

Hidden Addiction by Dan Jacoby

Why would a large, formerly powerful country with a struggling economy, no evidence of any talent for diversification, and a centuries-long history of aggression, suddenly invade its much smaller and weaker neighbor? Moreover, how could the largest military superpower in the world, with a recent history of antipathy toward the first country and a vast network of spy satellites, be taken by surprise?

Russia claims that they were forced last summer to enter South Ossetia, officially a part of Georgia but with serious rumblings of independence, because Georgian forces fired on their "peacekeepers." In addition, there are claims that Chechen insurgents move through Georgia in order to enter Russia and carry out attacks of their own. Finally, there are press reports that Russia is determined to keep Georgia out of NATO.

We may never know the truth, because despite the large number (hundreds?) of tanks and the thousands of troops Russia employed in their incursion, U.S. intelligence and defense agencies were apparently unaware of the buildup.

And pigs fly.

There is no way we didn't know the Russians were building an invasion force. We have spy satellites circling in geosynchronous orbits 22,400 miles above the equator, and we must certainly have satellites whose ground tracks take them over the south Caucasus region regularly, if only because Afghanistan, Iran and the Balkan states are so close by, not to mention Kazakhstan, where the former Soviet cosmodrome, still used by the Russian space agency, is located.

The one thing we can be certain of is that we are not being told the whole story. This leaves open the possibility of speculation. The problem with most speculation is that, unlike true scientific hypotheses, the speculation in situations like this rarely attempts to look at a larger picture. This essay will attempt to do so.

Some speculation derives from Defense Secretary Gates' desire to cut spending on F-22 fighter jets. During the Bush administration, he was rumored to want to stop making new purchases,¹ and under President Obama he has stated this intent publicly.² The idea is that the F-22 isn't particularly useful in fighting terrorism, being suited more for cold-war era missions. By ramping up the old cold-war antagonism, defense department officials might be able to justify the purchase of more F-22s.

This attempts to explain why the U.S. Department of Defense seemed to be caught unawares when Russia invaded Georgia. There are three problems with this scenario. First, the people who are pushing to buy more F-22s would be the same people who failed to catch the Russian buildup, so their opinion isn't very useful. Second, the fix is not to buy more F-22s, which have little or no surveillance value, but to put up more spy satellites and build up our intelligence services. Finally, why would the Secretary of Defense sabotage his own plans?

¹ <http://www.washingtonpost.com/wp-dyn/content/article/2008/05/13/AR2008051301265.html>

² <http://www.time.com/time/nation/article/0,8599,1710944,00.html>

This speculation also fails to address the question of why Russia invaded Georgia, and why the United States took no action, either individually or with allies. We even allowed Russia to take their time disengaging, and keep troops in the breakaway provinces of South Ossetia and Abkhazia in violation of the agreement they signed.

Another possibility is that we did nothing because the Bush administration truly believed that Russia's actions were justified. South Ossetians have wanted true independence ever since the collapse of the Soviet Union (they did win a measure of independence in 1992, formalized with the "Sochi Agreement" in June of that year – an agreement that called for, among other things, the Russian peacekeepers mentioned above). After over a decade of uneasy peace, tensions between South Ossetia and Georgia began building again when Georgian President Saakashvili assumed power in the 2003 "Rose Revolution." Finally, in early August of 2008 tensions began erupting into clashes between Georgian and South Ossetian forces.

Late on the night of August 7, Georgian artillery began bombing the South Ossetian capital, Tskhinvali. The Georgian government claimed that their villages were being bombed, a claim apparently denied by NATO forces.³ The Georgian government also claimed that Russia was already sending troops into South Ossetia through the Roki Tunnel, a claim that has been neither proved nor disproved. On August 8, Georgian troops moved to occupy Tskhinvali; whatever the timing on their entry into South Ossetia, Russian troops moved to intervene, and the battle was on.

On November 6, the New York Times reported that "accounts by independent military observers" seem to blame Georgia for starting the fighting.⁴ It's possible that the Russian-Georgian clash was exactly what it seemed to be – a military argument over the independence of South Ossetia.

But it's also possible that there is a lot more than meets the eye.

Under and around the Caspian Sea, there is a lot of oil. Two countries bordering on the Caspian Sea, Kazakhstan and Azerbaijan, pump over one million barrels of oil a day each.⁵ The problem is that the Caspian Sea is landlocked; there is no easy way to transport the oil. In 1997, Azerbaijan began transporting oil through a 1,300-kilometer (800-mile) pipeline, from the Azerbaijani city of Baku on the Caspian Sea to the Russian city of Novorossiysk, on the Black Sea.

The problem with the pipeline is that there is no way to transport oil from the Black Sea by the usual method, oil tankers. The only way out of the Black Sea goes through the Bosphorus Strait, at Istanbul, Turkey. But the strait isn't large enough to handle oil tankers, and the Turkish government won't widen it because they don't want to take a chance on having a massive oil spill on the shore of Istanbul. Unless Azerbaijani oil is headed for one of the six countries that border on the Black Sea, another method of transportation must be found; oil tankers can't do the job.

³ <http://www.spiegel.de/international/world/0,1518,578273-2,00.html>

⁴ <http://www.nytimes.com/2008/11/07/world/europe/07georgia.html>

⁵ <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2173rank.html>

In 2006, oil began flowing through a larger pipeline, extending from Baku to the Turkish seaport of Ceyhan on the Mediterranean Sea. This pipeline is much longer, almost 1,800 kilometers (1,100 miles), but it is also much larger, capable of transporting over twice as much oil as the Baku-Novorossiysk pipeline. In addition, since this pipeline leads to the Mediterranean Sea, oil can be loaded on tankers and transported almost anywhere.

The Baku-Ceyhan pipeline didn't have to be so long, except for political considerations. The shortest path would have taken the pipeline through one or both of two countries, Iran and Armenia. Iran is not considered to be a dependable partner for obvious reasons, so that was ruled out.

Armenia would be unacceptable to both Turkey and Azerbaijan. Turkey would object because they still dispute Armenian claims that the Ottoman Empire (the precursor to modern-day Turkey) committed genocide against Armenians during and shortly after World War I.

Azerbaijan and Armenia are embroiled in a longstanding dispute, dating back at least as far as 1918, over Karabakh, also known as Nagorno-Karabakh. This region has changed rulers many times over the centuries. Today, it is nominally listed on most maps as part of Azerbaijan, but the legitimacy of its political situation is still very much in dispute.

As a result of the ongoing problems in Karabakh, Armenia and Azerbaijan don't trust each other.

Since the pipeline could not run through either Iran or Armenia, it was diverted north through Georgia, passing just south of the capital city of Tbilisi.

Once the Baku-Tbilisi-Ceyhan pipeline was completed, the Baku-Novorossiysk pipeline became less important, and oil transfers through that pipeline were significantly decreased, beginning in early 2008.⁶ In addition, Russian leaders have expressed concern that the United States will exert greater military influence on the pretext of "protecting" the pipeline to Ceyhan. In 2005, the Russian Parliament Foreign Affairs President was quoted saying, "The United States of America and other Western countries are planning to settle their soldiers in [the region] on the pretext of instability in regions where the pipeline passes through."⁷

Clearly, from the Russian point of view, something had to be done. Is it possible that the "something" involved a pretext for Russian troops to occupy greater areas of the region, especially Georgia?

During the Bush-Cheney administration, such a policy would be welcomed by the U.S. government. It would add to the instability regarding oil and drive prices up. In addition, speculators drove oil prices up, peaking in July of 2008. The subsequent collapse of the U.S. economy helped drive oil prices back down, but was the unprecedented rise in oil prices, the result of intense speculation, actually based on inside information regarding an imminent Russia-Georgia clash?

Meanwhile, in addition to oil, there is another factor that may have come into play – natural gas.

⁶ <http://www.regnum.ru/english/887804.html>

⁷ <http://www.axisglobe.com/article.asp?article=380>

Natural gas is usually found in oil fields. Where there is a lot of oil, there is generally a lot of natural gas; such is the case with the Caspian Sea. Natural gas isn't as easy to transport across oceans; it must first be converted to a liquid ("LNG," or "liquefied natural gas") by cooling it down to -163°C (-260°F). Once liquefied, it can be loaded on special tanker ships and transported. The problem is that the purification and cooling process, along with the cryogenic tanks needed to keep the LNG cold, are expensive.

If natural gas can be transported from the field to the consumer through pipelines, it is much easier and cheaper. Natural gas pipelines run around the Caspian Sea, extending through Russia, former Soviet states, and much of Europe. Many more are being planned, or are at least being contemplated.

One major pipeline being planned is the so-called "Nabucco pipeline," named after the Verdi opera the parties watched in Vienna while first discussing the project in 2002. It will run from eastern Turkey, where natural gas is already piped in from Iran and Azerbaijan, through Bulgaria, Romania and Hungary, to a network of pipes in Austria. This pipeline would make natural gas from Iran and Azerbaijan more easily available to eastern and central Europe, thus lowering the demand for natural gas from Russia. (Note: The gas from Azerbaijan is currently piped to Turkey through Georgia, just as the oil is, and for the same reasons.)

Lowering the demand for Russian natural gas may be imperative. Most of the natural gas piped from Russia to Europe goes through Ukraine, and Russia and Ukraine have had numerous disagreements. On a couple of occasions, natural gas flow has been partially interrupted as a result of those disagreements, and Europeans are naturally nervous about depending on Russian natural gas.

In addition, there are plans to build a trans-Caspian pipeline to transport natural gas from Turkmenistan and Kazakhstan. Currently, a lot of gas from the eastern side of the Caspian Sea is piped through Russia; a trans-Caspian pipeline would bypass Russia. There are also negotiations aimed at transporting eastern Caspian gas farther east to India and Pakistan, and possibly even to China.

The natural gas situation is far more complex than that for oil, but the message is clear: Russia is becoming less important with every development. The Russian government is scrambling to maintain control over the transport of oil and natural gas mined from all around the Caspian Sea.

On April 9, a major natural gas pipeline from Turkmenistan to Russia exploded. There are conflicting reports and charges flying,⁸ but one report at least says that the Russian buyer, Gazprom, reduced their demand for the gas on 12 hours' notice, which was insufficient time for the suppliers in Turkmenistan to lower the supply. The gas built up in the pipeline, causing the explosion.⁹

What is missing from the reports is an explanation of who stands to gain from the explosion. Clearly, Russia needs the pipeline in order to continue the flow of natural gas through their country so that they have some control. Turkmenistan needs the pipeline to transport their gas, although not having that outlet could make it easier for the Turkmen government to build other pipelines to other countries.

⁸ http://www.rferl.org/content/Pipeline_Explosion_Stokes_Tensions_Between_Turkmenistan_Russia/1608633.html

⁹ <http://www.newscentralasia.net/Articles-and-Reports/412.html>

What is clear is that oil and natural gas are potentially explosive issues in the region. Any military action, especially involving countries where the government runs the oil and gas business, should probably be viewed with those interests in mind.

Due to the worldwide economic slowdown, the demand for oil and natural gas has declined, and suppliers have had to retrench. But it's a safe bet they'll be ready to raise prices again as soon as demand increases (in fact, prices are already rising), or as soon as they can capitalize on insecurity. Such an insecurity could very well come from the south Caucasus region, where Azerbaijan and Georgia are situated. Since the Russian economy is based in large part on oil (they are one of the top two oil producers in the world, along with Saudi Arabia¹⁰) and natural gas, causing instability in the south Caucasus region, thus raising the price of these commodities, would be in Russia's economic interest.

The problem for Russia may be that their capacity to produce oil has peaked.¹¹ If Russia cannot produce oil at the same or higher levels in the near future, control of oil and natural gas flows would be the next best thing, both for economic and national security reasons. As a result, Russia may contemplate taking military action to gain that control.

Would such a policy work, or would the U.S. intervene in our own national security interest? If the U.S. intervened, would it help or hurt the people in the region? Would the U.S. bring NATO in to help, thus bringing on a NATO-Russia war a generation after we thought a NATO-Warsaw Pact war had been successfully averted?

As an alternative, could Russia work diplomatically to create an alternative to OPEC? By partnering with the countries that surround the Caspian Sea, and with countries that have access to ocean ports, such as Turkey, Russia might be able to exercise de facto control over oil and natural gas flows without military activity.

All of these questions assume a U.S. energy policy that is consistent with the policies embraced by George W. Bush and Dick Cheney, policies based on a long-term reliance on oil and natural gas. But the Obama administration has different plans. President Obama is aggressively pursuing an energy policy based on reducing demand for fossil fuels permanently. Such a policy would make control over the flow of Caspian Sea oil and natural gas far less valuable.

In addition, President Obama is reaching out to countries in the region to a degree never seen before. In his European trip Obama made a detour to Turkey; such a detour would not have been planned without a very good reason. Publicly, Obama's Turkey visit was designed to demonstrate that the U.S. "is not at war with Islam." Then again, such detours often have multiple purposes. Obama also stated that his visit was a "statement about the importance of Turkey, not just to the United States, but to the world."¹²

Could "the importance of Turkey ... to the world" lie in its position between oil production and the ocean ports that allow that oil to be transported to that world?

¹⁰ http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10397661

¹¹ <http://www.energybulletin.net/node/43184>

¹² <http://news.bbc.co.uk/2/hi/europe/7984762.stm>

Not all of the Obama administration's activities are purely diplomatic. While he was in Europe, President Obama took a firm public stand on Russia's presence in Georgia.¹³ What goes on behind closed doors is, as always, a mystery inside a riddle, wrapped in an enigma. It remains to be seen whether, when, and under what circumstances Georgia might be integrated into the European Union and/or NATO. Following the conflict last August, NATO established a commission to help Georgia rebuild.¹⁴ This may be a first step toward full Georgian admittance into NATO, or merely a show of principle that NATO will aid any country that is involved in armed conflict with Russia.

All of the military and diplomatic actions notwithstanding, the major foreign policy objectives regarding Russia may end up being shaped by domestic energy policy. If the Obama administration succeeds in reducing U.S. – and worldwide – demand for oil and natural gas, the United States will have far less interest in the Caspian Sea region. As a result, the U.S. will be far less likely to intervene if there is trouble involving current and potential EU and/or NATO allies. On the other hand, Russia would also have far less interest in the region, since the Caspian Sea oil and natural gas, and the pipelines that transport them, would be worth far less.

In his 2006 State of the Union address, George W. Bush stated that, "America is addicted to oil." This addiction has cost us dearly; we are spending an estimated \$70 billion a year to protect shipping lanes for oil in the Middle East,¹⁵ and we have lost over 4,000 lives in what many are calling a war over oil.¹⁶ If our addiction is even a partial cause of the Russian-Georgian conflict last year, the Obama administration's new energy policy may not only save money and jobs at home, but also have the added benefit of bringing peace to the south Caucasus region.

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¹³ <http://www.civil.ge/eng/article.php?id=20657>

¹⁴ <http://www.nato.int/issues/nato-georgia/index.html>

¹⁵ http://www.icta.org/doc/RPG_security_update.pdf

¹⁶ <http://www.guardian.co.uk/world/2007/sep/17/iraq.oil>