2017 remittances: 0.6 billion from Russia (50% of total remittances) - 2.7% of Azerbaijan's GDP. |

23. Energy is a "weapon" that Moscow uses against the majority of its other former republics, like in Belarus where the sale of crude oil from Russia, to be refined, was until last year a form of subsidization.

24. Very close to the Russian government.

25. Videoconference for le "Fonds" on Alexander Gorshakov's public diplomacy: <https://www.youtube.com/watch?v=wtb2Qo2c7Hg> (after 1'17'55).

Azerbaijan's oil and gas revenues help shield it from Moscow's web of influence. The country is able to refuse membership in Russian organizations and alliances. While still a member of the CIS, Azerbaijan left the CSTO in 1999 and refuses to join the EEU. Since its independence, the country received Western geopolitical support, notably from the United States. Particularly beneficial for Azerbaijan is the 1994 "Contract of the Century," an agreement with eleven international companies to develop the Azeri, Chirag, and Guneshli offshore oil fields in the Caspian Sea. Azerbaijan's financial autonomy is the basis of its independence and sovereign control.

In accordance with the policies of Heydar Aliyev, former president (1993-2003) and father of the current leader, Baku's political strategy is to maintain a balance between Russia and the West. The country knows now to make concessions to Russia²⁶: 10% of the "Azeri, Chirag, and Guneshli" oil was then reserved for the Russian oil company Lukoil,²⁷ it joined the CIS in 1993, and it is not a member of any Western military or economic organizations.

Despite selling its oil and gas to the West, a trade that led to the construction of two gas pipelines and one oil pipeline in Transcaucasia, the Azerbaijani government never adopted "Western political values."²⁸ Often ignored in political analysis, this distinction is Moscow's greatest leverage. Russia thoroughly supports its "friends," especially those whose governments are similar in nature to its own.²⁹ The power and control of Azerbaijani leaders, weakened by corruption and authoritarianism, is upheld by Russia.

The "Billionaires Club"

In 2013, tensions emerged between Baku and Moscow for two reasons. Ilham Aliyev refused to renew Russia's lease of the Gabala radar station, a contract it had for the last ten years, as well as to join the Eurasian Economic Union. It remained in the EU's Eastern Partnership, but unlike Georgia, Moldova, and Ukraine, it never signed an association agreement or DCFTA economic liberalization agreement with the EU.³⁰

In order to send a message to Mr. Aliyev, the Kremlin supported the creation of an informal "billionaires club." The group is composed of Azerbaijani businessmen who acquired their wealth in Russia, tying them to both the Kremlin and their home country. This club indicated a desire to present a candidate to the fall 2013 presidential elections, Rustam Ibragimbekov. He is a renowned screenwriter with links to the Russian government. While his candidacy was not aiming to really be elected, and perceived in Azerbaijan as a Russian

26. Zaur Shiryev, "[Azerbaijan's Relations with Russia Closer by Default?](#)" Chatham House, Research paper, March 2019.

27. Baku reserves this oil for Russia to ensure Moscow's interests are represented in the consortium. This seems to be a form of compensation.

28. Ibid.

29. It is possible to trace a line from the Russian interventions during the "Revolutions of 1848" (Hungary and Romania), to the "Arab Spring" (Syria 2015), passing through Russia's successfully crushing of the "Hungarian Revolution" (1956) and the "Prague Spring" (1968).

30. <https://www.consilium.europa.eu/fr/infographics/towards-stronger-eastern-partnership/>.

ploy, it was a message to the Azerbaijan's leadership to come back to a policy more in line with Russia's views.

Like his father, Ilham Aliyev is careful not to provoke Moscow. On August 13th 2013, he received Mr. Putin in Baku for an official state visit, while two Russian warships were anchored in the city's port. This visit concluded in an arms deal worth three billion euros. This deal helped to keep the Azerbaijani army distant from the NATO standards. Two weeks later, Ibragimbekov abandoned his candidacy; and Armenia, worried about a shift in the balance of military power in Nagorno-Karabakh, joined the EEU and renounced to an association agreement with the EU.

Direct support to political leaders

Geopolitical support to a government, purely based on the nature of its political system, is rarely considered as a leverage. In the case of Azerbaijan, it has rarely been considered as such. Nonetheless, it is one of the first methods cited by Azerbaijani analysts when asked about Russia's various means of influence in their country. For many, this has become a key leverage point since 2014.

In 2009, the Azerbaijani leadership, inspired by Russian legislation, began passing laws aimed at controlling NGOs denouncing corruption, police violence, and the lack of oil revenue redistribution among the population. The uprisings in the Middle East, in particular the fall of Hosni Mubarak, an ally of the Aliyev family, deeply concerned the Azerbaijani government. The Ukrainian revolution, in late 2013, revived these fears, as massive popular demonstrations reached the post-Soviet area. In early December of that year, government further cracked down on NGOs, and the police arrested dozens of activists, journalists, and bloggers.

As the nationalists and pro-Western elements of the government retreated, the pro-Russian ones launched an "anti-Western" campaign. Spearheaded by Ramiz Mehtiev, head of the Presidential Administration, this campaign claimed that Washington was trying to overthrow Mr. Aliyev, and qualified NGOs as a "fifth column."³¹ It intended to demonstrate loyalty to Moscow as much as it sought to denounce American values. Mubarak's fate proved to Mr. Aliyev that the West could abandon him, should his people rise up against him. Mr. Putin, on the other hand, would back him regardless of popular will, like he supported the Ukrainian and Syrian Presidents.

Although difficult to prove, it seems that the Kremlin's relationship building strategy with its former Soviet republics is to offer direct support to their leaders. Many accounts of this method were collected by us in the former Soviet leadership circles, including the testimony of a close ally of Mikheil Saakashvili, the former Georgian president. Some of his advisors claim that, during a February 2004 trip to Moscow, Mr. Putin's inner circle told the Georgian delegation: "Forget your secessionist provinces, we will never give

31. Ramiz Mehtiev, "[Miroporiadok dvoynikh standartov i sovremennyi Azerbaijan](#)" ("Global order of double standards and modern Azerbaijan"), in Azeri and Russian, 2015.

them back. We can, however, support you if you accept some of our conditions, like the right to oversee certain cabinet choices, like the head of the State Security Service.”

Moscow also uses the Nagorno-Karabakh conflict as leverage over Azerbaijan. Since the spring of 2018, Moscow, concerned by the new political class in Armenia, has been cozying up to Baku.³² During her visit to Moscow in late 2019, Mehriban Aliyeva, the first lady and vice president of Azerbaijan, received a lavish welcome. After her husband’s arrival, Moscow reiterated their invitation to the country to join the EEU and CSTO.

Migrant Workers

Many analysts consider that the authoritarian Azerbaijani regime’s became dictatorial after the 2014 political crackdown. Corruption continued to flourish, as evidenced by multiple investigations and the Panama Papers. In addition, the Azerbaijani economy remains largely dependent on oil revenues. Despite an overall decrease in poverty rates, “many citizens are either right above or right below the poverty line” and are “particularly vulnerable to external shocks.”³³

High labor migration to Russia is explained by this political and economic context. Russian statistics, as well as expert analysis, estimate that over 500 000 Azerbaijani’s make a living in Russia, and two million (out of ten million) of their compatriots depend on Russian remittances. The decline of global oil prices, as well as western sanctions imposed on the Russian economy since 2014, have weakened these financial flows and put the economic well-being of these migrants and their families at risk.

Labor migrants, and their families, are “extremely receptive to Russian influence.”³⁴ They happily use Russian language and listen and read Russian media, two tools that Moscow relies on for its foreign policy. For the Azerbaijani government, labor migration helps ensure the peace; but it also reinforces Baku’s dependency on Moscow. Migrant workers do not benefit from the Eurasian labor market, as the country is not part of the EEU. As such, they are vulnerable to the ebbs and flows of the Russo-Azerbaijani political relationship. Despite its economic strength, or perhaps as a result of it, Azerbaijan remains vulnerable to Russian influence.

32. Natalia Konarzewska, “[Azerbaijan-Russia Relations Warm Up](#),” *CACI Analyst*, February 3, 2020.

33. Asian Development bank, “[Country Partnership Strategy: Azerbaijan, 2014–2018](#),” (Poverty analysis – Summary), 2018, p. 2.

34. Natalia Konarzewska, “Azerbaijan-Russia...”.

GEORGIA, HOSTILE BUT SEEKING “NORMALIZATION”

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|--------------------------|---|
| Population | 3.7 million people. |
| GDP | -15.5 billion. -4 068\$ per capita per year. |
| Relationship with Russia | -No diplomatic representation. Late 2012, Tbilisi and Moscow created special representatives that meet regularly to discuss economic and humanitarian issues. -Georgia is not a part of any Russian-led organizations. |
| Trade with Russia | -11% of Georgia’s trade is with Russia (436 million), or 13% of exports and 10.2% of imports. -23.8% of tourists in Georgia in 2018 were Russian citizens. |
| Energy | -5% of natural gas consumed in Georgia are from Russia (95% from Azerbaijan). |
| Migration | -Labor migrants in 2019: 3 400 registered in Russia. -2010 Russian census: 158 000 million ethnic Georgians. -2019 remittances: 0.4 billion from Russia (24% of total remittances, compared to 50% in prior years) – 2.7% of Georgia’s GDP. |

Of all the countries in the South Caucasus, Georgia has the most difficult relationship with Moscow. Russo-Georgian relations have been mired in conflict since the early 1990s: the secessionist conflicts in south Ossetia (1991-1992) and Abkhazia (1992-1993), in which Russia was heavily involved; the attempted assassination of president Eduard Shevardnadze (who led the Soviet diplomacy during the Perestroika from 1985-1990); the embargo on Georgians wine and agricultural products in 2006, and the 2008 summer war which killed 500 persons in a matter of days. These permanent tensions are the result of Moscow’s desire for oversight over Georgia’s geopolitical decisions. Tbilisi’s political strategy, of sovereignty affirmation and rapprochement with the West, frightens Russia. Moscow fears NATO’s arrival at its doorstep and seeks to retain control of its southern flank.

In the three decades since its independence, Georgia has continuously sought to extract itself from Russia’s orbit. Yet, they are often forced to compromise, as conflicts with Russia have proven disastrous. One even resulted in the loss of over 20% of their national territory. The effect has been an oscillating foreign policy regarding Russia, with, on one side, those advocating for greater resistance against Moscow (including the 1991-1992 Gamsakhurdia and 2004-2013 Saakashvili presidencies) and, on the other, those in support of compromise (including the 1992-2003 Shevardnadze administration and Georgian Dream party rule since 2012).

Currently, Georgia’s strong man is an oligarch, Bidzina Ivanishvili, who unofficially holds the political reigns. The president, who has a mostly formal and protocol role, is Salome Zurbishvili since 2018, a French citizen from the Georgian diaspora.³⁵ Ivanishvili, while conserving the pro-western inclinations of the country, is trying to normalize the

35. The president Georgia today is largely a figurehead. The next president will no longer be elected through universal suffrage, but by an electoral college comprised of three hundred members.

relations with Russia. Under his leadership, the Georgian government sought to rectify the aftermath of Mikheil Saakashvili's presidency (2004-2013), a decidedly anti-Russian administration. Consequently, the Kremlin's ability to exert influence in Georgia, through soft and hard power, increased.

Bidzina Ivanishvili, an oligarch who follows Moscow's rules

The Kremlin remains unable to dictate Tbilisi's political decisions. Nonetheless, Mr. Ivanishvili, who amassed 5 billion dollars wealth in Russia during the 1990s, is Moscow's unofficial intermediary within the Georgian political system. He vehemently denies this claim, as half the Georgian population believes Russia is the number one enemy of the state.³⁶ His political discourse, or that of the Georgian Dream party, is one of "normalization" with Russia. His party, created in 2011 to oust former president Saakashvili, claims that friendly relations with Russia are essential to the country's development.

Mr. Ivanishvili is not a puppet of the Kremlin in the sense that his incentives, as a political actor, are almost certainly personal.³⁷ But he acquired his wealth in Russia, during the chaos of the 1990s, rendering him vulnerable to the pressures of Moscow. Like most authoritarian regimes and dictatorships, one of the Kremlin's signature governance characteristics is that oligarchs and other important financial actors are not purely economic players. They are asked to do favors for the State, or at the very least not hinder the Russian government's policies, lest they want their fortunes, and the methods used to acquire them, scrutinized. Mr. Ivanishvili is unlikely to be an exception to this pattern. For example, in the spring of 2012, not long before entering the Georgian political sphere, he sold his "Russian" assets. Given the small window of time he had to sell his assets, and the free market rules of the private sector, he should have suffered financial losses. Yet, according to Mr. Ivanishvili himself, he was able to sell them at the "standard" market price and "without trouble from the Russian authorities."³⁸

Some argue that the Kremlin has no influence over Ivanishvili. This is what his political supporters claim, instead painting him as the man who able to quell Russian demands while maintaining the country's pro-western stance. This balance, and image of Ivanishvili, was facilitated by Georgia's inability to become a NATO or EU member in the near future. In short, Mr. Ivanishvili maintains a pro-western exterior to ensure his political control, any pro-Russian leanings would provoke a Georgian "Maidan."

36. The "Caucasus Barometer" ([online dataset](#)) regularly asks: "who is the greatest enemy of Georgia?" Russia is always by far the most cited answer, with 51% in 2011, 44% in 2013, 35% in 2015, 40% in 2017, and 51% in 2019.

37. Régis Genté, "[Bidzina Ivanishvili, a man who plays according to Russian rules?](#)" *Caucasus Survey*, 1:1, 2013.

38. Régis Genté, "Géorgie, fin d'une époque? Entretien avec Bidzina Ivanishvili, Premier ministre de la Géorgie," *Politique Internationale*, No 140, Summer 2013 (Georgia, end of era? Interview with Bidzina Ivanishvili, Prime Minister of Georgia). This was also confirmed by journalistic investigations: Marina Maximova, "Bidzina Ivanishvili sold his Russian financial assets" (in Russian), *RBC daily newspaper*, May 11, 2012. These investigations showed that the buyers of Mr. Ivanishvili's assets were either part of the most influential Russian political circles (like [the son of the Federation Council's president](#) Valentina Matvienko), or, according to Vladimir Ivanidze's journalistic investigation (interviews in 2012-2013), persons linked to the Georgian millionaire (which suggests that they are a front and the sales just an official cover).

Under the “leadership” of Ivanishvili, Russia’s leverage in Georgia is ever expanding. In 2013, Moscow reopened Russian markets to Georgian wine, mineral water, and agricultural products, creating the possibility of a new embargo. In fact, Russia threatened another embargo in June 2019. Ivanishvili also helped reintegrated military officers, removed for being potentially “Russian friendly” by the previous administration (as they studied in the Russian military academies), and fostered the development of pro-Russian political movements and NGOs.

Negative hard and soft power

Joseph Nye explains that soft power, which includes various forms of influence, is efficient only when coupled with hard power. Beyond the influence Moscow exerts through Mr. Ivanishvili, Russia’s greatest political leverage in Georgia is the separatist regions. 9,000 Russian officers, soldiers, and border guards are stationed in South Ossetia and Abkhazia. In 2008, Russia brought heavy weaponry into the regions and in April 2019, Russian military exercises took place in Abkhazia.

The State Security Service in Georgia (SSG) considers the presence of Russian troops in the “occupied territories” as the greatest threat to the country. It believes that Moscow uses these territories to “mold public opinion regarding certain issues in Georgia.”³⁹ Russian border guards frequently set up barbed wire along the occupation line in South Ossetia, creating tensions with Georgia. Georgia is powerless against Russian advances, slowly watching the Kremlin encroach on its territory and violate its sovereignty. This was the case on November 28th, 2013 when Georgia signed its association agreement with the EU as a part of the Eastern Partnership.

Past conflicts, and the current socio-political context, impede Russia’s capacity to win the “hearts and minds” of the Georgia population. Only certain, small, pockets of the population are susceptible to the Kremlin’s projects, ideology, or cultural appeal. As a result, the Russian government uses negative soft power, seeking to attract and persuade through shared enmity, in this case of the Western model.⁴⁰

This is a complex strategy to implement as Georgians who reject Western values are also often anti-Russia.⁴¹ To counter this issue, Moscow glorifies and uplifts “pro-Georgian” values, specifically those contradicting Western values. It is within this political landscape that Mr. Ivanishvili supported the creation of the Alliance of Patriots of Georgia,⁴² a political party that embodies nationalistic and conservative values. Formed in 2012, they held

39. See the [2019 SSG report](#) presented in front of the national parliament (of Georgia).

40. Hollis Rammer, “[Reconceptualizing Soft Power: Russian Influence in the South Caucasus](#),” *GFSIS*, 2019.

41. Shota Kincha, “[Labelling Georgia’s far right ‘pro-Russian’ is reductionist and counterproductive](#),” *OCmédia*, August 13, 2018.

42. In September 2018, the millionaire Zara Okuashvili revealed in great detail that Bidzina Ivanishvili asked him to finance the Alliance of Patriots of Georgia (see the [interview on Rustavi 2 TV](#) - in Georgian). Since April 2012, Mr. Ivanishvili explained during an interview that he believed the party was to play an important role in Georgian politics.

six parliamentary seats between 2016 and 2020. They advocate for Georgia's neutrality, in other words, abandoning its efforts to align with NATO.

In the last few years, anti-Western discourse has flourished in the Georgian mainstream media and on social media networks. The Alliance of Patriots' radio and online television played a particularly important role in propagating these messages, as well as right wing splinter groups which have grown exponentially since 2018. The national Orthodox Church, long opposed to Western values, also helps diffuse anti-Western discourse.

The Orthodox Church, Russia's Trojan Horse?

The Georgian Orthodox Church's role in Russian-Georgian relations exemplifies the ambiguous nature of Russia's leveraging strategies: by pushing forward its own interests, the church inadvertently promotes Russian interests. This national church, founded in the fourth century A.D., is autocephalous. Yet, it is careful not to antagonize Russia, for ideological reasons, who occupies Abkhazia and south Ossetia, regions where the Georgian patriarchate no longer has any de facto authority. This loss of control is exceptionally egregious as the large majority of the Georgian population considers that being Georgian is to be part of the Georgian Church.

Despite this issue, the majority of the Georgian Church clergy is ideologically closer to Russia than to the West. They reject Western liberalism and values like individualism or hedonism. In addition, many Georgian clergy were trained in Russia, creating a rapport between the Church and its Orthodox neighbor. If the church often conveys Russian values or perspectives, it is also because the majority of the religious press sold in Georgia is of Russian origin.

The Church also acts as an arbitrator between Moscow and Tbilisi. Ilia II, the patriarch of the Georgian Church, attempted to mediate the 2008 conflict, after Russia deployed tanks in Georgia. During his visit to Moscow, the head of the Georgian Church met the president Dmitry Medvedev to try to intercede between the two parties. While not a tool of the Kremlin, the Georgian Church knows it can be a point of leverage for Russia. Hence, Moscow's current objective: replace Ilia II, who is 87 years old, with Shio Mujiri, a clergyman with a pro-Russian reputation.

CONCLUSION

The entire South Caucasus is subject to information warfare, mostly through social media algorithms. Yet, an analysis of Russia's strategies of influence demonstrates that the Kremlin relies on well-known and established leveraging techniques, many of which are not of its own design. Moscow inherited many of its tactics from the Soviet Union. According to local contacts, the most effective mechanisms are those that threaten the stability of Transcaucasia like meddling in the conflict zones, creating social discontent with energy prices, and leaning on oligarchs affiliated to Russia.

Even so, all three countries protest Russian influence, albeit to various degrees and each in their own manner. Armenia, Azerbaijan, and Georgia have singular relationships with Russia, offering the latter specific, but limited, ways in which to exert its influence. Each country struggles hold Russian influence at bay. Occasionally they receive concrete support from Western partners, usually when it comes to debunked “fake news.” In general, political leaders and analysts are increasingly pessimistic given the decreasing Western presence and interest in the region. They are well aware that Russia will not surrender the isthmus, which it considers a highly strategic geographic location. If needed, Moscow will resort hard power to keep this area within its sphere of influence.

This article shows that Russia’s influence relies first and foremost on its military power and threats. The Kremlin struggled to develop its soft power in the region, even in Armenia where the majority of the population praises Russia’s and its perceived role in ensuring the country’s basic security. Indeed, the more Russia tries to “seduce” the South Caucasus, the more menacing it appears, and the less liked it is. This vicious circle worsened after Crimea’s annexation, the Donbass conflict, and the militarization of the Black Sea. Russia’s aggressive approach is often seen as imperialistic, and its politics as heavily reliant on the use of force. Alternatively, such a recourse to threats could be a show of pragmatism: Moscow, having little to offer its former republics, knows it has lost the “hearts and minds” of South Caucasus populations.

In the short term, it is likely that Russia will continue to assert its dominance over the South Caucasus, as Washington, the EU, and NATO retreat from the region. Moscow will certainly resort to traditional mechanisms of influence, which are reliant on hard power and may provoke reoccurring crises in the region, like in Georgia in June 2019. Various factors could however affect Russia’s foreign policy (a drop in oil prices, western sanctions, its relationship with the US, China, or Europe, etc), inhibiting its ability to invest time and energy into the South Caucasus. This would result in a “sluggish” Russian foreign policy in the region.

(Translation by Isadora Gotts)

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