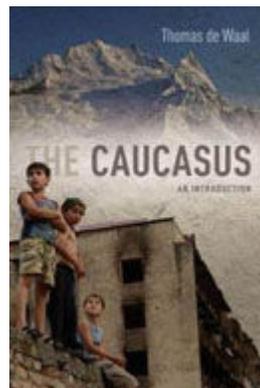


The Caucasus: An Introduction

Thomas de Waal

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The Caucasus

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Introduction

JOANNE MYERS: I'm Joanne Myers, director of Public Affairs Programs, and on behalf of the Carnegie Council, I want to thank you all for joining us.

Today our discussion is about an area that we often hear about, but know so very little, the Caucasus. Despite a combined population of only 15 million or so, you might be wondering why this small region of the world matters. The answer can be found with one word, and that word is "geography."

Thomas de Waal, who is a world expert on the Caucasus, will introduce us to the southern republics of Georgia, Azerbaijan, and Armenia. These three small nations, which are perched next to Turkey, north of Iran, and south of Russia, are often referred to as "the lands in between." Bounded by the Black and Caspian Seas, Europe and Asia, Russia and the Middle East, these nations throughout history have been a tipping point, for it is here where empires have met and clashed.

This area came into prominence during a long, slow conquest by imperial Russia in the 19th century and was made famous by the poetry of [Pushkin](#) and the fiction of [Tolstoy](#). Yet it is usually dismissed as too internecine and complicated to merit widespread geopolitical attention. However, with the end of the Soviet era in 1991, the Southern Caucasus has attracted much more attention than its restive northern counterparts of Chechnya, Dagestan, and Ingushetia.

Today, its importance lies as a region that is crucial for its existing oil and gas pipelines, as well as those planned for the future. These pipelines can supply Europe while bypassing Russia, and go a long way towards explaining why the Caucasus is now such a critical theater in the Russia face-off with the West.

In *The Caucasus*, Mr. de Waal explains the roots of present-day relations and competing national aspirations. He paints a picture of a region at the global crossroads, caught between democracy and dictatorship, with immense oil and gas reserves. Because of its unique juxtaposition, it is easy to understand why this is a zone of intense Russian interest and Western concern. Accordingly, this book will serve as a much-needed introduction to a region of growing importance.

Now to familiarize us with these republics and the issues that put the Southern Caucasus in the news, please join me in giving a very warm welcome to our guest, Thomas de Waal.

Thank you so much for coming up from Washington to be with us today.

Remarks

THOMAS DE WAAL: Thank you so much, Joanne. I'm very glad to be with you, although you can tell by my accent that I'm from slightly further away than Washington. It's not such a long trip to make it up to New York and be in a cousin institution. I'm currently with the Carnegie Endowment in Washington.

This part of the world has fascinated me for many years. It is a fascinating example of globalization, the way that events in small and, from our perspective, rather obscure places can suddenly impact the wider world. For years, I would go into a small village in somewhere like South Ossetia and people would say to me, "What does George

Bush really think about South Ossetia?" I would have to say, "Not a lot, probably."

But maybe he should have thought a bit more about it, because in 2008, South Ossetia was the arena for the [worst clash between Moscow and Washington since the end of the Cold War](#).

The Caucasus, for better and mainly for worse, has been an arena of great-power contact and conflict. It is useful to think about the ways in which chains of connections that reach up from that small village in South Ossetia to the White House can be made more positive and not lead to more conflict.

Let me just start with a little geographical sketch. I should have projected a map, but I didn't. Think of the Black Sea on the left on the map and the Caspian Sea on the right. The Caucasus Mountains are to the north, which define this region and which are the highest mountains in Europe, higher than the Alps. South of those mountains you have three countries. Think of it as a little scheme of three and three and three. You've got Russia to the north, Turkey to the southwest, and Iran to the southeast. Those are the three big neighbors.

In the middle you've got Georgia, Armenia, and Azerbaijan, the three sovereign countries. In the middle you have three breakaway non-sovereign territories, which have basically broken away from their parent countries, but have not achieved independence, which are the source of conflict. That's Abkhazia on the Black Sea, South Ossetia in the mountains of the Caucasus, and Nagorny Karabakh between Armenia and Azerbaijan.

One day I hope we'll be interested in this region because of its very ancient and rich culture. It's a great archeological treasure trove. It has wonderful music, cooking, and amazing archaic customs which survive in interesting fashions. It has the oldest archeological evidence of winemaking in the world. Unfortunately, our attention is focused mainly nowadays for the wrong reasons; the South Caucasus has become synonymous with conflict, conflict and threat.

In this regard, it's instructive to compare it to the Balkans, which is another region which we all think of as intractable, complex, and multi-ethnic. When you look at the Caucasus, you discover that the Balkans is one of those regions which sets a positive example, because the number of ethnic groups is smaller and there is a geopolitical roadmap for the Caucasus to Europe. That also shows you why we're in trouble.

The fact that there was this massive, if rather belated, intervention in the late 1990s in the Balkans by both Europe and the United States was a signal that outside powers could no longer tolerate this kind of conflict. Europe obviously took the lead, because this was their backyard.

Compare this to the Caucasus. The Caucasus's strength, but mainly its weakness, is that it's nobody's backyard. It's, as Joanne said, the lands in between. Everyone cares about it a bit, but no one cares about it enough—even Russia.

Look at Kosovo or Bosnia: tens of thousands of NATO troops and billions of dollars were poured into stabilizing those conflicts. Then reflect on the [Nagorny Karabakh conflict](#), a conflict many of you probably don't spend much time thinking about even though it is in a more strategically sensitive location than Kosovo.

This was a conflict that started during the Soviet era in 1988 between Armenians and Azerbaijanis, way before conflict was even talked about in the Balkans. It escalated over this disputed territory of Nagorny Karabakh, where there was an Armenian majority inside the territory of Soviet Azerbaijan. It turned into full-scale war with the collapse of the Soviet Union and became an intrastate conflict between Armenia and Azerbaijan, which ended in a ceasefire in 1994, with the Armenians basically in control of the land.

We don't hear much about it because that ceasefire has basically held since 1994. But the Azerbaijanis do not accept that their land is now under Armenian control. They say it's theirs.

Reflect on the fact that there is a 100-mile line of contact, or ceasefire line, running through the territory of Azerbaijan. There are about 20,000 troops on either side. There are trenches there, sometimes only 50 or 100 yards apart, with two armies on either side, and there are just six European monitors monitoring the ceasefire. They make twice-monthly spot-checks on this line of contact. If either side—and we're probably talking about Azerbaijan because it was the losing side—wants to go back to war, they can.

Let me remind you that we have Iran to the south, Turkey to the southwest, and Russia to the north. Also vulnerable is Georgia, which is to the north, and there are also two big oil and gas pipelines running from the Caspian Sea to about ten miles to the north of that ceasefire line. We shouldn't be complacent about these places. South Ossetia in 2008 was a sign that we can't assume that, because somewhere is at peace now, that peace will endure forever.

This is the zone of conflict. Outsiders here have been unhelpful rather than the opposite. I argue in my book that

these ethnic groups actually have quite long histories of cooperation. They do get along. There are many conflicts that don't happen in this region.

We shouldn't just regard this as a zone where people are fated to fight with one another. Georgians and Ossetians, for example, are both Orthodox Christians. They intermarried. They traded with one another. It was a political insecurity problem that drove them apart. It was partly driven by outsiders, Ossetians looking to Moscow and Georgians increasingly looking to the West. This chain of alliances drove these tiny villages of South Ossetia by the side of a geopolitical divide.

Unfortunately, the previous U.S. administration misjudged this region by over-engaging in Georgia. Georgia had the rather thrilling and peaceful [Rose Revolution](#) in the end of 2003, which brought a new, young, dynamic government to power, led by the youngest leader in Europe, [Mikheil Saakashvili](#). He did some promising reforms, but it was very much a work in progress.

The previous administration wanted Georgia to be rather more successful than it actually was at that point. [George W. Bush](#) came and stood on Liberty Square in Tbilisi in 2005 and made a speech saying that Georgia was a beacon of liberty, a model of democracy for the world, and when you walk the path of freedom, you do not walk it alone. Those were fine words. He then moved on to his next stop. This was a model for his democratization project.

If you're a Georgian and you hear those words, you come back to someone like me and say, "George W. Bush does care about us. He just made a speech in Freedom Square saying we're the leading new democracy in the world."

When you connect that to a natural spoiled feeling about the Georgians, that they are the center of everything, you have a dangerous combination, in which suddenly foreign policy was completely oriented towards the United States and Russia was forgotten. A complete nobody, for example, was sent to be the Georgian ambassador to Moscow. All the trips were west, some to Europe, but particularly to the United States.

This in turn stoked the [conflicts in Abkhazia](#) and South Ossetia. Russia manipulated those conflicts, and by 2008 we had a very dangerous situation.

I'm not at all underestimating the role of [Vladimir Putin](#) and the Russians in this. They certainly wanted a fight with Georgia, but the reckless way in which the Georgian government raised the stakes and talked about how it had the support of Washington made things far more dangerous.

In 2008, there was some sense in the Georgian government that when they attacked South Ossetia the U.S. wouldn't approve, but they thought that maybe they had 24 hours in which they could get away with it. They thought that 24 hours later, their American allies would say, "Well, we didn't really approve of that, but you changed the situation on the ground, and we're not going to condemn you."

That was a massive miscalculation on the Georgian side in 2008, which then went up to Moscow and Washington and caused this huge latter-day Cold War clash.

When it comes to Europe, the problem has been that it's under-engaged in this region.

There are a few misconceptions about the Caucasus. My role in this book and generally in my work, is to be a bit of a "demystifier" on this region. It's not quite as frighteningly intractable as you think. One misconception that is important is the one of ancient hatreds. You certainly hear this a lot, but I do believe these conflicts are political. They are driven not by ethnicity or religion.

Georgians are Christians and Azerbaijanis are Muslims, and they get along absolutely fine. The fact that Armenians, who are also Christians, fight with Azerbaijanis is not an indication that this is a religious conflict.

These conflicts were incubated in Soviet times, when there was a lot of competition between different groups. The Soviet Union based its territory on ethnicity, which in turn led to rivalry and competition for the favor of Moscow. When Moscow suddenly walked away at the end of the Soviet Union, these rivalries suddenly became much more dangerous.

Ancient hatreds is one misconception that I would like to combat.

Another misconception is frozen conflicts. South Ossetia was not a frozen conflict in 2008. This was a thawing conflict, and therefore we should not be complacent that these conflicts are frozen. I try to ban the use of the word "frozen" when I'm talking about these conflicts. These are simmering conflicts or smoldering conflicts, meaning that we shouldn't just forget about them. These conflicts could rapidly thaw.

Another cliché is the so-called [Great Game](#). I don't know where this came from, but in the mid-to-late 1990s people started pulling out copies of 19th-century British magazines and saying, "Ah, Britain and Russia fought for the resources of Central Asia in the 19th century. This was the Great Game. Now we have a new Great Game in which the spoils are the countries of the Caucasus in Central Asia."

It was a tempting journalistic metaphor, but it's very dangerous. It implies that these countries are not agents and actors in themselves, but that they are spoils to be either won or lost. It kind of takes away any agency from these countries.

Secondly, it casts Russia as the villain. I'm not denying that Russia can be very villainous. But it can also be constructive and cooperative. Certainly there are different Russias and many actors in Russia. But to cast Russia as the villain in that sense becomes a self-fulfilling prophecy. You're saying Russia is our rival, and Russia is very good at being a rival and a competitor if you want it to be.

If we had said, "We can cooperate in these places. We both have interests," that would have been far better. Unfortunately, this Great Game metaphor has been stamped out, then it comes back, and suddenly a new book comes out.

Then another metaphor I hate is the "grand chessboard," again implying that these countries are pawns being pushed around, and there's only one winner in the game. I thought this had been stamped out, and then someone told me a new Swedish book is coming out called [Georgia: A Pawn in the New Great Game](#). I thought, "Oh, no, it hasn't worked."

Hopefully, I'm leading the counterattack against these dangerous metaphors.

This leads me to my final point, which is the role of Russia. Like any colonial power, its record is a bit more mixed than it looks to outsiders. Russia is not all bad in this region, although sometimes it can be very bad. The main thing to say is that Russia is a bit weaker in this region than it looks. Russia does regard the Caucasus Mountains as a barrier, that what's in the North Caucasus they will never give up, despite its wild and difficult Islamic conflict. This is its southern flank.

On the other side of the border, in Azerbaijan, the Russians certainly have interests. They have historical interests, but there's an acceptance by Russia that this is the wider world. They want interests there, but they do not necessarily seek to dominate. They certainly nowadays accept that outside powers have a role in Azerbaijan as well.

Most importantly, Russia doesn't have as many levers as it seems to have. There are many former Soviet republics—Kazakhstan and Latvia, for example—where up to a third or a half of the population is ethnic Russian. This obviously gives Russia an interest in these places. In the South Caucasus, it's now less than 2 percent of the population that is ethnic Russian.

If you look at military presence, there is now one military base in Armenia, and that's it.

Abkhazia is a bit of a special case. Russia has identified Abkhazia, which it now de facto controls, as a site of interest. That's a disputed province. So I put that to one side. But if we look at the rest of the region, Russia's role is a bit weaker and more pragmatic than it looks.

What does this lead me to say? I've been on record and raised a few eyebrows with this provocative phrase: What this region needs is a dose of strategic insignificance.

Some people say, "You're arguing yourself out of a job." But that's not quite. [John Lloyd wrote about the book](#) in the *Financial Times* yesterday. He gave me a nice review, but he talked about disengagement. I'm not talking about disengagement.

I'm talking about disengagement on a high geopolitical level. It's the kind of "we're battling here with Russia, and this is all about pipelines, all about NATO expansion, all about these big schemes." These things actually don't deliver anything in the long run to the people of this region. Even oil and gas pipelines deliver them very little.

The right kind of engagement is much longer-term and less glamorous. It's all about institution building. It's about actually building proper, viable states in this region, from the bottom up. It's also about building institutions, which were paper-thin in the past. In that sense, the most important capital for this region is not Moscow or Washington; it's Brussels.

It's going to be a slow process, because the Caucasus are quite a long way from European standards on

democracy and the economy. But Georgia, in particular, does have perspectives to harmonize with Europe. It's going to be a very long process. Europe does have interest in the stability of this region, which is, after all, its neighborhood.

I will end and say that what the Georgians need is less glamor, fewer conversations with [Barack Obama](#) and talk about NATO expansion, and more conversations about trade quotas with various commissioners in Brussels. If we have no news from this region in the next few years, that's probably good news, because it means we have managed to stabilize it enough to avoid the conflict and let these countries slowly grow towards a better future.

Thank you.

Questions and Answers

QUESTION: Susan Gitelson. Thank you for your very thoughtful and careful analysis. Could you please expand on the economic situation? You mentioned natural resources and the oil pipeline. Undoubtedly, this always has a role.

Secondly, you began by talking about the three important neighbors, yet you spoke mainly about Russia. With Iran as an expansionist power, looking forward as a nuclear threat to other people, we know that they have been very active in the Middle East. What are they doing in the Caucasus?

Also, Turkey is not really a quiet power. It is growing more assertive. Presumably some of the Muslims speak Turkish languages.

Could you expand in these areas, please?

THOMAS DE WAAL: Thank you for those two good questions.

The economic situation is quite bleak. We all know that conflict has a devastating effect, not just on the people who are directly affected, but on the country as a whole, and primarily as an economic effect. The region is still struggling to get over that. I haven't got the precise figures, but I think for the Baltic states now, GDP per capita is something like \$12,000. In Georgia and Armenia, it's \$2,000. These countries were part of the same state 20 years ago.

Azerbaijan is a bit higher. It's about \$4,000. But that's driven by oil and gas, which, as we know from other parts of the world, tends to benefit 5 to 10 percent of the population, some of whom are now billionaires. It provides few jobs, and in an authoritarian society there's not much trickle-down effect, unfortunately, from oil and gas.

The other problem Azerbaijan has is that in five to ten years' time, its oil revenues will start to decline. It's hoping to get more money out of gas, but the whole gas picture in the world is very uncertain at the moment, with things like shale gas coming on.

Both Iran and Turkey are surprisingly absent from the region, Iran particularly so. Up until 1800, these were the two great powers in this region. But the Russians pretty much forced them out and turned this region towards Europe, albeit in a very Russian way. Certainly the Azerbaijanis of Azerbaijan are much more secularized and educated than the Azerbaijanis of Iran. There is quite a strong contrast there, which has a lot to do with the Russian Soviet experience.

Iran basically has too many problems of its own to exert much influence. It exerts a bit of negative influence on Azerbaijan. It, for example, has a TV channel which broadcasts in the Azeri language denouncing Azerbaijan as a kind of enemy of Islam and a friend of Israel. The foreign minister has tried this year to make some progress, but [he was sacked yesterday](#).

Georgia is a friend of the U.S., but it does try to play all sides. It has just instituted their visa-free regime with Iran, but that's mainly for economic reasons.

Turkey is definitely trying to activate its policy in the Caucasus, following the famous "zero problems with neighbors" policy. But in the Caucasus, it couldn't decide whether zero problems with neighbors meant you treat all neighbors equally or some neighbors are better than others. Azerbaijan, which is a fellow Turkic country, had this opening with Armenia and then they sort of backed off because Azerbaijan was so militantly against it. They decided, "We can't alienate our Turkic brothers." Unfortunately, that rapprochement has stalled.

Turkey is the biggest economic player in the region, the biggest trading partner, but its political influence will be small until it has relations with all three countries. It has to sort out its Armenian issue, which is obviously a big historical issue.

QUESTION: Richard Valcourt, *International Journal of Intelligence*.

Following up on Dr. Gitelson's question regarding Iran, the West involved itself in the Balkans, particularly in Bosnia, on the side of the Muslims. That was in conjunction with the Iranians. To what extent should the West get itself involved in the Caucasus or anywhere else? Should the Russians, for instance, get even tougher than they usually are against the Chechens or any country in the Caucasus?

THOMAS DE WAAL: When we look at the South Caucasus, there are two Christian nations, Georgia and Armenia. There is one Muslim nation, Azerbaijan, but it is relative to the Turkey model, and is quite secularized. The Islamic factor is therefore relatively small in South Caucasus.

When you look at the North Caucasus, the Islamic factor is much bigger. Russia is currently in a state of denial about North Caucasus. It is becoming ungovernable. Rates of violence are shooting up there again this year. Logically, Russia should be calling for some international assistance there, particularly with the Sochi Olympics coming up in 2014. But Russia pretty much keeps out any Western involvement in that region.

Even if the West did want to get involved, there's no opening there. Arguably, Western powers should want to have at least some stake in the North Caucasus, because it is becoming a bit of a black hole.

QUESTION: John Richardson.

My question is whether Russia is in decline in this region or not. Three things are running through my mind. One is, Western historians talk about the Russians using everything to defend the Mother Russia. That goes to your point about the North Caucasus. But the *Rossiya* [Russia], which is everything else, exhausts them periodically, and they have to go back to defend *nas*. Russia has been the largest military power in Europe since Napoleonic times. Then you've got people like [Stalin](#) and [Beria](#), who were from Georgia. [Mikoyan](#) was an Armenian.

There is a tremendous history of involvement there. What do you think is going to happen? Is the [Russian] Bear really going to go out of this or is it going to come back?

THOMAS DE WAAL: Whether it likes it or not, Russia is in long-term strategic retreat from this region. It has so many problems in the North Caucasus that I have alluded to. The idea that Russia could, in some major way, spend resources on dominating the South Caucasus is not feasible. You mentioned the largest army in Europe, but one of the unseen aspects of Putin's Russia is a big military reform and a big reduction in the armed forces.

South of the mountains, Russia is very much the economic player nowadays. Another story that is not talked about is that it still has major investments in Georgia and owns most of the Armenian economy one way or another. That locks Russia into a much more pragmatic role in this region, in which it becomes a zone of stability.

If in the 1990s the Russian military was a big player, now it's much more Russian business. We don't necessarily like Russian business, but it's certainly a great improvement on the Russian military.

You mentioned Stalin, Beria, and Mikoyan. Another theme of my book is that the Russians have never run this region with their own ethnic Russians. They have always done it with locals. That means it has been a joint Russian-Caucasian project, of which Stalin is the most fascinating example. Stalin had this sort of triple identity. He was one-third proletarian, non-national, one-third Georgian, and one-third Russian. He combined these all in one personality.

People have even said that the Soviet Union was actually a kind of map of Stalin's personality—one-third Russian, one-third non-Russian, and one-third proletarian.

The Caucasus will never be Russia, and probably never was Russia. This doesn't mean that we don't watch Russia closely there, particularly in places like Abkhazia, which is a bit of a special case.

We should possibly exclude the "Bear" metaphor from my long list of metaphors to be struck out when writing about the Caucasus.

QUESTION: Thank you for a wonderful exposé. You mentioned Russia quite a bit. Is it possible to differentiate between [Medvedev](#)'s and Putin's attitudes towards the region?

THOMAS DE WAAL: That's an interesting question. Our friends from the State Department don't read those leaked cables, but I feel obliged, as a scholar, to look at them. There was a very interesting one from Azerbaijan, the president, [Ilham Aliyev](#), saying, "We have an Azeri saying that you don't boil two heads in one pot." He was referring to Medvedev and Putin, saying that this combination cannot last and saying that he trusted Medvedev a lot more than Putin.

Medvedev is much more pragmatic. He thinks of this region in terms of energy, primarily. He has been trying to mediate personally between the Armenians and the Azerbaijanis. Putin would take a harder line.

But there are many, many constraints on Russia in this region. Even if Putin wants to take a harder line, he has far fewer instruments at his disposal than we might think at first glance.

QUESTION: You set aside Abkhazia a couple of times now.

THOMAS DE WAAL: It's time to talk about Abkhazia.

QUESTIONER: Maybe you could throw in the difference between Abkhazia and South Ossetia as well, because Russia I understand still has a military presence that is substantial there.

THOMAS DE WAAL: I haven't mentioned them, and I should. These two provinces are obviously the biggest headache, in different ways. South Ossetia, if you look at the map, is very much inside the territory of Georgia, linked to Russia only by one tunnel. Certainly the Russian military presence there is a big headache for Georgia.

Having said that, Ossetians and Russians on the ground used to get along absolutely fine, and Ossetians did most of their business in Georgia. The South Ossetia economy has suffered terribly since 2008.

So I do see in the long term a deal being done over South Ossetia, which is a small agricultural region. No one takes seriously the idea that it will ever be an independent state. That's a long-term perspective. It's not going to happen overnight. But there are reasons on the ground to think a deal will be done over South Ossetia.

Abkhazia is a much bigger challenge. It was its own Soviet republic until 1931. It has strong ties to Russia. It occupies a nice bit of Black Sea coastline. I have a section in my book called "Soviet Florida," about how Abkhazia was the Riviera for the Soviet Union. Talk to any Russian, and they have had at least one childhood vacation in Abkhazia. The Abkhaz themselves, even though they are actually not a majority in their republic, are much fiercer believers in independence than the Ossetians are.

Abkhazia I don't see going back to Georgia in any proper way. I don't see it becoming independent either. A much more creative model of some kind of loose confederation will be the only future for Abkhazia.

Russia has identified Abkhazia as a place it does not want to let go. It's in contravention of international law, but these things happen, unfortunately, around the world. In a sense, having lost Crimea, they wanted another bit of Black Sea coast. That's putting it very crudely, but there is something in that. We will have to deal with the Russians in Abkhazia.

I was there about a month ago, and the Abkhaz themselves say, "Why are you pushing us towards Russia? Why are you isolating us? *My tozhe lyudi* [phonetic], as the Russians say. We're also people, and we would like to come and visit Europe, study in Europe, and so on."

Unfortunately, the Georgians' default policy at the moment is to isolate Abkhazia and not let that happen. That's a battle which also has to be fought with the Georgians, saying, "It's in your interest to open up Abkhazia to the world, and not just see it become annexed by Russia."

QUESTION: Thank you very much for your presentation. What is your opinion on the domestic politics in Georgia, Azerbaijan, and Armenia?

What drives the conversation? Is it a left-right/pro-anti-Russian cleavage? What drives the political scene in those countries?

THOMAS DE WAAL: We're still seeing a kind of hangover from Soviet days, in a rather feudal style of politics, whereby one group captures power and dominates the economy as well. They look towards the West a bit. They have membership in some Western institutions, like the [Council of Europe](#). They do not have fully authoritarian systems and they do tolerate things like a bit of free media, some elections, and so on. But this is unfortunately the pattern.

We can't really talk about left-right in that context. It's all about competition for resources. That's certainly the case in Azerbaijan, and a bit less so in Armenia.

Georgia is a bit more interesting. It's the most pluralistic of the three countries. What's interesting in Georgia—and again this is one reason why the Georgians won a lot of friends in certain areas of Washington—is that they have pursued this very right-wing libertarian economic policy over the past few years. They have sort of

[Cato Institute](#) policy—massive deregulation, pretty much sacking the entire police force and appointing it again, minimum regulation—in order to encourage investment.

Yet when you look at the opinion polls and ask them what the main issue for them is, Georgians say jobs and unemployment. Unemployment is very high. There is a bit of a collision coming in Georgia in the next year or two. A left-wing party could actually pick up a lot of votes if it plays on that card and says, "Enough of these libertarians. We want jobs for the masses."

QUESTION: I want to know what kind of educational system they have in the Caucasus. What is the unemployment rate, or is there such a thing as an unemployment rate?

THOMAS DE WAAL: The educational system is very much left over from the Soviet era—quite rigid, quite good on science subjects, although that has been eroded because teacher salaries are very low, unfortunately. But education is still one of the stronger points in this region, although undermined by a weak economy.

Unemployment is a very big factor. I saw a survey yesterday which said that the official unemployment rate in Georgia is about 17 percent, which is high enough, but then in surveys, up to 70 percent of people described themselves as underemployed or unemployed, which implies that only about 30 percent of people have a full-time job.

A lot of these people are farmers. They basically live off subsistence, and they have no connection with the state at all. They're just living off what they can grow.

This is a huge problem, and economic policies from outside really need to start addressing this problem.

QUESTION: You suggested an internal focus, with specific reference to institution building and civil service. Where are civil servants recruited? What kind of education do they have? What international exposure do they have?

THOMAS DE WAAL: This is another huge problem. This is very much the Soviet legacy; they have what you might describe as a bureaucracy, but not a civil service. For those of you who know Russia, 90 percent of the civil service class sit at their desks and draw a salary and create problems for people, rather than actually be public servants. When we're talking about civil service reform, it's possible that you need to scratch it out and start again from the beginning.

I was in Brussels recently, and people in the European Commission were saying, "This has to be the priority. How can you build a state without a proper public service?"

QUESTION: I don't recall the town, but there was a horrific attack on a child's school in the area that you're talking about. Were you there, or did you go there? Are there any insights that we may have missed?

THOMAS DE WAAL: You're talking about [Beslan](#) in 2004, in North Ossetia, which is on the Russian side of the mountains. I did go there a few months afterwards, but I wasn't there at the time. It was this horrific incident where these mainly Chechen gunmen took over a school and killed a number of hostages. When the Russian special forces stormed the school, about 300 people died, half of them children. Yes, it was one of the most hideous events in the last decade, and was a terrorist incident.

It was to do, unfortunately, with the horrible politics of the North Caucasus, about Russian repression and local reaction, and then how that became connected with Islamist movements.

The Ossetians themselves were an interesting case. There are all these fascinating little ethnic groups in the Caucasus. They're mainly Christian, not Muslim, although when you actually talk to them, you discover that most of them are pretty much pagan.

They say it's St. George, but it's actually their own pagan god [Uastyrji](#). I'm allowed to say his name because I'm a man, but women are not allowed to utter the name [Uastyrji](#). Several times a year, they go off to these old shrines, which they say are Christian, but which don't have many Christian signs on them, and slaughter animals and have big parties.

They are a bit set apart from their Islamic neighbors in the North Caucasus, which is one reason, unfortunately, for being a target for Islamist violence in Beslan. Yet they also have this conflict with Georgians in the South as well. So it's not an easy lot to be an Ossetian. It's one of these funny nationalities which seems to exist in a little bubble of its own.

JOANNE MYERS: I thank you for being such a wonderful teacher.

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