

Global and Local Rivalries in NATO's Push Towards the Caucasus

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Introduction

The corridor that runs from the Balkans, via the Caucasus, to Central Asia, has constituted a major axis of Western penetration and expansion for the last two decades.¹ Only when Georgian president Saakashvili sought to recapture the province of South Ossetia by force in August 2008, this came to an abrupt end. The Russian military response to secure South Ossetia and Abkhazia not only destroyed the Georgian army as a fighting force but also terminated the prospect of further Western expansion through NATO enlargement.

The present contribution is structured as follows. First I will briefly outline how NATO can be viewed as a means of integrating the wider 'West' around a North Atlantic, English-speaking heartland. The argument is that this integration always had to contest with the legacy of rivalry dating from the epoch prior to it. This can be traced back to the fact that contenders to Anglo-Atlantic military power and commercial pre-eminence have necessarily pursued state-led modernisation paths. The further we move to the East, the more difficult it appears to abandon this state-led model again. Examples are given in separate sections on the collapse of the USSR and the Balkan wars. In a fourth section I will briefly investigate how the increasingly violent forward pressure by the West, as testified by the wars in Iraq and Afghanistan and threats to Iran, is destabilising not only the Caucasus but the wider region. I can also safely repeat my claim, made in March 2008 before an audience in Tbilisi, that integration of Georgia into NATO would be a *casus belli* for Russia.

NATO and the West in Perspective

In the longer historical view, NATO represents an outgrowth of a more fundamental 'Special Relationship' between the Anglophone Atlantic countries. These countries (Britain, the United States, and Canada) conducted the preliminary negotiations in the year from the spring of 1948 to the formation of the wider alliance in April 1949. Its aims were to secure continental Western Europe by binding it into military and security structures meant to prevent intra-

¹ This article is based on a presentation at the conference on 'Security from European Union Through Turkey to South Caucasus', Black Sea University, Tbilisi, Georgia, March 27-28, 2008.

European rivalries and counteract working class militancy.² The military coup in Greece in 1967 was the first overt intervention into the domestic affairs of a NATO member state, but undercover activities to destabilise communist and other left-wing organisations had been going on from 1944.³

As I have argued at length elsewhere, most recently in *Global Rivalries from the Cold War to Iraq*⁴, the core of the contemporary 'West' are the English-speaking societies bordering the North Atlantic. These constitute what I call a liberal, or (after the ideologue of the 1688 'Glorious' revolution in England, John Locke), *Lockean* 'heartland' in the global political economy. This heartland contains a transnational society which began to take shape in the course of the 17th and 18th centuries. Continually riven by fierce rivalries, this society and its constituent states nevertheless have consolidated themselves as a unified liberal space. The Monroe doctrine of 1823 may be taken as a landmark in the drawing together of Britain and the United States on a joint liberal-constitutional platform⁵—notwithstanding continuing frictions, e.g. during the American Civil War, or in World War II. The liberal constitutions of the separate sovereign entities, gave capital headquartered in London and New York a structural advantage over any late-industrialising rivals and allowed the transfer of primacy from imperial Britain to the United States to proceed without violent conflict between them.

The late-comer, or *contender* states—France in the long 18th century, Germany and Austria-Hungary, Japan and Italy in the first half, the USSR in the second half of the 20th century, and China today, on the other hand lacked the means for such peaceful redistribution. They were/are able to assert their sovereignty only by confiscating, to different degrees, their social basis through revolutions from above. By challenging Anglophone power and setting the entry conditions for Western goods and eventually, of capital, the class holding state power in these contender states in the process established a radically opposed form of state/society relations—from Louis XIV and Napoleon, to Bismarck and Hitler, the Japanese state class after the Meiji revolution, Stalin and his successors in the USSR, and the Chinese leadership today. This was a necessary precondition to industrialise from a weaker starting position, but also limited their capacity to integrate socially, internally and with others. At best these states commanded an unstable sphere-of-influence which tended to crumble in the wars with the West. These wars ('cold' in the case of the USSR) after several rounds gave the West military pre-eminence, a hold on the global financial system, and privileged access to raw materials.⁶

² Cees Wiebes and Bert Zeeman, 'The Pentagon Negotiations March 1948. The launching of the North Atlantic treaty', *International Affairs*, (Vol. 59, No. 3, 1983), pp. 351-363.

³ Cf. Giles Scott-Smith, *The Politics of Apolitical Culture. The Congress for Cultural Freedom, the CIA and post-war American hegemony* (London: Routledge, 2002) and Leo A. Müller, *Gladio—das Erbe des Kalten Krieges* (Reinbek: Rowohlt, 1991).

⁴ Kees van der Pijl, *Global Rivalries from the Cold War to Iraq* (London: Pluto and New Delhi: Sage Vistaar, 2006).

⁵ Jan Nederveen Pieterse, *Empire and Emancipation* (London: Pluto, 1990), p. 312.

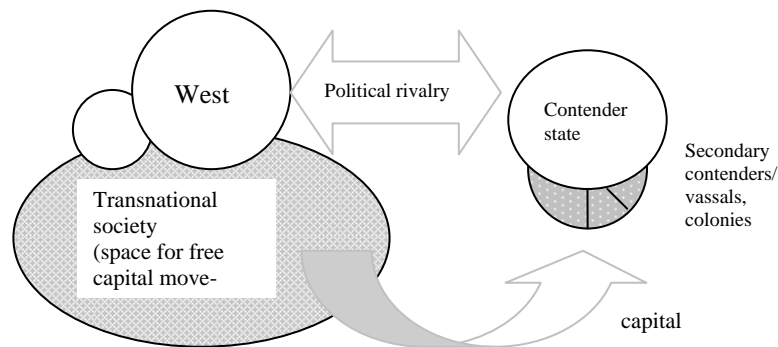
⁶ William R. Thompson, *On Global War. Historical-Structural Approaches to World Politics* (Columbia, SC: University of South Carolina Press, 1988).

There are of course many more states in the global arena, and over time, states using the space in between the liberal West and the momentary main contender, colonies and semi-colonies, were also part of the overall configuration of forces. Yet at every point in the roughly three-hundred year epoch from the Glorious Revolution to the present day, there always existed, facing the transnational liberal space that I call the Lockean heartland,

- a primary contender with a bloc organised around itself;
- aspirant contenders mobilised as 'vassals' in a Western policy of 'active balancing' against the primary contender;⁷
- *secondary* contenders following the state-led model but avoiding entanglement in the core conflicts of the heartland-contender structure, such as Brazil and Mexico, Turkey or India, and
- formations effectively owing their statehood to the overall configuration, colonies, or otherwise.

The core structure, which avoids the economism of comparable approaches such as the Marxist critique of imperialism (Lenin, Luxemburg...) or World System Theory⁸, is given in Figure 1.

Figure 1. Core Structure of the Global Political Economy



Capital and the classes associated with it, all along operated through this evolving structure.⁹ The historical association of capitalism with the liberal West

⁷ 'Vassals' as used by Manuel Castells, *End of Millennium Vol. 3 The Information Age* (Malden, MA: Blackwell, 1998), p. 277. 'Active balancing' I borrow from Benno Teschke, *The Myth of 1648. Class, Geopolitics and the Making of Modern International Relations* (London: Verso, 2003).

⁸ V.I. Lenin, *Imperialism, The Highest Stage of Capitalism, Collected Works vol. 22* (Moscow: Progress, 1960-65), Rosa Luxemburg, *Die Akkumulation des Kapitals* (Frankfurt: Neue Kritik, 1970 [1912]), Immanuel Wallerstein, *The Modern World System. Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century* (New York: Academic Press, 1974).

resides in the constitutionally free space allotted to it. Yet as the curved arrow in Figure 1 illustrates, transnational capital is not confined to the societies of the West. It ventures beyond them and seeks access into the 'confiscated' society of the contender state through trade, credit operations, investment or just by setting cultural standards. The contender state (say, Wilhelmine Germany, or China today) may allow private property and initiative in the economic sphere. But capitalist forms are not enough to speak of capitalism as a transnational, competitively operated private economy. In the contender states, the state by definition prevails over social initiative, public over private. Hence power resides (again to varying degrees) with a *state class* which commands both the political sphere and (key levers of) the economy.¹⁰

In the Lockean heartland, on the other hand, power arises from society first and there is a distinction between a social *ruling class* which lays down the ground rules for development through its ownership of productive/financial and media assets, and a managerial and governing *cadre* managing day-to-day affairs in the economy and the state, respectively. The cadre are dependent on the consent and support of the ruling class to manage businesses, or organise for electoral competition, campaign for a mass base, and govern if elected.¹¹

Besides mobilising the social basis for upholding its sovereignty, a further reason for contenders to impose state power on their societies resides in the fact that in most cases they were and remain *fractured* along social, ethnical, and religious lines (as illustrated in Figure 1 by the lines drawn across the social sphere). It is often forgotten that the concept of the 'nation-state' has been a source of instability and conflict even in the areas where it has become a routine assumption. Borders and living spaces (also along the urban/landed divide) usually do not conform to each other at all outside Europe, so that the establishment of a homogenous state is a complex undertaking to say the least.¹² This aspect makes the confiscation of the social sphere by the state always tenuous. Compressed ethnic diversity has constituted an Achilles heel which the West has not been averse of exploiting to destabilise a state which does not make its society accessible to capital and amenable to Western political influence—with Tibet the most recent example.

The West exerts political pressure on other societies to open up and submit to capitalist discipline; Western ruling classes and cadre simultaneously probe for social partners inside the target state willing to complement this effort. Condoleezza Rice, herself a Chevron director at the time, on the eve of her appointment as George W.

⁹ The argument that the state system and transnational capital operate on two different principles of using space can be found in Ronen Palan, *The Offshore World. Sovereign Markets, Virtual Places, and Nomad Millionaires* (Ithaca, NY: Cornell University Press, 2003).

¹⁰ The concept of state class has been developed by Hartmut Elsenhans, *Development and Underdevelopment. The History, Economics and Politics of North-South Relations* [trans. M. Reddy] (New Delhi: Sage, 1991 [1984]), p. 78, and Robert W. Cox, *Production, Power, and World Order. Social Forces in the Making of History* (New York: Columbia University Press, 1987), pp. 366-7.

¹¹ Thomas Ferguson, *Golden Rule. The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (Chicago, Chicago University Press, 1995).

¹² Heinz Kloss, *Grundfragen der Ethnopolitik im 20. Jahrhundert* (Vienna: Braumüller, and Bad Godesberg: Verlag Wissenschaftliches Archiv, 1969).

Bush's national security adviser saw her future job as 'finding peace, security, and opportunities for entrepreneurs in other countries'.¹³ Thus policy towards China in Rice's view had to be guided by the fact that change in that country is being led by 'people who no longer owe their livelihood to government.' In other words, the West must look for the aspiring bourgeois element in those contender societies in which the state drives forward the catch-up development, but who are not themselves the state class (which must be dispossessed, if need be by force). Let us first look at the Soviet collapse in this light.

Rivalries in the Collapse of the USSR

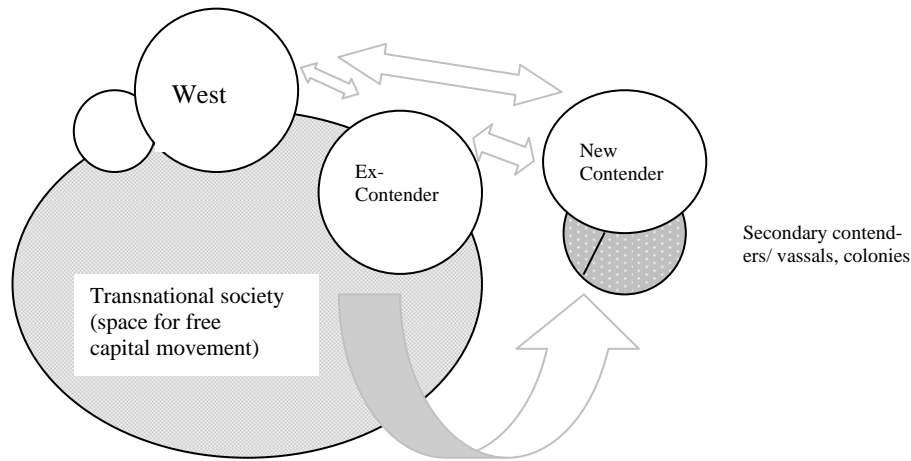
The collapse of the USSR in 1991 put an end to a specific contender state effort to contest Western hegemony. It was one in a series of such episodes, each with its own characteristics and yet sharing certain structural features. The Cold War, ostensibly a unique conflict between liberal capitalism and state socialism, was the specific historical form of this antagonism. No doubt the socialist challenge to the West and to transnational capitalism headquartered there, lent a specific edge to this round of international rivalry; just as atomic weapons arsenals worked to shift actual armed conflict to the periphery. Yet the idea of a state class holding a diverse society captive in order to modernise through a revolution from above (in the case of the USSR, Stalin's turn to planned economy after the failure of the world revolution attempted in 1917), obtains in this case as in others, and faced identical challenges.

The Anglo-American effort to integrate Western Europe, complemented by a transnational element in the continental ruling classes and managerial cadre, could not obliterate the continent's contender experience in a single stroke. Legacies of that experience, such as the initiating role of the state, state ownership, bank holding structures of industry ('finance capital'), and/or the corporatist form of labour relations and farming, all reverberated in the post-war period and produced structural rivalries that were secondary to the Cold War. To some extent, this was a geopolitical matter, as expressed by NATO's second Secretary-General, Lord Ismay, who famously claimed the alliance was meant 'to keep Germany down, the Russians out, and the US in'. But frictions more fundamentally arise from the (in a liberal perspective) lopsided state/society complex.¹⁴ The state in West Germany (like that of France, Italy, or Japan) thus continued to relate to its social basis in a way that may be placed somewhere in between the Anglophone liberal constitutions, and the actual contender posture of the USSR.¹⁵ In this light we may redraw Figure 1 by recognising the particularity of the 'ex-contender' (Figure 2). 'West' here refers to the original heartland, the ex-contenders after 1945 were the defeated Axis powers (and France).

¹³ Quoted in Financial Times, 25 July 2000, emphasis added.

¹⁴ The term used by Robert W. Cox, *States, Social Forces, and World Orders: Beyond International Relations Theory* [1981], in Robert O. Keohane (ed.) *Neorealism and its Critics* (New York: Columbia University Press, 1986).

¹⁵ Thomas Risse-Kappen, 'Ideas do not float freely: transnational coalitions, domestic structures, and the end of the cold war', *International Organization* (Vol. 48 No.2, 1994), pp. 185-214.

Figure 2. Incomplete Integration of Former Contender States

When Mikhail Gorbachev took over in 1985 to preside (as we can now see) over a demobilisation of the Soviet contender effort, his policies elicited different responses in the original Lockean heartland and in continental Western Europe. With the prize of German reunification still in the balance, West Germany was foremost among those willing to compromise with the new General Secretary's apparent social democratic, 'European' option. The United States and Britain, on the other hand, soon preferred Boris Yeltsin, who early on committed himself to a neoliberal, free market capitalism.

On the Western side, this split was seen as a test of whether the Anglophone, Lockean principles would prevail over rival Western attitudes.¹⁶ In the confidential surroundings of 1989's Bilderberg Conference, Timothy Garton Ash, foreign editor of the conservative British magazine *The Spectator* and a long-term critic of West German *Ostpolitik*, argued that the US should ensure that the rolling back of Soviet power remain guided by 'Western values'. Since there were 'profound differences of approach between the *Ostpolitik* of the Federal Republic of Germany, on the one hand, and the East European policy(ies) of the United States of America on the other', he emphasised that what should be avoided was a 'Europeanization of *Ostpolitik*', which was being talked about in Bonn. Instead Garton Ash advocated the pursuit of a 'Westernisation of *Ostpolitik*' to keep German ambitions in check, because 'Europeanization can also mean de-Americanisation'.¹⁷

In the collapse of the USSR, the Anglophone West (and the transnational ruling class and cadre committed to its positions) was able to override European concerns to compromise with Gorbachev's project, and NATO was a key lever of

¹⁶ E.g., Graham. T. Allison and Grigory Yavlinski, *Window of Opportunity: The Grand Bargain for Democracy in the Soviet Union* (New York: Pantheon, 1991).

¹⁷ Timothy Garton Ash, 'Domestic Developments in Eastern Europe: Policy Implications for the West', *Thirty-Seventh Bilderberg Meeting*, Gran Hotel La Toja, Spain, May 12-14, 1989, [original document].

this strategy. In the spirit of Lord Ismay as much as out of straightforward arrogance towards the tottering former contender, US Secretary of State Baker told Gorbachev in February 1989 that a reunified Germany would have to be part of NATO. The Organisation for Security and Cooperation in Europe (OSCE), which has a more emphatically European character and would have given the USSR equal rights and the US less influence, would not do. Continuing arms control negotiations now assumed the nature of a straightforward capitulation by Moscow. As former US ambassador Raymond Garthoff writes, 'The US administration was unrelenting in pressing its advantage [and] little heed was given to the broader consequences of imposing one-sided compromises on Gorbachev and [Foreign Secretary] Shevardnadze.'¹⁸

Now in military matters, sovereignty is formal and attached to independent statehood. The heartland/contender structure and its contrasting state/society configurations are not immediately at play. This is different in the second domain, that of economic transformation. Here Gorbachev emphasised that the revolution from above under Stalin had not just nationalised the economy but also confiscated society. In the rendition of Giulietto Chiesa, 'The state had absorbed individuals' material and intellectual productivity and subordinated their rights and aspirations to itself. As a result, civil society was prevented from developing, and indeed, the state depended on its not developing.'¹⁹ In other words, to restore the vitality to civil society, its confiscation by the state had to be abandoned, and this was what perestroika aimed to achieve. However, there was a voluntaristic aspect to this strategy in that it did not take into account the objective, historical nature of the shift to a contender posture and the confiscatory state in the first place.

The Anglophone West has occupied the commanding heights of the global political economy ever since it defeated the French, from Louis XIV to Napoleon. From that position it forces those states seeking to modernise on their own terms, to concentrate power and initiative in the hands of a state class and contest Western pre-eminence. In the case of the USSR this does not mean that therefore the Stalinist option was the correct one, but it did mean that in 1985-'87, abandoning state control would open the floodgates to capital. Indeed the suspension of the state monopoly on foreign trade in late 1988 triggered a frenzied process of 'original accumulation' which was to produce the class of tycoons who were able to lay their hands on key state assets.²⁰ Under Yeltsin, this class was free to export its holdings abroad and began to cultivate connections to transnational capital, often using criminal tactics that eventually landed some of the most daring economic empire-builders in exile or in jail.

¹⁸ Raymond Garthoff, *The Great Transition. American-Soviet Relations and the End of the Cold War* (Washington DC: The Brookings Institution, 1994), note on p. 423.

¹⁹ Giulietto Chiesa [with D. T. Northrop], *Transition to Democracy: Political Change in the Soviet Union, 1987-1991* (Hanover NH: University Press of New England, 1993), p. 6 (emphasis added). The notion of a confiscation of society comes from H. Carrère d'Encausse, *Le pouvoir confisqué: Gouvernants et gouvernés en U.R.S.S.* (Paris: Flammarion, 1980).

²⁰ David M. Kotz [with F. Weir], *Revolution from Above: The demise of the Soviet system* (London: Routledge, 1997).

On the Western side of the equation, Anglo-American neoliberalism after 1979-'80 gained the upper hand over European-style class compromises. Pursuing financial enrichment through privatisation, deregulation, and tax breaks at home, it also developed shock therapies with which it aggressively intervened in the economic transformation of the Soviet bloc and the USSR itself. The Heritage Foundation, the think-tank and pressure group behind the Reagan administration's neo-imperialist turn against its opponents abroad and at home (and interlocked with the Mont Pèlerin Society, the neoliberal network supporting Thatcher),²¹ established contact with Yeltsin in mid-1989. Jointly with the Free Congress Foundation (FCF) it linked up with the Interregional Group of deputies of the Supreme Soviet (IRG).

The IRG was one of the new political formations outside the purview of the CPSU that had sprung up in the new spaces created by perestroika. After the death of nuclear physicist Andrei Sacharov, it swung more emphatically to a neoliberal economic programme, and Boris Yeltsin made himself the advocate of the neoliberal option. A delegation of the IRG including Yeltsin's chief of staff G. Burbulis, visited Washington under the auspices of the FCF in October 1990, meeting with vice-president Quayle, several cabinet members, and Heritage Foundation luminaries. They carried a letter from Boris Yeltsin, meanwhile elected to the leadership of the Russian Republic (then still part of the USSR), who stressed that he would 'seek to create an economic system based upon universal market mechanisms and the sacred right of every person to property. The entrepreneur will become the chief actor in our economy'.²² This was certainly not the platform on which Gorbachev sought to reform Soviet socialism.

The third terrain where the Soviet contender effort was fatally undermined concerned its ethnic diversity. From the early 20th century, the Bolsheviks had championed the ambition of several nationalities in the Tsarist empire to strive for their own territorial sovereign state. This alone would allow the workers to claim the nationality issue for socialism and outflank bourgeois particularism—whilst retaining the option of integration later. Lenin warned especially against Great Russian chauvinism, which he feared would alienate other nationalities such as the Ukrainians for good.²³ After the revolution, Finns, Poles, and the Baltic nations indeed broke away from the 'prison of the peoples', but when separatism threatened to become embroiled in the Western military intervention and the Civil War, Bolshevik strategy shifted to one of forcible integration, a foretaste of the 'Second Revolution' from above launched by Stalin in 1927-'28.²⁴

In the Soviet census of 1926, 'ethnicity' was taken as the criterion of cultural identity instead of language, and the various ethnoses identified (194 in all) were assigned either a union republic, an autonomous republic, a *krai*, an *oblast'* or a *raion*. Those not qualifying for an administrative-territorial unit of their own

²¹ Richard Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931-1983* (London: Fontana, 1995).

²² Quoted in Russ Bellant and Louis Wolf, 'The Free Congress Foundation Goes East', *Coverd Action Information Bulletin* (No. 35, 1990), p. 31.

²³ Lenin, op. cit. in note 8, vol. 21, pp. 102-6.

²⁴ H. Carrère d'Encausse, *Decline of an Empire: The Soviet Socialist Republics in Revolt*, trans. M. Sokolinski & H.A. La Farge, (New York: Harper & Row, 1979), p. 18.

received a measure of recognition as a *narodnost* (national grouping). However, as Masanov emphasises, the administrative divisions were not the result of actual ethnogenesis, but imposed from above, an aspect of the confiscation of the social sphere by the contender state.²⁵ Once Soviet state control began to relax, a catalogue of problems and as many opportunities for local elites to capitalise on ethnic grievances, were the result.

Hélène Carrère d'Encausse in the 1970s identified a crucial rift when she observed a 'clear-cut line of cleavage in Soviet demography' between the western republics with their lower than (Soviet) average population growth, and the Central Asian and Caucasus republics characterised by rapid population growth well above the average. In a prophetic recommendation concerning these fast-growing and modernising ethnic communities in the southern USSR, she argued that 'Soviet policy must bank on the continuing dynamism and particularism of these peoples, and not on the standardization of the Soviet population's behaviour patterns'.²⁶ But this precisely was inherent in the contender posture which could not be upheld, given outside pressure, by granting more diversity.

The Party leadership proved particularly helpless in this matter and failed, in spite of a rich tradition of Soviet ethnography, to develop a workable link between democratisation and national self-determination.²⁷ Once the groups that sought a straight capitalist transition aligned themselves with centrifugal tendencies emerging at the same time, the centre was put on the defensive. After the breakaway of the Baltic republics and stirrings and actual fighting in the Caucasus, the Russian, Ukrainian and Belarusian Supreme Soviets in October 1990 declared the priority of their laws over those of the USSR, thus undermining the position of Gorbachev at the centre. Gorbachev's attempt to hold the remaining USSR together after the Baltic states had seceded, still gained massive support in a referendum in March 1991, with 76 per cent in favour of keeping the downsized Soviet Union intact. The Bush Sr. administration now came under pressure from various quarters to forget about Gorbachev and shift support to Yeltsin and other republican leaders. As one commentator put it, 'some Western leaders' still banked on the architect of Perestroika, but Yeltsin would bring down the Soviet superpower for ever and create 'a smaller, looser, more diverse association of free-market economies'.²⁸

This would emerge as the dominant strategy. The Anglophone West, neutralising German ambitions and French reservations through NATO and pursuing neoliberal strategies to dispossess the Soviet state class, overrode both Euro-

²⁵ Nurbulat Masanov, 'Perceptions of Ethnic and All-national Identity in Kazakhstan', A. Chebotarev, E. Karin, N. Masanov, and N. Oka, 'The Nationalities Question in Post-Soviet Kazakhstan', *The Middle East Series*, (No. 51), Chiba, Japan: Institute of Developing Economies. http://www.ide.go.jp/English/Publish/Mes/pdf/51_cap1.pdf (accessed 23 June 2006), p. 8.

²⁶ Carrère d'Encausse, op cit. in note 23, pp. 58-9 and 88, respectively.

²⁷ Chiesa, op. cit. in note 18, pp. 46 ff. I have profited from the insights of Russian/Soviet ethnographers. Shirokogorov, Bromley, Gumilev, and others, in Pijl, *Nomads, Empires, States: Modes of Foreign Relations and Political Economy Vol. 1.* (London: Pluto, 2007).

²⁸ Fred Coleman in *Newsweek*, 24 June 1991.

pean caution and Gorbachev's attempts to achieve an equitable solution based on regional interests.

Rivalries in the Balkans Wars

In Yugoslavia the old adage of Lord Ismay certainly sums up NATO strategy. Following the collapse of the USSR, the all-Yugoslav leadership failed to keep the country together in order to meet its debt obligations (revealed on Tito's death in 1980 to stand at \$20 billion, a year after the Volcker monetarist turn in the US had closed the inflation valve by raising real interest rates). The malfunction of the centre allowed elites eager to appropriate public property to mobilise ethnic identities as confidence in the Yugoslav state and socialist ideals evaporated. As some sections of the state class metamorphosed into aspirant liberals seeking integration with the West or the EU, in republics such as Serbia or Bosnia, where this was not a short-run option, former communists rather converted to nationalists now that state socialism had exhausted itself.

Continental European business, notably from Germany, Italy and Austria, was quick to capitalise on opportunities for subcontracting production and strategic investment of industries and banks in newly privatising Hungary, Poland, and the Czech part of Czechoslovakia, and the EU signed an association agreement with these three in late 1991.²⁹ At this point, the EU, guided by ideas developed in the European Round Table of Industrialists, began to shift gear to a neoliberal economic strategy. By slashing welfare state social protection, it was hoped that capital from the EU countries might create its own low-wage 'Mexico' in the former Soviet bloc.³⁰ Slovenia and Croatia also fitted the pattern of run-away investment/production locations. The Roman Catholic hierarchy in Germany, Italy and especially Austria supported separatist tendencies in these republics, to the point that the EU in 1991 had to warn Austria that its membership application would be put on hold if it continued to agitate for the disintegration of Yugoslavia.³¹ In a complementary development Hungary supplied arms to Croatian militias resisting the attempts of the Serbian-controlled army to keep the all-Yugoslav borders intact.³²

Germany fatally precipitated the dissolution of Yugoslavia when it unilaterally recognised Slovenia's and Croatia's secession in December 1991, without requiring guarantees concerning the rights of the Serb and other minorities in Croatia. Serbs lived across the borders of Serbia much more than other constituent nationalities lived outside their republics and Serbia was further reined in by having two autonomous provinces (Vojvodina and Kosovo) in their republic; the idea being to prevent 1930s-style Serbian dominance. This of course only

²⁹ Julie Pellegrin, 'European Competitiveness and Enlargement: Is There Anyone in Charge?' in Th.C. Lawton, James N. Rosenau and Amy C. Verdun (eds.) *Strange Power: Shaping the Parameters of International Relations and International Political Economy* (Aldershot: Ashgate, 2000), p. 284.

³⁰ Bastiaan van Apeldoorn, *Transnational Capitalism and the Struggle over European Integration* (London: Routledge, 2002).

³¹ Susan L. Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington, DC: The Brookings Institution, 1995), pp. 101-5.

³² Cees Wiebes, *Intelligence en de oorlog in Bosnië 1992-1995: De rol van de inlichtingen- en veiligheidsdiensten* (Amsterdam: Boom, 2002), p. 164.

worked in a unified Yugoslavia. Once the westernmost republics were encouraged to go their own way, this confirmed old fears dating from World War II, when around half a million Serbs had perished in extermination camps run by Croatian fascists.³³ Suspending the autonomous status of the two provinces in Serbia was the first reaction but outside Serbia proper, events were more difficult to control for the nationalist leadership of Milosevic.

The United States, along with Britain and France, were concerned about events in Yugoslavia and initially emphasised keeping the country together, if only to pay its billion debt. Yet the Bush Sr. administration, fearing that the German initiative would marginalise the US from the area altogether, pushed through the recognition of Bosnia at the Brussels NATO summit in April 1992. Encouraged by Washington, the Muslim government of Alija Izetbegovic had called a general mobilisation against the Serbs (30 per cent of the population) a day before the summit, and full-scale civil war was the result.³⁴ When Clinton took over in 1993, he entrusted the Yugoslav issue to Richard Holbrooke. As the administration found itself under intense fire from political opponents at home and strong pressures for expansion abroad, it was Holbrooke who would provide the strategic rationale for intervention in Yugoslavia in an article in *Foreign Affairs*. Here the US diplomat and investment banker argued, in the spirit of earlier Anglo-American voices on how to deal with Gorbachev without letting Germany getting in the way, that 'the West must expand to central Europe as fast as possible in fact as well as in spirit, and the United States is ready to lead the way'. NATO, Holbrooke insisted, would have to be the 'central security pillar' of the new European architecture (the implication being, not the OSCE).³⁵

When the Holbrooke paper appeared, several steps to provide a clear focus for a NATO intervention had already been taken. In February 1994, Tudjman was prevailed upon to break off secret negotiations with Milosevic about partitioning Bosnia; in the same month, the first of three bloody mortar attacks on public places in Sarajevo, began to fuel calls for intervention abroad—although as it later turned out, the Bosnian Islamists had staged these attacks themselves to arouse public indignation.³⁶ Clinton meanwhile had begun exploring possibilities for a more offensive approach, advocating increased defence spending and US support for post-Soviet Georgia, a way-station on the Balkans-Caucasus-Central Asia corridor and bridgehead towards the energy-rich Caspian. Whilst improving his own re-election chances after the congressional debacle of November 1994, this also worked to encourage the US military and a broad coalition of defence interests to look ahead with more confidence.

US defence strategy at this point was based on conducting two 'theatre wars', one challenging Russia on its own periphery (for example, in the Balkans or along the Black Sea coast); the other directed against China by challenging it

³³ Kloss, op. cit. in note 12, pp. 182-3.

³⁴ Woodward, op. cit. in note 31, p. 196.

³⁵ Richard Holbrooke, 'America, A European Power', *Foreign Affairs* (Vol. 74 No. 2, 1995), p. 42.

³⁶ Wiebes, op. cit. in note 32, p. 69.

in North Korea, Taiwan or Tibet.³⁷ For the Balkans, this strategy entailed bolstering Croatia financially and militarily (a US-Croatian military agreement was concluded in 1994), on the assumption that the area eventually would be dominated by two powers, one linked to the West (Croatia), the other linked to a Slavic bloc with its centre in Moscow. The draft *Defence Planning Guidance* (DPG) for the Fiscal Years 1994-1999, written in the final year of the Bush I administration, in important respects laid the groundwork for this strategy. It argued that with the collapse of the Soviet bloc, 'Potential competitors [read, Germany] need not aspire to a greater role or pursue a more aggressive posture to protect their legitimate interests'; the United States 'must sufficiently account for the interests of the advanced industrial nations to discourage them from challenging our leadership or seeking to overturn the established political and economic order.' In particular the United States 'must seek to prevent the emergence of European-only security arrangements which would undermine NATO'. What is most important, the DPG claims, is 'the sense that the world order is ultimately backed by the U.S.'³⁸

In this spirit, the January 1994 North Atlantic council in Brussels agreed to expand NATO to Poland, Hungary and the Czech Republic, with further potential members being placed in the waiting room of a 'Partnership for Peace'. This was based on the idea that the Soviet collapse had opened a 'window of opportunity' that should not be left unused. The US Ambassador to NATO, Robert E. Hunter, expressed what Western expansion means when he stated that 'if history is kind and we are successful, we can see an extension eastward of the European Civil Space. But if history is unkind, NATO will have lost no time and no effort in providing for more robust allies to play a full role in the security of the continent.'³⁹ Both the US aerospace industry, going through a series of mega-mergers, and the investment bankers involved in them, were well represented in the Clinton administration (Holbrooke and Robert Rubin are examples). A 'US Committee to Expand NATO' was chaired by the director of strategic planning of Lockheed Martin corporation.⁴⁰

This was the background of the July 1995 NATO air attacks on the Bosnian Serbs, which led to the Dayton Agreement on Bosnia. But following Clinton's reelection in November 1996, the push along the Balkans-Caucasus-Central Asia was pursued with even greater vigour. The new team in Washington, mentored by former National Security Adviser Zbigniew Brzezinski, saw Bosnia and Albania, two Muslim states, as stepping stones in the forward push, with Kosovo the next way station. The Kosovo Liberation Army led by former Maoists was encouraged by Washington to contest the province's inclusion in ex-Yugoslavia as part of Serbia; the Albanian government actually put pressure on the US that a planned oil pipeline linking the Black Sea to the Albanian coast, a project to which the US

³⁷ Gilbert Achcar, 'The Strategic Triad: The United States, Russia and China', *New Left Review* (No: 228, 1998), p. 104.

³⁸ Quoted from the excerpts in *The New York Times*, 8 March 1992.

³⁹ Quoted in *Business Week*, 23 January 1995.

⁴⁰ *Context Newsletter*, No. 37, January-February 2000, p. 4, *De Volkskrant*, 5 July 1997.

and the EU committed themselves in 1994, would not go ahead if the West would not support Kosovo's independence.⁴¹

The Clinton administration in January 1999 moved to override European hesitations. The new Secretary of State, Madeleine Albright, was crucial in pushing through the decision to go to war. As State Department spokesman James P. Rubin noted afterwards, 'Albright was so central to NATO's decision to confront the Milosevic regime over Kosovo that it was often called "Madeleine's war".'⁴² Indeed if we look at the period from 1994 to the attack against Serbia proper, the forward press by the US transpires as an obvious case of the Anglo-phone West overriding regional arrangements even before they fully crystallised, both within Yugoslavia and between the EU, Russia, and a number of other regional players. The Kosovo war consolidated US leadership in Europe and by ignoring the UN Security Council, Russia was robbed of a say on what was happening right on its doorstep. Importantly, the war, as Peter Gowan writes, sealed 'the unity of the [NATO] alliance against a background where the launch of the Euro could pull it apart'.⁴³ There are many other aspects of this war, for which I refer to my earlier cited work.⁴⁴

The Wider Caucasus in the Balance

NATO's 50th anniversary celebrations, held in Washington whilst the air attacks on Serbia were being conducted, were not only about the new out-of-area mission of the alliance. They also included the upgrading of the security structure between post-Soviet Georgia, Ukraine, Azerbaijan, and Moldova, established the year before as GUAM after their initials, by adding Uzbekistan—hence, GUUAM. The US, Britain, and Turkey were the sponsors of GUUAM. It consolidates (Uzbekistan has meanwhile left again) a *cordon sanitaire* on Russia's southern perimeter whilst providing a security cover for the countries through which oil transport from the Caspian should pass (meanwhile realised by the Baku-Tbilisi-Ceyhan pipeline).

GU[U]AM aimed at integration into existing Euro-Atlantic security structures and worked to encourage Azerbaijan and Georgia in 1999 to withdraw from the collective security treaty with the other CIS states, resulting, among other things, in increased tensions between Russia and Georgia, over South Ossetia and Abkhasia as well as directly. In the meantime, 'people power', first tried out in Belgrade to remove Milosevic, has drawn a trail of Western-supported political transformations achieved earlier in Albania, through GUUAM countries Georgia and Ukraine, and reaching strategically crucial Kyrgyzstan. Georgia, as a key station on the Baku-Ceyhan pipeline and strategically located on the Black Sea coast, received one-third of all US aid to the Caspian basin states in 1998-

⁴¹ Peter Gowan, 'The NATO Powers and the Balkan Tragedy', *New Left Review* (No: 234, 1999), p. 100, [The Guardian](#), 15 February 2001.

⁴² [Financial Times](#), 30 September/1 October 2000.

⁴³ Gowan, op. cit. in note 41, p. 102.

⁴⁴ *Global Rivalries*, op. cit. in note 4, chapter 8.

2000.⁴⁵ Organisations like 'Kmara' ('Enough') in Georgia and 'Pora' ('It is time') in Ukraine, sponsored by public and private money from the West, have secured the allegiance of key way-stations on the Balkans-Caucasus-Central Asia corridor.⁴⁶

The collapse of the USSR encouraged regional powers to capitalise on ethnic connections and economic opportunities, first Turkey. As a 'secondary contender', modern Turkey has always had to manoeuvre between Russia and the West, which effectively dispossessed it of its control of the oil fields of Mosul at the close of World War I and locked it out of the Turkish Petroleum Company (renamed Iraq Petroleum Company following the Red Line Agreement in 1928). Confronting the British and French in 1918 however would have brought the Turks too close to revolutionary Russia, an option ruled out by the modernising state class around Atatürk. Even so the new Turkish state had to take up the role of modernising the country; it flows from the weakness of the bourgeois element that a state class must act to develop the country. In the words of a Turkish legal scholar, 'it is thus out of national necessity and not through any doctrinal fantasy that the Republic has adopted statism as a principle of action'.⁴⁷

In the Caucasus, Turkey is close to Azerbaijan—as the saying goes, 'one nation, two states'—and a historic enemy of Armenia. Yet the Turkish state kept silent from the fighting that broke out over Nagorno-Karabach in 1988 as it did not want to risk its envisaged role in the wider region. Following the collapse of the USSR, NATO in May 1992 expressed concern over the war, but this occurred at a time when the organisation had not yet been active 'out of area'.⁴⁸ Washington was in fact unable to play a role either because of its eagerness to tap into Azeri oil and the power of the Armenian diaspora in Congress. Turkey at this juncture launched a programme meant to intensify cultural and political ties to the wider region, covering its relations with Moscow by increasing energy imports from Russia.⁴⁹ The initial high hopes were not rewarded, but overtures to Armenia in the summer of 2008 are a sign that the ruling AK party is still pursuing its strategy of occupying a central position in the Caucasus and the new Central Asia.

The invasion of Iraq, where the United States and Britain could no longer mobilise NATO, let alone the United Nations, has only reinforced this trend. Turkey's relations with the US have weakened because of the invasion Iraq war; its economic relations with the United States are small compared to its European

⁴⁵ Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict* (New York: Henry Holt Metropolitan Books 2002), pp. 93-6, Table 4.3.

⁴⁶ cf. *Le Monde*, 26 March, 2005.

⁴⁷ Quoted in Maxime Rodinson, *Islam and Capitalism*, trans. B. Pearce, (Harmondsworth: Penguin, 1977 [1966]), p. 128.

⁴⁸ Sean Gervasi, 'Waarom is de NAVO in Joegoslavië' in S. Flounders and S. Gervasi (eds.), *De tragedie van Bosnië. De rol van de VS en de NAVO*, trans. W. Peters, (Amsterdam: Global Reflexion, 1996), p. 76.

⁴⁹ Ahmed Rashid, *Taliban, Islam, Oil and the New Great Game in Central Asia*, (London: I.B. Tauris, Second ed., Rashid, 2002 [2000]), p. 153.

trade anyway.⁵⁰ Sharing the objections of other NATO members if for other reasons, Ankara refused to become a thoroughfare for US troop movement into northern Iraq in 2003. The collapse of the Iraqi state after the dispossession of its Sunni state class (a classic case of what happens when a state in the 'Hobbesian' phase of unifying its social base, is removed prematurely), has torn apart Iraqi society along sectarian and ethnic lines. Around four million people are displaced inside and outside the country, hundreds of thousands killed and maimed, and rival factions are vying for power. The estimated half-a-trillion dollar cost to the US of the war and occupation has contributed to Washington's economic plight today—it is the equivalent amount to what is currently (late September 2008) planned to be injected to sustain the US financial system.⁵¹ But whereas the success of both the Iraq (and Afghanistan) adventures, and the financial intervention, is highly doubtful, the decline in terms of Western hegemony is certain. The Pew Research Center found that the Iraq adventure has vastly increased sympathy for Bin Laden in the Muslim world whilst generating widespread aversion to the Anglo-American 'War on Terror'.⁵² 'Washington's Waning Way' is only one of the many headlines concerning the continuing validity of the neoliberal recipe for deregulation and privatisation aggressively marketed in the last 25 years.⁵³

Turkey has reaped another consequence of the removal of the state of Iraq, however—the prospect of a breakaway Kurdish state. Turkish military incursions into northern Iraq to hit sanctuaries from which heightened PKK activity is being conducted, are a reminder that states comprising heterogeneous societies are always vulnerable to ethnic separatisms. Certainly the West cannot afford to amputate a part of Turkey as it did with Kosovo in the case of Serbia in February 2008. But the incompatibilities between the liberal West and those states which must necessarily rely on the state constraint to hold their social base together, are brought into relief by these events nevertheless.

Now if the Iraq invasion constituted, among other things, a threat to Turkey's territorial integrity, the Western push into the Caucasus and Central Asia directly threatened Russia. The dispossession of the Soviet state class has created rival oil and gas companies well placed to enter the 'New Great Game' in competition with Western interests; but it also left the states of the region exposed by unsolved territorial disputes inherited from the defunct USSR. Azerbaijan, the historic oil centre of the Russian empire, was the obvious focus of attention; new deposits had been discovered still in the Soviet period. However, Western involvement in the early stages appeared rather as a continuation of the Iran-Contra undercover activities than as a concerted policy. Old Iran-Contra hands were actually reported to be active in Azerbaijan in 1993, and Afghan mujahedeen, procured through the Contra tri-continental, arrived in Baku to

⁵⁰ Emanuel Todd, *Après l'empire: Essai sur la décomposition du système américain* (Paris: Gallimard, Second ed., 2004 [2002]), p. 257, table 12, *Financial Times*, 4 February & 3 March 1999.

⁵¹ Robert Fisk, *The Independent*, 27 September 2008.

⁵² Kevin Phillips, *American Dynasty* (London: Allen Lane, 2004), p. 319.

⁵³ The example is from the *Financial Times*, 29 September 2008.

fight against the Armenians at the time.⁵⁴ That the CIA was involved early on transpired when an American agent was killed in the summer of 1993 in Georgia, in an operation authorised by Clinton to support the Shevardnadze government with an eye to stationing US special forces and security advisers in the strategically located republic. Shevardnadze's willingness to work with Russia, however, contributed to his downfall and replacement by a pro-Western government, installed by a pop-concert coup.⁵⁵

BP, the first major Western oil company active in Azerbaijan, used the services of recently resigned prime minister Thatcher to deliver cheques totalling \$ 30 million to the Azeris in 1992, as a down-payment for concessions.⁵⁶ Later, Mrs. Thatcher and her entourage became even bolder in the 'Great Game' opening up over Caspian energy sources, when she and former Tory party treasurer Lord McAlpine, the building tycoon, were reported to be engaged in negotiations with Chechen mafia leaders to lease the section of the pipeline running through the breakaway province (the only link to western markets available for Azeri oil) to a private consortium.⁵⁷ In Kazakhstan, Chevron was the main player; in Azerbaijan, BP and Amoco (with which it was to merge later) concluded a deal in 1994 with former Soviet Politburo member Heydar Aliyev, who had taken power the year before.⁵⁸

When the Clinton administration shifted course to NATO expansion and military engagement in the Yugoslav conflict in 1994, Strobe Talbott, who had been responsible for coordinating the development of Caspian energy resources in tandem with rapprochement with Moscow, was replaced, and tensions with Russia were creeping in soon. As Clinton encouraged Israel, Turkey and Pakistan to bolster Uzbekistan, Azerbaijan, and Turkmenistan, Russia consolidated its influence in Kazakhstan, Kyrgyzstan, and Tajikistan.⁵⁹ With American planes flying missions against the Bosnian Serbs in Yugoslavia, Washington's aims in the Caspian region shifted to ensuring an energy transport infrastructure *beyond Russian control*, a hostile policy bound to lead to tension. The State Department at this point endorsed the construction of the Baku-Tbilisi-Ceyhan pipeline, 'designed', according to Newsweek, 'to break Russia's grip on Central Asia's oil exports.' As the State Department energy affairs director put it, 'we will defend the commercial rights of U.S. companies. We do not recognize spheres of influ-

⁵⁴ Financial Times, 26 February 1996, Het Parool, 5 July 1994.

⁵⁵ De Volkskrant, 12 August 1993, 8 June 1994, Financial Times, 4 September 1995.

⁵⁶ The Azeris reportedly mistook this for British foreign policy, also because the British diplomatic mission operated from the BP offices. Dan Morgan and David B. Ottaway, 'Central Asian riches alter the chessboard', Washington Post, ed. E. Haider, The Friday Times, 23-29 October, 1998, p. 21.

⁵⁷ Financial Times, 16 April 1998, De Volkskrant, 13 March 1999. Grozny, the Chechen capital, is home to the two main pumping stations on the pipeline from Baku to the Black Sea.

⁵⁸ Morgan and Ottaway, op. cit. in note 56, p. 21, De Volkskrant, 10 October 1995.

⁵⁹ Rashid, op. cit. in note 49, pp. 161-3; Klare, op. cit. in note 45, p. 93.

ence.⁶⁰ Clinton in a long personal phone call to Aliyev pushed the Baku-Ceyhan pipeline as an alternative to the pipeline crossing Russia through Chechnya.⁶¹

In early 1995, William White, deputy US energy secretary, toured the region in support of a non-Russian pipeline route in open defiance of Moscow's attempt to convince Azerbaijan, Kazakhstan and Turkmenistan of continuing to pump oil and gas through Russia.⁶² When NATO secretary-general Claes in 1995 stated that the war in Chechnya could not be considered a Russian domestic issue, there was no mistaking that the West was gearing up to push forward irrespective of Russian sensibilities and concern for its territorial integrity.⁶³ Indeed the war in Yugoslavia, the Partnership for Peace, the association of Bulgaria and Rumania with WEU, and naval exercises in the Black Sea, all testified that the West was willing to demonstrate it did not respect a Russian sphere of influence either in Europe or in Central Asia. Former National Security Adviser Brzezinski, dispatched by Clinton to convince Aliyev of the need to work with the West, on several occasions expressed his view that the dissolution of the USSR should be followed by the break-up of Russia itself—in order, as he put it later, to create 'a decentralised political system and free-market economy would be most likely to unleash the creative potential of the Russian people and Russia's vast natural resources'.⁶⁴ As Gilbert Achcar notes, 'at no point has the Atlantic Alliance, let alone the dominant American power, agreed to exclude from NATO expansion any former Soviet republics manifesting a wish to join. Quite the contrary'.⁶⁵ In September 1997, 600 paratroops from the US 82nd airborne division landed in Kazakhstan after a non-stop flight from North Carolina. Their commanding officer declared, with characteristic bravura, that 'there is no place on earth we cannot get to'.⁶⁶

GUUAM as a forward position for NATO expansion also served to secure, if only tentatively, a zone of expansion for European interests. In May 1993, eight ex-Soviet states sent emissaries to Brussels to sign the Traceca project to develop transport links across the Caspian region as an alternative to the traditional trade route through Russia. In 1996, the 'Inogate' programme of the European Commission ('Interstate oil and gas transport to Europe') focused on energy, was agreed, and in September 1998, a further EU project, the 'New Silk Road', was enacted to link China and Mongolia to Europe via Central Asia and the Caucasus (its permanent secretariat was set up in Baku).⁶⁷ Whether the withdrawal of GUUAM members Azerbaijan and Georgia from the collective secu-

⁶⁰ Klare, op. cit. in note 45, p. 83, Newsweek, 17 April 1995; Achcar, op. cit. in note 37, p. 109.

⁶¹ Thomas Ferguson, 'Bill's Big Backers', *Mother Jones* (November/ December, 1996), p. 63, Morgan and Ottaway, op. cit. in note 56, p. 21.

⁶² Financial Times, 19 April & 4 May 1995

⁶³ Financial Times, 22 February 1996.

⁶⁴ Quoted in Robin Blackburn, 'Kosovo: The War of NATO Expansion', *New Left Review* (No. 1/235, 1999), p. 113.

⁶⁵ Achcar, op. cit. in note 37, p. 114.

⁶⁶ Financial Times, 23 September, 1997, cf. Klare, op. cit. in note 45, p. 1.

⁶⁷ Mehdi Amineh, *Globalisation, Geopolitics, and Energy Security in Central Eurasia and the Caspian Region* (The Hague: Clingendael, 2003), p. 4, Financial Times, 19 December, 9 September, 1998.

rity treaty with the other CIS states in 1999 was an echo of earlier instances of NATO overriding European and regional initiatives, may be contested.⁶⁸ But there is no doubt that Georgia, a key station on the Baku-Ceyhan pipeline and strategically located on the Black Sea coast, was being built up as a regional ally of the West against Russia. Israel on US account began selling arms to Georgia in 2001. Israeli spy drones conducted reconnaissance flights for Georgia over southern Russia, as well as into Iran.⁶⁹

The United States and Britain thus led the offensive into the former Soviet bloc without taking Russian sensibilities into account. The continental EU states, on the other hand, notably Germany, have continued to work with Russia in the tradition of Rapallo, the 1922 treaty between Weimar Germany and Soviet Russia, and a codeword for German-Russian collaboration ever since. The head of the planning staff in the German Foreign Office, Achim Schmillen, in mid-2001 argued the case for working more closely with Russia and Russian companies to build a politically secure and economically viable, multipolar pipeline system to transport oil and gas to the world market.⁷⁰

The response to NATO expansion and aggression against Serbia was gathering pace under Yeltsin already. The Shanghai Cooperation Organisation (SCO) was established by a mutual non-aggression treaty between Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan in 1996. Its commitment, not only to economic cooperation, but also to the conservation of existing borders, reflects an obvious concern of the states involved.⁷¹ SCO members' misgivings about Western intentions could only increase when the US in March 2005 assisted in toppling the president of Kyrgyzstan, A. Akayev, by a Georgian-Ukrainian-style 'people power' movement.

The intention to deploy anti-missile defence systems in northern Poland and the Czech Republic, purportedly to catch Iranian missiles, further stimulated Russia to increase its armaments and military readiness. But the critical threshold was crossed when the West recognised the independence statehood of Serbia's province of Kosovo, an act in clear breach of international law and with even several EU states dissenting. Apart from the fact that Kosovo cannot feed itself (it has to import basics such as milk and meat) and already holds fourth place in the world's ranking of most corrupt states (Albania is third),⁷² this sent a signal to the signatories of the Shanghai Treaty and many other states that the West would not recognise existing borders, whether in the Caucasus or elsewhere.

The conclusion that emerges from the above, is that all along the Balkans-Caucasus-Central Asia corridor, the United States and Britain—with NATO as

⁶⁸ Klare, op. cit. in note 45, p. 93; Financial Times, 6 May, 1999; Reuters dispatch on www.russiatoday.com, 4 May, 1999.

⁶⁹ Arnaud de Borchgrave, 'Commentary: Israel of the Caucasus', *Middle East Times* (online ed., 2 September 2008).

⁷⁰ Achim Schmillen in *Frankfurter Allgemeine Zeitung*, 15 May 2001.

⁷¹ Amineh, op. cit. in note 67, p. 78.

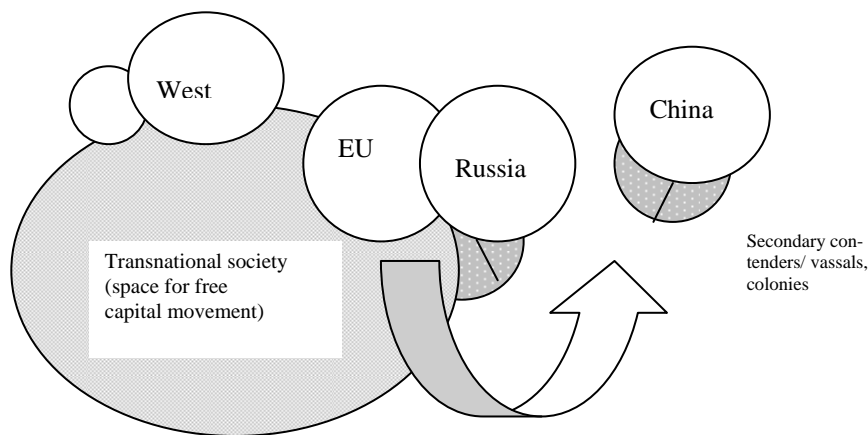
⁷² New York Times, supplement to *Le Monde*, 22 March 2008.

their privileged policy instrument—have recklessly pursued their economic interests as well as their strategic aim of creating an ability to strike at Russia or China. The impetuous attempt by Georgia to reclaim South Ossetia by force, however, was the proverbial bridge too far. By its military response, Russia has drawn a line in the sand. Given the inability of the English-speaking heartland states to expand their military operations beyond the quagmires of Iraq and Afghanistan, it would seem that the contemporary balance of forces has developed greatly to its disadvantage. There are real rifts between the Anglo-American West and the continental EU core—for all the expressions of support for Georgia, France concluded a commercial agreement with Russia in the weeks following the short war over South Ossetia, Italy openly rebuffed US pressure to downgrade its relations with Moscow, whilst Germany remains the key way-station for Russian energy supplies to the EU and its strategic partner in new pipeline projects.

But not only has the Western forward push soured relations with Russia. China, the contemporary contender in a historical perspective, again enjoys a greater manoeuvring space as a result, being able to ‘hide’ behind the restored Russian contender position (Figure 3).

The West’s ability to move against Iran has been effectively suspended too. One consequence of the Russian riposte to Georgia’s attack on South Ossetia has been the dismantling of the Israeli infrastructure in Georgia that had been put in place for an attack against Iran. Georgian Defence Minister Kezerashvili, a former Israeli citizen, was closely involved in the supply of arms. When the attack on South Ossetia had been launched, he declared that Georgia in its fight ‘against the great Russia’, was counting on the US. But as Arnaud de Borchgrave has reported, the two military airfields in

Figure 3. The Contemporary Configuration—History in Reverse?



Southern Georgia that were earmarked for the use of Israeli fighter-bombers in the event of a pre-emptive attack on Iran (and for which they would

have to fly over Turkey) were destroyed by Russian special forces and Israeli drones were captured. As de Borchgrave concludes,

Iran comes out ahead in the wake of the Georgian crisis. Neither Russia nor China is willing to respond to a Western request for more and tougher sanctions against the mullahs. Iran's European trading partners are also loath to squeeze Iran. The Russian-built, 1,000-megawatt Iranian reactor in Bushehr is scheduled to go online early next year.⁷³

The invasion of Iraq, too, reinforced Iran balance. A year after that event, Georgetown scholar Simon Serfaty argued that with the US and Britain stuck in Iraq, the risk that 'much of Europe might now view strategic separation [from the US] as a viable response to an unnecessary cultural clash with an Islamic world progressively united by the misuses of American power' has grown; Russia and China might be viewed increasingly as alternative strategic global partners. France and Germany according to Serfaty might lead a 'smaller but more cohesive [EU] as a rampart against the allegedly irresponsible uses of American power', whilst Russia under Putin could resort to restoring the Slav units of the former USSR and Kazakhstan into a single bloc again.⁷⁴ This may not have worked out exactly along these lines. Yet with the financial crisis destroying the webs through which the Anglophone powers appeared to be in control of the global political economy, not just neoliberal capitalism but an epoch of Western hegemony going back for centuries may be drawing to a close.

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⁷³ De Borchgrave, op. cit. in note 69.

⁷⁴ Financial Times, 3 June 2004.